

August 19, 2021 California Water and Wastewater Arrearage Payment Program

Webinar Attendee Questions & Answers

Please note that these answers are provided to the best of our ability while the guidelines for the program are still being developed and have not been adopted yet by the State Water Board. Subsequent changes to the guidelines may alter some of these answers in the future.

PROGRAM FAQ

1. Raymond Ibarra: **What is the email that we are sending questions too?**
 - a. A community water system should email their questions about the Program to: CommunityWaterSystemsCovidRelief@waterboards.ca.gov.

2. Diana Williford: **What time is the deadline on 9-10?**
 - a. 5:00 pm, September 10, 2021 is the deadline for the Drinking Water Arrearage Survey.

3. Anonymous Attendee: **Can we get copy of the webinar recording?**
 - a. Yes. The August 19, 2021 webinar recording is located here: <https://www.youtube.com/embed/0FH5STTbsB8?modestbranding=1&rel=0&autoplay=1>.
 - b. A copy of the presentation can be accessed here: https://www.waterboards.ca.gov/arrearage_payment_program/docs/state_water_board_arrearages_survey_training_08_19_2021_bt_accessible.pdf.

4. Cindy Tuck: **You said the draft resolution will be published next week. Will the draft guidelines also be released next week?**
 - a. Draft Guidelines will be posted on 8/25/2021. Please note that subsequent drafts may also be posted prior to the Board workshop on September 9, 2021. A draft resolution will be posted with the agenda for the September 21 and 22, 2021 Board meeting.

5. Nick Cooper: **Does the relief money have to be paid back?**
 - a. This Program will issue one-time payments directly to community water systems. Water systems only have to return funds if the funds are not used for permissible purposes.
 - b. Customers that receive account credits are not required to pay back their community water system for the amount of the credit or bill forgiveness.

6. Joe McDermott: **Our agency implemented a Flow Restrictor Device Program about 6 months ago in an effort to reduce and minimize arrearages. It has been pretty successful. Will agencies that have done their due diligence in implementing such programs be "penalized" by only receiving a set percentage based on current arrearages versus what the arrearages would have been if we had not implemented a flow restrictor program?**
- a. The allocation of Program funds will be determined based on current outstanding residential and commercial drinking water arrearages accrued during the COVID-19 pandemic period for services provided from March 4, 2020 through June 15, 2021.

PROGRAM ELIGIBILITIES

ACCOUNT TYPE ELIGIBILITIES

7. Brian Sanders: **If we have a closed account that was written off as a bad debt during the COVID timeframe, do we report that arrearage as well?**
Anonymous Attendee: **Would closed delinquent accounts be eligible?**
- a. Yes. Inactive accounts that accrued arrearages during the COVID-19 pandemic period for services provided from March 4, 2020 through June 15, 2021 are eligible for this Program.
8. Jennifer Bryant: **Do you have the NAICS codes for commercial businesses that are EXCLUDED in this program?**
- a. No. Excluded commercial businesses include: Industrial (manufacturing, chemical, refineries, cooling towers, animal & food processing, etc.); agriculture irrigation (crops, aquaculture, etc.); and landscape irrigation (parks, golf courses, etc.).
9. Esperanza Rosales: **Will there be customer eligibility criteria they must meet to receive this assistance?**
- a. Eligible customers include residential and commercial accounts that have accrued drinking water arrearages for services provided during March 4, 2020 through June 15, 2021.
 - i. **Residential** customers include single-family residences, multi-family residences, mobile homes, including, but not limited to, mobile homes in mobile home parks, or farmworker housing.
 - ii. **Commercial** customers include commercial and institutional customers: hotels, motels, restaurants, office buildings, government and military facilities, gas stations, hospitals, educational institutions, retail establishments, dormitories, nursing homes,

churches, jails, prisons, mental health facilities, addiction recovery centers, farmworker housing, and campgrounds.

1. Commercial customers do NOT include industrial (manufacturing, chemical, refineries, cooling towers, animal & food processing, etc.); agriculture irrigation (crops, aquaculture, etc.); and landscape irrigation (parks, golf courses, etc.).

10. Gregg Harpenau-Parks: Is there a specific reason why apartment complexes are not eligible for relief, considering people were allowed to skip paying rent without being evicted?

Shoshana Aguilar: **Can you confirm that apartments are included under residential/multi-family eligible accounts?**

- a. Apartment complexes that are community water systems are eligible for any arrearages associated with provision of water to their residential customers. Water systems that serve apartment complexes are eligible for arrearages accrued by these residential customers.

11. Cori Takkinen: I understand that industrial, agriculture irrigation, and landscape irrigation are not considered commercial. Does that mean that they are ineligible to apply?

- a. Yes. Industrial, agriculture irrigation, and landscape irrigation customer accounts are NOT eligible for this Program.

12. Anonymous Attendee: What about arrearages from golf courses? I see they're not considered residential or commercial. Are they eligible?

- a. No. Golf courses are considered landscape irrigation and are NOT eligible for this Program.

13. Anonymous Attendee: If a commercial account (office building) has a separate landscaping account, can we include those separate landscaping accounts?

- a. No. Landscaping accounts are NOT eligible for the Program. Only include the commercial account.

14. Erin Franks: If we have an account that we classify as "commercial" - such as an office building - but also includes an ineligible use on the same meter, such as a cooling tower, is this entire account ineligible? Do we need to prorate it in some way (we don't have this data)? What if an office building has a cooling tower but we are unaware?

- a. You can consider the full commercial account amount and do not have to prorate it. Cooling towers on separate meters or accounts are ineligible.

15. Isarel Perez-Hernandez: Other than residential and commercial what about churches? What about industrial?

- a. Churches are considered commercial account types and ARE eligible for the Program.
- b. Industrial account types are NOT eligible for the Program.

16. Victor Damiani: Other assistance programs require customers to demonstrate a financial need. Will this program require individual customers to demonstrate a financial need?

- a. No. The Program does not require individual customers to demonstrate financial need. The Program required community water system applicants to provide the State Water Board information about total residential and commercial arrearages that have accrued during the COVID-19 pandemic period for services provided from March 4, 2020 through June 15, 2021.
- b. The draft program guidelines will encourage water systems to utilize household income information, if available, when disbursing the relief funds.

17. Anonymous Attendee: Other than being past due what other requirements must the customer meet to qualify? Do we need to do any verification?

- a. Customers must be either residential or commercial customers AND have outstanding accrued arrearages for services provided during March 4, 2020 through June 15, 2021 are eligible for this Program.
- b. Community water system applicants may need to provide some form of documentation to demonstrate reported need. This documentation would not require any information gathering from individual customers. The State Water Board is required to “establish guidelines for community water systems to prioritize residential water customers and customers with the largest arrearages.” (Health & Saf. Code, § 116773.4, subd. (b)(6)(B).) More information will be provided when the State Water Board adopts a resolution establishing Program guidelines for community water systems.

18. Malissa Kaping: Our arrearage data can be reported at the customer-type level, but not at the specific customer level. Will we need to figure out a way to report at the customer level in order to apply?

