**FAQs: California Water and Wastewater Arrearage
Payment Program**

**Revised October 2021**

[*https://www.waterboards.ca.gov/arrearage\_payment\_program*](https://www.waterboards.ca.gov/arrearage_payment_program/)

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# Program FAQs

1. **What is the *California Water and Wastewater Arrearage Payment Program* (Program)?**
	1. The State Water Board has received $985 million to address residential and commercial customer water debt that accrued during the COVID-19 pandemic bill relief period. The State Water Board will oversee the program and make payments directly to community water systems for the purpose of fully or partially forgiving their residential and commercial arrearages.
2. **Where is the website for this Program located?**
	1. The [website](https://www.waterboards.ca.gov/arrearage_payment_program/) is located at: https://www.waterboards.ca.gov/arrearage\_payment\_program/
3. **How can I receive email notifications about the Program?**
4. You can sign-up to receive announcements on the bottom of the Program webpage or on the State Water Board’s [drinking water list serve webpage](https://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html). Navigate to the Drinking Water section and select “Arrearage Payment Program (COVID Relief)”
5. **Where is the funding for this Program coming from?**
	1. The [American Rescue Plan Act of 2021](https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families).
6. **Does the Program prioritize certain types of community water systems?**
	1. The State Water Board will prioritize the timing of payments to small community water systems to get them funding as quickly as possible.
7. **Is the State Water Board prioritizing funding to community water systems that have more customers with arrearage balances greater than $600?**
	1. No. All community water systems are treated equally when determining the allocation of funding for this Program. The questions in the first survey were there to gather information on how many systems may be subject to the requirement to issue a 1099 C or other tax forms to customers. The abbreviated survey and the application do not have questions on how many customers have accounts greater than $600.
8. **What time period will payments cover?**
	1. The period from March 4, 2020, to June 15, 2021, inclusive, and includes any customer billing period that includes these dates. Community water systems will be asked to provide, via the Electronic Annual Report portal, their residential and commercial arrearages that have accrued for their billing periods between and including these dates.
9. **What are the tax implications of accepting Program funds?**
	1. Tax issues related to funding distributed pursuant to American Recovery Plan Act of 2021 have not been fully determined and may be subject to change. Unless the State Water Board receives advice to the contrary, the State Water Board will issue a 1099-G to each community water system that receives funding. This does not mean that this funding will necessarily result in an increase of the water system’s tax liability. A water system’s tax liability will depend on the water system’s entity status, if the water system has an offsetting loss, and any other relevant factors specific to each water system. Water systems should consult a tax professional for questions about their tax liability.
	2. At this time, it appears that water systems typically will not need to issue a 1099-C or other tax form to customers who receive debt relief; however, 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. Water systems should consult a tax professional for questions about tax reporting requirements.
10. **Can a community water system apply if it has not yet completed the 2020 Electronic Annual Report (EAR) reporting?**
	1. The State Water Board needs information about each community water system’s financial status to implement the Program. The financial information collected in the 2020 EAR is essential for implementing the Program and is authorized by statute. (Health & Saf. Code, § 116773.4, subd. (b).) **Failure to submit timely and complete data may jeopardize a water system’s eligibility for financial assistance under the Program.** In addition, failure to submit data may result in an order and enforcement actions by the Division of Drinking Water under the California Safe Drinking Water Act.
11. **How is the State Water Board’s Program different than the arrearages/debt relief programs being implemented by the California Department of Community Services and Development (CSD) and the California Department of Housing & Community Development (HCD).**
	1. The State Water Board’s Program will be a direct one-time payment to water systems. Water systems will be the applicant to receive funding under this Program and will deliver the benefits directly to customers as credits. Water systems’ customers do not need to apply for these benefits. Each program has different eligibilities and application requirements. Learn more below:
		1. **Water Utility Assistance:**
			1. [**Low Income Household Water Assistance Program**](https://www.csd.ca.gov/Pages/LIHWAP.aspx), administered by CSD: water and wastewater utility assistance for income-qualified customers (**Note**: Program opens late fall 2021)
		2. **Energy Utility Assistance:**
			1. [**California Arrearage Payment Program**](https://www.csd.ca.gov/Pages/CAPP.aspx), administered by CSD: Eligible customers automatically will be credited and do **not** need to apply.
			2. [**Low Income Home Energy Assistance Program**](https://www.csd.ca.gov/Pages/LIHEAPProgram.aspx), administered by CSD: utility assistance for income-qualified customers (To learn more about eligibility, visit [CSD’s website](https://www.csd.ca.gov/Pages/Assistance-PayingMyEnergyBills.aspx).)
		3. **Rent Assistance:**
			1. The [**CA COVID-19 Rent Relief**](https://housing.ca.gov/covid_rr/index.html) program, administered by HCD: financial assistance for unpaid and/or future rent and utilities to income-eligible California renters and their landlords who have been impacted by COVID-19. Both renters and landlords can apply for assistance. Eligible renters may also receive assistance for unpaid utility payments dating back to April 1, 2020, or for future utility payments, which will both be compensated at 100% of cost, limited to a total of 12 months, and paid directly to the utility provider. Depending on the address of your rental property, you may be eligible for a local program. Click [Apply Now](https://www.arcgis.com/apps/instant/lookup/index.html?appid=f32435102af34d24a7420ffc432a33a6) to determine which program is right for you.
12. **How long will the State Water Board’s Program be available?**
	1. The Program will initially prioritize drinking water residential and commercial arrearages. If the Program still has funding available, it will extend to wastewater residential and commercial arrearages by February 2022.
13. **Is this Program funding a grant or loan to community water systems? Will the funding have to be paid back?**
	1. This Program will issue one-time grant payments to community water systems. Water systems only have to return funds if the funds are not used for permissible purposes.

