

INTRODUCED: December 13, 2021

AN ORDINANCE No. 2021-338

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the amount of \$8,104,829.57 from the Virginia Department of Housing and Community Development; to amend Ord. No. 2021-049, adopted May 24, 2021, which adopted the Fiscal Year 2021-2022 Gas Utility Budget and appropriated the estimated receipts of the gas utility, by increasing estimated receipts and the amount appropriated for the gas utility by \$4,165,337.09; to amend Ord. No. 2021-052, adopted May 24, 2021, which adopted the Fiscal Year 2021-2022 Wastewater Utility Budget and appropriated the estimated receipts of the wastewater utility, by increasing estimated receipts and the amount appropriated for the wastewater utility by \$2,151,101.51; and to amend Ord. No. 2021-053, adopted May 24, 2021, which adopted the Fiscal Year 2021-2022 Water Utility Budget and appropriated the estimated receipts of the water utility, by increasing estimated receipts and the amount appropriated for the water utility by \$1,788,390.96, all for the purpose of providing economic relief for the City’s residential utility customers whose accounts have become delinquent during the COVID-19 pandemic.

\_\_\_\_\_  
Patron – Mayor Stoney

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: JAN 10 2022 AT 6 P.M.

WHEREAS, pursuant to Ordinance No. 2021-220, adopted September 27, 2021, the Director of Finance has credited all funds received by the City, whether from the United States government, the Commonwealth of Virginia, or otherwise, provided pursuant to the American Rescue Plan Act of 2021, H.R. 1319, 117<sup>th</sup> Cong., 1<sup>st</sup> Sess. (2021-2022) in the general ledger, to

AYES:                    9                    NOES:                    0                    ABSTAIN:                    \_\_\_\_\_

ADOPTED:            JAN 10 2022            REJECTED:            \_\_\_\_\_            STRICKEN:            \_\_\_\_\_

be managed in the Projects and Grants Module in the City's enterprise resource planning system for purposes authorized by the American Rescue Plan Act of 2021, H.R. 1319, 117<sup>th</sup> Cong., 1<sup>st</sup> Sess. (2021-2022) for future appropriation by the Council of the City of Richmond only for expenditures authorized by such law;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer is authorized to accept funds in the amount of \$8,104,829.57 from the Virginia Department of Housing and Community Development for the purpose of funding economic relief for the City's residential utility customers whose accounts have become delinquent during the COVID-19 pandemic.

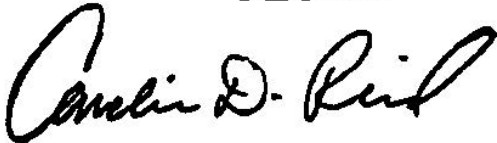
§ 2. That Ordinance No. 2021-049, adopted May 24, 2021, which adopted the Gas Utility Budget for the fiscal year commencing July 1, 2021, and ending June 30, 2022, by increasing the estimated receipts of the gas utility and the amount appropriated for expenditures of the gas utility by \$4,165,337.09 for the purpose of providing economic relief to the City's residential gas utility customers whose accounts have become delinquent during the COVID-19 pandemic.

§ 3. That Ordinance No. 2021-052, adopted May 24, 2021, which adopted the Wastewater Utility Budget for the fiscal year commencing July 1, 2021, and ending June 30, 2022, and appropriated the estimated receipts of the wastewater utility, is hereby amended by increasing the estimated receipts of the wastewater utility and the amount appropriated for expenditures of the wastewater utility by \$2,151,101.51 for the purpose of providing economic relief to the City's residential wastewater utility customers whose accounts have become delinquent during the COVID-19 pandemic.

§ 4. That Ordinance No. 2021-053, adopted May 24, 2021, which adopted the Water Utility Budget for the fiscal year commencing July 1, 2021, and ending June 30, 2022, and appropriated the estimated receipts of the water utility, is hereby amended by increasing the estimated receipts of the water utility and the amount appropriated for expenditures of the water utility by \$1,788,390.96 for the purpose of providing economic relief to the City's residential water utility customers whose accounts have become delinquent during the COVID-19 pandemic.

§ 5. This ordinance shall be in force and effect upon adoption.

**A TRUE COPY:  
TESTE:**

A handwritten signature in black ink, appearing to read "Camille D. Reed". The signature is written in a cursive, flowing style.

