

**CITY MANAGER'S/STAFF'S REPORT
CITY COUNCIL MEETING:**

March 19, 2021

ITEM NO:

SUBJECT: Consideration of Request from California Water Service for support regarding Equitable Distribution of Federal COVID-19 Financial Assistance for Customers of PUC-Regulated Water Suppliers

RECOMMENDATION: Consider the request and direct staff on issuance of the proposed letter.

DISCUSSION: The City Manager's Office received a request from California Water Service requesting Council support on equitable distribution of federal COVID-19 financial assistance for customers of PUC regulated water suppliers.


BACKGROUND: In December, as part of H.R. 133, The Consolidated Appropriations Act of 2021, Congress appropriated \$638 million for a new Low Income Housing Drinking Water and Wastewater Emergency assistance program. In March, as part of H.R. 1319, The American Rescue Plan Act of 2021, Congress appropriated an additional \$500 million for the program. As stated in the legislation, the program is to facilitate the payment of "funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged."

The funds will ultimately be disbursed to the states and then to individual water and wastewater utilities. The federal Department of Health & Human Services has not yet finalized its criteria on how the funds will be disbursed to each state. However, California's State Water Resources Control Board has started planning on how it will utilize the funds.

The California Water Association, a statewide trade association of which California Water Service (Cal Water) is a member, was alerted to the fact that one of the concepts being discussed and considered would explicitly prohibit the customers of any water utility regulated by the California Public Utilities Commission (Commission), such as Cal Water, from receiving any benefit from the funds being made available by the federal government.

In response, Cal Water has requested many of the cities in its service areas across California to sign onto a coalition letter to Governor Newsom requesting that the customers of water utilities regulated by the Commission receive an equal opportunity to receive these emergency funds as every other resident of the state. In Cal Water's view, it would be arbitrary and capricious to exclude their customers from this important program.

RECOMMENDATION: Consider the request and direct staff on issuance of the proposed letter.


Teresa Gallavan, City Manager

3-17-21
Date

The Honorable Governor Gavin Newsom
State of California
State Capitol
Sacramento, CA 94814

**RE: Equitable Distribution of Federal COVID-19 Financial Assistance for Customers
 of PUC- Regulated Water Suppliers**

Dear Governor Newsom,

The undersigned representatives of cities, counties, and other local governments write to you to ensure that our residents who happen to receive their water service from water suppliers regulated by the California Public Utilities Commission (PUC) are not unfairly discriminated against and excluded from receiving assistance through the new Water & Wastewater Emergency Assistance Program. Excluding residents who happen to receive water service from a PUC-regulated water supplier would be arbitrary and capricious. Our residents pay the same taxes and have suffered just as much during the pandemic as residents of every other community in the state. Equity demands that our residents be given the same opportunity to get out from under the burden of past-due water bills as everyone else in California.

Background

On December 27, 2020, the Federal government enacted H.R. 133: The Consolidated Appropriations Act of 2021, which included \$638 million nationwide for a new Low-Income Household Drinking Water and Wastewater Emergency Assistance Program to “prevent, prepare for, and respond to COVID-19.” H.R. 133 contained explicit language to make it clear that this emergency funding is for the payment of “funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged.”

On March 11, 2021, President Biden signed into law H.R. 1319: The American Rescue Plan Act of 2021, which is a \$1.9 trillion economic stimulus package to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. As relevant here, some of the key provisions of H.R. 1319 are \$500 million for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program and \$30 billion in aid for renters and homeowners, part of which may be used to pay utility bills and arrears.

It is our understanding that the State is currently determining how to administer and prioritize funding made available through H.R. 133 allocated to California and may be in the position to do the same for potential H.R. 1319 funding as well. As explained below, it is critical that the State administer these and other future federal relief funds equitably and in a manner that avoids unfairly excluding customers of CPUC-regulated water suppliers.

Our residents are in the same position as those served by governmental water systems and should not be unfairly excluded from federal assistance.

In California, economically and socially disadvantaged communities across the state are served by both governmental water agencies and CPUC-regulated water suppliers. Many neighborhoods in our communities meet the Cal EPA definition of a “Disadvantaged Community,” and the financial impacts of the COVID-19 pandemic on these communities cannot be understated. It is unreasonable to disallow federal assistance to these communities simply because they are served by a CPUC-regulated water supplier. The residents in these communities are taxpayers too. Their taxes help fund these federal relief measures, and they deserve an equal opportunity to receive much-needed assistance, just as their neighbors served by governmental water agencies.

