

State of Texas
County of Bexar
City of San Antonio



DRAFT

Meeting Minutes

City Council B Session

City Hall Complex
114 W. Commerce
San Antonio, Texas 78205

Wednesday, June 11, 2014

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building at 2:00 pm with the following Councilmembers present: Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Nirenberg, Krier, and Gallagher. ABSENT: Medina and Mayor Castro. In the absence of Mayor Castro, Mayor Pro Tem Gonzales presided over the meeting.

1. A monthly Utility Briefing by CPS Energy relating to its Grid Optimization Program and Solar Distributed Generation Program. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance]

Cris Eugster of CPS Energy presented information on the Smart Grid Initiative. He stated that CPS Energy was modernizing Technology in an effort to better serve its customers. He noted that the Smart Grid Initiative was part of the Rate Plan and CPS was not requesting additional funding. He stated that the Smart Grid is the transformation of the Electrical Grid through the use of Digital Information and Communications Technology. He stated that the Smart Grid would enhance Electric Grid Operations by improving how effectively and efficiently customers were served. He added that the Smart Grid would provide a platform for future Innovative Customer Solutions and Choices. He highlighted the Customer Benefits: Faster Outage Restoration, Automatic Reads, Immediate Connections/Disconnections, Energy Management Tools, Pricing and Payments Plans, and the Integration of New Energy Economy Solutions. He mentioned that Utility Benefits

included: Operations Improvements, Financial Savings, Improved Safety and Reliability of Grid Operations, Enhanced Customer Satisfaction, and Lower Emissions.

Mr. Eugster spoke of the partnership with the Silver Springs Network and stated that they have been learning from other Cities that have already deployed this network. He explained the four components of a Smart Grid: 1) Advanced Metering Infrastructure (AMI); 2) Grid Automation; 3) Enhanced Networking/Telecommunications; and 4) New Information Technology. He stated that 740,000 Electric Meters and 340,000 Gas Meters would be replaced by AMI Meters within the next four years. He showed a Grid Automation Video providing an example of an Outage Restoration.

Mr. Eugster reported that CPS intended to begin replacing meters in August 2014 and continue through 2018. He stated that a Customer Portal would be available to customers that would like to monitor their individual usage. He noted that CPS was currently in the process of deploying the Network, Routers and Mesh Network. He explained that the Mesh Network would relay information from Individual Meters to CPS Data Centers. He mentioned that the Program Management, Customer Engagement and Distribution Automation would all be deployed and implemented in parallel. He described Distribution Automation as the ability to Reroute Power based on Conditions and presented a map depicting each Initial Deployment Area.

Mr. Eugster spoke of their Communication Plan and noted what would occur within the first 90 days. He stated that an Opt-Out Option was available for Customers that did not want to participate in the Program and they would be charged \$20 per month for sending Meter Readers to their location.

Mayor Pro Tem Gonzales asked of issues with Customer Service. Mr. Eugster replied that they were working to improve their customer service and assisting customers. Mayor Pro Tem Gonzales stated that she would like for Customer Service Issues to be addressed prior to implementing a new technology. Mayor Pro Tem Gonzales asked of street lights. Mr. Eugster replied that street lights were not currently part of this network but they were having active discussions to incorporate them. Mayor Pro Tem Gonzales asked of security measures. Mr. Eugster stated that he believed this technology would help security issues. Mayor Pro Tem Gonzales asked of the locations. Mr. Eugster replied that AMI would be the standard in new areas and that the locations had been selected based on areas with heavy manual operations.

Councilmember Gallagher asked of the complaint issues of other cities when implementing said technology. Mr. Eugster replied that one of the biggest complaints were those of high bills. He noted that they would work closely with these customers. He spoke of the value that the AMI Technology would bring to the ratepayers. Councilmember Gallagher asked

of the Opt-Out Cost. Mr. Eugster replied that almost all other cities had an Opt-Out Cost and the proposed \$20 per month was comparable. Councilmember Gallagher asked of the comment that people could be monitored with the AMI Equipment. Mr. Eugster replied that the only difference would be that they would have access to the meter every 15 minutes instead of once per month.

