

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

AGENDA ITEM NO. 24

**TO:** Mayor and City Council

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

**SUBJECT:** Renewal of an agreement with the Residential Energy Assistance Partnership (REAP) to provide a minimum of \$389,500 in assistance credits to City Public Service (CPS) ratepayers in calendar year (CY) 2005

**DATE:** January 13, 2005

**SUMMARY AND RECOMMENDATIONS**

This ordinance authorizes the renewal of an agreement between the City and the Residential Energy Assistance Partnership (REAP) for calendar year (CY) 2005 to implement the REAP utility assistance project and approves issuance of assistance credits to provide a minimum of \$389,500 for the period of January 1, 2005 through December 31, 2005.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

REAP is a non-profit organization incorporated in 2002, whose primary purpose is to provide utility assistance to low-income CPS ratepayers in Bexar County. The REAP Board of Directors is comprised of the Mayor of San Antonio, the Bexar County Judge, and the CPS Chief Executive Officer. REAP is financed by donations from CPS and other entities, trust investment income, and funds generated through fundraising activities.

Eligible CPS ratepayers may receive REAP assistance from the City in accordance with the eligibility criteria and priorities established annually for Project WARM. Under the terms of an existing agreement with REAP, City staff processes applications for assistance, determines eligibility, and certifies an assistance amount to CPS.

A maximum assistance of \$150 per year is provided as a credit to a participant's CPS account. Total household income must be at or below 125% of the Federal Poverty Guidelines (e.g. \$23,563 annually for a family of four) to be eligible for assistance. REAP projects to serve 4,055 households, with \$463,789 in assistance credits during CY2004. It is estimated that approximately 2,597 households will receive up to \$389,500 in credits for CY2005.

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 and ratepayers with children age three years and younger.

CPS contributions are the principal source of REAP assistance funds. CPS has agreed to provide a total of \$1 million to REAP, per year, for ten years. Of the \$1 million annual CPS contribution, \$500,000 will be placed in a permanent trust and may not be accessed before January 1, 2012. The remaining \$500,000 will provide direct assistance to eligible applicants and help defray

\$25,000 in CPS administrative costs. Of the \$475,000 available for direct assistance, the City will be allocated a minimum of \$389,500, in addition to approximately \$110,500 in carryover assistance credits and Bexar County will receive \$85,500.

Although REAP and its companion program, WARM (Project Winter Assistance Relief Mobilization), 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 however, applicants may not receive assistance from both Project REAP and Project WARM in the same year. WARM operates on a fiscal year basis while REAP is provided on a calendar year basis. Over the 15-month period that spans both program years, these two programs will provide a combined total of approximately \$800,000 in assistance credits to an estimated 5,333 households.

### **POLICY ANALYSIS**

This ordinance continues existing City policy of providing a community safety net to its most vulnerable residents. Project REAP serves eligible CPS ratepayers who reside in the City of San Antonio. This ordinance also continues City policy of leveraging the funds of other entities as sources of utility assistance.

### **FISCAL IMPACT**


CPS estimates Project REAP assistance credits for CY 2005 of up to \$500,000, plus any additional donations from CPS ratepayers. It is projected that Project REAP will serve approximately 3,333 households in CY 2005. This action requires no additional General Fund commitment.

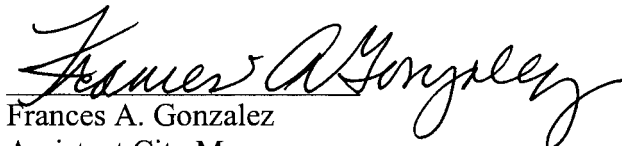
### **COORDINATION**


Coordination has taken place with the City Attorney's Office, City Public Service, and the Office of Public Utilities.

### **SUPPLEMENTARY COMMENTS**

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

  
Dennis J. Campa, Director  
Community Initiatives

  
Frances A. Gonzalez  
Assistant City Manager

  
J. Rolando Bono  
Interim City Manager

## AN ORDINANCE

AUTHORIZING THE RENEWAL OF AN AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND THE RESIDENTIAL ENERGY ASSISTANCE PARTNERSHIP, INC. FOR CALENDAR YEAR 2005 TO PROVIDE A MINIMUM OF \$389,500.00 IN UTILITY ASSISTANCE CREDITS TO ELIGIBLE CITY PUBLIC SERVICE RATEPAYERS RESIDING IN THE CITY OF SAN ANTONIO.

