



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 28, 2016**

FROM: PUBLIC UTILITIES DEPARTMENT **WARDS: ALL**

SUBJECT: SIXTEENTH AMENDMENT TO AGREEMENT WITH THE COMMUNITY ACTION PARTNERSHIP OF RIVERSIDE COUNTY FOR THE USE OF LOW-INCOME UTILITY BILL AND DEPOSIT ASSISTANCE FUNDS LOW INCOME ASSISTANCE – SHARING HOUSEHOLDS ASSIST RIVERSIDE’S ENERGY PROGRAM CONTRACT– IN THE AMOUNT OF \$1,000,000 WITH \$250,000 CHANGE ORDER AUTHORITY

ISSUE:

The issue for City Council consideration is approval of the Sixteenth Amendment to the Agreement for the Use of Low-Income Utility Bill and Deposit Assistance Funds with the Community Action Partnership of Riverside County (County) for the Sharing Households Assist Riverside’s Energy (SHARE) contract in the amount of \$1,000,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Sixteenth Amendment to the Agreement with the Community Action Partnership of Riverside County to extend the SHARE program from July 1, 2016, through June 30, 2017, in the amount of \$1,000,000; and
2. Authorize the City Manager, or his designee, to approve payments up to 25%, or \$250,000, above the SHARE contract amount if allocated funds are depleted before the contract term ends.

BOARD RECOMMENDATION:

On May 23, 2016, the Board of Public Utilities with nine members present, unanimously approved the Sixteenth Amendment to the Agreement for the Use of Low-Income Utility Bill and Deposit Assistance Funds for the Sharing Households Assist Riverside’s Energy (SHARE) contract in the amount of \$1,000,000, and up to 25%, or \$250,000 above the SHARE contract amount if allocated funds are depleted before the contract term ends, so that RPU can continue to provide low-income residents with utility bill assistance.

BACKGROUND:

The SHARE program, established in 1989, is a Riverside Public Utilities (RPU) Public Benefit program that provides low-income residents with utility bill assistance. Originally supported by direct customer contributions, in 1999 under the guidelines of Assembly Bill (AB) 1890, which

authorizes local utilities to spend Public Benefits Charge funds for low-income assistance, Public Benefits funds were added to support the electric portion of the program. On July 1, 1999, the City of Riverside entered into an Agreement with the County to administer the program. The original agreement has been extended 15 times as the program has been working effectively, and the program has assisted approximately 90,000 residential customers.

Staff feels the SHARE program continues to successfully fulfill the AB 1890 obligation and recommends a sixteenth amendment that extends the contract for one-year. The funding for the term of the contract will be \$1 million, which is approximately \$850,000 for customer assistance and approximately \$150,000 for the County's administration fee, to continue assisting low-income residents that apply for the aid. The assistance amount per eligible low-income customer is \$150 for the electric portion of the utility bill, on a one-time basis per year from the anniversary date of receiving the aid.

Staff recommends that the City Council approve change order authority to the City Manager of up to 25%, or \$250,000, above the contract amount. In previous years, especially those during times of economic hardship, this additional funding was necessary to cover the cost for all applicants that applied. While staff anticipates that the allocated funds will be sufficient, RPU wants to ensure that its low-income customers can receive assistance without delay if demand for the SHARE program is higher than anticipated during the duration of the SHARE contract. It is recommended that the remaining budget in the Public Benefits Low-Income Assistance account continue to be drawn upon as needed during this approval process in order to assure uninterrupted utility bill assistance and service to RPU's customers.

FISCAL IMPACT:

The Fiscal Year 2016-17 Budget in the Public Benefits Low Income Assistance Account No. 6020100- 456010 includes the total contract amount of \$1,000,000 and the 25% change order amount of \$250,000 budgeted for this program.

Prepared by:	Girish Balachandran, Public Utilities General Manager
Certified as to availability of funds:	Scott G. Miller, Interim Finance Director/Treasurer
Approved by:	John A. Russo, City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Sixteenth Amendment
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