

COVID-19 Municipal Utility Relief Program

Frequently Asked Questions

As of January 11, 2021

Disclaimer:

This FAQ is developed for municipal utilities. Customers should reach out to their municipal utility for questions. For all questions listed, we recommend that you consult with your municipal attorney and also review the following two federal resources in addition to the answers provided. The Virginia Department of Housing and Community Development provides no definitive guarantee on answers outside the scope of its role in this program related to the certification process and other related matters. Again, in all cases, municipal utilities and/or their partner city or partner county should consult federal guidance first and with their municipal attorney.

- CARES Act Guidance: <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>
- CARES Act Frequently Asked Questions: <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

The following list of questions have been organized by topic area to assist users in identifying their question quickly. Additionally, to expedite your search we also suggest using the text search function embedded in Adobe Acrobat to find your search more quickly. In order to use this function, please press the “Ctrl” and “F” keys on your keyboard. This should open a window where you can enter text for searching purposes.

I. Customer Qualification Questions

1. Q: If a customer had past due balances between 3/1/2020 and 12/31/2021 but have since paid that balance, do they qualify for relief?

A: Only customers who currently are experiencing economic hardships due to COVID-19 and are 30 or more days past due qualify for relief under this program. Please also note that with the extension of the CARES Act deadlines to 12/31/2021, additional consideration and interpretation on this matter will be needed because of the prospective nature of these dates. Additional guidance is forthcoming on this matter.

COVID-19 MUNICIPAL UTILITY RELIEF PROGRAM

Frequently Asked Questions

- **2.** Q: Can relief from this program be used to cover penalties associated with late payments? If not, are utilities required to forgive penalties associated with late payments?

A: Relief under this program cannot be used to cover late payments because it would be considered a form of revenue replacement and would violate CARES Act Guidelines. Municipal Utilities are encouraged, but not required, to forgive any penalties associated with late payments.

- **3.** Q: If a customer had a late utility bill paid for via CARES Act funding prior to this program, would that customer be eligible to receive relief through this program?

A: The customer would only be eligible for relief through this program, if the relief being sought for this program is not for the same time period for which previously relief applied. For example, a customer seeking relief through this program for arrearages accrued in June 2020 through August 2020 would be eligible if the previous relief applied was for a different time period (e.g. April 2020 through May 2020).

- **4.** Q: If a customer has eligible arrearages in excess of 60 days, does relief only cover those arrearages in excess of 60 days or can it be applied to all arrearages in excess of 30 days?

A: Relief should be prioritized to customers with arrearages greater than 60 days first. Relief should be applied to the fullest extent that the utility can provide. We suggest identifying the total pool of eligible customers first by collected customer attestations and then determining the degree to which assistance can be applied in an equitable manner that prioritizes customers with arrearages greater than 60 days first. Customers may be assisted for the full arrearage during the covered period as they present to the program, as long as they are over 30 days in arrears.

- **5.** Q: Can funds be used to forgive outstanding balances that are already negotiated payment arrangements?

A: Relief funds may be used to pay any arrearages by customers participating in payment plans as long as those bills are 30 or more days late as provided by the required certification.

- **6.** Q: What utilities qualify/do not qualify under this program?

A: Qualifying utilities include electricity, water, sewer, and gas. For example, trash/refuse collection does not qualify under this program.

- **7.** Q: Can relief funds be used to pay the taxes portion of customer bills?

COVID-19 MUNICIPAL UTILITY RELIEF PROGRAM

Frequently Asked Questions

A: Tax portions of a customer's bill do not qualify for relief funding because it would be considered a form of revenue replacement and would violate CARES Act Guidelines.

II. Local Eligibility Questions

- 1.** Q: Do businesses qualify for relief assistance under this program?

A: Both residential and non-residential entities qualify for relief assistance under this program so long as they meet all other associated guidelines. Government entities are not eligible.

- 2.** Q: Are city governments eligible for relief assistance under this program?

A: Governments are not eligible for relief under this program.

III. Certification Questions

- 1.** Q: Are the required City-County and Municipal Utility Certification Forms available in a word document format? How about the Model Customer Intake Form?

