



## Financial Services Audit Committee Communication

**Date:** April 23, 2021

**To:** Great Lakes Water Authority Audit Committee

**From:** Jon Wheatley, Public Finance Manager

**Re:** Proposed Extension of Water Residential Assistance Program – Temporary Program Change Related to Participant Removal Due to COVID-19

**Background:** Water Residential Assistance Program (“WRAP”) provides sustainable funding for qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) customers. The program is currently funded by GLWA at an amount equal to 0.5 percent of budgeted revenues with the budgeted FY 2021 funding level of \$6.1 million combined for water and sewer services. The program is administered by Wayne Metro Community Action Agency (“Wayne Metro”), a nonprofit agency.

The current program design requires that a participant is removed from WRAP if they do not stay current on their payments. If they are removed from the program they can re-enroll in the program after six months.

**Analysis:** In an effort to keep WRAP participants that have experienced a loss in income due to the COVID-19 pandemic in the program, Wayne Metro is recommending an extension of the temporary exception in WRAP ongoing eligibility criteria through June 30, 2021 as discussed in the included letter dated March 15, 2021.

At its meeting on October 28, 2020, the GLWA Board of Directors approved Wayne Metro’s previous recommendation to temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP program if participants demonstrate a significant loss of income or inability to make a timely payment due to COVID-19 and that participants will still be eligible to receive monthly bill credits and arrears payments if applicable until December 31, 2020.

On December 22, 2020 the State of Michigan passed Public Act 252 of 2020 (Water Shutoff Restoration Act, also included with this memo), which extended the shutoff moratorium to March 31, 2021. This temporary period has expired and during the weeks following, WRAP participants have not been removed from the program if they have missed payments, pending a decision from GLWA on this extension request. Based on recent experience in

Wayne County, almost a thousand households have missed a payment and are at risk of being removed from WRAP.

**Budget Impact:** None.

**Proposed Action:** The GLWA Audit Committee recommends that the GLWA Board of Directors approve the extension of the temporary Water Residential Assistance Program change to 1) temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP program provided that participants demonstrate a significant loss of income or inability to make a timely payment due to COVID-19; and 2) participants will still be eligible to receive monthly bill credits and arrears payments if applicable until June 30, 2021.

**..Title**

**Water Residential Assistance Program- Extension of Temporary Program Change  
Related to Participant Removal Due to COVID-19**

**..Body**

Agenda of: April 28, 2021

Item No.: **2021-**

Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Sue F. McCormick  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** April 23, 2021

**RE: Water Residential Assistance Program- Extension of Temporary  
Program Change Related to Participant Removal Due to COVID-19**

**MOTION**

Upon recommendation of Sue McCormick, Chief Executive Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the extension of the temporary Water Residential Assistance Program change to 1) temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP program provided that participants demonstrate a significant loss of income or inability to make a timely payment due to COVID-19; and 2) participants will still be eligible to receive monthly bill credits and arrears payments if applicable, until June 30, 2021,** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

**BACKGROUND**

The Water Residential Assistance Program (“WRAP”) provides sustainable funding for qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) customers.

The program is currently funded by GLWA at an amount equal to 0.5 percent of budgeted revenues with the budgeted FY 2021 funding level of \$6.1 million combined for water and sewer services.

The scope of funding uses includes a) payment assistance and b) water audit and water conservation measures. Eligible residential customers with a past due bill and/or who are in active shut off can receive assistance with paying down arrears and receive \$25 toward monthly bill payment assistance annually up to \$1,000. High volume water users can receive a one-time home audit and home water conservation services of an average \$1,500 per household. To participate in WRAP, an applicant must have household gross incomes at or below 200% of the federal poverty income thresholds. Customers with water usage at or above 120% of the average residential usage are eligible to participate in a water audit and install water conservation measures. WRAP participants are also encouraged to participate in both financial coaching and water conservation workshops as well as other support services. The program is administered by Wayne Metro Community Action Agency ("Wayne Metro"), a nonprofit agency.

The current program design requires that a participant is removed from WRAP if they do not stay current on their payments. If they are removed from the program they can re-enroll in the program after six months.

### **JUSTIFICATION**

In an effort to keep WRAP participants that have experienced a loss in income due to the COVID-19 pandemic in the program, Wayne Metro is recommending an extension of the temporary exception in WRAP ongoing eligibility criteria through June 30, 2021 as discussed in the included letter dated March 15, 2021..

