

**CITY OF SAN ANTONIO
DEPARTMENT OF COMMUNITY INITIATIVES
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Dennis J. Campa, Director, Department of Community Initiatives

SUBJECT: Approving the fiscal year (FY) 2004-05 Project Winter Assistance Relief Mobilization (WARM) Plan with projected assistance credits in an amount up to \$300,000.

DATE: November 4, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance approves the fiscal year (FY) 2004-05 Project Winter Assistance Relief Mobilization (WARM) Plan, authorizes the execution of an agreement between the City of San Antonio (City) and City Public Service (CPS), and approves issuance of assistance credits in a projected amount up to \$300,000 for the period of October 1, 2004 through September 30, 2005. This ordinance authorizes execution of subcontracts with local non-profit agencies for distribution of WARM assistance credits to CPS ratepayers.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Project WARM is a utility assistance program that is available year round to low-income CPS ratepayers. The program was established in 1982 by City Council and is funded entirely by interest earned from the \$7.5 million Project WARM Trust. The Wagner and Brown Partnership of Midland created this trust in 1985 and contributed to the trust for 10 years by donating a portion of its royalty interests in natural gas reserves to CPS.

The Project WARM Agreement with CPS requires City staff to process all applications for assistance, determine eligibility, and certify an assistance amount to CPS. The maximum assistance is \$150 per year, which is provided as a credit to their CPS account. Applicants may not receive assistance from both Project WARM and its companion program, Project REAP (Residential Energy Assistance Partnership) in the same year. Total household income must be at or below 125% of the Federal Poverty Level (FPL) (e.g. a family of four may not exceed \$23,563 annually) to be eligible for assistance. Project WARM provided 1,451 households \$189,866 of credits during FY 2003-04 as outlined in Attachment A. It is estimated that approximately 2,000 households will receive up to \$300,000 in credits for FY 2004-05.

Although assistance is offered to eligible individuals on a first come, first served basis, priority for assistance is given to low-income CPS ratepayers in the following categories:

- Critical Care ratepayers with life-sustaining medical equipment in their homes
- Elderly ratepayers age 60 years and older
- Disabled ratepayers
- Ratepayers with children age three years and younger

Although WARM and REAP are funded separately they provide the same benefit to recipients and the source of assistance is transparent to the recipient. Both programs work together to achieve a common goal of providing utility assistance to eligible recipients. The Project REAP Plan for Calendar Year 2005 will be brought to City Council in December.

POLICY ANALYSIS

This ordinance continues existing City policy of providing a community safety net to its most vulnerable residents. Project WARM is coordinated with Bexar County to assist eligible CPS ratepayers who reside in the City of San Antonio or Bexar County. This ordinance also continues City policy of leveraging the funds of other entities as sources of utility assistance.

FISCAL IMPACT

CPS estimates the Project WARM assistance credits for FY 2005 will be as much as \$300,000 for FY2005, inclusive of a carryover of \$170,504. The actual amount of available credits will depend on investment returns on the Project WARM Trust, however the total is projected to be as much as \$300,000. It is projected that Project WARM will serve approximately 2,000 households in FY 2005.


COORDINATION

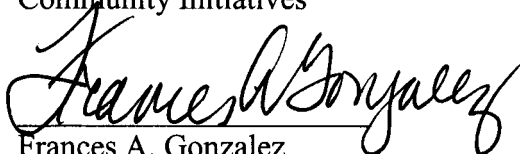
Coordination has taken place with the City Attorney's Office, City Public Service and Office of Public Utilities and Bexar County, including use of Low Income Heating and Energy Assistance Program (LIHEAP) funds.

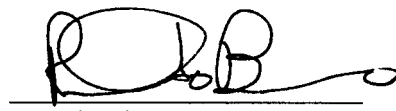
SUPPLEMENTARY COMMENTS

Requirements of the City's Ethics Ordinance do not apply.

