

# MEMO

To: Carroll County Board of Supervisors  
From: Michael Watson  
Date: 12-8--20  
Subject: PSA Grant Appropriation

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I request that the Board approve and appropriate \$9276.76 to PSA for a grant received from DHCD. I also request that authorization be provided for the County Administrator to sign all supporting documents.



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# COMMONWEALTH of VIRGINIA

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RICHARD BLISS  
GOVERNOR

DEPARTMENT OF  
HOUSING AND COMMUNITY DEVELOPMENT

December 7, 2020

**VIA EMAIL**

Dana Phillips  
Interim Director  
Carroll County Public Service Authority

Re: Award Letter, Guidance, and Required Certification for COVID-19 Municipal Utility Relief Program to Assist Customers

Dear Dana Phillips:

On behalf of Governor Northam, it gives me great pleasure to inform you that Carroll County Public Service Authority has been awarded federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds pursuant to the Appropriation Act mandated State Corporation Commission application process in the amount of \$9,276.76 to assist with municipal utility customer relief for all eligible customers of Carroll County Public Service Authority. This funding is being provided under CFDA 21.019 – Coronavirus Relief Funds (CRF). Additional details concerning this program including guidance, requirements, and several model forms are included in the following pages.

Additional guidance concerning this program has been included with this letter, including a model customer intake form. Please read this carefully before proceeding with additional steps. Given the tight timeline for utilization of these funds and to ensure each utility directly receives these funds in an expedited manner you must return the attached certification in partnership with a city or county that will act as the fiscal agent to receive the funds from the Department of Accounts (DOA) and the city or county will then forward funds to the municipal utility to implement the program for the utility's customers. Once the project is complete, DOA will follow up regarding project outcomes and compliance. I want to reiterate that it is incumbent on Carroll County Public Service Authority and the partnering city or county to ensure project expenses are properly documented and verified in case of audit.

For questions contact DHCD staff member David Conmy at [utility@dhcd.virginia.gov](mailto:utility@dhcd.virginia.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Erik C. Johnston".

Erik Johnston  
Director, Virginia Department of Housing and Community Development

CC: David Von Moll, Comptroller, Department of Accounts

Encl: COVID-19 Municipal Utility Relief Program Guidance, Certification Form and Addendum, and Model Customer Intake Form

## **COVID-19 MUNICIPAL UTILITY RELIEF PROGRAM:**

### **Guidance and Required Certification**

Based on the response that the Virginia State Corporation Commission (SCC) received from your utility system in the Application for Coronavirus Relief Funds (Municipal Utilities), the SCC has determined your award amount which is reflected in your award letter. Accordingly, the award letter, guidance, and required certification will serve as the next steps in facilitating this program.

**Fundamentally, the goal of this program is to assist municipal utility customers experiencing economic hardship due to the COVID-19 pandemic.** As such, and because quick action is essential in order to address the public health needs of municipal utility customers, your award amount must be disbursed through a partnering county or city that will serve as the fiscal agent with the Department of Accounts (DOA) disbursing funds and having responsibility for sub recipient monitoring. Consequently, municipal utility systems, especially those that are not directly managed by a city or a county, will need to partner with a city or county to serve as the fiscal agent for this program. Cities and counties may serve as the fiscal agent for more than one municipal utility system. In order to receive your CRF funding for this program, the chief administrative officer for the partnering city or county and the authorized official representing the municipal utility will be required to certify their respective organization's participation in this program and its adherence to all associated CARES Act regulations. A standard certification for this program requiring signatures from both officials on behalf of their respective organizations has been included near the end of this document.

**Please note that the U.S. Treasury guidance requires attestation by utility customers of the COVID-19 economic hardship, which means utilities will need to collect and save these customer attestations before forgiving eligible arrearages.**

Any customer – with the exception of any government entity – shall be eligible for such arrearage assistance. Municipal utilities are encouraged to pay the full amount of arrearages owed by eligible customers that apply for arrearages owed from the March 1, 2020, through December 30, 2020 time period. Funds can only be used to provide direct assistance to customer accounts over 30 days in arrears during the covered period. Municipal utilities must prioritize assistance first to customers with accounts over 60 days in arrears and then for accounts 30 days in arrears. Municipal utilities are also encouraged to use their discretion to establish a maximum award amount for non-residential customers to ensure the majority of the available assistance awarded is not awarded to large customers. Arrearage assistance programs must strive for equity in program outreach to all customers and should focus outreach efforts on COVID-19 impacted customers.