**City Clerk**




# City of Richmond

## Intracity Correspondence


**O&R REQUEST**

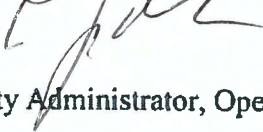
**DATE:** November 12, 2021 **EDITION:** 1

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Levar M. Stoney, Mayor 

**THROUGH:** J.E. Lincoln Saunders, Chief Administrative Officer 

**THROUGH:** Sheila White, Director Finance 

**THROUGH:** Jason May, Director Budget 

**THROUGH:** Robert C. Steidel, Deputy City Administrator, Operations 

**THROUGH:** Alfred Scott, Interim Director Department of Public Utilities 

**FROM:** April Bingham, Deputy Departmental Director, Senior, DPW 

**RE:** Award Letter, Guidance, and Required Certification and Comparison Analysis for COVID-19 ARPA SLFRF Municipal Utility Assistance Program

**ORD. OR RES. No.** \_\_\_\_\_

**PURPOSE:** To authorize the Chief Administrative Officer, for an on behalf of the City of Richmond, to accept funds in the total amount of \$8,104,829.57 from the Virginia Department of Housing and Community Development (DHCD); to amend the Fiscal Year 2021-2022 Water Enterprise Fund by increasing the amount appropriated to the Water Enterprise Fund by \$1,788,390.96 to amend the Fiscal Year 2021-2022 Wastewater Enterprise Fund by increasing the amount appropriated to the Wastewater Enterprise Fund by \$2,151,101.51; and to amend the Fiscal Year 2021-2022 Gas Enterprise Fund by increasing the amount appropriated to the Gas Enterprise Fund by \$4,165,337.09 for the purpose of applying residential utility relief to residential customer accounts.

**REASON:** To provide utility relief for residential water, sewer, and gas customers who have fallen behind on their utility payments during the COVID-19 pandemic. The City must execute

**the Certification and return it to DHCD no later than January 21, 2022 in order to receive the ARPA SLFRF funds.**

**RECOMMENDATION:** Approval.

**BACKGROUND:** DHCD awarded the City, by letter dated October 29, 2021, \$8,104,829.57 in federal State and Local Fiscal Recovery Funds (SLFRF) through the American Recovery Plan Act (ARPA) for the COVID-19 ARPA SLFRF Municipal Utility Assistance Program. This funding is being provided under federal award identification CFDA 21.027 – Coronavirus State and Local Fiscal Recovery Funds. The ARPA SLFRF funds are being distributed to the City, and other localities and utilities, by DHCD pursuant to Item 479.20, Chapter 1, 2021 Acts of Assembly, and Special Session II. The ARPA SLFRF funds were awarded to assist residential utility customers with arrearages greater than 60 days for the time period between March 12, 2020, and August 31, 2021. The City of Richmond, Department of Public Utilities will apply the awarded funds directly to eligible customer accounts.

**FISCAL IMPACT / COST:**

**FISCAL IMPLICATIONS:** \$8,104,829.57 increase to FY2022 budget comprised of \$1,788,390.96 to the Water Enterprise Fund 0808-99001-76414-1161-SV0908-00-000000-000000-000000-000000, \$2,151,101.51 to the Wastewater Enterprise Fund 0809-99001-76414-1161-SV0908-00-000000-000000-000000-000000, and \$4,165,337.09 to the Gas Enterprise Fund 0807-99001-76414-1161-SV0908-00-000000-000000-000000-000000.

**BUDGET AMENDMENT NECESSARY:** Yes, to increase the FY2022 budget and to appropriate \$8,104,829.57 to the Department of Public Utilities. Specifically, \$1,788,390.96 will be appropriated to the Water Enterprise Fund 0808-99001-76414-1161-SV0908-00-000000-000000-000000-000000, \$2,151,101.51 will be appropriated to the Wastewater Enterprise Fund 0809-99001-76414-1161-SV0908-00-000000-000000-000000-000000, and \$4,165,337.09 will be appropriated to the Gas Enterprise Fund 0807-99001-76414-1161-SV0908-00-000000-000000-000000-

**REVENUE TO CITY:** \$8,104,829.57 for utility customer relief.

**DESIRED EFFECTIVE DATE:** Upon adoption.

**REQUESTED INTRODUCTION DATE:** December 13, 2021

**CITY COUNCIL PUBLIC HEARING DATE:** January 10, 2022

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** No committee referral pursuant to Rule VI(B)(3)(c).

