September 10, 2021

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board (State Water Board)
1001 I Street, 24th Floor
Sacramento, CA 95814

SUBJECT: Comment Letter – Draft Water and Wastewater Arrearage Payment Program Guidelines

Dear Ms. Townsend,

On behalf of the California Association of Sanitation Agencies (CASA), thank you for the opportunity to provide comments on the Draft Water and Wastewater Arrearages Payment Program Guidelines (Guidelines). CASA represents more than 125 public agencies and municipalities that engage wastewater collection, treatment, recycling, and resource recovery, and our vision is to advance public policy and programs that promote the clean water community’s efforts in achieving environmental sustainability and the protection of public health.

While CASA is disappointed our members were not statutorily afforded equal prioritization to the funding relief this program will provide, despite water for sanitary purposes being part of the human right to water, we appreciate the prospective opportunity for our members to eventually apply and receive assistance in addressing wastewater customers’ arrearages. Section H of the Guidelines specifies that the State Water Board will amend these Guidelines or adopt new ones to establish a program for funding wastewater treatment provider arrearages and revenue shortfalls no later than February 1, 2022. As you are aware, the Department of Community Services and Development (CSD) is administering a separate program – the Low-Income Household Water Assistance Program (LIHWAP) – to address arrearages as well. Fortunately, CSD is not restricted by LIHWAP guidelines to first provide relief for drinking water utility arrearages, and we are working closely with CSD to maximize the value of that program for our members in the interim until such time as the wastewater program is established at the State Water Board.

In addition to the concerns and recommendations outlined below, we are very concerned that the Guidelines prioritize commercial water accounts before any wastewater arrearages are considered. Given that this funding is intended to alleviate the utility debt burdens on the hardest hit households in California, it seems to run counter to the purpose of the program to prioritize commercial businesses’ water arrearages before sanitation agencies’ residential customers. It is our hope that there is sufficient funding to establish the Wastewater Arrearages program, and that it can be expediently implemented so that our members receive support in a timely manner. Accordingly, we respectfully request your consideration of three items:

1) **Initiating Wastewater Arrearages Survey:** Responses to the drinking water arrearages survey by community water systems are due today, and we are optimistic the Division of Financial Assistance (DFA) will know by the end of September whether there will be sufficient funding available to establish a program providing relief for wastewater treatment providers’ arrearages.

    Given our members’ need for financial relief due to the adverse impacts of utility-debt, we respectfully recommend DFA commence working on the corresponding survey to sanitation agencies as soon as possible to assess their arrearages and shortfalls. Taking this concurrent step is allowed by the authorizing statute and would not be inconsistent with Section H of the Guidelines. Initiating this process as soon as possible could provide critical information pertinent to your administration of the wastewater component of the program, and CASA welcomes the opportunity to coordinate with SWB staff on this survey endeavor.

    **Recommendation:** Initiate surveying wastewater treatment agencies in Fall 2021 so that eventual relief can be disbursed as soon as possible.
2) **Set Asides:** Similar to the way in which the State Water Board is planning to set aside some portion of funds for later use by community water systems, if sufficient funding does appear available to fund a wastewater arrearages program, we request a portion of those remaining funds also be sequestered for later use by sanitation agencies to ensure their customers who have been the most adversely impacted by financial hardship during the pandemic would have access to relief at a later time beyond the first wave of disbursements to sanitation agencies.

**Recommendation:** Set aside some portion of monies for later use by wastewater treatment providers, similar to the approach proposed for the drinking water program.

3) **Alternative Agency Revenue Collection Mechanisms:** An issue not directly addressed in the Guidelines pertains to how agencies with different mechanisms for collecting revenue from residential customers can participate. For example, many CASA members collect their service charge on the property tax roll, and defaults on those payments should also be eligible, though it currently is not specified. This issue was raised by some commenters in the water arrearages context at the September 9 workshop, and we hope that any revisions to the Guidelines to address this also consider the wastewater program component. We encourage DFA staff to consider this dynamic now and resolve the potential nuance needed in the Guidelines to ensure relief will be accessible to agencies who do use this billing mechanism.

**Recommendation:** Pursue amendments to the Guidelines to ensure relief is extended to utilities that collect payments through the property tax rolls.

As the State Water Board’s Water and Wastewater Arrearage Payment Program gets underway this fall, we look forward to hearing about its usage rate and welcome the opportunity to coordinate with DFA staff on a corresponding survey to sanitation agencies to assess their arrearages and shortfalls, as well as establish guidelines for application requirements. In the meantime, if you have any questions, please do not hesitate to reach out to me at (916) 694-9269 or at jvoskuhl@casaweb.org.

Sincerely,

Jared Voskuhl
Manager of Regulatory Affairs