

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



DRAFT

**Meeting Minutes
City Council A Session**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Thursday, January 11, 2018

9:00 AM

Municipal Plaza Building

The City Council convened in a Regular Meeting. City Clerk Leticia Vacek took the Roll Call noting the following Councilmembers present:

PRESENT: 11 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage and Perry

1. The Invocation was delivered by Reverend Dr. Joshua Snyder, First Unitarian Universalist Church, guest of Councilmember Ana Sandoval, District 7.
2. Mayor Nirenberg led the Pledge of Allegiance to the Flag of the United States of America.
3. Approval of Minutes for the City Council Regular Meetings of November 1 - 2, 2017

Councilmember Treviño moved to approve the Minutes for the City Council Regular Meetings of November 1-2, 2017. Councilmember Shaw seconded the motion. The motion prevailed by the following vote:

AYE: 11 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage and Perry

POINT OF PERSONAL PRIVILEGE

Mayor Nirenberg recognized Mayor Jim Paine, of Superior, Wisconsin, noting that their city had constructed the City of San Antonio's new river barge fleet. Mayor Paine thanked Mayor Nirenberg and the City Council for the recognition. He stated that he was proud of the City of Superior for their strong manufacturing core and work ethic. He added his support for increasing the sale of tobacco products to 21 years of age. Councilmembers Treviño and Viagran welcomed Mayor Paine and thanked the City of Superior for their work.

Mayor Nirenberg presented a Resolution of Appreciation in honor of the service of Ruth Jones McClendon to her husband Denver and daughter Angela. He spoke of her many accomplishments and noted that she would be greatly missed. Mr. Denver McClendon thanked the City Council for the recognition of his wife and stated that she exemplified public service.

Councilmember Treviño recognized Kathleen Weir Vale, Chair of the Symphony Society of San Antonio. Ms. Vale stated that she was honored to be present and spoke of the Symphony as an economic generator for the city. She noted that the Board would be working to ensure sustainability and success of the San Antonio Symphony. Councilmember Gonzales commended Ms. Vale for taking on this challenge. Mayor Nirenberg thanked everyone for their contributions to the Symphony.

Councilmember Perry presented a marbled Army Bowl Encased Helmet to Mayor Nirenberg. Mayor Nirenberg thanked Councilmember Perry for the gift and for his leadership on the Military Transformation Task Force.

ACTION ITEM FOR STAFF BRIEFING

City Clerk Vacek read the caption for Item 4:

2018-01-11-0001

4. An Ordinance amending Chapter 36 of the City Code, entitled "Smoking" to increase the age for the sale of tobacco products to 21 years of age. [Erik Walsh, Deputy City Manager; Colleen M. Bridger, MPH, PhD, Director, Health]

Dr. Bridger reported that tobacco was the leading cause of preventable disease, disability, and death in the United States. She stated that 95% of adult smokers began smoking before

they turned 21. She indicated that only 2% of cigarettes sold were purchased by 18-20 year-olds. She noted that increasing the sale age to 21 was already in place in over 280 cities and counties throughout the United States. She provided an overview of the timeline for the Tobacco 21 Initiative (T-21) noting that staff recommended implementation on October 1, 2018 in order to educate retailers and the community on the Ordinance and enforcement. She stated that with regard to concerns raised at B Session; staff would use random sampling for compliance checks and would not enforce on 18-20 year-olds. She added that there was a minimal fiscal impact with a fine up to \$500 for the sale of tobacco products to anyone under 21 years of age.

Mayor Nirenberg called upon the citizens registered to speak.

Will McLeod spoke in opposition to the T-21 Ordinance noting that it violated State Law.

Reiana Fernandez stated that she was supportive of the T-21 Ordinance noting that her grandmother had suffered from Lung Cancer due to smoking cigarettes.

Elise Fernandez stated that she was a sophomore in high school and supportive of the T-21 Ordinance.

Tracy Talavera stated that she was a young adult in favor of the T-21 Ordinance due to witnessing many of her friends become addicted to cigarettes.

Dacari Lambert spoke in support of the T-21 Ordinance noting that tobacco was the leading cause of preventable death in the United States.

Dr. John Menchaca stated that he was a Retired Pediatrician in support of the T-21 Ordinance. He noted that the adolescent brain which included 18-19 year-olds was still maturing and spoke of the negative effects of smoking.