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A**

**AFFECTED AGENCIES: DPU**

**RELATIONSHIP TO EXISTING ORD. OR RES.: NONE**

**REQUIRED CHANGES TO WORK PROGRAM(S): NONE**

**ATTACHMENTS:**

1. Award Letter from the Virginia Department of Housing & Community Development dated 10/29/2021
2. Certification (with Certification Addendum and its Appendix A)

**STAFF:** April Bingham, Deputy Departmental Director, Senior, DPU, 646-5295



Ralph S. Northam  
Governor

R. Brian Ball  
Secretary of  
Commerce and Trade

## COMMONWEALTH of VIRGINIA

Erik C. Johnston  
Director

### DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

October 29, 2021

**VIA EMAIL**

John W. Vaughan, Jr.  
Deputy Director, Senior  
City of Richmond, Department of Public Utilities

Re: Award Letter, Guidance, and Required Certification and Comparison Analysis for COVID-19 ARPA SLFRF Municipal Utility Assistance Program

Dear John W. Vaughan, Jr.:

On behalf of Governor Northam, it gives me great pleasure to inform you that City of Richmond, Department of Public Utilities has been awarded \$8,104,829.57 in federal State and Local Fiscal Recovery Funds (SLFRF) through the American Recovery Plan Act (ARPA) for the COVID-19 ARPA SLFRF Municipal Utility Assistance Program. Your award shall be used to directly assist residential municipal utility customers of City of Richmond, Department of Public Utilities with arrearages greater than 60 days for the time period between March 12, 2020, and August 31, 2021. This funding is being provided under CFDA 21.027 – Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

Please read the additional program guidance included with this letter carefully before proceeding with additional steps. Given the tight timeline for utilization of these funds and to receiving funds in an expedited manner, you must return the attached forms through a web portal. You are required to partner with a city or county to act as the fiscal agent to receive the funds from the Department of Accounts (DOA). The city or county will then forward funds to the municipal utility to apply to eligible residential utility customer accounts. In order to pre-qualify your eligible residential utility customer accounts and apply relief automatically, you will need to complete the Utility Arrearage Analysis in Appendix A. Once the project is complete, DOA will follow up regarding project outcomes and compliance. It is incumbent on City of Richmond, Department of Public Utilities and the partnering city or county to ensure project expenses are properly documented and verified in case of audit.

For questions contact DHCD staff member David Conmy at [utility@dhcd.virginia.gov](mailto:utility@dhcd.virginia.gov).

Sincerely,

Handwritten signature of Erik C. Johnston in black ink.

Erik Johnston  
Director, Virginia Department of Housing and Community Development

CC: David Von Moll, Comptroller, Department of Accounts  
Encl: COVID-19 ARPA SLFRF Municipal Utility Assistance Program: Guidance and Required Certification; Appendix A: Utility Arrearage Analysis to Substantiate Residential Customer Pre- Qualification; and Frequently Asked Questions

## **COVID-19 ARPA SLFRF MUNICIPAL UTILITY ASSISTANCE PROGRAM:**

### **Guidance and Required Certification**

Based on the response that the Virginia State Corporation Commission (SCC) received from your utility system in the Application for Utility Assistance Funds (Municipal Utilities), the SCC has determined your award amount which is reflected in your award letter. Accordingly, the award letter, guidance, and required certification will serve as the next steps in facilitating this program.

### **Pre-Qualification & Eligibility**

This program is funded through the State and Local Fiscal Recovery Funds (SLFRF) of the American Rescue Plan Act (ARPA). One of the most important elements of ARPA federal guidance as it relates to this new Utility Assistance program is the ability to pre-qualify certain populations for eligibility rather than requiring individual customer applications/attestations. It is a best practice to pre-qualify groups and populations with relief programs as the customers with the lowest incomes and largest impacts from COVID-19 are least likely to provide customer attestations to any utility with which they have debt. This policy decision that is authorized in the federal guidelines is critical to ensure quick and equitable access to relief for residential customers negatively impacted by the pandemic.

