

1 [Accept and Expend Grant - American Rescue Plan Act of 2021 - California State Water
2 Resources Control Board - Assist Eligible Residential and Commercial Customers with Water
and Wastewater Customer Account Arrears - \$23,368,920.23]

3

4 **Resolution authorizing the San Francisco Public Utilities Commission to accept and**
5 **expend federal funds from the American Rescue Plan Act of 2021 and administered by**
6 **the State Water Resources Control Board with a total amount of \$23,368,920.23 to**
7 **assist eligible residential and commercial customers who accrued water and/or**
8 **wastewater arrears or received discounts for water and/or wastewater services during**
9 **the extended COVID-19 pandemic from June 16, 2021, through December 31, 2022,**
10 **effective upon approval of this Resolution.**

11

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

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

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

1 WHEREAS, In response to the pandemic, the SFPUC implemented several emergency
2 programs to assist customers struggling with financial hardship and to maintain access to
3 critical public utilities by enacting a collections and shutoff moratorium, which was extended
4 multiple times, and by administering emergency credits and discounts for customers in all
5 enterprises; and

6 WHEREAS, In the water and wastewater enterprises, the SFPUC ran emergency
7 discount programs for both residential, commercial, and nonprofit customers, which were on
8 top of the agency’s existing low-income discount programs, flexible payment plan options, and
9 other measures to support customers with their utility bills; and

10 WHEREAS, By SFPUC Resolution Nos. 20-0238, 21-0063, 22-004, 22-0157, and 23-
11 0074, the SFPUC has continually recognized that in the interest of public health and safety,
12 access to water and wastewater services should be maintained even in the face of financial
13 hardship; and

14 WHEREAS, As part of the Fiscal Year 2021-22 State Budget Act, \$985 million was
15 appropriated from the State General Fund to the State Water Resources Control Board
16 (SWRCB) to water systems and wastewater treatment providers to forgive residential and
17 commercial customers arrearages that accrued during the COVID-19 pandemic relief bill
18 period, March 4, 2020, through June 15, 2021; and

19 WHEREAS, The SWRCB created the California Water and Wastewater Arrearage
20 Payment Program (CWWAPP) to distribute funds allocated by the state legislature to water
21 systems and wastewater treatment providers to forgive residential and commercial customers
22 arrearages that accrued during the COVID-19 Relief Bill Period; and

23 WHEREAS, As a part of its integrated response to help customers still in arrears, the
24 SFPUC championed a legislative strategy to secure significant state and federal funds to pay
25 off customer arrearages; and

1 WHEREAS, In June 2022, the SFPUC received and distributed \$7.3 million to water
2 and \$9.3 to wastewater residential and commercial customers in need of arrearage relief
3 through the 2021 California Water and Wastewater Arrearage Payment Program; and

4 WHEREAS, On September 13, 2022, by Resolution No. 374-22, the Board of
5 Supervisors retroactively approved and authorized the SFPUC to accept and expend
6 CWWAPP funding to assist eligible residential and commercial customers who accrued
7 customer account arrears during the COVID-19 pandemic from March 4, 2020, through June
8 15, 2021; and

9 WHEREAS, On July 10, 2023, Governor Newsom signed Senate Bill No. 122
10 expanding the Arrearages Program to extend the COVID Relief Period to December 31, 2022,
11 with the state legislature allocating the remaining \$600 million in federal funding for this
12 Program; and

13 WHEREAS, On October 3, 2023, under SWRCB Resolution No. 2023-0038, the
14 SWRCB adopted guidelines for the Extended Arrearages Program (the Program), which will
15 provide funding for both water and wastewater debt from residential and commercial
16 customers and funding for water and wastewater discount programs administered by the
17 SFPUC; and

18 WHEREAS, The Program had a 60-day application period for both water and
19 wastewater arrearages, beginning in November 2023; and

20 WHEREAS, In December 2023, the SFPUC submitted eligible customer arrearage and
21 discount information to the State along with its formal application, requesting a total amount
22 not to exceed \$23,368,920.23; and

23 WHEREAS, On May 13, 2024, the SFPUC received the full requested amount for
24 Water and Wastewater residential and commercial customer arrearages and discount
25 programs; and

1 WHEREAS, Following Program guidelines, the SFPUC must apply funds received to
2 accounts within 60 days of receipt; and

3 WHEREAS The grant budget includes a provision for indirect costs of \$200,000; now,
4 therefore, be it

5 RESOLVED, That the Board of Supervisors authorizes the SFPUC to accept and
6 expend grant funds of \$23,368,920.23, to provide assistance to eligible residential and
7 commercial customers who accrued water and/or wastewater arrears or received discounts
8 for water and/or wastewater services during the extended COVID-19 pandemic from June 16,
9 2021, through December 31, 2022, pursuant to Administrative Code, Section 10.170-1; and,
10 be it

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

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

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RECOMMENDED:

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DENNIS J. HERRERA
General Manager of SFPUC

APPROVED:

_____/S/_____

GREG WAGNER
Controller

APPROVED:

_____/S/_____

LONDON N. BREED
Mayor