

City of Fayetteville Staff Review Form

2022-0762

Legistar File ID

9/6/2022

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul Becker

8/16/2022

UTILITIES FINANCIAL SVCS (710)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

To authorize the Mayor to sign and submit the attached Vendor Agreement which would allow eligible water and sewer customers to apply for assistance in paying their past due outstanding balances for water and sewer services by the Low-Income Household Water Assistance Program contractor for the Arkansas Energy Office.

Budget Impact:

N/A	N/A
Account Number	Fund
N/A	N/A
Project Number	Project Title
Budgeted Item? <u> No </u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u> No </u>	Item Cost \$ -
Budget Adjustment Attached? <u> No </u>	Budget Adjustment \$ -
	Remaining Budget \$ -

V20210527

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF SEPTEMBER 6, 2022

TO: Mayor and City Council

FROM: Paul A. Becker, Chief Financial Officer

DATE: August 16, 2022

SUBJECT: **City Council Approval of the submission of a vendor agreement to enroll in the Low-Income Household Water Assistance Program (LIHWAP)**

RECOMMENDATION:

To authorize the Mayor to sign and submit the attached Vendor Agreement which would allow eligible water and sewer customers to apply for assistance in paying their past due outstanding balances for water and sewer services by the Low-Income Household Water Assistance Program contractor for the Arkansas Energy Office.

BACKGROUND:

The City has become aware of a federal grant program available to our low-income water and sewer customers administered by HORNE functioning as a contractor for the Arkansas Energy Office which is a sub-grantee of the U.S. Department of Health and Human Services.

DISCUSSION:

By signing this Vendor Agreement, the City will enroll in the program which would allow eligible low-income users of the sewer and water system to apply for assistance in paying past due balances on water and sewer accounts, City participation in this program will require some special handling and tracking of these payments because the payments can only be applied to water and sewer past due balances not trash and recycling balances and any amounts received over those specific balances must be returned to the contractor. However, this program will provide much needed assistance to eligible customers which should more than offset the additional work required.

BUDGET/STAFF IMPACT:

Although the terms of this agreement will require staff time to account for, record and monitor payments received, it will not require additional budgetary expenditures.

Attachments:

Vendor Agreement for Low-Income Household Water Assistance Program



ARKANSAS

ENERGY & ENVIRONMENT

LOW-INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM (LIHWAP) VENDOR AGREEMENT

Public Law No: 116-260 signed on December 27, 2020, included funding with instructions for the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS) to carry out grants to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services. This act requires that certain assurances be satisfied before assistance payments are made, on behalf of eligible individuals, to suppliers of drinking water and wastewater services. This agreement defines the conditions that the Vendor must agree to so that the Arkansas Energy Office (AEO) or its Contractor (HORNE) can make assistance payments to the Vendor on behalf of eligible households.

Statutory language authorizing and appropriating funds for Low-Income Household Water Assistance Program (LIHWAP) specifies that assistance to households must be paid to public water utilities for household arrearages and rate reductions related to charges for water and wastewater services.

This Agreement shall govern the purchase of water services from the Vendor on behalf of households eligible for the LIHWAP as set by Term Eleven in the [Supplemental Terms and Conditions promulgated by ACF](#).

LIHWAP Payment Program General Terms and Conditions

1. The Vendor enrolled in the LIHWAP Payment Program (Program) must be the responsible entity for applying the LIHWAP credit to customer accounts.
2. HORNE will provide the Vendor a pay file, via secure portal, that contains customer account information and the LIHWAP benefit amount for the purpose of crediting the accounts of qualified low-income residential customers of the Vendor who have been identified as eligible for water assistance payments under LIHWAP by AEO. Commercial customers are not eligible for the program.
3. HORNE will establish a secure method to provide the pay file and customer information to the Vendor and a secure method to receive the Direct Payment Summary from the Vendor as described in paragraph 17.
4. The Vendor is encouraged to offer a payment plan or other forms of assistance to customers who have a remaining balance after the LIHWAP benefit is applied to support the continuation of services or the restoration of services for accounts where services are terminated due to nonpayment.