- a. Community water system applicants should be able to estimate the residential and commercial accounts. Water systems are NOT required to

identify sub-account types (i.e. office, church, apartment etc.). If a community water system applicant is not able to identify residential and commercial account, the system may use meter size (8 inches and under) to approximate eligible residential and commercial customers.

19. Anonymous Attendee: Does the customer qualify even if they had no financial impact due to COVID but didn't pay the bill regardless?

- a. Yes. Residential and commercial customers that accrued drinking water arrearages for services provided during March 4, 2020 through June 15, 2021 are eligible for this Program.

20. Raymond Ibarra: Regarding customers that have NOT responded to phone calls/emails/tags/payment plans offered on the tags, and our website that were hung during this period. Should they be eligible for the credits as well?

- a. Yes. Residential and commercial accounts that have accrued drinking water arrearages for services provided during March 4, 2020 through June 15, 2021 and have not responded to water system outreach are eligible for this Program.

21. Gloria Gonzalez: We had customers who were past due 60 days and paid (caught up). Would that be reported in the arrearages?

- a. No. Only *outstanding* accrued arrearages for services provided during March 4, 2020 through June 15, 2021 are eligible for this Program.

22. Lisa Martinez: Are we to include accounts that are on payment plans?

Vince Karlson: **If account has already been set up on an amortization for arrearage incurred during pandemic relief time frame, can that arrearage that has been amortized be included in the survey and program for payment?**

- a. Yes. Residential and commercial accounts that are on payment plans and that still have outstanding accrued arrearages for services provided during March 4, 2020 through June 15, 2021 are eligible for this Program.

23. Arturo Rodriguez: Can I get more info around customers over \$600?

- a. The Program survey collects information about customers who have arrearage balances greater than \$600 because it is possible that some water systems may be subject to the requirement to issue a 1099-C or other tax form to customers who receive debt relief. Although it appears that water systems typically will not need to issue a 1099-C or other tax form to customers who received greater than \$600 in debt relief, all water systems need to consult their own tax professionals.

- b. This information will be used by the State Water Board to guide communication efforts about the Program and its potential tax requirements. It may also be used for considerations in the Program guidelines.

24. Glenn Gradin: The \$600 reflects the water portion only of the bill that is in arrears?

- a. Yes. For community water systems that can report arrearages for residential and commercial customers for drinking water services only, please only report the number of accounts and arrearage sums.
- b. For community water system reporters that cannot distinguish non-payment for drinking water services from non-payment for other charges on the customer's bill (i.e. wastewater, energy, etc.), then please report your answers for the questions in the Residential and Commercial sections of the survey without approximating drinking water. The State Water Board will use your percentages provided in questions 4.1.1 and 13.1.1 to estimate your drinking water related arrearage needs.

25. Amy Joy Bakken: So, should it include accounts less than \$600 and more than \$600?

Anonymous Attendee: **So, should accounts that are under \$600 not be entered?**

- a. Below is guidance on how to report this information in the Program survey, if the following question numbers are visible to the water system reporter:
 - i. **Questions 5 and 14** ask for the total number of residential and commercial accounts that have accrued outstanding arrearages for services provided during March 4, 2020 through June 15, 2021. These total counts should be all accounts that have outstanding arrearages **INCLUDING** those with arrearage of \$600 or more.
 - ii. **Questions 6 and 15** ask for the sum of outstanding, uncollected residential and commercial arrearages for services provided during March 4, 2020 through June 15, 2021. These sums should be the total outstanding arrearages for all accounts that have **INCLUDING** those with \$600 or more in outstanding arrearages.
 - iii. **Questions 5.1 and 14.1** ask for total number of the residential and commercial accounts that have accrued arrearages of \$600 or greater. This total should **ONLY** include the total outstanding arrearages for the accounts that have \$600 or more in outstanding arrearages. Accounts that have \$599 or less should be excluded from your answers to these questions.

- iv. **Question 6.1 and 15.1** ask for the sum of the residential and commercial arrearages for customers that have accrued arrearages of \$600 or greater. This sum should ONLY include the total outstanding arrearages for the accounts that have \$600 in outstanding arrearages or more. Accounts that have \$599 or less should be excluded from your answers to these questions.

26. Amy Joy Bakken: Are the eligible arrearages only those greater than \$600 per customer?

- a. The Program is NOT prioritizing or limiting Program eligibility to community water systems with customers that have accrued arrearages \$600 or greater.

DEBT TRANSFER

27. Jennie Short: The FAQs answer says that if you have written the balance off as bad debt then you can't include it. Are you saying that we can?

Forrest Williams: My agency does not shut-off water due to non-payment. Unpaid water bills are transferred to the tax roll. How should these be handled?

Brian Sanders: Some cities and counties transfer arrearages to the county tax roles as a lien once a year, so when the property owners get their annual property tax bill the lien is on there, and the arrears get paid. At this time, city and county water utilities haven't technically been paid, so would the lien amount still be considered an arrearage?

Charles Kamweru: Should past due balances that a water system submitted to secondary collections and/or the county for property tax collections - is that eligible to be submitted via this survey?

Brian Sanders: If cities have sent arrearages to their county property tax lien, can the city cut a check in the amount of the lien to the customer if they have paid their property tax bill containing the lien before the city received and applies funds from the CWWAPP program?

Renee Van Dyk: My Water District files Tax Roll Liens on past due accounts once a fiscal year July- June. Should these accounts be included in the arrearage amount?

Javier Rodriguez: If a moved account was sent to a collection agency, can that be submitted?

Tiffany Matte: All of our accounts with arrearages during the qualifying period have been turned over to the county for collection through property taxes. Can those be included in the survey?

- a. Community water systems that have transferred their arrearages that qualify for the Program to a third-party (i.e. County, or other public or private debt collector) ARE eligible and may still apply to receive funding.
 - i. Only **active** accounts that had their debt transferred to a debt collector are eligible.
 - 1. This is different than those inactive accounts where the debt is still held by the community water system. These accounts are eligible for the Program.
 - 2. Transferred debt for currently inactive accounts is NOT eligible for the Program.
- b. Community water systems should include the original outstanding debt for drinking water services provided during March 4, 2020 through June 15, 2021 that was transferred to the third-party in their arrearage survey responses.
 - i. Community water systems do NOT have to collect any additional information from the third-party on the status of debt re-payment. For example, community water systems do NOT need to determine if the debt has been collected.
 - ii. Community water systems should NOT include any additional fees, fines, or interest payment costs associated with the debt that has been transferred to the third-party.
 - iii. Community water systems should NOT include any transferred debt that covered drinking water services provided outside of the COVID-19 pandemic period between March 4, 2020 through June 15, 2021.
- c. Community water systems that no longer hold the arrearage debt must credit qualifying active customer accounts, creating a positive balance for those customers to apply toward future water bills.
 - i. If the customer has existing arrearages (accrued during March 4, 2020 through June 15, 2021) that have not been transferred to the County or a debt collector, the Program funding should be allocated to the current debt that is still held by the community water system before a positive balance is created for the customer.
 - ii. After crediting existing qualifying arrearages, community water systems should credit any remaining Program funding as a positive balance for those customers to apply toward future water bills.
 - iii. Community water systems must notify their customers of this credit and must indicate that the relief afforded by this credit may be used to pay down the debt that was transferred to the third party.

