

**Texas Department of Housing and Community Affairs**  
**Common LIHWAP Questions**  
**(Updated August 2023)**

The Texas Department of Housing and Community Affairs (The Department) has created the following document to assist its Subrecipients to answer applicable program questions. The document contains answers to the questions the Department has received that are relevant to the network. In addition to this document, Subrecipients are encouraged to take the following steps to respond to their questions:

- Review your applicable program contract(s)
- Reference applicable TAC Rules
- Reference other applicable program rules/guidelines (OMBs, CFRs, TXGMS, WAPTAC, etc.)
- Review Department guidance on TDHCA Website

If after reading and referencing all these materials you still have questions, you may submit a program question by completing this form: <https://tdhca.wufoo.com/forms/request-for-ca-program-assistance/>

**GENERAL QUESTIONS**

**Where can we find program forms?**

Forms can be found on the LIHWAP Program Guidance page here:  
<https://www.tdhca.state.tx.us/community-affairs/lihwap/guidance.htm>.

**Is LIHWAP going to be a permanent program? When do current funds expire?**

LIHWAP was authorized as part of an emergency effort to respond to COVID-19. LIHWAP does not have a permanent or ongoing statutory authorization or appropriation beyond the current funding. All LIHWAP funds must be obligated by December 31, 2023.

**ELIGIBILITY**

**Is there income eligibility associated with LIHWAP assistance?**

All applicants for LIHWAP must have income at or below 150% of the Federal Poverty Guidelines.

**Does the name on the bill have to belong to someone on the application?**

Like CEAP, the applicant's name does not have to be the name on the account; however, in order to receive LIHWAP assistance, there will need to be documentation demonstrating that the LIHWAP applicant resides at the residence for which the assistance is sought.

**Are LIHEAP eligible households automatically eligible for LIHWAP based on the TANF rule?**

LIHEAP is categorically eligible for LIHWAP, regardless of the household receiving TANF. If they are eligible for LIHEAP, then they will be automatically eligible for LIHWAP. However, when determining eligibility for LIHWAP, TANF must be considered excluded income; therefore, there may be cases where a client is income eligible for LIHWAP, but not eligible for LIHEAP.

**PROGRAMMATIC QUESTIONS**

**Can Subrecipients use the same application for LIHWAP and CEAP? Can we use the same client file?**

Yes, this is an internal decision, as to whether the Subrecipient uses combined applications. The Department recommends a unified application for all Department programs: CEAP/LIHWAP/CSBG/WAP.

Maintaining a client's CEAP and LIHWAP documents in a single file is permitted. The organization of client files is at the Subrecipients' discretion.

**Is a 12-month billing history required of all applicants? What if no history is available?**

The Department is required to report households' annual water burden to our federal funders. Thus, we request you obtain a 12-month billing history from all LIHWAP applicants. If the applicant is unable to provide it, please request it from the vendor. In the event the client does not have a full 12 months of billing history, you may use the following process to determine annual water usage:

- Obtain the current bill
- Identify the monthly usage (not including arrears, fees, penalties, etc.)
- Annualize that number to determine the annual household water usage for your monthly performance reporting requirement

Please also document the client's file accordingly for monitoring purposes.

Example: March bill has \$420 arrears, pending disconnection, but the March portion alone is \$75. Consider that the client's monthly usage of \$75 and multiple by 12 to get \$900 as their annual water usage amount for reporting purposes. Note—you will pay the full bill—this number is only relevant for reporting.

**Will we be required to report on water burden?**

No, this will be done by the Department. You will only need to report a household's annual water usage, which can be determined by reviewing their 12-month billing history or using the method above for households without 12 months' history with a vendor.

**Will we need an Alternative Billing Method for LIHWAP?**

The Department requests that Subrecipients keep complete billing histories catalogued in some manner to allow data to be extracted to implement an Alternative Billing Method if needed in the future, but no ABM is required for LIHWAP at this time.

**Will verification of US citizenship be the same process for CEAP? Are we able to use the previous years' SAVE form for a household member who is verified as a U.S. citizen through CEAP?**

Yes and yes. The same citizenship and identity requirements apply.

**Can we pay garbage collection fees that are often found on water bills?**

No. LIHWAP funds are intended to pay for water and waste water services, along with any standard reconnection fees, charges, fines, and penalties associated with water services. The Department recommends you use unrestricted funds for those charges, if possible. You may also work with vendors to apply LIHWAP funds to only the water portion of a bill.

