

OSCAR LEESER
MAYOR

TOMMY GONZALEZ
CITY MANAGER



CITY COUNCIL
PETER SVARZBEIN, DISTRICT 1
ALEXSANDRA ANNELLO, DISTRICT 2
CASSANDRA HERNANDEZ, DISTRICT 3
JOE MOLINAR, DISTRICT 4
ISABEL SALCIDO, DISTRICT 5
CLAUDIA L. RODRIGUEZ, DISTRICT 6
HENRY RIVERA, DISTRICT 7
CISSY LIZARRAGA, DISTRICT 8

CITY COUNCIL WORK SESSION MINUTES
May 10, 2021
9:05 AM

Due to the temporary suspension of specified provisions of Texas Open Meetings laws due to the COVID-19 emergency this meeting was conducted via telephonic and videoconference formats.

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The City Council of the City Council met on the above time and date via videoconference. Meeting was called to order at 9:22 a.m. Mayor Oscar Leeser present and presiding and the following Council Members answered roll call: Peter Svarzbein, Alexsandra Annello, Cassandra Hernandez, Joe Molinar, Isabel Salcido, Henry Rivera and Cissy Lizarraga. Claudia Rodriguez requested to be excused. Early Departure: Representative Svarzbein at 1:37 p.m.

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AGENDA

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1. Presentation and discussion by the COVID-19 Response and Recovery Cross-Functional Team providing information on key activities, efforts and processes.

1. Overview (Tommy Gonzalez)

Mr. Tommy Gonzalez, City Manager, introduced the item and highlighted several topics such as the ongoing goal of reaching herd immunity, the upcoming vaccination roll out among children age 12 and over, outreach to address vaccination hesitancy, and pop-up sites and clinics available to the public. He stated 66.5% of the City's population had received one dose and half of the population has been fully vaccinated. Mr. Gonzalez also stated there is an ongoing effort to provide vaccinations among hard to reach citizens.

2. City Attorney Overview (Karla Nieman)

- a) State Disaster Declarations
- b) City Attorney's Office COVID-19 Support
- c) Courts Update
- d) Legal Monitoring

Ms. Karla Nieman, City Attorney, provided a status report regarding the renewal of the Governor's State Disaster Declaration, the City Attorney's Office support with updating the Local Health Authority's guidelines and a status on COVID-19 citations filed at Municipal Court. She also went over the status of Federal and State litigation regarding mask mandates and residential evictions.

3. CFT Operations (Chief Mario D'Agostino)

Fire Chief Mario D'Agostino provided information related to the availability of vaccinations and mentioned that supply is currently exceeding demand. He highlighted efforts related to vaccine distribution such as the deployment of pop up vaccination sites at City events and provided the hours of operation at City clinics open Monday through Saturday. Chief D'Agostino explained that staff will continue to work with big box retailers to provide additional vaccination opportunities.

4. Team Lead Reports:

1. Health Focus (Hector Ocaranza, M.D.)
2. Vaccination Update (Angela Mora)
3. Data Analysis (David Coronado)

Dr. Hector Ocaranza, Public Health Authority, provided a COVID-19 summary highlighting the downward trend in the number of new cases and hospitalizations. He also explained that clinical trials on vaccinations among children age 12 and over have proven vaccines are extremely effective and summarized the benefits of mass immunizations.

Ms. Angela Mora, Public Health Director, provided an update on vaccination distribution locations at hubs, pop-up sites, and clinics and stated there is an ongoing effort to reach citizens who are unable to travel to vaccination sites. She also explained there is an upcoming promotion to inform citizens about pediatric vaccines that will be available in June.

Mr. David Coronado, International Bridges Director, provided statistical information related to vehicle crossings from Juarez to El Paso and highlighted major factors that have impacted travel over the last 20 years such as the 911 attack, 2008 recession, increase in violence related to the war on drugs, and COVID-19. He also provided parking meter transaction data from 2019 to the present and mentioned that home sale prices are increasing due to short supply. Mr. Coronado added that the value of the Mexican peso is slowly recovering.

5. City Manager Wrap Up (Tommy Gonzalez)

Mr. Tommy Gonzalez, City Manager, closed the presentation by stating that education is the key to addressing the COVID-19 pandemic and said the City is doing well as a community.

The following City staff members participated in the presentation and provided answers to questions posed by Council members:

1. Mr. Tommy Gonzalez, City Manager
2. Ms. Karla Nieman, City Attorney
3. Fire Chief Mario D'Agostino
4. Dr. Hector Ocaranza, City of El Paso Public Health Authority
5. Ms. Angela Mora, Public Health Director
6. Mr. David Coronado, International Bridges Director
7. Ms. Laura Cruz Acosta, Strategic Communications Director
8. Ms. Tracey Jerome, Deputy City Manager, Quality of Life

Mayor Leeser and Representatives Svarzbein, Molinar, and Rivera commented.

