City of San Antonio

Minutes
Municipal Utilities Committee

2021 – 2023 Council Members
Melissa Cabello Havrda, Dist. 6
Jalen McKee-Rodriguez, Dist. 2 | Phyllis Viagran, Dist. 3
Ana Sandoval, Dist. 7 | Clayton Perry, Dist. 10

Tuesday, August 23, 2022 **10:00 AM** **City Hall**

The Municipal Utilities Committee convened a regular meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 10:09 AM. Deputy City Clerk Aurora Perkins took the Roll Call noting a quorum with the following Committee Members present:

Members Present: John Courage, *Chair*
Mario Bravo, *Member*
Dr. Adriana Rocha Garcia, *Member*
Melissa Cabello Havrda, *Member*
Ana Sandoval, *Member*
Members Absent: None

Approval of Minutes

1. **Approval of minutes of the June 28, 2022 Meeting of the Municipal Utilities Committee.**

   Councilmember Cabello Havrda moved to Approve the minutes of the June 28, 2022 Municipal Utilities Committee meeting. Councilmember Rocha Garcia seconded the motion. The motion carried by the following vote:

   Aye: Courage, Rocha Garcia, Cabello Havrda, Sandoval
   Absent: Bravo

Public Comment

There were no members of the Public signed up to speak.

Briefing and Possible Action on

2. **Briefing by CPS Energy on Power Generation Summer Performance [**Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Kevin Pallo, Vice President of Energy Supply and Market Operations for CPS Energy introduced the Item and presented information on the FY22 summer electric generation performance actual versus planned, plant performance, maintenance and reliability and noted that there had been zero injuries and zero weather- related unit events. He reported on lost generation at four power generation units: Sommers1, Braunig 2, Rio Nogales, and Spruce 2. Pallo presented the winter outage plan and lessons learned over the summer such as monitoring schedules and overtime, outage scheduling and refining power purchase strategies during outages. .

Chair Courage asked about whether the transmission lines had been impacted, and if there was difficulty procuring gas and coal. Richard Medina, Interim EVP Energy Delivery Services, stated there were no issues with transmission but the increased energy usage due to the heat required additional staffing. Pallo responded that CPS Energy had been able to get natural gas, coal some issue with the railroads, but was under an improvement plan, and nuclear plants were holding up. Chair Courage asked how solar and wind were producing. Pallo stated that some individual solar and wind farms have had some maintenance issues, but they performed well overall.

Chair Courage asked if excess power was being sold back to the grid and whether CPS Energy needed to purchase additional power. Pallo stated that the amount available for sell-back was less than originally anticipated due to 10% higher usage locally and the downtime related to maintenance. Chair Courage asked about additional generation sources. Pallo stated that from a generation capacity perspective, CPS Energy continued to execute on the Flex Power Plan and negotiations were underway for additional solar generation, storage, and new opportunities such as geothermal. Courage requested a report on how each energy source performed. Rudy Garza, Interim President and Chief Executive Officer of CPS Energy, added that the utility was taking a top-down approach and considered performing maintenance outside of the most severe hot or cold weather seasons as well as labor challenges related to a retiring workforce. Garza discussed various strategies focused on maintaining a 15% reserve margin.

Chair Courage thanked CPS Energy Board Chair Dr. Willis Mackey for attending the meeting.

Councilmember Sandoval supported the updated maintenance approach and asked about the excess power and the effect on costs that there were by using the gas steam unit when the Rio Nogales combined cycle unit went down. Garza noted that some of the higher usage in gas steam and older units was due to demand from the Electric Reliability Council of Texas (ERCOT). Councilmember Sandoval thanked CPS Energy for focusing on heat illness prevention for workers. Medina stated that they were bringing staff in early from the field during the heat of the day in addition to providing resources and education.

Councilmember Cabello Havrda asked about weatherization during extreme heat and cold seasons and suggested a detailed presentation at a future Municipal Utilities Committee meeting. Garza stated that ERCOT was performing inspections and CPS Energy had followed the recommendations of the Committee on Emergency Preparedness and would provide an update when requested.

Councilmember Rocha Garcia recommended that the Committee assist with the new Energy Efficiency (EE) program and develop outcome measures in collaboration with the Office of Sustainability with a focus on low-income residents. Councilmember Rocha Garcia asked about the peak performance and plant maintenance of the different types of generation systems and the plan for the colder months. Pallo provided an overview of the maintenance program.

Councilmember Bravo asked how the fleet summer availability of 86.6% compared with other years. Pallo stated that he would provide the information but anecdotally, there seemed to be more events, just not as long or severe. Councilmember Bravo pushed for the release of the Request for Proposals for additional solar generation that the Office of Sustainability was spearheading and asked CPS Energy for their support. He asked about the use of natural gas, its availability and storage. Pallo stated that natural gas storage was down nationwide, and higher prices could be a risk. Garza commented that Pallo and his team had negotiated with more gas companies to add more diversity and capacity for supply.

Chair Courage suggested that CPS Energy consider lessons learned from this year's hot summer like the utility did for Winter Storm Uri. He asked of the main contributor to people's sky high energy bills even though they were practicing energy conservation. Garza stated that the sustained over 100 degree Fahrenheit temperatures over 58 days this summer as well as the high price of natural gas had caused the higher bills.

Mackey thanked the Committee for their comments and provided assurance that CPS Energy was working hard to ensure affordable and reliable energy for the community.

