

CPS ENERGY
MINUTES OF REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON FEBRUARY 22, 2021

The Regular Meeting of the Board of Trustees of CPS Energy for the month of February was held on Monday, February 22, 2021 by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). There was no in-person public access to the meeting. Chair Dr. Mackey called the meeting to order at 1:00 p.m.

Present via phone were Board members:

Dr. Willis Mackey, Chair
 Ms. Janie Gonzalez, Vice Chair
 Mr. Ed Kelley
 Mr. John Steen
 Mayor Ron Nirenberg

Also present via phone were:

Ms. Paula Gold-Williams, President & CEO
 Dr. Cris Eugster, Chief Operating Officer
 Ms. Carolyn E. Shellman, Chief Legal Officer & General Counsel and Board Secretary
 Mr. Fred Bonewell, Chief Security, Safety & Gas Solutions Officer
 Ms. Vivian Bouet, Chief Information Officer
 Mr. Frank Almaraz, Chief Administrative & Business Development Officer
 Mr. Rudy Garza, Chief Customer Engagement Officer
 Mr. Gary Gold, Chief Financial Officer & Treasurer
 CPS Energy Staff Members
 City of San Antonio officials
 Interested Citizens

I. ROLL CALL OF BOARD MEMBERS

Ms. Shellman called the roll. A quorum was present.

II. SAFETY MESSAGE

The Board meeting began with safety messages delivered by Mayor Nirenberg and Ms. Gold-Williams.

Mayor Nirenberg provided an update on the COVID-19 numbers and our vaccination efforts. San Antonio has had more than 190,000 confirmed cases. The infection numbers have been lower in the recent weeks and hospitalization numbers are also improving. The community has distributed available vaccine supplies in a timely manner. The Mayor expressed disappointment in the supplies San Antonio has been provided and he has been looking to our state and federal authorities to increase that availability. He noted that we are in a blood shortage and listed sites where people could schedule appointments to donate blood to help improve this situation. He closed by announcing that there have been several community efforts to raise funds for people that were experiencing hardship due to the recent weather event.

Ms. Gold-Williams pointed out that CPS Energy has been dealing with COVID-19 related issues for almost a year and has continued to follow recommended protocols. Our numbers have improved with fewer infections and fewer employees in quarantine. She provided a brief report on the CPS Energy efforts to restore power to the service territory. She also outlined the effort and challenges the teams experienced and pointed out that COVID-19 protocols compounded these problems—for example, making it impossible to set up a main command center. The restoration effort did not make any real headway until the load shedding event ended. She went on to say we will be studying our lessons learned. The cost of the storm was significant, and we are looking at all avenues to help smooth out the costs to our customers. Ms. Gold-Williams understands that customers are angry, and we are listening and are working to learn from the event to do better in the future.

Trustee Steen asked about an employee who was involved in an accident while out restoring power in the community. Ms. Gold-Williams reported that the accident involved one of our bucket trucks that encountered black ice, causing the vehicle to slide off the road and roll over. She also let Trustee Steen know that the employee was recovering and doing well and concluded by summarizing some additional challenges CPS Energy employees and contractors encountered during the weather event and power restoration effort.

III. INVOCATION

An invocation was delivered by Ms. Denae Myers, Board Relations Manager.

IV. PUBLIC COMMENT

Chair Dr. Mackey announced that public comments would be taken and the meeting moderator outlined the guidelines for doing so.

One hundred and eight individuals signed up to speak but less than half actually spoke. The speakers commented on a variety of issues, including general experiences during the outage, recommendations on energy sources and energy efficiency efforts, bill impact and ways to cover the additional expenses associated with the event, level of service, management decisions, the need for better winter preparedness, more transparency, better communication, and alternate advisory committees and governance recommendations. (A list of the registered speakers is attached as Attachment “A”. Individuals who commented during the meeting are highlighted on the attachment.)

V. CEO’S REPORT

Ms. Gold-Williams expressed appreciation for the public comments that were provided. She mentioned the possibility of a special Board meeting prior to the March 29, 2021 Regular Board Meeting to discuss the topics and issues raised surrounding this event.

Ms. Gold-Williams provided a report on the recent unprecedented weather and energy market events in Texas, noting that the utility will look at how to best improve performance. She emphasized that all generation types experienced problems throughout the event. Our **Guiding Pillars** are driving a balanced approach to our sources of generation. During the event, CPS Energy maintained both physical and cyber security. We will focus on **Safety** and **Resiliency**. **Reliability** and **Affordability** are still key.

The management team at CPS Energy will look at all avenues of cost recovery to help reduce bill impact due to the storm. This most recent event was nontypical in that it produced extreme cold temperatures for an

extended amount of time. Unlike most weather events, this extreme weather affected the entire state and prevented assistance for additional power from other portions of the state-wide grid, making the reduction in use mandatory. The long-term extreme cold, without the rolling outages, would have exceeded our typical summer peak usage. CPS Energy's power supply was affected by a plant in our portfolio that was in a scheduled outage to prepare for summer usage and gas constraints that limited the output of our available gas plants. The ERCOT grid is designed to have more capacity than demand. Demand for electricity exceeding the supply during the event created the need for rolling outages to prevent the overall ERCOT grid from crashing, resulting in a much longer outage than what occurred.

Ms. Gold-Williams commented on communication efforts during the event. She stated that the message that we need to improve our communication with the community was heard and appreciated. This event also highlighted that the need to conserve energy in the winter can be just as important as in the summer. Ms. Gold-Williams thanked the many customers that limited their activities to conserve power.

Ms. Gold-Williams provided other insights into the event. We received notices from ERCOT to shed load late in the night through early morning. These notices came in more rapidly than ever before and required 5 times more load shed than had been required of the state in past events. This significant amount of load shed created problems for our system and made it impossible to limit rolling outages to 15-minute intervals, as had been initially communicated, because the amount of the mandated load shed created the inability to turn circuits back on while protecting circuits with critical facilities such as hospitals. Residences on critical circuits remained on while those on other circuits remained off.

Ms. Gold-Williams explained that characteristics of our downtown network make it difficult to easily adjust without creating additional problems throughout the remainder of the distribution system. This constraint explains why many downtown facilities did not lose power.

