

INTRODUCED: November 7, 2022

AN ORDINANCE No. 2022-302

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Water Provider Participation Agreement between the Virginia Department of Social Services, Promise Network Inc., and the City of Richmond, for the purpose of providing water bill payments to assist low-income residential households with water and wastewater arrearages, reconnection, and ongoing services.

\_\_\_\_\_  
Patrons – Mayor Stoney and Ms. Lambert

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

PUBLIC HEARING: NOV 14 2022 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Water Provider Participation Agreement between the Virginia Department of Social Services, Promise Network Inc., and the City of Richmond, for the purpose of providing water bill payments to assist low-income residential households with water and wastewater arrearages, reconnection, and ongoing services. The Water Provider Participation Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

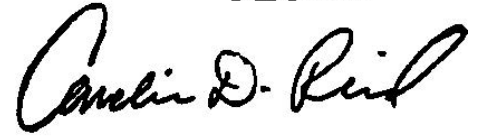
AYES: 9 NOES: 0 ABSTAIN: \_\_\_\_\_

ADOPTED: NOV 14 2022 REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

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

**A TRUE COPY:**

**TESTE:**

A handwritten signature in black ink, appearing to read "Carolin D. Rind". The signature is written in a cursive style with a large initial 'C' and a distinct 'D'.

**City Clerk**



# City of Richmond

## Intracity Correspondence

### O&R REQUEST

DATE: October 19, 2022 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: Robert C. Steidel, Deputy Chief Administrative Officer, Operations

THROUGH: April N. Bingham, Director, Department of Public Utilities

FROM: John "Billy" Vaughan, Deputy Director, Department of Public Utilities

RE: Promise Water Provider Participation Agreement for the Virginia Low Income Household Water Assistance Program

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

**PURPOSE:** To enable the Chief Administrative Officer to execute the attached "Water Provider Participation Agreement for the Virginia Low Income Household Water Assistance Program" (the "Agreement") between the Virginia Department of Social Services ("VDSS"), Promise Network, Inc., ("Promise") and the City of Richmond (the "City").

**REASON:** To enable the City ratepayers to receive State funds to clear past due balances through the Promise program. The City must execute the attached agreement and return it to Promise as soon as possible. The attached agreement is necessary for the City to participate in the Virginia Low Income Household Water Assistance Program ("LIHWAP"). LIHWAP funds are distributed by VDSS through Promise on a first come, first serve basis.

**RECOMMENDATION:** Approval is recommended by the City Administration.

**BACKGROUND:** VDSS was awarded a federal grant under the LIHWAP. LIHWAP funds shall be used to combat effects of the COVID-19 pandemic. Appropriate uses of LIHWAP funds include: (1) covering or reducing arrearages for water or wastewater service; and (2) paying rates and fees associated with reconnection or preventing disconnection of water or wastewater service. VDSS contracted with Promise to administer LIHWAP on behalf of VDSS. As part of the

aforementioned arrangement, Promise must distribute funds for water or wastewater bill payments to the City from the LIHWAP funds on behalf of approved City households.

In brief, the Agreement requires the City to provide Promise with certain City utility customer ("Customer") data. This customer data includes: (1) contact information and service location address for and data on customers' household drinking water and/or wastewater costs; (2) current balance; (3) past due balance; (4) service status; (5) bill payment history, and/or arrearage history (Promise shall not require data for more than the previous twelve monthly billing periods); (6) contact information for and data on customers who participate in any income-based programs where data is known by the Water Provider, including but not limited to the program name, criteria, and customer received funds; (7) the itemized amount, cost, and type of water assistance and services (e.g., drinking water, wastewater) provided for households approved for assistance under LIHWAP, including the costs of such services; and (8) the amount of assistance provided to each household and whether the assistance restored water service or prevented shutoff. Promise will then use this information to reach out to Customers who are past due. Past due Customers then have the opportunity to sign up for the Promise program to receive LIHWAP funds, and Promise will pay the LIHWAP funds directly to the City Department of Public Utilities ("DPU") on the Customer's behalf.