NO ACTION was taken on this item.

2. Presentation and discussion providing a report from the following Goal Teams:

1. Vision Block: High Performing Government
 - a. Goal 5 (Communication)
Information Technology, Carolyn Patrick, (915) 212-1408
Communications and Public Affairs, Laura Cruz-Acosta, (915) 212-1071
 - b. Goal 6 (Sound Governance)
Information Technology, Araceli Guerra, (915) 212-1401
Office of Budget Management, David Torres, (915) 212-1088

The following City staff members participated in the presentation (copy on file in the City Clerk's Office) and provided answers to questions posed by Council members:

1. Mr. Carolyn Patrick, Information Technology Assistant Director
2. Ms. Laura Cruz Acosta, Strategic Communications Director
3. Ms. Araceli Guerra, Managing Director of Internal Services
4. Mr. David Torres, Senior Executive Budget Advisor

Representative Svarzbein commented.

NO ACTION was taken on this item.

3. Presentation and update by El Paso Electric Company on its current and upcoming applications with the Public Utility Commission of Texas, including its application for approval of an advanced metering system deployment plan and future rate case.

Ms. Elizabeth Triggs, Strategic Partnerships Officer, introduced the item.

The following representatives from El Paso Electric presented a PowerPoint presentation (copy on file in the City Clerk's Office) and responded to questions from Members of the City Council:

1. Ms. Cheryl Mele, Regional Vice President
2. Ms. Jessica Christianson, Senior Director of Innovation and Sustainability
3. Mr. Steve Buraczyk, Senior Vice President, Operations
4. Ms. Susanne Stone, Director Energy Efficiency and Commercial Services
5. Mr. Jim Schichtl, Vice President of Regulatory and Government Affairs

The presentation included information regarding the new Advance Metering System (AMS) along with the proposed implementation timeline and the addition of infrastructure investments and customer service enhancements.

Mayor Leeser and Representatives Annelo, Hernandez, Molinar, and Lizarraga

NO ACTION was taken on this item.

4. Presentation on City Attorney Office Performance Update Report.

Ms. Karla Nieman, City Attorney, presented a PowerPoint presentation (copy on file in the City Clerk's Office) and responded to questions from Members of the City Council.

The presentation included information related to COVID-19 response, key litigation processes, transactional key processes, prosecutorial support, responses to open records, and workforce development.

Representative Lizarraga commented.

NO ACTION was taken on this item.

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5. Budget Update.

Mr. Robert Cortinas, Chief Financial Officer, presented a PowerPoint presentation (copy on file in the City Clerk's Office) and responded to questions from Members of the City Council.

The presentation contained information related to preliminary operating and capital budgetary expenditures, an estimate on the property tax revenue rate based on assessed property values, expected sales tax growth and a five-year general fund outlook.

The following City staff members participated in the discussion:

1. Mr. Tommy Gonzalez, City Manager
2. Fire Chief Mario D'Agostino

Mayor Leeser and Representatives Hernandez, Rivera, and Lizarraga commented.

NO ACTION was taken on this item.

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EXECUTIVE SESSION

Motion made by Representative Rivera, seconded by Representative Hernandez, and unanimously carried that the City Council retire into **EXECUTIVE SESSION** at 2:28 p.m. pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 - 551.089 to discuss the following:

Section 551.071 CONSULTATION WITH ATTORNEY

AYES: Representatives Annelo, Hernandez, Molinar, Salcido, Rivera, and Lizarraga

NAYS: None

NOT PRESENT FOR THE VOTE: Representative Svarzbein

ABSENT: Representative Rodriguez

Motion made by Representative Hernandez, seconded by Representative Rivera, and unanimously carried to **ADJOURN** the Executive Session at 4:28 p.m. and **RECONVENE** the meeting of the City Council at which time the following motions were made.

AYES: Representatives Annelo, Hernandez, Molinar, Salcido, Rivera, and Lizarraga

NAYS: None

NOT PRESENT FOR THE VOTE: Representative Svarzbein
ABSENT: Representative Rodriguez

EX1. Ana McElhinny and Adrian Medina v. City of El Paso, et al.; (Cause No. 2016DCV2911, Matter No. 16-1026-7712) (551.071)

Motion made by Alternate Mayor Pro Tempore Lizarraga, seconded by Representative Rivera and carried that the City Attorney be authorized settlement authority to negotiate a settlement at the mediation and resolve the case entitled, *Ana McElhinny and Adrian Medina v. City of El Paso, Texas; Cause No. 2016DCV2911*.

In addition to negotiating a settlement agreement, the City Attorney is authorized to sign all necessary documents to effectuate this authority under Matter No. 16-1026-7712.