Councilmember Nirenberg asked if the Opt-Out Option was necessary. Mr. Eugster replied that they looked at what other cities had done and that there were some customers that were passionate about not replacing their current meter. Councilmember Nirenberg asked of the Customer Wait Times. Ms. Jelynn Burley replied that CPS had outsourced some calls to West Telemarketing which has improved wait time. She stated that CPS was now focusing on walk-in customers which were still at a high volume.

Councilmember Saldaña spoke of the importance of realizing efficiencies and stated that individuals would no longer be required to manually read meters. He asked of the Opt-Out Option. Mr. Eugster replied that they did not believe that many individuals would choose to opt out due to the cost. He noted that they wanted to ensure that ratepayers had an option if they were strongly opposed to the new technology. Councilmember Saldaña asked of Time and Use Pricing. Mr. Eugster replied that there were various prices for power based on the demand.

Councilmember Krier asked of the total cost of implementation and the period of time for savings to be realized. Mr. Eugster replied that there was \$290 Million in upfront costs and would take 12 years to be paid back. Councilmember Krier spoke of his personal experience where his power went out while on vacation and asked if the Smart Meter would provide this type of information to CPS. Mr. Eugster replied that CPS would be able to receive that type of information with this technology.

Councilmember Lopez asked of Cost Management and Adjustments and if the customer would be able to see those changes. Mr. Eugster replied that Customers would be able to see changes all the way through from a pricing standpoint. Councilmember Lopez asked how CPS would manage the demand for late night usage versus earlier in the day. Mr. Eugster replied that they monitored their Low Profile on a daily and hourly basis and would make adjustments as necessary. Councilmember Lopez spoke of the importance of communication and outreach.

Councilmember Viagran asked if CPS would be able to identify the homes that utilize more energy and of the status of Meter Readers. Mr. Eugster replied that it was part of their plan to do so and noted that some Meter Readers had already been deployed to other CPS Service Areas.

Councilmember Bernal expressed concern with the loss of personal customer interaction; specifically, customers with challenges in paying their bills. Ms. Burley stated that that they would visit with customers before their electricity was cut off. Councilmember Bernal spoke of the importance of Community Engagement.

At this time, Mr. Eugster presented information on the Solar Distribution Generation Program. He stated that San Antonio has had a tremendous amount of success with Solar and that there were only five U.S. Cities ahead of San Antonio in terms of Solar. He mentioned that one of the challenges in San Antonio was that the amount of Rebate Dollars was running out. He stated that the Program was funded through the Save for Tomorrow Energy Plan (STEP) that was approved by the City Council in 2009. He reported that CPS had forwarded funds that were allocated for Solar to keep the Rebate Program active. He explained that a Rebate was what the customer received after the installation of a Solar System.

Mr. Eugster highlighted the benefits of Solar Distribution Generation: 1) Lower Bills; 2) Allows Customer Choice; 3) Allows Customers to contribute to Environmental Sustainability; 4) Produces Clean Power during Peak Hours; 5) Zero Water Consumption; 6) Hedge Against Uncertainties around Environmental Regulations; and 7) Further diversifies Generation Portfolio. He reported that in 2009, there were virtually no Solar Systems in San Antonio. He stated that by the end of 2014, CPS expects to have over 2,030 Solar Systems installed in San Antonio. He reported that CPS has paid out \$30 million in Rebates to date and the funding for the Rebates is paid for by all ratepayers. He stated that CPS Energy had developed a reasonable approach to distribute Solar which values both the Solar Customer and the Utility. He stated that CPS has worked with its Board and Industry Stakeholders for over a year to develop its new Solar Distribution Generation Proposal. He noted that CPS would continue to maintain a strong Rebate Program, targeting a 10-year or better payback to customers. He explained the cost for participation in the Solar Program and the Rider that the City Council would consider for approval.

