TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: UTILITIES

DATE: JUNE 7, 2004


RECOMMENDATION
Staff recommends that the City Council adopt a resolution authorizing the entering and execution of the direct payment services agreement with the State Department of Community Services and Development (CSD) - Home Energy Assistance Program (HEAP) to memorialize the City’s participation in the State funded program.

BACKGROUND
The City of Palo Alto has offered low-income families energy assistance since 1981 by working with the State to participate in HEAP through the development of the City’s Low Income Home Energy Assistance Program (LIHEAP). The City has an agreement with the State of California for the State to provide direct credit to the accounts for low-income energy customers that have been identified by the California State Department of Community Services and Development (CSD) as payment recipients under the CSD Low-Income Energy Assistance Program (HILEAP), which includes the Home Energy Assistance Program (HEAP).

DISCUSSION
In October 2003, the State made changes which affect all public utility companies beginning with the new contract term of July 1, 2003 through June 30, 2006. The most significant change within the direct payment services agreement is the requirement for public utility
companies to provide a copy of a resolution, motion, or ordinance authorizing both the entering and execution of the direct payment agreement.

The contract provides the means for low-income families who meet federal poverty guidelines to receive energy assistance by means of a direct credit. The State will provide the City with a printout or transmittal that lists applicants determined eligible for assistance and the amount of assistance. Payment, in the form of a State warrant, and a direct payment summary, will be sent to the City which will represent the total amount of benefits contained on each transmittal.

**RESOURCE IMPACT**
The contract is a $0 agreement and continuation represents no resource impact to the City.

**POLICY IMPLICATIONS**
This recommendation is consistent with the Council approved Utilities Strategic Plan Strategy No. 4; to deliver products and services valued by our customers.

**ATTACHMENTS**
A: Resolution  
B: Agreement

**PREPARED BY:**  
_Deep Zichowic_, Administrative Assistant

**DEPARTMENT HEAD:**  
_John Ulrich_, Director of Utilities

**CITY MANAGER APPROVAL:**  
_Emily Harrison_, Assistant City Manager