Richard Perez and Rad Weaver representing the Greater San Antonio Chamber of Commerce spoke in support of the T-21 Ordinance. Mr. Weaver spoke of his father's death due to smoking at a very young age and added that he hoped the Ordinance would stop the cycle for other families in San Antonio.

Dr. Esteban Lopez, Regional President of Blue Cross and Blue Shield of Texas, spoke in support of the T-21 Ordinance. He noted the dangers of cigarette smoking and its negative health effects.

Dr. Alice Gong stated that she was speaking on behalf of the March of Dimes and Texas Pediatric Society in support of the T-21 Ordinance.

Cindy Strzelecki representing the Texas Nurses Association spoke in support of the T-21 Ordinance.

Brian Hayden, Retired Air Force Master Sergeant, spoke in support of the T-21 Ordinance noting the he had suffered many illnesses due to having smoked cigarettes for most of his life.

Dr. Erika Gonzalez stated that she was an Asthma Immunology Specialist and Certified in Pediatrics and supportive of the T-21 Ordinance.

Donald Schmidt representing the Northside Independent School District (NISD) submitted a letter of support for the T-21 Ordinance from Brian T. Woods, NISD Superintendent.

Jack M. Finger stated that all tobacco products caused cancer and asked why the City Council was not banning the use of all tobacco products.

Charlie Gagen representing the American Cancer Society Cancer Action Network addressed the City Council in support of the T-21 Ordinance. He noted the negative health impacts of smoking.

Joseph Valdez spoke in support of the T-21 Ordinance. He noted the increase in tobacco sales over the past few years and the negative effects of smoking.

Diego Cura stated that he believed that the T-21 Ordinance was the first step to tackling the tobacco epidemic in the city.

Elena Tenez stated that she was a Senior in High School and supportive of the T-21 Ordinance.

Betsy Jones stated that she was a Law Student at St. Mary's University and in favor of the T-21 Ordinance.

Claudia Rodas stated that she was speaking on behalf of the Campaign for Tobacco Free Kids and San Antonio Tobacco 21 Coalition in support of the T-21 Ordinance. She noted the high costs of health care related to the tobacco industry.

Marnie Staehle stated that she was speaking on behalf of Humana in support of the T-21 Ordinance.

Anwar Tahir expressed concern that the retailers were not consulted and the loss of business

that he and his family would suffer due to the T-21 Ordinance. He requested that the vote on the item be postponed.

Mohammad Rana also expressed concern that the retailers were not consulted and that smaller surrounding cities would be able to sell tobacco products to 18-20 year-olds.

Inderjit Mehat spoke in opposition to the T-21 Ordinance and stated that the price of cigarettes should be raised in an effort to cut down the number of people that buy them.

Irfan Butt stated his opposition to the T-21 Ordinance noting that 18 year-olds were considered adults and should be able to make their own decisions.

Ryan McLeaird stated that he represented a large retailer in San Antonio and they were opposed to the T-21 Ordinance. He asked that individuals be able to make their own choices and live with the results.

Dr. Keely Petty representing the Bethel Prevention Coalition spoke in support of the T-21 Ordinance and highlighted their work that focused on tobacco, marijuana, prescription drugs, and emerging drugs.

Jerry Saavedra representing the American Heart Association spoke in support of the T-21 Ordinance and noted the importance of prevention at an early age.

Sharrell Kemp addressed the City Council in support of the T-21 Ordinance.

Paul Hardin representing the Texas Food and Fuel Association spoke in opposition to the T-21 Ordinance. He noted the negative effects it would have on small local businesses.

Mayor Nirenberg announced that five written testimonies were received in support of the Tobacco 21 Ordinance from the following individuals: Dr. Carlos R. Jaen, Jennifer Meachum, Dr. Robert Ferrer, Dr. Amelie G. Ramirez, and Dr. Wing Sun Tam.

Councilmember Sandoval thanked everyone for their work and stated that there would still be an opportunity for citizens to be engaged in the process moving forward. She requested that staff develop an implementation stakeholder group as they move toward enforcement. She noted that as elected officials, they had a role in determining the health of the community. She spoke of the poor health outcomes and the need to change the landscape for the health of the community.

Councilmember Sandoval moved to adopt the Ordinance for Item 4 with an effective date of October 1, 2018. Councilmember Treviño seconded the motion.

Councilmember Saldaña stated that he was pleased that there would not be penalties for underage individuals caught smoking. He thanked all that spoke on the issue and noted that he was in support of the T-21 Ordinance. He stated that he understood the challenges for small businesses but that was in exchange for less youth getting a hold of tobacco products.

