

**State of Texas
County of Bexar
City of San Antonio**



**Meeting Minutes
City Council B Session**
City Hall Complex
San Antonio, Texas 78205

2021 – 2023 Council Members

Mayor Ron Nirenberg

Mario Bravo, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2

Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4

Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6

Ana Sandoval, Dist. 7 | Manny Pelaez, Dist. 8

John Courage, Dist. 9 | Michael Gallagher, Dist. 10

Wednesday, December 14, 2022

2:00 PM

Municipal Plaza Building

The City Council convened a regular meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 2:26 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 11 – Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Sandoval, Pelaez, Courage, Gallagher

ABSENT: None

ITEMS

1. Briefing on the City of San Antonio Resiliency and Sustainability Initiatives and the CPS Energy Sustainable Tomorrow Energy Plan (STEP) [City Manager's Office]

City Manager Erik Walsh introduced the Item noting that November 14, 2022 was the date established a year ago to provide an update on the Inflation Reduction Act (IRA), Resiliency, Energy Efficiency and Sustainability (REES) Fund, Tree Mitigation Fund, City Solar Request for Proposals (RFP), Enhanced Collaboration and a presentation by CPS Energy on the Sustainability Tomorrow Energy Plan (STEP) Program.

City Manager Walsh reported that staff developed an inventory of City programs related to energy in the following categories: Electric Vehicles (EV), Urban Heat Island, Energy Efficiency, Sustainability, Resiliency, and Solar.

Assistant City Manager Jeff Coyle stated that the IRA was the single largest climate change investment ever approved by the Federal Government at \$369 billion. Assistant City Manager Coyle reported that the funding would come through the following Federal Agencies: Environmental Protection Agency (EPA), Department of Energy, Department of Transportation (DOT), Housing & Urban Development (HUD), Department of Agriculture (DOA) and the Treasury Department (TD).

Jonathan R. Tijerina, Vice President of Enterprise Risk and Development for CPS Energy, outlined the various areas of opportunity for grant funding in the categories of: development of new technologies, climate transformation, grid transformation and ownership.

Assistant City Manager Coyle stated that there might be opportunities for climate resiliency related to affordable housing to fund projects that improved energy efficiency in new and existing homes. Assistant City Manager Coyle stated that the Neighborhood Access and Equity Grant Program had \$3 billion at the DOT to provide grants to help improve streets and sidewalks in underserved communities and there was also discussion about urban heat island reduction and conversion of vehicle fleets to EVs. He also noted that the Bipartisan Infrastructure Law (BIL) had funding to address urban heat islands.

Assistant City Manager Coyle listed airport programs related to technology to support alternative fuel or low emissions equipment. He stated that there was funding to help with the implementation and compliance with Local Government Adoption of development codes that met or exceeded the new International Energy Conservation Code (IECC). In addition, Assistant City Manager Coyle stated that funding was expected to be available for outreach and marketing efforts, but staff was waiting for more guidance and notice of funding opportunities from the Federal Government.

Chief Financial Officer Ben Gorzell provided an overview and background of the REES Fund that was created in the FY 2023 City Council Budget and was funded with a portion of City's payment from CPS Energy on STEP program revenue recovery which was estimated to generate approximately \$9.5 million in FY 2023 but would fluctuate over the years based on CPS Energy revenues. Gorzell recommended that \$1.2 million be utilized to provide small grants focusing on one of the six mitigation goals included in the City's Climate Action and Adaptation Plan Mitigation Goals.

Gorzell recommended that up to \$1 million to be allocated to improve the urban heat island effect through a demonstration program with the installation of cool pavement in roughly half mile of streets in each of the 10 City Council Districts which would test different types of pavement applications to determine which provided the most impact. He stated that through the demonstration program, the University of Texas at San Antonio (UTSA) would measure the effect of the different products in decreasing the pavement temperature and how the different

pavement treatments impacted the surface temperature, lane markings, skid resistance, driving glare, while ensuring the pavement was durable and did not degrade quickly.

Gorzell stated that staff was working on a comprehensive approach using the REES funding to strategically align efforts across departments to meet sustainability goals and expand collaboration. Gorzell proposed using a portion of the REES Fund to add one position within the Governmental Affairs Department to identify and track funding opportunities that might be available from other sources. He added that the remaining \$7.2 million in REES funding was proposed be set aside to be used in the future to leverage grants.

Assistant City Manager David McCary provided background and overview of the Tree Mitigation Fund which was created by Ordinance in 2010 to plant trees and improve tree canopy. Assistant City Manager McCary listed the Tree Mitigation Fund's three sources of revenue as well as the history of revenues, expenditures, and outputs: Tree Canopy Fee, Fee In Lieu of developers replanting trees and other revenue such as interest and certification credits. McCary stated that the plan was to create an outcome-based program and listed some of the new programs that focused not only on planting of new trees but also partnerships and leveraging of other resources.

