



City of San Antonio

Agenda Memorandum

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Agenda Date: November 18, 2021

In Control: City Council A Session

DEPARTMENT: Department of Human Services

DEPARTMENT HEAD: Melody Woosley

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Interlocal agreements between the City, CPS Energy and the San Antonio Water System (SAWS) to provide \$20 million in assistance to CPS Energy customers and \$10 million in assistance to SAWS customers who were financially impacted by the COVID-19 crisis. Funding is available from the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds

SUMMARY:

This ordinance authorizes interlocal agreements to provide \$20 million to CPS Energy and \$10 million to SAWS to assist low-income San Antonio residents who were financially impacted by COVID-19. The agreements will pay 100% of eligible residents past due utility bills incurred between March 1, 2020 through September 30, 2021 if they earn under 125% of the Federal Poverty Level (FPL) and are enrolled in the Utility's affordability program. For eligible residents over 125% of the FPL, the agreements allow CPS Energy to provide up to \$1,000 and SAWS up to \$700 in utility bill credits provided they are enrolled in a payment plan.

BACKGROUND INFORMATION:

During the pandemic, many residents have struggled financially due to unemployment or loss of job hours and income. These residents found themselves unable to pay for basic needs including their monthly rent, mortgage, utility bills and food. Currently CPS Energy estimates that residents owe more than \$130 million in past due bills, with 67,636 customers eligible for service disconnection. SAWS estimates 61,965 residential customers are 60 days past due with over \$43 million balanced owed.

CPS Energy and SAWS currently operate affordability programs for low-income residents and offer payment plans for any resident behind on bill payments. Through Project REAP and the Emergency Housing Assistance Program (EHAP), DHS and NHSD have processed over \$22.8 million to assist low-income residents with utility bills since the start of the pandemic in March 2020.

Staff from CPS Energy and SAWS presented to the Municipal Utilities Committee on October 26, 2021, and City staff presented the proposal for this program to assist low-income residents.

ISSUE:

This ordinance provides emergency utility bill assistance to low-income San Antonio residents who were financially impacted by COVID-19 and face utility shut-off, eviction and homelessness. During the COVID-19 crisis the City, CPS Energy and SAWS staff have been engaged in how to utilize available funding to support customers hardest hit by the pandemic.

This ordinance authorizes \$30 million in American Rescue Plan Act (ARPA) funds to be paid by the City to CPS Energy and SAWS to credit past due bills of eligible residents. Under the program, CPS Energy and SAWS may pay the full balance of a resident's past due bill incurred between March 1, 2020 through September 30, 2021 if the resident earns less than 125% of the FPL. For eligible residents at or above 125% of the FPL, the agreements allow CPS Energy to provide up to \$1,000 and SAWS to provide up to \$700 in bill credits to eligible residents for balances incurred during that time period. All residents participating in the program will be required to enroll in an affordability plan or a payment plan with the respective utility.

Both CPS Energy and SAWS will administer the program and maintain documentation that residents have been financially affected by the pandemic. CPS Energy and SAWS will verify income for those residents under 125% of the FPL through documents such as paystubs, tax returns, benefits statements, etc.

ALTERNATIVES:

If this ordinance is not approved, no funds will be transferred to CPS Energy and SAWS, and residents will continue to be served using only existing limited resources such as CPS Energy's Project REAP or SAWS' Project Agua funds and EHAP funds.

FISCAL IMPACT:

Approval of this ordinance authorizes ARPA State and Local Fiscal Recovery Funds in the amounts of \$20 million to CPS Energy and \$10 million to SAWS, to be administered in accordance with the program parameters described in the ordinance.

RECOMMENDATION:

Staff recommends approval to enter interlocal agreements with CPS Energy and SAWS in the amounts of \$20 million to CPS Energy and \$10 million to SAWS to pay past due utility bills for low-income residents financially impacted by the COVID-19 crisis.