



OFFICE OF THE CITY AUDITOR

September 22, 2026

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SUBJECT: Audit Report of Department of Resilience and Sustainability Municipal On-Site Solar Project

Mayor and Council Members:

We are pleased to send you the final report of the Department of Resilience and Sustainability Municipal On-Site Solar Project Audit. This audit began in October 2025 and concluded with an exit meeting with department management in July 2026. Management's verbatim response is included in Appendix B of the report. Department of Resilience and Sustainability management and staff should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully Submitted,

Buddy Vargas, CPA, CIA, CFE
City Auditor
City of San Antonio

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**CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR**

**DEPARTMENT OF
RESILIENCE AND SUSTAINABILITY**
AUDIT OF MUNICIPAL ON-SITE SOLAR PROJECT
PROJECT NO. AU25-035
SEPTEMBER 22, 2026

**BUDDY VARGAS, CPA, CIA, CFE
CITY AUDITOR**



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Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Department of Resilience and Sustainability, specifically the municipal on-site solar project. The audit objective, and conclusions, and recommendations follow:

Determine if the Department of Resilience and Sustainability municipal on-site solar project is being effectively implemented to include project management and compliance with contract terms.

Resilience and Sustainability do not have adequate controls to effectively monitor the municipal on-site solar project. Currently, policies, procedures and controls over this program either do not exist or are insufficient. We identified issues with contract monitoring, documentation of site replacement, documentation of site inspections, payment request approval, energy savings calculations, and user access.

Resilience and Sustainability lacks controls to ensure key contractual requirements are monitored. Proper documentation for site selection replacements and inspections is not consistently maintained. Payment requests were paid before inspection documentation was received or were not approved by fiscal staff. Energy savings calculations are not complete or accurate. Finally, user access to PRIMELink is not appropriate.

We provided recommendations to management to strengthen controls and resolve identified issues. Resilience and Sustainability management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 11.

Background

The Department of Resilience and Sustainability entered into a Master Service Agreement (MSA) with contractor Big Sun Solar (Big Sun) to provide and install roof top parking and park canopy solar photovoltaic systems at multiple City of San Antonio (COSA) facilities to deliver a target of 13.06 megawatts. It is estimated that the annual utility savings from these sites will be \$1.8 million. This program will contribute towards meeting the City of San Antonio's goal of net carbon neutrality as outlined in the San Antonio Climate Ready Plan.

The MSA originally outlined a total of 42 sites to reach this megawatt goal. However, upon further review of locations and production capacity needs, the number of sites was adjusted to 52. The tables below summarize project progress and expenditures for fiscal year (FY) 2024 through February 2026.

Table 1 - Solar Sites Progress for FY 2024 – February 2026

Metric	FY 2024	FY 2025	FY 2026 YTD	Total
Completed Sites	6	12	4	22
Energy Savings	\$0	\$478,624	\$129,979	\$608,603
Megawatts Produced	1.30	3.26	0.74	5.30

Source: PRIMELink, CPS, and Resilience and Sustainability

Table 2 - Expenditures Paid FY 2024 – February 2026

Contractor	Service	FY 2024	FY 2025	FY 2026 YTD	Total
Big Sun	Solar Installations	\$2,942,291	\$7,321,849	\$1,847,343	\$12,111,483
	Operations and Maintenance	\$0	\$56,418	\$27,646	\$84,064
WestEast	Third Party Inspections	\$20,958	\$49,984	\$41,248	\$112,190
Total		\$2,963,249	\$7,428,251	\$1,916,237	\$12,307,737

Source: PRIMELink and SAP

Before construction on a site can commence, Statements of Work (SOW) must be executed. An internal SOW requires approval from participating COSA departments. The external SOW is developed by Big Sun and outlines the project summary, fees, and payment schedule.

To provide program oversight, inspections are performed for each project by contractor, WestEast, as well as the Development Services Department and CPS Energy (CPS). Additionally, department staff communicate with site departments, monitor project progress, and review payment requests for Big Sun and WestEast. Once the site has been completed, an energy meter is installed by CPS and the site is commissioned. CPS provides monthly reports which are used by Resilience and Sustainability to calculate and record energy savings.