A: Both of these forms are available as pdf documents on the Virginia Department of Housing and Community Development's website at this link address:

<https://www.dhcd.virginia.gov/utilityrelief>. For access to Word document versions of the form, please contact utility@dhcd.virginia.gov.

- 2.** Q: How should the certification form be adapted for municipal run utilities (no pass-through)?

A: The form does not require adaptation. For the signature page, please have the chief administrative officer for your city/county fill out and sign in the left hand column. The relevant utility/public works department head or a finance officer can fill out and sign the right-hand column. Please also complete the certification addendum.

- 3.** Q: My city runs both a Water & Sewer Utility, as well as an Electric Utility. Should both heads sign the certification form?

A: Yes, if possible please have both department heads sign the form. Alternatively, the chief administrative officer, deputy chief administrative officer, or your finance department head can sign instead.

- 4.** Q: When is the certification due for the Utility Relief Program?

COVID-19 MUNICIPAL UTILITY RELIEF PROGRAM

Frequently Asked Questions

A: While there is no strict deadline for submission of the certification form, localities are encouraged to submit them as soon as possible so that your awards may be processed and transmitted as quickly as possible.

- 5.** Q: As a Town, we provide utilities to our citizens independently of the County we are located in. Do we still need the signature of the County's CAO?

A: The County's CAO's signature is required because the County is assuming responsibility of passing funds from the Virginia Department of Accounts to your locality.

- 6.** Q: Our public works/utility division maintains utilities in our locality and our finance department handles billing. Who should we have sign as the "Authorized Official Representing Municipal Utility Allocated Funds by SCC"?

A: In this scenario, either person can sign as the authorized official representing the municipal utility.

- 7.** Q: Our utilities department is not a separate entity from our governing arm. Is there any portion of the certification form from which we are exempt?

A: The certification form, including the addendum, must be completed in its entirety in order to receive funding through this program.

- 8.** Q: We have submitted our certification form and addendum, but we are concerned that there may be errors. How long will it be before the certification form is reviewed and accepted by agency staff?

A: Agency staff reviews all submissions on a daily basis. If an error is found with your certification submission, staff will notify you as soon as possible. Errors must be corrected and the entire document resubmitted via the same submission portal.

- 9.** Q: What would be considered an appropriate program end date under section (iii) of the addendum? Why isn't it January 29th?

A: The program end date under this section would be the last day of the "covered period" which is identified as December 31, 2021 in the CARES Act. The original January 29th date as outlined in the original addendum refers to the deadline for localities to return unspent funds to the Department of Accounts. This was initially extended to February 19, 2021, when the CARES Act deadlines were extended. It has now been officially extended to December 31, 2021.

IV. CARES Act Logistics Questions:

- **1.** Q: The CARES Act stipulates that fund payments may not be used for government revenue replacement. Why would payment of customer utility bills to municipalities not be considered in violation of this clause?

A: Collection of customer attestations of economic hardship due to COVID-19 must occur first before the fund payments can be used to address their arrearages. In doing so, that is addressing their needs directly and therefore would not be considered revenue replacement. For more information, please see this section of the [CARES Act FAQs](#).

- **2.** Q: Are customers who received CARES Act funds through the Department of Social Services eligible for this program?

A: As long as funding received by an individual was not specifically tied to payment of utilities for the same period of time, then they would be eligible for relief under this program.

- **3.** Q: Which state agency is the pass-through agency to the counties and cities?

A: The COVID-19 Municipality Relief Program is a partnership between the State Corporation Commission, the Virginia Department of Housing and Community Development, and the Virginia Department of Accounts. The SCC ran the allocation application process. DHCD is handling the certification process and DOA will disburse the funds based on DHCD collection of certification. DOA is the lead on sub-recipient monitoring.

- **4.** Q: If a customer qualified for and received CARES Act funding previously for part of their arrearages, can that previous qualifying documentation be used as the qualifier for any additional funds they may be eligible for?

A: DHCD believes this will qualify, but the federal government will make final determination on this situation. It is recommended that a recent attestation be collected. In all cases, please note that dual benefit cannot be provided to customers for the same period of time.

- **5.** Q: How does the utility verify if a person has experienced economic hardship?