Attachment A -- CPS Utility Assistance FY 2003/04


Dennis J. Campa, Director
Community Initiatives


Frances A. Gonzalez
Assistant City Manager


J. Rolando Bono
Interim City Manager

CPS Utility Assistance FY2003/04

Project	Assistance Credits Distributed	Households Served	Household Members Served
WARM (FY)	189,866.06	1,451	4,385
REAP (CY)*	407,889.52	2,741	8,508
Total	\$597,755.58	4,170	12,893

*REAP Actual through September 30, 2004

AN ORDINANCE

APPROVING THE FISCAL YEAR 2005 PROJECT WINTER ASSISTANCE RELIEF MOBILIZATION PLAN, WHICH IS PROJECTED TO PROVIDE UP TO \$300,000.00 IN UTILITY ASSISTANCE TO ELIGIBLE CITY PUBLIC SERVICE (CPS) RATEPAYERS DURING THE PERIOD OCTOBER 1, 2004 THROUGH SEPTEMBER 30, 2005; AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND CPS TO IMPLEMENT SAID PLAN; AND AUTHORIZING THE EXECUTION OF MEMORANDUMS OF AGREEMENT WITH VARIOUS AGENCIES TO ASSIST IN THE IMPLEMENTATION OF SAID PLAN.

* * * * *

WHEREAS, Project Winter Assistance Relief Mobilization (WARM) was established by the City Council in 1982 to provide utility relief to vulnerable low-income residents of San Antonio, Bexar County, and other surrounding areas served by City Public Service (CPS); and

WHEREAS, Project WARM is financed by interest earned from the Project WARM Trust, an endowment established by the Wagner and Brown Partnership; and

WHEREAS, all current delegate agencies contacted via the City's Consolidated Funding Process have agreed to provide WARM assistance certification services for the City; and

WHEREAS, the City's Department of Community Initiatives (DCI) is desirous of using the services of various delegate agencies to provide additional outreach to potential WARM recipients to the City; and

WHEREAS, Project WARM is currently in continuous operation and is jointly administered by City of San Antonio's Community Action Division and CPS; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The fiscal year (FY) 2005 Project Winter Assistance Relief Mobilization (WARM) plan for the period October 1, 2004 through September 30, 2005, attached hereto and incorporated herein for all purposes as Attachment I, is approved.

11/4/2004

SECTION 2. The Interim City Manager, or in his stead, either an Assistant City Manager, an Assistant to the City Manager or the Director of the Department of Community Initiatives is authorized to execute an agreement with City Public Service (CPS) for implementation of the FY 2005 Project WARM Plan. A copy of said agreement, in substantially final form, is attached hereto and incorporated herein for all purposes as Attachment II.

SECTION 3. The Interim City Manager, or in his stead, either an Assistant City Manager, an Assistant to the City Manager or the Director of the Department of Community Initiatives is authorized to execute memorandums of agreement for the period October 1, 2004 through September 30, 2005 with various agencies selected by the Department of Community Initiatives to assist the City of San Antonio in the implementation of the plan. A copy of said memorandum of agreement, in substantially final form, is attached hereto and incorporated herein for all purposes as Attachment III.

SECTION 4. This ordinance shall become effective on and after November 14, 2004.

PASSED AND APPROVED this ____ day of ____ 2004.

M A Y O R

ATTEST:

City Clerk

APPROVED AS TO FORM:

Guillermo Hernandez

City Attorney

PROJECT WINTER ASSISTANCE RELIEF MOBILIZATION PLAN – FY 2005Introduction

Project WARM (Winter Assistance Relief Mobilization) was established in 1982 to provide utility relief to vulnerable City Public Service (CPS) ratepayers. The project is funded entirely through voluntary donations and through investment returns on a Project WARM Trust established in 1985 by the Wagner and Brown Partnership of Midland, Texas. Only donations to Project WARM and investment income from the trust account are used for utility assistance. As such, the project perpetuates itself indefinitely without accessing the corpus of the trust.

Local Administering Agency

The City of San Antonio's (City) Department of Community Initiatives (DCI) and CPS jointly administer Project WARM. CPS administers the project from a fiscal perspective, to include coordination of all activities related to donations, investments, fund administration, and ratepayer credits. The DCI's Community Action Division (CAD) is responsible for determining the eligibility of CPS ratepayers and for certifying the assistance amounts of eligible applicants to CPS.

CPS Activities*

- (1) Print and distribute brochures informing ratepayers of the availability of utility assistance and conservation programs
- (2) Coordinate fund-raising and donations
- (3) Manage Project WARM accounts, investments, donations, and trust distributions
- (4) Process ratepayer certifications (with assistance amounts) from DCI
- (5) Coordinate project with DCI
- (6) Prepare an annual project fiscal summary

*Funding for these activities will not be from Project WARM funds.

