

FAQS: CALIFORNIA WATER AND WASTEWATER ARREARAGE PAYMENT PROGRAM

https://www.waterboards.ca.gov/arrearage_payment_program

communitywatersystemscovidrelief@waterboards.ca.gov

TABLE OF CONTENTS

Program FAQs	1
Program Eligibilities	4
Program Survey	7
Program Application	11
Program Implementation	14
Water System Funding Allowable Purposes	16
Shut-Offs & Payment Plans	17
Reporting Requirements	18

PROGRAM FAQS

- 1. What is the *California Water and Wastewater Arrearage Payment Program* (Program)?**
 - a. 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?**
 - a. 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?**
 - a. 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](#). Navigate to the Drinking Water section and select “Arrearage Payment Program

(COVID Relief)”

4. Where is the funding for this Program coming from?

- a. The [American Rescue Plan Act of 2021](#).

5. Does the Program prioritize certain types of community water systems?

- a. No, all eligible community water systems are treated equally when determining the allocation of funding for this Program. The allocation of funds will be proportional based on the percentage of the total statewide need for community water systems (determine by a Program survey) and estimated by the State Water Board, and the total assistance available for disbursement.
- b. The State Water Board will prioritize the *timing* of payments to small community water systems to get them funding as quickly as possible.

6. Is the State Water Board prioritizing funding to community water systems that have more customers with arrearage balances greater than \$600?

- a. No. Allocations will be proportional as described in response 5a. 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.

7. What time period will payments cover?

- a. March 4, 2020 to June 15, 2021, which is the COVID-19 pandemic bill relief period. Community water systems will be asked to provide, via a new Electronic Annual Report portal survey, their residential and commercial arrearages that have accrued for their billing periods between and including these dates.

8. What are the tax implications of accepting Program funds?

- a. 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.
- b. 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.

9. Can a community water system apply if it has not yet completed the 2020 Electronic Annual Report (EAR) reporting?

- a. 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.

10. 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).

- a. 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:
 - i. **Water Utility Assistance:**
 1. [Low Income Household Water Assistance Program](#), administered by CSD: water and wastewater utility assistance for income-qualified customers (**Note:** Program opens late fall 2021)
 - ii. **Energy Utility Assistance:**
 1. [California Arrearage Payment Program](#), administered by CSD: Eligible customers automatically will be credited and do **not** need to apply.
 2. [Low Income Home Energy Assistance Program](#), administered by CSD: utility assistance for income-qualified customers (To learn more about eligibility, visit [CSD's website](#).)
 - iii. **Rent Assistance:**
 1. The [CA COVID-19 Rent Relief](#) 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](#) to determine which program is right for you.

11. How long will the State Water Board's Program be available?

- a. At this time, this is a one-time program. The Program will initially prioritize drinking water residential and commercial arrearages and revenue loss. If the Program still has funding available, it will extend to wastewater residential and commercial arrearages and revenue loss by February 2022.

12. Is this Program funding a grant or loan to community water systems? Will the funding have to be paid back?

- a. This Program will issue one-time payments to community water systems. Water systems only have to return funds if the funds are not used for permissible purposes.

PROGRAM ELIGIBILITIES

13. Who is eligible to receive assistance through this Program?

- a. 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.

14. What is a community water system?

- a. 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.

15. What is a small community water system?

- a. 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.

16. How can I determine if my water system is classified as a community water system?

- a. 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.

CA Drinking Water Watch			
<u>Water System Details</u>			
Water System No. :	CA3410001	Federal Type :	C
Water System Name :	SACRAMENTO SUBURBAN WATER DISTRICT	State Type :	C
Principal County Served :	SACRAMENTO	Primary Source :	SWP
Status :	A	Activity Date :	01-01-1976
Distribution System Classification :	D4	Max Treatment Plant Classification :	T2

17. Are for-profit community water systems eligible for this Program?

- a. Yes, all community water systems are eligible.

18. Are all water systems eligible for this Program?

- a. No, only community water systems are eligible.

19. What is considered a customer past-due bill or arrearage?

- a. “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).)

20. What are residential customers?

- a. 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.

21. What are commercial customers?

- a. 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.
- b. 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.).

22. What is the time period eligible for accrued residential and/or commercial arrearages under this Program?

- a. For the purposes of this program, the COVID-19 pandemic bill relief period is considered to be from March 4, 2020 through June 15, 2021.

23. 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?

- a. Yes, community water systems that do not track residential and/or commercial arrearages are able to report revenue loss during the COVID-19 pandemic bill relief period. The State Water Board will estimate customer arrearages using this revenue loss information using data collected in the Program survey.
- b. 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.