Mayor Pro Tem Gonzales asked who paid for the Rebates. Mr. Eugster replied that all ratepayers paid for the Rebates.

Councilmember Gallagher expressed concern with the fees and future of the Solar Program. Mr. Eugster noted that the proposed System Monthly Fee of \$2.50 was reasonable and that it would increase to \$8.75 per month to recover their costs.

Councilmember Viagran asked of the amount of kilowatt hours that Solar Users were utilizing per month. Mr. Eugster replied that their usage was 1,000 kilowatt hours per month. Councilmember Viagran asked how this would encourage rate payers to utilize Solar. Mr. Eugster replied that CPS would continue to maintain a strong Rebate

Component for customers. Councilmember Viagran asked of communication with the Solar Working Group. Mr. Eugster replied that the Solar Working Group and CPS Energy were aware of each other's opportunities and challenges. He added that CPS had a better appreciation of the payback that was required for the Industry and the importance of an Incentive Program to maintain that payback period.

Councilmember Taylor asked of the stakeholder process. Mr. Eugster replied that they held Focus Group Sessions and had engaged with the Solar Industry on this Program. Councilmember Taylor asked that if CPS was trying to recover costs to grow the Program. Mr. Eugster replied that only a certain portion of their costs were being recovered and that more customers would be grandfathered if they delayed the implementation of the fees.

Councilmember Nirenberg asked of the Rate Design and the amount of Rebate Dollars remaining. Mr. Eugster replied that they needed to come up with a long term solution regarding the Rate Design and reported that there was \$2.5 Million of uncommitted Rebate Dollars.

Councilmember Krier asked when the City Council would have the opportunity to hear the point of view of Solar San Antonio. Mrs. Sculley stated that the item was posted for Council Action next Thursday.

Councilmember Lopez asked of the impact of a 60 to 90 day delay on Rebate Dollars. Mr. Eugster stated that they would need to discuss it with the CPS Board and that all Rebate Dollars attributed to Solar through 2020 would be affected. Councilmember Lopez asked if there were any Regulatory Milestones that the City could take advantage of. Mr. Eugster replied that there were two: 1) The Federal ITC Tax Credit and 2) Tariff Issues. He added that technology continued to improve which should reduce the cost of Solar; however, there were still many unknowns.

Councilmember Bernal asked what percentage of CPS's Portfolio that Solar Energy represented. Mr. Eugster replied that it was less than one percent. Councilmember Bernal confirmed that CPS was not recovering costs now and could become a problem in the future. He asked how Solar was different as it relates to other methods of energy efficiency. Mr. Eugster replied that Solar was a generating source and allowed Solar Customers to significantly reduce their bills.

Mayor Pro Tem Gonzales thanked CPS Energy for their presentations.

2. Staff briefing regarding the Strategic Multi-Modal Transportation Plan [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Transportation and Capital

Improvements]

Mike Frisbie presented a Power Point on the Multi-Modal Transportation Plan. He introduced new Assistant Director Terry Bellamy. Mr. Frisbie stated that the Transportation and Capital Improvement Services (TCI) Department would be looking at the best methods to address growth from a Multimodal Perspective. He stated that a Transportation Plan would be created within the next two years that would include Maps, Graphs, and Text related to the needs for 2040. He mentioned that all modes of Transportation would be reviewed to include Pedestrians, Bicyclists, Mass Transit, Vehicles, Rail, and Freight Rail; however, Air Modes would not be included. He stated that the Department would be coordinating closely with the Texas Department of Transportation (TxDOT) on the Freeway Network and with VIA Metropolitan regarding Mass Transit.

Mr. Frisbie stated that there would be an extensive public process in formulating the Plan but noted that there were some technical components. He explained that Land Uses created trips and were distributed around a Transportation Multimodal System. He mentioned that the Metropolitan Planning Organization (MPO) had a Traffic Model in a TransCab Software Package that looked at the San Antonio Metropolitan Area at the Macro Level.