The SCC has calculated the proportional share of available funding for each municipal utility system that applied by the SCC's November 30<sup>th</sup> application deadline. This information was forwarded to DHCD, which is facilitating the award letter and certification process for municipal utilities and their partnering city or county. These certifications will be accepted by DHCD on a

rolling basis after the date your award letter was distributed. **The awarded municipal utility and their city or county fiscal agent will be required to certify to abide by U.S. Treasury guidance and other regulatory matters concerning the use of CRF funds. The intent is for this allocation to pass through the county or city directly to the municipal utility to serve eligible municipal utility customers. The municipal utility as the customer utility relief program operator should develop a sub agreement with the county or city fiscal agent assuring the city or county fiscal agent that the municipal utility will be responsible for compliance with state and federal law. Upon receipt by DHCD of this certification and award letter from the county/city and municipal utility, the Department of Accounts (DOA) will then distribute funds directly to cities and counties, which will serve as the fiscal agent on behalf of their partner municipal utility(ies). DOA will also be the lead state agency working with the city or county and their partnered utility system(s) on monitoring to ensure compliance with the program and federal guidelines.**

**All applicants must certify that all administrative expenses for direct program implementation and direct relief provided to eligible customer arrearages for the covered time period March 1, 2020 – December, 30 2020 will be expended and any unspent funds returned to DOA by COB Friday January 29, 2021.**

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

**Additionally, it is important for participating localities to refrain from providing dual benefit to customers who have already received some level of assistance through other existing programs funded by the CARES Act for the same months of arrearages. An example is to ensure business customers have not received utility relief for the same time period through the Rebuild Virginia Grant Fund or local CARES Act relief.**

**Please note that approval of a CRF allocation for purposes of this utility arrearage program does not represent any assurance, legal or otherwise, that the approved project complies with all federal guidelines related to the use of these funds. Cities and counties in addition to their partner municipal utility(ies) are strongly encouraged to consult their legal counsel prior to expending the federal CRF funds that have been awarded through this program.**

**Chiefly, municipal utilities must justify and document use of CRF funds by assisting customers who are experiencing economic hardship due to the COVID-19 pandemic. Therefore, such applications will require self-certification by municipal utility customers in order to be considered eligible for arrearage relief.** A standard self-certification form/questionnaire is included near the end of this document that cities and counties and their partner municipal utility(ies) are encouraged to utilize. **Documentation of self-certification for all municipal utility customers participating in this program is required for state auditing purposes so please maintain accurate records for all customers receiving support from the program. This certification may also be collected through other means such as over the phone interviews or**

through an online form but should generally be harmonious with the form/questionnaire provided. Utility Customers may only receive a direct payment subsidy from this award once, per the state budget requirement. Utilities may not direct any funds provided to new deposits, down payments, fees, late fees, interest charges or penalties.

### **Federal CARES Act Guidance:**

It is extremely important to know and comply with all of the federal conditions that exist for CRF allocations. To that end, please refer to the federal guidance and frequently asked questions:

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

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

**This information is routinely updated, so guidance may have changed since you last consulted it.**

Compliance with the federal guidance is the responsibility of the city or county submitting the application on behalf of a municipal utility and failure to do so could result in disallowed expenses requiring repayment of the associated funds to the federal government. If the city or county fails to repay any funds spent for nonqualifying expenses on behalf of a municipal utility as required by the federal government, the State Comptroller will recover such amounts from future state payments to the locality via the State Aid Intercept Program. Consequently, cities and counties are encouraged to develop agreements or memorandums of understanding (MOU) with their partner municipal utility system(s) to indemnify cities and counties in the event the municipal utility system does not adhere to U.S. Treasury guidelines and consequently subjects the city or county to such State Aid Intercept action(s).

In addition to the revised federal guidance, on September 2, 2020, the U.S. Treasury's Office of the Inspector General issued information related to reporting and audit requirements. Information regarding the audit and reporting requirements can be found at the same link provided above. Further, the State Comptroller's office (DOA) has sub-recipient monitoring responsibilities that will necessitate evaluation and additional correspondence with cities and counties regarding the use of funds. Again, cities and counties are encouraged to develop MOUs that will help establish clarity concerning responsibility and accountability among all parties regarding this requirement.