AYES: Representatives Annello, Hernandez, Molinar, Salcido, Rivera, and Lizarraga
NAYS: None
NOT PRESENT FOR THE VOTE: Representative Svarzbein
ABSENT: Representative Rodriguez

EX2. Application of Texas Gas Service, a Division ONE Gas, Inc. - West Texas Service Area for an interim rate adjustment (GRIP - Gas Reliability Infrastructure Program) Railroad Commission of Texas (Matter No. 21-1008-169) (551.071)

1. Motion made by Alternate Mayor Pro Tempore Lizarraga, seconded by Representative Rivera and carried that the rate adjustment identified in the Interim Rate Adjustment filed by Texas Gas Service Company, a division of ONE Gas, Inc., on March 12, 2021, be and is hereby suspended for 45 days after the effective date specified in the filing.
2. That Texas Gas Service Company is hereby ordered to file with the City Clerk and Office of the City Attorney on or before May 20, 2021 complete working papers supporting all of its claimed costs of the investment in service for gas utility services as needed by the City's attorneys and consultants to conduct its analysis and make recommendations to the Council, including change in return on net investment, change in depreciation expense, change in ad valorem tax and change in federal income taxes to support the Company's request for an Interim Rate Increase.
3. That the City Manager shall so notify Texas Gas Service Company of the suspension and the order to submit working papers by having a copy of this Resolution delivered or mailed to Texas Gas Service Company.
4. That the City Attorney is authorized to engage outside counsel to represent the City on this matter and that the City Manager be authorized to engage consultants to evaluate the filing.

AYES: Representatives Annello, Hernandez, Molinar, Salcido, Rivera, and Lizarraga
NAYS: None
NOT PRESENT FOR THE VOTE: Representative Svarzbein
ABSENT: Representative Rodriguez

EX3. Contested case hearing on El Paso Electric Company's proposed amendment of air

quality permits 1467, PSDTX1090M1, N284, and GHGPSDTX199. State Office of Administrative Hearings, Texas Commission on Environmental Quality. (Matter No. 19-1008-134) (551.071)

WHEREAS, on November 22, 2019, the El Paso Electric Company (“EPE”) filed an application with the Public Utility Commission of Texas (“PUC”) to amend its Certificate of Convenience and Necessity under Chapter 37 of the Public Utility Regulatory Act to build, own and operate an approximately 228- megawatt (MW) natural-gas-fired generating unit (“Newman Unit 6”) to be constructed at EPE’s existing Newman Power Station, located in the City of El Paso; and

WHEREAS, the City of El Paso was granted intervenor status and on May 5, 2020, filed direct testimony in opposition of the application, citing EPE’s failure to account for the economic impacts of the COVID-19 pandemic or the impacts of recently enacted legislation in New Mexico that requires EPE eliminate 100 percent of carbon emissions from generating resources by 2045 in its evaluation of the need for Newman Unit 6; and

WHEREAS, on October 16, 2020, the PUC issued an order adopting the proposal for decision including the finding that EPE met its burden of proof to show that certification of Newman Unit 6 is necessary for the service, accommodation, convenience or safety of the public within the meaning of PURA § 37.056(a); and

WHEREAS, the PUC subsequently amended EPE’s Certificate of Convenience and Necessity to include the construction, ownership and operation of Newman Unit 6; and

WHEREAS, the United States Environmental Protection Agency and Texas Commission on Environmental Quality (“TCEQ”) have regulatory authority over the air quality permit application process for Newman Unit 6, pursuant to the Federal Clean Air Act; and

WHEREAS, the addition of Newman Unit 6 to the existing generating station requires amendment or modification to existing permits; and

WHEREAS, on November 16, 2019, EPE submitted its application to the TCEQ for the amendment, modification and issuance of certain air quality permits which would authorize the construction and operation of Newman Unit 6 at the Newman Power Station; and

WHEREAS, the Executive Director of the TCEQ has determined that the emissions of air contaminants from the existing facility will not violate any state or federal air quality regulations and will not have any significant adverse impact on soils, vegetation, or visibility; and

WHEREAS, the TCEQ has determined that the applicant (EPE) has demonstrated that the benefits of the existing facility significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification; and

WHEREAS, the applicant (EPE) has certified that all major stationary sources owned or operated by the applicant in the state are in compliance or on a schedule for compliance with all applicable state and federal emission limitations and standards; and

WHEREAS, the Executive Director has made the preliminary determination to issue the permit and has prepared a draft permit which, if approved, would establish the conditions under which the facility must operate; and

WHEREAS, the Notice of Application and Preliminary Decision was published on September 1, 2020; and

WHEREAS, the permit was contested during the public comment period and a contested case hearing to be conducted by the State Office of Administrative Hearings (“SOAH”) is scheduled for June 3, 2021, to determine whether portions of EPE’s application comply with all applicable statutory and regulatory requirements; and