Ms. Gold-Williams noted that gas supply during the event was strained causing price surges. At one point, gas prices went up as much as 16,000 percent. The cold weather affected production from wells and caused pipelines to freeze. In fact, some of the gas we purchased during the event was not delivered. She stressed that CPS Energy will not pay for gas that was not delivered.

Ms. Gold-Williams stated that while we did conduct winterizing activities prior to this event, the extremely low and sustained temperatures created severe challenges not seen before and that our systems are not designed for. Our gas units performed most efficiently, but limited gas supply and surging prices caused challenges. One coal plant had some technical difficulties, as did one of our nuclear units. She commented on challenges faced by batteries that are not permitted to charge during emergency conditions. Generally, solar has limitations in the winter. Wind turbines experienced icing issues that limited their operation, as well. All these generation resources are complicated systems with both benefits, as well as individual challenges. We will continue to look at lessons learned. Additionally, our state market system will be under review to see how its design could make us better prepared for these types of events in the future.

Dr. Cris Eugster provided information about the impacts to the water system. He highlighted how coordination with SAWS prevented a CPS Energy power plant from experiencing a loss of capacity from low water pressure. He commented that we need to rethink resiliency and explore ways to leverage AMI to isolate critical load while enabling non-critical load to be shed. Ms. Gold-Williams noted the need for more coordination between CPS Energy and SAWS and observed that this event highlighted the nexus between energy and water.

Before proceeding to the next subject of her report, Ms. Gold-Williams paused at Chair Dr. Mackey's request.

Trustee Steen acknowledged the customers' trials and tribulations expressed during public comment, adding that he also did not have power and water and he felt that the utility must do better to avoid this in the future. He thanked the CPS Energy team for rising to the occasion and the employees for working in undesirable conditions to get the power restored. Trustee Steen listed several unprecedented facts about this type of storm and mentioned that by enduring these outages, the community helped prevent the entire grid from failing. Trustee Steen suggested a complete review of the decisions made during the event to help prevent future similar incidents. He noted the need to determine the full financial impact of the event on CPS Energy and to create a plan to release that information to the public, along with a proposal to address the financial impact. He requested that the review be included on the agenda of an upcoming meeting.

Chair Dr. Mackey apologized for our non-preparedness and commented that we endured an unprecedented event. He supports a review of the event and is also interested in the 2011 North American Electric Reliability Corporation (NERC) report.

Trustee Kelley expressed empathy and apologized to customers for the experiences they endured. He indicated he dealt with similar issues during the storm event. Trustee Kelley emphasized the state-wide nature of the winter weather and outage event, noting that for this event to have been prevented, utilities across the state would have needed to be fully prepared and they were not. Acknowledging that we could have done better, he cautioned against wrongly singling out who is to blame for this event.

Mayor Nirenberg also provided a statement. He indicated the impact of the recent severe winter weather has created frustration, calls for answers, and the need for accountability. The Mayor stated his intent to call for a full independent review of preparations, communications, response, and the events leading up to the outages. Such a review will provide answers to the community to ensure we are better prepared to prevent our community from being in a similar situation again.

Trustee Gonzalez noted that she has similar concerns as those noted by her fellow Trustees and she welcomes the review as well. She encouraged alternate future meeting times and continued public access and engagement. She expressed interest in better understanding the decision-making process during the crisis. She, too, wants to ensure that our community does not face these types of issues again.

VI. ADDITIONAL UPDATES

In the interest of time, Agenda item VI, consisting of the two items below, was not taken up.

- FY2021 COVID-19 Financial Impacts as of January 31, 2021
- Cost Savings: A Year in Review

VII. OPERATIONAL PROCUREMENT ITEMS

In the interest of time, Agenda item VII, consisting of the items below, was not taken up. However, portions were incorporated into Agenda item VIII and covered by Mr. Frank Almaraz.

- Overhead Electric Distribution Services
- Cold Weather Natural Gas Impacts

VIII. PROCUREMENT PREVIEW

Mr. Almaraz provided a preview of procurement items on the Consent Agenda. He noted that all of our procurements are governed by the Procurement Policy previously adopted by the Board. Mr. Almaraz noted our efforts under Ms. Gold-William's leadership to recruit small, minority, women, and/or veteran owned businesses.

Mr. Almaraz next provided a high-level view of each of the procurement items' value; type of service, percentage of small, minority, women, and/or veteran owned business participation, and percentage of locally-owned business participation. The seven procurements reviewed were: (1) Engineering and Construction Services for Electronic Recloser Deployment; (2) Electronic Reclosers; (3) Overhead Electric Distribution Services; (4) Exposing and Excavating Underground Utilities; (5) Land Surveying; (6) Spruce Plant Drains Pond Owner's Engineer Services; and (6) Utility Locating and Marking Services. Mr. Almaraz closed by requesting that the Board approve the reviewed procurements as part of the Consent Agenda.

Trustee Gonzalez thanked Mr. Almaraz and his team for their efforts in increasing diversity participation but questioned the level of commitment to diverse subcontracting on Consent Agenda Procurement Item 6, Spruce Plant Drains Pond Owner's Engineer Services, and Item 7, Utility Locating and Marking Services. After much discussion on these issues, both items were pulled from the Consent Agenda and deferred to a later meeting.

IX. APPROVAL OF CONSENT ITEMS:

Trustee Gonzalez moved that the Consent Agenda, except Procurement Items 6 and 7, be approved, and Trustee Steen seconded. Upon affirmative vote by all members present, the motion was unanimously approved.

Approval of Minutes

Minutes of the Special Board Meeting held on January 22, 2021, and the Regular Board Meeting held on January 25, 2021, were approved as submitted.

