


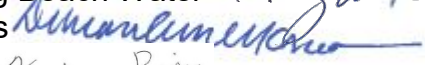



Date: February 4, 2022

To: Thomas B. Modica, City Manager 

From: Robert Dowell, Director, Energy Resources   
Christopher J. Garner, General Manager, Long Beach Water   
Diko Melkonian, Deputy Director, Public Works   
Kevin Riper, Director, Financial Management 

For: Mayor and Members of the City Council

Subject: **Utility Pandemic Relief Program and Payment Delinquency Moratorium Extended to No Earlier than June 30, 2022**

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## **Background**

In a previous memorandum dated [August 9, 2021](#), staff of the Energy Resources, Water, Public Works, and Financial Management Departments detailed efforts undertaken to provide relief to utility customers impacted by the COVID-19 pandemic. In short, since March 2020, the City of Long Beach (City) suspended charging late fees to all utility customers; suspended terminations (shut-offs) of utilities for non-payment; and suspended collection efforts for amounts in arrears. These moratoriums continue to date and were anticipated to terminate January 31, 2022. However, recent State action requires extension of these moratoriums to no earlier than June 30, 2022.

## **California Gas and Water Arrearage Payment Program**

As part of the 2021-22 State budget approval, the State of California initiated the California Arrearage Payment Program (CAPP) and the California Water and Wastewater Arrearage Payment Program (CWWAPP) (collectively the "State Payment Program") to offer financial assistance to State energy (gas and electricity) and water customers to help reduce past due bill balances that accrued during the pandemic. CAPP is administered by the Department of Community Services and Development (CSD) and funded from \$1 billion in federal American Rescue Plan Act (ARPA) funding to address California's energy arrearage. CWWAPP is administered by the State Water Resources Control Board (SWRCB) and funded from \$1 billion in ARPA funding to address California's water and wastewater arrearages.

Under the State Payment Program, utilities across California provided arrearage survey data to CSD and SWRCB to calculate total statewide energy and water/wastewater bill arrearages for the COVID-19 relief period which is defined by the California State Legislature as March 4, 2020 through June 15, 2021 (COVID-19 Pandemic Bill Relief Period). CSD and SWRCB then determined repayment assistance allocations for individual utilities. Under the State Payment Program and unlike other state and federal COVID -19 assistance efforts, utility customers do not apply to receive a CAPP and/or CWWAPP benefits. Utilities will directly apply the program benefits to qualifying utility customer accounts, which will be reflected as credits on their bill.

Utility Pandemic Relief Program and Payment Delinquency Moratorium Extension

February 4, 2022

Page 2

The funds allocated to the City's gas and water utilities are \$1,574,208 from CAPP for gas arrearages and \$1,387,908 from CWWAPP for water arrearages. The CWWAPP wastewater program will launch in February 2022. These allocations are sufficient to cover all residential gas and water customers with arrearages incurred only during the COVID-19 Pandemic Bill Relief Period (March 4, 2020 – June 15, 2021). The CWWAPP allocation will also cover commercial water customers with arrearages. CAPP allocated funds are insufficient to cover commercial gas customers. Note that arrearages have continued to accrue past the COVID-19 Pandemic Bill Relief Period and therefore total arrearages currently exceed the State Payment Program allocations.

The City's gas and water utilities have submitted their applications and are now awaiting their respective allocations. Once received, utilities will be required to apply CAPP and CWWAPP benefits to customers within 60 days of receiving funds. Acceptance of State Payment Program funds is based on several terms and conditions as outlined below:

- Utility services shall not be discontinued due to nonpayment for those customers with arrearages accrued during the COVID-19 Pandemic Bill Relief Period while CSD and SWRCB reviews and approves all pending applications.
- Late fees and interest accrued during the COVID-19 Pandemic Bill Relief Period shall be waived for eligible customers that are credited State Payment Program benefits.
- Customers that receive State Payment Program benefits and have a remaining balance after that benefit is applied must be notified of the option to enter into an extended payment plan for the remaining balance.
- No disconnections of utility services for CAPP or CWAPP recipients shall occur, regardless of remaining balance, for 90 days after the benefit is applied. During this time, late fees and penalties will also be waived.
- After 90 days, customers who received State Payment Program benefits will be subject to regular utility processes and procedures.

Given the above terms and conditions, the date on which the moratorium may be lifted for all utility customer is anticipated to be no earlier than June 30, 2022, and may extend beyond that date dependent on when CSD and SWRCB distribute Payment Program funds.

Further, the terms and conditions require waiver of all associated late fees and accrued interest related to delinquent Long Beach utility bills for the legislatively defined period. Financial Management is working to assess the total lost revenue to the General Fund as a result of this requirement.

If you have any questions, please contact Chris Garner at (562) 570-2318 or Bob Dowell at (562) 570-2001.

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