



Legislation Text

File #: 2022-208, Version: 1

Water Residential Assistance Program Funding Reallocation

Agenda of: June 22, 2022

Item No.: **2022-208**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Interim Chief Executive Officer
Great Lakes Water Authority

DATE: June 8, 2022

RE: **Water Residential Assistance Program Funding Reallocation**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approve the reallocation of the uncommitted and unspent assistance funds of \$2,815,194 to the City of Detroit and \$1,515,874 to the City of Flint** and authorizes the ICEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Periodically, the Board of Directors considers the reallocation of uncommitted Water Residential Assistance Program (WRAP) funds by fiscal year. The purpose of a reallocation is to provide additional funding to those service areas where the funding was fully committed.

JUSTIFICATION

GLWA staff have compiled information across the WRAP program years to capture funds that were budgeted, reallocated, spent by the community action agencies, and commitments that remain as of June 30, 2021.

Based on the items highlighted in yellow in the Net Balance Available line of Table 1 (attached), a total of \$4,331,068 has been uncommitted and unspent since 2016 in the counties of Washtenaw, Monroe, Lapeer, Macomb, Oakland, St. Clair, Out-Wayne.

Wayne Metropolitan Community Action Agency (Wayne Metro) has recommended that the uncommitted and unspent funds from those counties be reallocated to the City of Detroit and the City of Flint. Details of their recommendation can be found in the accompanying letter.

GLWA staff recommends reallocation of uncommitted and unspent funds as detailed in the following attached tables: Table 2 - Proposed WRAP Reallocation, Table 3 - Proposed WRAP Reallocation Distribution and Table 4 - Adjusted June 30, 2021, and Roll Forward with Proposed Reallocations.

- The City of Detroit to receive a total of \$2,815,194 (65 percent) of the uncommitted and unspent funds available. After accounting for administrative costs of 12 percent (\$337,823), the remaining funds will be \$1,981,897 (80 percent) allocated towards direct assistance and \$495,474 (20 percent) allocated towards conservation assistance.
- The City of Flint to receive a total of \$1,515,874 (35 percent) of the uncommitted and unspent funds available. After accounting for administrative costs of 12 percent (\$181,905), the remaining funds will be \$1,981,897 (80 percent) allocated towards direct assistance and \$266,794 (20 percent) allocated towards conservation assistance.

As of December 31, 2021, WRAP inflows have been timely and within budget. Data by agency can be found in the most recent WRAP Quarterly Report (also attached). A reallocation request of funds uncommitted and/or unspent for Fiscal Year 2022 can be expected in the coming months.

BUDGET IMPACT

This item does not impact the budget.

COMMITTEE REVIEW

This matter was presented to the GLWA Audit Committee at its May 27, 2022, meeting. The Audit Committee unanimously recommended that the Great Lakes Water Authority Board of Directors approve the reallocation of the uncommitted and unspent assistance funds of \$2,815,194 to the City of Detroit and \$1,515,874 to the City of Flint.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.