



# California Low Income Household Water Assistance Program

## FREQUENTLY ASKED QUESTIONS

### General Questions

**Q: Where can our water district sign up to receive direct communication to stay up to date on the program?**

A: You can sign up for updates and notifications on LIHWAP at the following web pages: <https://www.csd.ca.gov/Pages/LIHWAP.aspx> and <https://www.csd.ca.gov/waterbill>

**Q: For customers that apply for LIHEAP, will LIHWAP require a separate application?**

A: CSD is implementing a process to allow an applicant to conduct a dual enrollment for both Low-income Home Energy Assistance Program (LIHEAP) and LIHWAP using the same application. This will include an addendum for LIHWAP to capture additional information we need for federal reporting.

**Q: We bill water and wastewater together; can a customer apply for both balances?**

A: Yes. If billed together, the services can be covered by the LIHWAP program. If services are billed separately, the customer will have to choose which utility to have the benefit applied to.

**Q: Is storm drainage rolled into CSD's definition of wastewater?**

A: Yes. LIHWAP does cover storm water drainage under program benefits.

**Q: What is the definition of "authorized signature"?**

A: An authorized signer is someone who has authority to sign on behalf of your organization.

**Q: Where will the customer get an application? Is that a template that CSD provides to the LSPs?**

A: Yes, the Local Service Providers (LSP) will have the customer application. The customer will have to contact the LSP to obtain the application.

**Q: Will customers have an application confirmation or letter they can provide to water provider to show they have applied?**

A: Yes, if the customer is eligible and receives assistance, they will receive a notification from the LSP detailing the benefit amount.



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**Q: With the regulations under LIHWAP, if a customer is in threat of service disconnection and they have a confirmation to receive benefits, are we allowed to move forward with service disconnection (which would be a normal practice for us) or do we have to extend their services and wait to receive funds? If we don't disconnect them, can we still charge late fees?**

**A:** LIHWAP's goal is to prevent disconnections, however, there is no requirement for the company to stray from their normal practices. LIHWAP does not have any restrictions on systems charging late fees. Customers eligible to receive a LIHWAP benefit cannot be treated differently than customers who do not receive a LIHWAP benefit. LIHWAP recipients should be treated in accordance with your regular practice.

**Q: If we are working with HORNE on ERAP, can that be transferred over?**

**A:** While HORNE is assisting in the administration of California's Emergency Rental Assistance Program (ERAP), enrollment for LIHWAP must occur independently as these programs are being administered by different agencies. The LIHWAP program also includes a Direct Payment Agreement, which is specific to this program and must be completed as part of the enrollment process.

**Q: Can a customer apply more than once (e.g., the customer receives LIHWAP benefits in September 2022, does not pay their future bills, then reapplies in February 2023)?**

**A:** This is a one-time payment program and customers would not be allowed to apply again.

**Q: If it takes 6 weeks to issue payments, the customer will have at least one new bill due by the time you issue payment. How will the payment include the future bills?**

**A:** At this time, the program is not designed to pay future bills. The current program will pay current charges, arrearages, taxes and fees.

**Q: How does LIHWAP correlate to CAPP?**

**A:** The California Arrearage Payment Program (CAPP) program was related to arrearages for gas and electric bills which accrued during the COVID-19 period.

**Q: If a customer was placed on a payment program to cover an unpaid balance, can they use this one-time payment to cover the balance of the payment program?**

**A:** Yes. This is allowable, so long as the customer is still able to demonstrate the arrearage due.



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**Q: What process do water systems follow if they receive revenues for water services via their customers' (who are property owners) property tax bills?**

A: The entity that collects the fees on behalf of the water system, will be required to enroll in the Direct Payment Program to receive the payment on behalf of the customer. LIHWAP is required to pay the entity, directly, that will credit the customer's account.

### Eligibility

**Q: Can you apply for benefits on behalf of your tenant?**

A: No. The program is customer based and the customer will need to apply directly with the LSP.

**Q: Some of our customers have arrearages accrued from a previous tenant. Can the property owner (who is not low income) apply to this program to cover past arrearage?**

A: No. The customer would have to apply directly. The property owner will not be able to collect past arrearages from a prior tenant through this program.