WHEREAS, EPE plans to retire, or to place in a standby emergency reserve role, a combined 196 MW of capacity with Newman Units 1 and 2, which entered service in 1960 and 1963, respectively, and Rio Grande Unit 7, which entered service in 1958; and

WHEREAS, Newman Unit 6 will replace Newman Units 1 and 2 and Rio Grande Unit 7 in a primary power generation role, resulting in a net increase of natural gas-fired generation of approximately 32 MW; and

WHEREAS, Newman Unit 6 will outperform the three existing units scheduled to be retired with respect to certain environmental criteria, including a 25 percent reduction in carbon emissions by 2025; and

WHEREAS, the operation of Newman Unit 6 in a primary power generation role is expected to result in a net reduction of 600 million gallons of water consumed per year at the facility; and

WHEREAS, Newman Unit 6 was not selected as a standalone solution to meet EPE’s need for additional capacity in accordance with the results of its 2017 and 2019 annual planning processes but was instead selected as part of an integrated resource plan that includes a solar power purchase agreement and a solar plus storage power purchase agreement, which will result in the addition of 200 MW solar and 50 MW of battery storage;

WHEREAS, the City of El Paso recognizes that the construction and operation of Newman Unit 6 has been approved by the PUC; and

WHEREAS, the City of El Paso finds that the air quality permit required for the construction and operation of Newman Unit 6, as drafted by the Executive Director of the TCEQ, is likely to be approved given the Executive Director’s preliminary decision; and

WHEREAS, the City of El Paso will continue to monitor EPE filings at the TCEQ on this permit and future applications to ensure that EPE operations remain in compliance with state and federal regulations in order to protect the health and safety of the community; and

WHEREAS, the City of El Paso also recognizes that the PUC has not made a determination regarding the prudence of EPE’s construction of Newman Unit 6 or the degree to which EPE will be able to recover the costs of Newman Unit 6 in rates; and

WHEREAS, any cost recovery related to the construction or operation of Newman Unit 6 may not occur until after the unit is operational and will require a future regulatory proceeding with the PUC through a rate case or other generation cost recovery rider; and

WHEREAS, the City of El Paso may intervene at the time such cost recovery is filed; and

WHEREAS, the City of El Paso will continue to monitor current and future filings with specific concerns as to the effects of the costs arising from these filings on ratepayers.

Motion made by Alternate Mayor Pro Tempore Lizarraga, seconded by Representative Rivera and carried that **the City Council of the City of El Paso is not taking action on this item.**

AYES: Representatives Annello, Hernandez, Molinar, Salcido, Rivera, and Lizarraga

NAYS: None

NOT PRESENT FOR THE VOTE: Representative Svarzbein

ABSENT: Representative Rodriguez

EX4. Petition of El Paso Electric Company to revise its fixed fuel factor. Public Utility Commission of Texas (Matter No. 21-1008-171, Docket No. 52026) (551.071)

Motion made by Alternate Mayor Pro Tempore Lizarraga, seconded by Representative Rivera and carried that the City Attorney is authorized to retain Norman Gordon as outside counsel and any other necessary consultants, in consultation with the City Manager, to file an intervention in the Application to Revise its Fixed Fuel Factor filed by El Paso Electric, on April 14, 2021, under Public Utilities Commission Docket No. 52026.

AYES: Representatives Annello, Hernandez, Molinar, Salcido, Rivera, and Lizarraga

NAYS: None

NOT PRESENT FOR THE VOTE: Representative Svarzbein

ABSENT: Representative Rodriguez

EX5. Application of El Paso Electric Company for approval to revise its energy efficiency cost recovery factor and to request to establish revised cost caps. Public Utility Commission of Texas (Matter No. 21-1008-172, Docket No. 52081) (551.071)

Motion made by Alternate Mayor Pro Tempore Lizarraga, seconded by Representative Rivera and carried that the City Attorney is authorized to retain Norman Gordon as outside counsel and any other necessary consultants, in consultation with the City Manager, to file an intervention in the Application to Revise its Energy Efficiency Cost Recovery Factor filed by El Paso Electric, on May 1, 2021, under Public Utilities Commission Docket No. 52081.

AYES: Representatives Annello, Hernandez, Molinar, Salcido, Rivera, and Lizarraga

NAYS: None

NOT PRESENT FOR THE VOTE: Representative Svarzbein

ABSENT: Representative Rodriguez

ADJOURN

Motion made by Representative Rivera, seconded by Representative Molinar and unanimously carried to **ADJOURN** the meeting at 4:47 p.m.

AYES: Representatives Annello, Hernandez, Molinar, Salcido, Rivera, and Lizarraga

NAYS: None

NOT PRESENT FOR THE VOTE: Representative Svarzbein

ABSENT: Representative Rodriguez

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APPROVED AS TO CONTENT:

Laura D. Prine, City Clerk