

**CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON MAY 19, 2025**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of May was held on Monday, May 19, 2025, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

I. CALL TO ORDER

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

Present were Board members:

Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Ms. Janie Gonzalez
Mr. John Steen (arrived at 2:00 p.m.)
Mayor Ron Nirenberg (arrived at 1:03 p.m.)

Also present were:

Mr. Rudy Garza, President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
Ms. Elaina Ball, Chief Strategy Officer
Mr. Benny Ethridge, Chief Energy Supply Officer
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer
Ms. DeAnna Hardwick, Chief Customer Strategy Officer
Ms. Lisa Lewis, Chief Administrative Officer
Mr. Richard Medina, Chief Energy Delivery Officer
Mr. Evan O'Mahoney, Chief Information Officer
City of San Antonio officials
CPS Energy staff members
Interested Citizens

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Lori Lopez, Director, Technical Services Distribution.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, noted that when she sees CPS Energy crews out working, she likes to tell them she appreciates them. She also read a note about being yourself, and that only you can be you.

The following CPS Energy retirees provided public comment about upcoming changes to health care benefits for retirees at least 65 years of age: Ms. Patricia Major and Mr. Theodore Slansky. They expressed concern about the level of transparency and quality of communication from CPS Energy about the changes

and potential impacts from the changes. They requested that CPS Energy delay the changes until retirees can better understand them, and to potentially keep current options to allow retirees to choose which option works best for them.

The following community members provided public comment and requested that CPS Energy stop disconnections: Ms. Ana Trevino, Mr. Brian Lopez, Ms. Dominique Renteria, Ms. Angel Duran, Mr. Alex Pena, Ms. Luisiana Saltivanez, Ms. Janette Rico, Ms. Erica Alvarado, and Mr. Jake Turner. They urged CPS Energy to do more for vulnerable community members and expressed concern about the health and safety of these at-risk individuals – feeling that disconnections are inhumane.

Mr. Ray Cardenas, community member, stated that there are serious safety issues across the city with wires hanging down. He noted that these could pose a danger, and he did not find the reporting process satisfactory. He noted that if CPS Energy isn't responsible for the wires, he would like to better understand who is and how to hold them accountable.

IV. CHAIR'S REMARKS

Chair Romero thanked everyone for listening and noted that there will be agenda items in the future that address issues raised. She also thanked everyone for following the safety procedures for the Board meeting.

She urged community residents to learn more about our programs – specifically bill assistant and budget payment programs. She reviewed upcoming schedule of community events and urged customers to call 210-353-2222.

V. CEO RECOGNITION & REMARKS

Mr. Rudy Garza, President & CEO, recognized our Power Generation Operators. He noted they are continuously responsible for the safe and reliable operation of our power generation assets. Mr. Garza then thanked the Market Operations, Asset Management, and Energy Portfolio Analytics Teams that deliver key analytic insights and commercialization strategies to optimize our position.

Mr. Garza then previewed the agenda, noting that the two procurement items are fundamental to the work that we do at CPS Energy. He also noted that KPMG will provide our audit, and that our teams will discuss how we're ready for the summer. He stated that we had an early start to the summer last week, and we were ready.

VI. RECOGNITION OF MAYOR NIRENBERG

Those members present and Mr. Garza took a moment to recognize Mayor Nirenberg, and then adopted the following resolution by acclamation:

**CPS Energy Board of Trustees
Resolution in Honor of Mayor Ron Nirenberg**

WHEREAS, Ron Nirenberg, as the Mayor of the City of San Antonio for the past eight years; has served as an ex-officio member of the CPS Energy Board of Trustees, keeping City Council fully advised and informed about the actions of the Board; and

WHEREAS, during his tenure, Mayor Nirenberg was instrumental in the selection of President & CEO, Mr. Rudy D. Garza, and assisted in the appointment or reappointment of the current Board of Trustees, which includes Ms. Janie Martinez Gonzalez, Dr. Willis Mackey, Dr. Francine Sanders Romero, and Mr. John Steen; and

WHEREAS, Mayor Nirenberg has been a leader on the Board during critical times of transition for CPS Energy and its Board of Trustees, and he has provided valuable guidance and leadership to set CPS Energy on a path to the future; and

WHEREAS, Mayor Nirenberg's devotion to improve CPS Energy's engagement with our community resulted in a better understanding of the values and priorities of our community, including the development of the Community Input Committee; and

WHEREAS, Mayor Nirenberg worked with his fellow Trustees to adopt the Vision 2027 generation plan which continues progress to meet the San Antonio Climate Action and Adaption Plan (CAAP) goals, and puts us at the forefront of emerging technologies; and

WHEREAS, Mayor Nirenberg played a vital role in supporting our financial resiliency, recognizing the need to make investments to support the San Antonio community for generations to come and to strengthen the proud partnership between CPS Energy and the City of San Antonio and surrounding communities; and

WHEREAS, during his tenure, CPS Energy's assets grew by a total of \$4.6 Billion and CPS Energy conveyed \$3.2 Billion to its owner – the City of San Antonio – as a return on investment; and **WHEREAS**, Mayor Nirenberg coordinated with his fellow Trustees to adopt Horizon 2050, charting our long-term strategic path with a mission to safely power our community with reliable, affordable, and cleaner energy; and

WHEREAS, Mayor Nirenberg's expertise, dedication, leadership, and unselfish commitment of time and energy to the Board have greatly benefited not only CPS Energy but all its customers within the Greater San Antonio area.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees conveys to Mayor Nirenberg its deep and abiding gratitude for his unselfish service to CPS Energy and its customers; and

BE IT FURTHER RESOLVED that this Resolution be incorporated into the minutes of this meeting of the Board of Trustees.