At its meeting on October 28, 2020, the GLWA Board of Directors approved Wayne Metro's previous recommendation to temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP program if participants demonstrate a significant loss of income or inability to make a timely payment due to COVID-19 and that participants will still be eligible to receive monthly bill credits and arrears payments if applicable until December 31, 2020.

On December 22, 2020 the State of Michigan passed Public Act 252 of 2020 (Water Shutoff Restoration Act), which extended the shutoff moratorium to March 31, 2021. This temporary period has expired and during the weeks following, WRAP participants have not been removed from the program if they have missed payments, pending a decision from GLWA on this extension request. Based on recent experience in Wayne County,

almost a thousand households have missed a payment and are at risk of being removed from WRAP.

### **BUDGET IMPACT**

None

### **COMMITTEE REVIEW**

This matter was reviewed by the GLWA Audit Committee at its meeting on April 23, 2021. The Audit Committee [insert action] recommended that the GLWA Board of Directors approve the extension of the temporary Water Residential Assistance Program change to 1) temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP program provided that participants demonstrate a significant loss of income or inability to make a timely payment due to COVID-19; and 2) participants will still be eligible to receive monthly bill credits and arrears payments if applicable until June 30, 2021.



Macomb  
Community  
Action



March 15, 2021

Great Lakes Water Authority & Chief Executive Officer  
500 Randolph, 19<sup>th</sup> Floor  
Detroit, MI 48202

**RE: Recommended Temporary WRAP Program Design Changes in response to COVID-19**

Dear GLWA Board of Directors and Sue McCormick:

Community Action Agencies in collaboration with America's anti-poverty network, carry out a shared promise to empower people and communities to be strong, healthy, and thriving. Through Wayne Metro's WRAP Program, The Community Action Alliance for Southeast Michigan is continuing to service Great Lakes Water Authority (GLWA) customers by offering financial assistance to thousands of residents in an effort to prevent water service shut offs.

WRAP continues to have a significant and positive impact on communities, however, a growing number of households have experienced significant losses in income due to the ongoing Coronavirus pandemic. The pandemic has left thousands of households without income, awaiting Unemployment Insurance Assistance, struggling with rent and mortgage payments, unable to make timely utility and water payments, and maintain food security for themselves and their children.

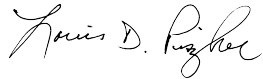
While the current moratorium prevents water shut offs, many WRAP households are unable to make monthly payments, and are disproportionately impacted due to systemic poverty. At the end of the moratorium, for a large number of households who may have larger balances on their water bill due to non-payment, adverse action during their current WRAP enrollment may negatively impact enrollment status in the future. In an effort to further assist households, **Wayne Metro recommends a temporary exception in WRAP ongoing eligibility criteria through June 30.** Wayne Metro respectfully requests that GLWA Board of Directors:

**1. To temporarily allow program participants who are unable to make monthly payments on time to remain in the WRAP Program.**

- a. Participants must demonstrate a significant loss of income or inability to make a timely payment due to COVID-19.
- b. Participants will still be eligible to receive monthly bill credits and arrears payments if applicable.

**In advocating for these temporary program changes, it is worth noting that program removal may be detrimental and therefore would not be recommended. The temporary change to the program through the end of the current moratorium and Executive Order would be beneficial to all communities, and will also benefit 955 participating families residing within Wayne County.**

Sincerely,

A handwritten signature in black ink, appearing to read "Louis D. Piszker". The signature is fluid and cursive, with the first name "Louis" and last name "Piszker" clearly distinguishable.

Louis D. Piszker  
Chief Executive Officer

\*\*\*\*\* Act 252 of 2020 THIS ACT IS REPEALED BY ACT 252 of 2020 EFFECTIVE MARCH 31, 2021: See 460.1356 \*\*\*\*\*

## **WATER SHUTOFF RESTORATION ACT**

### **Act 252 of 2020**

AN ACT to prescribe the powers and duties of public water suppliers in this state; to prescribe the powers and duties of certain state and local officers and entities; to require certain reporting requirements by public water suppliers; and to repeal acts and parts of acts.