This guidance supports the Commonwealth's determination as a recipient that for this SLFRF utility relief program that the population group of residential customers with arrearages over 60 days as of August 31, 2021, are households that experienced a negative economic impact due to COVID-19, which is determined by these households having an unpaid arrearage greater than 60 days during the pandemic. Unpaid utility arrearages demonstrate housing insecurity for this population group which [Treasury's 7-19-2021 FAQ](#) demonstrates negative economic impacts from the pandemic (see question 2.17, Pages 9 through 11). **Accordingly, the Commonwealth has determined that individual customer attestations are not required for this program once a utility analysis is provided.**

Only residential customers are eligible for this utility assistance. Municipal utilities shall pay the full amount of arrearages owed by eligible residential customers; however, funding may be limited and may not fully address the eligible arrearages for which your utility system applied. Therefore, utility systems are required to proportionately distribute their award to the population/group of all residential utility customers that are 60+ days in arrears as of August 31, 2021.

Because this program does not require customer attestation, 100% of your award amount must be directed to assisting eligible residential utility customers. Utilization of your award amount for direct administrative costs is prohibited. **Utilities must ensure residential customers eligible for this relief have the funding credited to their account as soon as possible and must reflect this relief on the soonest billing statement possible given the specific billing system utilized by the utility. Should the application of any assistance render a customer due a balance necessitating a cash refund payable to the customer, such assistance shall be proportionally reduced as to achieve a zero balance.**

### **Management of Award Funds**

Upon receipt of any funds, utilities shall maintain separate ARPA COVID-19 Utility Assistance Funds and record direct assistance payments to residential customers on their books in accordance with applicable accounting standards. Utilities may not direct any funds provided in this paragraph to new deposits, down payments, fees, late fees, interest charges, or penalties.



Your award amount must be disbursed through a partnering county or city that will serve as the fiscal agent with the Department of Accounts (DOA) disbursing funds and having responsibility for sub-recipient monitoring. Consequently, municipal utility systems, especially those that are not directly managed by a city or a county, will need to partner with a city or county to serve as the fiscal agent for this program. Cities and counties may serve as the fiscal agent for more than one municipal utility system. In order to receive your funding for this program, the chief administrative officer for the partnering city or county and the authorized official representing the municipal utility will be required to certify their respective organization's participation in this program and its adherence to all associated federal ARPA SLFRF guidance and regulations. A standard certification for this program requiring signatures from both officials on behalf of their respective organizations has been included near the end of this document.

### **Program Certification & Compliance**

The SCC has calculated the proportional share of available funding for each municipal utility system that applied by the SCC's application deadline. This information was forwarded to DHCD, which is facilitating the award letter and certification process for municipal utilities and their partnering city or county.

In order to receive the ARPA SLFRF funding amount calculated by SCC, each city and county and their partner municipal utility system(s) must complete a certification form (at the end of this document). The certification form must be signed by the chief administrative officer for the city or county and the authorized official representing the municipal utility partner. In the event more than one municipal utility partners with a city or county, a separate certification will be needed for each partnership.

These certifications will be accepted by DHCD bi-weekly based on the following pre-determined schedule:

- November 5, 2021
- November 19, 2021
- December 3, 2021
- December 17, 2021
- January 7, 2022
- **\*COB Friday, January 21, 2022 – Certification Final Deadline**

**\*January 21, 2022, will be the last date DHCD will accept certifications from awarded utilities. Any municipal utility that does not submit their certification by this date will forfeit their award and the funds will be used by the Commonwealth for other purposes in alignment with ARPA.**

Upon receipt of bi-weekly certifications from DHCD, DOA will process distributions to cities and counties – including those serving as fiscal agents on behalf of towns, authorities, and other regional level utilities – on a monthly basis.

The certification establishes that the awarded municipal utility and their city or county fiscal agent will abide by U.S. Treasury guidance and other regulatory matters concerning the use of ARPA SLFRF. The intent is for this allocation to pass through the county or city directly to the municipal utility to serve eligible municipal utility customers. The municipal utility as the customer utility relief program operator should develop a sub-agreement with the county or city fiscal agent assuring the city or county fiscal agent that the municipal utility will be responsible for compliance with state and federal law.

Upon receipt by DHCD of a complete and accurate certification form from the county/city and municipal utility, the Department of Accounts (DOA) will then distribute funds directly to cities and counties, which will serve as the fiscal agent on behalf of their partner municipal utility(ies). DOA will also be the lead state agency working with the city or county and their partnered utility system(s) on monitoring to ensure

compliance with the program and federal guidelines.

