



Legislation Text

File #: 2019-249, **Version:** 1

Reallocation of FY 2018 Water Residential Assistance Program (WRAP) Funds

Agenda of: June 26, 2019

Item No.: **2019-249**

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: June 26, 2019

RE: Reallocation of FY 2018 Water Residential Assistance Program (WRAP) Funds

MOTION

Upon recommendation of Sue McCormick, Chief Executive Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **1) approves the reallocation of the uncommitted FY 2018 assistance funds of \$675,000 (net of the \$254,732 repurposing of uncommitted FY 2018 assistance funds) with an allocation of \$438,750 to Detroit and \$236,250 to Flint and 2) approves the reallocation of the uncommitted FY 2018 conservation funds of \$547,155 (including \$254,732 from uncommitted FY 2018 assistance funds) with an allocation of \$355,650 to Detroit and \$191,505 to Flint.; 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 funded by GLWA at an amount equal to 0.5 percent of budgeted revenues with the budgeted FY 2019 funding level of \$4.9 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 up to \$1,000. Maximum annual assistance per household is \$2,000. To participate in WRAP, an applicant must have household gross incomes at or below 150% 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 WRAP began providing assistance to residents in the GLWA service area on March 1, 2016 and to date has committed almost \$13 million in assistance and conservation funds to qualified WRAP participants. WRAP has the potential to serve over 100 communities within the GLWA service area, but to assist qualified households, each community must opt into the program and sign a Memorandum of Agreement (MOA) with Wayne Metro. To date, 76 communities have opted into WRAP. A list of current participating communities is presented in **Table 1** (refer to attachment).

JUSTIFICATION

WRAP Cashflow through June 30, 2018: **Table 2A** (refer to attachment) shows the WRAP cashflow of budgeted and committed funds in total and for each of the participating counties and the City of Detroit for the period of March 1, 2016 to June 30, 2018. Through June 30, 2018, \$1,354,752 in assistance funds remain uncommitted and \$1,016,761 of conservation and repair dollars were unspent. Of the uncommitted amounts, \$929,733 in assistance funds and \$292,424 in conservation funds are related to the proposed FY 2018 funding reallocations, see Wayne Metro **Exhibit A**.

WRAP Cashflow through April 30, 2019: **Table 3A** (refer to attachment) shows the WRAP cashflow of budgeted and committed funds in total and for each of the participating counties and the City of Detroit for the period of March 1, 2016 to April 30, 2019. **Table 3A** includes the budgeted assistance and conservation funding allocations for FY 2019 in addition to the funding commitments for FY 2019. Through April 30, 2019, \$3,167,836 in assistance funds remain uncommitted and \$1,392,296 in conservation funds were unspent.

Wayne Metro Funding Recommendations

Based on the demonstrated usage of the WRAP funds since March 1, 2016 and the usage through the end of FY 2018, Wayne Metro is recommending reallocation of currently uncommitted FY 2018 suburban WRAP funds. Attached is Wayne Metro's letter (including referenced documents) dated June 14, 2019 which outlines their recommendations. Below is a summary of the recommendations:

1. Reallocation of Uncommitted FY 2018 Assistance Funds: WRAP utilization in FY 2018 for suburban Counties had uncommitted assistance dollars of \$929,733. This is down from the uncommitted funds from FY 2017 of \$1,063,519 as of June 30, 2018 **Exhibit A** (refer to attachment). Wayne Metro is recommending the repurposing of \$254,732 in uncommitted assistance funds be used for conservation and repairs as noted in #2 below. The net amount resulting from this repurposing of funds is \$675,000 for reallocation consideration. From the \$675,000 in uncommitted FY 2018 Counties' funds, Wayne Metro is recommending a transfer to the City of Detroit in the amount of \$438,750 and to the City

of Flint in the amount of \$236,250. **Table 2B** (refer to attachment) shows the effect of the proposed reallocation of these funds as of June 30, 2018.

2. **Reallocation of Uncommitted FY 2018 Conservation Funds:** In addition to the uncommitted assistance funds, \$292,424 remain from the suburban Counties' allocation of the conservation funds from FY 2018. Wayne Metro is recommending combining the \$254,732 of repurposed FY 2018 assistance funds (noted above) and the \$292,424 of unspent FY 2018 suburban Counties' conservation funds for a total of \$547,155. From the \$547,155, Wayne Metro is recommending the transfer of \$355,650 to the City of Detroit and \$191,505 to the City of Flint as shown in **Exhibit A**. **Table 2B** also shows the effect of the proposed reallocation of these funds as of June 30, 2018.

Table 3B shows the impact of the recommended reallocation of uncommitted FY 2018 assistance and conservation funds through April 30, 2019.

BUDGET IMPACT

None

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meetings on May 17, 2019 and June 21, 2019.

At its meeting on June 21, 2019, the GLWA Audit Committee unanimously recommended the Great Lakes Water Authority Board approve the Wayne Metro recommendation to reallocate the uncommitted FY 2018 assistance funds of \$675,000 (net of the \$254,732 repurposing of uncommitted FY 2018 assistance funds) with an allocation of \$438,750 to Detroit and \$236,250 to Flint and approve the Wayne Metro recommendation to reallocate the uncommitted FY 2018 conservation funds of \$547,155 (including \$254,732 from uncommitted FY 2018 assistance funds) with an allocation of \$355,650 to Detroit and \$191,505 to Flint.