

City of San Antonio



Minutes Municipal Utilities Committee

Tuesday, January 25, 2022

10:00 AM

Municipal Plaza Building

Members Present: John Courage, Chair
Mario Bravo, *District 1, Member*
Dr. Adriana Rocha Garcia, *District 4, Member*
Melissa Cabello Havrda, *District 6, Member*
Ana Sandoval, *District 7, Member*,

Members Absent: None

Chair Courage called the meeting to order at 10:06 A.M. Interim City Clerk, Debbie Racca-Sittre took roll noting a quorum present. Councilmember Sandoval arrived after the approval of the Minutes.

Approval of Minutes

1. Approval of minutes from the November 30, 2021 Municipal Utilities Committee Meeting.

Councilmember Rocha Garcia moved to Approve the meeting minutes of the November 30, 2021 Municipal Utilities Committee Meeting. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Courage, Cabello Havrda, Rocha Garcia, Bravo

Absent: Sandoval

Briefing and Possible Action on

2. Briefing on implementation status of recommendations to the City of San Antonio by the Committee on Emergency Preparedness [María Villagómez, Deputy City Manager]

Maria Villagomez, Deputy City Manager, provided an overview of the 24 recommendations prepared by the Committee on Emergency Preparedness and an update on the status of the recommendations, training and tabletop disaster simulation exercises. Villagomez described

coordination efforts with utility companies and the outcomes of those efforts. Villagomez provided the strategy for both internal and external communications during a disaster as well as a status update for the communication strategy.

DISCUSSION:

Chair Courage suggested that staff research the possibility of implementing a City-Wide audible emergency alarm system. Chair Courage requested that all notices to City Council also be sent to City Council Staff.

Councilmember Rocha Garcia supported the Chair's audible emergency alarm system suggestion and got clarification on the RFP status for CoSA generators and vehicle equipment and requested that calls to 3-1-1 be tracked and reported.

Councilmember Sandoval requested an update on the Resiliency Study. Villagomez responded that the Resiliency Plan would be brought before the Public Safety Committee and the process would begin in March 2022. Councilmember Sandoval recommended that professional disaster preparedness designers help develop the scenarios for tabletop exercises.

Councilmember Cabello Havrda requested a list of partners and non-profit organizations that were expected to participate in the tabletop exercises. Councilmember Cabello Havrda recommended that each generator at the warming centers might be able to attach a refrigeration unit for residents to use for medications. Councilmember Cabello Havrda recommended continued development of services to address the special needs of seniors for communication and transportation during emergencies.

Councilmember Bravo expressed support for the Emergency Preparedness Plan and requested staff consider how City Council and their offices could be useful in collecting or disseminating information to the public.

Chair Courage stated that the Committee would look forward to the next report regarding the issue.

No action was taken on this item.

3. Briefing by the San Antonio Water System (SAWS). [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

A) Status of recommendations from the Committee on Emergency Preparedness' Report

B) Update on plans for addressing past due customer receivables

C) Rate Advisory Committee update including changes to the bylaws

San Antonio Water System (SAWS) Senior Vice President and Chief Operating Officer, Steven Clouse provided a status update on SAWS' implementation of the Winter Storm Uri

recommendations from the Committee on Emergency Preparedness. Clouse reported that SAWS and CPS Energy would continue to coordinate on establishing a backup generator program with a report on the effort due to the Texas Commission on Environmental Quality on March 1, 2022.

Mary Bailey, SAWS Vice President of Customer Experience and Strategic Initiatives, provided an update on SAWS' plans for addressing past due customer receivables. Bailey reported that disconnections were resumed in October 2021 and provided highlights of the SAWS COVID Relief Plan, and an update on customer applications for assistance through the American Rescue Plan Act.

Bailey provided the background, purpose, process, as well as an update on a Rate Design Study which included continued work by expert consultants. Bailey explained that the Rate Advisory Committee's (RAC) purpose was to provide community input into the Rate Design. Bailey explained that the SAWS Board of Trustees had considered updates to the Bylaws of the RAC to ensure that the RAC developed recommendations in accordance with established principles. Bailey also outlined the Rate Structure process along with a timeline for the development of a new Rate Design.

DISCUSSION:

Chair Courage thanked SAWS' Chief Executive Officer Robert Puente and Board of Trustees Chair Jelynn LeBlanc Jamison for attending the meeting. Chair Courage asked Bailey to clarify the role of the RAC related to development impact fees. Bailey replied that the impact fees were reviewed every five years by the Capital Improvements Advisory Committee(CIAC).

Councilmember Cabello Havrda requested that SAWS develop a Standard Operating Procedure for distribution of bottled water. Clouse responded that there needed to be coordination with the City to determine distribution sites. Councilmember Cabello Havrda requested an individual briefing on SAWS program to assist with plumbing repairs.

Councilmember Sandoval asked for clarification on the difference between the role of the RAC and the CIAC. Bailey explained that the CIAC was expected to help plan for infrastructure needs and the RAC has the role of helping determine how the rates support the capital plan in the budget. Councilmember Sandoval recommended public outreach at the final stage of the Rate Plan process.

Councilmember Rocha Garcia requested a breakdown, by City Council District, of the service disconnections and applications for assistance received. Gavino Ramos, SAWS Vice President of Communications & External Affairs explained that SAWS had an outreach effort for families impacted by Winter Storm Uri and SAWS would provide information on the number of people served. Councilmember Rocha Garcia asked when the Dashboard would be available online. Ben Gorzell, Chief Financial Officer reported that the dashboard would be up shortly. Councilmember Rocha Garcia supported the request that SAWS develop a Standard Operating Procedure for distribution of bottled water.