**Can we pay sewer charges that are often found on water bills?**

Yes. Sewer is considered wastewater. LIHWAP funds are intended to pay for water and waste water services, along with any standard reconnection fees, charges, fines, and penalties associated with water services.

**Can we pay deposits?**

Deposits may be paid with LIHWAP funds in order to reestablish water services for clients who have been disconnected and living without water. However, the water provider must agree to refund the deposit to the Subrecipient. Deposits returned during the LIHWAP contract period may be reapplied to the LIHWAP program. Funds returned after the contract is closed must be returned by the Subrecipient to the Department.

**Can we pay reconnect fees?**

Yes, payments of arrearages can include payment of standard reconnection fees, charges, and penalties pertaining to water services. However, these fees should be standard fees consistent with the existing and ongoing business practices of the water utility. Water providers cannot charge additional fees to LIHWAP households that aren't charged to other customers.

**Can we assist with other types of fees to restore service?**

Potentially. Payments of arrearages can include fees, but those fees must be standard fees consistent with the existing and ongoing business practices of the water utility (rather than a special fee charged to LIHWAP households). Please ensure you understand the meaning of each charge on your applicant's water bill and set an internal policy as to what you will pay with LIHWAP funds.

**Can we serve repeat LIHWAP clients?**

Yes. Subrecipients may serve clients for repeated assistance as applicable and within their allowable benefit allowance level, if applicable (Priority 3).

**Can we pay arrears prior to 1/1/22?**

Yes, you are to pay all water/waste water charges to restore service or prevent disconnection. There is not set date range for these arrears.

**Is a bill considered arrears as soon as it is past its due date even if there is not a new bill posted yet?**

Clarify with the vendor as needed. Ideally, arrear and past due amounts are clearly be identified on the bill as 'arrears' or 'past due,' or similar language.

**Is the current bill allowed to be included in the amount paid in Priorities 1 and 2?**

Yes, Subrecipient can pay the client's current bill when paying their arrearages in order to restore water services or avoid disconnection and to bring the account to a zero balance.

**Can we pay the entire bill for Priority 1 and Priority 2, even if it is very high?**

Yes. For Priority 1 and Priority 2, there is no cap on payment of water bills and all allowable charges.

**How can septic tanks be paid under Priority 1?**

Septic tank cleanout is now an allowable charge under Priority 1 (restoration of wastewater services). This is a one-time assistance for households who have not had a septic cleanout in 24+ months. There is no cap on septic cleanout, but no installs, repairs, or replacements may be covered. Procurement requirements apply.

**How do benefit levels apply to LIHWAP?**

Benefit levels apply to Priority 3 clients. They mirror CEAP benefit levels (see below) and apply to a household's current bill payment (Priority 3) as well as future credits.

- 0-50% FPL = \$2,400
- 51-75% FPL = \$2,300
- 76-150% FPL = \$2,200

**Can we pay forward payments?**

Yes, you are permitted to create a credit for households for future months at a rate of \$85/month for water/wastewater. Credits can only be provided from present though December 31, 2023. Households

can return for additional assistance if the credit is depleted before December; however, they may only be provided future credit through December 31, 2023. All households receive the same forward credit of \$85/month.

#### Examples of Credits

1. Household applies in September 2023
  - Current bill paid + credit of \$255 (3x\$85), up to max benefit level
2. Household applies in November 2023
  - Current bill paid + credit of \$85 (1x\$85), up to max benefit level

#### **WATER PROVIDER QUESTIONS**

##### **Do we need new vendor agreements due to the LIHWAP extension?**

Using updated vendor agreements is best practice, but you may continue making LIHWAP payments without a vendor agreement, using the language provided October 10, 2022, about utilizing a non-participating letter/notification with payments to vendors who do not want to sign a vendor agreement.

##### **What if a vendor chooses not to participate in LIHWAP?**

Neither the Department nor our Subrecipients can force a vendor to participate in LIHWAP, but we can do our best to share with the provider the benefits of participating. Additionally, guidance from the Department was provided October 10, 2022, about utilizing a non-participating letter/notification with payments to vendors who do not want to sign a vendor agreement. This is an option Subrecipients can use at their discretion.

##### **Who do we notify if a vendor is not following the terms of the vendor agreement?**

Subrecipients should first attempt to work directly with the vendor and ensure they are aware of the terms of the Water Provider Agreement. If the Subrecipient and vendor are unable to resolve the issue, please contact the Department, and we can provide further guidance.

##### **Are we able to revise the water provider agreement?**

Reasonable revisions are permitted on the water provider agreement. If you wish to make revisions, please contact the Department for review and approval.