Mr. Frisbie added that the Transportation Plan would tie into the MPO Long Range Plan that was updated every five years. He noted that one million people would be coming to the San Antonio Area over the next 25 years which was part of the Comprehensive Plan. He indicated that the Comprehensive Plan would be the Umbrella Plan and that the Transportation Plan was a component of the Comprehensive Plan. He stated that it was important to have the Transportation Plan in place over the next two years to enhance the City of San Antonio. He reported that the City Council had approved \$1 Million in the last Fiscal Year Budget to be allocated in FY 2015 and FY 2016. He mentioned that it was important because the commitment helped leverage \$2 Million through the MPO Process for Federal Funding. He added that the total commitment was \$3 Million which allows for a Citywide Strategic Plan.

Mr. Frisbie also noted that TCI had worked extensively on a Downtown Transportation Plan that looked at each street, land use and future land use, and functionality to create a Complete Street Concept. He reported that they would release a Request for Qualifications (RFQ) to hire a Consultant Team to help develop the Multi-Modal Transportation Plan. He stated that the Contract for the Design Plan would award in September and that workshops would be held with the community to ensure public input. Mrs. Sculley added that said item was being presented at a B Session at the request of the High Profile Contracts Committee.

Mayor Pro Tem Gonzales asked if the RFQ would include the TIGER Grant Funds. Mr.

Frisbie replied that language was built into the RFQ regarding the TIGER Funds that were already in place and noted that there could be an opportunity to expand the scope. Mayor Pro Tem Gonzales asked if the Plan included Streetcars. Mr. Frisbie replied that the Downtown Transportation Study included the potential for Streetcars.

Councilmember Lopez asked if the \$3 Million that the City was committing would be used for studies and did not include construction. Mr. Frisbie confirmed that was correct. Councilmember Lopez stated that the amount of funding for studies was minimal in comparison to the total cost of the project. Mr. Frisbie noted that there would be multiple funding sources to implement the Plan.

Councilmember Gallagher asked of the fee to TxDOT. Mr. Frisbie replied that the fee was a requirement when receiving Federal Funds and it totaled \$25,000. Councilmember Gallagher confirmed that a vote to approve the Transportation Plan was not a vote to support Streetcars. Mr. Frisbie replied that the Streetcar Program was a separate issue.

Councilmember Krier asked what the City would receive for \$5 Million. Mr. Frisbie replied that they would receive a Comprehensive Multi-Modal Transportation Plan to address transportation citywide. Councilmember Krier asked if other entities would be involved. Mr. Frisbie replied that this was a City Plan that did not require outside involvement.

Councilmember Nirenberg asked how the city would keep this Plan from sitting on a shelf. Mr. Frisbie replied that it would need to be updated every five years and that community involvement would be necessary. Councilmember Nirenberg asked if the Plan would address Land Use Challenges. Mr. Frisbie replied that it would.

Mayor Pro Tem Gonzales thanked staff for the presentation.

EXECUTIVE SESSION

Mayor Pro Tem Gonzales recessed the meeting into Executive Session at 4:40 pm to discuss the following:

- A. Discuss process to fill possible vacancies on City Council and related legal issues pursuant to Texas Government Code Section 551.074 (personnel) and Section 551.071 (consultation with attorney).

- B. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic

development) and 551.071 (consultation with attorney).

- C. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).

CITIZENS TO BE HEARD

Mayor Pro Tem Gonzales reconvened the meeting at 6:00 pm and announced that no action was taken in Executive Session. She called upon the individuals registered to speak.

Lanny Sinkin, Rozina Kanchwala and Devon Rood representing Solar San Antonio addressed the City Council. Mr. Sinkin spoke of the two Solar-Related Fees charged by CPS Energy and stated that the Solar Industry did not have an issue with the Commissioning Fee. However, he expressed concern with the Facilities Fee which was a monthly charge for utilizing Solar Energy. He mentioned the 15 various rebates included in the STEP Program noting that it was implemented to reduce consumption. He asked why Solar Energy was being assessed the fee and stated that they were being discriminated. He expressed concern that there was an Anti-Solar Campaign occurring throughout the country and that San Antonio would have the highest fee if implemented.

