

City of San Antonio



Minutes

Municipal Utilities

San Antonio, Texas 78205

2021 – 2023 Committee Members

Mario Bravo, Dist. 1 | Dr. Adriana Rocha Garcia, Dist. 4

Melissa Cabello Havrda, Dist. 6 | Ana Sandoval, Dist. 7

Chair John Courage, Dist. 9

Tuesday, November 30, 2021

10:00 AM

City Hall

Deputy City Clerk Aurora Perkins took the Roll Call noting a quorum with the following Municipal Utilities Committee Members present:

PRESENT: 5 – Courage, Bravo, Rocha Garcia, Cabello Havrda, and Sandoval

Approval of Minutes

1. Approval of minutes from the October 26, 2021 meeting.

Councilmember Rocha Garcia moved to approve the October 26, 2021 Meeting Minutes of the Municipal Utilities Committee. Councilmember Cabello Havrda seconded. The motion passed unanimously.

Public Comment

Alan Montemayor requested that the Committee to consider all components of utility rate increases and rate changes. He provided written comments for the Committee's review.

Dr. Meredith McGuire spoke in opposition of CPS Energy rate increases and provided the Committee with written comments for their review opposing rate changes and better energy grid operations.

Written Comment

None.

Briefing on the following items

2. Briefing on the CPS Energy Rate Advisory Committee Chair on the Committee's progress to date (5 minutes) [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Reed Williams, Rate Advisory Committee Chair, provided an update on the CPS Energy Rate Advisory Committee (RAC) progress. He noted that additional information had been provided to the RAC in order to review and recommend action related to a CPS Energy rate change. Williams stated that the committee did not have the authority to make a rate change but only to make a rate change recommendation which would then be voted on by the City Council. Williams stated that the process contained constructive conflict and challenges related to CPS Energy consumer trust made the task of reviewing rates more difficult. He noted that trust and transparency were the main goal of the RAC in providing recommendations for possible rate change. Williams reviewed the remaining three week timeline of reviewing the rate change recommendation from CPS Energy.

Chair Courage asked if the RAC would continue to review energy recommendations after the briefings to City Council. Williams confirmed that the RAC would continue to address data and information after recommendations were provided to the City Council.

Chair Courage recognized Dr. Mackey (CPS Energy Board Chair) and Jelynn LeBlanc Jamison (SAWS Board Chair) and the Utilities board of directors for their continued work with the City in addressing utility rates and issues.

Councilmember Rocha Garcia asked for an update and timeline on a pilot study for energy burdened and low income utility users' best practices. Williams clarified that the study was more of a program review which would identify any needs and gaps but would take time to complete. Councilmember Rocha Garcia expressed concern on the number of opportunities for public input during the upcoming holiday season. Williams stated that the RAC would coordinate public input opportunities in order to gain additional input.

Councilmember Bravo noted that the RAC was charged with generation planning issues and asked to what extent had the RAC addressed these issues. Williams stated that the RAC had spent a long period of time during the summer to learn more about not only energy rates but also energy generation and conservation. Williams noted that the RAC had initially divided the committee into 3 sub committees to address all areas of energy rates and generation and added that the RAC strived to address all energy categories and concerns.

No action was taken on Item 2.

3. Briefing by the San Antonio Water System (SAWS) and CPS Energy on the status of

implementing the recommendations from the Committee on Emergency Preparedness' Report [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

A) SAWS Staff will provide a status report on the utility's actions implementing the recommendations from the Committee on Emergency Preparedness' Report. (15 minutes)

Steven Clouse, Senior Vice President/Chief Operating Officer for SAWS, stated that SAWS was in much better position to address a winter storm event in the future than last year. Clouse reviewed the progress of SAWS' 16 recommendation indicating if completed or in progress. Clouse provide an overview of the activities for each of the recommendations and areas of coordination with CPS Energy and the City.

Chair Courage thanked Clouse for the presentation and noted that it provided a clear picture of recommendation statuses. Courage asked that future presentations include the percentage of completion in the progress status.

Councilmember Rocha Garcia asked when software implementation tools briefed would be available (robo calls). Gavino Ramos, SAWS Vice President of Communications, stated that the tools had already been implemented and tested with the City and through the EOC system.

Councilmember Rocha Garcia asked that Council Districts be included in communications associated with Recommendation 6. Councilmember Rocha Garcia asked for clarification on Recommendation 8 which addressed messaging systems and protocols. Clouse provided clarification and projected actions.

Councilmember Rocha Garcia asked for further clarifications on Recommendations as to who was on the recommendation team. Clouse provided clarification of the team make-up.