24. Are residential and/or commercial late fees eligible under this Program?

- a. The State Water Board is collecting information about unpaid late fees in the Program survey to inform this decision. More information will be provided when the State Water Board adopts a resolution establishing guidelines for application requirements and reimbursement amounts for the Program.

25. What criteria is the State Water Board using to determine which community water systems are eligible for payments from this Program?

- a. Community water systems must have experienced financial impacts from accrued residential and commercial drinking water arrearages between March 4, 2020 through June 15, 2021.
- b. Further eligibility criteria will be determined by the State Water Board in a resolution to be passed in the Fall 2021.

26. 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?

- a. 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.

27. Can a community water system apply for this Program if it has not yet completed the 2020 Electronic Annual Report (EAR)?

- a. 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 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.

28. Is a community water system that has a funding agreement currently with the State Water Board eligible for this Program?

- a. Yes, community water systems that have a current funding agreement with the State Water Board are eligible to apply for funding through this Program.

29. 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?

- a. 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

30. Why is the State Water Board conducting a survey for this Program?

- a. The State Water Board is required to survey community water systems to determine statewide residential and commercial arrearages and water enterprise revenue shortfalls that have accrued during the COVID-19 pandemic bill relief period. The State Water Board is required to adopt a resolution establishing Program guidelines for application requirements and reimbursement amounts for those arrearages and revenue shortfalls reported in the survey. (Health & Saf. Code, § 116773.4(b).)

31. What key information is being collected in the Program survey?

- a. For community water systems that charge customers for water:

- i. Residential arrearages: The number of accounts and total accrued debt. Total amount of late fees. You will also be asked to identify the number of accounts and total accrued debt with \$600 in debt or more.
 - ii. Commercial arrearages: The number of accounts and total accrued debt. Total amount of late fees. You will also be asked to identify the number of accounts and total accrued debt with \$600 in debt or more.
- b. Revenue loss:
- i. 2019 total revenues; and 2019 total expenses for maintaining water system.
 - ii. Revenue loss that has occurred during the COVID-19 pandemic (within your billing cycles that include March 4, 2020 through June 15, 2021).

32. What date will the Program survey open for community water systems?

- a. The Program survey will open to community water systems on August 11, 2021.

33. Where can the Program survey be accessed by community water systems?

- a. Community water systems can access the Program survey through their [Electronic Annual Report \(EAR\) Portal](#). Credentialed community water systems reporters will see a new survey link on their dashboard.

34. What is the deadline for the survey?

- a. Community water systems must complete the survey 30 calendar days after the survey opens, in order to meet program deadlines. The current Program survey deadline is September 10, 2021.

35. Should community water systems that have experienced no financial impact due to the COVID-19 pandemic or are not interested in applying for funding from this Program complete the survey?

- a. Yes. However, community water systems that have experienced no financial impact due to the COVID-19 pandemic or are not interested in applying for the funding will only have to respond to 2 questions in the survey to complete it. It is very important that these systems respond to the survey so that the State Water Board can effectively allocate funding to systems with customers in debt that are planning to participate in the Program.

36. Should community water system wholesalers that don't directly serve residential or commercial customers respond to the Program survey?

- a. Yes. The Program survey collected information about revenue loss during the COVID-19 pandemic bill relief period. If a community water system either: (1) does not have residential and/or commercial customers; or (2) does not charge customers for water services; the system only will be asked to complete the

revenue loss section of the survey. The community water system will not be requested to answer the questions about residential and commercial arrearages.

37. Can a community water system report aggregate data for legal entities that are umbrella organizations for multiple water systems in the Program survey?

- a. 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.
- b. If the legal entity includes non-community water systems, these systems cannot be included in the aggregated reporting.

38. Can a community water system request technical assistance to complete the Program survey?

- a. Yes, for assistance completing the Program survey, please submit a [Technical Assistance \(TA\) Request Form](#) and email the TA Request Form to DFA-TARequest@waterboards.ca.gov.

39. Why does the Program survey include questions from the 2020 Electronic Annual Report (EAR)?

- a. 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 either calculate or confirm revenue loss information provided in the Program survey. Furthermore, this information is necessary to ensure proper deployment of Program funds for State and federal auditing purposes.
- b. 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.

40. Can a community water system that has not completed the 2020 Electronic Annual Report (EAR) submit the Program survey?