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The savings generated by this program are intended to be applied towards debt repayment and cover Big Sun's operational and maintenance costs for the completed sites. Once paid, the savings will be recaptured for future COSA municipal energy efficiency projects.

Audit Scope and Methodology

The audit scope was November 2023 through February 2026 which included contract compliance, statement of work approval, inspection documentation, invoicing and asset capitalization, energy saving calculations, and debt service payments.

To gain an understanding of department operations, we conducted interviews with department personnel, performed walkthroughs over project management processes, fiscal management, energy savings, debt repayment, and user access. Our primary criteria included the Master Service Agreement (MSA) with Big Sun, the task service agreement with contractor WestEast, and relevant City Administrative Directives.

As part of our testing procedures, we evaluated site replacement methodology for reasonableness. We confirmed statements of work were reviewed and approved. We also confirmed that required inspections were performed, appropriately documented, and issues identified were addressed. Additionally, we confirmed whether contract requirements such as insurance coverage, equipment warranties, bonds, permits, and licenses were met. Furthermore, we reviewed performance measures for appropriate document support. We also verified payment requests were appropriately supported, adequately reviewed, and paid in accordance with payment schedules. Lastly, we confirmed system user access was appropriate.

We relied on computer-processed data in SAP, the City's accounting system, to validate contractor payments, asset capitalization, energy savings calculations, and debt repayment¹. In addition, we relied on PRIMELink² data to validate payment request approvals and obtain user access listings. We also relied on energy production data from Core 99³, a Big Sun platform. Our reliance was based on performing direct tests on the data rather than evaluating the systems' general and application controls, with the exception of user access reviews. We do not believe the absence of general and application testing had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹ Funding sources for these projects included Certificates of Obligation and a Texas State Energy Conservation Office (SECO) Loan. Certificates of Obligation require semi-annual payment, while repayment on the SECO Loan is not required until all funds have been fully expended.

² PRIMELink is a web-based platform used by the city for managing capital projects, processing payment requests, and routing and storing documents.

³ Core 99 is a management software that provides city personnel access to real time energy production monitoring, reporting, and monthly energy production and savings.

Audit Results and Recommendations

Resilience and Sustainability do not have adequate controls to effectively monitor the municipal on-site solar project. Currently, policies, procedures and controls over this program either do not exist or are insufficient. We identified issues with contract monitoring, documentation of site replacement methodology, documentation of site inspections, payment request approval, energy savings calculations, and user access.

A. Contract Monitoring

Resilience and Sustainability lacks controls to ensure key contractual requirements are monitored for both Big Sun and WestEast. Per the Procurement Policy and Procedures Manual, departments should develop and use a contract administration plan (CAP) as a monitoring tool. The CAP should include requirements of the contract, the monitoring tasks to be performed, and the frequency needed to complete those actions. During the audit, we confirmed that a CAP had been developed for the MSA with Big Sun, however, it was not being used. In effect, this has contributed to monitoring gaps and the compliance issues identified below.

Insurance

Certificates of insurance (COI) were not in compliance with contractual requirements. We requested the COI for Big Sun, WestEast, and five subcontractors (for a total of 7 COI). For the 5 COI that were received, all 5 did not comply with insurance requirements. Per the agreements with Big Sun and WestEast, both contractors and subcontractors are required to obtain and maintain insurance coverage that meet the listed requirements. Inadequate insurance coverage increases the City's exposure to financial and legal risk in the event of an incident at a solar project site.

Bonds

Payment and performance bonds were not adequate and/or sent to the Finance Department. We reviewed payment and performance bonds for 16 projects. We determined 1 of 16 projects had performance and payment bonds that did not equal the amended contract total. Additionally, 16 of 16 sets of bonds were not submitted to Finance for review. Bonds must equal the final contract total. Furthermore, AD 8.11 Financial Management for Surety Documents states bond documents need to be submitted to Finance for review. Without adequate bonds, the City risks financial loss and liability.