Approval of Payment to the City of San Antonio for January 2021

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 January 2021 is based on actual gross revenue per the New Series Bond Ordinance of \$178,668,660.93, less applicable exclusions. The revenue for the month of January 2021 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$165,590,215.71
Gas revenue	19,630,429.46
Interest and other income	(219,389.79)
Gross revenue per CPS Energy financial statements	<u>185,001,255.38</u>

Excluded revenue	
School and hospital revenue per City Ordinance 55022	(5,520,538.20)
LVG revenue per City Ordinance 100709	0.00
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(12,990,163.52)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	12,178,107.27
Total excluded revenue	<u>(6,332,594.45)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$178,668,660.93</u>
City payment per Bond Ordinance for January 2021 based upon January 2021 revenue	\$25,013,612.53
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	460,708.84
Wholesale Special Contract Annual True Up	0.00
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)
Annual True Up/(Down) per gas customer MOU	<u>(4,320.25)</u>
City payment per Bond Ordinance plus adjustments for memorandums of understanding	25,457,501.12 A
Utility services provided to the City for January 2021	<u>(2,540,189.64)</u>
Net amount to be paid from January 2021 revenue to the City	<u>\$22,917,311.48</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)

January 2021	Actual	Budget	Variance	
Current Month* A	\$25,458	\$34,701	(\$9,243)	-26.6%
Year-to-Date*	\$330,564	\$365,300	(\$34,736)	-9.5%

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

ADDITIONAL FUNDING AND TRANSFERS

Accrued January 2021 – Additional Transfer per Bond Ordinance	
Total	<u>\$12,018,202.72</u> B

Approval of the following resolution is requested:

- A** **"BE IT RESOLVED** by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$22,917,311.48, representing 14% of applicable system gross

revenues for the month of January 2021, such payment being net of City utility services (\$2,540,189.64), is hereby approved.”

- B** "BE IT RESOLVED by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$12,018,202.72, representing an additional transfer within the allowed 14% of applicable system gross revenues, is hereby approved.”

CPS Energy's management team has verified that collectively all of the City Payments mentioned herein fit under the Bond ordinance maximum of 14% of applicable revenues, including the following:

- A. The amounts paid routinely during the year, net;
- B. The additional distribution paid once for the year.

Approval of Procurement Items – February

Five (5) Non-Competitive Sensitive Items

Item Description:	Engineering & Construction Services for Electronic Recloser Deployment
Purchase Category:	General Services
Supplier:	Burns & McDonnell Engineering Company, Inc.
Item Description:	Electronic Reclosers
Purchase Category:	Commodity & Material Goods
Supplier:	Digilog Instruments, Inc.
Supplier:	KBS Electrical Distributors, Inc.
Item Description:	Overhead Electric Distribution Services
Purchase Category:	General Services
Supplier:	Chain Electric Company
Supplier:	Greenstone Electrical Services LLC
Supplier:	Pike Electric LLC
Item Description:	Exposing and Excavating Underground Utilities
Purchase Category:	General Services
Supplier:	Bexar Pipeline & Utilities, Inc.
Supplier:	Engineered Solutions, Inc.
Supplier:	Pipeline Video Inspection, LLC OBA AIMS Companies
Supplier:	Texas ReExcavation LC dba T-Rex Services
Item Description:	Land Surveying
Purchase Category:	Professional Services
Supplier:	Atwell, LLC
Supplier:	LW Survey Co.
Supplier:	Moy Tarin Ramirez Engineers, LLC
Supplier:	Vickrey & Associates, Inc.

*The listed Procurement Items to be attached as Attachment “B”.

X. COMMITTEE REPORTS

Audit & Finance (A&F) Meeting held on 01/19/2021

Trustee Steen stated that a report on the A&F meeting, which took place on January 19, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "C") to the meeting minutes.

Employee Benefits Oversight Committee (EBOC) Meeting held on 01/19/2021

Trustee Steen stated that a report on the EBOC meeting, which took place on January 19, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "D") to the meeting minutes.

A&F & EBOC Aligned Risk Sub-Committee Meeting held on 01/19/2021

Trustee Steen stated that a report on the A&F & EBOC Aligned Risk Sub-Committee meeting, which took place on January 19, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "E") to the meeting minutes.

Personnel Committee Meeting held on 1/27/2021

Trustee Kelley stated that a report on the Personnel Committee meeting, which took place on January 27, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "F") to the meeting minutes.

XI. BOARD COMMITTEE ASSIGNMENTS

Upon motion duly made by Mayor Nirenberg and seconded by Trustee Kelley, and upon affirmative vote by all members present, the current Board Committee Assignments were approved with no changes.

1. Audit & Finance Committee (A&F)

John Steen, Chair
Dr. Willis Mackey

2. CEO Search Committee (CEO SC)

John Steen, Chair
Janie Gonzalez

3. Employee Benefits Oversight Committee (EBOC)

John Steen, Chair
Dr. Willis Mackey

4. Master Planning Oversight Committee (MPOC)

Ed Kelley, Chair
John Steen

5. Nominations Committee (NC)

Ed Kelley, Chair
John Steen

6. Operations Oversight Committee (OOC)

Dr. Willis Mackey, Chair
Janie Gonzalez

7. Personnel Committee (PC)

Ed Kelley, Chair
Janie Gonzalez

8. Risk Management & Aligned Subcommittees (RMC)

Dr. Willis Mackey, Chair
All trustees are members

9. Technology & Innovation Committee (T&I)

Janie Gonzalez, Chair
Dr. Willis Mackey

XII. EXECUTIVE SESSION

Although posted to occur, an executive session was not held.

XIII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Steen, and seconded by Trustee Kelley, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 5:32 p.m. by Chair Dr. Mackey.



Carolyn E. Shellman
Secretary of the Board

Attachment "A" to the February 22, 2021
Regular Board Meeting Minutes



February 22, 2021 Board of Trustees Regular Meeting Speaker Registration Form

Speaker Number	First and Last Name	Organization
0001	Alex Birnel	Move Texas
0002	Jorge Granados	
0003	Amador Salazar	
0004	Mason Escamilla	
0005	Vincent Rodriguez	
0006	Ryan Gordon	
0007	Sam Woody	
0008	Lisa Wolverton	
0009	Juanita Watson	
0010	Marlon Davis	
0011	David Burleson	
0012	Paul Wise	
0013	Mia Martinez	
0014	Stanley Gillispie	
0015	Isabella Briseno	
0016	Ash Miller	
0017	Karen Munoz	
0018	Matthew Downing	
0019	Thalia Chavez	
0020	DeeDee Belmares	
0021	Lexy Garcia	Member of Democratic Socialist of America
0022	Kathryn Sinclair	Valentine Ranch HOA
0023	Terry Layton	
0024	Victoria Guajardo	
0025	Alex Amador	
0026	Alejandra Lopez	President of San Antonio Alliance of Teachers of the Support Personnel
0027	Geoffrey Okolo	
0028	Vincent Ramirez	
0029	Isabel Castro	
0030	Karen Gutierrez	
0031	Ashleigh McDonald	
0032	Garion Benavidez	Democratic Socialists of Texas
0033	Richard Perez	President & CEO, San Antonio Chamber of Commerce
0034	Stephanie Bowen	
0035	Aaron Arguello	Move Texas
0036	Katie Pruett	
0037	Richard Palomo	
0038	Robert Perez	