\* \* \* \* \*

**WHEREAS**, the Residential Energy Assistance Partnership (REAP), Inc., a 501 (c)(3) Non-Profit Charitable Trust, was established in 2002 to provide utility relief to vulnerable low-income residents of San Antonio and Bexar County; and

**WHEREAS**, REAP, Inc. is financed by voluntary donations from City Public Service (CPS), from other entities, and fundraising activities; and

**WHEREAS**, pursuant to Ordinance No. 97665, City Council authorized the execution of a contract with REAP, Inc. that is automatically renewable annually; and

**WHEREAS**, the renewable agreement between REAP, Inc. and the City designates the City's Department of Community Initiatives (DCI), Community Action Division as the principal conduit for the distribution of REAP assistance credits to City residents; and

**WHEREAS**, it IS THE City Council's intention that the renewal of the existing agreement between REAP, Inc. and the City be approved by the City Council annually; and

**WHEREAS**, it is the City's understanding that REAP, Inc. will provide a minimum of \$389,500.00 in utility assistance credits available to DCI to distribute to eligible CPS ratepayers residing in the City of San Antonio in Calendar Year (CY) 2005; and

**WHEREAS**, the public purpose of this agreement is to promote family, social and economic stability by providing temporary emergency assistance to low-income individuals and families living in the community; **NOW THEREFORE:**

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

**SECTION 1.** The renewal of the agreement between REAP, Inc. and the City for Calendar Year (CY) 2005 which provides for the distribution of up to \$389,500.00 in utility assistance credits to eligible CPS ratepayers living in San Antonio is hereby approved. A copy of the REAP Agreement is attached hereto and incorporated herein for all purposes as Attachment I.

**SECTION 2.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the Interim City Manager or his designee, correct allocations to specific Revenue Internal Orders and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 3.** This ordinance shall become effective on and after the January 23, 2005.

PASSED AND APPROVED this \_\_\_\_ day of \_\_\_\_ 2005.

M A Y O R

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM: \_\_\_\_\_  
City Attorney

AGREEMENT

This Agreement is hereby made and 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, and the Residential Energy Assistance Partnership, Inc. (hereinafter referred to as "REAP").

WHEREAS, REAP is a Texas non-profit corporation organized for IRC §501(c)(3) charitable purposes; and

WHEREAS, REAP's primary charitable purpose is to provide funds to help low-income individuals and families in Bexar County, Texas, pay their gas and electric utility bills; and

WHEREAS, the Department of Community Initiatives' (DCI) social service staff will serve as the principal conduit for the distribution of REAP assistance credits to City residents; and

WHEREAS, it is now the desire of the City and REAP to set forth their respective duties and responsibilities in connection with the distribution of REAP's assistance credits to eligible City Public Service ("CPS") ratepayers; and

WHEREAS, the public purpose of this Agreement is to promote family, social and economic stability by providing temporary emergency assistance to low income individuals and families living in the community; NOW THEREFORE:

The parties hereto severally and collectively agree and by the execution hereof are bound to the mutual obligations herein contained and the performance and accomplishment of the tasks hereafter described.

I. TERM

1.1 The initial term of this Agreement shall commence on January 1, 2003 and shall terminate December 31, 2003. Until terminated under section VII of this Agreement, this Agreement shall automatically be renewed for nine additional subsequent terms, each term consisting of the calendar year from January 1 to December 31, with the final such subsequent term ending December 31, 2012.

