

Water Affordability Coalition

Affordability and Planning Grant Award

July 22, 2021



Meeting Agenda

- 🌿 Welcome
- 🌿 Introductions
- 🌿 Review of EGLE Grant Goals and Deliverable
- 🌿 Matrix of Community Commonalities and Differences
- 🌿 Discussion Questions:
 - 🌿 How do you define affordability?
 - 🌿 What would need to happen for you to say this grant work was a success?
- 🌿 August Meeting Topics
- 🌿 Next Meeting
- 🌿 Adjourn






Welcome and Introductions Commissioner Nash





Grant Overview



Michigan Department of Energy, Great Lakes, and Environment Affordability and Planning Grant Details:

-  Overview
-  Work Task Commitments
-  Schedule and Structure

What does this grant do?

-  Funds WRC efforts to create a sustainable affordability plan
-  Funds the use of expert consultants to help study and develop the affordability plan

What this grant does not do:

-  Does not provide money for payment of water/sewer bills
-  Does not provide money for investment in infrastructure



Grant Details



Amount of Grant

- \$444,600



Match Requirement

- \$0



Start Date

- May 19, 2021



End Date

- September 30, 2022



Quarterly reporting is due to EGLE

Our Work Task Commitments

- Engage the community and local elected and public officials
- Identify demographics and reasons for nonpayment of water bills
- Research and document affordability programs and short-list applicable ones
- Identify legal hurdles
- Identify and leverage other community, state and federal programs
- Work with non-governmental organizations that serve low-income customers
- Create affordability plan framework
- Evaluate long-term financial sustainability



Schedule

		2021						2022								
	Description	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
1	Engage Local Officials															
2	Identify Demographics and Reasons for non-payment															
3	Research and Document Affordability Programs															
4	Identify Legal Hurdles and Mitigation Efforts															
5	Identify and Leverage Other Community, State and Federal Programs															
6	Convene a NGOs Task Force to Assist with Customer Engagement															
7	Create the Framework for the Affordability Plan															
8	Evaluate Long-Term Financial Sustainability															

Stakeholders

Community Representatives: (Pontiac and Royal Oak Township Coalitions)	Provide Monthly Feedback on Program Development
Broad WRC Stakeholder Group	Engineering, Legal, Billing, Finance, Marketing and Communications
Non-Governmental Organizations	Customer Engagement and Program Implementation
Internal Project Team (WRC/OHM Advisors)	Project Management, Meeting Facilitation, Grant Administration and Technical Support

Meeting Structure Going Forward

Stakeholder Group Composition

- Join forces of Pontiac Water Affordability Coalition with the Royal Oak Township Affordability Coalition
- Identify stakeholders who are missing and add them
- Communicate that key stakeholders are needed as regular participants to make progress

Stakeholder Group Meeting Schedule

- One 60–90-minute meeting once per month
- Virtual, hybrid, or in-person

Stakeholder Group Objectives

- Report on progress of the grant work
- Gain feedback on plans and actions taken
- Collaborate to ensure WRC is on the path to achieving critical success

Matrix of Community Characteristics — Demographics

Categories	Royal Oak Township	Pontiac
Demographics	Median household income is \$28,311	Median household income is \$33,568
	Race by percentage: African American: 84% Two or more races: 8% White: 5% Other race: 2% Hispanic: 2%	Race by percentage: African American: 50% Two or more races: 5% White: 23% Asian: 2% Hispanic: 23%
	Income by percentage: <\$25k: 45% \$25-\$44k: 28% \$45-\$74k: 14% \$75-\$149k: 12% \$150k+: 1%	Income by percentage: <\$25k: 38% \$25-\$44k: 24% \$45-\$74k: 20% \$75-\$149k: 16% \$150k+: 2%
	Age ranges by percentage: younger than 10 years: 15% 10-17 years: 11% 18-24 years: 8% 25-34 years: 17% 35-44 years: 8% 45-54 years: 12% 55-64 years: 12% 65+ years: 19%	Age ranges by percentage: younger than 10 years: 17% 10-17 years: 10% 18-24 years: 11% 25-34 years: 16% 35-44 years: 12% 45-54 years: 14% 55-64 years: 11% 65+ years: 10%
	33% homeowners, 67% renting	41% homeowners, 59% renting
	The population is 2,411	The population is 60,400



Matrix of Community Characteristics — Differences

Categories	Royal Oak Township (Pop. 2,411) Median Income: \$28,311	Pontiac (Pop. 60,400) Median Income: \$33,568
Size of System	Smaller System - a small change in expenses or a small change in projected consumption can have a much bigger impact on rate increases. For example, a decrease in projected consumption from one non-residential customer in Royal Oak Township caused a 3% increase in rates.	Larger System
Collaboration with Neighboring Communities	No similar opportunities for Royal Oak Township	Pontiac has been able to capitalize on opportunities to collaborate with neighboring communities to reduce expenditures (i.e. NOCWA and COSDS flow to CRWRFF). This has enabled WRC to accelerate the replacement of aging infrastructure and improve customer service in Pontiac.
Sewer System	Combined sewer system means Royal Oak Township pays sewage disposal fees to two entities (GLWA and GWK). Sewer bills are more burdensome to customers than water bills.	Separate sewer system means that Pontiac pays sewage disposal fees to one entity (CRWRFF).
EPA Affordability Guidelines	57% of households have water and sewer bills above the EPA affordability guideline.	37% of households have water and sewer bills above the EPA affordability guideline.
Residential Water and Sewer Bills	Average monthly residential water and sewer bill is \$115.	Average monthly residential water and sewer bill is \$82.
Fixed Costs	Royal Oak Township has little to no commercial properties that would offset costs for residents by paying a higher fixed fee.	Pontiac has more non-residential properties that pay fixed fees.

Matrix of Community Characteristics — Commonalities





Categories	Pontiac and Royal Oak Township
Aging Infrastructure	Aging infrastructure needs repair and upgrade, and customers are unable to afford these upgrades.
Lead	Lead service lines that need to be replaced.
WRAP Program	Need to better message the WRAP program to residents, especially seniors who don't use internet as often as other customers.

Discussion Questions

-  How do you define affordability?
-  What would need to happen for you to say this grant work was a success?



August Meeting Topics

-  SharePoint Site
-  Draft Survey
-  Polling Questions
-  Key Milestone Dates



Next Meeting

August 26, 2021 at 10 a.m.



Thank you!


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