Attachment "A" to the February 22, 2021
Regular Board Meeting Minutes

0039	Lydia Pippin	
0040	William B. Johnson	
0041	Tina Cortez	
0042	Felix Padron	
0043	Russell D. Seal	
0044	Raul Villarreal	
0045	Nancy Fullerton	
0046	Rose Mary Flagle	
0047	Al Castro	
0048	Maria Rodriguez	
0049	Abner Trevino	
0050	Shelley Van Bergh	
0051	Sherry Russell	
0052	Gloria Rankin	
0053	Rita Thees	
0054	Gokhale Sameer	
0055	Alan Montemayor	
0056	Ben Harrison	
0057	Jalen McKee-Rodriguez	
0058	Denagi Katherine Kettleman	
0059	Kevin Conlon	
0060	Patricia Morris	
0061	Jessica Morin	
0062	Katie Smith	
0063	Terry Harrold	
0064	John Vegas	
0065	Brian Donahoe	
0066	Beatriz Rodriguez	
0067	Linda Gasaway	
0068	Diane Townsend	
0069	Christopher Herring	
0070	Sherry Addi	
0071	Julian Harris	
0072	Rachel Rabbani	
0073	Olivia De LaGarza	
0074	Katherine Bentley	
0075	Maria Lozano	
0076	Guadalupe Gonzalez	
0077	David Tenorio	
0078	Trudy Bishop	
0079	Chala McDonald	
0080	TC Calvert	
0081	Kishua Mercer	
0082	Rebecca Reyes	
0083	Michele Flores	
0084	Sharon Ko, Kens 5	
0085	Linda Gasaway	
0086	Michelle Jacobson	
0087	Elvira Ortiz	
0088	Carol Aiken	
0089	Roy Mendoza	
0090	Mario Bravo	

Attachment "A" to the February 22, 2021

Regular Board Meeting Minutes

0091	Ashton Condel	
0092	Laura Villanueva	
0093	Mary King	
0094	Michele Alkahpani	
0095	Dick Rasmussen	
0096	Michael Gilbert	
0097	Cecilia P. Cortez	
0098	Donna Montoya	
0099	Thomas Lee	
0100	Sandra Martinez	
0101	Curtis Carter	
0102	Lydia Pippin	
0103	Sharon Vasbinder	
0104	Robert Gonzales	
0105	Scott Kanski	
0106	Martha Boor	
0107	Jeannet Rodriguez	
0108	Alma Rabago	



CPS Energy Board of Trustees Meeting
February 22, 2021
APPROVAL of PROCUREMENT ITEMS
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Seven (7) Non-Competitive Sensitive Items

1. **Item Description:** Engineering & Construction Services for Electronic Recloser Deployment
Purchase Category: General Services
Supplier: Burns & McDonnell Engineering Company, Inc.
2. **Item Description:** Electronic Reclosers
Purchase Category: Commodity & Material Goods
Supplier: Digilog Instruments, Inc.
Supplier: KBS Electrical Distributors, Inc.
3. **Item Description:** Overhead Electric Distribution Services
Purchase Category: General Services
Supplier: Chain Electric Company
Supplier: Greenstone Electrical Services LLC
Supplier: Pike Electric LLC
4. **Item Description:** Exposing and Excavating Underground Utilities
Purchase Category: General Services
Supplier: Bexar Pipeline & Utilities, Inc.
Supplier: Engineered Solutions, Inc.
Supplier: Pipeline Video Inspection, LLC DBA AIMS Companies
Supplier: Texas ReExcavation LC dba T-Rex Services
5. **Item Description:** Land Surveying
Purchase Category: Professional Services
Supplier: Atwell, LLC
Supplier: LW Survey Co.
Supplier: Moy Tarin Ramirez Engineers, LLC
Supplier: Vickrey & Associates, Inc.



CPS Energy Board of Trustees Meeting
February 22, 2021
APPROVAL of PROCUREMENT ITEMS (continued)
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Items 6 & 7 were deferred to the following Board Meeting.

6. Item Description: Spruce Plant Drains Pond Owner's Engineer Services
Purchase Category: Professional Services
Supplier: AECOM Technical Services, Inc.
7. Item Description: Utility Locating and Marking
Purchase Category: General Services
Supplier: CCS Enterprises LLC dba United Locating Services

Approval: Almaraz, Frank T. Digitally signed by Almaraz, Frank T.
Date: 2021.02.08 20:52:57 -06'00'
Frank Almaraz, Chief Administrative & Business Development Officer

Approval: Paula Gold-Williams
Paula Gold-Williams, President & CEO

Attachment "B" to the February 22, 2021
Regular Board Meeting Minutes



CPS Energy Board of Trustees Meeting
February 22, 2021
PROCUREMENT FORM 1

Item Description	Engineering & Construction Services for Electronic Recloser Deployment
Purchase Order Value	\$25,000,000
Purchase Category	General Services
Department	Grid Transformation & Engineering
Vice President	Richard Medina
Chief Operating Officer	Cristopher Eugster

What we plan to do & why it is of value to our customers & company

This contract is required to provide engineering and construction services for the electronic recloser deployment. Deployment of electronic reclosers supports our *Flexible Path*SM as we modernize the grid to support new technologies integration, grid resiliency and energy delivery to our customers. This four (4) year, \$25M contract will provide the engineering and construction services necessary to support our deployment plan, which will result in the benefits of increased automation of our electric distribution system, fewer power outages, shorter outage durations and reduced dispatching of crews.

