



DATE: April 23, 2024

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Accept and Appropriate Funds from the California Water and Wastewater Arrearage Payment Program (CWWAPP) for Drinking Water and Wastewater Arrearages in an Amount Not to Exceed \$1,514,975.36

RECOMMENDATION

That the City Council adopts a resolution (Attachment II) authorizing the City Manager to accept and appropriate funds from the California Water and Wastewater Arrearage Payment Program (CWWAPP) for Drinking Water and Wastewater Arrearages in an Amount Not to Exceed \$1,514,975.36.

SUMMARY

In December 2023, staff applied for funding through the CWWAPP, a program administered by the State Water Resources Control Board (SWRCB), to reduce delinquent water and wastewater balances for customers experiencing financial hardships related to the pandemic. Staff requested funding to cover all of Hayward residential and commercial customers' eligible delinquent bill amounts and the City has been awarded 100% of the request. Staff is now seeking authorization to accept and appropriate the awarded funds in an amount not-to-exceed \$1,514,975.36 in Water Operating Fund 605 and Wastewater Operating Fund 610. Awarded funding must be used to credit commercial and residential accounts that still have outstanding bills from the extended pandemic period, defined as June 16, 2021, to December 31, 2022.

BACKGROUND AND DISCUSSION

The economic impacts resulting from the COVID-19 pandemic left many Californians unable to pay their water and wastewater bills. In response, nearly \$1 billion in Federal American Rescue Plan Act (ARPA) funding was allocated to the SWRCB to administer a program to reduce delinquent water and wastewater balances for customers experiencing financial hardships related to the pandemic. In February 2022 and June 2022, the City received \$1,853,487 for drinking water arrearages and \$744,389 for wastewater arrearages to credit customers for the period of March 4, 2020, to June 15, 2021.

In October 2023, California community water systems were given another opportunity to report their residential and commercial customers' delinquent bill amounts during the extended pandemic period, defined as June 16, 2021, to December 31, 2022, as a remaining \$600 million were still available after the original implementation of the CWWAPP. In late 2023, staff applied for the extended period CWWAPP funding to credit those delinquent customers' accounts, thereby forgiving their debt. Hayward commercial and residential customers' delinquent bills for drinking water during the extended pandemic period totaled \$985,689.34. This amount is owed by 2,267 residential accounts and 100 commercial accounts. Hayward commercial and residential customers' delinquent bills for wastewater during the extended pandemic period totaled \$485,160.53 owed by 2,228 residential accounts and 103 commercial accounts. Staff requested funding through the extended CWWAPP period to cover this entire amount, plus an additional 3%, or \$44,125.49, for costs associated with administering the program.

Administrative requirements include posting funds to customer accounts within sixty days of receipt, notifying customers of the posted funds, and direct noticing to customers who still have remaining debt, offering to enroll them in a payment plan. Additional program requirements can be found in the Program Guidelines, posted on the SWRCB website.

ECONOMIC IMPACT

People of color and low-income communities have and continue to be disproportionately impacted by COVID-19, and these funds will provide much-needed relief to local residents and commercial business owners who were hit hardest by the crisis. The assistance will aid both Hayward water and wastewater customers and the local economy in its continued recovery from the pandemic.

FISCAL IMPACT

A total of \$1,514,975.36 has been awarded to the City to offset customer's drinking water arrearages and administer this program. If approved by Council, this amount will be accepted as revenue in Water Operating Fund 605 and Wastewater Operating Fund 610, and will then be appropriated so it may be posted to eligible customers' accounts and spent on eligible administrative costs. It is important to note that any pandemic-period water and wastewater debt which a customer has paid between the date this amount was calculated and the date funds would be posted to their account becomes ineligible for coverage under the program and must be returned to the State. For this reason, it is possible that the total amount accepted and appropriated within Fund 605 and Fund 610 may be less than the award amount reflected in this report.

STRATEGIC ROADMAP

This agenda item is an operational item and does not relate to any of the six priorities outlined in the Council's Strategic Roadmap.

SUSTAINABILITY FEATURES

This item does not involve any sustainability features.

PUBLIC CONTACT

The CWWAPP has several public contact requirements, including that the City must notify customers when funds are posted to their accounts. The City must also send a direct notice to customers who still have remaining debt, offering to enroll them in a payment plan. A full list of the program requirements can be found in the Program Guidelines, posted on the SWRCB website¹.

NEXT STEPS

If Council authorizes this action, staff will accept and appropriate the CWWAPP funds in Water Operating Fund 605 and Wastewater Operating Fund 610 to administer the program per the program requirements.

Prepared by: Marissa Matta, Management Analyst

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager

¹ https://www.waterboards.ca.gov/arrearage_payment_program/