**Please note that approval of an allocation for purposes of this utility assistance program does not represent any assurance, legal or otherwise, that the approved project complies with all federal guidelines related to the use of these funds. Cities and counties in addition to their partner municipal utility(ies) are strongly encouraged to consult their legal counsel prior to expending the federal ARPA Fiscal Recovery Funds that have been awarded through this program. Applicants are recommended to read and understand the federal guidance and the frequently asked questions can be obtained at the following links:**

<https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>

<https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

**This information is routinely updated, so guidance may have changed since you last consulted it.**

Compliance with the federal guidance is the responsibility of the city or county submitting the application on behalf of a municipal utility and failure to do so could result in disallowed expenses requiring repayment of the associated funds to the federal government. If the city or county fails to repay any funds spent for non-qualifying expenses on behalf of a municipal utility as required by the federal government, the State Comptroller will recover such amounts from future state payments to the locality via the State Aid Intercept Program. Consequently, cities and counties are encouraged to develop agreements or memorandums of understanding (MOU) with their partner municipal utility system(s) to indemnify cities and counties in the event the municipal utility system does not adhere to U.S. Treasury guidelines and consequently subjects the city or county to such State Aid Intercept action(s).

Further, the State Comptroller's office (DOA) has subrecipient monitoring responsibilities that will necessitate evaluation and additional correspondence with cities and counties regarding the use of funds. Cities and counties are encouraged to develop MOUs that will help establish clarity concerning responsibility and accountability among all parties regarding this requirement.

Please note that the certification statement includes an acknowledgment that recipients may not receive reimbursement or recipients may be required to return funds to the federal government if it is determined that those funds were spent for purposes that do not qualify. It is important to understand that the burden of ensuring that all ARPA Fiscal Recovery Funds are spent for qualifying purposes falls to the city or county working on behalf of the municipal utility. Again, cities and counties are encouraged to develop MOUs that will help establish clarity concerning responsibility and accountability among all parties regarding this requirement.

Awardees are responsible for maintaining all necessary documentation to ensure compliance with the federal requirements. The State Comptroller is responsible for all sub-recipient monitoring and may require additional information in the future from each city or county and/or their partner municipal utility system(s) to address that responsibility.

The certification form contains more specific details on the responsibilities of the city/county and partnered municipal utility. The signed certification form should be submitted to DHCD through the following web portal according to the aforementioned pre-determined schedule:

<http://s.alchemer.com/s3/COVID-19-ARPA-SLFRF-Municipal-Utility-Relief-Program>

**Certification:**

**CERTIFICATION FOR USE OF STATE AND LOCAL FISCAL RECOVERY FUNDS**

**by**

CITY OF RICHMOND

**on behalf of**

CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES


We, the undersigned, represent CITY OF RICHMOND and are working in partnership with CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES (the utility), and we certify that:

1. On behalf of CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES, CITY OF RICHMOND is requesting the allotment of funding from the Commonwealth of Virginia's share of the State and Local Fiscal Recovery Funds pursuant to section 602 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2 (Mar. 11, 2021) and appropriated in Item 479.20, Chapter 1, 2021 Acts of Assembly, Special Session II.
2. We understand that the Commonwealth of Virginia will rely on this certification as a material representation for distributing State and Local Fiscal Recovery funds to CITY OF RICHMOND on behalf of CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES.
3. We understand that it is our responsibility to ensure that funds are distributed by CITY OF RICHMOND's to CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES for the approved uses of the State and Local Fiscal Recovery funds provided under section 602 of the Social Security Act will be used only to cover those costs that:
  - a. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); or otherwise adhere to official federal guidance issued or that will be issued regarding what constitutes an eligible expenditure; and
  - b. fulfill the purposes as appropriated by the General Assembly in Paragraphs B.1 and B.2 of Item 479.20, Chapter 1, 2021 Acts of Assembly, Special Session II.
4. We understand that funds provided pursuant to this certification are for necessary obligations incurred within the eligible program period for customer arrearages as of August 31, 2021, and must be expended to cover such obligations no later than February 28, 2022; and that any funds that are not obligated on or before February 28, 2022, by CITY OF RICHMOND and CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES, must be returned to Commonwealth of Virginia no later than March 31, 2022.
5. We understand that CITY OF RICHMOND on behalf of CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES will not be eligible to receive funding after the final certification deadline of January 21, 2022, from State and Local Fiscal Recovery Funds and CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES may not commit to any such expenditures, pay any related expenses, or provide any such services from within existing resources not otherwise designated for such expenditures unless authorized by the General Assembly and the Governor in a future appropriation act. We further understand that after the State and Local Fiscal Recovery funds

are expended, the program and related services will end at that time unless other fund sources have been appropriated for those purposes.

