



**Office of Community Services  
Low-Income Household  
Water Assistance Program  
(LIHWAP)**

**LOW INCOME HOUSEHOLD  
WATER ASSISTANCE PROGRAM**

**INFORMATION SESSION ON  
VENDOR AGREEMENTS**

**ADMINISTRATION FOR CHILDREN  
& FAMILIES**

**THURSDAY, JUNE 24, 2021**



# Agenda

- Welcome and Introduction
- LIHWAP Vendor Agreement Samples:
  - Why they are important
  - Essential Elements
  - One Size does not fit all
- Next Steps
- Wrap-up: Questions and Answers



# Clarification on Benefits

## Targeting Households Assisted with LIHWAP:

- Priority Group 1: Disconnected services
  - Outcome: Restore service through intervention(s)
- Priority Group 2: Pending Disconnection
  - Outcome: Avoid disruption of service through interventions
- Priority Group 3: Current Bills (no past due balance)
  - Outcome: Supporting client bill payment and increasing affordability of bills (benefit matrix is one approach)



# Our Team



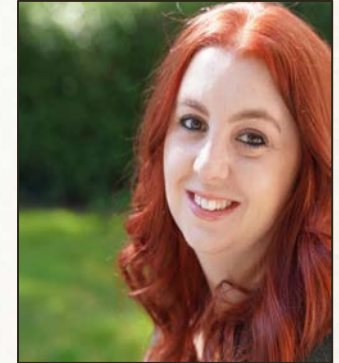
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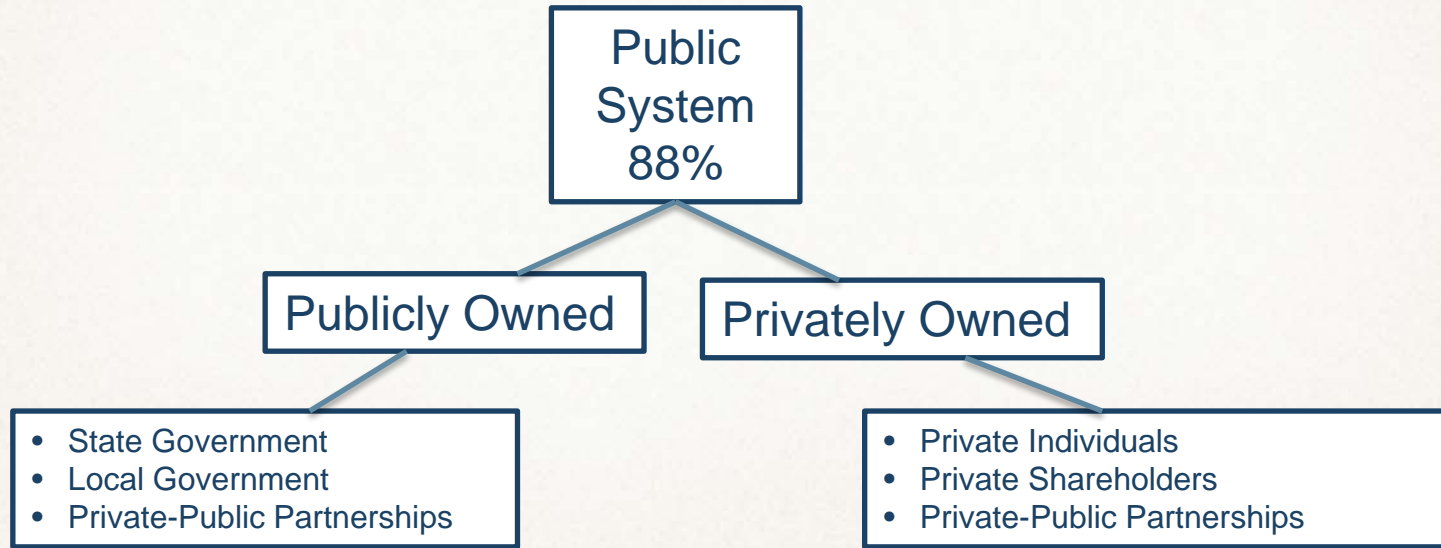
# Objectives

- Discuss benefits of Vendor Agreements and Relationship with Water Utility Agencies.
- Review suggested elements needed for ALL Vendor Agreements
- Understand one size will not fit all
- Discuss best practices for establishing Vendor Agreements with Water Utility Agencies and sub grantees
- Differences to flag
- Field webinar participant questions and provide answers as possible

