



LEGISLATURE ALLOCATES \$3.5B FOR WATER UTILITY-RELATED ITEMS INCLUDING LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM

August 2021

On August 10, Governor Northam signed [HB 7001](#), the administration's budget bill for spending federal American Rescue Plan Act (ARPA) funds. The budget bill includes continued utility bill assistance, substantial additional nutrient and combined sewer overflow (CSO) grant money, and other new funds to address various infrastructure uses. The allocation of this funding for water/wastewater utilities and their customers reflects a growing acknowledgement that clean water is a critical priority.

Virginia will receive \$4.3 Billion in ARPA funds. This is the third round of federal aid in response to the COVID-19 pandemic. During Special Session II, the Virginia General Assembly allocated \$3.5 Billion of the \$4.3 Billion for FY 2022; the remaining \$761 Million will be reviewed during the 2022 General Assembly Session. Virginia's localities will also receive direct aid from the federal government over a two-year period. Here is a brief list of water utility-related items that are included in the final spending plan.

- *Utility Assistance* – adds \$120M to the \$100M already authorized
- *Low-Income Household Water Assistance Program* – adds \$9.9M
- *DEQ WQIF Grants & Earmarks* – adds \$100M
- *DEQ CSO Grants* – adds \$125M
- *DEQ Other Collection System Grants* – new \$75M
- *VDH Waterworks Grants* – new \$50M
- *VDH Well & Septic* – new \$5.75M

The new federally-funded, state-administered assistance program is under development by the Virginia Department of Social Services. The Low Income Home Water Assistance Program (LIHWAP) for water and wastewater customers will be developed generally on the basis of the similar existing energy assistance program administered by DSS. AquaLaw staff are engaging with DSS to get a better understanding of how it will handle LIHWAP. We note below what we have learned so far.

DSS is planning to have a mechanism allowing both residents and utilities to apply. DSS would like to work, initially, with utilities (Phase 1) to focus on customers with arrearage balances and who are disconnected from service or are about to be disconnected. This will require a data exchange between DSS and utilities, as well as a signed release from the individual to allow the exchange of information. Those kinds of processes will have to be worked out prior to implementation. Then, DSS would like to begin accepting applications directly from individuals (Phase 2) to focus on households who do not have an arrearage balance but do have a current bill due.

DSS typically makes payments within 20 days of receipt of bills/invoices and all necessary documentation. The utility will then apply the benefit to the accounts within 10 days of receipt of the payment.