Councilmember Bravo lamented that disconnections were painful and wanted to start a conversation with SAWS and CPS Energy to help customers with financial literacy to keep them out of poverty.

Chair Courage requested that SAWS provide a growth plan at the next Committee meeting. SAWS Board of Trustees Chair Jelynn LeBlanc Jamison stated that the Board has asked for a plan to be created on the Certificate of Convenience Necessity (CCN) and said that it would take more time but they would return to the Committee once the Plan was ready and had been reviewed by the Board.

There was no action taken on this item.

4. **Briefing by CPS Energy** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]
 - A) **Status of recommendations from the Committee on Emergency Preparedness' Report**
 - B) **Update on plans for addressing past due customer receivables**
 - C) **Rate Advisory Committee updates**

CPS Energy Chief Grid Optimization & Resiliency Officer, Paul Barham, provided a high-level summary of CPS Energy's (CPS) activities and status of the winter preparation response to the Committee on Emergency Preparedness Recommendations. Barham explained that CPS had focused on Market Redesign, Natural Gas Supply and Plant Operation, Load Shed Outage Management, Critical Facilities support (City and SAWS), and Communication Improvements with stakeholders and customers. Barham noted that this report would be closing out the process, which was requested by City Council, but would continue to provide updates on the CPS's website to address future events.

Deanna Hardwick, Interim Executive Vice President of Customer Strategies provided an overview of CPS past due bills, disconnect and available assistance. Hardwick explained that one in five customers were past due on their bills and outlined the sequence for helping commercial and residential customers as well as CPS's outreach efforts for customers eligible for assistance through the American Rescue Plan Act.

Chair of the CPS Rate Advisory Committee (RAC) Reed Williams explained the work of the RAC had begun with a rate study to determine how funds were allocated by customer class. Williams stated that the RAC would not create the plan but would advise and consult on the planning activity. Williams provided a timeline for the work of the RAC and welcomed Councilmember Sandoval as the council liaison for the RAC.

DISCUSSION:

Chair Courage asked for clarification on items identified as completed related to the Committee on Emergency Preparedness' recommendations. Barham stated that the items were completed but would continue to be addressed as normal operational proceeded. Chair Courage asked for information on the amount of funding recovered from CPS disconnections. Hardwig said the information would be provided. Chair Courage expressed concern that District 2 did not have a representative on the RAC. Interim President and Chief Executive Officer of CPS Energy, Rudy Garza explained that the Board would review the bylaws of the RAC to try to help with representation.

Councilmember Sandoval requested clarification on improvements to the circuits and load shed. Barham suggested that having only a 15 minute outage would improve the management of the electrical system. Councilmember Sandoval addressed her role as the City Council Member Liaison to the RAC by explaining that her job was to provide support to the Chair of the RAC and facilitate dialogue with individual council members regarding the development of the generation plan and the rate structure plan.

Councilmember Rocha Garcia asked CPS to provide the criteria for determining assistance. Hardwig offered to provide the information. Councilmember Rocha Garcia requested a copy of CPS Energy's presentation at the B session in December when the District 4 RAC Representative spoke. RAC Chair Williams provided an explanation on how the analysis was done relative to reducing pollution.

Councilmember Bravo requested the RAC share proposed models with him when those different scenarios were developed. Councilmember Bravo was curious about converting Spruce 2 to natural gas.

There was no action taken on this item.

5. Discussion by the committee on the scope and parameters of a proposed independent study of CPS Energy's operations, management, and finances. [Ben Gorzell Jr., Chief Financial Officer, Troy Elliott, Deputy Chief Financial Officer]

Chair Courage called for the Committee to discuss Item 5.

Councilmember Bravo requested a review of the corporate culture, retain and attract new talent, promote a work environment to promote innovation and new technologies, workforce planning to replace staff eligible for retirement, and executive compensation compared to market compensation while understanding that CPS is a public utility. Councilmember Bravo recommended a financial audit that reviewed the proper use of expense accounts, operational efficiency and possible cost-cutting measures. Councilmember Bravo wants an honest, independent and fair assessment avoiding being influenced by staff.

Councilmember Cabello Havrda recommended the Request for Proposals (RFP) include

managerial policies and practices, management structure, corporate culture, overall compensation and operation efficiency.

Councilmember Rocha Garcia requested review of the RFP language by the Public Utilities Committee. Interim President and Chief Executive Officer for CPS Energy, Rudy Garza, replied that the Board would control the RFP process but they would consider input from City Council.

Councilmember Sandoval recommended a review of CPS Energy's relationship with non--corporate stakeholders and environmental stakeholders.

There was no action taken on this item.

Chair Courage closed by stating that the City Council retained the right to do its own study. Chair Courage summarized that the study was to help CPS regain the public's trust since there had been a dramatic change in personnel and leadership at CPS, which was of concern. Citizens were concerned with executive compensation, the improper use of money, cost of utilities which meant that efficiencies should be explored.

Executive Session

There was no Executive Session.

Consideration of items for future meetings

Next Municipal Utilities Committee meeting tentatively scheduled for February 22, 2022.

Adjournment

There being no further discussion, Chair Courage adjourned the meeting at 12:47 PM.

John Courage, Chair

Respectfully Submitted

Debbie Racca-Sittre, Interim City Clerk