



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Community Services | 330 C Street, S.W., Washington, DC 20201
www.acf.hhs.gov/ocs

Low Income Household Water Assistance Program

Dear Colleague Letter

DCL#: LIHWAP DCL-2022-21

DATE: September 22, 2022

TO: Low Income Household Water Assistance Program (LIHWAP) Grant Recipients

SUBJECT: LIHWAP Bill Payment Without Vendor Agreements with Water Service Providers

ATTACHMENT(S): N/A

Dear LIHWAP Grant Recipient,

The purpose of this Dear Colleague Letter is to provide Low Income Household Water Assistance Program (LIHWAP) grant recipients with best practices for making bill payments to water service providers without a written vendor agreement.

Vendor Agreements and LIHWAP Terms and Conditions

The Office of Community Services (OCS) strongly encourages the use of vendor agreements between local water service providers and the LIHWAP administering agency prior to payments being made on behalf of eligible households. These agreements identify specific requirements for interaction between the grant recipient and the water service provider and outline the terms and conditions for receiving LIHWAP benefit payments on behalf of households. Vendor agreements ensure consumer protections and reduce liability for all participating parties. OCS previously published [LIHWAP-IM-2021-2](#), which provides guidance related to vendor agreements and includes sample agreements.

Based on feedback from LIHWAP grant recipients, OCS acknowledges that there are instances when entering into formal agreements may not be feasible. In some cases, the lack of a formal agreement may be preventing households, that would otherwise be eligible for LIHWAP assistance, from accessing benefit payments.

While the use of vendor agreements is highly recommended as a LIHWAP best practice, they are not required by the LIHWAP Terms and Conditions. In the absence of a vendor agreement,

it is incumbent on the grant recipient to ensure compliance with the following LIHWAP Terms and Conditions:

- Notify, or require the owner or operator to notify, each participating household of the amount of assistance paid on its behalf;
- Ensure that the owner or operator will charge the eligible household, in the normal billing process, the difference between the actual amount due and the amount of the payment made by the LIHWAP grant;
- Ensure that any agreement with an owner or operator contains provisions to ensure that no household receiving LIHWAP assistance will be treated adversely because of such assistance under applicable provisions of state, territorial or tribal law or public regulatory requirements;
- Ensure that the provision of payments to the owner or operator remains at the option of the grant recipient, in consultation with local subrecipients; and ensure that the owner or operator provides written reconciliation and confirmation on a regular basis that benefits have been credited appropriately to households and that services have been restored on a timely basis or disconnection status has been removed if applicable.

Ensuring Benefit Receipt in the Absence of Written Vendor Agreements

In the absence of a vendor agreement, LIHWAP grant recipients must verify that the eligible household account has been credited in the amount of the benefit payment that was received. This can be confirmed through a regular statement for the household account, or through confirmation of payments by the LIHWAP administering agency. The following are promising practices that when combined may prove useful in ensuring compliance with LIHWAP Terms and Conditions:

- Sending LIHWAP Terms and Conditions to the water service provider and including a notice that states by accepting payment on behalf of a household the water service provider is agreeing to the LIHWAP Terms and Conditions.
- Conducting follow-up monitoring after the payment is made, with both the water service provider and the household to ensure that the account was credited and that an active water connection remains. Follow-up monitoring can be conducted by reports, emails, letter, phone calls or other mutually agreed upon methods with the water service provider.
- Maintaining a written record of follow up communications as described above, including the following information: date of service, benefit amount, household account number, and the water service provider's representative name. For example, a spreadsheet with account numbers and payment amounts can be created and verbally confirmed on a regular basis by the water service provider.
- Educating households on their rights under the program and providing them an avenue for complaint in the event the household is denied the benefit or adversely treated due to participation in the program.

Additional Questions

If you have additional questions that are not answered in this Dear Colleague Letter, please reach out to the [LIHWAP program specialist](#) for your region.

Thank you for your attention to these matters. OCS looks forward to continuing to provide high-quality services to OCS grantees.

/s/

Dr. Lanique Howard

Director

Office of Community Services