



Agenda Report

MEETING DATE: Tuesday, December 12, 2023

TO: City Council

FROM: PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG
PUBLIC WORKS ADMINISTRATIVE SERVICES MANAGER GORDO
SENIOR FINANCIAL ANALYST DIAZ

THROUGH: CITY MANAGER MENDEZ

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT
AN APPLICATION FOR THE CALIFORNIA EXTENDED WATER &
WASTEWATER ARREARAGE PAYMENT PROGRAM

RECOMMENDED ACTION:

It is recommended that the City Council approve a resolution authorizing the City Manager to submit an application for the California Extended Water & Wastewater Arrearage Payment Program, execute all agreements with the State Water Resources Control Board, and direct that the funds be appropriated to the Water Fund and Wastewater Fund.

BACKGROUND:

The State Water Resources Control Board (State Water Board) previously implemented the \$985 million California Water and Wastewater Arrearage Payment Program to provide relief to customers of water and wastewater systems for unpaid water bills incurred between March 4, 2020, and June 15, 2021, during the COVID-19 pandemic. The Water and Wastewater Arrearages Programs disbursed \$385 million to eligible entities with water and wastewater debt accrued by residential and commercial customers.

The State Water Board is now implementing the California Extended Water and Wastewater Arrearage Payment Program (Extended Arrearage Program), which expands the arrearage period to encompass water and wastewater debt accrued between March 4, 2020, and December 31, 2022.

DISCUSSION:

Funding received from the State Water Resources Control Board will provide relief to the City of Watsonville Utility Enterprise for unpaid bills related to the pandemic. It will assist approximately 400 City of Watsonville customers with their water and wastewater utility debt for unpaid bills accrued between June 15, 2021, to December 31, 2022. Anticipated funding amount is estimated to be \$465,000.

STRATEGIC PLAN:

The proposed authorization to submit an application for the California Extended Water & Wastewater Arrearage Payment Program is consistent with the following Strategic Plan Goal:

06 - Community Engagement & Well-Being

FINANCIAL IMPACT:

- 1) There will be an administrative cost associated with the distribution of funds; however, the Program will provide 3% of the total grant award to cover said cost.
- 2) The Water and Wastewater Enterprise Utility Funds were not budgeted to anticipate such debt from its ratepayers. The receipt of these funds will help support the financial plans that were developed for both utility enterprises and minimize the possibility of debt write-off that was otherwise not forecasted to occur.

ALTERNATIVE ACTION:

None recommended.

ATTACHMENTS AND/OR REFERENCES (If any):

None.