Councilmember Treviño expressed support for the T-21 Ordinance and spoke of his personal experiences. He asked that staff work with surrounding municipalities to help guide them and get other Texas Cities to follow.

Councilmember Gonzales thanked everyone that helped educate her on the issue and spoke of her personal experiences. She noted the importance of small convenience stores and expressed disappointment that the concerns of retailers were not addressed.

Councilmember Viagran thanked everyone including the young adults that came to provide their comments on the issue. She expressed concern with the lack of communication with the retailers and asked that staff begin working with them after today's meeting. She requested that staff look at addressing the issue of repeat violators and tracking metrics to see the impact.

Councilmember Brockhouse stated that he appreciated wanting to find ways to strengthen public health but had to be careful about the laws that were being passed. He expressed concern with the lack of communication with the small, local retailers and stated that he could not support the T-21 Ordinance.

Councilmember Brockhouse moved to table the item until an extensive and organized meeting could be held with the retailers within the next 60 days. Councilmember Perry seconded the motion.

Councilmember Pelaez stated that he agreed that tobacco was deadly and had negative economic and health benefits but expressed concern with the unintended consequences of the T-21 Ordinance. He noted that there should be a better process for communicating with the retailers and would like to see data in six months.

Councilmember Courage commended Dr. Bridger and staff for their courage to present and vigorously promote the issue. He asked if unannounced compliance checks would include larger retailers such as HEB and Wal-Mart. Dr. Bridger confirmed that anyone with a license to sell tobacco would have the chance of being selected. Councilmember Courage stated that the use of tobacco products was a public health issue and appropriate for the City Council to address.

Councilmember Shaw stated that he had looked at various aspects of the T-21 Ordinance to include the health effects. He noted that he was pleased that the enforcement of youth had been removed but expressed concern with the unintended consequences to small, local retailers. He asked of surrounding cities and whether or not they would pass similar ordinances. Dr. Bridger replied that they had conversations with two Convenience Store Associations and they would be joining her in approaching other municipalities. She added that they had prioritized the top six municipalities.

Councilmember Perry stated that he did not support T-21 noting that 18 year-olds were considered adults for many things and could make their own decisions. He expressed concern that enforcing only the retailers would not have a significant impact. He added that they must work on making this a statewide issue in order to make a real difference.

Mayor Nirenberg addressed the motion by Councilmember Brockhouse to table the item for 60 days. The motion failed by the following vote:

AYE: 3 - Brockhouse, Pelaez and Perry

NAY: 8 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Sandoval and Courage

Councilmember Perry moved to table the item until all municipalities in Bexar County passed an Ordinance banning the sale of tobacco to anyone under the age of 21. Councilmember Brockhouse seconded the motion. The motion failed by the following vote:

AYE: 2 - Brockhouse and Perry

NAY: 9 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Sandoval, Pelaez and Courage

Mayor Nirenberg spoke of the importance of community health and equity. He stated that steps must be taken to address tobacco addiction among youth and this was an opportunity to do the right thing.

The main motion to adopt the Ordinance prevailed by the following vote:

AYE: 9 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Sandoval, Pelaez and Courage

NAY: 2 - Brockhouse and Perry

CONSENT AGENDA ITEMS

No items were pulled for Individual Consideration. Councilmember Courage moved to approve the Consent Agenda Items. Councilmember Treviño seconded the motion.

Mayor Nirenberg called upon Mr. Jack M. Finger to speak.

Jack M. Finger spoke in opposition to the funding appropriated from the San Antonio Housing Trust Finance Corporation to support the Mayor's Housing Policy Task Force (Item 13).

The motion to approve the Consent Agenda Items prevailed by the following vote:

AYE: 11 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage and Perry

2018-01-11-0002

5. An Ordinance authorizing acceptance of a proposal from Cantu Contracting, Inc. to provide the Aviation Department and the Fire Department with acreage shredding services for an estimated annual amount of \$69,000.00, funded by the Airport Maintenance and Operating Fund and General Fund. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

2018-01-11-0003

6. An Ordinance accepting the bid from Ancira Motor Company to provide the Solid Waste Management Department with eleven right hand drive compact sport utility vehicles for a total cost of \$353,045.00, funded from the FY 2018 Solid Waste Operating and Maintenance Fund. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