Vendor Obligations:

1. Acknowledge and comply with applicable state and federal laws and regulations in accordance with the LIHWAP.
2. Keep customer records confidential and shall comply with all federal and Arkansas privacy laws and shall take all necessary steps to protect the confidentiality of the information provided by HORNE to the Vendor. Vendor agrees to provide required security to ensure the confidential, physical security and safekeeping of all data, information files, and documents (“customer information”) pertaining to the recipients of LIHWAP utility assistance payments, while such customer information is in its possession. Vendor will, in accordance with applicable law and the terms of this Agreement, protect from unauthorized use and disclosure all sensitive data, documentation, or other customer information provided to Vendor by HORNE or AEO for purposes of this Agreement.
3. Vendor shall provide water and/or wastewater services to each eligible and approved residential household for which payment is provided under LIHWAP.
4. Restore, reconnect, deliver, or continue customer’s household water service upon receiving from AEO or HORNE a pledge to pay or payment of the LIHWAP benefit amount, whichever comes first and shall confirm this action to HORNE by submission to the Direct Payment Summary as specified in paragraph 17.
5. Continue the customer’s household water service for at least ninety (90) days upon receiving from AEO or HORNE a pledge to pay or payment of the LIHWAP benefit amount, whichever comes first.
6. Assure that no LIHWAP payment will be applied to charges for utilities or services not related to household drinking water or wastewater services.
7. Credit only the account designated by AEO or HORNE.
8. Charge LIHWAP households using the Vendor’s normal billing process. Vendor shall charge LIHWAP residential households the same rates charged for home drinking water and/or wastewater services billed to their similarly situated residential households that are non-eligible, as determined by the approved rate setting process.
9. Charge LIHWAP residential households using the Vendor’s normal billing process, the difference between the actual amount due and the amount of the payment made by the LIHWAP payment
10. Assure that no customer will be treated adversely because of LIHWAP assistance.
11. Post all payments to customer accounts within five (5) business days.
12. Notify the customer of the amount of benefit payment applied to the customer’s billing in a manner which identifies the payment as received from LIHWAP.
13. Provide written reconciliation and confirmation as required that benefits have been credited appropriately to households and their services have been restored on a timely basis or disconnection status has been removed if applicable.
14. Not apply LIHWAP payments to account balances that have previously been written off or paid with other funds however, if payment of previously written-off amounts will enable the applicant to re-establish water service, then payment may be authorized by LIHWAP.
15. Return any unexpended portion of the benefit identified by AEO or HORNE as an overpayment upon request by AEO or HORNE and apply the LIHWAP benefit to cover the past-due balance

and return any remaining amount of the LIHWAP payment to HORNE within 30 calendar days of receipt along with the Direct Payment Summary specified in paragraph 17.

16. Return to AEO or HORNE the amount of benefit payment that cannot be credited to a designated account and clearly identify which LIHWAP household account(s) could not be credited.
17. Vendor shall submit to HORNE a Direct Payment Summary (in a format provided by HORNE) that reconciles the associated pay file and return payments that could not be credited to customer accounts within 30 calendar days of receipt of payment. The Direct Payment Summary must contain information on the date the credit was posted, direct pay file date; the total number of customer accounts that the Vendor was successful in fully crediting; and the total number of customer accounts that the Vendor was not successful in crediting. For those customer accounts that were not credited, the Vendor shall reflect in the Direct Payment Summary the customer accounts that were not credited to include customer account information (customer name, account number, account address, benefit amount), and reason why the LIHWAP benefit was unable to be applied to the customer's account. The Vendor shall use customer and account information contained in the pay file to complete the reporting and identification of customer accounts that were not credited.
18. Accept financial liability for any misuse or misapplication of payments due to failure by the Vendor to perform any of the terms of this agreement.
19. Report any financial fraud or abuse or misconduct in the administration of LIHWAP funds to AEO.
20. Maintain records of assistance benefits for a period of at least five (5) years from the date such benefits were received by the Vendor.
21. Maintain accounting records in such a manner that will ensure that LIHWAP payments made on any customer's account can be readily identified and audited.
22. Maintain accounting records in such a manner that will ensure that any balance which remains after a payment is applied can be traced until it has been expended.
23. Make records available for review by authorized staff of AEO, HORNE, and the U.S. Department of Health and Human Services and cooperate with any Federal or State investigation, audit, or program review related to the administration of LIHWAP to ensure funds are accurately applied to customer accounts in compliance with this Agreement, including allowing AEO and its designated representatives access to all books and records related to the receipt and posting of LIHWAP benefits under review.
24. Vendor is informed that failure to cooperate with any Federal or State investigation, audit, or program review may result in the immediate suspension or disqualification from participation in LIHWAP.
25. Vendor shall take corrective action in the time frame specified by AEO if violations of this Agreement are discovered. Corrective action may include, but is not limited to, providing detailed documentation of changes made.
26. Acknowledge that failure to implement corrective actions may result in the immediate disqualification from participation in LIHWAP.

TERM

The term of this agreement shall be the execution date of this contract through November 30, 2023.

DUE AUTHORIZATION

The person executing this Agreement on behalf of a party represents and warrants that he or she has been duly authorized by such party to so execute this agreement.

Authorized Vendor Representative

Date