

**CPS ENERGY**  
**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES**  
**HELD ON APRIL 25, 2022**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of April was held on Monday, April 25, 2022 in the Board Room on the First Floor of CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

**I. CALL TO ORDER**

Chair Dr. Mackey called the meeting to order at 1:00 p.m.

Present were Board members:

Dr. Willis Mackey, Chair

Ms. Janie Gonzalez, Vice Chair (arrived at 1:15 p.m.)

Mr. John Steen

Dr. Francine Romero

Mayor Ron Nirenberg

Also present were:

Mr. Rudy Garza, Interim President & CEO

Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary

Mr. Cory P. Kuchinsky, Chief Financial Officer & Treasurer

Ms. Vivian Bouet, Chief Information Officer

Ms. Lisa Lewis, Chief Administrative Officer

Mr. Benny Ethridge, EVP

CPS Energy staff members

City of San Antonio officials

Interested Citizens

**II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE**

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. Geronimo Gonzalez, Director of Debt Management.

**III. PUBLIC COMMENT**

Tuan Pham, President of PowerFin, presented an article he authored which discussed solar subsidies through rebates and net energy metering. He expressed his opinion that due to decreases in costs, solar subsidies are no longer necessary. He further stated that the better route is through competitive procurement, such as the FlexPower Bundle.

Aaron Berndt, Google Nest, stated his team works closely with CPS Energy staff on demand response. He stated that STEP has been a huge success for the City of San Antonio to cost effectively lower bills, rates, and transmission costs. He stated his support for the continued funding of STEP and urged the Board to establish new aggressive targets to be carbon neutral by 2050.

Alan Montemayor, Chairman, Alamo Group of the Sierra Club, urged the Board to execute the FlexPower Bundle contracts and to continue and expand the energy efficiency and conservation program.

Cyrus Reed, Member of Sierra Club, resident of Austin, shared a study by Optimal Energy. He stated the study showed that CPS Energy could do more to decrease demand and save energy. He stated there should be a commitment to low- and moderate-income individuals and the Board should consider a more aggressive option for the energy efficiency and conservation program.

DeeDee Belmares, Climate Justice Organizer, Public Citizen, stated her concern in cutting solar rebates from STEP. She cited findings in the Brattle Group report and urged the Board to expand STEP programs and access by low income individuals.

Christopher Mayorga, Rewiring America, expressed his concern about climate change. He stated that CPS Energy should discontinue use of coal, stated his disagreement with the use of natural gas, and urged the use of clean energy. He stated his support for continuing the STEP program and its expansion to low income residents.

Jennifer Tobias, Member of Democratic Socialists of America, stated her concern about conversion of the coal plant to natural gas and urged the Board to join their community dialogue scheduled for later in the week.

#### **IV. CHAIR'S REMARKS.**

Chair Dr. Mackey confirmed that CPS Energy is #1 in solar and #2 in wind in Texas. Further, he asked for an update on the storage procurement, and Mr. Garza noted that the Board would receive a written update.

#### **V. INTERIM CEO'S REPORT**

Mr. Rudy Garza previewed the procurement items on the consent agenda. The procurement items were presented at committee meetings, and Mr. Garza noted that their approval is critical and will help CPS Energy meet our commitment to growth & reliability.

Next, Mr. Garza noted the EPA is seeking to reclassify Bexar County to moderate non-attainment for ozone. He noted that this is a community opportunity, and CPS Energy will continue to collaborate with community partners and will continue reducing ozone-forming emissions.

Mr. Garza then noted that Mr. John Soltau will presenting on the Tier 1 Metric Program. Staff will present on metrics at board meetings in the future, and will rotate through tier 1 metrics, financial performance & forecast, and key results on community commitments. He noted that our metrics for customer satisfaction show that we still have work to do in overcoming the effects of Winter Storm Uri, but we are moving in the right direction and will continue our outreach.

Finally, Mr. Garza recognized Ms. Angela Rodriguez, Director of Climate Strategy & Sustainability. He stated he was proud to have great employees like Angela on the team and provided information on her background. Ms. Rodriguez introduced herself and her team member, Ms. Carla De La Chapa. She stated that we have been working to reduce carbon since the 1980s and to further climate and sustainability goals.