DCI Activities*

- (1) Conduct community outreach through CAD field offices
- (2) Accomplish ratepayer intake and eligibility determination
- (3) Provide ratepayer certifications (with assistance amounts) to CPS
- (5) Coordinate project with CPS
- (6) Maintain case folders and records
- (6) Prepare monthly project impact reports

*Funding for these activities will not be from Project WARM funds.

Outreach Activities

Outreach activities will be consistent with the intent of the project goals and objectives. A concerted effort will be made to inform as many potential applicants as possible about the project.

In addition to CPS bill inserts, there will be extensive utilization of the social service delivery network, public service announcements, and the media to publicize the project. Outreach activities will be conducted in both English and Spanish.

Service Delivery Period

The project will operate from October 1st to September 30th each year.

Service Delivery Coverage

This project will be available to all CPS ratepayers living within the CPS service area. The project will not be limited to any special impact area. It is anticipated that approximately 10-20% of the assistance funds will be provided to CPS ratepayers living outside the city limits of San Antonio.

Intake Centers

Applications will be taken at all CAD offices. Other locations will be utilized as required.

Eligibility and Certification

CAD will determine the eligibility of applicants based on established criteria, prioritizing those with the greatest need. The names of those eligible, together with corresponding assistance amounts, will be certified electronically to CPS. The total assistance granted to all eligible applicants will not exceed the funds available in the Project WARM assistance account.

Reporting Requirements

CAD will prepare a monthly report containing the following data:

- (1) Total number of households and household members assisted
- (2) Summary of assistance by Council District
- (3) Households served by priority category
- (4) Total funds credited

Program Guidelines

The intent of the project is to provide assistance to eligible CPS ratepayers in the San Antonio area. Assistance is determined by eligibility criteria that include demonstrated need, priority category, household income, household resource management, co-payment requirement, and the ratepayer's CPS payment history. Applicants must be residents of the CPS service area and be a CPS ratepayer.

Eligibility Guidelines

A. Income

Applicants must have a total household income at or below 125% of the Federal Poverty Level (FPL) at the time of application. As of October 1, 2004, the 125% FPL has been established as follows:

FAMILY SIZE	YEARLY INCOME *
1	\$11,638
2	15,613
3	19,588
4	23,563
5	27,538
6	31,513
7	35,488
8	39,463

* For family units with more than eight (8) members, add \$3,975.00 for each additional family member to the guidelines. Household income may be adjusted downward per existing CAD policies to take into consideration recurring medical prescription cost for seniors.

New FPL guidelines are normally issued between January and March each year.

B. Resources

An applicant household must demonstrate that a CPS payment was made from its total household resources within the last 60 days. The project will count as total resources all income that supports the household. Total resources will reflect the following as income: wages, benefits (i.e. SS, SSI, TANF, food stamps, etc.), rental/utility subsidies, pensions, family assistance, grants, and workmen's compensation. The applicant household must demonstrate that it has managed its resources in an appropriate manner and has exhausted all other means to make payment on its CPS account.

C. CPS Ratepayer

The applicant must have a CPS statement in their name or in the name of the head of household. If an applicant's bill is not in the applicant's name or the head of household's name, the applicant must initiate a name change on the CPS account prior to services being rendered. In the event that a household is unable to accomplish this due to a legitimate financial hardship, CAD casework staff will inform the client of procedures on establishing a payment plan to relieve any ratepayer arrears owed CPS.

D. Priority

Priority will be given to eligible applicants experiencing a financial or other hardship and demonstrating an inability to make the required payment on their CPS bill. Eligible, priority applicants include the elderly (age 60 years and older), those identified as medical Critical Care ratepayers by CPS, ratepayers that have a documented disability, and families with small children (age three years and younger). All of these priority groups must also meet the income eligibility criteria.

E. Co-Payment

A co-payment will be required from each applicant household that is assisted by this project. The co-payment will be a minimum of \$5.00.

F. Limitation of Payment

Each applicant household may be eligible for assistance not to exceed \$150. Assistance above \$150 requires CAD management staff approval. The exact amount of assistance will be based on the household's demonstrated need, effective utilization of the total household resources, and the applicant's co-payment. Normally, applicants are eligible for assistance once per year and may not receive utility assistance from Project REAP (Residential Energy Assistance Partnership) in the same year assistance is received from Project WARM. If funds are available, and the household crisis continues, additional assistance within the same calendar year may be provided with the approval of CAD management staff.