II. REAP RESPONSIBILITIES

2.1 It is agreed by REAP that for the term of this Agreement, it will provide to City Public Service residential customers residing within the City at least the following amount per year in assistance credits calculated as follows: \$500,000 minus REAP's annual administrative budget set by REAP's Board of Directors, multiplied by the percentage obtained by comparing the total number of CPS residential customers residing in the City to the total number of CPS residential customers residing in Bexar County (such percentage, the "City Percentage"). For example, if REAP's annual administrative budget is \$25,000, and 80% of CPS residential customers in Bexar County reside in the City limits, REAP will provide at least \$380,000 (80% X \$475,000) in assistance credits for City Public Service residential customers in the City. REAP will also provide assistance credits on an annual basis in the following amount to CPS residential customers residing within the City: the City Percentage multiplied by the total of the following two amounts: (1) Contributions to REAP made in the calendar year by CPS residential customers via CPS monthly bills; and (2) Net proceeds in the calendar year from other fund-raising activities of REAP, such as golf tournaments. However, no

assistance credits will be provided to the extent that REAP receives donations of funds specifically earmarked for endowment or other purposes.

2.2 REAP agrees to make charitable assistance credits to CPS ratepayers by coordinating the crediting of their accounts up to the maximum amount allowable in accordance with the current year Project WARM criteria.

2.3 It is understood and agreed by the parties to this Agreement that CPS ratepayers may only receive REAP assistance once per calendar year.

2.4 To the extent allowed by law, REAP agrees to maintain the confidentiality of any record directly related to or generated as a result of this Agreement in accordance with all local, State or Federal laws.

### III. CITY RESPONSIBILITIES

3.1 The City agrees to identify and qualify CPS ratepayers living in the City who are eligible to receive REAP assistance in accordance with criteria established annually for Project WARM.

3.2 The City agrees to coordinate their REAP utility assistance operations with REAP. The City also agrees to coordinate its REAP efforts with the City's existing Project WARM program to ensure ratepayers do not receive assistance from both Project WARM and Project REAP in the same calendar year.

3.3 Without cost to REAP, the City will provide the supportive emergency services necessary to have REAP assistance credits distributed to eligible CPS ratepayers. In addition, the City, at no cost to REAP, will collect and maintain demographic information about each REAP eligible applicant that will be used to better tailor REAP services for low income and economically vulnerable CPS ratepayers. This information will be made available to REAP. The City will provide the information set forth herein to REAP at least on a quarterly basis and at other additional times when requested by REAP if City staff are available at those times to process the data. This information includes:

- a. Census Tract
- b. Employer
- c. Gender
- d. Age
- e. Number of Seniors in Household
- f. Ethnicity
- g. Education
- h. Other (i.e. No Health Insurance, Disabled, Veteran, Under Doctor's Care)
- i. Household Type (i.e. Single-Parent Female/Male, Two Parents, Single, Two Adults/No Children, Other)
- j. Household Size and number of persons in household over
- k. Average number of household members within census tract
- l. Housing (i.e. Tenant, Homeowner, Homeless, Other)
- m. If house, the approximate age of the house
- n. Whether home is single or multi-story
- o. Level of Household Income
- p. Median household income within census tract
- q. Zip Code

3.5 The City agrees to provide the following information to each REAP applicant:

- a. Information on CPS programs relating to senior citizens, critical care, conservation and weatherization.
- b. Low-cost or no-cost energy conservation tips.
- c. Other similar information provided by REAP.
- d. Information on the Home Eligible Loan Program (HELP).

REAP, at its expense, will provide the materials cited above to the City for distribution to each REAP applicant.

3.6 The City understands and agrees that REAP assistance credits may only be used for the purposes set forth in the REAP Articles of Incorporation and By-Laws. The City also understands and agrees that REAP assistance credits will not be available to pay for or reimburse the City for salaries, administrative or similar costs or for any other purpose REAP has not authorized.

#### IV. RETAIL COMPETITION

4.1 The parties to this Agreement acknowledge that REAP is receiving payments from CPS under a separate agreement ("CPS-REAP Agreement"). Notwithstanding any other provision of this Agreement to the contrary, in the event the City and CPS determine CPS will participate in retail competition at any time during the term of this Agreement, the City agrees to take any necessary actions to ensure payments made by CPS to REAP under the CPS-REAP Agreement will constitute a basis for reduction by CPS in the nonbypassable charge imposed on retail customers served by a municipally owned utility participating in retail competition to fund the System Benefit Fund, as described and provided in 39.903(c) of the Texas Utilities Code. In such event, the City agrees that the recipients of the benefits from REAP under this Agreement will conform to the qualification requirements for System Benefit Fund beneficiaries.