SERVICE ELIGIBILITIES

28. Brian Jennings: Our bills include water, sewer, and trash services. Is it correct to say for now this initial funding can only be applied to the water portion of the bill?

- a. Yes. For community water systems that can report arrearages for residential and commercial customers for drinking water services only, please only report the number of accounts and arrearage sums.
- b. For community water system reporters that cannot distinguish non-payment for drinking water services from non-payment for other charges on the customer's bill (i.e. wastewater, energy, etc.), then please report your answers for the questions in the Residential and Commercial sections of the survey without approximating drinking water. The State Water Board will use your percentages provided in questions 4.1.1 and 13.1.1 to estimate your drinking water related arrearage needs.

29. Brian Sanders: The City bills for wastewater conveyance, are those arrearages reportable in the survey? We also bill for wastewater treatment on behalf of Regional Sanitation. Would the city report the wastewater treatment arrearages in addition to the conveyance? Or, would we only be able to report the conveyance arrearages and Regional Sanitation would be required to report the treatment arrearages? We collect the money from billing and send to Regional Sanitation.

- a. For community water systems that can report arrearages for drinking water services only, please do not include wastewater or other non-drinking water arrearages.
- b. For community water system reporters that **cannot distinguish** non-payment for drinking water services from non-payment for other charges on the customer's bill (i.e. wastewater, energy, etc.), then please report your answers for the questions in the Residential and Commercial sections of the survey *without* approximating drinking water. These answers may include all customer charges associated with providing these services (conveyance, treatment, etc.). The State Water Board will use your percentages provided in questions 4.1.1 and 13.1.1 to estimate your drinking water related arrearage needs.

30. Venus Rodriguez: We are a city that encompasses several services and use fund accounting. The water operations are considered their own entity. Does the reporting only include the water funds, or do we need to include others?

- a. For community water systems that can report arrearages for drinking water services only, please do not include other non-drinking water arrearages.

ELIGIBLE BILLING PERIOD

31. Shanika Goonewardene: *What is the number of active and inactive Residential accounts that are currently missing one or more required full or partial bill payment for drinking water services provided during a billing period that includes service from 03.04.2020 through 06.15.2021? This includes any customer billing period that contains these dates* * - Do these delinquencies also need to be 60 days past due?

- a. Yes. Please provide the number of active and inactive residential accounts that are 60 days past due for your billing schedule that includes services provided from March 4, 2020 through June 15, 2021.

32. Cheryl Doran Girard: To be clear, if a customer is in arrears prior to 3/4/2020 those charges are not included in response, correct?

Jennifer Bryant: Are past due balances on accounts that were accrued prior to March 4, 2020, eligible? They are still outstanding and have perhaps been unable to make their amortization payments because of COVID?

- a. It depends on the water system's billing frequency. If the customer's bill (monthly, quarterly, etc.) *includes* the COVID-19 pandemic period start date (03/4/2020), then the whole bill, which may include services provided prior to the start date, is eligible for this Program if the customer did not pay. Any unpaid bills that do NOT include *charges* for drinking water services provided during the COVID-19 pandemic period from March 4, 2020 through June 15, 2021 are not eligible for the Program. As long as the bill included services for these dates, the whole outstanding bill is eligible for this Program.
- b. Past due balances or arrearages for bills that were issued before the bill that includes the COVID-19 pandemic period start date (03/4/2020), are NOT eligible for the program.

33. Dominique Stewart: Given the defined timeline of the relief period, would the past due period be any bills that were past due bills as of 06/15/2021 or bills that were generated prior to 06/15/2021 and they are currently 60+ days past due?

Alejandra Gutierrez: Can you explain arrears for bi-monthly billing?

- a. The second option. The past due period is for bills that include services provided from March 4, 2020 through June 15, 2021 and are currently 60 days or more past due.
- b. The billing frequency can differ for many water systems. Arrears are determined either by your water system's adopted definition or 60 days past the due date for your bill.

34. Forrest Williams: Our accounting system can query arrearages but does not accept a dated range or distinguish between account types. It is a query of arrearages at that point in time. The cost and time to reprogram our accounting system is not feasible.

- a. Water systems that need help determining their qualifying arrearages should submit a for assistance completing the Program survey, please submit a [Technical Assistance \(TA\) Request Form](#) and email the TA Request Form to DFATARrequest@waterboards.ca.gov.

35. Anonymous Attendee: Please go over the 60 day past due for both March 4, 2020 and June 15, 2021. As I am understanding if the due date is 21 days after bill date and then we are only capturing 60 days past due delinquencies. We would only include Bill Dates prior to March 26, 2021 which will be due on April 16th, 2021 and 60 days delinquent on June 15, 2021.

Anonymous Attendee: So, if the due date is July 11th or later, then it's not eligible?

- a. Eligible bills include charges for services provided from March 4, 2020 through June 15, 2021 and are currently 60 days or more past due. Depending on your billing frequency and the due date for your water system's bill that includes services provided through June 15, 2021, the 60 days delinquent date may be mid-late Fall 2021. If the 60-day delinquent period is past the September 10, 2021 survey deadline, then those outstanding arrearages are not eligible.
 - i. Example A: Bill includes charges for services provided from June 1 through June 30 and the due date is July 23. 60 days past the due date would be roughly September 24, 2021. Because this date is past the survey deadline, this unpaid bill would not be eligible for the Program. Prior unpaid water bills for services provided since March 4, 2020 would be eligible.
 - ii. Example B: Bill includes charges for services provided from May 17 through June 20 and the due date is July 9. 60 days past the due date would be roughly September 9, 2021. Because this date is before the survey deadline, this unpaid bill would be eligible for the

Program. Prior unpaid water bills for services provided since March 4, 2020 would be eligible.

36. Anonymous Attendee: To clarify once more on the timeline, is it all bills in arrears during the COVID Relief period, or all bills issued within the COVID Relief period that are still in arrears?

Kathleen Willson: Please clarify for a monthly biller, only charges that were billed AND went into arrears during the reporting period are eligible?

- a. It's for bills that include the COVID-19 pandemic period from March 4, 2020 through June 15, 2021 and went into arrears.

37. Anonymous Attendee: We bill customers throughout the month and have July bills that include days of service including 6/15/2021 and earlier. Some of the July bills will not be 60 days delinquent by 9/10 but may be delinquent and unpaid when submitting the final application. If these customers are not included in the survey estimate, we may not receive funding when submitting the application. Some of these customers have not paid at all during the COVID period and we anticipate them continuing to not pay. Can this be considered when submitting the survey for purposes of the final application?

- a. No. Please respond to the survey question with only the accounts that have arrearages that are 60 days or more past due.

38. Margaret Padua: Defined arrearages is over 60 days or more but per survey question (5), it states accounts that are currently missing one or more required full or partial bill payment. We bill monthly so are our arrearages would be for any over 30 days?

- a. No. Please respond to the survey question with the accounts that are 60 days or more past due.

39. Susie Holmes: Are all past due water invoices during the period of 3/4/20 and 6/15/21 considered COVID related?

- a. Yes, but they must be past due by more than 60 days and not just past their bill due date.