# Who are your Water Vendors?

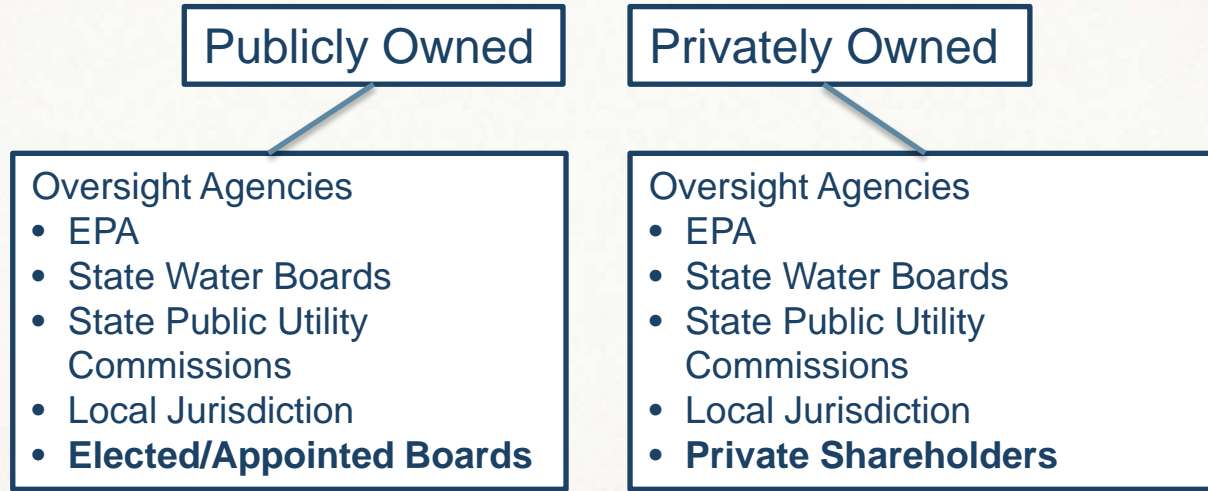
- Publicly Owned Water Vendors
  - Managed by local or state governments
- Privately/Shareholder Owned Water Vendors
  - For-profit systems managed by investors or shareholders
- Private Systems: Not Eligible for LIHWAP

# Public Water System Owners

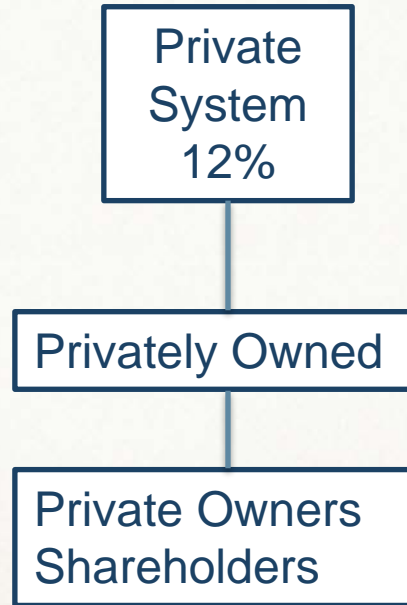




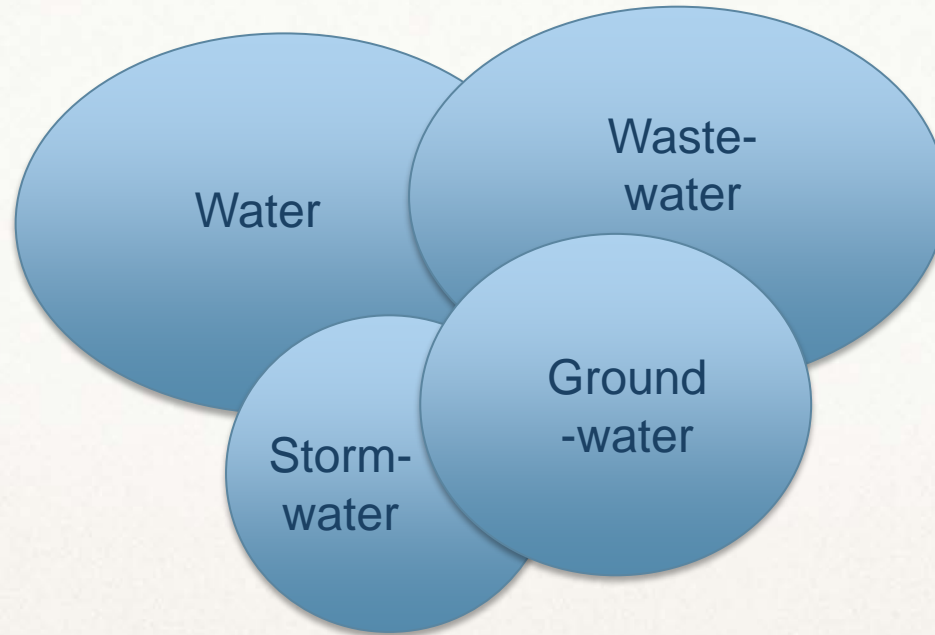
# Who Oversees these Vendors?