# Program Eligibilities

1. **Who is eligible to receive assistance through this Program?**
	1. Currently only community water systems that have accrued residential and commercial drinking water arrearages between March 4, 2020 through June 15, 2021 are eligible to receive assistance through this Program. Residential and commercial debt relief for wastewater services may be available later if there is sufficient funding to address drinking water arrearages.
2. **What is a community water system?**
	1. A community water system is a public water system that meets the definition of Health and Safety Code section 116275, subdivision (i) and generally serves at least 15 service connections used by yearlong residents, or regularly serves at least 25 yearlong residents of the area served by the system. These water systems primarily serve cities, neighborhoods, schools, and businesses.
3. **What is a small community water system?**
	1. A small community water system is a water system that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.
4. **How can I determine if my water system is classified as a community water system?**
	1. Visit [California Drinking Water Watch](https://sdwis.waterboards.ca.gov/PDWW/) at https://sdwis.waterboards.ca.gov/PDWW/ and search for your water system. Once you find your water system, locate the “State Type Code” at the top of the Water System Detailed webpage. If the Code is “C,” then your water system is classified as a community water system.



1. **Are for-profit community water systems eligible for this Program?**
	1. Yes, all community water systems are eligible.
2. **Are all water systems eligible for this Program?**
	1. No, only community water systems are eligible.
3. **What is considered a customer past-due bill or arrearage?**
	1. “Past-due bills” means customer water bills that are 60 days or more past due and includes both active and inactive accounts, and accounts that have payment plans or payment arrangements. (Health & Saf. Code, § 116773.2, subd. (c).)
4. **What are residential customers?**
	1. Residential customers include customers who receive water services to single-family residences, multi-family residences, mobile homes, including, but not limited to, mobile homes in mobile home parks, or farmworker housing.
5. **What are commercial customers?**
	1. Commercial customers include customers who receive water services to commercial/institutional customers e.g., 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.
	2. Commercial customers do NOT include the following customers: industrial (manufacturing, chemical, refineries, cooling towers, animal & food processing, etc.); agriculture irrigation (crops, aquaculture, etc.); or landscape irrigation (parks, golf courses, etc.).
6. **What is the time period eligible for accrued residential and/or commercial arrearages under this Program?**
	1. The period from March 4, 2020, to June 15, 2021, inclusive, and includes any customer billing period that includes these dates.
7. **If a community water system does not track residential and/or commercial drinking water arrearages or arrearages cannot be determined because of a combined billing system (i.e., customer bills include other services such as wastewater, stormwater, energy, trash, etc.), is the water system still eligible?**
	1. Yes, community water systems that have a combined billing system and are unable to distinguish between non-payment for drinking water services from non-payment for the other non-drinking water charges will be asked in the Program survey to calculate the average annual (or fiscal year) percentage of drinking water charges on their annual average residential and/or commercial bill. The State Water Board will use this percentage to approximate estimate drinking water arrearages.
8. **Are residential and/or commercial late fees eligible under this Program?**
	1. No, per the Arrearage Program Guidelines adopted September 21, 2021, water systems that participate in this Program must waive customer late fees for any arrearages accrued during the COVID-19 pandemic bill relief period in their entirety.
9. **What criteria are the State Water Board using to determine which community water systems are eligible for payments from this Program?**
	1. Community water systems must have financial impacts from accrued residential and commercial drinking water arrearages between March 4, 2020 through June 15, 2021.
	2. For eligibility criteria, refer to the following guideline adopted on September 21, 2021 by the State Water Boards:

[California Water and Wastewater Arrearage Payment Program Guidelines: Water Arrearages](https://www.waterboards.ca.gov/arrearage_payment_program/docs/final_guidelines.pdf)

1. **If a community water system bills residential and/or commercial customers annually or quarterly, how should they determine what their COVID-19 related arrearages are?**
	1. If your water system bills residential customers annually or quarterly and cannot determine an exact number of residential accounts in arrears during this timeframe (COVID-19 pandemic bill relief period from March 4, 2020 through June 15, 2021), please identify the total residential and commercial accounts in arrears after the deadline for your last billing cycle that included or covered these dates. For example, a quarterly billing period that begins at the beginning of the quarter such as March 1, 2020 through June 1, 2020 may be included in the total arrearages since it includes the COVID-19 pandemic bill relief period.
2. **Is a community water system that has a funding agreement currently with the State Water Board eligible for this Program?**
	1. Yes, community water systems that have a current funding agreement with the State Water Board are eligible to apply for funding through this Program.
3. **Is a community water system that currently is subject to an enforcement action by the State Water Board, a Regional Water Quality Control Board, or a Local Primacy Agency eligible for this Program?**
	1. Yes, community water systems that currently are subject to an enforcement action by the State Water Board, a Regional Water Quality Control Board, or a Local Primacy Agency are eligible to apply for funding through this Program.

# Program Survey AND ABBREVIATED SURVEY

1. **Why is the State Water Board conducting surveys for this Program?**
	1. The State Water Board is required to survey community water systems to determine statewide residential and commercial arrearages that have accrued during the COVID-19 pandemic bill relief period.
2. **What key information is being collected in the Program surveys?**
3. For community water systems that charge customers for water:
	1. Residential arrearages: The number of accounts and total accrued debt.
	2. Commercial arrearages: The number of accounts and total accrued debt.
4. **Can a community water system report aggregate data for legal entities that are umbrella organizations for multiple water systems in the Program survey?**
5. Yes. Community water systems (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 county service areas etc.) may choose to respond to the Program survey for multiple community water systems.
6. If the legal entity includes non-community water systems, these systems cannot be included in the aggregated reporting.
7. **Can a community water system request technical assistance to complete the Program survey?**
8. Yes, for assistance completing the Program survey, please submit a [Technical Assistance (TA) Request Form](https://www.waterboards.ca.gov/drinking_water/docs/ta_request_form_arrears.pdf) and email the TA Request Form to DFA-TARequest@waterboards.ca.gov.
9. **Why does the Program survey include questions from the 2020 Electronic Annual Report (EAR)?**
10. The Program survey uses some 2020 EAR question responses to simplify reporting and determine which questions community water system reporters are required to answer. This information will be used by the State Water Board to calculate or confirm information provided in the Program survey. Furthermore, this information is necessary to ensure proper deployment of Program funds for State and federal auditing purposes.
11. The financial information collected in the 2020 EAR is essential for implementing the Program and is authorized by statute. (Health & Saf. Code, § 116773.4, subd. (b)(1).) **Failure to submit timely and complete data may jeopardize your water system’s eligibility for financial assistance under the Program.** In addition, failure to submit data may result in an order and enforcement by the Division of Drinking Water actions under the California Safe Drinking Water Act.
12. **Can a community water system that has not completed the 2020 Electronic Annual Report (EAR) submit a Program survey?**
13. No. The Program surveys auto-fill the answers for a number of 2020 EAR questions and the Program surveys will not allow a community water system to submit the surveys if either: (1) the 2020 EAR questions in the Program surveys are not available (blank); or (2) if the 2020 EAR answer for question B1.8 (total 2020 Revenue) is $0.
14. **Can community water systems fix or update information in the Program surveys that is from the 2020 Electronic Annual Report (EAR)?**
15. Yes. If the answer displayed for a 2020 EAR question is incorrect and the water system would like to change the response, the water system reporting should update their response in the 2020 EAR. Once the answer has been updated in the EAR, it will automatically update in the surveys.
16. A community water system should contact their district engineer and/or email communitywatersystemscovidrelief@waterboards.ca.gov to open the 2020 EAR if they have already submitted their report.
17. **Can a community water system submit a Program survey if they have reported $0 revenues in their 2020 Electronic Annual Report (EAR)?**
18. No. The Program surveys auto-fill the answers for a number of 2020 EAR questions and the Program surveys will not allow a community water system to submit a survey if the 2020 EAR answer for question B1.8 (total 2020 Revenue) is either blank (survey not completed) or $0.
19. **Who should community water systems reach out to if they have questions about Section 8 of the 2020 Electronic Annual Report (EAR)?**
20. Please email the Division of Drinking Water’s Needs Analysis Unit at SAFER-NAU@waterboards.ca.gov
21. **Can a community water system request technical assistance to complete or edit the 2020 Electronic Annual Report (EAR)?**
22. Yes, for assistance completing the 2020 EAR, please submit a [Technical Assistance (TA) Request Form](https://www.waterboards.ca.gov/drinking_water/docs/ta_request_form_arrears.pdf) and email the TA Request Form to DFA-TARequest@waterboards.ca.gov.
23. **How soon after submitting the abbreviated survey will community water systems be able to apply for Program funding by submitting an application?**
24. The application is accessible for completion through the [Electronic Annual Report (EAR) portal](https://ear.waterboards.ca.gov/) approximately 48 hours after the abbreviated survey is submitted. Water systems must submit the abbreviated survey and application by December 6, 2021.