40. Erin Franks: If a customer has 30 days from the bill date to pay, is "60 days past due" $30+60 = 90$ days from the bill date? What if we internally define this bill as delinquent 60 days after the bill date, can we use our own definition?
Anonymous Attendee: You mentioned that accounts need to be over 60 days to be considered in arrears. However, one of the questions on the survey says that "Residential accounts that are late or have accrued debt are: - Based on

your water system's adopted policy on Residential Customer arrearages; or - ...60 days after the bill payment due date". Is it 60 days or, if our policy is over 30 days, is it based on our policies?

- a. A water system should use 60 days from the day the bill was due to determine arrearages, unless their policies allow for a longer period of time.

41. Danielle Blacet-Hyden: If a customer has a bill that includes the March 4, 2020 or June 15th, 2021 dates, can we include that entire bill as long as the customer is 60 days past due at the time the bill invoice is issued?

- a. Yes.

42. Anonymous Attendee: Would Q2 2021 (Apr-Jun) be eligible? The example was May-July which isn't really a quarter most systems use.

- a. Yes.

43. Li Li: Example: Service provided on 4/1/2020-5/1/2020, past due date is 19 days after the bill date, then, we will look at any unpaid balance for that bill as at least 60 days past due as of 9/10/2021?

- a. In this example, if the bill date is 5/1/2020, it can be considered an arrearage 60 days after 5/20/2021.

44. Anonymous Attendee: What if a customer has gone 60 days and has brought their account current or partial then went 60 days again and then made account current or partial again? I have a few customers that will go out, pay then go out again.

- a. Any accrued arrearage that is *currently* outstanding for drinking water services provided from March 4, 2020 through June 15, 2021 are eligible.

45. Hal Cunningham: It appears the \$\$ amount is "capped" at 16 months x the customer's monthly fees (assuming they've paid nothing since March 2020...?)

- a. It depends on your water system's billing frequency. If the billing frequency is quarterly or annual for example, the number of eligible months may differ.

ELIGIBLE CHARGES AND FEES

46. Diana Williford: Can the arrearages include water base charges plus water use charges or only water use?

Anonymous Attendee: **Can we include minimum charges (meter charges) or just water usage charges?**

Lorry Hempe: **Can readiness to serve charge fee or meter charge fee be included? Both are water related fees.**

- a. Arrearages can include ALL drinking water related charges included in the bill. Base / fixed / meter charges and water use / variable charges are eligible etc.

47. Katie Ruby: Are late fees included in the arrearage amount?

Joe McDermott: **Disconnection fees should not be included because disconnections were prohibited per the Governor's Executive Order.**

- a. No. Please do NOT include late fees for your responses to survey questions 6 and 15. Survey responders are asked to break out late fees and report them for survey questions 7 and 16.

48. Christy Colby: If we didn't change the customers late fees (because we were not supposed to) but we can document what they should have been, can we still ask for those funds (without charging late fees and then crediting it back to the account).

- a. Survey responders are asked to break out late fees and report them for survey questions 7 and 16.
- b. The State Water Board is collecting information about unpaid late fees in the Program survey to determine if residential and/or commercial late fees are eligible under this Program. More information will be provided when the State Water Board adopts a resolution establishing guidelines for application requirements and reimbursement amounts for the Program.

49. Sylvia Molina: Will the disconnection fees we were not allowed to charge be considered revenue loss? If our Board decided to also waive penalty charges, would those count if not due to a state mandate?

Anonymous Attendee: **The state prohibited charging late fees for non-paying customers. I don't see why this fee is not included in the survey since this may be a Proposition 218 issue. Non-paying customers were benefitting from paying customers.**

Anonymous Attendee: **Are foregone late fees and reconnection fees eligible? Since this is revenue that our agency would have otherwise collected?**

Anonymous Attendee: **Late fees should be included and reconnection fees.**

Susan Wells: **Can late fees and shut off fees that were not collected be considered a revenue shortfall?**

Esperanza Rosales: **Can we complete survey for Residential and commercial arrearages, and water enterprise revenue lost for late fees we did not charge?**

- a. Your average annual revenues generated from late fees, penalty charges, or other fees etc. before the COVID-19 pandemic period may be included in the revenue loss calculation if these fees were suspended during this time period.
- b. Many water systems experienced a higher than average amount of accounts come into arrears etc. during the COVID-19 pandemic. The *unanticipated additional* potential revenues that may have been collected if late fees were collected should not be included.

50. Sylvia Molina: Our agency adds to each bill a portion of the annual backflow program cost. Do we need to deduct that from the commercial arrearages?

- a. No, that backflow program costs can be considered a water related charge.

51. Janyne Brown: What happens if you are not able to break out the late fees?

- a. A water system may need to return to their records and create a new accrual record without the addition of late fees if their accounting system does not easily distinguish late fee amounts.

52. Lisa Martinez: Can we include other fees as part of the arrearage? Example a startup fee - we have quite a few accounts that started service during period but have not paid. We have other service fees based on customer's request too + Deposits.

Shanika Goonewardene: **Should startup fees be excluded in the defined period?**

- a. No, startup fees should not be included.

EXPENSES AND REVENUE LOSS

53. Jim Pugh: What is considered to be a revenue shortfall?

- a. Revenue loss includes total drinking water revenue declines when comparing revenues before the COVID-19 pandemic to revenue collected during the COVID-19 pandemic, ending in 06.15.2021.
- b. Revenue declines may be attributed to unpaid customer charges (residential and non-residential) and decreased demand compared to average demand before the COVID-19 pandemic. Community water systems that do not charge customers directly for water may have

experienced COVID-19 related revenue declines (i.e. reduced fees, rent, and other sources of income).

54. Victor Damiani: When you say rev/exp for 2019, do you refer to calendar year or fiscal year?

Kelle Barrette: **Revenue and Expenses for 2019 - fiscal year or calendar?**

- a. Community water systems can report either their 2019 calendar or fiscal year revenues and expenses. The survey asks you to indicate which one.

55. Ann Furtado: We delayed our annual water rate increase for 6 months due to COVID. Can that impact be included in the revenue loss amount?

Christopher Smithson: Reduced Revenue: **We did not increase our rates and pass through outside cost increases. Should this be included?**

- a. No. Only revenues that were officially adopted and anticipated to be collected, and were not, should be included. If your community water system did not increase rates, then this revenue was not lost because it was never an official anticipated receivable from an accounting standpoint.

56. Jennifer Bryant: Are startup and shutoff fees eligible as "lost revenue" that we can include in the total for this program?

Anonymous Attendee: **Do we report foregone late fees as a revenue loss?**

Anonymous Attendee: **Do late payment penalties qualify as loss revenue?**

Sandra Soto: **Penalties were not billed and applied to customer's accounts therefore the revenue loss is not being reflected in the GL. Can the revenue loss number include delinquency fees (late charges and disconnection processing fees) that were not assessed due to the pandemic and the moratorium?**

- a. Your average annual revenues generated from late fees, penalty charges, or other fees etc. before the COVID-19 pandemic period may be included in the revenue loss calculation if these fees were suspended during this time period.
- b. Many water systems experienced a higher than average amount of accounts come into arrears etc. during the COVID-19 pandemic. The *unanticipated additional* potential revenues that may have been collected if late fees were collected should not be included.

