



*City of Arts & Innovation*

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# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 21, 2021**

**FROM: PUBLIC UTILITIES DEPARTMENT WARDS: ALL**

**SUBJECT: RESOLUTION AUTHORIZING PARTICIPATION IN THE CALIFORNIA ARREARAGE PAYMENT PROGRAM AND THE CALIFORNIA WATER AND WASTEWATER ARREARAGE PAYMENT PROGRAM TO REQUEST FUNDING FOR UNPAID ELECTRIC, WATER, AND WASTEWATER SERVICES INCURRED DURING THE COVID 19 PANDEMIC**

## **ISSUE:**

Adopt a Resolution to authorize the City to participate in California Arrearage Payment Program and the California Water and Wastewater Arrearage Payment Program to request funding for customer accounts with past due electric, water, and wastewater service charges provided during the COVID-19 pandemic.

## **RECOMMENDATIONS:**

That the City Council:

1. Adopt a Resolution to authorize the City to participate in the California Arrearage Payment Program and the California Water and Wastewater Arrearage Payment Program to request funding for past due customer accounts with electric, water, and wastewater service charges provided during the COVID-19 pandemic;
2. Allow the City to accept California Arrearage Payment Program and the California Water and Wastewater Arrearage Payment Program funding on behalf of customers to be applied to their unpaid bills for services provided during the COVID-19 pandemic; and
3. Authorize the City Manager, or his designee, to execute all documentation needed to facilitate participation in the California Arrearage Payment Program and the California Water and Wastewater Arrearage Payment Program.

## **BOARD RECOMMENDATION:**

This report is published on September 9, 2021, for the September 21, 2021, City Council meeting.

On September 13, 2021, the Board of Public utilities will hear this item for consideration to recommend City Council adopt the resolution to authorize participation in the California Arrearage

Payment Program and the California Water and Wastewater Arrearage Payment Program to request funding for past due customer accounts with electric, water, and wastewater service charges provided during the COVID-19 pandemic.

If the Board of Public Utilities approves to forward this item to the City Council, staff respectfully requests that the City Council consider the item at their September 21, 2021 meeting.

### **LEGISLATIVE HISTORY:**

In July 2021, the State Legislature passed nearly \$2 Billion in funding to address statewide energy, water, and wastewater utility arrearages.

On July 16, 2021, Governor Newsom signed AB 135, which created the California Arrearage Payment Program (CAPP) to administer funding for electric utility customer arrearages. There is \$993.5 million in the program, \$694.9 million for Investor-Owned Utilities and Community Choice Aggregators and \$298.5 million for publicly owned utilities and co-operative electric utilities. Funding may be moved between these programs based on need.

Utility customers do not need to apply to receive assistance under the CAPP program. If a customer account is eligible, a credit will be automatically applied to the customer bill. Riverside Public Utilities (RPU) is applying for CAPP assistance on behalf of customers who incurred a past due balance of 60 days or more on their energy bill during the COVID-19 pandemic relief period covering March 4, 2020 through June 15, 2021.

The priorities of the CAPP assistance to eligible customer accounts are:

1. Active residential customers with past due balances who are at risk of disconnection due to non-payment.
2. Active residential customers with past due balances.
3. Inactive residential customers with past due balances.
4. Commercial customers with past due balances.

The California Department of Community Services and Development (CSD) is administering this program. Additional information can be found at <https://www.csd.ca.gov/Pages/CAPP.aspx>.

On July 22, 2021, Governor Newsom signed AB 148, which created the California Water and Wastewater Arrearage Payment Program (CWWAPP) to administer funding for water/wastewater utility customer arrearages.

The State Water Resources Control Board (SWRCB) is administering this program, working with community water systems, and if funding is available, wastewater treatment providers. RPU is applying for CWWAPP assistance on behalf of customers who incurred a past due balance of 60 days or more on their water or sewer bill during the COVID-19 pandemic relief period. This program covers residential and commercial water system customers with arrears accrued March 4, 2020-June 15, 2021. There is \$985 million in the program. Additional information can be found at [https://www.waterboards.ca.gov/arrearage\\_payment\\_program/](https://www.waterboards.ca.gov/arrearage_payment_program/).