# Program Application

1. **How does a community water system apply for funding from this Program?**
	1. A community water system must meet the Program eligibility requirements and complete the application package. The application period is October 5, 2021 through December 6, 2021. The application is available through the [Electronic Annual Report (EAR) portal](https://ear.waterboards.ca.gov/) for community water systems. For requirements and guidelines, refer to the following adopted on September 21, 2021 by the State Water Boards:

[California Water and Wastewater Arrearage Payment Program Guidelines: Water Arrearages](https://www.waterboards.ca.gov/arrearage_payment_program/docs/final_guidelines.pdf)

1. **What are the taxpayer ID forms and why are they needed?**
2. The State Water Board is required to collect taxpayer ID forms before issuing any payments. The State Water Board cannot make any payments to a community water system without the approved taxpayer ID form(s). Community water systems should download and complete the applicable form(s) provided below as soon as possible. Completed and signed forms must be emailed to communitywatersystemscovidrelief@waterboards.ca.gov.
3. The taxpayer ID form(s) must be signed by the community water system’s authorized signatory - Administrative Contact or authorized fiscal representative. The authorized signatory or authorized fiscal representative is required to provide a wet signature (physically sign) the form(s) and attach a copy of the form(s).

Forms with electronic signatures will not be accepted.

**Government Tax Filing Status:** <https://fiscal.ca.gov/wp-content/uploads/2019/08/GovtTINForm_000.pdf>

**Non-Government” Tax Filing Status:** <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>

Non-government water systems that have more than one mailing address must also complete and upload this form as well: <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std205.pdf>

1. Instructions are available on each form to assist with filling them out.
2. Note that the entity’s name and Taxpayer Identification Number provided on the form(s) must match the information on file with the Internal Revenue Service to be accepted.
3. The authorized signatory or authorized fiscal representative must include the signatory’s title (e.g., President, General Partner, etc.) as it relates to the community water system to demonstrate authority to sign on behalf of the community water system.
4. **Where is the Program application located?**
	1. The application period is open October 5, 2021 through December 6, 2021. The application is accessed through the [Electronic Annual Report (EAR) portal](https://ear.waterboards.ca.gov/) for community water systems.
5. **How much money will eligible community water systems receive?**
	1. Because the funding amount is sufficient to cover the full statewide need plus requested administrative costs, the State Water Board will provide water systems with 100 percent of their requested amounts (arrearages plus administrative costs). Water systems may update the arrearage amounts they reported in the survey as part of the application.
6. **What is the application deadline?**
7. Applications must be submitted before 5pm on December 6, 2021.
8. **What information and documentation does the application require?**
	1. The application questions and help tips are posted on the program webpage at the following link <https://ear.waterboards.ca.gov/Content/AS-2-Help-Tips.html> For questions about eligibility , refer to the program guidelines adopted on September 21, 2021 by the State Water Boards:

[California Water and Wastewater Arrearage Payment Program Guidelines: Water Arrearages](https://www.waterboards.ca.gov/arrearage_payment_program/docs/final_guidelines.pdf)

