

Agenda Item #13.1
For Council Meeting of: May 21, 2024

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JENNIFER BURKE, DIRECTOR, SANTA ROSA WATER
SUBJECT: APPROPRIATION OF GRANT FUNDS FOR PAYMENT OF
OVERDUE WATER AND WASTEWATER CHARGES ON
CUSTOMER ACCOUNTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by Santa Rosa Water that the Council, by resolution, authorize the Chief Financial Officer to appropriate \$2,038,897.06 of grant funding from the State Water Resources Control Board and apply payments to customer accounts for overdue water and wastewater charges.

EXECUTIVE SUMMARY

The state of California allocated \$985 million of Federal American Rescue Plan Act of 2021 funding to the State Water Resources Control Board (Water Board) to establish the California Water and Wastewater Arrearages Program (Program).

In 2022, Santa Rosa Water (SRW) applied for, and subsequently received, funding from the Program for payment of overdue water and wastewater charges. There were 724 SRW customer accounts with eligible overdue water charges and 887 customer accounts with eligible overdue wastewater charges. In November 2023, the State extended the eligibility period and opened an additional round of funding for overdue water and wastewater charges. SRW submitted an application for funding for overdue water and wastewater charges to the Water Board for eligible charges for 2,490 customer accounts with overdue water charges and 2,461 customer accounts with overdue wastewater charges.

BACKGROUND

Initially the Program prioritized funding and only accepted applications for overdue water charges. SRW submitted an application for overdue water charges to the Water Board which was approved and funds were disbursed and applied to customer accounts in February 2022.

APPROPRIATION OF GRANT FUNDS FOR PAYMENT OF OVERDUE WATER AND
WASTEWATER CHARGES ON CUSTOMER ACCOUNTS
PAGE 2 OF 3

The Water Board subsequently accepted applications for overdue wastewater charges. SRW submitted an application and was approved for additional funding to be applied to customer accounts with overdue wastewater charges. Funds were disbursed and applied to customer accounts in May 2022.

In November 2023, the State extended the program to assist with water and wastewater arrearages that are 60 days or more in arrears and that accrued between June 16, 2021 and December 31, 2022. The Program requires funding be returned to the State if customer accounts receive any payments that reduce the eligible overdue charges after the application is submitted. The Program requires that payments be applied to customer accounts within 60 days of funding issuance and that written notification be made to customers who received payment. Notification must identify the funding source, the amount applied and that payment plans are available for any remaining overdue charges.

PRIOR CITY COUNCIL REVIEW

None.

ANALYSIS

The water extended arrearage application was submitted in November 2023 and requested \$683,577.10 of funding for overdue charges on 2,490 customer accounts. After an additional administrative allowance of 3%, the total payment received from the State for water arrearages under the extended arrearage program was \$704,804.41.

The wastewater extended arrearage application was also submitted in November 2023 and requested \$1,295,934.61 of funding for overdue charges on 2,461 customer accounts. After an additional administrative allowance of 3%, the total payment received from the State for wastewater arrearages under the extended arrearage program was \$1,334,092.65.

The Program requires that any payments applied to the eligible overdue water and wastewater charges from the time of application to disbursement of funds, be returned to the State. Therefore, customer accounts will be reviewed, eligible charges confirmed, and payments will then be applied to customer accounts and customer notification will be provided. Any remaining funds will be returned to the State as required.

To apply payments to qualifying customer accounts with overdue water and wastewater charges, \$2,038,897.06 must be appropriated to revenue account 1601-4411 and expenditure key 300201-5368 must be increased by \$2,038,897.06.

FISCAL IMPACT

Funding of \$2,038,897.06 received from the State must be appropriated to revenue

APPROPRIATION OF GRANT FUNDS FOR PAYMENT OF OVERDUE WATER AND
WASTEWATER CHARGES ON CUSTOMER ACCOUNTS
PAGE 3 OF 3

account 1601-4411 and expenditure key 300201-5368 must be increased by \$2,038,897.06. There is no impact to the General Fund.

ENVIRONMENTAL IMPACT

The actions provided for herein are exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment. No further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

Nick Harvey, Deputy Director – Water Administration