##### **If a city does not have a CCN number, can we use a PWS ID on the Water Provider Agreement?**

Yes, you may use a PWS ID or CCN to verify a vendor.

##### **If the vendor is a city utility company that may not send out individual disconnect notices, how can we ensure that they are served in Priority 2 without that notice?**

Clarify with the vendor as needed. Any amount of arrears on a household's bill indicates they are at risk of disconnection and therefore may be served as a Priority 2 household.

##### **We have some utility providers where the household has electric, along with water and wastewater included. Will these vendors be eligible for the water portions to be paid under LIHWAP?**

Yes, the water and wastewater portion of the combined bill (water/wastewater and electric) can be paid with LIHWAP funds, but the charges related to electricity cannot be paid with LIHWAP funds. If the household is eligible for CEAP, the electric portion can be paid with CEAP funds.

##### **Can we have agreements with providers that are unable to provide 12-month billing histories?**

If the vendor signs the agreement, then the vendor must comply with the stipulations in the agreement. Page 2 of the [LIHWAP vendor agreement](#) identifies what is expected for billing history. 12-month billing histories need to be obtained, whether from the client or the water provider.

### **RENTER/LANDLORD QUESTIONS**

#### **What happens if the landlord or property manager refuses to complete the landlord form?**

If a landlord or property manager refuses to complete the form, they and their tenant are unable to participate in LIHWAP.

#### **Can you explain how a landlord has to reduce an applicant's rent after their water bill is paid?**

After the water payment is made to the vendor on behalf of the LIHWAP client, the landlord would be required to give the renter credit for the payment made towards what was owed for water/wastewater by the renter, and the Subrecipient has to request documentation of that reduction/LIHWAP payment. *It does not mean the landlord will reduce the amount they charge each month for actual rent.* This only applies to clients who pay their landlord for their water bill or whose water usage is included in their rental fee. In those instances only, the landlord would be required to give the renter credit for the payment made towards what was owed for water/wastewater services only.

#### **How do we handle renters whose water is included in their rent or who pay their landlord for water?**

Subrecipients will need to work with tenants, landlords, and vendors to make payment to water vendors on renters' behalf. The landlord must provide documentation indicating what portion is rent and what portion is related to water usage and also provide documentation of the amount of the water bill is owed by the LIHWAP applicant that is subject to disconnection. The Subrecipient can only pay the portion of the water bill that is due by the LIHWAP applicant. Additionally, the Subrecipient must ensure that the LIHWAP client's rent due statement records the payment made related to the water provider.

#### **Can we pay for sub-metered water for apartments or other shared meters scenarios with LIHWAP?**

In instances in which multiple tenants are on the same water meter, a bill with documentation from the landlord verifying which portion belongs to the client is sufficient.

### **REPORTING & CONTRACTS**

#### **What are the reporting requirements for LIHWAP?**

Subrecipients will be required to enter CA Performance Measures for LIHWAP on a monthly basis. Additionally, both contracts will require monthly performance and expenditure reports, due no later than the twentieth day of each month following the reported month of the contract term.

#### **Are Subrecipients able to hire staff to provide client assistance with water providers and follow-ups?**

Subrecipients may spend up to 13% of their LIHWAP funds on administration of the program. These funds may be used to hire additional staff and to pay for the overhead related costs for those staff. Some of the duties of administrative staff may include working with water providers to enter into agreements, confirm account information, process payments, and related follow-up with the applicant related to billing and payments. Subrecipients are also permitted to spend up to 11% of funds on outreach and eligibility determination, which could also include staffing and the overhead-related costs for those staff.

**How do we report in a scenario in which water and electric are on the same bill, and we pay the electric portion out of CEAP and the water portion out of LIHWAP?**

CEAP electric assistance will use SRV 4i, and LIHWAP water assistance will use SRV 4v. These SRVs are to be entered in the CSBG monthly report once; the first time the household receives the assistance.

**How do we report the 3 priorities?**

See below:

- Priority 1 – Households with disconnected services
  - Allows for the immediate restoration of water/wastewater services to eligible households
  - Can pay arrears + current bill as P1
  - Forward credit to be reported as P3
- Priority 2 – Households with a pending disconnection
  - Allows for payment of arrearages to prevent disconnection of water/wastewater services for eligible households
  - Can pay arrears + current bill as P2
  - Forward credit to be reported as P3
- Priority 3 – Current bill
  - Can pay current bill and provide forward credit as P3