

May 15, 2020

The Honorable Dianne Feinstein
U.S. Senate
Washington, D.C. 20510

The Honorable Kamala Harris
U.S. Senate
Washington, D.C. 20510

RE: Fourth Coronavirus Response Legislation

Dear Senators Feinstein and Harris:

The California Association of Sanitation Agencies (CASA) writes following House passage of the Health and Economic Recovery Omnibus Emergency Solutions Act, H.R. 6800 (HEROES). HEROES represents a meaningful response to the ongoing public health and economic threats from COVID-19. We appreciate your past support of emergency spending to address COVID-19 and today we write to urge swift Senate passage of HEROES. When the Senate considers this legislation, we seek your leadership to amend the bill to provide direct federal assistance to special districts, increase funding of the Low-Income Ratepayer Assistance Program, and include water sector employees as essential workers for purposes of eligibility under the HEROES Fund. CASA's 125 member agencies, many of which are special districts, are all charged with protecting the public health and safety as well as the environment. These agencies are experiencing the same stresses and financial impacts as cities and counties, and yet have been excluded from eligibility for federal relief funds. Any federal response must treat such special districts with the same level of priority as other local government entities.

Below we describe the elements that the CASA believes need to be included in any final HEROES legislation:

Special District Eligibility for Direct Assistance: The CARES Act established the Coronavirus Relief Fund (Fund) to deliver financial assistance to states and local governments. It did not extend such financial support to special districts. The absence of citing "political subdivisions of a state" within the definition excluded special districts from receiving federal assistance. This circumstance shuts out a substantial portion of the public sector that provides critical public health services. In California many of our largest wastewater providers are special districts and are the sole source of this important public health service to tens of millions of Californians. HEROES, as passed by the House, failed to include a definition that would allow such public entities to be eligible for vitally needed assistance. We request that you clarify this eligibility inequity in the Senate.

Ratepayer Assistance: CASA supports the new grants program that HEROES establishes to assist low-income households' wastewater and drinking water needs. It authorizes \$1.5 billion in funding to provide grants to wastewater and drinking water utilities to help offset revenue losses due to COVID-19 and assist ratepayers who may be economically struggling during these times. Unfortunately, we fear this amount will be insufficient to address projected needs. CASA recommends that at least \$3 billion be appropriated to address the growing need to support ratepayers and to ensure that utilities have a source of revenue to offset the losses incurred to

date. Our current estimation is the national need for ratepayer assistance is approaching \$4,000,000,000 and will likely surpass this amount in the coming months.

Equal Tax Treatment: CASA supports HEROES' provision of payroll tax credits to the public sector to help offset mandatory paid sick, medical and family leave. The simple extension of the current CARES Act tax credit provided to the private sector would remedy an important equity issue.

Summary: The next phase of federal assistance must, at a minimum, provide for the following forms of assistance:

- Provide at least \$3.0 billion in direct federal assistance to low-income ratepayers and economically impacted water and wastewater ratepayers;
- Address inequity in treatment of special districts by making the eligible for federal funding under HEROES, potentially by providing special districts with their own funding set-aside to support the critical public health services that communities rely upon during this crisis; and
- Extend payroll tax credits eligibility to the public sector for purposes of mandatory paid sick, medical and family leave.

Thank you for your attention to this important issue. Please do not hesitate to contact me at (916) 446-0388 or alink@casaweb.org if you need additional information regarding these requests.

Sincerely,



Adam D. Link
Executive Director