As a reminder, the overarching federal guidance states that these funds must be used for qualifying expenses of state and local governments. Specifically, the CARES Act provides that payments from the CRF may only be used to cover costs that:

1. are necessary expenditures incurred due to the public health emergency with respect

- to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020, (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

The federal guidance continues to state that the CRF funds can be used only for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to address revenue shortfalls. CRF funds should be considered "one time" monies and should not be used for ongoing services and/or base operations. Furthermore, fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Any unspent funds must be returned to DOA no later than COB January 29, 2021, so cities and counties working on behalf of their partner municipal utility(ies) are strongly encouraged to factor that deadline into the administration of their local programs.

### **Required Certification**

In order to receive the CRF funding amount calculated by SCC, each city and county and their partner municipal utility system(s) must complete a certification form (also at the end of this document). The certification form must be signed by the chief administrative officer for the city or county and the authorized official representing the municipal utility partner. In the event more than one municipal utility partners with a city or county, a separate certification will be needed for each partnership.

Before signing the certification, applicants are recommended to read and understand the federal guidance and the frequently asked questions contained in the links provided in Appendices A and B, respectively. The most recent information on this guidance and the frequently asked questions can be obtained at:

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

and

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

Please note that the certification statement includes an acknowledgment that recipients may not receive reimbursement or recipients may be required to return funds to the federal government if it is determined that those funds were spent for purposes that do not qualify. It is important to understand that the burden of ensuring that all CRF funds are spent for qualifying purposes falls to the city or county working on behalf of the municipal utility. Again, cities and counties are encouraged to develop MOUs that will help establish clarity concerning responsibility and accountability among all parties regarding this requirement.

Awardees are responsible for maintaining all necessary documentation to ensure compliance with the federal requirements. The State Comptroller is responsible for all sub-recipient monitoring and may require additional information in the future from each city or county and/or their partner municipal utility system(s) to address that responsibility.

If the federal government determines that awardees have used CRF funds for purposes that do not qualify, awardees must return those funds to the state promptly so that they may be returned to the federal government. As a condition of receiving CRF funds, awardees agree that the Commonwealth can use State Aid Intercept to recover any funds from the corresponding city or county necessary for expenses that were not for a qualifying purpose or not for expenses incurred during the eligible time period. Consequently, cities and counties are encouraged to develop agreements or memorandums of understanding (MOU) to indemnify cities and counties in the event the partner municipal utility system(s) does not adhere to U.S. Treasury guidelines and consequently subjects the city or county to such State Aid Intercept action(s).

### **Submission of Certification**

The certification form on the next page contains more specific details on the responsibilities of the city and county and partnered municipal utility.

The signed certification form should be submitted to DHCD through the following web portal: <https://survey.alchemer.com/s3/6053803/COVID-19-Municipal-Utility-Relief>. Certifications will be accepted on a rolling basis.

If you have any questions regarding the appropriate use of CRF funds, please refer to the U.S. Treasury Website and guidance linked above. For questions about this process or technical questions about the certification form or the distribution of the funds, please first refer to the FAQ documents provided and then send unresolved inquiries to: [utility@dhcd.virginia.gov](mailto:utility@dhcd.virginia.gov)

**Certification:**

**(Please update the yellow highlighted fields as it pertains to your circumstances)**

**CERTIFICATION for RECEIPT of CORONAVIRUS RELIEF FUND PAYMENTS**

**by**

**(CITY OR COUNTY NAME)**

**on behalf of**

**(MUNICIPAL UTILITY NAME)**

We, the undersigned, represent (CITY OR COUNTY NAME) and are working in partnership with (MUNICIPAL UTILITY NAME) (the utility), and we certify that:

1. The intent is for this allocation to pass through the county or city directly to the municipal utility to serve all eligible Virginia municipal utility customers. The customer utility relief program operator should develop a subagreement with the county or city fiscal agent that ensures they will be responsible for compliance with state and federal law.
2. We have the authority to request direct payment, on behalf of the utility from the Commonwealth of Virginia, of revenues from the Coronavirus Relief Fund (CRF) pursuant to section 601(b) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020).
3. We understand that the Commonwealth of Virginia will rely on this certification as a material representation in making a direct payment to the city or county.
4. The city or county and municipal utility's proposed uses of the funds received as direct payment from the Commonwealth of Virginia under section 601(b) of the Social Security Act will be used only to cover those costs that:
  - a. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
  - b. were not accounted for in the budget most recently approved as of March 27, 2020, for the utility; and
  - c. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
5. Any funds that are not expended or that will not be expended on necessary expenditures incurred before December 30, 2020, by the municipal utility or its grantee(s), must be returned to Commonwealth of Virginia no later than January 29, 2021, and that the Commonwealth of Virginia is entitled to invoke State Aid Intercept to recover any such unexpended funds.
6. We understand that customer attestations of the COVID-19 economic hardship must be obtained and saved by the utility relief program before forgiving arrearages.
7. We understand that the municipal utility will not receive continued funding beyond



December 30, 2020, from any source to continue paying expenses or providing services that were initiated or previously supported from CRF funds prior to December 30, 2020.