1. **The application requires “wet” or “physical” signatures from an authorized representative(s) or designee for the community water system. How should community water systems determine who their authorized representative or designee is?**
	1. The application, typically, the authorized representative or designee is a designated officer or employee of the community water system that has the authority to apply for and receive moneys from the State Water Resources Control Board for the Program. Authorized representatives or designees may be granted this authority due to the position held within the community water system or by receiving a delegation to act in this role.
2. **Can a community water system request technical assistance to complete the Program application?**
3. Yes, for assistance completing the Program application, please submit a [Technical Assistance (TA) Request Form](https://www.waterboards.ca.gov/drinking_water/docs/ta_request_form_arrears.pdf) and email the TA Request Form to DFA-TARequest@waterboards.ca.gov.
4. **If approved, how long will it take for community water systems to receive payment?**
5. This State Water Board staff are reviewing applications and processing disbursements as soon as the Disbursement Request Form with the wet signature is received. Staff are prioritizing the timing of disbursements to small community water systems. The State Water Board will begin disbursing funds by November 1, 2021.
6. **Can community water systems apply for funding through this Program more than one time for drinking water arrearages?**
7. No. This Program is set-up as a one-time payment to community water systems for residential and commercial drinking water arrearages.
8. **Can community water systems that are aggregated under one legal entity submit one application on behalf of multiple community water systems associated with the legal entity?**
9. Yes. Umbrella legal entities that have several reporting community water systems can submit an aggregated application for all. If approved, payment will be issued to the legal entity for distribution amongst the associated community water systems that are part of the application request. The State Water Board requests that umbrella legal entities coordinate with the legal entities under the umbrella to make sure that all entities know who will be submitting the application to reduce confusion.

# Program Implementation

1. **When will the State Water Board begin disbursing payments to community water systems?**
	1. The State Water Board is required to begin disbursing Program funds to approved community water system applicants no later than November 1, 2021. (Health & Saf. Code, § 116773.4, subd. (b)(7).) However, payments may begin prior to November 1, if applications are submitted and processed before this date.
2. **Are there requirements for how community water systems must utilize the Program funding once received?**
	1. Community water systems will be required to “allocate payments as bill credits to customers to help address past-due bills incurred during the COVID-19 pandemic bill relief period and notify customers of the amounts credited to their accounts” within 60 days of receiving Program funds. (Health & Saf. Code, § 116773.4, subd. (b)(7).) The State Water Board adopted the following in its guidelines:

“Water systems must allocate the funds as bill credits to customers within 60 days of receiving funds. Water systems may apply the credits in two installments within different tax years provided they notify the customer when the second credit will be applied and meet the requirement to remit any moneys not credited to customers within six months of receipt back to the State Water Board.”

1. **Are there requirements for how community water systems must prioritize which customers with arrearages should receive assistance once they receive Program funding?**
	1. Water systems must allocate the funds as bill credits to customers within 60 days of receiving funds. For full details, refer to the following guidelines adopted on September 21, 2021 by the State Water Boards.

[California Water and Wastewater Arrearage Payment Program Guidelines: Water Arrearages](https://www.waterboards.ca.gov/arrearage_payment_program/docs/final_guidelines.pdf)

1. **Are all community water systems that receive funding through this program required to offer customers payment plans? What is the implementation deadline?**
	1. Yes. Community water systems that receive funding through this program are required to “provide customers with arrearages accrued during the COVID-19 pandemic bill relief period a notice that they may enter into a payment plan and that they have 30 days from the date of the notice to enroll in the payment plan.” (Health & Saf. Code, § 116773.4, subd. (e)(1).)
2. **How is the State Water Board coordinating with the Department of Community Services & Development (CSD) to implement this Program?**
3. The State Water Board and the CSD meet regularly to discuss Program implementation. Coordination priorities include, but are not limited to:
	* 1. Communication and outreach to water systems and customers;
		2. Sharing relevant data and information; and
		3. Coordinating timing of the programs so they are complementary.
4. **What is included in the Board resolution for this Program?**
	1. For full details, refer to the following guidelines adopted on September 21, 2021 by the State Water Boards.