- a. No. The Program survey auto-fills the answers for a number of 2020 EAR questions and the Program survey will not allow a community water system to submit the survey if either: (1) the 2020 EAR questions in the Program survey are not available (blank); or (2) if the 2020 EAR answer for question B1.8 (total

2020 Revenue) is \$0.

41. Can community water systems fix or update information in the Program survey that is from the 2020 Electronic Annual Report (EAR)?

- a. 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 this survey.
- b. 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.

42. Can a community water system submit a Program survey if they have reported \$0 revenues in their 2020 Electronic Annual Report (EAR)?

- a. No. The Program survey auto-fills the answers for a number of 2020 EAR questions and the Program survey will not allow a community water system to submit the survey if the 2020 EAR answer for question B1.8 (total 2020 Revenue) is either blank (survey not completed) or \$0.

43. Who should community water systems reach out to if they have questions about Section 8 of the 2020 Electronic Annual Report (EAR)?

- a. Please email the Division of Drinking Water's Needs Analysis Unit at SAFER-NAU@waterboards.ca.gov

44. Can a community water system request technical assistance to complete or edit the 2020 Electronic Annual Report (EAR)?

- a. Yes, for assistance completing the 2020 EAR, please submit a [Technical Assistance \(TA\) Request Form](#) and email the TA Request Form to DFA-TARequest@waterboards.ca.gov.

45. How will the information collected in the survey be used by the State Water Board to inform the implementation of this Program?

- a. The State Water Board is required to use the survey results to determine the total amount of residential and commercial arrearages from community water systems that have submitted that information. (Health & Saf. Code, § 116773.4, subd. (b).) The survey shall also quantify revenue shortfalls for community water systems unable to disaggregate customer arrearages. The State Water Board will use this information to determine whether there are sufficient funds to reimburse the total amount of reported arrearages and revenue shortfalls of community water systems. If the total need is greater than available funding, the State Water Board will develop an allocation formula to disburse the funds on a proportional basis to each community water system applicant. This will be based

on reported arrearages and the State Water Board's estimation of customer arrearages for community water systems unable to report arrearages that report water enterprise revenue shortfalls.

46. How soon after the survey deadline will community water systems be able to apply for Program funding?

- a. After the survey deadline, the State Water Board will analyze the information collected to determine the allocation of the Program funds. The State Water Board will then adopt a resolution to provide guidance on Program eligibilities and requirements. Within 14 days of adopting the resolution, the State Water Board will begin accepting applications from community water systems for funds to assist customers who have past-due bills from the COVID-19 pandemic bill relief period.

47. Can a community water system that has already submitted their Program survey edit their responses before and/or after the survey deadline?

- a. Community water systems can edit their Program survey responses before the survey deadline. Survey responses cannot be edited after the survey deadline.

48. Is there a webinar planned for community water systems to learn more about the Program survey?

- a. Yes. The State Water Board will host three webinars, in partnership with RCAC, for community water systems to learn more about the Program and the survey.
 - i. **August 19, 2021** from 10:00 – 11:30 AM
 1. [Public Notice](#)
 2. [Registration Webpage](#)
 - ii. **August 26, 2021** from 10:00 AM – 12:00 PM
 1. [Registration Webpage](#)
 - iii. **August 26, 2021** from 2:00 – 4:00 PM
 1. [Registration Webpage](#)

PROGRAM APPLICATION

49. How does a community water system apply for funding from this Program?

- a. A community water system applicant must meet the Program eligibility requirements and complete the application package. An application survey will be opened in Fall 2021 through the [Electronic Annual Report \(EAR\) portal](#) for community water systems. 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.

50. What are the tax payer ID forms and why are they needed?

- a. The State Water Board is required to collect tax payer ID forms before issuing any payments. The State Water Board cannot make any payments to a community water system without the approved tax payer 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.
- b. The tax payer 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>

- c. Instructions are available on each form to assist with filling them out.
- d. 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.
- e. 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.

51. Where is the Program application located?

- a. An application survey will be opened in Fall 2021 through the [Electronic Annual Report \(EAR\) portal](#) for community water systems. 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.

52. How much money will eligible community water systems receive?

- a. The allocation of Program funds to individual community water systems will be determined using the information in the Program survey. Community water systems will be notified by the State Water Board of the maximum amount of funding they can request through the funding application. 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.

53. What is the application deadline?

- a. The State Water Board is required to open the Program application period within 14 days of adopting a resolution establishing Program guidelines. The application must be open for at least 60 days to allow community water systems to apply for reimbursement. (Health & Saf. Code, § 116773.4, subd. (b)(2).) 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.

54. What information and documentation does the application require?

- 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.

55. 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?

- a. 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. More information will be provided regarding authorized representatives as the State Water Board moves closer to opening the application window.