## VI. MONTHLY PERFORMANCE UPDATE

Dr. John Soltau, Director, Enterprise Planning & Performance presented on CPS Energy's Tier 1 Metric Program. He provided an overview of the program, and then provided current data and metrics for the year-to-date. He noted that CPS Energy is on track to achieve goals on 14 out of 15 metrics. The one metric that is not on track is related to customer satisfaction, which Mr. Garza addressed in his CEO Report and CPS Energy is working to improve. The Board of Trustees asked various follow-up questions, and CPS staff provided responses.

## VII. EXECUTIVE SESSION

At approximately 1:55 p.m., Ms. Shanna Ramirez announced that the required notice had been posted and that the Trustees, with only necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, for discussion of a number of posted items, including the following:

- Attorney-Client Matters (§551.071)
- Real Property (§551.072)
- Prospective Gifts (§551.073)
- Personnel Matters (§551.074)
- Security Personnel or Devices (§551.076)
- Security Audits and Devices (§551.089)
- Confidential Information Under the Texas Homeland Security Act (§418.183(f))
- Economic Development Negotiations (§551.076)
- Competitive Matters (§551.086)

The Board reconvened in open session at 2:58 p.m. The quorum was re-established, and all members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

## VIII. APPROVAL OF CONSENT ITEMS

The Chair noted that Item VIII, A was pulled from the Agenda and would not be considered at the meeting. On a motion duly made by Trustee Steen seconded by Trustee Dr. Romero, and upon affirmative vote of all members present, Items VIII B & C on the Consent Agenda were unanimously approved.

**A. Minutes of the Regular Meeting held on February 28, 2022.** (Pulled from the agenda, and not voted on at the meeting.)

**B. Approval of Payment to the City of San Antonio for March 2022**

The New Series Bond Ordinance that took effect February 1, 1997 provides for a total cash payment to the City of San Antonio (City) in an amount not to exceed 14% of gross revenue as calculated pursuant to such Ordinance, less the value of other services provided to the City, with the percentage (within the 14% limitation) to be determined by the governing body of the City. The cash transfer to the City for the month of March 2022 is based on actual

gross revenue per the New Series Bond Ordinance of \$212,035,775.55, less applicable exclusions. The revenue for the month of March 2022 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$198,342,666.73
Gas revenue	27,683,066.00
Interest and other income	(11,142,943.37)
Gross revenue per CPS Energy financial statements	<u>214,882,789.36</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(6,583,866.07)
LVG revenue per City Ordinance 100709	(108,597.97)
Fuel cost component of off-system nonfarm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(18,657,966.66)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled Revenue	<u>22,503,416.89</u>
Total excluded revenue	<u>(2,847,013.81)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$212,035,775.55</u>
City payment per Bond Ordinance for March 2022 based upon March 2022 revenue	\$29,685,008.58
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	808,412.66
City Payment reduction per gas customer billing adjustment MOU	<u>(25,000.00)</u>
City payment per Bond Ordinance plus adjustments for memorandums of understanding	30,468,421.24 <b>A</b>
Utility services provided to the City for March 2022	<u>(2,781,402.53)</u>
Net amount to be paid from March 2022 revenue to the City in April 2022	<u>\$27,687,018.71</u>

Comparison of City payment per Bond Ordinance (plus adjustments for memorandums of understanding) vs. Budget before deduction for utility services provided to the City:

(Dollars in thousands)

March 2022	Actual	Budget	Variance	
Current Month* <b>A</b>	\$30,468	\$26,911	\$3,557	13.2%
Year-to-Date*	\$61,832	\$53,201	\$8,631	16.2%

\* This amount does not include any additional funding authorized by the Board of Trustees.

Approval of the following resolution is requested:

**"BE IT RESOLVED** by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$27,687,018.71 representing 14% of applicable system gross revenues for the month of March 2022, such payment being net of City utility services (\$2,781,402.53), is hereby approved." The Board ratifies that March 2022 revenue was sufficient to recover \$9,895,556.85 in funds that were advanced to the City in prior fiscal months. The total amount to be recovered from future months' revenues for fiscal year 2023 is \$7,728,650.43.

