

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	May 3, 2021
Action Required:	Appropriation of CARES Act Funding
Presenter:	Chris Cullinan, Director of Finance
Staff Contacts:	Chris Cullinan, Director of Finance Lauren Hildebrand, Director of Utilities Richard Palumbo, Utility Billing Manager
Title:	COVID-19 Municipal Utility Relief Program to Assist Customers – Round 2 - \$15,766.58

Background:

In December 2020, the City received \$182,801.59 in CARES funds from the Commonwealth for municipal utility relief. The City allocated these funds to qualifying utility customers in January 2021.

The City received notice in March 2021 that additional CARES funds for municipal utility relief were available. The City applied for these funds and received an award letter on April 22, 2021 for \$15,766.58 (see attachment).

Discussion:

The second round guidance and requirements are similar to the first round. Any customer, residential or non-residential with the exception of a government entity, is eligible for utility bill arrearage assistance. Utility customers must apply and attest, via a Customer Intake Form returned to the City by a specified date, that the utility bill arrearages are due to the COVID-19 economic hardship and the application is for arrearages owed between March 1, 2020 and November 1, 2021 (note this is a longer time period than the first round of funding).

Alignment with City Council's Vision and Strategic Plan:

This funding supports and contributes to Goal 5 of the Strategic Plan, a well-managed and responsive organization; Objective 2.3, improve community health and safety outcomes by connecting residents with effective resources and Objective 3.2, to provide reliable and high quality infrastructure.

Community Engagement:

Similar to the first round of Municipal Utility Relief, City staff will notify eligible customers via phone and mail about this program. The mailing will include a letter notifying customers they are eligible to apply for the CARES funds, with a link to the fillable Customer Intake Form on the website. If a customer needs help with the form or requires a paper copy of the form, City staff will be available to assist the customer and/or mail the form to the customer. Additional outreach efforts will be considered based on the success of the initial notification efforts.

Budgetary Impact:

This has no impact on the General Fund or the Utilities Enterprise Funds. These funds will be appropriated to and expended from a designated fund. The funds will be distributed as credits towards a customer's utility bill.

Recommendation:

Staff recommends approval and appropriation of CARES Act (COVID-19) funding in the amount of \$15,766.58 be used to assist municipal utility customers experiencing economic hardship due to the COVID-19 pandemic.

Alternatives:

There is no alternative. Funds must be used for utility bill arrearage assistance or returned to the Commonwealth of Virginia Department of Accounts.

Attachments:

Appropriation
Award Letter

APPROPRATION

CARES Act Funding for Utility Customer Bill Arrearage Assistance – Round 2

\$15,766.58

WHEREAS, the City of Charlottesville has received award approval for \$15,766.58 from the CARES Act from the Commonwealth of Virginia Department Housing and Development to use to assist utility customer bill arrearages owed between March 1, 2020 and November 1, 2021;

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, that the sum of \$15,766.58 is hereby appropriated in the following manner:

Revenue-\$15,766.58

Fund 208 I/O: 1900403 G/L Account: 430127

Expenditures-\$15,766.58

Fund 208 I/O: 1900403 G/L Account: 599999

BE IT FURTHER RESOLVED by the Council of the City of Charlottesville, Virginia, that while these funds are being appropriated as a lump sum, the funds will be allocated to the gas, water and wastewater funds as deemed appropriate once specific accounts and assistance has been awarded.



Ralph S. Northam
Governor

R. Brian Ball
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

Erik C. Johnston
Director

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

April 22, 2021

VIA EMAIL

Chris Cullinan

City of Charlottesville Utilities

Re: Second Round Award Letter and Required Certification for COVID-19 Municipal Utility Relief Program

Dear Chris Cullinan:

On behalf of Governor Northam, it gives me great pleasure to inform you that City of Charlottesville Utilities has been awarded a second round of federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds as part of the COVID-19 Municipal Utility Relief Program. Your award is \$15,766.58, which is based on your response to the Virginia Department of Housing and Community Development's Municipal Utility Relief Program: Status Survey and in accordance with the Appropriation Act. This funding is provided under CFDA 21.019 – Coronavirus Relief Funds (CRF).

Additional details concerning this program including guidance, requirements, and several model forms were provided in your first award letter, so please refer to those documents as a reference in addition to the supplemental correspondence that has been issued during the administration of this program.

Similar to the first round of funding distributions and based upon guidance provided by the Virginia Department of Accounts (DOA), you must return the attached certification and certification addendum in partnership with your partner fiscal agent, City of Charlottesville, to receive the funds from DOA. **Please email your signed certification and certification addendum to utility@dhcd.virginia.gov.** Once your partner fiscal agent receives the funds (usually 2 to 3 business days after approval of your certification), then they will forward funds to the municipal utility. Once the project is complete, DOA will follow up regarding project outcomes and compliance. I want to reiterate that it is incumbent on City of Charlottesville Utilities and your fiscal agent, City of Charlottesville, to ensure project expenses are properly documented and verified in case of audit.

For questions, please contact DHCD staff member David Conmy at utility@dhcd.virginia.gov.

Sincerely,

A handwritten signature in black ink that reads "Erik C. Johnston".

Erik Johnston

Director, Virginia Department of Housing and Community Development

CC: David Von Moll, Comptroller, Department of Accounts
Chris Cullinan

Encl: Certification Form and Certification Addendum

Certification:

(Please review all the information below and in the Certification Addendum, provide any updates or corrections where appropriate, complete the signature page, and then email everything to utility@dhcd.virginia.gov)

CERTIFICATION for RECEIPT of CORONAVIRUS RELIEF FUND PAYMENTS

by

City of Charlottesville

on behalf of

City of Charlottesville Utilities

We, the undersigned, represent City of Charlottesville and are working in partnership with City of Charlottesville Utilities (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 November 1, 2021.
5. Any funds that are not expended or that will not be expended on necessary expenditures incurred before November 1, 2021, by the municipal utility or its grantee(s), must be returned to Commonwealth of Virginia no later than December 1, 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 November 1, 2021, from any source to continue paying expenses or providing services that were initiated or previously supported from CRF funds prior to November 1, 2021.
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.

(Electronic or typed signatures are allowed if all parties are copied in the email submission)

By typing your name in the Signature field, you agree your electronic signature is the equivalent of your manual/handwritten signature on this form.

City or County Chief Administrative Officer (CAO)	Authorized Official Representing Municipal Utility Allocated Funds by SCC
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 review all the information below and provide any updates or corrections where appropriate)

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);
City of Charlottesville Utilities

(ii) Subrecipient's unique entity identifier; 74745829000

(iii) Subaward Period of Performance Start and End Date; March 1, 2020, to November 1, 2021

(iv) Subaward Budget Period Start and End Date; March 1, 2020, to November 1, 2021

(v) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient; \$15,766.58

(vi) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation; (**second award:** \$15,766.58; **first award:** \$182,801.59)

(vii) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity; (**second award:** \$15,766.58; **first award:** \$182,801.59)

(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 / City of Charlottesville / Chris Cullinan, cullinan@charlottesville.gov, (434) 970-3300)

(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)