57. Jennifer Oakes: Our production costs went up because demand went up due to people working from home. Is this considered revenue shortfall?

- a. Revenues are only related to the amount of funding received by the community water system. Expense information should not be captured in the revenue loss questions of the survey.

58. Anonymous Attendee: If you're a wholesaler and you can only report on the revenue loss, are you eligible to receive any payments?

- a. More information around eligibilities will be provided when the State Water Board adopts a resolution establishing guidelines for application requirements and reimbursement amounts for the Program.

59. Anonymous Attendee: Does loss of revenue include the arrearages?

- a. Yes.

60. Anonymous Attendee: When reporting operating expenditures for water, do we report total revenues in the water fund that was not received due to pandemic such as rental income of water land, interest earned, or only revenue for water services?

- a. 2019 expenditures should only include your water system's costs for maintaining and operating your water system.
- b. Revenues should only include funding received through your customer charges, rent, earned interest etc.
- c. Income, which is your revenues minus your expenses, is NOT collected in this survey.

61. Beth Schoenberger: What if the overall revenue increased due to fee increase but consumption decreased? Are we able to get reimbursement for increased delinquent accounts?

- a. Yes. Some community water systems may have seen an increase in revenues due to shifting demand etc. If your water system has residential and/or commercial accounts in arrears, then you are still eligible for the Program.

62. Anonymous Attendee: Can you expand on the revenue shortfall provision on the survey? What records should Water Agencies maintain to support the estimates provided on revenue shortfall questions? How should agencies try to differentiate revenue variability due to COVID vs general weather patterns?

- a. Community water systems should maintain their 2019 and 2020 audited tax documents to support their revenue short fall estimates.

- b. Community water systems do NOT need to differentiate revenue short falls due to the COVID-19 pandemic, weather patterns, or shifts in demand. The revenue shortfall questions are seeking general information about shifts in revenue during the COVID-19 pandemic.

63. Anonymous Attendee: A revenue loss am in comparing fiscal year fy18/19 to fy 19/20 and fy 20/21?

- a. Revenue loss should compare your FY 2019 with FY 2020. Data you have for 2021 can be used to estimate revenue loss during the COVID-19 pandemic period from March 4, 2020 through June 15, 2021.

64. Timothy Guster: What is the rationale behind the “revenue loss” reporting? How is this related to arrearages to be paid through this program?

- a. Some water systems may have difficulty determining their arrearages quickly enough during the survey window and may be able to report their revenue loss more easily. The Water Board may use the revenue loss data to estimate water systems arrearages for purpose of establishing a total need for the program and determining if all water arrearage get funded or a proportional allocation is needed.

PROGRAM SURVEY

ACCESSING AND NAVIGATING THE SURVEY

65. Gilberto Minero: Where can you access survey?

Henry White: **Where is the survey located?**

- a. Community water systems can access the survey through their [Electronic Annual Report portal](#).

66. Nicole Dorotinsky: Can more than one person from a water system be enrolled as an EAR user?

- a. Yes.

67. Victor Damiani: We are in Finance. I assume our PW department has an EAR login. Should we try to gain access under the same account as our PW department? Or just apply for our own access?

- a. You can register as a new user through the [Electronic Annual Report portal](#). After your registration request is approved, you will need to add your water system your list of systems you can report for. After this is approved, you will be able to start the survey.
- b. Your EAR account will be associated to your water system’s PWSID.

68. Anonymous Attendee: Can you provide all of the questions so we can review and gather the data before we go into the portal to start submitting answers?

Saadiah Ryan: **How do we know what data we need to have ready before starting the survey?**

- a. Yes. The survey questions are accessible on the survey Help Tips webpage here: <https://ear.waterboards.ca.gov/Content/CRSHelp-HTML.html>.

69. Jody Mozzarella: I do not have any arrearages and the survey says mandatory. Since I do not have arrearages how do I opt out of the survey?

- a. Complete Question 0 and Question 1 (select “No”).
- b. Click on the Submit button and you will have successfully opted out of the Program.
- c. If you have any residential or commercial customers with arrearages accrued during the program period, you should provide data on those arrearages unless they have already been forgiven and not passed on to a county or other debt collector.

70. Silvia Diaz: I am still not able to access the survey. When I click on the link, it takes me to the Electronic Annual Reporting System, but I don't see the survey.

- a. If you are experiencing technical difficulties accessing the survey, please email the State Water Board at: CommunityWaterSystemsCovidRelief@waterboards.ca.gov.

71. Lisa Brown: Who was the survey sent to in an organization?

- a. The State Water Board has emailed all of the primary contacts that exist in our database for community water systems.
- b. The survey can be accessed by any community water system through the [Electronic Annual Report portal](#).

72. Henry White: How will we receive confirmation that our survey has been submitted?

- a. After you complete your survey and click on the “Submit” button. You should see your survey/water system listed in the completed survey list from the EAR dashboard.

73. Samantha Chen: Does aggregated reporting information need to be copied and submitted for each of the water system in the EAR website (with the same information) or would one submission be sufficient?

- a. No. One survey submission is sufficient. Please log in as one of the water systems you are including in the aggregated report in order to submit the aggregated survey response.

74. Justin Skarb: For those suppliers submitting aggregated data for multiple water systems, does it matter through which PWSID we access the survey?

- a. Please report the aggregated survey response logged-in as one of the water systems you're including in the response.

SURVEY DEADLINE AND EDITING RESPONSES

75. Shaz Chan: Is the survey deadline September 10, 2021 at 11:59 pm?

- a. No. The survey deadline is September 10, 2021 at 5:00 pm.

76. Kiera Brown: If a system does not complete the survey by the deadline, will they still be able to complete the application?

- a. Yes, however, funding may be limited for systems that do not complete the survey.

77. Anonymous Attendee: If a system submits by the deadline, but some of the info is incorrect are they going to be kicked out or can they correct the information after the deadline?

- a. Community water systems can edit their submitted responses until the survey deadline on September 10, 2021. After this deadline, community water systems cannot change their survey responses to influence the allocation calculations.

78. Deana Cardona: At this point, we have not received any housing is key money yet. But if we do start receiving the money, can we update numbers to you?

- a. Yes, but only until the survey deadline on September 10, 2021. After this deadline, community water systems cannot change their survey responses to influence the allocation calculations.

GENERAL SURVEY QUESTIONS

79. Katherine Ahlborn: We are a municipality that provides water, sewer and electric, is this the same CAP program that I am in the process of completing a survey for energy (electric)?

- a. No. This is a different survey.

80. Anonymous Attendee: Is it better to report the data at the last second hoping customers might make payments by the deadline of September 10, 2021?

- a. Community water systems are encouraged to submit their survey responses as soon as possible. This will allow the State Water Board to review your responses and reach out within the survey period if errors or issues were identified. This ensures you have enough time to re-submit your survey before the September 10, 2021 deadline.

81. Li Li: Just want to get a clarification on the calculation of eligible arrearages.

- a. Eligible arrearages are for residential and commercial accounts that have accrued arrears for water bills that cover the COVID-19 pandemic period from March 4, 2020 through June 15, 2021.