56. Can a community water system request technical assistance to complete the Program application?

- a. Yes, for assistance completing the Program survey, please submit a [Technical Assistance \(TA\) Request Form](#) and email the TA Request Form to DFA-TARequest@waterboards.ca.gov.

57. Once a community water system has applied for funding, how long will it take to know if the application has been approved?

- a. This information is not yet available and may be dependent on the Program guidelines established in the State Water Board Program resolution.

58. If approved, how long will it take for community water systems to receive payment?

- a. This information is not yet available and may be dependent on the Program guidelines established in the State Water Board Program resolution.

59. Can community water systems apply for funding through this Program more than one time for drinking water arrearages and/or revenue loss?

- a. No. This Program is set-up as a one-time payment to community water systems for residential and commercial drinking water arrearages.

60. 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?

- a. 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

61. When will the State Water Board begin disbursing payments to community water systems?

- a. 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).)

62. What is the process the State Water Board will employ for distributing Program funding?

- a. Generally, the process will start with the State Water Board receiving the completed application and disbursement request forms from the community water system. Once received, the State Water Board will review and approve the application, unless additional documentation or information is needed to complete the review. If the application is approved, the State Water Board will

review and approve the disbursement request form, unless additional documentation or information is needed to complete the review. Once the disbursement request form is approved, the State Water Board authorizes the one-time payment through the State Controller's Office for check issuance. The check will be mailed to the community water system's address on record within 6-8 weeks.

63. Will community water systems that responded to the State Water Board's 2020 COVID-19 water debt survey be prioritized for receiving payments?

- a. No. The State Water Board is required to "prioritize the timing of the disbursement of funding to small community water systems." (Health & Saf. Code, § 116773.4, subd. (b)(6)(A).)

64. Are there requirements for how community water systems must utilize the Program funding once received?

- a. 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).) More information will be provided when the State Water Board adopts a resolution establishing Program guidelines for community water systems.

65. Are there requirements for how community water systems must prioritize which customers with arrearages should receive assistance once they receive Program funding?

- a. More information will be provided when the State Water Board adopts a resolution establishing Program guidelines for community water systems. 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).)

66. Are all community water systems that receive funding through this program required to offer customers payment plans? What is the implementation deadline?

- a. 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).)

67. What will the reporting requirements be for water systems that receive a payment through this Program? When is the deadline?

- 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.

68. How is the State Water Board coordinating with the Department of Community Services & Development (CSD) to implement this Program?

- a. The State Water Board and the CSD meet regularly to discuss Program implementation. Coordination priorities include, but are not limited to:
 - i. Communication and outreach to water systems and customers;
 - ii. Sharing relevant data and information; and
 - iii. Coordinating timing of the programs so they are complementary.

69. What will the allocation formula be for distributing available funding to community water systems?

- a. The State Water Board is required to distribute funding to community water systems proportionally based on reported need. Within this requirement the State Water Board will develop an allocation formula for distributing available funding to community water systems after the Program survey deadline. The development of the allocation formula is dependent on: (1) the total number of completed Program surveys from community water system state-wide; and (2) the total reported funding needs identified through the survey and subsequent survey data analysis. More information about the allocation formula will be provided when the State Water Board adopts a resolution establishing guidelines for application requirements and reimbursement amounts for community water systems.

70. What is included in the Board resolution for this Program?

- 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.

WATER SYSTEM FUNDING ALLOWABLE PURPOSES**71. 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?**

- a. 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.

72. 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?

- a. 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

73. What is a payment plan?

- a. 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.

74. Are all community water systems required to offer residential and/or commercial customers payment plans?

- a. 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).)

75. Can a community water system disconnect service for customers who have not signed up for a payment plan?

- a. Yes, with restrictions.
- b. A community water system receiving funds through this Program 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).):
 - i. September 30, 2021.
 - ii. 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.
- c. 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.
- d. 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.

76. Can a community water system disconnect service for customers who are late on payments for their payment plan?

- a. Community water systems may disconnect service for customers who default on their payment plan, but not before September 30, 2021. The payment plan should define what constitutes a default. The State Water Board may provide additional requirements when it adopts funding guidelines for the Program.
- b. 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.

77. 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?

- a. 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).)
- b. 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.
- c. 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

78. What will the reporting requirements be for water systems that receive payment?

- a. More information will be provided when the State Water Board adopts a resolution establishing Program guidelines for community water systems.

79. When is the deadline for complying with the Program reporting requirements?

- a. More information will be provided when the State Water Board adopts a resolution establishing Program guidelines for community water systems.