8. Funds received as a direct payment from the Commonwealth of Virginia pursuant to this certification must adhere to official federal guidance issued or to be issued regarding what constitutes a necessary expenditure.
9. Up to five percent of funds allocated to individual localities may be used for direct administrative costs to support management of the utility relief programs.
10. Any CRF funds expended by the municipal utility or its grantee(s) in any manner that does not adhere to official federal guidance or COVID-19 Municipal Utility Relief Program guidance shall be returned to the Commonwealth of Virginia within 30 days of a finding that the expenditure is disallowed, and that the Commonwealth of Virginia is entitled to invoke State Aid Intercept on the city or county serving as fiscal agent to the partner municipal utility system to recover any and all such funds that are not repaid within 30 days of a finding that the expenditure is disallowed.
11. As a condition of receiving the CRF funds pursuant to this certification, the city or county on behalf of the municipal utility system shall retain documentation of all uses of the funds, including but not limited to payroll time records, invoices, direct administrative costs, and/or sales receipts. Such documentation shall be produced to the Commonwealth of Virginia upon request.
12. The city or county on behalf of the municipal utility system must maintain proper accounting records to segregate these expenditures from those supported by other fund sources and that all such records will be subject to audit.
13. Any funds provided pursuant to this certification cannot be used as a revenue replacement for lower than expected revenue collections from taxes, fees, or any other revenue source.
14. Fund payments may not be used for government revenue replacement, including the replacement of unpaid municipal utility fees.
15. Any CRF funds received pursuant to this certification will not be used for expenditures for which the municipal utility and its subrecipients have received funds from any other emergency COVID-19 supplemental funding (whether state, federal, or private in nature) for that same expense nor may CRF funds be used for purposes of matching other federal funds unless specifically authorized by federal statute, regulation, or guideline.

We certify that we have read the above certification and our statements contained herein are true and correct to the best of our knowledge.

<b>City or County Chief Administrative Officer (CAO)</b>	<b>Authorized Official Representing Municipal Utility Allocated Funds by SCC</b>
Name of City or County:	Name of Municipal Utility:
Printed Name of CAO:	Printed Name of Municipal Utility Official:
Signature:	Signature:
Title:	Title:
Date:	Date:

Please provide city/county DUNS number: \_\_\_\_\_

Please provide municipal utility DUNS number: \_\_\_\_\_

## **Certification Addendum**

**(Please update the yellow highlighted fields as it pertains to your circumstances)**

### **Federal Requirements for information to be included in agreement between county/city and municipal utility**

#### **§200.332 Requirements for pass-through entities.**

All pass-through entities must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal award identification. (Federal Coronavirus Aid, Relief and Economic Security Act (CARES ACT, Coronavirus Relief Fund))

(i) Subrecipient name (which must match the name associated with its unique entity identifier); (Name of Municipal Utility with SCC allocation)

(ii) Subrecipient's unique entity identifier; (Municipal Utility's DUNS number. If municipal utility does not have, please note)

(iii) Subaward Period of Performance Start and End Date; (Determined by city/county and utility given program start date and January 29, 2021, deadline to return funds)

(iv) Subaward Budget Period Start and End Date; (Determined by city/county and utility given program start date and January 29, 2021, deadline to return funds)

(v) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient; (Amount in final award letter)

(vi) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation; (Amount in allocation letter plus any other federal grant to from county/city to the utility)

(vii) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity; (Amount in final award letter plus any other federal grant to from county/city to the utility)

(viii) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); (Coronavirus Relief Fund: Municipal Utility Relief Program to Assist Customers)

(ix) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;(U.S. Treasury Department/County or City/Contact for County or City Awarding Official)

(x) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement; (CFDA Number and Title are 21.09, Coronavirus Relief Funds)

(xi) Identification of whether the award is R&D; and (This is not R&D award)

(xii) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per §200.414. (No indirect costs can be charged by county/city or municipal utility)