2018-01-11-0004

7. An Ordinance accepting the offer from Daktronics, Inc. to provide the Convention Sports Facilities Department with improvements to the Alamodome Marquee for a cost of \$545,780.00, funded from the Hotel Occupancy Tax Redemption & Capital Reserve Fund; amending the FY 2018 – FY 2023 Six-Year Capital Improvements Program to include the Alamodome Marquee Improvement Project; and appropriating funds in the amount of \$545,780.00 from the Hotel Occupancy Tax Redemption & Capital Reserve Fund. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

2018-01-11-0005

8. An Ordinance authorizing the following contracts establishing unit prices for goods and services for an estimated annual cost of \$292,000.00: (A) MoboTrex, Inc. for traffic light mounting assemblies, (B) Champion Floors, Inc. for window washing services at the Convention Center, and (C) Schneider Electric Systems USA, Inc. for support and maintenance for the Foxboro I/A Series system that supports the City's Riverwalk flood control system. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

2018-01-11-0006

9. An Ordinance authorizing the execution of amendments to three On-Call Civil Engineering Services Agreements with R.H. Shackelford, Inc., RPS Klotz Associates, Inc., and Lockwood, Andrews & Newnam, Inc., increasing the contract amount by \$400,000.00 per contract for a total contract value of \$850,000.00 per year for a term of one year with one additional one-year extension option to provide On-Call Civil Engineering Services for Infrastructure Management Program (IMP) and Neighborhood Access and Mobility Program (NAMP) projects. [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

2018-01-11-0007

10. An Ordinance declaring a 0.329 acre tract of land at 900 East Olmos Drive in Council District 1 as surplus and authorizing its sale to Tronco de Arbol, LLC for \$93,750.00. [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

2018-01-11-0008

11. An Ordinance closing, vacating and abandoning a 0.0169 acre unimproved portion of a 15-foot wide alley located between Sharmain Place and Sunglo Drive and a 0.0914 acre unimproved portion of a 20-foot wide alley located between Pleasanton Road and Oppenheimer Avenue in City Council District 3 as requested by BBRH, LLC, for a fee of \$8,031.75. [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

2018-01-11-0009

12. An Ordinance authorizing the acceptance of a grant in an amount up to \$32,146.00 from the Southwest Texas Regional Advisory Council for Trauma for use by the Emergency Medical Services Division of the San Antonio Fire Department for eligible expenses including supplies, operational expenses, education and training, equipment, vehicles and communication equipment; and approving a program budget. [Erik J.

Walsh, Deputy City Manager; Charles N. Hood, Fire Chief]

2018-01-11-0010

13. An Ordinance authorizing the acceptance and appropriation of \$200,000.00 from the San Antonio Housing Trust Finance Corporation to support activities for the Mayor's Housing Policy Task Force. [Peter Zanoni, Deputy City Manager; Veronica Soto, Director, Neighborhoods and Housing Services]
14. Consideration of the following Board, Commission and Committee appointments for the remainder of unexpired terms of office to expire May 31, 2019, to be effective immediately upon the receipt of eight affirmative votes, or, in the event eight affirmative votes are not received, ten days after appointment; or for terms and effectiveness as otherwise indicated below: [Leticia M. Vacek, City Clerk]
- A) Appointing Cynthia Cox (District 1) to the Animal Care Services Advisory Board.
- B) Appointing Matthew Pina (District 9) to the Transportation Advisory Board.
- C) Appointing John E. Whitsett (District 10) to the San Antonio Housing Trust.
- D) Appointing Seth P. Teel (District 6) and reappointing John Edward Kuderer (District 9) to the Zoning Board of Adjustment.
- E) Reappointing Michael Rozell Hall (District 2) to the Small Business Advocacy Committee.
- F) Appointing Thomas C. Mayes, Jr. (District 1) and Margaret L. Wilson-Anaglia (District 2) to the Port Authority of San Antonio.
- G) Reappointing Carol S. Calberg (District 2) to the Linear Creekway Parks Advisory Board.
- H) Reappointing Michael G. MacNaughton (District 9) to the SA2020 Commission on Education.
- I) Reappointing Arlene B. Fisher (District 1) to the Capital Improvements Advisory Committee.
- J) Reappointing Gloria M. Malone (District 2) and Linda C. Nairn (District 10) to the San Antonio Public Library Board of Trustees for the remainder of an unexpired term

of office to expire September 30, 2019.