82. Rollie Arbolante: Are wastewater agencies required to complete this survey?

Mike McCullough: Do we fill out the survey if we are a wastewater, or do we need to wait until Jan 2022?

- a. No. Wastewater agencies should not complete the survey.
- b. The Program will initially prioritize drinking water residential and commercial arrearages. Funding to community water systems will be disbursed through January 31, 2022. If the Program still has funding available, it will extend to wastewater residential and commercial arrearages by February 2022.

83. Dominique Stewart: Are we allowed to include the 3% admin costs for administering the program in our initial request?

- a. No. Adminstrating costs should NOT be included in your survey responses.

84. Stacy Taylor: Will the RCAC webinars have new/different info from today's webinar?

- a. The RCAC webinar will cover very similar information provided in the August 19, 2021 webinar. The presentation materials may be modified slightly to account for the feedback received for the previous webinar.

85. Anonymous Attendee: Please clarify what information on the EAR will be overwritten. Since the EAR was a calendar-year period, data would be different regardless. Also, since we have separate company IDs and submitted separate EARs, this sounds confusing.

- a. Information in the EAR will not be overwritten by your responses to the Program survey. If you wish to re-open your 2020 EAR to edit your

responses, please contact your District Engineer or CommunityWaterSystemsCovidRelief@waterboards.ca.gov.

- b. Community water systems (may include wholesalers) with multiple water systems under the same umbrella organization/legal entity (an example would be a CPUC regulated company that has multiple systems; a special district or mutual water corporation that has separate physical water systems; or a county with a county service areas etc.) may complete ONE survey providing aggregated survey responses for multiple community water systems. Start this process by selecting Option 2 for Question 0.

SPECIFIC SURVEY QUESTIONS

86. Danielle Blacet-Hyden: In the survey it states that Community water systems must have experienced financial impacts from accrued residential and commercial drinking water arrearages. Can you define financial impacts (is it revenue loss or arrearages on the books)?

- a. COVID-19 related financial impacted include: Residential drinking water arrearages, Commercial drinking water arrearages, and/or COVID-19 related drinking water revenue loss between 03.04.2020 through 06.15.2021? This includes any customer billing period that contains these dates.
 - i. *Residential Drinking Water Arrearages*: Active and inactive Residential customers (single family and/or multi-family) that have accrued debt for drinking water serviced provided during the COVID-19 pandemic between 03.04.202 through 06.15.2021.
 - ii. *Commercial Drinking Water Arrearages*: Active and inactive Commercial customers (retail, offices, gas stations, etc.) that have accrued debt for drinking water services provided during the COVID-19 pandemic between 03.04.202 through 06.15.2021.
 - iii. *COVID-19 Related Drinking Water Revenue Loss*: Revenue loss accrued during the COVID-19 pandemic between 03.04.2020 through 06.15.2021. Revenue loss may be attributed to customer non-payment for drinking water services, reduction in fee or tax revenues, reduction in average annual demand (between fiscal years) etc.

87. Christine Ho: Question #3A of the survey isn't a question. Is it just ensuring that question #3 is supported by data?

- a. Question 3 in the survey asks for the customer types your community water system charges for water. For most water system's this information is pulled from your 2020 Electronic Annual Report. This answer helps to

“hide” or “reveal” the relevant questions in the survey. For example, if your water system only serves Residential customers, then you will not see (or have to complete) the survey questions related to commercial arrearages.

- b. If your water system is completing the survey for an aggregated group of community water systems (you will see question #3A), then you should select the answer that reflects all of the water systems you are reporting for.

88. Jennifer Oakes: We bill only for water services, questions 13 and 13.1.1 make answering this question confusing.

- a. If your water systems only charges customers for drinking water services. Your response to question 13 should be No. If you select no, question 13.1.1 will be hidden and you will not have to answer it.

89. Shoshana Aguilar: Can you go over again question 0?

- a. Question 0 asked community water systems reporters to identify which type of community water system they are. Your answer to this question helps to “hide” and “reveal” sections of the survey. Below are the options, most community water systems will select Option 3:
 - i. **Option 1:** Community water system **wholesaler** that does NOT directly serve Residential or Commercial/Institutional customers.
 - ii. **Option 2:** Community water system (may include wholesalers) with multiple water systems under the same **umbrella organization/legal entity** that directly serves Residential and/or Commercial/Institutional customers (an example would be a CPUC regulated company that has multiple systems; a special district or mutual water corporation that has separate physical water systems; or a county with a county service areas etc.).
 - iii. **Option 3:** A community water system that is not [1] or [2]

90. Michael Williams: Our survey has a gap in questions. We have #5 related to residential, and then questions #6-#11 are not listed, and the next question is #12 on commercial. It seems incorrect to not ask detailed questions on residential as it does for commercial.

- a. The questions in the survey are meant to be answered in order. Depending on your answer, certain questions below will either “hide” or “reveal.” If, at any time, you feel like the survey is not displaying the appropriate questions. Please save your current answers outside the survey and click the "Clear and Reset" button to completely refresh your

survey and log out of your account and log back in. This will CLEAR all your inputted answers and should re-set the survey.

- b. If you continue to experience technical issues, please email the State Water Board at:

CommunityWaterSystemsCovidRelief@waterboards.ca.gov.

91. Fernando Romo: Commercial Accounts NOT to Include: My EAR reported portable water types, Industrial, Landscape and Agricultural were automatically included in the Commercial accounts in the Survey. Do I remove these types of services on the EAR? Or do we just answer the questions not factoring those types and leave the auto populated alone?

- a. You should correct your answer in the 2020 EAR if the data provided is not accurate. If you wish to re-open your 2020 EAR to edit your responses, please contact your District Engineer or

CommunityWaterSystemsCovidRelief@waterboards.ca.gov.

92. Devin Arciniega: One of the auto-populated answers from the EAR in our arrearage survey is incorrect. Our customers are billed for both water and wastewater services on one bill, however, the survey indicates otherwise on an auto-populated question. We were unable to change it directly in the arrearage survey. Who can we contact or how can we correct that?

- a. You should correct your answer in the 2020 EAR if the data provided is not accurate. If you wish to re-open your 2020 EAR to edit your responses, please contact your District Engineer or

CommunityWaterSystemsCovidRelief@waterboards.ca.gov.

PROGRAM APPLICATION

93. Anonymous Attendee: Why would a system not request their entire allocated amount? Are there penalties for not distributing all of the received funds?

- a. There are no penalties for not distributing all of the received funds. However, funds that have not been fully allocated to their eligible uses will have to be returned to the State Water Board.

94. Isarel Perez-Hernandez: What is the formula to calculate the allocation?

- a. The allocation formula will be proportional based on reported need. The State Water Board will develop and announce the allocation formula after the survey deadline of September 10, 2021.

95. Anonymous Attendee: What type of ongoing reporting, if any, will be required after the 9/10 deadline and the final application?

- a. More information will be provided when the State Water Board adopts a resolution establishing guidelines for application requirements and reimbursement amounts for community water systems.

96. Li Li: Do you have a template of the supporting document which includes at least the customer account ID and arrearage amount on account when utility submits application?