Don Dickey, Jamin Wharton and Andrew Wood representing Advanced Solar addressed the City Council. Mr. Dickey expressed opposition to the proposed delivery charge for Solar Energy. He outlined the benefits of Solar Energy and stated that the STEP Program had been very successful. He asked why the Solar Industry was the only portion of the SA2020 Initiative that was being penalized.

Nazirite Ruben Flores Perez referenced the FY 2015 Budget and asked that City Employees receive a 3% salary increase. He noted the Pre-K 4 SA Centers and spoke of their success.

Mark Perez expressed concern with CPS Energy providing electricity to existing facilities that were operating without proper permits. He noted concerns with various City Employees that he did not feel were performing their jobs well.

James Hiebert of South Texas Solar Systems addressed the City Council and expressed concern with the proposed CPS Energy Solar Fees. He provided a sample bill for a Solar Energy Customer Bill noting the CPS Energy Expenses, Revenues, and Loss of Service Charge.

David Dixon stated that he represented a Zero Energy Homebuilder in San Antonio and expressed concern with the proposed Facilities Fee for Solar Energy. He asked why the

Solar Industry was being penalized and spoke of the benefits of Solar Energy.

Phillip Manna addressed the City Council and stated that he was one of the first individuals to utilize Solar Energy in San Antonio. He expressed concern with the proposed CPS Fees for Solar Energy noting that he did not believe that recurring fees were necessary. He added that it was not an effective strategy for homeowners.

Alicia Dormandy, Kathryn Dormandy, and Anthony Regino representing CDI Technology addressed the City Council. Mr. Regino stated that he had attended numerous meetings related to the STEP Program since its implementation. He expressed concern with the proposed CPS Fees for Solar Energy and noted that there were too many unanswered questions.

Russell Seal addressed the City Council and spoke of the Mission Verde and STEP Programs. He spoke of climate change in San Antonio and noted that Solar Energy was part of the future.

Arturo Ramirez stated that he had implemented a Non-Profit Organization in 1997 and had been working with Mr. Lanny Sinkin. He expressed concern with the proposed CPS Energy Solar Fees and spoke of the importance of bringing Tesla to San Antonio.

Sara Schmidt stated that she was new to the Solar Issues in San Antonio and spoke of her experience moving to San Antonio three years ago. She noted that she had wanted to utilize Solar Energy in her home and was concerned that there were too many unanswered questions.

Dolores Gomez expressed concern that she had been removed from her home due to a flood that occurred. She stated that she was disabled and had been fired from her job. She noted that she was having issues refinancing her home and requested assistance from the city.

Skeets Rapier addressed the City Council in opposition to the proposed CPS Fees for Solar Energy. He expressed concern that the progress on renewables would be slowed down.

Myfe Moore stated that she owned six Solar Systems and was opposed to the proposed CPS Fees for Solar Energy. She noted that many small business owners she had spoken to were also in opposition and that the information provided by CPS Energy was deceiving.

Faris Hodge, Jr. submitted written testimony noting concerns that vehicles in San Antonio were the main source of polluted air. He referenced the millions of dollars that would be spent by Bexar County for concrete work on the Mission Reach of the San Antonio River. He wrote that digital billboards were being utilized in Bexar County's effort to keep

individuals from driving while intoxicated. He recommended that there be a Regional Water District in Bexar County. He expressed concern with the high travel costs for Judge Wolff and Bexar County Commissioners Court. He highlighted the \$12.7 Million Grant received by the San Antonio Lighthouse for the Blind. He expressed concern that some Bexar County and City Park Restrooms do not have doors. He requested that elderly drivers follow additional driving rules.

ADJOURNMENT

There being no further discussion, Mayor Pro Tem Gonzales adjourned the meeting at 6:56 pm.

APPROVED

SHIRLEY GONZALES
MAYOR PRO TEM

ATTEST:

LETICIA M. VACEK, TRMC/MMC
CITY CLERK