

Legislation Text

File #: 2020-353, Version: 1

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

Agenda of: October 28, 2020

Item No.: **2020-353**

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: October 15, 2020

RE: Water Residential Assistance Program- 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 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 December 31, 2020** 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

On July 8, 2020, Governor Whitmer signed Executive Order 2020-144 which extended the moratorium on water service shut offs through December 31, 2020. Since July, Wayne Metro has observed that about 1,000 WRAP participants within the city of Detroit had missed a payment. In August, a similar trend in non-payments was experienced in Detroit.

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 a temporary exception in WRAP ongoing eligibility criteria through December 31st in alignment with the Governor's Executive Order. In the included letter dated September 22, 2020, Wayne Metro recommends to 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. During this time participants will still be eligible to receive monthly bill credits and arrears payments if applicable.

This matter has arisen within the past week and is a departure from program design. Wayne Metro attended the Audit Committee to discussion on how best to work through this unusual situation. In addition, this proposal has been discussed with the DWSD financial leadership team.

BUDGET IMPACT

None

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on September 25, 2020 and to the Operations and Resources Committee at its meeting on October 15, 2020. Both the Audit Committee and the Operations and Resources Committee recommended approval of the temporary WRAP program change to the GLWA Board.