



Agenda Report

MEETING DATE: Tuesday, November 9, 2021

TO: City Council

FROM: INTERIM PUBLIC WORKS & UTILITIES DIRECTOR DI RENZO
GABRIEL GORDO, ADMINISTRATIVE SERVICES MANAGER

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT
AN APPLICATION IN THE AMOUNT OF \$477,861.65 FOR THE
CALIFORNIA WATER & WASTEWATER ARREARAGE PAYMENT
PROGRAM

STATEMENT OF ISSUES:

The State Water Board created a new program to provide relief to community water and wastewater systems for unpaid bills related to the pandemic through \$985 million in federal funding allocated by the State legislature. The funding will cover water debt from residential and commercial customers accrued between March 4, 2020 and June 15, 2021. The Program will fund debt related to drinking water first. Any remaining funds after January 31, 2022 would be allocated towards the relief of wastewater arrearages by February 2022.

RECOMMENDED ACTION:

It is recommended that the City Council approve a resolution authorizing the City Manager to submit an application in the amount of \$477,861.65 for the California 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.

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 in the amount of \$477,861.65. It will assist a total of 821 residential customers and 36 commercial customers with their water utility debt for unpaid bills accrued between March 4, 2020 and June 15, 2021.

STRATEGIC PLAN:

The proposed authorization to submit an application for the California Water & Wastewater Arrearage Payment Program is consistent with the following Strategic Plan Goal:
05 - Community Engagement & Well-Being

FINANCIAL IMPACT:

Financial impacts associated with staff recommendations are as follows:

- 1) There will be an administrative cost associated with the distribution of funds; however, the Program will provide \$13,918.30 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):

- 1) SWRCB Authorized Representative Delegation Form
- 2) SWRCB Conditions of Payment Form
- 3) California Water and Wastewater Arrearages Payment Program Water Arrearages Disbursement Request Form
- 4) State Water Board Community Water System COVID Relief Application