**C. Approval of Procurement Items:**

1. **General Services:** New Electric and Gas Infrastructure Installation Services  
**Purchase Category:** General Services  
**Supplier:** Badeco, Inc.  
 Benton-Georgia, LLC  
 MasTec North America, Inc.  
 Mears Installation, LLC  
 Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc
  
2. **General Services:** Joint Trench Gas and Electric Service Installation  
**Purchase Category:** General Services  
**Supplier:** Greenstone Electric Services, LLC  
 Mears Installation, LLC  
 Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc

\*The listed Procurement Item to be attached as Attachment "A".

**IX. ENERGY EFFICIENCY & CONSERVATION PROGRAM**

Mr. Rick Luna presented on the Energy Efficiency & Conservation Program, specifically summarizing feedback received to-date and presenting two proposals for a new program. Mr. Luna then sought feedback from the Board of Trustees and noted that the intent is to bring a final program for voting in May. The Board of Trustees asked questions and provided additional feedback.

**X. APPOINTMENT OF MEMBER TO RATE ADVISORY COMMITTEE (RAC) & NOMINATION OF VICE CHAIR FOR THE RAC**

Ms. Ann Kinnard, Director, Chief of Staff for Customer Strategy, presented on appointing a new member and the election of a vice chair to the Rate Advisory Committee.

Ms. Kinnard introduced Ms. Anacua Garcia to the Board as the appointee by Councilmember McKee-Rodriguez, District 2. Trustee Dr. Romero moved approval of the appointment of Ms. Garcia and Vice Chair Gonzalez seconded the motion. Trustee Steen publicly thanked Mr. Seymour Battle for his service, and noted his opposition to the previous bylaws amendment that provided for removal of RAC members. Upon the affirmative vote by all members present, the appointment of Ms. Garcia was unanimously approved.

Trustee Dr. Romero made a motion to nominate Dr. Adelita Cantu as Vice Chair of the RAC.

Trustee Steen made a motion to nominate Dr. Olufemi Osidele as Vice Chair of the RAC.

Chair Dr. Mackey invited discussion on the motions. Trustee Dr. Romero stated that she wanted to ensure there was an open dialogue and worked with Chair Williams and Ms. Kinnard. She noted that Chair Williams announced at RAC meetings that interested members should contact Trustee Dr. Romero. Trustee Dr. Romero stated that Dr. Adelita Cantu is the only RAC member that expressed interest in the vice chair position, and that she is exceptionally qualified and well-respected within the environmental community. Trustee Steen stated his concern that Dr. Cantu had not served on the RAC for a full year and wished to nominate Dr. Osidele. He stated that he thought his remarks on the recent rate increase were very thoughtful, and that he has an impressive background and qualifications.

The Board of Trustees discussed the nomination.

Chair Dr. Mackey called for a vote by polling each Trustee for their preference. The Trustees voted as follows:

- Dr. Adelita Cantu: Vice Chair Gonzalez, Mayor Nirenberg, Trustee Dr. Romero, Chair Dr. Mackey.
- Dr. Olufemi Osidele: Trustee Steen.

By a majority vote of all members present, Dr. Adelita Cantu was appointed to serve as Vice Chair, Rate Advisory Committee.

#### **XI. FY2023 FINANCING TRANSACTIONS**

Mr. Geronimo Gonzalez presented on financing transactions and requested approval for 1) the required remarketing of debt and 2) the liquidity facility extension – commercial paper, series B & C. On a motion duly made by Trustee Steen, seconded by Vice Chair Gonzalez, and upon affirmative vote by all members present, the motion was approved.

#### **XII. ADJOURNMENT**

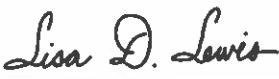
There being no further business to come before the Board, upon a motion duly made by Mayor Nirenberg and seconded by Trustee Dr. Romero and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:58 p.m. by Chair Dr. Mackey.

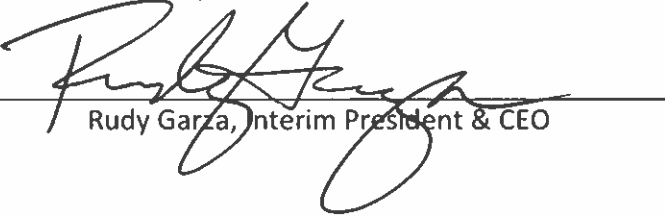
  
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Shanna M. Ramirez  
Secretary of the Board



**CPS Energy Board of Trustees Meeting  
April 25, 2022  
APPROVAL of PROCUREMENT ITEMS  
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1. Item Description: Purchase Category: Suppliers:	<b><u>New Electric and Gas Infrastructure Installation Services</u></b>
	<b>General Services</b>
	Badeco, Inc.
	Benton-Georgia, LLC
	MasTec North America, Inc.
	Mears Installation, LLC
	Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc.
2. Item Description: Purchase Category: Supplier:	<b><u>Joint Trench Gas and Electric Service Installation</u></b>
	<b>General Services</b>
	Greenstone Electric Services, LLC
	Mears Installation, LLC
	Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc.