Again, Promise will distribute the LIHWAP funds to localities including the City on a first come, first serve basis. Thus, it is imperative that the Agreement be executed as soon as possible in order to allow City Customers to receive LIHWAP funds.

**FISCAL IMPACT / COST:** None.

**FISCAL IMPLICATIONS:** DPU's Water, Wastewater, and Stormwater Utilities have a combined accounts receivable balance of \$51.6 million, and of that balance, \$30.1 million is past due. DPU has identified 303 customers that may be eligible to participate in the LIHWAP program because they participate in the States' Low Income Home Energy Assistance Program ("LIHEAP"). Such customers currently have a past due balance, and if they apply and are awarded relief, may have \$242,514.08 of their past due balances paid through LIHWAP. In addition, customers who receive other income based assistance or qualify because of their income levels may apply for this program.

**BUDGET AMENDMENT NECESSARY:** No.

**REVENUE TO CITY:** None. Since the City is not a recipient or sub recipient of this grant, there will be no grant revenue recognized. Revenue for utility services is recognized at the time of billing, not when payments are received.

**DESIRED EFFECTIVE DATE:** Upon Adoption.

**REQUESTED INTRODUCTION DATE:** November 7, 2022 Special Meeting

**CITY COUNCIL PUBLIC HEARING DATE:** November 14, 2022

**REQUESTED AGENDA:** Consent.

**RECOMMENDED COUNCIL COMMITTEE:** Committee Referral Waiver Requested.

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

**AFFECTED AGENCIES:** Department of Public Utilities

**RELATIONSHIP TO EXISTING ORD. OR RES.:** N/A

**REQUIRED CHANGES TO WORK PROGRAM(S):** N/A

**ATTACHMENTS:** Promise Water Provider Participation Agreement for the Virginia Low Income Household Water Assistance Program

**STAFF:** Department of Public Utilities, John "Billy" Vaughan, 804-646-5232



VIRGINIA DEPARTMENT OF  
SOCIAL SERVICES



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**WATER PROVIDER PARTICIPATION AGREEMENT**  
**FOR THE VIRGINIA LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM**

This Agreement is entered into effective the date of the last signature herein, by and between the Virginia Department of Social Services ("VDSS" or the "Agency"), Promise Network Inc. ("Promise") and the Water Provider listed on the signature page ("Water Provider") for the provision of water bill payments to assist low-income residential households with water and/or wastewater arrearages, reconnection, and ongoing services.

WHEREAS, the Virginia Department of Social Services ("Agency") has been awarded a federal grant under the Low Income Household Water Assistance Program ("LIHWAP"); and

WHEREAS, federal funds awarded under the LIHWAP grant shall be used as part of an overall emergency effort to prevent, prepare for, and respond to the COVID-19 pandemic, with the public health focus of ensuring that low-income households have access to drinking water and wastewater services; and

WHEREAS, the Agency has contracted with Promise to administer LIHWAP on behalf of the Agency; and

WHEREAS, Promise's administrative duties include distributing funds for water and/or wastewater bill payments to the Water Provider from the LIHWAP grant funds on behalf of households approved for LIHWAP assistance; and

WHEREAS, the funds provided under this Agreement will be used to cover and/or reduce arrearages, and pay rates and fees associated with reconnection or prevention of disconnection of service, for approved residential households; and

WHEREAS, LIHWAP payments may be used to pay past due balances for customers whose accounts are currently open/active and the household is approved for LIHWAP assistance; and

WHEREAS, this Agreement is governed by and subject to federal and state laws and regulations and the Office of Community Services (OCS), U.S. Department of Health and Human Services, and LIHWAP Supplemental Terms and Conditions (attached as Attachment A and incorporated by reference).