# What is a Private Water System?



# Overlapping Vendor Services



# LIHWAP Vendor Agreements: Why are they Important?

- Clearly defines all the details and roles of each party
- Sets expectations for both parties
- Establishes provisions for circumstantial changes
- Details consequences if services are not fulfilled
- Fulfills federal requirement for consumer protection



# Consumer Protection

## Term 11h.

- h. The grantee will provide funds to owners or operators of public water systems or treatment works (“owners or operators”) to reduce arrearages of and rates charged to eligible households for such services. For all payments to owners or operators on behalf of individual households, the grantee must establish procedures to:
  - i. notify, or require the owner or operator to notify, each participating household of the amount of assistance paid on its behalf;
  - ii. 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;
  - iii. ensure that any agreement the grantee enters into with an owner or operator under this paragraph will contain provisions to ensure that no household receiving assistance under this grant will be treated adversely because of such assistance under applicable provisions of state, territorial or tribal law or public regulatory requirements;
  - iv. ensure that the provision of payments to the owner or operator remains at the option of the grantee, in consultation with local subgrantees; and
  - v. ensure that the owner or operator provides written reconciliation and confirmation on a regular basis 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.



# Best Practices for Establishing the Vendor Agreements with Water Utilities

- Relationship Building: Create a partnership
- Introduce Your Team: Educate water utility staff about your agency
- Shared Communication: Decide how you will communicate with the water utility
- Discuss a common program goal





# What should you know about Water Vendors?

- What water services do they provide?
- Who is the oversight Body?
- How many rate-payers do they serve?
- What other programs/resources do they have available for households?

These will all help you prioritize which Vendor Agreements to start first

# What needs to be discussed internally?

- Fiscal
- Data Collection
  - I. IT Needs
  - II. Intake Worker Training
- Program Integration

# Similarities/Differences from LIHEAP Vendor Agreements

## Similarities:

- Main responsibilities for the agency is determine eligibility and cover the cost of utility bills

## Differences:

- New Program for you and Water Utility Companies
- Households might have bills from multiple companies
- Billing schedules and refunds



# Essential Elements To Vendor Agreements

- Purpose
- Scope Of The Services with timetable
- Payment Information
- Shared Data Agreement
- Contract Length And Duration
- How To Get Out Of/Change The Contract
- Consequences if a Vendor does not follow through

# Purpose

This Agreement (“Agreement”) shall govern the purchase of water services from the Vendor on behalf of households eligible for the Low-Income Household Water Assistance Program (LIHWAP). As set by Term Eleven in the [supplemental terms and conditions](#), Federal funds awarded under this grant shall be used as part of an overall emergency effort to prevent, prepare for, and respond to the coronavirus, with the public health focus of ensuring that low-income households have access to drinking water and wastewater services. The funds will be used to cover and/or reduce arrearages, rates and fees associated with reconnection or preventions of disconnection of service, and rate reduction to eligible households for such services. This Agreement is a contract between the [AGENCY ADMINISTERING LIHWAP], ("Agency"), and the [WATER UTILITY AGENCY OR OVERSEEING GOVERNMENTAL BODY] (“Vendor”) for the provision of water bill payments to assist low-income households with water and wastewater reconnection and ongoing services.

