



## Legislation Text

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**File #:** 2020-037, **Version:** 1

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### **Resolution 2020-037 to Increase Water Residential Assistance Program Funding and Expand Program Eligibility Criteria**

#### GREAT LAKES WATER AUTHORITY RESOLUTION 2020-037 TO INCREASE WATER RESIDENTIAL ASSISTANCE PROGRAM FUNDING AND EXPAND PROGRAM ELIGIBILITY CRITERIA

By: Member Gary Brown

WHEREAS, the Great Lakes Water Authority (GLWA) is an authority incorporated under the provisions of 1955 PA 233, as amended, MCL 124.281, *et seq.*; and

WHEREAS, GLWA is dedicated to providing the nation's best water supply and sewage disposal services, through its member-partner communities to citizens in its service area; and

WHEREAS, GLWA and the City of Detroit entered into a Water and Sewer Services Agreement (WSSA) to facilitate GLWA's provision of the water supply and sewage disposal services to its member-partner communities; and

WHEREAS, GLWA's Board of Directors (Board) approves, fees, charges and charge-setting protocols for the GLWA; and

WHEREAS, the Board recognizes that for some residential customers of GLWA's member-partner communities the cost of water supply and sewage disposal services presents a burden that they may not be able to afford, and

WHEREAS, the Board seeks to work with its member-partner communities to provide a means to reduce the number of residential customers who may be subject to service interruption due to an inability to pay for services and ultimately to reduce such service interruptions; and

WHEREAS, the Board recognizes that some residential customers can benefit from regional programs to reduce residential service disconnections, accrued billing arrearages, collection expenses and water consumption through leaks and outdated plumbing fixtures; and

WHEREAS, the Board recognizes that such programs provide residential customers with public health and other non-monetary benefits, and improves member-partner's revenue collection rates; and

WHEREAS, Section 5.3(a)(iv) and (b)(vi) of the WSSA states that the City shall include within its Local System Budget:

The amount necessary to be deposited to the WRAP Fund, which shall be equal to 0.5% of the base budgeted operating revenues for the Detroit Local Systems for such Fiscal Year; and

WHEREAS, since its inception, the WRAP Fund has assisted almost 19,000 residential customers throughout GLWA's service area with payment assistance, water conservation and plumbing repairs, and wraparound services, thereby preventing service interruptions and bringing stability to participating residential households; and

WHEREAS, GLWA's WRAP administrators, Wayne Metropolitan Community Action Agency, Oakland Livingston Human Services Agency, Genesee County Community Action Resource Department, Macomb Community Action, and Monroe County Opportunity Program, recommend changes in the WRAP eligibility requirements; and

WHEREAS, changes to the WRAP eligibility criteria would enable the WRAP to reach more residential customers who are struggling to pay for water supply and sewage disposal services; and

NOW THEREFORE conditioned on the City of Detroit's City Council authorizing an amendment to the WSSA and the Board of Water Commissioners, pursuant to its rate-setting authority for the local retail system under Section 7-1202 of the City Charter, authorizing an amendment to the WSSA prior to implementation of this Resolution;

BE IT FURTHER RESOLVED THAT the GLWA Board hereby approves and authorizes the following amendment to the WSSA:

Section 5.3 (a)(vi) and (b)(vi) of the WSSA, which currently reads:

The amount necessary to be deposited to the WRAP Fund, which shall be equal to 0.5% of the base budgeted operating revenues for the Detroit Local Systems for such Fiscal Year.

Is amended to read as follows:

The amount necessary to be deposited to the WRAP Fund, which shall be not less than 0.5% but not greater than 1.0% of the base budgeted operating revenues for the Detroit Local Systems for such Fiscal Year. Any amounts greater than 0.5% may be used by the Detroit Local system to further the purposes of the WRAP program or other related pilot program or activity determined by the Detroit Local System to meet its local needs. The WRAP administrator shall consult with the Detroit Local System to provide requested assistance for any such local pilot program. At the end of the first fiscal year following implementation of a pilot program for the Detroit Local System, the WRAP administrator and a representative of the local system shall advise the Board of the results of any pilot program; and

BE IT FURTHER RESOLVED THAT and consistent with the WSSA Amendment, the Board authorizes the amounts deposited in the WRAP Fund shall be 1% of base budgeted operating revenues for the Detroit Local System for Fiscal Year 2021.

BE IT FURTHER RESOLVED THAT the Board authorizes and approves expansion of WRAP eligibility criteria to include the following:

- Increase eligibility for residential customers from 150% to 200% or less of federal poverty level;
- Increase conservation and plumbing repairs spending per household from \$1,000 to an average of \$1,500 and a cap of \$2,000 per customer for eligible residential customers;
- Allow eligible residential customers that are renters to take advantage of conservation and plumbing repairs to reduce their water consumption, upon landlord executing an agreement not to raise rents for one year;

BE IT FURTHER RESOLVED THAT to the extent that GLWA incurs any liability or incurs any judgment related to its administration of the WRAP Fund or the provisions of this Resolution, the amounts of such liability and/or judgment shall be paid from WRAP Fund prior to additional distributions from the WRAP Fund to residential customers.