NOW, THEREFORE, in consideration of the mutual undertaking of the parties to this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, VDSS, Promise, and the Water Provider hereby agree as follows:



### **1. Term of Agreement**

This Agreement shall be in effect from the date of the last signature herein and will remain in effect until December 31, 2023 or until all of the Virginia LIHWAP funds have been distributed, whichever is sooner. The Agreement shall not bind, nor purport to bind, VDSS or Promise for any commitment after the term of the Agreement.

### **2. Modifications of Agreement**

Any and all modifications to this Agreement shall be in writing and agreed upon by both parties.

### **3. Termination of Agreement**

This Agreement may be terminated effective immediately upon notice to the Water Provider in the event of a determination by Promise that the Water Provider is not in compliance with the terms of this Agreement.

Either VDSS or the Water Provider may terminate this Agreement with or without cause and without cost by giving the other party at least sixty (60) calendar days written notice. Termination under this provision shall not discharge any obligation owed by either party on behalf of households that have been awarded LIHWAP benefits prior to the effective date of termination.

### **4. Promise's Administrative Responsibilities**

Promise shall:

- a. Conduct outreach activities to notify potentially eligible households of LIHWAP.
- b. Screen for low-income households according to the VA LIHWAP criteria.
- c. Determine household eligibility based on the VA LIHWAP criteria.
- d. Provide Water Provider with the necessary requirements for data and funding exchanges. All required information must be provided prior to any payment being issued.
- e. Make every effort to coordinate closely with the Water Provider to facilitate and expedite the exchange of data and/or funding.
- f. After receipt of all requested documentation and information, and upon full compliance by the Water Provider with the terms herein, Promise shall:
  - i. Schedule payments for approved households. Payments will be issued via ACH transfer by Promise to the Water Provider on behalf of the Water Provider's customer.
  - ii. For each scheduled payment, provide a report detailing the total award amount, each customer account receiving a payment, the amount per approved customer account, and any other necessary information to identify the customer account and amount to be credited. The report will be provided to Water Provider concurrently with the transfer of funds so that Water Provider may remove all customers from severance field activities or restore water service as appropriate. Such report is considered confidential and shall be handled as such by Water Provider.
- g. Comply with all relevant state and federal laws and regulations in its implementation of the LIHWAP. VDSS or Promise shall provide notice to the Water Provider of any changes or amendments to policies or guidelines for the LIHWAP. Such notice may be distributed by email.

- h. Collect and retain the following LIHWAP data indicators as needed from households receiving benefits as set forth in Terms 10 and 11 of the supplemental terms and conditions (Attachment A):
- i. Number and income levels of households that received assistance;
  - ii. Number of households that received such assistance and include one or more individuals who are sixty (60) years or older, include a household member with a disability, or include children ages five (5) and younger;
  - iii. Gather administrative information regarding local providers (if applicable), agreements with water utilities, recommendations, accomplishments, unmet needs and lessons learned.

**5. Water Provider Responsibilities to Participate in LIHWAP**

The Water Provider shall:

- a. Execute a LIHWAP Water Provider Participation Agreement.
- b. Provide a completed W-9.
- c. Notify Promise immediately if the Water Provider's tax identification number changes by submitting a new W-9 form to Promise.
- d. Provide banking information necessary for the transfer of funds via ACH (Water Provider's account name, bank name, routing number, and account number).
- e. Provide Promise with at least one designated contact person who shall be available to respond by telephone and electronic mail within 24 business hours to all reasonable inquiries regarding customer accounts, including, but not limited to, inquiries on bills, payments, and services.
- f. Notify VDSS and Promise within five (5) business days if the Water Provider's ownership, contact person, contact/billing information, services provided, or service coverage area changes.
- g. Provide Promise with customer data relating to arrears and customer information relating to any income-based programs where data is known by the Water Provider in the required format (see Data Collection for details).