- a. Not at this time.
- b. More information will be provided when the State Water Board adopts a resolution establishing guidelines for application requirements and reimbursement amounts for community water systems.

97. Jonathan Wunderlich: Do you have to respond to the survey to be eligible for funding?

- a. No. Community water systems must respond to the survey to automatically receive an application for funding. Systems that do not complete the survey may submit an application later, but funding may not be reserved for them and there is not guarantee they will be able to participate in the program.

98. Anonymous Attendee: Will customers need to submit documentation that they experienced a hardship to qualify for the grant?

- a. No.

PROGRAM IMPLEMENTATION

99. Anonymous Attendee: Can we credit payments made after we submit arrearage numbers to debt accrued outside the eligible billing periods and thereby still keep the amount reported as still outstanding, or are we required to apply customer payments to the oldest outstanding balance? We are planning to "freeze" the outstanding debt reported to make this work.

- a. Funding from this Program may only be credited to eligible customer's for debt accrued for bills that included services provided during the COVID-19 pandemic period. Arrearages that accrued from bills that do not contain the date range of the pandemic period (March 2, 2020 through June 15, 2021) are not eligible for this Program. Unspent Program funds cannot be allocated towards these ineligible arrears.

100. Shari Thomas: We are a multi-utility municipality that bills bi-monthly. How do we allocate charges to the fringe months?

- a. Any billing period that contains service dates that are within the eligible arrearage period can be fully allocated toward accrued arrearages. However, where the water service charges cannot be extracted separately and are comingled with non-drinking water charges, the method of determining the average percentage of water charges for the average customer will need to be used.
- b. Example:
 - i. How to estimate the total amount of drinking water arrearages excluding other non-drinking water service charges.
 1. The total average bill includes:
 - a. Wastewater Services = \$600
 - b. Drinking Water Services = \$360
 - c. Trash = \$300
 - d. TOTAL AVERAGE ANNUAL BILL = \$1,260
 2. The average annual percentage of drinking water charges is calculated by:
 - a. $[\text{Average Annual Drinking Water Charges} / \text{Total Average Annual Bill}] \times 100$
 - b. $[\$360 / \$1,260] \times 100 = 28.57\%$

101. Shari Thomas: There is assistance available for other utility types (electricity) from other programs that will "compete" with this assistance? How do we coordinate the different types of assistance coming from different agencies with different rules? The State of CA has multiple programs of assistance for different utilities with different rules.

Deana Cardona: What happens if we receive money from the Housing is Key program from the State of California?

- a. Funding from this program must be credited to customers who have arrearage amounts. If funding is received from other programs that removes the customer's arrearages, then funding from this Program cannot be applied. Likewise, any debt forgiven/credited by this Program should not be eligible for other assistance programs.
- b. The State Water Board is attempting to implement this program quickly and before other assistance programs are fully available, so remaining customer debt after this program is implemented may be eligible for the other state assistance programs.

102. Anonymous Attendee: If you have funds left over because a customer paid between the survey date and date the water board check is received, can a water agency apply to a different customer's arrearages for services through 6/15/2021 that were not included in original survey due to timing of the survey deadline and past due timing?

a. Yes.

103. Anonymous Attendee: How would we be expected to apply credits to the past due accounts when we have both water and sewer on their bills?

Malissa Kaping: **Over half of our customers have bills that include water, garbage, and wastewater. Our billing system cannot apply a credit to just the water portion of the bill. Will we still be able to apply?**

a. Yes. The credits to customers do not have to be specifically applied to water service as it will just be a dollar amount that is credited to the customer's account.

104. Anonymous Attendee: Is there a guidance/rules on prioritization of which accounts will get the relief first with in the Residential & Commercial accounts? Or will we receive the funds for the full amount that we will be submitting in the survey?

a. Both outcomes are possible depending on the reported arrearage amounts from water systems. When the State Water Board adopts Program guidelines, they will establish if the full amounts are being funded, or if there will be a prioritization approach to crediting accounts.

105. Rochelle Patterson: If we don't receive 100% of our arrearages, what is the priority for disbursing funds?

Christina Henry: **Will there be criteria for how to administer credits if we do not receive the full amount of funds needed to cover the total arrearage amount?**

Anonymous Attendee: **If we are allocated funds that are less than the requested amount, how will we be required to disperse the funds amongst the delinquent accounts?**

Anonymous Attendee: **Upon receiving our utility's allocation is there a process by which we determine applying the funds, should we not receive 100% of reported arrearage?**

a. The State Water Board's adopted guidelines will establish if the full amounts are being funded, or if there will be a prioritization approach to crediting accounts.

106. Amy Joy Bakken: Are District's still required to collect from the customer for the balance or is it considered "forgiven"? Does the funding received have to be paid back?

- a. No. Funds that are credited to customer's accounts to "forgive" their qualifying arrearages does not need to be paid back to the community water system or the State Water Board.

107. Malissa Kaping: What happens if the customer pays in full after June 15?

- a. If the customer pays in full after June 15, 2021, they are no longer eligible to receive assistance through this Program. If a community water system receives Program funding, then they can distribute available funding to other qualifying customer accounts, otherwise it must be returned to the State Water Board.

108. Monique Saviez: Will you be pushing out more information on whether or not we will be required to issue a 1099c?

Shoshana Aguilar: **How do we know if we need to issue 1099-C forms?**

Anonymous Attendee: **What agency would be responsible for issuing 1099s if applicable? The water agency or the State?**

Erin Franks: **The 1099C advice to have every agency get unique advice from their own lawyers is not going to work. If SWRCB can't help, other state agencies or the legislature need to provide guidance, or this will be implemented inconsistently and potentially end up harming customers and being a public relations nightmare.**

- a. Only the U.S. Treasury Department and or Internal Revenue Service can provide definitive guidance regarding federal tax matters and the requirement to issue 1099-C forms. The State has asked these federal agencies to clarify the requirements and will make that available if any is received. Without clear guidance on this specific case from the federal agencies, water systems will have to rely on their own tax advisors to interpret existing federal guidance and apply it to this instance for their particular circumstance as the State Water Board cannot provide tax advice.

109. Anonymous Attendee: What efforts are being considered in collaborating with local community-based organizations/NGOs in terms of outreach to ensure that systems are applying for the program?

- a. The State Water Board is funding the California Rural Water Association, the Rural Community Assistance Corp, and Self-Help Enterprises to assist disadvantaged community water systems through its existing technical

assistance contracts. Utilizing these existing contracts was necessary to provide the assistance within the statutory timelines for the program.