Licenses

We confirmed all 4 applicable contractors and subcontractors had the required license (e.g., electrical and engineering) per review of the Texas Department of Licensing & Regulation and Texas Board of Professional Engineers and Land Surveyors websites. However, Resilience and Sustainability was not aware of specific licensing requirements for subcontractors. Therefore, the audit team performed inquiries with Big Sun to identify subcontractor licensing requirements. Additionally, Resilience and Sustainability did not have monitoring procedures to ensure compliance. Per the agreements with Big Sun and WestEast, contractors and subcontractors

must obtain all necessary licenses. Without appropriate monitoring procedures this could result in unlicensed work.

Recommendations

Resilience and Sustainability Director review the existing CAP to ensure it is inclusive of key contractual requirements. Additionally, establish monitoring controls to ensure key contractual requirements are periodically monitored for both Big Sun and WestEast.

B. Site Replacement Documentation

Resilience and Sustainability does not maintain documentation for selection of replacement sites. We selected a sample of 8 replacement sites that were not originally identified in the MSA. We determined documentation was not maintained for 7 of the 8.

Per Resilience and Sustainability, site selection methodology included factors such as potential energy savings, size, estimated project cost, and feedback received from Big Sun for potential alternate sites. As a best practice, documentation should be maintained to support selection of replacement sites. However, documentation was not maintained to support these selections, and the methodology is not documented in policies and procedures. In effect, there is potential for the selection of sub-optimal sites which could result in Sustainability and Resiliency not meeting the program's wattage goals.

Recommendations

Resilience and Sustainability Director establish written policies and procedures for site selection. Additionally, develop monitoring procedures to ensure policies and procedures are executed as intended.

C. Site Inspection Documentation

Although solar site inspections are performed, documentation could be improved. We reviewed inspections from CPS, DSD, and WestEast for a sample of 16 completed solar projects as of February 2026. We confirmed inspections were performed by DSD and CPS for all 16. However, inspection letters from WestEast were not maintained for 1 of the 16 sites. The remaining 15 sites had documented issues identified in the inspection letters, however, further documentation was not available to confirm these issues were addressed prior to final payment or utility connection.

Per discussions with Resilience and Sustainability, these issues were confirmed as being addressed during meetings/communication with Big Sun, however, documentation was not maintained. Per the WestEast agreement, WestEast is required to perform a site inspection to determine whether the work has been substantially completed. Resilience and Sustainability

does not have written policies or sufficient monitoring procedures over inspections. In effect, there is potential for incomplete or deficient work.

Recommendations

Resilience and Sustainability Director establish written policies for site inspections. Additionally, develop monitoring procedures to ensure policies and procedures are executed as intended.

D. Payment Request Approval

Payment requests were paid before inspection documentation was received or were not approved by fiscal staff. We reviewed payments made from March 2024 through January 2026 to Big Sun for the 16 completed projects (totaling approximately \$9.2 million). We determined 4 of the 16 projects were paid the *Significant Mechanical Completion* payment before documented inspection results were received from the third-party WestEast. Furthermore, while all 16 payment requests were approved by the Project Manager, 5 did not have documented approval by Resilience and Sustainability fiscal staff.

Additionally, we reviewed the 8 payment requests made to WestEast between April 2024 through February 2026 (totaling approximately \$112,000). While all 8 payment requests were approved by the Project Manager, 5 were not approved by Resilience and Sustainability fiscal staff.

As a best practice, *Significant Mechanical Completion* payments should not be made until documented inspection results have been received. Additionally, payment requests should be reviewed and approved by fiscal staff to ensure payments are authorized and within budget. However, Resilience and Sustainability does not have written policies or sufficient monitoring procedures. Inadequate payment request reviews can result in improper distribution of funds.

Recommendations

Resilience and Sustainability Director establish written policies and procedures for payment request review. Additionally, develop monitoring procedures to ensure policies and procedures are executed as intended.

E. Energy Savings Calculations

Energy savings calculations are not complete or accurate. We reviewed energy savings calculations for the four quarters between January and December 2025. We determined 2 of the 4 quarterly calculations were inaccurate.