**Financial Information/Billing/Services:**

- h. Provide water and/or wastewater services to each eligible and approved residential household that has an account with the Water Provider for which payment is provided under LIHWAP as follows:
  - i. Restore water services to eligible and approved residential households upon full payment of arrearages. Full payment means the entire water and/or wastewater balance on the account including fees, interest, penalties, other charges billed related to disconnection or reconnection, and service transfer balances.
  - ii. After receiving full payment for restoration of water services, not terminate services due to arrearages for at least 90 days.
- i. Charge all LIHWAP-approved households the same price as that charged for drinking water and/or wastewater services to non-LIHWAP households, as determined by the approved rate



setting process and continue invoicing LIHWAP households using the Water Provider's normal billing process.

- j. Apply LIHWAP payments only to the approved open residential customer accounts authorized by the Agency or Promise.
- k. Not apply LIHWAP payments to account balances that have previously been written off or fully paid with other funds.
- l. Not discriminate against a LIHWAP-approved household with respect to terms, deferred payment plans, credit, conditions of sale, or discounts offered to other customers.
- m. Post all payments to customer accounts within five (5) business days from receipt of the funds. No late, interest, or other delinquent charges shall be added to the customer's account after the payment has been received and before the payment has posted.
- n. Inform each LIHWAP recipient that a payment has been applied to the account, including payment amount, in the manner normally used by the Water Provider to reflect payments.
- o. Provide Promise with confirmation of detailed customer account fund application within ten (10) business days of receipt of funds. If any funds were not fully applied to the intended customer account, provide Promise with the account information, amount not applied and the reason for the non-application of funds.
- p. Refund any unapplied funds to Promise within thirty (30) business days of receipt of funds. Payment may be made by check, ACH or wire. After September 30, 2023, all refunds of any unapplied funds shall be returned to Promise within ten (10) business days of receipt of funds.
- q. Continually maintain accurate records of LIHWAP credit balances and annually reconcile accounts.
- r. Not give any cash equivalent for excess credit.
- s. Cooperate with any Federal, State, or local investigation, audit, or program review as set forth in the Supplemental Terms and Conditions, Term 11.p. (Attachment A). The Water Provider shall allow Promise and Agency representatives access to all books and records relating to LIHWAP for the purpose of verification of compliance with this Agreement.
- t. Understand that failure to cooperate with any Federal, State, or local investigation, audit, or program review may result in the immediate disqualification from participation in the LIHWAP.
- u. Take corrective action in the timeframe specified by the Agency if violations of this Agreement are discovered. Corrective action may include, but is not limited to, providing detailed documentation of changes made and detailed plans for future changes that will bring the Water Provider into compliance.
- v. Understand that failure to implement corrective actions may result in the immediate disqualification from participation in the LIHWAP.

**Data Collection:**

- w. Provide, at no cost to Promise or the Agency or the household, the data requested below:
  - i. Contact information and service location address for and data on customers' household drinking water and/or wastewater costs, current balance, past due balance, service

status, bill payment history, and/or arrearage history. (Promise shall not require data for more than the previous twelve (12) monthly billing periods.)

- ii. Contact information for and data on customers who participate in any income-based programs where data is known by the Water Provider, including but not limited to the program name, criteria, and customer received funds.
- iii. The itemized amount, cost, and type of water assistance and services (e.g., drinking water, wastewater) provided for households approved for assistance under LIHWAP, including the costs of such services.
- iv. The amount of assistance provided to each household and whether the assistance restored water service or prevented shutoff).

The data must be provided within a timeframe and in a format as specified by VDSS or Promise. The data must be provided to Promise for the purposes of verification, research, evaluation, analysis, and reporting.

#### **6. Joint Duties**

VDSS, Water Provider, and Promise agree to meet at mutually agreed upon dates as necessary to review any recommendations, accomplishments, unmet needs and lessons learned.

