



## Legislation Text

---

**File #:** 06-0528, **Version:** 1

---

Recommendation to authorize City Manager to execute a contract with the State of California, Department of Community Services and Development, to provide direct credit of allocated Federal and State Funds to the gas utility accounts of low-income Long Beach gas customers for a period of three years with options for two, one-year extension periods. (Citywide)

The State of California, Department of Community Services and Development, administers the Home Energy Assistance Program (HEAP) that assists low-income clients in paying their gas and electric utility bills. HEAP is a federally-funded program, which has been enhanced by the Legislature with State funds through a Direct Payment Program, to assist California residents during the energy crisis.

Under this program, the City would receive all guaranteed funds directly, thereby relieving the customer of the responsibility to send the check to the City and ensuring that the designated funds are applied directly to the customer's account. There is no cost to participate in the program.

On August 14, 2001, the City entered into an agreement with the State of California to participate in the Direct Payment Program. The original contract period and the two, one-year extensions will expire on June 30, 2006. This contract has resulted in approximately \$1 1,000 per month of revenue to the Gas Fund.

The term of the new contract will be three years beginning July 1, 2006, with the option to renew for two additional one-year periods unless terminated by the City. This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin and Budget Management Officer David Wodynski on June 12, 2006.

City Council action to execute the Direct Payment Program contract is requested on June 20, 2006 since the existing contract expires on June 30, 2006.

The State issues HEAP checks year-round, though low-income gas customers request assistance with greater frequency during the colder seasons. Implementation of the Direct Payment Program could result in revenue to the Gas Fund (EF 301) in the Department of Financial Management (FM) of approximately \$1 32,000 annually.

Approve recommendation.

MICHAEL A. KILLEBREW  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

\_\_\_\_\_  
GERALD R. MILLER  
CITY MANAGER