6. We understand that expenditure of the State and Local Fiscal Recovery funds provided pursuant to this certification must adhere to official federal guidance issued or that will be issued regarding what constitutes a necessary and qualifying expenditure. Any State and Local Fiscal Recovery funds that cannot be expended by CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES in a manner that adheres to official federal guidance shall be returned to the Commonwealth of Virginia so that it may be reprogrammed or returned to the federal government. I understand that any funds spent in violation of federal guidance may be subject to repayment by CITY OF RICHMOND.
7. We understand that CITY OF RICHMOND and CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES are responsible for retaining documentation of all uses of the State and Local Fiscal Recovery funds, including but not limited to contracts, MOUs, past due account ledgers, and/or grant award documents. Such documentation shall be produced upon request.
8. We understand that CITY OF RICHMOND and CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES are responsible for maintaining proper accounting records to segregate these State and Local Fiscal Recovery expenditures from those supported by other fund sources and that all such records will be subject to audit.
9. We agree to follow and fully participate in reporting requirements issued by the Department of Accounts for the purposes of ensuring the Commonwealths' compliance with federal reporting guidance for State and Local Fiscal Recovery funds.
10. We understand that State and Local Fiscal Recovery funds provided pursuant to this certification must be used for a qualifying purpose as stated in federal law and guidance and CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES may not identify this qualifying category as revenue replacement unless prior permission has been granted by the Governor pursuant to Paragraph B.3.a of Chapter 1, 2021 Acts of Assembly, Special Session II.
11. We understand that any State and Local Fiscal Recovery funds received pursuant to this certification cannot be used for expenditures for which CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES has received from any other emergency COVID-19 supplemental funding (whether state, federal, or private in nature) for that same expense nor may State and Local Fiscal Recovery funds be used for purposes of matching other federal funds unless specifically authorized by federal statute, regulation, or guideline.

We certify that I have read the above certifications and my statements contained herein are true and correct to the best of our knowledge.

<b>City or County Chief Administrative Officer (CAO)</b>	<b>Authorized Official Representing Municipal Utility Allocated Funds by SCC</b>
Name of City or County: CITY OF RICHMOND	Name of Municipal Utility: CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES
Printed Name of CAO: J.E. Lincoln Saunders	Printed Name of Municipal Utility Official: Alfred Scott
Signature:	Signature:  11/15/21
Title: Chief Administrative Officer	Title: Interim Director, Public Utilities
Date:	Date: 11.15.2021

Please provide city/county DUNS number: 003133840

Please provide municipal utility DUNS number: 003133840

## Certification Addendum

### Federal Requirements for information to be included in agreement between county/city and municipal utility

#### §200.332 Requirements for pass-through entities.

All pass-through entities must:

(a) Ensure that every sub-award is clearly identified to the sub-recipient as a sub-award and includes the following information at the time of the sub-award and if any of these data elements change, include the changes in subsequent sub-award modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and sub-award. Required information includes:

(1) Federal award identification. (Coronavirus State and Local Fiscal Recovery Funds (ARPA SLFRF), ALN 21.027.)

(i) Sub-recipient name (which must match the name associated with its unique entity identifier);  
CITY OF RICHMOND, DEPARTMENT OF PUBLIC UTILITIES

(ii) Sub-recipient's unique entity identifier; **(003133840)**

(iii) Sub-award Period of Performance Start and End Date; (October 29, 2021, and March 31, 2022, deadline to return funds)

(iv) Sub-award Budget Period Start and End Date; (October 29, 2021, and March 31, 2022, deadline to return funds)

(v) Amount of Federal Funds Obligated by this action by the pass-through entity to the sub-recipient; **(\$8,104,829.57)**

(vi) Total Amount of Federal Funds Obligated to the sub-recipient by the pass-through entity including the current financial obligation; **(\$8,104,829.57)**

(vii) Total Amount of the Federal Award committed to the sub-recipient by the pass-through entity; **(\$8,104,829.57)**

(viii) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); (ARPA SLFRF: Municipal Utility Relief Program to Assist Residential Customers)

(ix) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity; (U.S. Treasury Department awarding agency / Commonwealth of Virginia pass-through entity / Contact for Pass-through Entity: Erik Johnston, Director, VA Department of Housing and Community Development, 600 East Main Street, Suite 300, Richmond, VA 23219, (804) 371-7000)

(x) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement; (CFDA Number and Title are 21.027, Coronavirus State and Local Fiscal Recovery Funds.)

(xi) Identification of whether the award is R&D; and (This is not R&D award)

(xii) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per §200.414. (No indirect costs can be charged by county/city or municipal utility)

COVID-19 ARPA SLFRF Municipal Utility Relief Program  
Certification Addendum

Appendix A: Utility Arrearage Analysis to Substantiate Residential Customer Pre- Qualification

In order for the Commonwealth to authorize pre-qualification of the municipal utility's residential customer population impacted by the COVID-19 pandemic (i.e., residential customers with 60+ day arrearages as of August 31, 2021), by municipal utilities participating in the COVID-19 ARPA SLFRF Municipal Utility Relief Program, each awarded municipal utility is required to demonstrate that the program population is experiencing negative economic impacts as a result of the pandemic. Pre-qualification is based on guidance from the U.S. Treasury indicating that it is acceptable to demonstrate that households receiving assistance are within a population that experienced a negative economic impact and endorsing use of categories of populations for program implementation purposes (e.g., populations that have experienced unemployment, have experienced increased housing or food insecurity, or are low- or moderate-income). Consistent with the population-based approach to identifying negative economic impacts, in the context of the Municipal Utility Relief Program the Commonwealth is requiring each municipal utility to answer one of the following comparative questions to demonstrate that 60+ day residential customer population arrearages have been negatively impacted as compared to the program population's status prior to the pandemic. The following data backed analysis demonstrating negative economic impacts of the pandemic on the basis of increased residential customer population arrearages under either comparison test will authorize the municipal utility's residential customer population group to be eligible without the need for individual customer attestations. **All municipal utilities must complete this analysis. If the analysis demonstrates the negative economic impacts, the municipal utility will be required to pre-qualify their program population and provide this assistance to this entire population group without individual customer attestations. Municipal utilities, whose analysis does not prequalify the entire population group will be required to collect individual customer attestations. Utilities must submit with this Appendix accounting data supporting the selected option.**

**1. Comparison 1 (Accounts Receivable Comparison). Please provide the following or certify that the utility has the following:**

- a. As of 2-29-2020 [or a billing cycle ended prior to March 1, 2020]
  - i. Total Accounts Receivable Arrearage Balance / Annual Virginia jurisdictional Operating Revenues. **Answer:** 2.84%
- b. As of 8-31-2021 [or a billing cycle ended prior to September 1, 2021]
  - i. Total Accounts Receivable Arrearage Balance plus CRF received in 2020 / Annual Virginia jurisdictional Operating Revenues. **Answer:** 10.13%
- c. Is 1.a. is less than 1.b.? **Answer:** YES (If YES, the municipal utility's residential customer population meets the requirements for residential customer population pre-qualification.)

**OR**

**2. Comparison 2 (Arrearage Dollar Value Comparison)**

- a. What is the dollar value of the municipal utility's total 60+ day residential utility customer arrearages as of 8-31-2021 plus previously paid utility relief during the pandemic (e.g., CRF Municipal Utility Relief already paid or other utility relief paid that demonstrates the higher total arrearages that would otherwise be present)? Please note this figure can also



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Certification Addendum

Appendix A: Utility Arrearage Analysis to Substantiate Residential Customer Pre- Qualification

be provided without including the additional utility relief provided during the pandemic.

**Answer:** \_\_\_\_\_

- b. What is the dollar value of the 1, 2, 3, 4 or 5 year average (circle one as applicable) of total 60+ day residential utility customer arrearages in the municipal utility's most recent fiscal year(s) that ended pre-pandemic (i.e., before March 1, 2020). **Answer:**  
\_\_\_\_\_
- c. Is 2.a. is greater than 2.b.? **Answer:** \_\_\_\_\_ (If YES, the municipal utility's residential customer population meets the requirements for residential customer population pre-qualification.)

**OR**

**3. Comparison 3 (Percent of Customer Base Comparison)**

- a. What is the percent of the municipal utility's residential utility customer accounts with 60+ day arrearages out of all municipal utility customer accounts as of 8-31-2021? **Answer:** \_\_\_\_\_
- b. What is the percent of the municipal utility's residential utility customer accounts with 60+ day arrearages out of all municipal utility customer accounts as of 3-1-2020 (or as of the end of the most recent fiscal year that ended prior to 3-1-2020)? **Answer:**  
\_\_\_\_\_
- c. Is 3.a. is greater than 3.b.? **Answer:** \_\_\_\_\_ (If YES, the municipal utility's residential customer population meets the requirements for residential customer population pre-qualification.)