Approval:   
Lisa Lewis, Chief Administrative Officer

Approval:   
Rudy Garza, Interim President & CEO



**CPS Energy Board of Trustees Meeting**  
**April 25, 2022**  
**Procurement Form 1**

<b>Item Description</b>	<b>New Electric and Gas Infrastructure Installation Services</b>
<b>Purchase Order Value</b>	<b>\$81,000,000</b>
Purchase Category	General Services
Department	Construction and Maintenance Services
VP Construction & Maintenance Services	Darrell Clifton
EVP Energy Delivery Services	Richard Medina

**Detailed Description**

CPS Energy staff recommend that contracts be awarded to Badeco, Inc.; Benton-Georgia, LLC; and MasTec North American, Inc., all three of which are local, diverse firms, and Mears Installation, LLC; and Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc.; both of which are local, non-diverse firms, as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the installation of new electric and gas distribution lines within new subdivisions and apartment complexes, typically before the homes/apartments are constructed. These contracts help to meet the demand from builders and developers within the community. These contracts will expire on April 30, 2025.

**Subcontracting Opportunities**

Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc. has committed to subcontracting 20% of overall spend to the following diverse businesses:

- Madden Materials is a local, small, woman-owned firm providing sand and stone materials.
- Guzman Paving is a local, small, Hispanic American-owned firm providing asphalt and paving services.
- JARCO Transport, LLC is a local, small, Hispanic American-owned firm providing transportation services.

Mears Installation, LLC has committed to subcontracting 20% of overall spend to the following diverse businesses:

- Madden Materials is a local, small, woman-owned firm providing sand and stone materials.
- Freddie E Harris Sand & Clay is a local, small, woman-owned firm providing sand and stone materials.
- MK1 Construction Services is a local, small firm providing flowable fill.
- Suncoast Resources, Inc. is a small, woman-owned firm providing on- and off-road fuel.

An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Experience and qualifications to perform the Services	35
The overall cost	25
Safety records and training program	20
Economic Development (local & diverse consideration)	10
The financial soundness of the Respondent	10
<b>TOTAL</b>	<b>100</b>





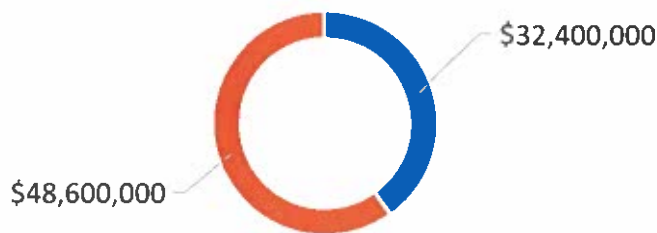
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Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Mears Installation, LLC	Local/Non-Diverse	90%	\$16,200,000	2200770	
Benton-Georgia, LLC	Local/Diverse <b>(African American-Owned)</b>	89%	\$16,200,000	2200772	
Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc.	Local/Non-Diverse	89%	\$16,200,000	2200771	
Badeco, Inc.	Local/Diverse <b>(Small)</b>	83%	\$16,200,000	2200773	<b>Corporate headquarters based in San Antonio Metropolitan Area</b>
MasTec North America, Inc.	Local/Diverse <b>(Hispanic American-Owned)</b>	79%	\$16,200,000	2200774	
<b>TOTAL</b>			<b>\$81,000,000</b>		

Three (3) additional respondents were not recommended for award: Bartek Construction Co.; Bexar Pipeline & Utilities, Inc.; HMI Utilities, LLC.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2023 PO Spend	% of FY2023 Annual Corp Budget	Projected FY2024 PO Spend	Projected FY2025 PO Spend	Projected FY2026 PO Spend
\$832,904,076	Capital	\$13,500,000	1.6%	\$27,000,000	\$27,000,000	\$13,500,000
\$729,676,030	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