Subcontracting opportunities associated with the contract

Burns & McDonnell Engineering Company, Inc. intends to subcontract 35% of the work to a local company, Chain Electric Company. Chain Electric Company, in turn, is subcontracting traffic control work to Alamo City Public Safety, Inc. and excavation work to Bexar Pipeline & Utilities, Inc. Alamo City Public Safety, Inc. is headquartered in San Antonio and classified as a small, Hispanic-owned and woman-owned business, while Bexar Pipeline & Utilities, Inc. is also headquartered in San Antonio and classified as a small business.

Recommended Supplier(s) & Spend

Supplier Name	SBA Classification	SBA Classification Details	PO Term	PO Value	PO #	Comments
Burns & McDonnell Engineering Company, Inc.	Non-Local / Non-Diverse	Male, Lrg, No Hub/Vet, Non Minority	Four (4) Years	\$ 25,000,000	2194996	
Total				\$ 25,000,000		

Attachment "B" to the February 22, 2021
Regular Board Meeting Minutes



CPS Energy Board of Trustees Meeting
February 22, 2021
PROCUREMENT FORM 1 (continued)

Annual Funds Budgeted

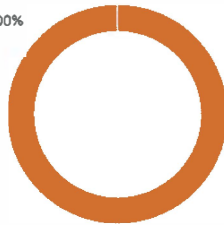
FY*	Funding Method	Corporate Annual Budget*	Projected FY22 PO Spend	% Of Annual Corp Budget*	Projected FY23 PO Spend	Projected FY24 & FY25 PO Spend
21	Capital	\$684,100,000	\$6,250,000	0.91%	\$6,250,000	\$12,500,000
21	Non-Fuel O&M	\$712,800,000	\$0	0.00%	\$0	\$0

*FY21 budget used for illustrative purposes, as the FY22 budget has not yet been approved.

This procurement item does not contain competitively sensitive information; therefore, there are no restrictions on disclosure to the public.

Procurement Item: General Services

\$25,000,000 100%



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



CPS Energy Board of Trustees Meeting
February 22, 2021
PROCUREMENT FORM 2

Item Description	Electronic Reclosers
Purchase Order Value	\$20,000,000
Purchase Category	Commodity & Material Goods
Department	Grid Transformation & Engineering
Vice President	Richard Medina
Chief Operating Officer	Cris Eugster

What we plan to do & why it is of value to our customers & company

This material contract is for the supply and delivery of electronic reclosers. Deployment of electronic reclosers supports our **Flexible PathSM** as we modernize the grid to support new technologies integration, grid resiliency and energy delivery to our customers. This four (4) year, \$20M contract will provide the electronic reclosers necessary to support our deployment plan, which will result in the benefits of increased automation of our electric distribution system, fewer power outages, shorter outage durations and reduced dispatching of crews. This is a recurring procurement item.

Subcontracting opportunities associated with the contracts

These local and/or diverse vendors utilize their own employees and vehicle fleet for all services related to this material. As a result there are no subcontracting opportunities available at this time.

Recommended Supplier(s) & Spend

Supplier Name	SBA Classification	SBA Classification Details	PO Term	PO Value	PO #	Comments
Digilog Instruments, Inc.	Non-Local / Diverse	Woman, Small, No Hub/Vet, Non Minority	Four (4) Years	\$10,000,000	3069987	
KBS Electrical Distributors, Inc.	Local / Diverse	Male, Small, No Hub/Vet, Non Minority	Four (4) Years	\$10,000,000	3069988	
Total				\$ 20,000,000		

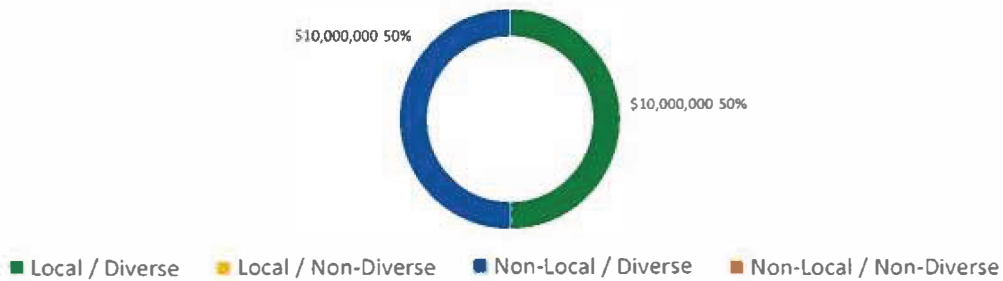


CPS Energy Board of Trustees Meeting February 22, 2021 PROCUREMENT FORM 2 (continued)						
Annual Funds Budgeted						
FY*	Funding Method	Corporate Annual Budget*	Projected FY22 PO Spend	% Of Annual Corp Budget*	Projected FY23 PO Spend	Projected FY24 & FY25 PO Spend
21	Capital	\$684,100,000	\$5,000,000	0.73%	\$5,000,000	\$10,000,000
21	Non-Fuel O&M	\$712,800,000	\$0	0.00%	\$0	\$0

*FY21 budget used for illustrative purposes, as the FY22 budget has not yet been approved.

This procurement item does not contain competitively sensitive information; therefore, there are no restrictions on disclosure to the public.

Procurement Item: Commodity & Material Goods



Attachment "B" to the February 22, 2021
Regular Board Meeting Minutes



CPS Energy Board of Trustees Meeting
February 22, 2021
PROCUREMENT FORM 3

Item Description	Overhead Electric Distribution Services
Purchase Order Value	\$71,000,000
Purchase Category	General Services
Department	Energy Delivery Services
Interim Vice President	Darrell Clifton
Chief Operating Officer	Cristopher Eugster

What we plan to do & why it is of value to our customers & company

These contracts are required to provide various overhead electric distribution services to include line extensions, turn-key subdivision work, pole replacements, system work, civic work and 24/7 storm restoration throughout the CPS Energy service area. This will allow CPS Energy to provide safe and reliable services to our customers. This is a recurring procurement item. These contracts are for three (3) years and will expire on February 28, 2024.