Quarter 4 of FY 2025, which consisted of 15 commissioned facilities, had issues across 4 of the 15 sites. For 1 site, the department did not receive production data. For another site the department received inaccurate production data due to an energy meter not being installed by

CPS after the site was commissioned. For the 2 remaining sites, the department used an incorrect energy rate when calculating quarterly savings.

Quarter 1 of FY 2026, which consisted of 21 commissioned facilities, had issues across 3 of the 21 sites. For 1 site, the department did not receive production data due to an energy meter not being installed by CPS after the site was commissioned. For the remaining 2 sites, the department did not add the sites to their spreadsheet used to calculate quarterly energy savings despite the site being commissioned and having an energy meter.

As a best practice, the data (i.e., energy production data and average monthly rates) used to calculate the quarterly energy savings should be reviewed for completeness and accuracy. However, Resilience and Sustainability does not have written policies or sufficient monitoring procedures to ensure quarterly energy savings calculations are complete and accurate.

In effect, FY 2025 Quarter 4 savings were over-reported in the amount of \$4,274 and FY 2026 Quarter 1 savings were under-reported by \$4,915. Furthermore, this could affect the accuracy of subsequent energy savings calculations and impact debt repayment and maintenance payments, as energy savings are intended to be applied towards these costs.

Recommendations

Resilience and Sustainability Director establish written policies and procedures for energy savings calculations. Additionally, develop monitoring procedures to ensure policies and procedures are executed as intended.

F. User Access

While access to Core 99 was appropriate, access to PRIMELink was not appropriate. We reviewed 10 Core 99 users and confirmed all 10 had appropriate access. We also reviewed a sample of 45 PRIMELink users across the Big Sun and WestEast PRIMELink projects to determine if they were appropriate. We determined 2 of 45 users were not appropriate as they did not require access to fiscal roles within the Big Sun PRIMELink project.

Per Administrative Directive 7.8D User Access Management, departments are responsible for ensuring appropriate access controls. However, Resilience & Sustainability does not have controls in place to ensure periodic user access reviews are performed for either system. In effect, there is inappropriate access to fiscal roles which may result in unauthorized approvals (e.g., change orders or reimbursements).

Recommendations

Resilience and Sustainability Director implement controls to ensure user access reviews are periodically performed and documented for both PRIMELink and Core 99. Additionally, modify access for the inappropriate users/roles identified.

Appendix A – Staff Acknowledgement

Abigail Estevez, CPA, CIA, CISA, Audit Manager
Yadira Valenzuela, CFE, Auditor in Charge
Carlos Delgado, Auditor
Francisco Narvaez, Auditor

Appendix B – Management Response



OFFICE OF THE CITY AUDITOR

August 27, 2026

Buddy Vargas, CPA, CIA, CFE
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for Audit of Resilience and Sustainability Municipal On-Site Solar Project

Dear City Auditor,

The Department of Resilience and Sustainability (DRS) appreciates the City Auditor's Office for its time, professionalism, and collaboration throughout the audit process. DRS has reviewed the audit report and developed the attached Corrective Action Plan addressing the report's recommendations.

The On-Site Municipal Solar Project is the first-of-its-kind in Texas and the largest municipal on-site solar initiative undertaken by a local government in the state, with approximately 13.1 MW of planned solar capacity across more than 50 municipal facilities. It also represents a first-of-its-kind program for the City of San Antonio in terms of scale, delivery model, and coordination across numerous municipal facilities. Implementation continues to advance successfully with completed installations producing as planned. The program is demonstrating the value of the City's investment while establishing a foundation for future municipal clean-energy projects.

DRS is committed to continuous improvement and will use the recommendations to further strengthen and formalize project documentation, internal controls, and administrative processes as we continue implementation of the City's Municipal Solar Project.