A: The model customer intake form – or a modified version that remains harmonious with those questions – will document the economic hardship. Additional verification beyond self-attestation is not necessary.

COVID-19 MUNICIPAL UTILITY RELIEF PROGRAM

Frequently Asked Questions

V. Deadline Specific Questions

- 1.** Q: When is the certification due for the Utility Relief Program?
A: Localities are encouraged to submit them as soon as possible so that your awards may be processed and transmitted as quickly as possible. DHCD has now officially established February 16, 2021, as the deadline to submit a completed and signed certification and certification addendum.
- 2.** Q: Between what dates must customer usage of utilities occur in order for their bill to be considered eligible for this program?
A: Qualifying billed usage must occur between the dates of March 1, 2020, and December 31, 2021.
- 3.** Q: What is the deadline for returning unused funds to the Department of Accounts?
A: Funds must be returned to the Department of Accounts no later than close of business on December 31, 2021.
- 4.** Q: When can we expect to start seeing funds deposited into our accounts? What is the process for returning funds to DOA?
A: Upon acceptance of your certification, DHCD will notify DOA that you are in compliance and your payment will be processed. Processing may take up to 3-5 business days to occur. Please coordinate with your chief financial officer and the Department of Accounts regarding the return of unspent funds to DOA.
- 5.** Q: When can counties and cities begin to disperse funds received from DOA? Does this have to occur after applications filled out by customers have been submitted to the county?
A: Dispersing funds to municipal utilities can occur as soon as they have been received by the partner city or partner county. Documentation of a customer's economic hardship due to COVID-19 must occur first before any relief can be provided to their arrearages.

VI. Administrative Questions

- 1.** Q: We have concerns about the cost of administrating this program. May funds be used to offset the costs associated with administration?
A: Participating cities and counties may allow municipal utilities and their partners working directly to implement this program to utilize up to 5% of their allocation for direct administrative costs to support management of relief programs. Proper

COVID-19 MUNICIPAL UTILITY RELIEF PROGRAM

Frequently Asked Questions

recordkeeping on these administrative costs must also be maintained and made available for auditing purposes.

- 2.** Q: We are a Town that provides utilities to our citizens independently. Do we have to partner with a city or county?

A: Yes, all town and authority municipal utility systems are required to partner with a city or county to serve as their fiscal agent. Such partnership must be documented and agreed to using the certification and certification addendum that was included as part of your award letter.

- 3.** Q: Does DHCD have a sample MOU that we may utilize in creating an agreement with our partnering county/city/town?

A: DHCD does not have a sample MOU, but one that was created by VAMWA was circulated by VML and can be accessed here: <https://www.vml.org/wp-content/uploads/2020/12/Utility-CARES-Authority-Locality-Fiscal-Agent-MOU-12-4-2020.docx>

- 4.** Q: Is it possible that a copy of the application, certification, or report that we have submitted as part of this process can be sent to us?

A: Please contact staff and we will be happy to facilitate the transmission of copies of these documents.

- 5.** Q: Are we required to notify all of our utility customers about this program or are we permitted to only notify those folks who have qualifying arrearages?

A: Per the Appropriations Act, “the utilities shall notify all customers who are at least 30 days in arrears of the COVID-19 Relief Repayment Plan (Repayment Plan).”

- 6.** Q: If you are doing phone or facetime attestations for economic hardship, what kind of documentation should be collected? Are phone recordings required?

A: Information collected should be sufficient so that all information within the customer intake form is answered and saved. Additional documentation concerning the method by which this information was collected should also be documented on the intake form.

- 7.** Q: May we make modifications to the model attestation form provided by DHCD?

A: Yes, but the modifications should generally be harmonious with the form/questionnaire provided.

- 8.** Q: Is there a centralized database for loading the information submitted on attestation forms?

COVID-19 MUNICIPAL UTILITY RELIEF PROGRAM

Frequently Asked Questions

A: No. It is the responsibility of the municipal utility system to collect and retain all information collected through these forms, especially in the event that an audit of your program is performed at a later date.

If you have any questions that were not answered by this document, please feel free to reach out to the program email address at utility@dhcd.virginia.gov.