The parties acknowledge that this Agreement and the services provided by the Vendor are governed by and subject to the federal and state laws and regulations in accordance with the Low Income Household Water Assistance Program [supplemental terms and conditions](#),



# Scope of Services

- Goal
- Agency Responsibilities
- Water Utility Responsibilities
- Joint Duties



# Payment/Billing Information

- Transactional arrangement
- Special Conditions:
  - Water Restoration/Maintenance- Maintain service for at least 90 Days after LIHWAP benefit payment
  - Full or Partial Payment- OCS does not recommend payment of partial arrearages if this will not prevent disconnection or restoration of services
- Bill itemizing ALL services (water, wastewater etc.)
- Normal billing process- no extra LIHWAP fees or discrimination



# Data Collection

## Terms and Conditions; Term 10

- a. the amount, cost, and type of water assistance provided for households eligible for assistance under this award;
- b. the type of water assistance used by various income groups;
- c. the number and income levels of households assisted by this award;
- d. the number of households that have sentries, disabled members, and children 0-5
- e. the impact of each grantee's LIHWAP program on recipient and eligible households (e.g., amount of assistance to each household, and whether assistance restored water service or prevented shutoff);
- f. administrative information regarding local providers (if applicable), agreements with water utilities, recommendations, accomplishments, unmet needs and lessons learned.

# Other Essential Elements

- Contract Length And Duration
- How To Get Out Of/Change The Agreement
- Consequences if a Vendor does not follow through
- Breach vs. a Cure



# Sample Vendor Agreement Element

## Why One Size Will Not Fit All

- Utility/Agency Infrastructure and Size
- Different Agreement Naming Conventions
- Legal Requirements

# Sample Vendor Agreement Elements

## General Conditions:

- a. Authorities
- b. Discrimination
- c. Confidentiality
- d. Subcontracts
- e. Fraud
- f. Non-fraud Overpayments
- g. Severability

# Sample Vendor Agreement Addendums

## Water Utility Information Form:

- Utility Company Information
- Utility Staff Contact Information
- Water Services Provided
- Localities/Regions Served
- Where/How to Send the Executed Contract



# Exceptions to Flag

- **Water that crosses state lines** \*partial list
  - American Water: California, Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Missouri, New Jersey, New York, Pennsylvania, Tennessee, Virginia, West Virginia
  - Aqua America: Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia.
  - Aquarion Water Company: Connecticut, Massachusetts and New Hampshire.
  - SJW Group: subsidiaries Connecticut Water, Maine Water, San Jose Water, SJWTX
  - Southwest Water Company, Alabama, California, Florida, Oregon, South Carolina and Texas
  - Suez: Delaware Idaho New Jersey, New York, Pennsylvania, and Rhode Island
  - Utilities, Inc.: Florida, Georgia, Indiana, Louisiana, Maryland, Pennsylvania
- **Groundwater Sustainability Agencies (GSA)**

# Next Steps for Grantees

- LIHWAP Grantee Plan was released this week. Obtain public input on your Plan and submit your LIHWAP Plan to OCS by Monday, August 9<sup>th</sup>. 2021.
- Use the Plan and public input process to engage the Water Utility Companies
- Engage subgrantees in the Vendor Agreement process.
- Establish vendor agreements with water utility providers and set up a prioritization based on households served/complexity.



# Anticipated Technical Assistance and Resources

## Already Available:

- Model LIHWAP Plans with definitions
- Webinar recording

## Ongoing Technical Assistance:

## To be released/available soon:

- Sample OCS Vendor Agreement
- Sample Vendor Agreements from Colleagues
- Day-to-day technical assistance from Federal LIHWAP Team
- Benefit Matrix templates or examples (Webinar July 8<sup>th</sup>)
- Sample Household Application Template

- Written guidance
- Webinars
- Consultation services
- Online tools
- Drop in office hours



# Resources and Quick Links

- The National Association of Water Companies (NAWC)  
<https://nawc.org/>
- National Rural Water Association (NRWA) <https://nrwa.org/>
- National Association of State Utility Consumer Advocates (NASUCA)  
<https://www.nasuca.org/>
- National Association of Regulatory Utility Commissioners (NARUC)  
<https://www.naruc.org/>

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**Region 9:** Arizona, California, Hawaii, Nevada, American Samoa, Federated States of Micronesia, Guam, Marshall Islands, and Northern Mariana Islands



# Questions and Answers





# Thank you!