Subcontracting opportunities associated with the contracts

Chain Electric Company intends to subcontract traffic control work to Alamo City Public Safety, Inc. and OSO Public Safety. Alamo City Public Safety, Inc. is headquartered in San Antonio and classified as a small, Hispanic-owned and woman-owned business. OSO Public Safety is also headquartered in San Antonio and classified as a small, Hispanic-owned and woman-owned business. Pike Electric LLC intends to subcontract traffic control work to Alamo City Public Safety, Inc.; hydration supplies to Mireles Party Ice; onsite fuel services to Marshall Distributing Company, Inc.; and hauling services to J Hernandez Trucking LLC. Mireles Party Ice is headquartered in San Antonio and is classified as a Hispanic-owned, emerging small business. Marshall Distributing Company, Inc. is headquartered in San Antonio. J Hernandez Trucking LLC is headquartered in San Antonio and classified as a Hispanic-owned, emerging small business.

Recommended Supplier(s) & Spend

Supplier Name	SBA Classification	SBA Classification Details	PO Term	PO Value	PO #	Comments
Chain Electric Company	Local / Non-Diverse	Male, Large, No Hub/Vet, Non Minority	Three (3) Years	\$ 44,000,000	2194588	N/A
Pike Electric LLC	Local / Non-Diverse	Male, Large, No Hub/Vet, Non Minority	Three (3) Years	\$ 17,000,000	2194590	N/A
Greenstone Electrical Services LLC	Local / Diverse	Woman, Small, HUBZone, Non Minority	Three (3) Years	\$ 10,000,000	2194589	Corporate headquarters based in San Antonio Metropolitan Area
Total				\$ 71,000,000		



CPS Energy Board of Trustees Meeting
February 22, 2021
PROCUREMENT FORM 3 (continued)

Annual Funds Budgeted

FY*	Funding Method	Corporate Annual Budget*	Projected FY22 PO Spend	% Of Annual Corp Budget*	Projected FY23 PO Spend	Projected FY24 & FY25 PO Spend
21	Capital	\$684,100,000	\$19,000,000	2.78%	\$19,000,000	\$19,000,000
21	Non-Fuel O&M	\$712,800,000	\$4,700,000	0.66%	\$4,700,000	\$4,600,000

*FY21 budget used for illustrative purposes, as the FY22 budget has not yet been approved.

This procurement item does not contain competitively sensitive information; therefore, there are no restrictions on disclosure to the public.

Procurement Item: General Services



Attachment "B" to the February 22, 2021
Regular Board Meeting Minutes



CPS Energy Board of Trustees Meeting
February 22, 2021
PROCUREMENT FORM 4

Item Description	Exposing and Excavating Underground Utilities
Purchase Order Value	\$14,250,000
Purchase Category	General Services
Department	Energy Delivery Services
Interim Vice President	Darrell Clifton
Chief Operating Officer	Cristopher Eugster

What we plan to do & why it is of value to our customers & company

These contracts are required to provide hand dig and hydro-vac services to expose buried utilities to assist the overhead electric distribution department and overhead electric service contractors. This will allow CPS Energy to provide safe and reliable services to our employees and customers. This is a normal recurring procurement item. These contracts are for three (3) years and will expire on February 28, 2024.

Subcontracting opportunities associated with the contracts

Texas ReExcavation LC dba T-Rex Services intends to subcontract traffic control work to Alamo City Public Safety, Inc. and OSO Public Safety. Alamo City Public Safety, Inc. is headquartered in San Antonio and classified as a small, Hispanic-owned and woman-owned business. OSO Public Safety is also headquartered in San Antonio and classified as a small, Hispanic-owned and woman-owned business.

Recommended Supplier(s) & Spend

Supplier Name	SBA Classification	SBA Classification Details	PO Term	PO Value	PO #	Comments
Bexar Pipeline & Utilities, Inc.	Local / Diverse	Male, Small, No Hub/Vet, Non Minority	Three (3) Years	\$ 3,562,500	2194998	Corporate headquarters based in San Antonio Metropolitan Area
Engineered Solutions, Inc.	Local / Diverse	Women, Small, HUBZone, Hispanic	Three (3) Years	\$ 3,562,500	2194999	Corporate headquarters based in San Antonio Metropolitan Area
NEW Pipeline Video Inspection, LLC DBA AIMS Companies	Local / Diverse	Women, Small, HUBZone, Non Minority	Three (3) Years	\$ 3,562,500	2194997	N/A
Texas ReExcavation LC dba T-Rex Services	Local / Non-Diverse	Male, Large, No Hub/Vet, Non Minority	Three (3) Years	\$ 3,562,500	2195000	N/A
Total				\$ 14,250,000		

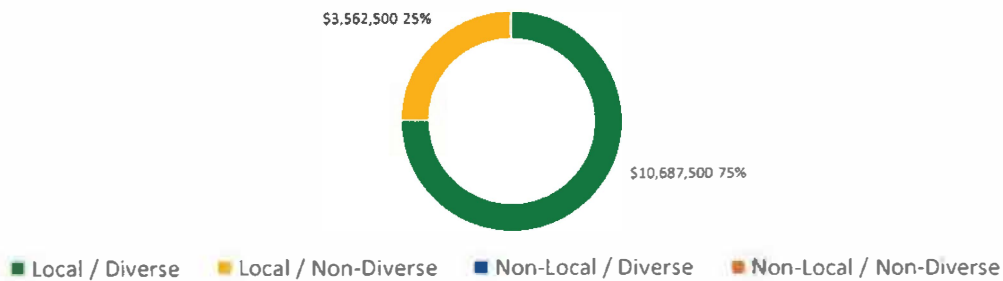


CPS Energy Board of Trustees Meeting February 22, 2021 PROCUREMENT FORM 4 (continued)						
Annual Funds Budgeted						
FY*	Funding Method	Corporate Annual Budget*	Projected FY22 PO Spend	% Of Annual Corp Budget*	Projected FY23 PO Spend	Projected FY24 & FY25 PO Spend
21	Capital	\$684,100,000	\$3,800,000	0.56%	\$3,800,000	\$3,800,000
21	Non-Fuel O&M	\$712,800,000	\$950,000	0.13%	\$950,000	\$950,000

*FY21 budget used for illustrative purposes, as the FY22 budget has not yet been approved.

This procurement item does not contain competitively sensitive information; therefore, there are no restrictions on disclosure to the public.