G. Allowable Assistance

Only credits to CPS for past due or current bills related to the utilization or procurement of energy can be provided with Project WARM funds. These funds cannot be used to pay for illegal usage, returned check fees, reconnection fees, or deposits. The only exception is that deposits may be paid for applicants who are homeless and in the process of establishing permanent housing. In this case, a maximum of \$150.00 can be applied towards their CPS deposit.

H. Renters

Project WARM may not serve renters who do not pay their CPS bill separate from their rent. For those renters who pay their CPS bill separate from the rent, the provisions set forth in this plan will apply. For the purpose of this project, renters receiving assistance under the H.U.D. Section 8 Program do not qualify for assistance if they receive a Housing Assistance Utility Payment in addition to their rent subsidy.

I. Waivers

In cases of extreme hardship or emergencies, the CAD Manager or his designees may grant special waivers for any of the eligibility criteria or assistance limits. A waiver may not be granted for the requirement that the applicant be a CPS ratepayer.

J. Additional Requirements

The following additional requirements will be implemented only with the concurrence of both the City and CPS:

CPS ratepayers receiving Project WARM assistance must fulfill the following two requirements (note: ratepayers who are 60 years and older and/or certified as Critical Care by CPS are exempt from these requirements):

- (1) Homeowners must complete a CPS Home Energy Audit; renters must attend a CPS Home Energy Education Seminar.
- (2) Homeowners and renters must attend a Financial Literacy Workshop.

Anyone receiving assistance not completing these two requirements within four months of the date assistance was posted to their CPS account will have that assistance rescinded and will not be eligible for additional assistance for a period of two calendar years. Those ratepayers unable to participate in the Home Energy Audit/Seminar and Financial Literacy Workshop due to a documented medical condition may submit a written waiver request for these requirements to the CAD Manager.

Appeals Process

In order to provide equitable services to all applicants, those who have been denied assistance will have the right to be informed in writing of the reasons for the denial of requested services; the right of appeal to the Casework Supervisor, Program Manager, and the Community Action Manager in succession; and, the right to a prompt resolution of the appeal. In all appeals, the determination by the DCI Director will be final.

Assistance Credits

Neither the City nor CPS will charge administrative costs to this project. It is projected that \$200,000 will be available for Project WARM assistance in FY 2005. The actual amount will be subject to the availability of funds in the Project WARM account.

Impact Analysis

It is projected that 1,333 CPS ratepayers will be assisted through Project WARM in FY 2005.

Outside Agencies

At its sole discretion, the City may contract with local social service agencies to distribute all or some of the Project WARM funds. The amount allocated to local service agencies for distribution will not exceed \$25,000 per agency. These agencies will adhere to all the provisions of the current Project WARM plan. No administrative or other costs will be charged by these agencies to the City, CPS, or Project WARM.

Audit

If required, the appropriate staff will conduct audits.

ATTACHMENT II

AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND CITY PUBLIC SERVICE IN CONNECTION WITH PROJECT WARM

This agreement is entered into by and between the City of San Antonio (hereinafter referred to as "City") a Texas Municipal Corporation, acting by and through its City Manager pursuant to Ordinance No. _____ dated _____, and City Public Service (hereinafter referred to as "CPS").

WHEREAS, the Project Winter Assistance Relief Mobilization (hereinafter referred as "W.A.R.M.") Plan, which provides utility relief to needy residents of the City of San Antonio, was established by the City Council in 1982; and

WHEREAS, Project W.A.R.M. is financed by voluntary donations to City Public Service and from funds from the Brown and Wagner Trust; and

WHEREAS, Project W.A.R.M. is jointly administered by the City of San Antonio Department of Community Initiatives, Community Action Division and City Public Service; and

WHEREAS, it is now necessary to execute an agreement between the City and CPS to set forth the responsibilities of the parties; and

NOW THEREFORE, the parties hereto severally and collectively agree and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

I. TERM

- 1.1 Except as otherwise provided for pursuant to the provisions hereof, this agreement shall commence on October 1, 2004 and shall terminate on September 30, 2005.

II. PROJECT WINTER ASSISTANCE RELIEF MOBILIZATION PLAN

- 2.1 City and CPS agree to implement the Project Winter Assistance Relief Mobilization Plan in accordance with the provisions set forth in the document, which is attached hereto and incorporated herein for all purposes as Attachment I.

III. SUBCONTRACTING

- 3.1 The City may subcontract their WARM assistance credits to local non-profit agencies for distribution to CPS ratepayers. The City shall ensure that these agencies will adhere to the same eligibility criteria and procedures the City uses for assisting CPS ratepayers with WARM assistance credits. The City Manager or her designee or the Director of Community Initiatives are authorized to execute such subcontracts, without the necessity of subsequent City Council action, provided, however, that such subcontracts are first reviewed and approved by the City Attorney's Office in connection therewith.