- 110. Robin Ginn: I don't believe our system will allow a line item stating where the credit is from. Would a bill message be acceptable, or a letter sent directly to recipient?**
- a. Yes, both a bill insert, or letter sent directly to the recipient will meet the notification requirements.
- 111. Rebeca Mejia: What's the maximum amount we can credit an account?**
- a. There is no specific dollar amount or cap. The maximum amount will be influenced by other requirements of the Program.
- 112. Amber Sandum: Will the state provide template letters regarding info on this program for distribution to customers?**
- a. Your comment is noted, and the State Water Board will attempt to provide optional language for water systems to use.
- 113. Anonymous Attendee: Are these funds subject to the single audit?**
- a. Yes, these funds are from the federal America Rescue Plan Act and the single audit act applies.
- 114. Jason Martin: Will there be prioritization of funding based on Water System size or other factors? For example, systems with more or less than 3,000 connections.**
- a. No. The allocation and prioritization of funding to community water systems will be directly related to the proportion of reported need.
 - b. There may be prioritization of timing of when funding is disbursed with smaller systems put ahead of larger systems.
- 115. Deana Cardona: If we offer a PA and the customer pays off the account, do we pay the money back to the program?**
- Anonymous Attendee: **If we submit for the correct delinquency balance but the customer makes payments before the funds come in, do we apply the full amount. If so, is it okay if our system has the excess apply to other services?**
- a. If the customer pays in full after the community water system applies for Program funding, they are no longer eligible to receive assistance through this Program. If a community water system receives Program funding, then they can distribute received funding to other qualifying customer accounts.

116. Erin Kunkle: Is a resolution from your governing board designating an "authorized agent" required to apply for this funding? If so, when must the resolution be adopted by?

- a. Generally, yes, but will be dependent on the agency and whether they have a standing authorization that will cover this Program.
- b. The resolution needs to be adopted before the water system applies for the Program.

117. Anonymous Attendee: Do customers have to accept funds through a formal application process or can accounts in arrears be automatically credited by a water system?

- a. Qualifying accounts in arrears can be automatically credited by the community water system. Customer will have to be notified of the credit to their account.

118. Ricky Hawblitzel: When applying funds: Some accounts have balances prior to the dates listed and billing system applies oldest to newest to all funds.

- a. This should not present a problem, as long as the credit applied matches the customer's eligible arrears total. The community water system should not credit the customer additional assistance that would cover arrearages that accrued from bills that do not contain the date range of the pandemic period (March 2, 2020 through June 15, 2021).

SHUT-OFFS & PAYMENT PLANS

119. Robin Ginn: We cannot shut off for non-payment for 90 days after payment is received? Does this apply to all customers or just those who are receiving this funding? And if they are receiving partial payment, and set up a payment plan for remaining balances, do we still need to wait 90 days to shut off?

- a. The period applies to those customers with qualifying arrearages, regardless if a water system is participating in the program. See Health and Safety Code Section 116773.4 (e) (1).
- b. Customers that are on a payment plan cannot be shut off until they default on the payment plan.

120. Dominique Stewart: If a water system accepts the funds, are we allowed to shut off water for customers who do not adhere to the guidelines on their payment arrangements?

Amber Sandum: For customers enrolled in payment plan, you said they may not be shut-off. What if they default on their payment plan terms?

- a. Yes, customers may be shut-off if they do not adhere to their payment plan arrangements, but only if the deadline for the shut-off moratorium has passed.

121. Joe McDermott: Does the Water Board know whether the Governor is going to extend the water shutoff prohibition beyond the current Sept. 30 date in order to allow more time for the Arrearage Program to be fully implemented?

- a. At the time of this writing, no decision on extending the water shutoff prohibition has been made.

122. Adrienne Carr: Do customers have to enter into a payment plan to be eligible for the reimbursement? If the customers make ~3 payments while waiting for funding to appear in their account, is their account credited the full amount, or only the amount that has not been paid at the time the funds are received?

Anonymous Attendee: Are customers required to sign up for payment plan in order to receive the money?

- a. Customers do NOT need to enter into a payment plan to be eligible for reimbursement or debt forgiveness.
- b. Qualifying customers should only receive forgiveness for their current amount of qualifying debt at the time the funds have been received.

123. Paul Hughes: If our District has had a long-standing policy allowing payment plans, do we still have to specifically notify the 6/15/21 delinquent customers that a payment plan is available?

Joe McDermott: What if our customers have been offered a payment plan already (past 6+ months)? Do we have to offer it to them again as part of this program?

- a. Yes, but only if they still have accrued arrearages from the COVID-19 pandemic period associated with their account after funding disbursement.

124. Isarel Perez-Hernandez: What happens if funds are applied a customer's account, but the customer does not sign up for a payment plan?

Anonymous Attendee: What if customer does not want to sign up for a payment plan?

- a. If the customer still has accrued arrearages after the credits have been applied to their account and they do not sign-up for the payment plan within 30 days of the offer, then the community water system may pursue shut-off proceedings if the deadline for the shut-off moratorium has passed.

- b. Also note the proposed draft guidelines released for public comment propose a requirement that all customers be auto enrolled in a payment plan unless they opt out.

125. Venus Rodriguez: If the payment from the state forgives the customers outstanding water bill, we are still required to get a payment plan from them on this amount that was credited in their account?

- a. No. Community water systems are only required to offer qualifying residential and commercial customers a payment plan if, after the Program funding has been distributed to their account, they still have an outstanding arrearage.

126. Esperanza Rosales: We can query our customer for arrearages of total balance, but if we offer a payment plan, it will credit the balance and give a new due date to the balance. My concern is if we offer payment plan and then receive funds afterwards, when we query to issue credit, those account will no longer come up on the query but did have arrearage from the COVID-19 period.

- a. For this circumstance, the community water system may want to wait to offer payment plans after customers accounts have been credited from the program.

127. Anonymous Attendee: If an agency receives this money, we are to apply the funding to outstanding customers balances, correct? I don't understand why a payment arrangement would be made with a customer if their bill had been paid.

Anonymous Attendee: Why offer payment arrangement if we are going to credit the customer's account with funds?

- a. A payment plan must be offered to eligible customers if the Program funding is unable to cover 100% of their outstanding arrearage.

128. Kelly Viale: If shut offs can begin after the September date, yet distribution of funds is not expected until November, it would be possible that an account would be shutoff prior to receiving the funds. Are we to hold off on shut offs?

- a. It will be easiest for water systems to wait until they receive funding and offer one payment plan to customers for any remaining balance, but it is not required.

129. Anonymous Attendee: **Don't we need to wait 60 days after September 30 due to SB 998 to shut off services?**
- a. Circumstances will vary for each customer. Water systems need to comply with all the requirements of SB 998 before shutting off services.
130. Anonymous Attendee: **Due to SB 998 we can disconnect for a minimum of 60 days if the moratorium is not extended.**
- a. Circumstances will vary for each customer. Water systems need to comply with all the requirements of SB 998 before shutting off services.
131. Sheryl Heyser: **Will the funds be allowed to be allocated to delinquent closed accounts billed during that time frame? Often, we cannot reach the closed customer (to arrange a re-payment plan) and cannot turn off their water for not complying with the re-payment plan.**
- a. Yes, credit can be allocated to qualifying closed accounts. The water system only needs to attempt to contact the customer to arrangement a payment plan and if they are unreachable or unresponsive may consider that they have opted out or are in default.
132. Anonymous Attendee: **Since this only covers only the water arrearages and yet the sewer and street lights will still be delinquent. What will the shut off policy for non-payment in those areas?**
- a. The proposed draft guidelines released for public comment proposes a requirement that water service not be shutoff for non-payment of the portion of the bill for other services that accrued during the COVID-19 pandemic relief bill period. This prohibition would not apply to debt accrued before or after the COVID-19 pandemic relief bill period.