#### **7. General Conditions**

a. **AUTHORITY:** Nothing herein shall be construed as authority for either party to make commitments that will bind the other party beyond the scope of services contained herein.

b. **DISCRIMINATION:** The Water Provider shall not discriminate against any household because of race, religion, color, sex, national origin, age, disability, political beliefs, sexual orientation, gender identity, or any other basis prohibited by state law relating to discrimination.

c. **CONFIDENTIALITY:** The Water Provider and Promise agree that any information and data obtained as to personal facts and circumstances related to households as part of the performance of this Agreement shall be collected and held confidential, during and following the term of this Agreement, and shall not be disclosed without the individual's and VDSS's written consent except as required pursuant to order of a court of competent jurisdiction and as required by law, including the Virginia Freedom of Information Act.

d. **FRAUD:** The Water Provider will be permanently disqualified from participating in the LIHWAP upon the first finding that the Water Provider has committed LIHWAP fraud. Fraud includes, but is not limited to, intentionally providing false information to Promise or knowingly allowing others to do so; intentionally failing to notify Promise of a change in circumstances that materially affects payments received by the Water Provider; intentionally accepting payments that the Water Provider knows, or by the exercise of reasonable diligence would know, the Water Provider is not entitled to by virtue of an overpayment or otherwise; or intentionally making a claim for a payment to which the Water Provider is not entitled pursuant to the terms of this Agreement and all applicable rules, regulations, laws and statutes. In the event the Water Provider receives payment from Promise that

the Water Provider is not entitled to as a result of the Water Provider's fraud, the Water Provider must repay the payment unless contrary to a court order.

e. **NON-FRAUD OVERPAYMENTS:** If the Water Provider receives an overpayment from Promise, the Water Provider shall repay the overpayment amount to Promise within ten (10) business days.

g. **DUE AUTHORIZATION.** The persons executing this Agreement represent and warrant to the other party that he or she has been duly authorized to so execute this Agreement.

h. **SEVERABILITY.** If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid, the invalidity shall not affect other provisions of this Agreement, which shall be given effect without regard to the invalid provision or application.

i. **GOVERNING LAW.** This Agreement shall be governed by the laws of the Commonwealth of Virginia, excepting its laws regarding the conflict of laws.

j. **ENTIRE AGREEMENT.** This Agreement contains all the terms and conditions agreed to by the parties. No other agreements, oral or written, are valid or bind the parties.

**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement. The parties to this agreement acknowledge the responsibilities, specified above, and will provide the accomplishment of this service in a mutually acceptable and efficient manner.

BY SIGNING BELOW, THE WATER PROVIDER INDICATES ITS DESIRE TO PARTICIPATE IN THE VA LIHWAP AND AGREES TO COMPLY WITH THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT.

**VIRGINIA DEPARTMENT OF SOCIAL SERVICES**

\_\_\_\_\_  
**By: Michelle Skaggs, Director of General Services**

\_\_\_\_\_  
**DATE**

**PROMISE NETWORK INC.**

\_\_\_\_\_  
**By: Diana Frappier, CLO**

\_\_\_\_\_  
**DATE**

**Water Provider (Legal Name):** \_\_\_\_\_

**Doing Business As Name (if applicable):** \_\_\_\_\_

**Signature of Authorized Representative:** \_\_\_\_\_

**Printed Name of Authorized Representative:** \_\_\_\_\_

**Title of Authorized Representative:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**APPROVED AS TO FORM**  
  
**Assistant City Attorney**

# ATTACHMENT A



**ADMINISTRATION FOR  
CHILDREN & FAMILIES**330 C Street, S.W., Washington, DC 20201 | [www.acf.hhs.gov](http://www.acf.hhs.gov)**SUPPLEMENTAL TERMS and CONDITIONS**

The **General Terms and Conditions** apply to all mandatory grant programs. These Supplemental Terms and Conditions are additional requirements applicable to the program named below.

By acceptance of awards for this program, the recipient agrees to comply with the requirements included in both the General and Supplemental Terms and Conditions for this program.