IV. TERMINATION

- 4.1 This Agreement may be terminated by either party when conditions indicate inefficient or ineffective use of resources and provided written notice is give thirty (30) days prior to the proposed termination date.

V. CONFIDENTIAL INFORMATION

- 5.1 City and the CPS hereby agree to maintain the confidentiality of any record directly related to or generated as a result of this agreement in accordance with all Local, State and Federal laws.

VI. CONFLICT OF INTEREST

- 6.1 CPS acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Part B, Section 10 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10%) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.
- 6.2 Contractor warrants and certifies, and this contract is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the City as those terms are defined in Part B, Section 10 of the Ethics Code. Contractor further warrants and certifies that it has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

VII. NOTICES

- 7.1 For purposes of this CONTRACT, all official communications and notices among the parties shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

City of San Antonio
ATTN: Director, Community Initiatives
P.O. Box 839966
San Antonio, Texas 78283-3966

City Public Service

San Antonio, Texas 782

Notice of changes of address by either party must be made in writing delivered to the other party's last known address within five (5) business days of such change.

VIII. SEVERABILITY

- 8.1 In case any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein; it is also the intention of the parties hereto that in lieu of each provision of this agreement that is invalid, illegal, or unenforceable, there be added as a part of the agreement a provision as similar in terms to such invalid, illegal or unenforceable provision as may be possible, legal, valid and enforceable.

IX. TEXAS LAW TO APPLY

- 9.1 This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created herewith are performable in the State of Texas.

X. CAPTIONS

- 10.1 The captions contained in this agreement are for convenience of reference only, and in no way limit or enlarge the terms or conditions of this agreement.

XI COMPLIANCE WITH LAWS AND REGULATIONS

- 11.1 All of the work performed under this Agreement by the participants shall comply with all applicable laws, rules, regulations and codes of the United States and the State of Texas and with the charter, ordinances, bond ordinances, and rules and regulations of the CITY OF SAN ANTONIO and County of Bexar.

XII. ENTIRE AGREEMENT

12.1 This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representatives or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing, signed by both parties.

EXECUTED the _____ day of _____ to be effective 2004.

CITY OF SAN ANTONIO

CITY PUBLIC SERVICE

Dennis J. Campa
Director of Community Initiatives

APPROVED AS TO FORM: _____ City Attorney

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WHEREAS, the Project Winter Assistance Relief Mobilization (hereinafter referred as "W.A.R.M.") Plan, which provides utility relief to needy residents of the City of San Antonio, was established by the City Council in 1982; and

WHEREAS, Project W.A.R.M. is financed by voluntary donations to City Public Service and from funds from the Brown and Wagner Trust; and

WHEREAS, Project W.A.R.M. is jointly administered by the City of San Antonio Department of Community Initiatives, Community Action Division and City Public Service; and

WHEREAS, it is now necessary to execute an agreement between the City and CPS to set forth the responsibilities of the parties; and

NOW THEREFORE, the parties hereto severally and collectively agree and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

I. TERM

- 1.1 Except as otherwise provided for pursuant to the provisions hereof, this agreement shall commence on October 1, 2004 and shall terminate on September 30, 2005.

II. PROJECT WINTER ASSISTANCE RELIEF MOBILIZATION PLAN

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- 3.1 The City may subcontract their WARM assistance credits to local non-profit agencies for distribution to CPS ratepayers. The City shall ensure that these agencies will adhere to the same eligibility criteria and procedures the City uses for assisting CPS ratepayers with WARM assistance credits. The City Manager or her designee or the Director of Community Initiatives are authorized to execute such subcontracts, without the necessity of subsequent City Council action, provided, however, that such subcontracts are first reviewed and approved by the City Attorney's Office in connection therewith.

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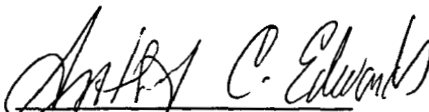
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EXECUTED the _____ day of _____ to be effective 2004.

CITY OF SAN ANTONIO

CITY PUBLIC SERVICE

Dennis J. Campa
Director of Community Initiatives



Anthony C. Edwards
Vice-President, Community Programs

APPROVED AS TO FORM: _____ City Attorney