The federal relief measures do not allow exclusion of CPUC-regulated water suppliers.

Both H.R. 133 and H.R. 1319 provide relief funds for customers of “public water systems,” which includes CPUC-regulated water suppliers. If Congress had intended to exclude CPUC-regulated water suppliers, or to allow the states to make such exclusions, it would not have used the term “public water systems.” Recognizing the need to provide equitable relief, Congress adopted expansive language to assist customers financially impacted by the COVID-19, irrespective of who their public water provider is.

This is in keeping with other federal and state grant programs aimed at assisting water customers that have allowed for and even encouraged the participation of CPUC-regulated water suppliers in order to reach disadvantaged and needy customers in California. For example, customers of CPUC-regulated water suppliers enjoy the benefits of the State Revolving Fund loan program. Similarly, every major recent water bond in California has permitted CPUC-regulated water suppliers to apply for grants that benefit their customers by providing cost-free funds for needed investments in water supply, treatment, and security.

These same long-standing principles apply equally to the current federal relief measures. The CPUC has developed rules and policies to ensure that state and federal grant funds only benefit customers. The State cannot arbitrarily exclude these customers from the help they need and deserve.

Conclusion

We look forward to working with the State to ensure that all Californians – both customers of governmental and non-governmental, PUC-regulated water suppliers alike – are equally able to receive the assistance they desperately need and deserve under these federal COVID-19 relief measures and other future federal assistance opportunities.

Sincerely,

Scott Robertson
Mayor
City of Selma

Draft Working agenda (for Council/Staff)

Special Meeting of Selma City Council – 03/19/21 at 9:30am

Workshop – Presentation, discussion, and direction on Council goals and priorities, facilitated by Dr. Jacqueline Ryle, Ph.D.

Goal: Council to provide goals and priorities to assist with budget and future planning.

During the goals and priorities workshop, we will ask each Council member to first:

Introduce themselves, their role in the community, and answer the following questions:

- **What is the greatest opportunity that has been presented during this pandemic?**
- **What is your ideal future Selma?**

Introductions and Answers	Council	30 mins
Summarize Current Priorities and Goals	Teresa	5 mins
Provide Status Update on Priorities and Goals	Teresa	5 mins
Solicit feedback on future Priorities and Goals	Dr. Ryle	30 mins
Review information and closing	Dr. Ryle	20 mins

Priorities & Goals from 2019 Workshop

Color Code					
Public Safety	Economic Development	Community Development	Community Culture/Environment/Who We Are	City as Entity - Customer Service	Community Engagement/Communication
	Robertson	Franco	Avalos	Guerra	Trujillo
Priority Areas	Public Safety	Economic Development	Public Safety	Public Safety	Public Safety
	Economic Development	Community Development	Community Culture/Environment/Who We Are	Economic Development	Economic Development
Goal Areas					
	Increased Staffing (authorization for 2 additional officers)	Research/stem sales tax leakage	Increased Staffing	Increased staffing	Increased staffing
	Spreadsheet show status of projects @ each meeting	Need for dedicated economic development position	Improve/streamline procedures	Spreadsheet show status of projects @ each meeting	Develop ways to educate businesses to increase sales tax revenue/pay appropriately to assist with beautification
	Housing Element Compliance	Review for currency policies, procedures, & codes	Adequate staffing for all depts & program, review for efficiency, include code enforcement	Foundation that ED built upon	Find ways to engage our grassroots (revive)
	Add 1 additional Code Enforcement Officer	Housing crucial; assess, repair, build supporting infrastructure	Freeway exits are welcome mats to our City; keep them blight free	Freeway exits are welcome mats to our City; keep them blight free	Review for currency policies, procedures, & codes
	Update on speakers for downtown for atmosphere & music (install speakers)	Review policies and codes to accommodate & implement	Meet goals to maintain property values	(Beautification of downtown - lights, speakers)	Foundation that ED built upon

PRIORITIES AFFIRMED MAY 4, 2020

Priorities from 2019 Workshop

- Public Safety – 4 votes
- Economic Development – 4 votes
- Community Culture/Environment/Who We Are – 1 vote
- Community Development – 1 vote

Consolidated on May 4, 2020

- Public Safety
- Economic Development & Community Development
(Merged Community Development and Culture with ED; discussed on May 4, 2020)