

San Francisco Public Utilities Commission
525 Golden Gate Ave.
San Francisco, CA 94102

4/9/2021

Re: Customer Affordability and Arrearage Management Plan Pilot Program, Item 9 on the April 13 2021 Commission Meeting

Dear Commissioners:

SPUR writes in strong support of the Customer Affordability and Arrearage Management Plan Pilot Program, which is consistent with recommendations in our board-adopted report, *Keeping the Water On*.¹ During the COVID pandemic, the number of single-family residential accounts with delinquent water and wastewater accounts has more than tripled, increasing from 1,363 in March 2020 to 4,310 in February 2021. The average water and wastewater combined balance per delinquent single-family residential accounts was \$1,043.²

The City of San Francisco and the State of California have suspended water shutoffs for the duration of the public health crisis. If the moratorium is lifted, many customers will pay their arrearages. But many low-income customers, many of whom experienced illness, income loss, and deaths in the family over the course of the crisis, may find their arrearages simply unpayable. Others will pay their debts to the greatest extent possible, but will be forced to make tradeoffs between paying their arrearages and other essential expenses.

The proposed pilot program seeks to determine how best to serve low-income customers that are behind on their water and wastewater bills. The pilot program will allow SFPUC to better understand the impacts of discounts and debt forgiveness on the likelihood that a customer pays their ongoing bills, the revenue impacts of such programs, and the benefits of the programs for preventing shutoffs and improving the subjective well-being of customers. The pilot is designed scientifically, and the results will be important not just for SFPUC, but for informing utility best practices on arrearages nationwide.

SPUR has one suggestion to improve the proposed pilot. The proposed pilot will collect “Qualitative data around participants’ emotional well-being, mental health, and stress levels (through survey instrument and

¹ Laura Feinstein, “Keeping the Water On,” SPUR, January 14, 2021, <https://www.spur.org/publications/spur-report/2021-03-02/keeping-water>.

² SFPUC, “Agenda Item: Approve and Authorize Customer Affordability and Arrearage Management Plan Pilot,” accessed April 9, 2021, <https://sfpuc.sharefile.com/share/view/s6275aa2ad4ca4817be4e9e20c6e2ac4a>.

focus groups, both pre- and post-Pilot).” We recommend that the survey also include questions about the extent to which customers skimped on necessary water use to minimize bills, or made tradeoffs between paying their water and wastewater bills and paying for other essential needs. Reducing these negative outcomes is an important metric of success for a customer assistance program.

An excellent example of how to design a survey on the effectiveness of utility assistance programs is the National Energy Assistance Survey.³ This survey asks recipients of energy bill assistance about actions taken to meet energy expenses and asks them to rate their experiences on an energy insecurity scale. The survey asks about problems such as whether a member of the household went without food or medical care to pay the energy bill. It also asks whether the respondent used less energy than was necessary for health and safety to reduce their bill.

A household can afford their water and wastewater bill not when they can pay it, but when they can pay for a sufficient amount of water without experiencing financial hardship. A well-designed customer assistance program for water and wastewater should measure the extent to which it helps low-income customers use sufficient water to meet their basic needs and reduces the incidence of customers skipping other essential expenses to pay for water and wastewater.

We applaud SFPUC for advancing this important pilot study and we look forward to seeing preliminary and final results.

If you have any questions, please contact Laura Feinstein at lfeinstein@spur.org.

Sincerely,

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³ NATIONAL ENERGY ASSISTANCE and DIRECTORS’ ASSOCIATION, “2018 NATIONAL ENERGY ASSISTANCE SURVEY FINAL REPORT,” December 2018, <https://neada.org/wp-content/uploads/2019/02/liheapsurvey2018.pdf>.