**Office of Community Services (OCS)****LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM (LIHWAP)**

Assistance Listing No. 93.499

**APPLICABLE LEGISLATION, STATUTE, REGULATIONS**

1. The administration of this program is authorized under Section 533 Title V of Division H of the Consolidated Appropriations Act, 2021, Public Law No: 116-260. Consistent with legislative instructions, program requirements use existing processes, procedures, and policies currently in place to provide assistance to low-income households. In particular, OCS has closely modeled the Low Income Household Water Assistance Program's (LIHWAP) terms and conditions on assurances and requirements outlined in the Low Income Household Energy Assistance Act, 42 U.S.C. 8621 *et seq.*
2. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards is located under [45 CFR Part 75](#). In accordance with 45 CFR 75.101 applicability, this program must comply with 45 CFR Part 75 in its entirety. No exceptions have been identified.
3. Additional applicable regulations and requirements can be found in the [General Terms and Conditions for Mandatory: Formula, Block and Entitlement Grants](#).

**COST SHARING OR MATCHING (NON-FEDERAL SHARE) OF PROGRAM FUNDING**

4. The federal financial participation rate (FFP) is 100 percent for this program. The federal award provides funds for 100 percent of allowable, legitimate program costs.
5. There is no non-federal cost share/matching required for this program. Program funds for this program are awarded with a 100 percent FFP rate for program costs.

**FINANCIAL REPORTING AND REQUIREMENTS**

6. The OMB approved Financial Reporting form for this program is Form SF-425, "Federal Financial Report (FFR)." Recipients are required to submit FFRs in the Payment Management System (PMS). Recipients must track and report on LIHWAP funds separately from appropriated LIHEAP funds.

- a. This report is submitted annually and must be submitted no later than December 30, which is 90 days following the end of each federal fiscal year (FFY).
  - b. A first interim report is due 90 days following the end of FFY 2021.
  - c. A second interim report is due 90 days following the end of FFY 2022.
  - d. A final report (cumulative, covering the entire project period) is due 3 months following the end of FFY 2023.
7. **Project Period.** The project period for this award is concurrent with the obligation period, as follows: from the date of the award through the end of FFY 2023 (September 30, 2023). Any federal funds not obligated by the end of the obligation period will be recouped by this Department.
8. **Liquidation Deadline.** All obligated federal funds awarded under this grant must be liquidated no later than 3 months after the end of the project period (i.e., December 31, 2023). Any funds from this award not liquidated by this date will be recouped by this Department.
9. The following are the grant/fiscal requirements based on modifications of existing LIHEAP policies and requirements:
  - a. The recipients may use up to 15 percent of grant funds for planning and administering the funds under this award. The recipient will pay from non-federal sources the remaining costs of planning and administering the program under this award and will not use federal funds for such remaining cost. Administrative costs of the owners or operators of public water systems or treatment works that may be charged to this award, if any, are subject to this limitation and must be included together with the recipient's costs of planning and administration when calculating compliance.
  - b. The recipient will ensure that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for federal funds paid to the state under this award, including procedures for monitoring the assistance provided under this award, and provide that the recipient will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "[Single Audit Act](#)").
  - c. The recipient may expend funds for immediate expenses necessary for planning and administering the use of funds upon receipt of the award. However, prior to the expenditure of grant funds for any payments to owners or operators of public water systems or treatment works on behalf of low-income households, the recipient must submit an implementation plan for OCS review and acceptance in a format provided by OCS that will (a) include the eligibility requirements to be used by the state for each type of assistance to be provided under this grant, (2) describe the benefit levels to be used by the state, territory, or tribe for LIHWAP assistance, (3) describe any steps that will be taken to target assistance to households with high home water burdens, and (4) provide a plan of administration including a plan of oversight and monitoring of any subrecipient organizations comparable to the processes and procedures for comparable grant programs. Not later than May 30, 2021, OCS will make available a Model State and Tribal Implementation Plan format to be used in developing and submitting the implementation plan for review.