Assistant City Manager McCary listed short term strategic approaches such as greenway programs, Westside Creeks, Equitree, CPS Energy Weatherization Program, housing projects, sidewalks and streets projects and educational campaigns. Assistant City Manager McCary recommended an increase in staff and contract resources to implement the new approaches which might include funding agreements, acquisition of property under the new Unified Development Code, embedding of tree canopy into project design and collaboration with business entities. Assistant City Manager McCary stated that the City planned to consult with Texas A&M Forestry Service to develop new methodology and metrics, and measure outcomes of the strategic approaches.

Assistant City Manager McCary provided an overview of the City's Solar RFP which was planned to be implemented in three phases: Phase 1 sought qualified photovoltaic providers for solar on 80 city-owned sites, Phase 2 would include the proposals with pricing packages and Phase 3 would be evaluation of the proposals and development of potential strategies. Assistant City Manager McCary reported that the City was eligible to receive a \$1.2 million direct allocation from the Energy Efficiency and Conservation Block Grant.

Tijerina concluded the presentation by providing an update on the CPS Energy STEP Program, which was reauthorized on August 1, 2022 including goals, recent activities, dashboard highlights, program updates and activities included in the next phase. Tijerina explained that the STEP Program provided weatherization focused on energy use reduction so that CPS Energy could reduce demand for energy and reported that from August through October 2022, 5,000 customers were served with energy efficiency rebates and weatherization upgrades. Tijerina highlighted the various marketing and outreach efforts related to the STEP Program.

City Manager Walsh wrapped up the presentations by thanking CPS Energy for collaborating with City staff noting that nine City Department Directors and four Executive Leadership Team Members were working on the focused and organized approach which included creation of a high-level executive position to execute the plans laid out for sustainability and resiliency and

align efforts to best compete for Federal funding.

Mayor Nirenberg opened the discussion by noting the integration of climate readiness across the organization and even with outside organizations and noted that the groundwork that had been laid under the Strategic Housing Implementation Plan could be used as a model.

Mayor Nirenberg lauded the establishment of a revolving resiliency and energy efficiency fund, more equitable tree mitigation, approaching Bond projects from a sustainability perspective and promotion of carbon neutral energy production such as solar but asked whether the IRA funding was expected to all be competitive or if any would be formula. Assistant City Manager Coyle stated that most of the IRA was expected to be competitive whereas some of the BIL funding was in the form of block grants. Mayor Nirenberg supported having dedicated staff to monitor opportunities and ensure that the City and CPS Energy was applying with competitive projects.

City Manager Walsh commented that tomorrow's City Council A Session agenda included a contract with a Federal Lobbyist who would have the responsibility for helping us communicate with the Federal Legislature. City Manager Walsh added that marketing and outreach was important so that our citizens were informed about their own opportunities. City Manager Walsh stated that another B Session was planned to discuss the IRA. Mayor Nirenberg recommended development of benchmarks and guiding principles to ensure that the City and all of its partners met the goals. City Manager Walsh cautioned that there was not enough structure of the IRA at the present time to know what all the opportunities might be.

Mayor Nirenberg urged creativity and collaboration as the IRA progressed. City Manager Walsh recommended keeping the City and CPS Energy as the first partnership. Mayor Nirenberg recommended that VIA Metropolitan Transit could potentially apply for grants through the IRA for the Advanced Rapid Transit East-West Corridor. Assistant City Manager Coyle noted that VIA recently applied for a Thriving Communities Grant through the DOT and would keep watch on more opportunities. Tijerena stated that CPS Energy was still trying to understand how the IRA bill riders would develop and how those might impact the opportunities. Rudy Garza, CPS Energy President and CEO, welcomed partnerships with others in the community to maximize the value of the IRA for San Antonio and CPS Energy. Mayor Nirenberg cautioned that every city in the country would be competing for the same funds so San Antonio needed to be in the best position possible.

Councilmember Sandoval supported the addition of a new staff member to track the grants and seek funding but noted that the only way our City would combat climate change effectively would be to look at all opportunities in every department. She recommended showing grantmakers how our policies were committed to climate change and improving our communities would be key. Councilmember Sandoval supported all of the proposed programs including school and organization grants and recommended a robust outreach program.

Councilmember Sandoval provided information on other pilot programs to mitigate the Urban Heat Island effect and recommended programs in addition to cool pavement. Chief Sustainability Officer Doug Melnick stated that other types of programs would be considered. City Manager Walsh cautioned that many initiatives throughout the country were started and not completed so he wanted to be intentional and focus on equity areas.

Councilmember Sandoval supported linking Sustainability Initiatives to all City capital projects and creating green corridors. She mentioned that she had asked several universities to develop coursework to train local students to perform “greenhouse gas counting” which would create “green-collar jobs.” City Manager Walsh stated that staff would follow up on the training opportunities through Ready to Work.

Councilmember Sandoval suggested that owning CPS Energy as well as having a Sustainability Plan would make our City more competitive. She added that the Rate Advisory Committee (RAC) did not integrate potential benefits from the IRA into the new rate proposals. Garza stated that was because the IRA was not fully defined, there was no way to quantify the investments.

Councilmember Bravo congratulated Councilmember Sandoval on the REES Program. He recommended starting to build capacity now rather than waiting for the rules on the IRA adding that we would be competing against hundreds of other cities around the country. Bravo stated that many cities would be competing for the Federal funds which might cause supply chain issues for sustainable items or shortages of trees recommending that the City should proactively buy a stock of trees now and recommended providing bigger grants to show that our City was forward thinking.