#### V. RECORDS

5.1 In order to assure the REAP Board that REAP assistance credits are being used for the charitable purposes authorized by the REAP Board, the City agrees to keep accurate and detailed records of the use of REAP assistance credits for customers within the City. At a minimum, these records will include the REAP applicant files and any electronic databases used to store and track REAP distributions. Hard copy files will be maintained at City field sites for one year and for an additional two years in other storage facilities. The City agrees to give the REAP Board full and immediate access to all the records cited above within two weeks of a request for a records review by the REAP Board.

#### VI. FUNDRAISING

6.1 The City will not, without the express written consent of the REAP Board, engage in fund raising activities relating to the charitable purposes of REAP. In addition, the City will not, without the express written consent of the REAP Board, use REAP's name or logo for any purpose other than those purposes directly related to providing CPS ratepayers with information regarding the REAP utility assistance programs.

## VII. TERMINATION

7.1 This Agreement may be terminated by either party giving written notice of termination to the other party at least 30 days in advance of the effective date of such termination.

## VIII. TEXAS LAW TO APPLY

8.1 This Agreement shall be governed in accordance with the laws of the State of Texas, and all obligation of the parties created under this Agreement are performable in Bexar County, Texas.

## IX. NOTICES

9.1 For purposes of this Agreement, 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:

Director

Community Initiatives Department  
115 Plaza de Armas, Suite 210  
San Antonio, Texas 78205

REAP:

Secretary, Board of Directors  
REAP, Inc.  
c/o CEO and General Manager  
City Public Service  
145 Navarro  
San Antonio, Texas 78205

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.

## X. PARTIES BOUND

10.1 THIS Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise expressly provided herein.

## IX. GENDER

11.1 Words of gender used in this Agreement shall be held and construed to include the other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

## XII. RELATIONSHIP OF PARTIES

12.1 Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship between the parties hereto.



### XIII. CAPTIONS

13.1 The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

### XIV. SEVERABILITY

14.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future laws during the term of this Agreement, it is the intention of the parties hereto that the remainder of the Agreement shall not be affected thereby, and that in lieu of each clause or provision of the Agreement that is held invalid, illegal or unenforceable, a new clause or provision be added, as similar in the terms and content, to be legal, valid, and enforceable under the Agreement.

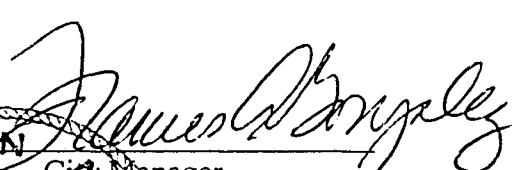
### XV. ENTIRE AGREEMENT

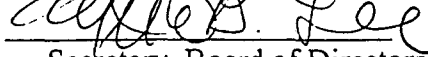
15.1 This Agreement constitutes the final and entire agreement between the parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto unless same be in writing, dated subsequent to the date hereof, and duly executed by the parties.

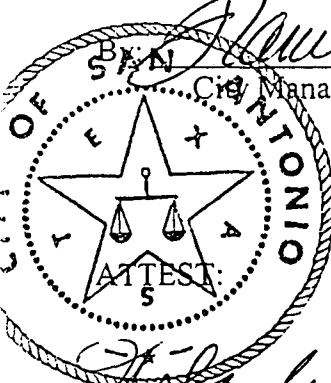
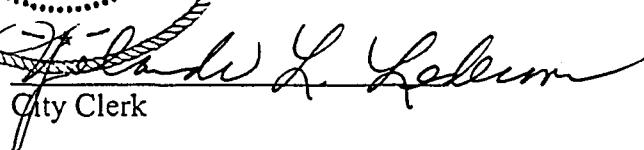
IN WITNESS OF WHICH this Agreement has been executed on this the 14<sup>th</sup> day of December, 2003.

CITY OF SAN ANTONIO

RESIDENTIAL ENERGY  
ASSISTANCE PARTNERSHIP, INC

  
City Manager

By:   
Secretary, Board of Directors

  
  
City Clerk

APPROVED AS TO FORM:

 H.Y.  
City Attorney