## **BACKGROUND:**

On March 4, 2020, Governor Newsom declared a state of emergency for the State of California as a result of the threat of COVID-19. On March 11, 2020, Governor Newsom issued his policy recommending the cancellation of public gatherings of 250 people or more and limitations on gatherings of people who are at higher risk for COVID-19 to 10 people or fewer, and delaying or canceling meetings where attendees cannot observe at least six feet of “social distance” from one another.

On March 8, 2020, the Riverside County’s Public Health Officer declared a local health emergency based on an imminent and proximate threat to public health from the introduction of a Novel Coronavirus (COVID-19) in Riverside County. On March 10, 2020, the County of Riverside ratified the local emergency.

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.

On March 13, 2020, President Trump declared the COVID-19 pandemic a national emergency.

On March 13, 2020, the City declared a local emergency to increase its efforts to protect the public from COVID-19. The City’s proclamation of local emergency notes that “there exists conditions of a disaster or of extreme peril to the safety of persons or property within the territorial limits of the City of Riverside that are beyond the control of the services, personnel, equipment and facilities of the City for the reason of COVID-19.” The City Council ratified that declaration on March 17, 2020.

Following the surge of COVID-19 cases in July 2020, the City Council has reviewed the Proclamation of Local Emergency and voted to continue the Local Emergency on the following dates: July 21, 2020; August 18, 2020; September 15, 2020; October 20, 2020; November 17, 2020; December 15, 2020; January 12, 2021; February 9, 2021; March 9, 2021; April 13, 2021; May 11, 2021; and June 15, 2021.

## **DISCUSSION:**

The CSD and SWRCB agencies are in the process of determining program and reporting requirements for customers with past due utility balances. As these requirements are refined, RPU will continue to adjust the reporting to ensure compliance with the programs and to provide the greatest benefit to customers.

All customers will receive letters with information on which programs and amounts, if any, RPU has submitted for them for past due amounts for CAPP and CWWAPP funding. The letters are expected to be mailed to customers in late September 2021.

The Interim Public Works Director concurs with the recommendations in this report.

## **STRATEGIC PLAN ALIGNMENT:**

Participation in the CAPP and CWWAPP programs meet contribute to Envision Riverside 2025 Strategic Plan Goal 6.3 - Identify and pursue new and unique funding opportunities to develop, operate, maintain, and renew infrastructure and programs that meet the community’s needs.

Participation in the CAPP and CWWAPP programs aligns with all five Cross-Cutting Threads:

1. **Community Trust** –The City’s participation to submit unpaid service charges to the CAPP and CWWAPP programs serve the public interest for greater public good.
2. **Equity** –The CAPP and CWWAPP programs provide access for the community to equitably share the benefits of each payment arrearage program.
3. **Fiscal Responsibility** –Riverside’s participation in the CAPP and CWWAPP provide direct financial benefits to the City’s customers and the utility funds.
4. **Innovation** – The programs area a timely solution intended to ease the burden of the COVID-19 pandemic on the community and is expected to meet the changing needs of the community.
5. **Sustainability & Resiliency** – The programs assist Riverside with its commitment to meeting the needs of the present without compromising the needs of the future and ensures the City’s capacity to persevere, adapt and grow during good and difficult times alike.

#### **FISCAL IMPACT:**

There is no fiscal impact associated with this recommendation. All efforts to compile customer information based on the program regulations of each program are conducted with current staff members. All funding received from the programs will be applied as bill credits to each customer account after receipt from the respective state programs.

Prepared by: Todd Corbin, Public Utilities General Manager

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer

Approved by: Al Zelinka, FAICP, City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Resolution
2. Presentation