Councilmember Rocha Garcia asked for clarification on Recommendations 10 and 11 and stated that City Council staff be included in communication plans. Gavino Ramos provided clarification and on the communication plans and confirmed that City Council and other City staff would be provided continued updates and information to share with community. Councilmember Rocha Garcia stressed the importance of bilingual communications to the community.

Councilmember Rocha Garcia asked who Clouse's replacement would be if he was unable to attend emergency situations. Clouse clarified that the utility company had an emergency response plan in place with staff contacts and contingency plans. Ben Gorzell, City of San Antonio Chief Financial Officer, clarified that the Committee on Emergency Preparedness made recommendations to the City's Emergency Operation Center which had not been briefed to the MUC and recommended that staff provide a presentation to the MUC at the January 2022

meeting.

Councilmember Cabello Havrda stated that she felt that the plan had addressed many issues but she had still had not been provided a documented communication plan. She noted that she was confident in the City's ability to provide communications to the Community but was eager to be provided specific information.

Councilmember Cabello Havrda asked for clarification on Recommendation 8 and how the City was included in developing a communication system and related protocols. Gorzell stated that the City had worked closely with the utilities and could address further at the January 2022 meeting.

Councilmember Cabello Havrda asked where information related to Recommendation 14 could be found. Clouse stated that the information would be provided at the SAWS website in March 2022. Councilmember Cabello Havrda asked if an automated phone system could be provided on outages. Mary Bailey, SAWS Sr. Vice President of Customer Engagement, stated that current phone system had the capabilities to communicate outages to specific areas. Councilmember Cabello Havrda asked if text messaging was available to provide outage communications. Bailey stated that SAWS was currently working on texting technology.

Councilmember Bravo asked for elaboration on emergency generators and how they can be used for distributed generation. Clouse stated that the issue was already scheduled as a community workshop to address all options of fuel generation and practicalities.

Councilmember Bravo asked both utilities to provide information to the City Council offices in preparation of winter and holiday activity. Clouse stated that the utilities were already planning for worse case scenarios in order to provide energy in emergency situations and would further address with the City.

Councilmember Bravo asked if any consideration had been considered for low income residents in aiding of equipment or supplies to prepare for winter weather. Gavino stated that utilities were already addressing this issue within the community.

B) CPS Energy Staff will provide a status report on the utility's actions implementing the recommendations from the Committee on Emergency Preparedness' Report. (15 minutes)

Paul Barham, Chief Grid Optimization & Resiliency Officer with CPS Energy, provided a status overview of 37 recommendations, CEP recommendation status updates and next steps on implementation and progress. Barham reviewed activities in the areas of plant operations and support, outage management, grid operations and support, communications, market redesign and other miscellaneous areas.

Chair Courage asked what the related cost was associated with Recommendation 4. Frank Almaraz, Chief Energy Supply and Sustainability Officer stated that conducted work was completed for approximately \$2 million and absorbed through operational funds and reserves. Chair Courage asked how much authority CPS had to deny ERCOT load shed requests. Barham stated that federal requirements mandate sharing of load shed due to grid operations in emergency situations. Barham stressed that utilities are striving to not get into load shed situations and minimize risk of total grid failure.

Chair Courage asked what was being done to provide communications to the general public in emergency energy situations during outage situations. Barham stated that it was important to provide the community with information to prevent circuit overload due to a spike in consumption when service resumes. Chair Courage asked what was being done to protect individuals with health issues during load shed. Barham stated that the utility had conducted outreach to customers in need of health services and is looking into infrastructure that addressed circuit redesign to support critical care customers. Almaraz also provided additional information on communications with community partners related to health services concerns and needs.

Councilmember Rocha Garcia asked how the 15 minute model was defined. Barham stated that the goal was that 15 minutes would be the length of time that customers outage would occur. Councilmember Rocha Garcia asked for continued communications to the general public for how to assist in outage situations.

Councilmember Rocha Garcia asked how emergency alert communications were being conducted. Barham stated that the CPS Energy system had been continuously tested in preparation for broader use in the future. Almaraz elaborated on the emergency alert kit that was available to the public and Councilmember Rocha Garcia stated that it was good to have the emergency kits but that other communications such as door hangers were still needed for many of her residents since this was proven as a good communication tool.

Councilmember Rocha Garcia asked how residents were being requested to update their contact information or critical care needs. Almaraz reviewed the process. Councilmember Rocha Garcia noted that the SAWS communication plan provided good examples for communications and should be looked at for implementation. Melissa Sorola, Interim Senior Director Corporate Communications with CPS Energy, provided information on how to sign up for text messaging system and other communication tools.

Councilmember Cabello Havrda requested that a solid communication plan be provided to the MUC for review.

