



**Minutes of Meeting of
Board of Directors
July 31, 2023**

A regular meeting of the Board of Directors of SA Energy Acquisition Public Facility Corporation ("PFC" or "Corporation"), held in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas, was called to order on Monday, July 31, 2023, at 3:50 p.m. by Board President Gonzalez.

The following Directors of the Corporation, constituting a quorum, were present and participated throughout the meeting:

Ms. Janie Gonzalez, President
Dr. Francine Romero, Vice President
Mr. Rudy Garza, Assistant Vice President
Dr. Willis Mackey
Mr. John Steen
Mayor Ron Nirenberg
Mr. Cory Kuchinsky

Also, in attendance during the meeting were:

Mr. Kevin Pollo, Executive Director
Ms. Shanna Ramirez, Secretary
Ms. Julie Johnson, Assistant Secretary
Mr. David Ramirez, Treasurer
Other CPS Energy leadership and staff members.

I. WELCOME / CALL TO ORDER

Chair Gonzalez welcomed everyone and called to order the meeting. Ms Ramirez confirmed a quorum was present.

II. PUBLIC COMMENT

There were no members of the public wishing to provide public comment.

III. CONSENT AGENDA

On a motion duly made by Board Member Mackey, seconded by Assistant Vice President Garza, and upon affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved:

- A. Board Meeting Minutes from February 27, 2023**
- B. Directors & Officers (D&O) Insurance Program Approval**

IV. PFC AUDIT RESULTS

Ms. Julie Johnson, Vice President of Finance & Accounting & Asst. Treasurer, introduced the audit results and introduced Ms. Caroline Garcia from KPMG. Ms. Gracia presented the audit results, noting that CPS Energy received a clean, unmodified audit.


The audit report noted that PFC uses the redemption price method of amortizing its bond premium in place of the effective interest method per Generally Accepted Accounting Principles (GAAP). Trustee Steen noted his concerns about the PFC's non-GAAP policy, and belief that the PFC should follow GAAP. In response, Ms. Johnson noted that the PFC has had the policy since 2007, and it assists in ensuring the PFC's reports are not confusing. Ms. Garcia noted it is not unusual for organizations to have different approaches than their auditors over how things are reported, and she emphasized that KPMG issued a clean opinion and would not have done so had they believed this was a material issue. Mayor Nirenberg noted that it would cost ratepayers a significant sum to change the way we report and audit and wanted to note that this conversation was detracting from the fact that the PFC received a clean report.

V. CLOSE-OUT

No action items were captured.

ADJOURNMENT

There being no further business to come before the Board of Directors, upon motion by Board Member Mackey and seconded by Assistant Vice President Garza, the meeting was adjourned by President Gonzalez at 4:07 p.m.



Shanna M. Ramirez
Secretary of the Board