No action was required for Item 2.

3. **Briefing by the San Antonino Water System (SAWS) on the status of drought management activities, the performance of diversified water supplies and efforts to enforce water rules for Stage Two** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Robert Puente, President and Chief Executive Officer of the San Antonio Water System (SAWS), opened the discussion and introduced Director of Conservation Karen Guz who presented the 2022 drought management activities. Although drought was impacting our area, Guz stated that San Antonio was not in a supply crisis as our city had been preparing for this since the early 1990s. Guz noted that San Antonio had well established conservation programs, robust water supply diversification, active outreach campaigns and community support.

Guz listed SAWS sources of water: Edwards Aquifer groundwater, brackish desalination, the Vista Ridge Pipeline, recycled water and other sources. Guz noted that there was high customer demand this summer and the heat caused more water line breaks due to the dry soil. Guz compared the Edwards Aquifer Authority (EAA) Stages for permit holders which mandated reduced usage by permit holders against the SAWS Water Restrictions which regulated discretionary water usage by customers.

Guz provided tips on how to ensure landscapes survived a drought and described the active monitoring and planning work of the Drought Management Team at SAWS. Guz provided a pumping chart comparing 2022 to the last time there was the same level of drought in 2011 but noted although there were 53% more households, the consumption had not increased at the same

level. She provided a chart of the Aquifer levels during the worst drought, which was in 1956, as compared to 2011 and 2022. She provided information on compliance, as well as messaging campaigns through social media, editorial media, paid media, SAWS media such as bill inserts, emails and the website. Guz listed measures the utility had taken to ensure the safety of its workers, particularly against heat related illnesses.

Councilmember Cabello Havrda requested more information about the coupon program for replacing 200 square feet of lawn with drought tolerant plants or xeriscape, invited SAWS to the Council District 6 Neighborhood Association meetings and offered to provide information through the Council District Office newsletter.

Councilmember Rocha Garcia wanted to provide education to her council district residents about landscape transformation initiatives and asked how the EAA measured water production from wells. Guz stated that SAWS pumps were metered, and that data was obtained from meter readings. Councilmember Rocha Garcia requested more information regarding the enforcement activities and supported safety and prevention of heat related illnesses for workers. Councilmember Rocha Garcia confirmed that the five year water management plan would be publicly available.

Councilmember Sandoval was pleased with the cross function Drought Management Team and its innovation including SAWS' focus on climate change. Councilmember Sandoval asked about the requirement to take breaks and heat illness prevention. Puente stated that although breaks are mandated, often workers wanted to complete the work because they were so dedicated.

Councilmember Sandoval noted that ticketing was effective and asked if there were areas that could not be enforced. Puente clarified that enforcement was available in the Extraterritorial Jurisdiction but Ordinances were needed for separately incorporated small cities served by SAWS. Councilmember Sandoval suggested that another Council Committee review Chapter 35 updates to the Unified Development Code (UDC) to ensure that new construction met requirements related to conservation. Councilmember Sandoval commented that we have had more severe drought lately due to climate change citing the comparison of 1956, 2011 and 2022.

Councilmember Bravo commented that water demand would continue to grow and suggested that there should be a permanent shift to water restrictions at all times and not just during drought. Guz stated that significant changes were made to the rules in 2013 and there should be a community conversation. Councilmember Bravo asked about the timing of watering between the hours of 7:00 AM to 11:00 AM or 7:00 PM to 11:00 PM. Guz stated this was a compromise because there was value in individuals seeing their water usage either in the evening or in the morning.

Chair Courage asked if different types of water resources were used more in some areas than other parts of the city. Guz stated that there were distinct water patterns that were under close review by the SAWS hydrologists, but all the water was of good quality and customers were charged the same. Puente added that there would be a detailed review of the various water contracts within the Water Management Plan. Chair Courage asked if the Desalination Program was providing more water due to the drought. Guz stated that the Water Management Plan analyzed the availability of all supplies and were testing additional use of desalinated water.

Chair Courage recommended regular communications with the surrounding communities to ensure that SAWS maintained regional relationships and awareness. Guz stated that emergency contracts

were being discussed. Chair Courage asked if SAWS was considering selling water other than to SAWS customers. SAWS representatives stated this was a part of a larger discussion that would happen in the future. Chair Courage commented that many people experienced pipe breaks during Winter Storm Uri and suggested that there be a permanent program supporting community pipe repair including in summertime when the dry soil caused pipe breaks. Guz stated that the Plumbers to People Program was in place before Uri and there were many donations received during the winter storm, adding that SAWS has educational campaigns and rebate programs for weatherization.

4. **Briefing by the San Antonio Water System on the 2022 Rate Advisory Committee recommendations related to water, wastewater and recycled water rates** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

   Robert Puente, President and Chief Executive Officer of the San Antonio Water System (SAWS) commented that Mary Bailey, Vice President of Customer Experience and Strategic Initiatives had completed the process with the Rate Advisory Committee (RAC) to bring a new rate structure forward. Due to time constraints, Bailey was unable to make her presentation. Chief Financial Officer Ben Gorzell announced that the Item would be presented at a City Council Briefing "B" Session in October 2022.

   No action was required for Item 4.

Executive Session

There was no Executive Session.

Consideration of items for future meetings

Adjournment

There being no further discussion, the meeting was adjourned at 12:28 AM.

Approved

John Courage, Chair

Debbie Racca-Sittre, City Clerk