**Procurement Item: General Services**



- Local / Diverse
- Local / Non-Diverse
- Non-Local / Diverse
- Non-Local / Non-Diverse



**CPS Energy Board of Trustees Meeting**  
**April 25, 2022**  
**Procurement Form 2**

<b>Item Description</b>	<b>Joint Trench Gas and Electric Service Installation</b>
<b>Purchase Order Value</b>	<b>\$40,500,000</b>
<b>Purchase Category</b>	<b>General Services</b>
<b>Department</b>	<b>Construction and Maintenance Services</b>
<b>VP Construction &amp; Maintenance Services</b>	<b>Darrell Clifton</b>
<b>EVP Energy Delivery Services</b>	<b>Richard Medina</b>

**Detailed Description**

CPS Energy staff recommend that contracts be awarded to Greenstone Electric Services, LLC, a local, diverse firm, and Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc. and Mears Installation, LLC, both local, non-diverse firms as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the installation of new gas and electric underground service from the main distribution lines, typically from the edge of the street, to new residential homes. These contracts help to meet the demand from builders and developers within the community. These contracts will expire on April 30, 2025.

**Subcontracting Opportunities**

Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc. has committed to subcontracting 15% of overall spend to the following diverse businesses:

- Madden Materials is a local, small, woman-owned firm providing sand and stone materials.
- Guzman Paving is a local, small, Hispanic American-owned firm providing asphalt and paving services.

Mears Installation, LLC has committed to subcontracting 20% of overall spend to the following diverse businesses:

- Madden Materials is a local, small, woman-owned firm providing sand and stone materials.
- Freddie E Harris Sand & Clay is a local, small, woman-owned firm providing sand and stone materials.
- MK1 Construction Services is a local, small firm providing flowable fill.
- Suncoast Resources, Inc. is a small, woman-owned firm providing on- and off-road fuel.

An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

<b>Evaluation Criteria</b>	<b>Points</b>
Experience and qualifications to perform the Services	30
The overall cost	20
Safety records and training program	20
The ability to meet CPS Energy's requirements	15
Economic Development (local & diverse consideration)	10
The financial soundness of the Respondent	5
<b>TOTAL</b>	<b>100</b>



**CPS Energy Board of Trustees Meeting**  
**April 25, 2022**  
**Procurement Form 2**

**Recommended Respondent(s) & Award**

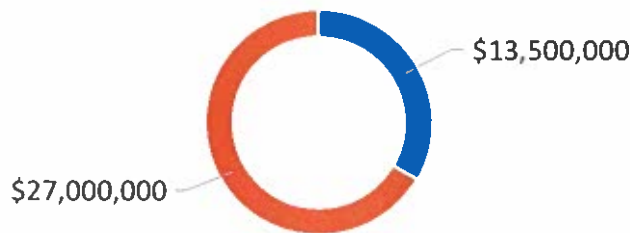
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Greenstone Electrical Services, LLC	Local / Diverse (Small)	92%	\$13,500,000	2200767	Corporate headquarters based in San Antonio Metropolitan Area
Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc.	Local / Non-Diverse	86%	\$13,500,000	2200769	
Mears Installation, LLC	Local / Non-Diverse	85%	\$13,500,000	2200768	
<b>TOTAL</b>			<b>\$40,500,000</b>		

Eight (8) additional respondents were not recommended for award: Bartek Construction Co, LLC; Benton-Georgia, LLC; BorePro; Dimension Energy; HJD Capital Electric, Inc.; HMI Services, Inc.; Primoris T&D, LLC; Zachry Underground & Utility Services, Inc.

**Annual Funds Budgeted**

Corporate Annual Budget	Funding Method	Projected FY2023 PO Spend	% of FY2023 Annual Corp Budget	Projected FY2024 PO Spend	Projected FY2025 PO Spend	Projected FY2026 PO Spend
\$832,904,076	Capital	\$6,750,000	0.8%	\$13,500,000	\$13,500,000	\$6,750,000
\$729,676,030	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

**Procurement Item: General Services**



■ Local / Diverse   
 ■ Local / Non-Diverse   
 ■ Non-Local / Diverse   
 ■ Non-Local / Non-Diverse