Procurement Item: General Services





CPS Energy Board of Trustees Meeting
February 22, 2021
PROCUREMENT FORM 5

Item Description	Land Surveying
Purchase Order Value	\$4,550,000
Purchase Category	Professional Services
Department	Energy Delivery Services
Senior Vice President	Paul Barham
Chief Operating Officer	Cristopher Eugster

What we plan to do & why it is of value to our customers & company

This contract is required to provide professional land surveying services to six (6) individual business areas within CPS Energy: Gas Solutions, Underground Engineering, Transmission Engineering, Overhead Engineering, Right of Way, and Facility Operations. This is a recurring procurement item required for supporting the design and construction of gas, electric underground, electric overhead, electric transmission, electric substations, and facility operations. The scope of services for these contracts includes site surveys, field staking, sealed survey drawings by registered professional land surveyors, and digital maps for supporting design & construction of gas and electric facilities. This new contract is for three (3) years beginning on March 1, 2021 and will expire on February 29, 2024.

Subcontracting opportunities associated with the contracts

LW Survey Co. is subcontracting to Elizondo & Associates Land Surveying & Mapping LLC and Gonzales-De La Garza & Associates LLC. Elizondo & Associates Land Surveying & Mapping LLC is a small, veteran-owned, Hispanic-owned business. Gonzales-De La Garza & Associates LLC is a small, woman-owned, Hispanic-owned business. Atwell, LLC plans to self-perform and does not currently anticipate subcontracting opportunities associated with their contract; however Atwell, LLC is open to identifying opportunities for subcontracting during the course of the project.

Recommended Supplier(s) & Spend

Supplier Name	SBA Classification	SBA Classification Details	PO Term	PO Value	PO #	Comments
NEW Moy Tarin Ramirez Engineers, LLC	Local / Diverse	Male, Small, Hubzone, Hispanic	Three (3) Years	\$ 1,137,500	See attached Supplement for PO information	Corporate headquarters based in San Antonio Metropolitan Area
Vickrey & Associates, Inc.	Local / Diverse	Women, Small, No Hub/Vet, Non Minority	Three (3) Years	\$ 1,137,500	See attached Supplement for PO information	Corporate headquarters based in San Antonio Metropolitan Area



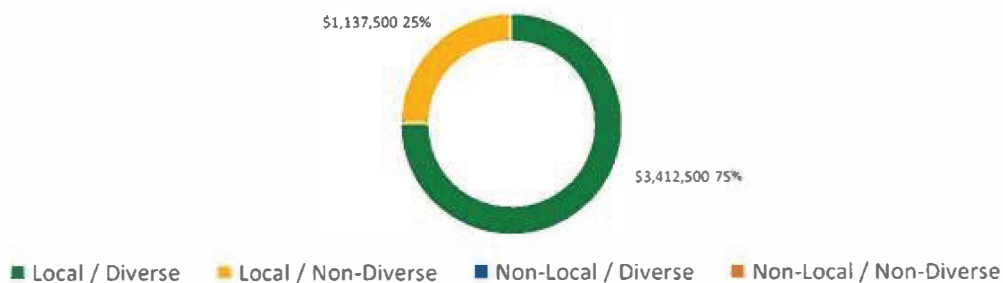
CPS Energy Board of Trustees Meeting February 22, 2021 PROCUREMENT FORM 5 (continued)						
NEW LW Survey Co.	Local / Diverse	Male, Large, No Hub/Vet, Native American	Three (3) Years	\$ 1,137,500	See attached Supplement for PO information	
NEW Atwell, LLC	Local / Non- Diverse	Male, Large, No Hub/Vet, Non Minority	Three (3) Years	\$ 1,137,500	See attached Supplement for PO information	
Total				\$ 4,550,000		

Annual Funds Budgeted						
FY*	Funding Method	Corporate Annual Budget*	Projected FY22 PO Spend	% Of Annual Corp Budget*	Projected FY23 PO Spend	Projected FY24 & FY25 PO Spend
21	Capital	\$684,100,000	\$1,366,667	0.20%	\$1,366,667	\$1,366,666
21	Non-Fuel O&M	\$712,800,000	\$150,000	0.02%	\$150,000	\$150,000

*FY21 budget used for illustrative purposes, as the FY22 budget has not yet been approved.

This procurement item does not contain competitively sensitive information; therefore, there are no restrictions on disclosure to the public.

Procurement Item: Professional Services

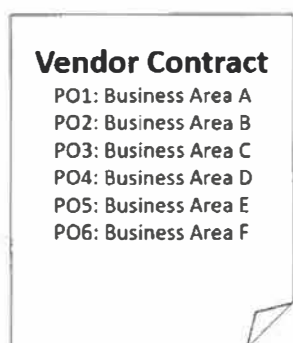


SUPPLEMENT – LAND SURVEYING MULTIPLE PURCHASE ORDER DETAILS

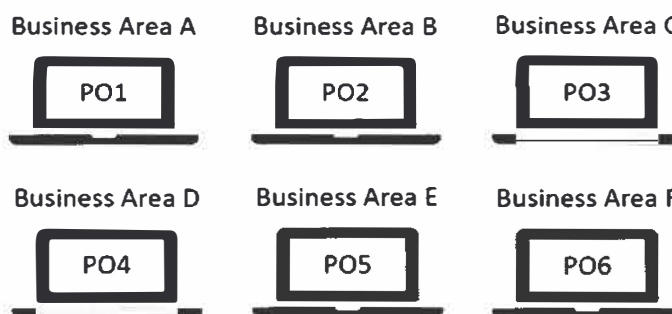
Six (6) business areas will be leveraging the same Land Surveying contracts for this procurement item, which helps with procurement efficiency and allows us to leverage economies of scale for this scope of work. Multiple vendors are recommended for award, which further helps achieve best value throughout the term of the contract, provides flexibility and redundancy for our teams and offers more opportunity for businesses in our community.

These contracts have been assembled in a unique way that offers administrative benefits to CPS Energy and the recommended vendors. Each vendor will be awarded a single contract. Each CPS Energy business area will have a unique purchase order number associated with the contract; hence, there will be six (6) PO numbers issued for each vendor agreement. Each PO has an individual spend limit that cumulatively equals the total contract value to prevent overspend and allow explicit visibility into the status of the PO value remaining for each business area.

Each Vendor Sees:



CPS Energy Sees:



Benefits of this structure:

- Individual PO's establish clear accountability for all business area Field Representatives
- Eliminates SAP workflow delays
- Shifts responsibility to the supplier to
 - Recognize the business area requesting the task/project
 - Ensure involvement of the correct Field Representative
 - Properly invoice the PO held by the correct business area

**SUPPLEMENT – LAND SURVEYING
MULTIPLE PURCHASE ORDER DETAILS**

Supplier Name	PO#	Business Area
Moy Tarin Ramirez Engineers, LLC	2195013	Gas Solutions
	2195009	Underground Engineering
	2195011	Transmission Engineering
	2195012	Overhead Engineering
	2195010	Right of Way
	2195014	Facility Operations
Vickrey & Associates, Inc.	2195019	Gas Solutions
	2195015	Underground Engineering
	2195017	Transmission Engineering
	2195018	Overhead Engineering
	2195016	Right of Way
	2195020	Facility Operations
LW Survey Co.	2195025	Gas Solutions
	2195021	Underground Engineering
	2195023	Transmission Engineering
	2195024	Overhead Engineering
	2195022	Right of Way
	2195026	Facility Operations
Atwell, LLC	2195007	Gas Solutions
	2195003	Underground Engineering
	2195005	Transmission Engineering
	2195006	Overhead Engineering
	2195004	Right of Way
	2195008	Facility Operations



AUDIT & FINANCE COMMITTEE (A&F)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JANUARY 19, 2021 MEETING PREPARED FOR COMMITTEE MEMBER, DR. WILLIS MACKEY FOR REPORT AT THE FEBRUARY 22, 2021 BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on January 19, 2021. As part of the Audit & Finance Committee agenda, the Committee:

- A. Approved meeting minutes from the prior meeting, held on October 19, 2020.
- B. Received an update on Enterprise Compliance:
 - a. Overview of the energy and water interdependence and environmental permits.
 - b. Due to proactive environmental compliance were able to achieve an approximate cost savings of \$60,000 a year.
 - c. Regulatory agencies are still exercising enforcement discretion as necessary, and many regulatory agencies employees are working remotely.
- C. Received an update on the Ethics Program, including a summary of cases that were opened and closed through December 18, 2020, and a trend analysis for FY2020 versus FY2021 3rd Quarter.
- D. Received an overview of current year GASB implementation that will occur by January 31, 2021, and GASB standards that will be effective in FY2022 and FY2023.
- E. Received update on Nuclear Decommissioning Trust Investment Manager Replacement:
 - a. Provided an overview of managed investments for the Nuclear Decommissioning Trusts.
 - b. Informed that two underperforming investment managers were identified and at the January 25, 2021, Board meeting, a request would be made for Board approval of a resolution to execute new investment manager agreements to replace the two underperforming investment managers.
- F. Received External Audit Request for Proposal (RFP) Update:
 - a. Received overview of our current external audit team of Baker Tilly and C.C. Garcia & Co, the engagement approach for the request for proposal (RFP) process, the External Audit Rotation policy, and a tentative timeline for the external audit RFP process.
- G. Received Audit Services Update:
 - a. Received update on the status of projects for FY2021, including vendor audits performed by Deloitte.
 - b. A quarterly audit plan will be implemented for FY2021. Q1 FY2022 Audit Plan was approved and the required communications were provided.

The next meeting of the Audit & Finance Committee will be held in April 2021.



EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JANUARY 19, 2021 MEETING PREPARED FOR COMMITTEE CHAIR TRUSTEE JOHN STEEN FOR REPORT AT THE FEBRUARY 22, 2021 BOARD OF TRUSTEES MEETING

The EBOC met on January 19, 2021. As part of the EBOC agenda, the Committee:

- A. Approved meeting minutes from the prior meeting held on October 19, 2020.
- B. Reviewed the Action Item list from the October 19, 2020 Meeting.
- C. Received a presentation regarding a Benefit Plans Administrative & Financial Update, which included items related to governance and improvement initiatives, an update on a Pension Trust line of credit paydown, a benefit trust update on Trustee services RFP, an update on quarterly and yearly investment performance, a preview of FY2022 benefit plan funding & expense, and an update on the improvement plan.
- D. Received a presentation and a request for approval regarding proposed enhancements and revisions to the Benefit Trusts Investment Policy (IP), which was unanimously approved by the EBOC.
- E. Received a presentation and a request to recommend Statement of Governance (SoG) revisions for full Board approval tentatively at the February 22, 2021 meeting, which was unanimously approved by the EBOC.

The next meeting of the EBOC will is to be determined.



**AUDIT & FINANCE & EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)
ALIGNED RISK SUB-COMMITTEE**

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JANUARY 19, 2021 MEETING

PREPARED FOR COMMITTEE MEMBER, MR. JOHN STEEN

FOR REPORT AT THE FEBRUARY 22, 2021 BOARD OF TRUSTEES MEETING

The Audit & Finance & EBOC Aligned Risk Sub-Committee met on January 19, 2021. As part of the Audit & Finance & EBOC Aligned Risk Sub-Committee (Sub-Committee) agenda, the Sub-Committee:

- A. Approved meeting minutes from the previous meeting held on October 19, 2020
- B. Reviewed the action item from the previous meeting
- C. Highlighted Environmental, Social & Governance risk landscape
- D. Heard from risk owners on the implications of suspending disconnects during the COVID-19 pandemic.

The next meeting of the Sub-Committee is to be determined.



PERSONNEL COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JANUARY 27, 2021 MEETING
PREPARED FOR COMMITTEE MEMBER, MR. ED KELLEY
FOR REPORT AT THE FEBRUARY 22, 2021 BOARD OF TRUSTEES MEETING**

The Personnel Committee met on January 27, 2021. As part of the Personnel Committee agenda, the Committee:

- A. Approved meeting minutes from the prior meeting, held on December 17, 2020.
- B. Reviewed the action items from the December 17, 2020 meeting, including a follow-up discussion on workforce trends.
- C. Received a Customer Satisfaction Survey Follow Up in response to an action item from the December 17, 2020 meeting.

The next meeting of the Personnel Committee is to be determined.