15. Consideration of the following appointments to Boards, Commissions, and Committees as requested by Mayor Ron Nirenberg for the remainder of unexpired terms of office to expire May 31, 2019 unless otherwise indicated below: [Leticia M. Vacek, City Clerk]

A) Reappointing Councilmember Roberto C. Treviño (District 1), Councilmember William “Cruz” Shaw (District 2), Councilmember Rebecca J. Viagran (District 3), Councilmember Rey Saldaña (District 4), and Councilmember Shirley Gonzales (District 5) to the San Antonio Housing Trust Finance Corporation.

B) Reappointing Councilmember Roberto C. Treviño (District 1), Councilmember William “Cruz” Shaw (District 2), Councilmember Rebecca J. Viagran (District 3), Councilmember Rey Saldaña (District 4), and Councilmember Shirley Gonzales (District 5) to the San Antonio Housing Trust Public Facility Corporation.

2018-01-11-0011

16. An Ordinance authorizing a contract with Airports Council International to have San Antonio International Airport be included in the quarterly Airport Service Quality surveys for a five-year term in the annual amount of \$24,503.95. [Peter Zaroni, Deputy City Manager; Russell Handy, Director, Aviation]

2018-01-11-0012

17. An Ordinance rescheduling City Council Meetings in January, February, and March 2018. [Leticia M. Vacek, City Clerk]

2018-01-11-0013

18. An Ordinance implementing a moratorium on administrative approvals of the Center City Housing Incentive Policy (CCHIP). [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development and Operations]

2018-01-11-0014

19. An Ordinance authorizing an amendment to the Galls, LLC contract for the web-based uniform purchase program for the San Antonio Fire Department to increase the annual amount from \$837,500.00 to an estimated annual amount of \$943,500.00, funded from the General Fund and the Aviation Operating Fund. [Erik J Walsh, Deputy City Manager; Charles N. Hood, Fire Chief]

CONSENT ITEMS CONCLUDED

20. City Manager's Report

There was no City Manager's Report.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting into Executive Session at 12:46 pm to consult with the City Attorney's Office pursuant to Texas Government Code Section 551.071 (consultation with attorney). He announced that the meeting would resume at 1:15 pm in the B Room.

RECONVENED

Mayor Nirenberg reconvened the meeting at 1:47 pm and announced that no action was taken in Executive Session. He addressed Item 21.

21. A Briefing by the President and CEO of CPS Energy on the status of the utility to include the following topics: [Paula Gold-Williams, CPSE President & CEO]

- Electricity Market Operations, peak demands and power reserve margin update
- Gas Utility Growth Strategy
- Electric System Resiliency
 - o Inclement weather conditions
 - o Reliability enhancements & challenges
- Financial integrity of CPS Energy
 - o Key credit factors and Maintaining strong credit rating
 - o Creditworthiness and costs saving

Paula Gold-Williams stated that the core aspects of CPS Energy were Generation, Transmission, Gas Distribution, Electric Distribution, Retail, Wholesale, and Smart City Initiatives. She noted that generation systems and technology for customer service delivery were fully integrated through the CPS Transmission and Distribution Grid and through the Electrical Reliability Council of Texas (ERCOT). She noted that ERCOT was an Independent System Operator (ISO) that managed 90% of the energy systems in Texas and was responsible for maintaining the following: 1) System Reliability; 2) Competitive

Wholesale Market; 3) Open Transmission System for Generators; and 4) Competitive Retail Market. She stated that ERCOT's Grid was self-contained within Texas whereas the other major ISOs conducted energy transactions across state lines. She noted that power generators supplied the market, companies serving consumers provided the demand of power, and ERCOT acted as the clearing house for both. She stated that the decision to close several coal plants was beginning to erode overall energy generation capacity and therefore; ERCOT had notified market participants that the reserve margin would dip below the minimum target reserve margin of 13.75% to less than 10%. She noted that because San Antonio was in charge of its own production, it could protect customers from cost spikes and system glitches in cases when reserve margins were low.

Councilmember Courage asked of a comparison between prices for purchased energy versus produced energy. Mrs. Gold-Williams replied that the costs were even because CPS utilized its price of production on the bidding market. She added that excess capacity sales could rise to \$9,000 per megawatt hour but sales rarely exceeded \$1,000 and CPS purchased energy when megawatt hour prices fell lower than the cost of production.

Councilmember Perry asked how much of San Antonio's utilized energy was purchased from ERCOT versus produced by CPS. Mrs. Gold-Williams replied that all megawatts produced were sold through the ERCOT Market but she would confirm how often CPS purchased energy generated outside its own system. Councilmember Perry asked if it would be more cost-effective for San Antonio to withdraw from ERCOT and rely on its own power generation. Mrs. Gold-Williams replied that she was not sure withdrawal was possible from a regulatory standpoint but participation in ERCOT provided protection in cases where transmission was not functional.