Councilmember Bravo asked what the ERCOT reserve margin was. Almaraz stated that the current ERCOT reserve forecast was approximately 20%. Councilmember Bravo asked what CPS Energy's reserve margin was. Almaraz stated that CPS Energy was above the 20% level and the

system was prepared for emergency usage and additional energy purchases were made to put the system in a better position to not have to pay higher energy prices.

Councilmember Bravo asked whether CPS Energy was in a better position to manage load shed and financial exposures if there were rolling black outs. Almaraz stated that CPS Energy was at a much better position to address load shed issues due to increased capacity. Councilmember Bravo recommended future consideration of communications of State level or ERCOT management be communicated to the general public during load shed events. Councilmember Bravo reiterated the importance of providing City Council staff education on emergency operations and tools available during emergency situations.

No action was taken on Items 3A and 3B.

4. Briefing by the San Antonio Water System (SAWS) and CPS Energy on Plans for Addressing Past Due Customer Receivables [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]:

A) SAWS Staff will provide a briefing on plans for addressing the past due customer receivables (15 minutes)

Mary Bailey, VP of Customer Experience and Strategic Initiatives, provided an update on the plans for addressing past due customer receivables (delinquent accounts). Bailey noted that there was a lower number of customers that were delinquent in their accounts and provided highlights of the COVID Relief Plan available to customers seeking assistance in paying their bills. Bailey noted that the City Council had approved a \$10 million allotment of ARPA funds to SAWS for utility payment assistance and reviewed the eligibility criteria for the program.

Chair Courage asked how many disconnections had occurred to date. Bailey stated that approximately 4,000 residents had been disconnected with approximately 50%-60% restoring their service, primarily by entering into a payment plan.

Councilmember Cabello Havrda stated that her office was available to assist in providing communication to residents in her area.

Councilmember Rocha Garcia asked if technology was needed to apply for the assistance programs. Bailey stated that registration could be done over the phone and SAWS staff was available to assist customers enroll.

Chair Courage asked what type of documentation was needed for customers to self-attest as being impacted by COVID and to income levels. Bailey reviewed the process for self-attesting.

B) CPS Energy Staff will provide a briefing on plans for addressing the past due customer receivables (15 minutes)

Deanna Hardwick, Interim EVP of Customer Strategy, provided an overview of CPS Energy past due bills, disconnects and available ARPA funding. She reviewed the average past due balances for customers and noted a decline in past due balances compared to the prior year. Hardwick provided an overview of future key community events and communications to the public for payment assistance and reviewed the next steps of finalizing formal agreement with City of San Antonio for ARPA funding. Hardwick provided an overview of efforts to identify customers needing assistance.

Chair Courage asked how many individuals has been assisted in the program. Hardwick reply approximately 20,000 customers.

Councilmember Rocha Garcia asked what the average number of community events was conducted per year. Hardwick stated that she would provide that information and Rocha Garcia stressed that it was important to assure staff capacity exists to support the community outreach efforts. Councilmember Rocha Garcia asked how CPS Energy worked with community partners to identify customers needing assistance. Hardwick stated that she would provide a list of community partners CPS Energy worked with to include school districts and volunteer organizations providing assistance.

Councilmember Rocha Garcia asked for more information on the Energy Angel Program. Hardwick reviewed the program and how individuals could sign up to assist other residents in paying their bills and reviewed communications for the program.

Councilmember Bravo asked if there were plans for auto enrollment of customers into assistance programs. Hardwick stated that the plan was being finalized but would auto enroll into payment plans customers in HUD qualified census tracts or enrolled in an affordability program.

No action was taken on Item 4A and 4B.

5. Briefing on Website Features to Support the Municipal Utilities Committee (5 minutes)
[Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Craig Hopkins provided an overview of the MUC website and relate support features. He noted that the plan was set to roll out in January 2022 for the MUC. Hopkins added that an interim system was available until the full roll out of the website system.

Chair Courage asked if the MUC wanted to implement the interim system or wait for the full implementation of the system. The MUC agreed that the interim system should be implemented

and then the full system be implemented in January 2022. Chair Courage asked that a dashboard be developed of recommendation statuses and disconnect information be provided in the full system.

Councilmember Rocha Garcia asked how community comments would be provided to the Committee. Hopkins reviewed the process for staff and noted the issues of the current public comment system.

Consideration of items for future meetings

The Municipal Utilities Committee Meeting will not be held in December. The next Municipal Utilities Committee Meeting is tentatively scheduled for January 25, 2022.

ADJOURNMENT

There being no further discussion, Chair Courage adjourned the meeting at 12:37 PM.

John Courage, Chair

Respectfully Submitted

Debbie Racca-Sittre, Interim City Clerk