## **PROGRAM REPORTING AND REQUIREMENTS**

10. Recipients must track and report on LIHWAP program activities under this award separately from LIHEAP. The recipient must report annually on the following data elements, using an OMB-approved reporting format to be provided by OCS:
  - a. the amount, cost, and type of water assistance provided for households eligible for assistance under this award;
  - b. the type of water assistance used by various income groups;

- c. the number and income levels of households assisted by this award;
- d. the number of households that received such assistance and include one or more individuals who are 60 years or older, include a household member with a disability, or include young children (ages 5 and younger);
- e. the impact of each recipient's LIHWAP program on recipient and eligible households (e.g., amount of assistance to each household, and whether assistance restored water service or prevented shutoff); and
- f. administrative information regarding local providers (if applicable), agreements with water utilities, recommendations, accomplishments, unmet needs and lessons learned.

11. The following are the program requirements, consistent with instructions in [P.L. 116-260, Section 533](#) and consistent with existing program requirements for Low-Income Home Energy Assistance Program (LIHEAP) and other closely related programs:

- a. Federal funds awarded under this grant shall be used as part of an overall emergency effort to prevent, prepare for, and respond to the coronavirus, with the public health focus of ensuring that low-income households have access to safe and clean drinking water and wastewater services.
- b. Funds will be used to provide assistance to low-income households—particularly those with the lowest incomes—that pay a high proportion of household income for drinking water and wastewater services. Assistance to households will be accomplished by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services. Recipients may use LIHWAP funding to cover arrearages arising at any time, including prior to this award.
- c. Recipients shall, in carrying out programs funded with this grant, as appropriate and to the extent practicable, use existing processes, procedures, policies, and systems in place to provide assistance to low-income households, including by using existing programs and program announcements, application and approval processes.
  - i. Grant resources may be used to make payments only with respect to households in which one or more individuals are receiving the following:
    - 1. assistance under the State program funded under part A of title IV of the Social Security Act;
    - 2. supplemental security income payments under title XVI of the Social Security Act;
    - 3. food stamps under the Food Stamp Act of 1977;
    - 4. payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
    - 5. payments under LIHEAP; or
  - ii. households with incomes that do not exceed the greater of the following:
    - 1. an amount equal to 150 percent of the poverty level for such state; or
    - 2. an amount equal to 60 percent of the state median income;
    - 3. except that a state, territory, or tribe may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for the state; but, the state, territory, or tribe may give priority to those households with the highest home water costs or needs in relation to household income.
- d. The recipient will establish criteria and procedures for determining income eligibility comparable to established procedures and requirements for LIHEAP. The recipient will conduct outreach activities designed to ensure that eligible households, especially those with the lowest incomes,



that pay a high proportion of household income for drinking water and wastewater services, are made aware of the assistance available under this title and any similar assistance available under the Community Services Block Grant program or through other emergency relief such as the [Pandemic Emergency Assistance Fund](#) and the U.S. Department of Treasury's [Emergency Rental Assistance Program](#).

- e. The recipient will coordinate its activities under this title with similar and related programs administered by the Federal Government and such state, territory, or tribe, particularly low-income utility support programs such as LIHEAP, the Community Services Block Grant (CSBG), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), the Social Service Block Grant, and the [Emergency Rental Assistance Program](#).
- f. The recipient will provide, in a timely manner, that the highest level of assistance will be furnished to those households that have the lowest incomes and the highest water costs or needs in relation to income, taking into account family size, except that the state, territory, or tribe may not differentiate in implementing this section between the households described in condition 11(c)(i) and 11(c)(ii) (above).
- g. The recipient will establish policies, procedures, and benefit levels on behalf of households that prioritize continuity of water services, including prevention of disconnection and restoration water services to households for which water services were previously disconnected.
- h. The recipient will provide funds to owners or operators of public water systems or treatment works ("owners or operators") to reduce arrearages of and rates charged to eligible households for such services. For all payments to owners or operators on behalf of individual households, the recipient must establish procedures to:
  - i. notify, or require the owner or operator to notify, each participating household of the amount of assistance paid on its behalf;
  - ii. ensure that the owner or operator will charge the eligible household, in the normal billing process, the difference between the actual amount due and the amount of the payment made by the LIHWAP grant;
  - iii. ensure that any agreement the recipient enters into with an owner or operator under this paragraph will contain provisions to ensure that no household receiving assistance under this grant will be treated adversely because of such assistance under applicable provisions of state, territorial or tribal law or public regulatory requirements;
  - iv. ensure that the provision of payments to the owner or operator remains at the option of the recipient, in consultation with local subrecipients; and
  - v. ensure that the owner or operator provides written reconciliation and confirmation on a regular basis that benefits have been credited appropriately to households and their services have been restored on a timely basis or disconnection status has been removed if applicable.
- i. The amount of any home water assistance benefits provided under this program for the benefit of an eligible household shall not be considered income or resources of such household (or any member thereof) for any purpose under any State, Territorial, or Tribal law, including any law relating to taxation, public assistance, or welfare programs.
- j. The recipient will not exclude income-eligible households (described above in condition 11(c)(ii)) from receiving home water assistance benefits.
- k. The recipient will establish procedures to treat owners and renters equitably under the program assistance provided with these grant resources.