Councilmember Sandoval asked if purchase prices would be less favorable if San Antonio did not produce its own power. Mrs. Gold-Williams replied that prices would not change compared to other municipalities but lower reserve margins would lead to greater market volatility and the more municipalities that produced energy, the more protection each would have against market irregularities. Councilmember Sandoval asked that CPS consider reducing the level of coal energy generation since energy was readily available for purchase through ERCOT. Mrs. Gold-Williams stated that the majority of renewable energy sources were set up through Purchase Power Agreements and therefore; were not available for purchase on the open market.

Councilmember Courage asked if municipalities who purchased power through ERCOT at the same time received the same rates. Mrs. Gold-Williams replied that they may not due to structural issues in the power system but rates were generally similar.

Councilmember Pelaez asked of solar rebates. Mrs. Gold-Williams replied that CPS was

readying a refresh of funds and would be proposing the addition of \$15 million for solar rebates over the next year. Councilmember Pelaez asked of the status of a proposed Community Solar Program. Mrs. Gold-Williams replied that the Request for Proposals (RFP) was currently in process so the program could be launched by April 2018 but a location had not yet been identified. Councilmember Pelaez asked of Research & Development (R&D). Mrs. Gold-Williams replied that CPS coordinated with multiple programs for R&D efforts. Councilmember Pelaez asked of expanding the ability to pay utility bills at small businesses. Mrs. Gold-Williams replied that it could be examined and CPS was considering implementation of a pre-pay option.

Mrs. Gold-Williams reported that since 2015, residential and commercial customer volume had increased but usage per customer had decreased, indicating the success of conservation programs. She highlighted growth in gas delivery as a revenue growth opportunity. She stated that CPS Energy had been able to maintain its energy reliability despite severe weather conditions in 2017 and was continuing to assist recovery efforts in Puerto Rico following Hurricane Maria.

Mrs. Gold-Williams stated that CPS was working with the University of Texas at San Antonio and the City of San Antonio to baseline carbon levels across the city and participating in the formulation of a Climate Action and Adaptation Plan. She provided a breakdown of energy usage types in Summer and Winter and noted that fossil fuels were necessary to handle the largest share of usage during energy demand peaks. She stated that CPS Energy's assets totaled \$10.9 million, with \$8.1 million in capital assets. She noted that the total spent on capital projects from Fiscal Years 2014 to 2018 totaled \$109.1 million with 67% going to City of San Antonio Projects. She stated that \$192 million of \$230 million spent on civic modernization projects in the same time frame were for City of San Antonio Projects.

Councilmember Perry expressed concern with higher costs for customers living outside city limits.

Councilmember Courage asked of improving service lines to withstand severe weather conditions. Mrs. Gold-Williams replied that the best solution was to bury lines but it could not be done for the whole system due to cost. Councilmember Courage asked of installing electric car charging stations at the newest VIA Terminal. Mrs. Gold-Williams stated that they would begin discussions on same.

Gold-Williams stated that CPS Energy had frequent assessment with the major credit rating agencies and provided annual briefings. She highlighted challenges, opportunities, and projects at the Inwood Community and San Antonio International Airport to improve reliability. She provided a comparison of credit ratings and services to other utilities across

the country and an overview of recent feedback from the ratings agencies. She stated that CPS had an overall credit rating of Aa1 based on qualitative assessments and the following factors: 1) Management of Generation Risk, Cost, and Reliability; 2) Rate Competitiveness; 3) Financial Strength and Liquidity; 4) Cost Recovery Framework; and 5) Willingness and Ability to Recover Costs. She noted that a strong credit rating was important to qualify for competitive interest rates and lower costs.

Mrs. Gold-Williams spoke of CPS Energy's partnership with Joint Base San Antonio (JBSA) to take over the energy system and improve reliability with targeted upgrades and repairs. She noted that the arrangement would generate \$410 million of revenue over 50 years and CPS Energy would implement a Transitional Internship Program for those between final active service and retirement beginning in January 2018 with the potential for long-term hiring. She stated that CPS would increase their living wage for employees to \$15.00 an hour effective February 1, 2018.

Councilmember Perry asked for increased focus on underground installation of energy lines and incentivizing such.

Mayor Nirenberg thanked Mrs. Gold-Williams for the presentation.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 3:15 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK