



DATE: June 21, 2022

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 Wastewater Arrearages in an Amount Not-to-Exceed \$744,389

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to accept up to \$744,389 from the State Water Resources Control Board and appropriate the funds in Wastewater Operating Fund 610 so they may be spent in accordance with the requirements of the California Water and Wastewater Arrearage Payment Program.

SUMMARY

Last fall, staff applied for and received \$1,853,487 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. The awarded funds were specifically for the water portion of eligible customer bills. This spring, staff submitted a second application for funding to cover the wastewater portion of eligible arrearages. The City has been awarded 100% of its request, and is now seeking authorization to accept and appropriate the awarded funds in an amount not-to-exceed \$744,389 in Wastewater Operating Fund 610. These funds must be used to credit commercial and residential accounts that still have outstanding wastewater bills from the pandemic period, defined as March 4, 2020 to June 15, 2021.

BACKGROUND

The economic impacts resulting from the COVID-19 pandemic have 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.

Last fall, California community water systems were given the opportunity to report their residential and commercial customers' delinquent bill amounts during the pandemic period, defined as March 4, 2020 to June 15, 2021, and apply for CWWAPP funding to credit

those delinquent customers' accounts, thereby forgiving their debt. The \$1,853,487 applied for and awarded during this initial application period was intended to cover all of Hayward residential and commercial customers' eligible delinquent bill amounts related to drinking water. During the February 22, 2022 City Council Meeting¹, Council authorized the receipt and appropriation of these funds.

In spring 2022, staff submitted a second application for funding to cover the wastewater portion of eligible arrearages.

DISCUSSION

Hayward commercial and residential customers' delinquent bills for wastewater during the pandemic period totaled \$722,708. This amount is owed by 2,469 residential accounts and 123 commercial accounts. Staff requested funding through the CWWAPP to cover this entire amount, plus an additional 3%, or \$21,681, for costs to administer 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 website².

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 those local residents and commercial business owners who were hit hardest by the crisis. The assistance will aid both Hayward water customers and the local economy in its recovery from the pandemic.

FISCAL IMPACT

A total of \$744,389 has been awarded to the City to offset customer's wastewater arrearages and administer this program. If approved by Council, this amount will be accepted as revenue in 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 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 610 may be less than the award amount reflected in this report.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Grow the Economy. Specifically, this item relates to the following projects:

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5459681&GUID=0B78D1B7-0CAE-4636-A6A8-32C6E43209FD&Options=&Search=>

² https://www.waterboards.ca.gov/arrearage_payment_program/

Project E6: COVID-19 Pandemic Response

Project E7: COVID-19 Pandemic Recovery Business Assistance

This agenda item also supports the Strategic Priority of Strengthen Organizational Health. Specifically, this item relates to the following projects:

Project R1: Maintain and expand fiscal sustainability

Project R2: Budget Changes due to COVID-19

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 website³.

NEXT STEPS

If approved, staff will accept and appropriate the CWWAPP funds in Wastewater Operating Fund 610 to administer the program per the program requirements.

Prepared by: Kait Byrne, Senior Management Analyst

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager

³ https://www.waterboards.ca.gov/arrearage_payment_program/