- l. The recipient will provide for timely and meaningful public participation in the development of a state, territory or tribe's LIHWAP implementation plan, such as publication and acceptance of comments via the recipient's website.
- m. The recipient will provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under a LIHWAP plan are denied or are not acted upon with reasonable promptness. Administrative hearing opportunities will be comparable to and may utilize existing processes, procedures, and systems currently in place for the state, territory, or tribe's Low Income Home Energy Assistance grant.
- n. The recipient will be responsible for planning and prioritizing funds for households in communities throughout the state with the exception of households within tribal jurisdictions for which OCS has reserved a portion of LIHWAP funds. If the governing organization of any eligible tribal government or organization located within the state declines or is not able to successfully apply for available LIHWAP funds, the state recipient will then be responsible for including eligible households within the tribe's jurisdiction in its outreach and service coverage.
- o. LIHWAP grant funds may not be used by the recipient, or by any other person with which the recipient makes arrangements to carry out the purposes of this grant, for the purchase or improvement of land or the purchase, construction, or permanent improvement of any building or other facility.
- p. The recipient will permit and cooperate with federal investigations undertaken in accordance with the following procedures:
  - i. OCS shall, after adequate notice and an opportunity for a hearing conducted within the affected state, territory, or tribe, withhold funds from any recipient that does not utilize its allotment substantially in accordance with the terms and conditions.
  - ii. OCS shall review and respond in writing in no more than 60 days to matters raised in complaints of a substantial or serious nature that a recipient (or any person with which the recipient makes arrangements to carry out the purposes of the grant) has failed to use funds in accordance with these terms and conditions. Any violation of any one of the terms and conditions that constitutes a disregard of such assurance shall be considered a serious complaint.
  - iii. If OCS determines that there is a pattern of complaints from any state, territory, or tribe during the grant period, OCS shall conduct an investigation of the use of funds received under this award by the recipient in order to ensure compliance with terms and conditions.
  - iv. The HHS Office of the Inspector General (OIG) may conduct an investigation of the use of funds received under this title by a state, territory, or tribe in order to ensure compliance with the provisions of this title.
  - v. In the event of an investigation conducted by OCS, OIG, or another federal entity designated by OCS, the recipient shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request thereof.
  - vi. In conducting any investigation under the procedures described above, OCS will not request any information not readily available to such state, territory, or tribe, or require that any information be compiled, collected, or transmitted in any new form not already available.

## **REAL PROPERTY REPORTING**

12. Real Property Reports (SF-429s). The SF-429 Real Property forms are not applicable to this program. Purchase, construction, and major renovation are not an allowable activity or expenditure under this grant.



**EFFECTIVE PERIOD**

13. These program-specific Supplemental Terms and Conditions are effective on the date shown at the bottom of the pages of this document and will remain in effect until updated. They will be updated and reissued only as needed whenever a new program-specific statute, regulation, or other requirement is enacted or whenever any of the applicable existing federal statutes, regulations, policies, procedures, or restrictions are amended, revised, altered, or repealed.