

1 [Accept and Expend Grant - Retroactive - American Rescue Plan Act of 2021 - California
2 State Water Resources Control Board - Assist Eligible Residential and Commercial
3 Customers with Wastewater Customer Account Arrears - \$9,302,044]

4 **Resolution retroactively authorizing the San Francisco Public Utilities Commission to**
5 **accept and expend federal funds sourced by the American Rescue Plan Act of 2021**
6 **and administered by the State Water Resources Control Board with a total amount of**
7 **\$9,302,044 to assist eligible residential and commercial customers who accrued**
8 **wastewater customer account arrears during the COVID-19 pandemic from March 4,**
9 **2020, through June 15, 2021.**

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11 WHEREAS, on February 25, 2020, Mayor London N. Breed declared San Francisco to
12 be in a local state of emergency due to the threat of a novel (new) coronavirus (COVID-19),
13 posing serious health threats to the population; and

14 WHEREAS, On March 4, 2020, Governor Gavin Newsom declared a state of
15 emergency for all of California to protect against the threat of COVID-19; and

16 WHEREAS, On March 13, 2020, Mayor Breed issued a second supplement to Mayoral
17 Proclamation Declaring the Existence of a Local Emergency Dated February 25, 2020, stating
18 that “the San Francisco Public Utilities Commission (SFPUC) shall suspend for 60 days: (a)
19 the discontinuation or shut off of water service for residents and businesses in the City for
20 non-payment of water and sewer bills, (b) the discontinuation or shut off of power service for
21 SFPUC Hetch Hetchy Power Customers in San Francisco for non-payment of power bills, (d)
22 the imposition of late payment penalties or fees for delinquent Hetch Hetchy Power Customer
23 accounts and (e) the return of delinquent CleanPowerSF Customers to PG&E generation
24 service for failure to pay CleanPowerSF charges;” and

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1 WHEREAS, On April 27, 2021, the SFPUC extended the suspension of shutoffs on
2 water and power service due to late or non-payment and the issuance of associated late
3 penalties and fees through March 31, 2022, by adopting Resolution No. 21-0063; and

4 WHEREAS, As customers struggle to afford utility bills due to this economic hardship
5 cause by COVID-19, there has been a rise in the numbers of total arrearages across all
6 customer types, burdening customers with the financial strain of piling bills and resulting in
7 loss of revenues for the SFPUC; and

8 WHEREAS, The number of single family residential water and wastewater accounts
9 with delinquent bills more than 90 days past due more than quadrupled during the pandemic,
10 going from 1,712 in March 2020 to 7,279 in May 2022; and

11 WHEREAS, Commercial customer water and wastewater delinquent accounts with a
12 balance over 90 days past due almost tripled, increasing from 624 in March 2020 to 1,741 in
13 May 2022; and

14 WHEREAS, On July 13, 2021, as part of the Fiscal Year 2021-22 State Budget Act (SB
15 129), \$985 million was appropriated from the Coronavirus Fiscal Recovery Fund, established
16 by the American Rescue Plan Act of 2021, to the State of California Water Resources Control
17 Board (SWRCB) for payments to community water systems and \$1 billion was appropriated
18 from the same fund to the state of California Department of Community Services (CSD) to
19 electric utilities to forgive residential and commercial customers arrearages that accrued
20 during the covid-19 pandemic relief bill period (March 4, 2020, through June 15, 2021); and

21 WHEREAS, On July 16, 2021, as part of Assembly Bill 135, the requirements of the
22 California Arrearage Payment Program were established, and on July 23, 2021, as part of
23 Assembly Bill 148, the requirements of the California Water Wastewater Arrearages Payment
24 Program (CWWAP) were established to address water and wastewater arrearages
25 accumulated during the pandemic; and

1 WHEREAS, In response to the public health and economic crisis from the COVID-19
2 pandemic, the San Francisco Public Utilities Commission (SFPUC) continues to take
3 measures to assist customers struggling to pay their utility bills; and

4 WHEREAS, The SFPUC submitted applications for the water and power programs in
5 December 2021, which were approved in early 2022 but wastewater was not included in that
6 Resolution, as the details of the wastewater program had not yet been released; and

7 WHEREAS, Because CWWAPP had an excess of funds due to fewer utilities applying
8 to the program than expected, water and wastewater agencies were also allowed to apply for
9 reimbursement of water and wastewater discounts provided during the same time period as
10 the eligible arrears - March 4, 2020 to June 15, 2021; and

11 WHEREAS, The wastewater application was submitted, and approved in April 2022,
12 and funds were received on May 23, 2022; and

13 WHEREAS, The SFPUC disbursed all funds in early June 2022 to ensure adherence to
14 State guidelines, given the 60-day window of disbursement, and the timely issuance of much
15 needed debt relief to customers; and

16 WHEREAS, Due to this program rule, this item is being brought to the Board of
17 Supervisors retroactively and a delay or denial in approving the resolution will require the
18 SFPUC to reverse credits given to customers to pay off eligible customer wastewater
19 arrearages, resulting in continued debt owed to the SFPUC and burden on customers
20 impacted by the COVID-19 pandemic; and

21 WHEREAS, This grant does not include an Annual Salary Ordinance (ASO)
22 Amendment, and does not include funding for new staff members; and

23 WHEREAS, On June 14, 2022, the SFPUC Commission, by Resolution No. 22-0110,
24 recommended that the Board of Supervisors accept this grant; now, therefore, be it
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1 RESOLVED, That the Board of Supervisors retroactively authorizes the SFPUC to
2 accept and expend grant funds in the amounts of \$9,302,044 to assist eligible residential and
3 commercial customers who accrued wastewater customer account arrears during the COVID-
4 19 pandemic period between March 4, 2020, through June 15, 2021, pursuant to
5 Administrative Code, Sec. 10.170-1; and, be it

6 FURTHER RESOLVED, That the General Manager of the SFPUC is hereby authorized
7 and empowered to execute, deliver, and perform, in the name of the City and County of San
8 Francisco, all applications, contracts, agreements, amendments and payment requests
9 necessary to secure the State grant funds and implement and carry out the purposes
10 specified in the applicable grant application; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors ratifies any administrative
12 action taken to date with respect to these grants and grant funds.

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RECOMMENDED:

_____/s/_____
DENNIS HERRERA

General Manager of the SFPUC

APPROVED: _____/s/_____

LONDON BREED
Mayor

APPROVED: _____/s/_____

BEN ROSENFELD
Controller