**Appendix A is available at:** <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

**Appendix B is available at:** <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

# **COVID-19 MUNICIPAL UTILITY RELIEF PROGRAM**

## **Utility Arrearage Assistance**

### **Model Customer Intake Form**

#### **GENERAL INFORMATION**

1. Date of Customer's Application: \_\_\_\_\_
2. Account Number or Other Unique Identifier of the Customer Utility Bill: \_\_\_\_\_
3. Total Arrearage from March 1, 2020 – December 30, 2020 that is due (**Provided by Municipal Utility with statement demonstrating amount attached**): \_\_\_\_\_
4. Street Address (where utility service is provided): \_\_\_\_\_  
\_\_\_\_\_
5. City or County (where utility service is provided): \_\_\_\_\_
6. State (where utility service is provided): \_\_\_\_\_
7. ZIP Code (where utility service is provided): \_\_\_\_\_
8. Customer Phone Number: \_\_\_\_\_
9. Customer Type:  
  
    \_\_\_\_\_ **Residential**  
  
    \_\_\_\_\_ **Non-Residential**

#### **RESIDENTIAL CUSTOMERS COMPLETE THIS SECTION**

1. Name of Residential Account Holder:

\_\_\_\_\_

First	M.I.	Last	(Maiden)
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2. For residential customers: place mark beside the applicable cause of economic hardship if you or a person in your household has experienced a loss of income due to the COVID-19 pandemic (check all that apply):

- \_\_\_\_\_ been laid off;
- \_\_\_\_\_ place of employment has closed;
- \_\_\_\_\_ have experienced a reduction in hours of work;
- \_\_\_\_\_ must stay home to care for children due to closure of day care and/or school;
- \_\_\_\_\_ lost child or spousal support;

- \_\_\_\_\_ not been able to work or missed hours due to contracting COVID-19;
- \_\_\_\_\_ unable to find work due to COVID-19;
- \_\_\_\_\_ unwilling/unable to participate in previous employment due to high risk of severe illness from COVID-19
- \_\_\_\_\_ other (describe) \_\_\_\_\_

**NON-RESIDENTIAL CUSTOMERS COMPLETE THIS SECTION**

1. Name of Non-Residential Account Holder: \_\_\_\_\_
2. Property Name: \_\_\_\_\_
3. Is the utility fee arrearage due to economic hardship experienced by the customer as a result of the COVID-19 pandemic? (Check Y/N)
4. \_\_\_\_\_ YES (Eligible for relief; provide explanation below.)
5. \_\_\_\_\_ NO (Not eligible for relief.)
6. Provide an explanation of the COVID-19 related economic hardship:

\_\_\_\_\_

\_\_\_\_\_

**CARES Act assistance application may:**

- Assist for bills dated March 1, 2020, to December 30, 2020, and may not be used for past due amounts prior to this time period or after this time period.
- Funding is designed to be a one-time opportunity, with only one payment per household (for residential) or account holder and their successors (for non-residential).
- Funding can be used for the following bills:
  - \_\_\_\_\_ Water
  - \_\_\_\_\_ Wastewater
  - \_\_\_\_\_ Electric
  - \_\_\_\_\_ Gas

**Applicant's Certification:**

- I desire to receive any assistance to which I am legally entitled under this program and its specifications.
- I certify that the reason I am eligible for this CARES Act assistance is correct to the best of my knowledge and belief.
- I understand that my signature on this form gives permission for the staff at (insert name of city or county and municipal utility) to verify records as necessary to verify my eligibility for assistance.

- I declare to the best of my knowledge that:
  - o (1) for residential applicants: I am the only person living in the household at the address shown on this form who has applied for this assistance, or
  - o (2) for non-residential applicants: I am the only person who has applied for/on behalf of the non-residential account holder, including their successors, at the address shown on this form and that I am not a government account holder.
- I certify that this customer has not received CARES act relief for any of the arrearages I am applying for from any other source including Rebuild VA Grants.
- I understand that if I give false information or withhold information in order to make myself eligible for benefits that I am not entitled to or apply for assistance at more than one site, I can be prosecuted for fraud and/or denied assistance in the future.
- I understand that the agencies involved in this program may verify all of the information which I have provided.
- I understand and my signature on this form gives permission to (insert name of municipal utility) to which I am applying to verify information concerning my need for assistance.
- Others?

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**Printed Name**

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**Signature**

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**Title (for non-residential account holders)**

<b>Municipal Utility Intake Information:</b>	<b>ACTION TAKEN</b>	<b>Screener</b>	<b>Date</b>
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