



Media Release

State Provides \$301 million in Pandemic-Related Water Utility Debt Relief for Californians

With 100% of eligible drinking water debt covered, program now transitions to help relieve wastewater debt

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SACRAMENTO – Only six months after federal funding was authorized by the governor and state legislature to relieve pandemic-related water utility arrearages, the State Water Resources Control Board has provided over \$301 million to drinking water systems for past-due bills, aiding over a half million Californians who experienced COVID-19 economic hardships. With 100% of the eligible drinking water debt requested by participating water systems now covered, the arrearages program has transitioned to covering pandemic-related debt for wastewater bills.

Altogether 668 systems, collectively serving more than 80% of the state's population, elected to participate in the drinking water portion of the [Water and Wastewater Arrearages Program](#). They are required to credit their customers' accounts within 60 days of receiving funds and notify them that their water bill debt has been cleared or reduced. Systems that did not participate are nonetheless subject to [Health and Safety Code Section 116773.4\(e\)\(1\)](#), which requires them to offer payment plans on debt accrued during the eligible period and disallows water shutoffs on customers who stay current on their plans. California implemented a blanket statewide moratorium on water shutoffs from April 2020 to December 31, 2021.

"The state prevented a health crisis for many Californians economically impacted by the pandemic by ordering a moratorium on water shutoffs for non-payment and staved off potentially serious financial damage to water systems by covering many of these households' water bill debt," said Darrin Polhemus, deputy director for the Division of Drinking Water.

"The Coachella Valley Water District appreciates the State Water Board's swift action to implement the arrearages program, which has provided \$213,171 to cover the outstanding bills of 880 of our customers who were financially impacted by COVID-19," said Castulo Estrada, Board Vice-President at the Coachella Valley Water District. "We suspended service disconnections and late fees early in the pandemic to provide some relief to our customers, but their outstanding balances continued to grow. This funding has given them a fresh start."

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The board completed payments for drinking water debt accrued during the eligible period of March 4, 2020 to June 15, 2021 by January 31, 2022, the deadline set for paying off drinking water arrearages by the [legislation](#) that allocated \$1 billion to establish the program. Remaining funds are now being used to offer wastewater systems relief for their customers' pandemic-related utility debt.

The board conducted surveys in [November 2020](#) and again in [August 2021](#) to gauge the magnitude of the pandemic's financial impacts on water systems and the households they service.

On January 19 the board [adopted additional guidelines](#) for addressing wastewater debt and the [application](#) opened Feb. 1.

"We are committed to getting relief to wastewater systems still feeling the financial impact of pandemic-related unpaid bills," said Karen Mogus, deputy director of the Division of Water Quality, "and, as with drinking water arrearages, I am optimistic that all eligible wastewater debt will be covered by the program. However, eligible entities must [apply for relief](#) within the two-month window between February 1 and April 1, 2022; I encourage wastewater treatment providers and the cities, counties and sewer districts who bill for wastewater services to apply right away."

To ensure water systems and their customers receive as much relief as possible, the arrearages program allows for [broad eligibility criteria](#). For example, entities that previously transferred debt to a third party can still apply to clear debt for their customers, as can cities and counties that collect wastewater fees through tax rolls. In consideration of the varied billing patterns across water systems, the program allows applicants to request funding for any arrearages accrued during billing periods that intersect with the eligibility dates of March 4, 2020 through June 15, 2021.

Initial payments to cover wastewater debt for eligible applicants were approved on March 2, with all payments disbursed by mid-May. The deadline for applications is April 1.

The State Water Board's mission is to preserve, enhance and restore the quality of California's water resources and drinking water for the protection of the environment, public health and all beneficial uses, and to ensure proper resource allocation and efficient use for the benefit of present and future generations.