**History:** 2020, Act 252, Imd. Eff. Dec. 22, 2020.

*The People of the State of Michigan enact:*

\*\*\*\*\* 460.1351 THIS SECTION IS REPEALED BY ACT 252 of 2020 EFFECTIVE MARCH 31, 2021: See 460.1356 \*\*\*\*\*

#### **460.1351 Short title.**

Sec. 1. This act shall be known and may be cited as the "water shutoff restoration act".

**History:** 2020, Act 252, Imd. Eff. Dec. 22, 2020.

\*\*\*\*\* 460.1352 THIS SECTION IS REPEALED BY ACT 252 of 2020 EFFECTIVE MARCH 31, 2021: See 460.1356 \*\*\*\*\*

#### **460.1352 Definitions.**

Sec. 2. As used in this act:

(a) "Public water supply" means that term as defined in section 2 of the safe drinking water act, 1976 PA 399, MCL 325.1002.

(b) "Service area" means the area for which a public water supply collects payment for water service.

**History:** 2020, Act 252, Imd. Eff. Dec. 22, 2020.

\*\*\*\*\* 460.1353 THIS SECTION IS REPEALED BY ACT 252 of 2020 EFFECTIVE MARCH 31, 2021: See 460.1356 \*\*\*\*\*

#### **460.1353 Public water supply; shut off prohibited for nonpayment; restoration required.**

Sec. 3. (1) A public water supply shall not shut off water service to any occupied residence due to nonpayment. A public water supply must restore water service to any occupied residence where water service has been shut off due to nonpayment as long as the public water service does not have reason to believe that reconnection would create a risk to the public health due to an improper cross connection. To facilitate the restoration of water service, a public water supply must immediately make best efforts to determine those occupied residences within their service areas that do not have water service.

(2) If a public water supply determines that any occupied residence within its service area has had water shut off for any reason other than nonpayment, or that reconnection would create a risk to public health due to an improper cross connection, the public water supply must make best efforts to remedy these conditions and restore water service to those occupied residences as soon as possible.

**History:** 2020, Act 252, Imd. Eff. Dec. 22, 2020.

\*\*\*\*\* 460.1354 THIS SECTION IS REPEALED BY ACT 252 of 2020 EFFECTIVE MARCH 31, 2021: See 460.1356 \*\*\*\*\*

#### **460.1354 Utilization of water shutoffs; report to State of Michigan Emergency Operations Center.**

Sec. 4. Any public water supply that has used water shutoffs as a remedy for nonpayment within the year preceding the effective date of this act and that has not submitted a report to the State of Michigan Emergency Operations Center before the effective date of this act that meets all of the following requirements must submit a supplemental report to the State of Michigan Emergency Operations Center every 30 days until the public water supply submits a report that meets all of the following requirements:

(a) An account of the efforts that have been made to determine those occupied residences within the public water supply's service area that do not have water service.

(b) The number of occupied residences within the public water supply's service area that do not have water



service as a result of nonpayment.

(c) The number of occupied residences within the public water supply's service area that do not have water service as a result of any reason other than nonpayment.

(d) A certification, if true, of all of the following:

(i) That best efforts have been exercised to determine those occupied residences within the service area that do not have water service.

(ii) That to the best of the public water supply's knowledge no occupied residences have their water service shut off due to nonpayment.

(iii) That the public water supply has reconnected water service for all occupied residences that can be reconnected without creating a potential risk to public health.

(iv) That the public water supply has exercised best efforts to remedy the conditions that prevent reconnection due to a risk to public health.

**History:** 2020, Act 252, Imd. Eff. Dec. 22, 2020.

\*\*\*\*\* 460.1355 THIS SECTION IS REPEALED BY ACT 252 of 2020 EFFECTIVE MARCH 31, 2021: See 460.1356 \*\*\*\*\*

#### **460.1355 Abrogation of rights and obligations.**

Sec. 5. This act does not abrogate the obligation of a resident to pay for water, prevent a public water supply from charging any customer for water service, or reduce the amount a resident may owe a public water supply.

**History:** 2020, Act 252, Imd. Eff. Dec. 22, 2020.

\*\*\*\*\* 460.1356 THIS SECTION IS REPEALED BY ACT 252 of 2020 EFFECTIVE MARCH 31, 2021: See 460.1356 \*\*\*\*\*

#### **460.1356 Repeal of act.**

Sec. 6. This act is repealed effective March 31, 2021.

**History:** 2020, Act 252, Imd. Eff. Dec. 22, 2020.