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Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
A	Contract Monitoring Resilience and Sustainability Director review the existing contract administration plan to ensure it is inclusive of key contractual requirements. Additionally, establish monitoring controls to ensure key contractual requirements are periodically monitored for both Big Sun and WestEast.	5	Accept	Ashley Williams/Contract Manager and Golda Obinzu/Resilience & Sustainability Administrator	8/27/2026
Action plan: DRS has a Contract Administration Plan for the Municipal Solar Project. The audit identified an opportunity to enhance the existing CAP by ensuring key contractual requirements are comprehensively documented and supported by a formalized monitoring process. DRS has updated the existing CAP and established monitoring controls to ensure key contractual requirements are periodically monitored					
B	Site Replacement Documentation Resilience and Sustainability Director establish written policies and procedures for site selection. Additionally, develop monitoring procedures to ensure policies and procedures are executed as intended.	6	Accept	Ashley Williams/Contract Manager	8/27/2026
Action plan: DRS has utilized a site identification, feasibility review, and approval methodology throughout implementation of the Municipal Solar Project. The audit identified an opportunity to further formalize the existing methodology and supporting documentation. DRS has established written policy and procedure for site selection and developed monitoring procedures to ensure policies and procedures are executed as intended.					

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Municipal On-Site Solar Project

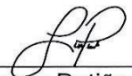
#	Description	Recommendation			
		Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
C	Site Inspection Documentation				
	Resilience and Sustainability Director establish written policies for site inspections. Additionally, develop monitoring procedures to ensure policies and procedures are executed as intended.	6	Accept	Ashley Williams/Contract Manager	8/27/2026
Action plan: DRS has utilized consultant inspections, contractor corrective actions, and final walkthroughs as part of the Municipal Solar Project's existing quality-control and closeout process. The audit identified an opportunity to further formalize the process and establish consistent documentation requirements across project sites. DRS has established written policies for site inspection documentation and developed monitoring procedures to ensure policies and procedures are executed as intended.					
D	Payment Request Approval				
	Resilience and Sustainability Director establish written policies and procedures for payment request review. Additionally, develop monitoring procedures to ensure policies and procedures are executed as intended.	7	Accept	Ashley Williams/Contract Manager and Rafael Lozano/Department Fiscal Administrator	8/27/2026
Action plan: DRS currently processes project payment requests through the City's established PRIMELink system and follows applicable contractual payment provisions and City requirements, including Administrative Directive 8.3. The audit identified an opportunity to further formalize how these existing requirements are applied, documented, and monitored specifically for the Municipal Solar Project. DRS has established written policies for payment request review and developed monitoring procedures to ensure policies and procedures are executed as intended.					
E	Energy Savings Calculations				
	Resilience and Sustainability Director establish written policies and procedures for energy savings calculations. Additionally, develop monitoring procedures to ensure policies and procedures are executed as intended.	8	Accept	Golda Obinzu, Resilience & Sustainability Administrator and Rafael Lozano, Department Fiscal Administrator	8/27/2026

Audit of Department of Resilience and Sustainability
Municipal On-Site Solar Project

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	Action plan: The methodology used to calculate solar production savings/revenue was developed collaboratively by DRS and the Finance Department – Public Utilities Division as part of the implementation of the Municipal Solar Project. This methodology established the approach for using solar production data and applicable utility information to calculate and record the financial value generated by the City's solar installations. DRS has established written policies and procedures for energy savings calculations, and developed monitoring procedures to ensure policies and procedures are executed as intended.				
F	User Access Resilience and Sustainability Director implement controls to ensure user access reviews are periodically performed and documented for both PRIMELink and Core 99. Additionally, modify access for the inappropriate users/roles identified.	8	Accept	Golda Obinzu, Resilience & Sustainability Administrator	8/27/2026
	Action plan: DRS has implemented controls to ensure user access reviews are periodically performed and documented for both PRIMELink and Core 99. DRS will conduct quarterly PRIMELink and Core 99 user access reviews beginning October 2026 and will document that system access remains appropriate and limited to authorized personnel.				

We are committed to addressing the recommendation in the audit report and the plan of action presented above.

Sincerely,



 Laura Patiño
 Director
 Resilience and Sustainability

08/27/2026

 Date



 Jeff Coyle
 Assistant City Manager
 City Manager's Office

8/27/26

 Date