[California Water and Wastewater Arrearage Payment Program Guidelines: Water Arrearages](https://www.waterboards.ca.gov/arrearage_payment_program/docs/final_guidelines.pdf)

# Water System Funding Allowable Purposes

1. **Does the funding provided through this Program have to be used for water bill arrearages, or can it be used to cover other financial losses or costs?**
2. Program funds may only be used to cover residential and/or commercial arrearages that have accrued during the COVID-19 pandemic bill relief period. Revenue loss or additional/unexpected costs that may be attributed to the COVID-19 pandemic are not eligible to be covered by Program funds.
3. **Some community water systems have forgiven all or partial residential customer debt prior to the establishment of this Program. Can the funds through this Program be used to reimburse these expenses?**
4. No. Program funds may only be used to cover residential and/or commercial arrearages that have accrued during the COVID-19 pandemic bill relief period and still are owed by the customer.

# Shut-Offs & Payment Plans

1. **What is a payment plan?**
	1. A payment plan is a plan for reduced or deferred payments by a customer, including, but not limited to, amortization of the unpaid balance and participation in an alternative payment schedule. Payment plans must conform to the requirements in the Water Shutoff Protection Act (Health & Saf. Code, § 116900 et. seq.), including payment plans offered by community water systems not otherwise subject to the Water Shutoff Protection Act.
2. **Are all community water systems required to offer residential and/or commercial customers payment plans?**
	1. Yes. All community water systems are required to “provide customers with arrearages accrued during the COVID-19 pandemic bill relief period a notice that they may enter into a payment plan and that they have 30 days from the date of the notice to enroll in the payment plan.” (Health & Saf. Code, § 116773.4, subd. (e)(1).)
3. **Can a community water system disconnect service for customers who have not signed up for a payment plan?**
	1. Yes, with restrictions and only after January 1, 2022.
	2. Community water systems cannot discontinue water service due to nonpayment of past-due bills before either of the following dates, whichever date is later. (Health & Saf. Code, § 116773.4, subd. (e)(2).):
		1. December 31, 2021.
		2. For a customer that has been offered an opportunity to participate in a payment plan, the date the customer misses the enrollment deadline for, or defaults on, the payment plan.
	3. Note that community water systems are required to notify customers of the opportunity to enter into a payment plan and that they have at least 30 days from the date of the notice to enroll in the payment plan.
	4. In addition, all community water systems must adhere to the Water Shutoff Protection Act (Health & Saf. Code, § 116900 et. seq.) notice and shutoff rules for discontinuing residential service due to arrearages accrued during the COVID-19 pandemic bill relief period even if they are not applying for funds from this Program.
4. **Can a community water system disconnect service for customers who are late on payments for their payment plan?**
	1. Community water systems may disconnect service for customers who do default on their payment plan, but not before December 31, 2021. The payment plan should define what constitutes a default.
	2. For customers that do default on payment plans with community water systems subject to the Water Shutoff Protection Act, the community water system must comply with the notice and shutoff requirements in the Water Shutoff Protection Act. (Health & Saf. Code, § 116900 et. seq.) for discontinuing residential service.
5. **If a community water system does not receive the full amount needed to cover their reported residential and commercial arrearages through this Program, may they still pursue customers for the balance, or discontinue service?**
	1. All community water systems are required to “provide customers with arrearages accrued during the COVID-19 pandemic bill relief period a notice that they may enter into a payment plan and that they have 30 days from the date of the notice to enroll in the payment plan.” (Health & Saf. Code, § 116773.4, subd. (e)(1).)
	2. Community water systems subject to the Water Shutoff Protection Act (Health & Saf. Code, § 116900 et. seq.) must comply with the requirements in the Water Shutoff Protection Act, including the notice and procedural requirements for discontinuing service to residential customers.
	3. Please note that all community water systems are subject to the Water Shutoff Protection Act for discontinuing residential service due to arrearages accrued during the COVID-19 pandemic bill relief period, even if they are not normally subject to the Water Shutoff Protection Act.

# Reporting Requirements

1. **What will the reporting requirements be for water systems that receive payment?**
	1. All community water systems that receive funds must provide certification to the State Water Board that, except for authorized administrative costs, Program funds were applied as credits to customer bills to offset COVID-19 arrearages. Systems must report the total amount credited, the number of accounts credited, the number of customers enrolled in a payment plan and the number of customers that did not enroll in a payment plan. Systems must also report the amount used for administration of the Program. The State Water Board will provide a template or online portal for reporting, including a template for reporting administrative costs. The State Water Board may request the supporting documentation to validate the reported amounts. Water systems accepting funds may be audited and must retain documentation supporting the reported amounts for seven years following final reporting.