**Q: If we received funding from the state water board, can we receive funding from CA LIHWAP?**

A: Yes.



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**Q: What are the qualifications needed from the water agency to be eligible for the LIHWAP program?**

**A:** Eligible water and wastewater systems are defined as follows:

“Community Water System” means a public water system with 15+ service connections used by yearlong residents or regularly serves at least 25 yearlong residents of the area served by the system.

“Community Water System Billing Entity” means a third-party billing entity that is the designated billing entity for a community water system.

“Wastewater treatment provider” means a city, county, special district, or joint powers authority that provides wastewater collection, treatment, or disposal service through a publicly owned treatment works.

“Wastewater Billing Entity” means a local government entity (city, county, or special district) that is the designated billing entity for a wastewater treatment provider.

### **Local Service Providers (LPS)**

**Q: Who is the LSP vs. Water System? Are we as the Water Special District the LSP?**

**A:** LSP's are CSD's local service providers that will be administering the program locally and working with the customers to ensure they are eligible for the program.

**Q: Where will the LSPs be listed?**

**A:** LSPs that are currently providing assistance for LIHEAP, or Utility Assistance are the same providers that will be administering the LIHWAP and can be found on CSD's [website](#).

**Q: We have a local nonprofit in our service area (which is not yet an LSP) that pays eligible customers' utility bills. How can they become an LSP?**

**A:** In order to leverage use of existing LIHEAP processes, procedures, policies and systems, CSD will contract with the LSPs that maintain responsibility for LIHEAP administration to administer the LIHWAP program. LSPs are designated to administer LIHEAP pursuant to California Government Code Section 16367.5.



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### Payment Disbursements

**Q: If a water system opts for payment by ACH instead of paper check, how will you communicate account numbers to us?**

A: HORNE will provide a direct pay summary along with each payment. The direct pay summary will identify the customers by account and the amount of benefit to be applied. We will be hosting orientations for water systems prior to program launch to explain the details of the process.

**Q: Why do I have to submit a W9?**

A: The W9 is being requested from all water, wastewater, and billing systems to verify information such as Legal Business Name, Address, Tax ID, and Federal Tax Classification for determining IRS 1099 Reporting Requirements and ensuring payments are sent to the correct recipient and address. Customers are excluded from providing a W9.

**Q: Who completes the W9?**

A: The water or wastewater company will complete the W9 information section during the enrollment process, as well as upload a copy of the W9. This will not be a requirement for the customer. 1099's will be issued by HORNE at year end for those water or wastewater companies in which it is required, as many companies may be exempt. We will use the W9 submitted to determine if the water or wastewater company is exempt or not from receiving a 1099.

**Q: Are program benefits taxable?**

A: Program benefits are non-taxable to the customer receiving the benefit in accordance with Federal Guidelines. LIHWAP funds may be taxable to water, wastewater, and billing systems depending on each company's Federal Tax Classification, which will be determined based on the W9 submitted.

### Timeline and Dates

**Q: How long does it take to process customer's application?**

A: Processing times will vary depending on the completeness of the application.



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**Q: What is the timeframe we are looking at for receiving funding from HORNE once a customer has applied?**

A: Once an application is submitted to CSD for payment, a water system can expect to receive payment within 30-45 days.

**Q: When is the deadline to register with HORNE?**

A: April 30th, 2022

**Q: With the shut-off moratorium ending in April, is there a way to get pre-approved by your program for those customers that may be at risk of shutoff at that time?**

A: The LIHWAP program will not begin accepting applications until June. It is unlikely that the LSP will be in a position to pre-approve applications.

### Recapture or Return of Funds

**Q: Are we allowed to return funds to HORNE if a customer paid their account in full before we receive funds?**

A: The water system is to apply the LIHWAP benefit to the customer's account even if the customer paid the account off by the time payment was received. However, if the account was paid in full by another assistance program (i.e. ERAP), then the water system is to return funds to HORNE.

**Q: If a customer has partially paid, and we receive funds from HORNE resulting in a credit balance, is the customer eligible to have the credit balance refunded? Or will it be sent back to HORNE?**

A: No, any credit on the account after the payment is applied would remain on the customer's account until it is depleted, or until the account is closed.