Councilmember Bravo expressed concern that the Urban Heat Island demonstration project was more like a science experiment, but white roofs were already proven to create significant energy efficiency as well as tree plantings. Councilmember Bravo recommended more staffing for the Parks & Recreation Department to manage tree planting contracts. Assistant City Manager McCary stated that the Neighborhood & Housing Services Department (NHSD) already had a White Roof Program. Councilmember Bravo suggested an incentive to help homeowners replace their hail damaged roofs with white metal roofs and also plant trees.

Councilmember Courage supported the cool pavement experiment but recalled that a similar program had already been implemented and expressed concern that only A or B graded streets would get the treatment. Councilmember Courage recommended investment in community gardens and suggested that more training and education was needed for tree giveaways and wondered how many of the trees that were given away were still alive. He expressed concern with the removal of trees during development and commented that collecting the fee in lieu meant trees were being cut down and not replaced.

Councilmember Courage stated that minor repairs and weatherization of homes went hand-in-hand to help make homes more efficient for low-income families and recommended more funding for both and suggested that all homes that received weatherization be equipped with demand-response thermostats by CPS Energy.

Gorzell stated that the recommended cool streets would be roadways not included in the Street Maintenance Program for reconstruction and evaluated using heat and equity maps. Gorzell stated that CPS Energy could not implement weatherization on a home that was in need of minor repairs but the NHSD program was coordinating on minor repairs and would collaborate more.

Councilmember Viagran requested a scenario where there were no guidelines and a list of

stakeholders that had their own lobbyist trying to seek IRA funding and recommended bringing in the partners now to ensure we were aligned. She mentioned that Forestry Services had a group working on energy goals, and recommended leveraging walkability and live/work/play. She requested a full City Council briefing in January 2023 as the IRA unfolded as well as a list of urban heat islands in her council district and potential schools that could receive grants and recommended that input be provided from the City Council Office as well as the community for the cool streets, grants and other programs.

Councilmember Viagran noted that planting trees too close to a home often caused issues so she suggested that more education was needed when trees were given away and recommended more outreach to ensure existing trees were maintained properly. She also asked for funding to help residents move trees. She recommended a diverse portfolio of partners such as NHSD, Parks and CPS Energy. Councilmember Viagran requested the zip codes and incomes of those residents participating in the STEP and Weatherization Programs and recommended more outreach and education on conservation. She questioned how Equity would be achieved in the new Solar Program and suggested working with businesses to get solar installed onto their roofs.

Councilmember Rocha Garcia requested the return on investment on the tree giveaway program since many of them did not survive. She asked why some parks had no trees. Parks and Recreation Department Director Homer Garcia stated that the department worked with Public Works and engineers noting that Pearsall Park was built over a land fill so it could not support trees. She asked if the new arboretum was eligible for participation in any of the programs and suggested it could be a regional approach. City Manager Walsh stated that under the new rules for the Tree Mitigation Fund, property could be purchased.

Councilmember Rocha Garcia asked if VIA Metropolitan Transit was planning to replace their busses with EVs. Melnick stated that VIA was planning to buy 10 new EV busses. Councilmember Rocha Garcia recommended partnering with Bexar County on the IRA and suggested that the discussion about the IRA should be with more than the Intergovernmental Relations Committee and the lobbyist assignments and recommended sending City Councilmembers who were experts in sustainability to Washington DC. City Manager Walsh recommended keeping IRA discussions with the full City Council.

Councilmember Rocha Garcia recommended tying housing and health outcomes to the applications for IRA and targeting low-income residents with the STEP Program. Councilmember Rocha Garcia suggested leveraging of AACOG and other regional partnerships. She supported the new outreach efforts by CPS Energy including the marketing in Spanish.

Councilmember Castillo encouraged leveraging unique investments such as the Public Housing investments by the City and other equity project such as Port Authority noting that these investments would make stronger grant applications. Councilmember Castillo asked if the Tree Mitigation Program funding could assist low income or elderly residents with removing and replacing a dead tree. She recommended planting more trees along the sidewalks and near bus stops and supported adding another staff member to help manage the grant opportunities.

Councilmember McKee-Rodriguez requested a timeline for major checkpoints and milestones as

well as the metrics and return on investment relating to the various programs along with environmental impact. Assistant City Manager McCary stated that the metrics were important and would be shared.

Councilmember Bravo recommended more job training for Arborists to get the City ready to be successful in implementing massive tree plantings and maintenance. City Manager Walsh noted that capacity assessment and building was a part of the short-term strategic approach.

Mayor Nirenberg closed the discussion.

EXECUTIVE SESSION

Mayor Nirenberg convened the meeting into Executive Session at 4:52 PM to deliberate the following:

- A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Legal issues related to litigation involving the City pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Legal issues relating to COVID-19 preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the City Council in Open Session at 5:40 PM and announced that no official action was taken in Executive Session.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 5:40 PM.

Approved

Ron Nirenberg
Mayor

Debbie Racca-Sittre
City Clerk