For municipal utilities that are unable to complete Comparison 1, Comparison 2, or Comparison 3 but still think they could otherwise demonstrate their program population is experiencing negative economic impacts as a result of the pandemic compared to pre-pandemic times, please contact DHCD staff to discuss potential alternative means for computing and demonstrating such a comparison.

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Frequently Asked Questions

CARES Act

1. Do we still need to send back the remaining funds (CARES Act) that were originally allocated by December 1, 2021?
  - a. Yes. Please coordinate with your city/county fiscal agent (if applicable) and reach out to the Virginia Department of Accounts (DOA) for additional technical questions on this matter: [complianceoversight@doa.virginia.gov](mailto:complianceoversight@doa.virginia.gov). A memo from the DOA was circulated to every city and county on October 18, 2021, that contains instructions on how to return these funds, so please reach out to your city or county chief administrative officer for more information.
2. How does this relate to the previous CARES Act program?
  - a. The biggest distinctions with this program compared to the past program are:
    - i. Municipal utilities can pre-qualify their residential customers, so individual customer attestations are not necessary.
    - ii. Only available for residential municipal utility customers with 60+ day arrearages between March 12, 2020, and August 31, 2021.

Administration and Timing

1. For the pre-qualification calculation, if we are not able to generate an August 31, 2021, detail listing of only residential account balances, should we then use all balances, including commercial, and then apply an estimated % of residential balances as a total of all balances?
  - a. We suggest each utility produce whatever estimate most closely answers the question of August 31, 2021, residential 60+ day arrearages. For additional documentation, we suggest including the methodology you used for producing your calculation for your internal records in the case of an audit.
2. Once a municipality goes through this process and certifies is there an estimate on when a locality would receive the funds?
  - a. DHCD will process certifications that it receives from awarded municipal utilities on a bi-weekly basis. The Virginia Department of Accounts (DOA) will then process these bi-weekly certifications at the end of each month. It normally takes 3 to 5 business days for DOA funds to be deposited.
3. How long will we have to allocate these funds if approved?
  - a. Awarded municipal utilities in coordination with their partner city/county fiscal agent will need to return unspent funds to the Commonwealth no later than March 31, 2022. Any municipal utility and/or partner city/county fiscal agent that believes it will be unable to meet this deadline should contact the Virginia Department of Housing and Community Development (DHCD) as soon as possible.

Covered Costs and Time Periods

1. What type of utilities are covered?
  - a. Eligible municipal utilities include water, waste water, gas, and electricity.
2. Our utility bill includes services other than water and sewer (e.g. stormwater, refuse, taxes, administrative fees). Is awarded money for the SLFRF Utility Relief Program limited to water and

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- a. Residential multi-family dwellings - even if classified as commercial property/accounts - are eligible for this program if the forgiveness is passed along to the residential customer by the property owner(s).
7. We understand any funds received are applicable based on a pro-rata share as proportion of the delinquent balance. We have a unique situation that over 80% of our delinquency is attributable to one account, a residential apartment complex that is many months in arrears. Is there a maximum relief or cap on how much relief a single account can receive under the program?
- a. The budget language establishing this program does not place a maximum cap on relief provided nor does the Interim Final Rule speak to a capped amount for relief. Because a residential apartment complex would include multiple residential households, it would be reasonable to infer that the large delinquency is attributable to multiple households comprising the one account. Therefore, on a residential household-by-household basis, we assume this amount would be much smaller.
8. Can I assume that applications for ARPA funds should include inactive accounts, or is it just intended to only credit accounts with an active water account?
- a. Inactive accounts, accounts that are final or in collections may also be assisted provided that that such relief is applied to the portion of the final/in collections account that occurred/accrued between March 12, 2020, and August 31, 2021.
9. Are taxes included as part of this?
- a. DHCD cannot make a definitive interpretation on this question and suggest that you consult with your local attorney for official guidance. The budget language establishing this program states: "Utilities may not direct any funds provided in this paragraph to new deposits, down payments, fees, late fees, interest charges, or penalties."
  - a.