VII. APPROVAL OF CONSENT ITEMS

A. Approval of Payment to the City of San Antonio for April 2025

Mayor Nirenberg moved to approve Item 7A. Chair Romero seconded, and it was approved on a 4-0 vote.

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 April 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$240,490,603.65, less applicable exclusions. In accordance with the New Series Bond Ordinance Flow of Funds requirements, current month revenue did not meet the full obligation for City Payment by \$20,395,274.09. This situation is a common occurrence for CPS Energy in the spring months due to the seasonal billing patterns. Under the previously approved agreement with the City, CPS Energy will advance to the City \$20,395,274.09 against future months' revenues for fiscal year 2026. The revenue for the month of April 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$257,668,888.21
Gas revenue	19,030,881.74
Interest and other income	7,664,001.57
Gross revenue per CPS Energy financial statements	<u>284,363,771.52</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(7,831,286.53)
LVG revenue per City Ordinance 100709	(107,305.88)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(25,131,539.45)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>(10,803,036.01)</u>
Total excluded revenue	<u>(43,873,167.87)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$240,490,603.65</u>
City payment per Bond Ordinance for April 2025 based upon April 2025 revenue	\$33,668,684.51
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	486,901.84
City Payment reduction per gas customer billing adjustment MOU	<u>(12,500.00)</u>
City payment per Bond Ordinance plus adjustments for memorandums of understanding	34,143,086.35 A

Utility services provided to the City for April 2025	(2,916,031.86)
Net amount to be paid from April 2025 revenue to the City in May 2025	<u>\$31,227,054.49</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)

April 2025	Actual	Budget	Variance	
Current Month A	\$34,143	\$32,258	\$1,885	5.8%
Year-to-Date	\$104,111	\$106,172	(\$2,061)	-1.9%

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 \$31,227,054.49 representing 14% of applicable system gross revenues for the month of April 2025, such payment being net of City utility services (\$2,916,031.86), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2026 is \$40,106,020.97.

B. Minutes from the April Regular Board Meeting, held on April 23, 2025

Mayor Nirenberg moved to approve Item 7B. Trustee Gonzalez seconded, and it was approved on a 4-0 vote.

C. Procurement Items:

Mayor Nirenberg moved to approve the procurement Items 7C1 and 7C2. Trustee Gonzalez seconded, and it was approved 3-0, with Trustee Gonzalez voting against the motion.

1. **General Services:** Purchase and Maintenance of Bucket Trucks
2. **General Services:** Vegetation Management and Right-of-Way Maintenance

*The Procurement Package will be attached as Attachment "A" to the meeting minutes.

VIII. BOARD COMMITTEE REPORTS

In the interest of time, Chair Romero accepted the submission of the following reports for the record in lieu of having them read during the meeting:

- A. Personnel Committee meeting held on March 31, 2025. The report is attached as Attachment "B" to the meeting minutes.
- B. Special Audit and Finance Committee meeting held on April 9, 2025. The report is attached as Attachment "C" to the meeting minutes.
- C. Operations Oversight Committee meeting held on April 9, 2025. The report is attached as Attachment "D" to the meeting minutes.

- D. Employee Benefits Oversight Committee meeting held on April 22, 2025. The report is attached as Attachment “E” to the meeting minutes.
- E. Audit and Finance Committee meeting held on April 22, 2025. The report is attached as Attachment “F” to the meeting minutes.

Note: Trustee Steen arrived at 2pm, prior to this presentation.

IX. ANNUAL AUDITED FINANCIAL STATEMENTS

Mr. Cory Kuchinsky, Chief Financial Officer, noted that the result was a clean, unmodified opinion. He then introduced Mr. Andy Crouch of KPMG, who then introduced Mr. Chris Carmona of Shriver, Carmona & Company. Mr. Crouch walked through the required communications to the Board.

The Board of Trustees asked questions and discussed.

X. SUMMER PREPAREDNESS UPDATE

Ms. Elaina Ball, Chief Strategy Officer, introduced our summer preparedness report to the Board of Trustees. She reviewed the summer outlook and key risks, including the significant growth within ERCOT. The Executive Leadership team provided an overview of our summer preparedness efforts as follows:

- Mr. Brian Alonso, Chief Meteorologist, discussed current models for temperatures, precipitation, and the tropical season.
- Mr. Benny Ethridge, Chief Energy Supply Officer, reviewed how we prepare people, processes, and equipment. He noted that we leverage lessons-learned to enhance system performance and emergency response during significant events.
- Mr. Rick Urruita, Vice President Generation Operations, reviewed power generation's resource capacity and noted that a Declaration of Summer Preparedness will be submitted to ERCOT by June 1. He also noted we are working to restore Braunig Unit 3 to a safe operational state as quickly as possible to support ERCOT reliability.
- Mr. Richard Medina, Chief Energy Delivery Officer, reviewed how to prepare our workforce, operations, and equipment for the summer within Energy Delivery. He also reviewed the training and other preparation activities, noting communication and collaboration are critical to preparedness. He also briefly reviewed transmission line projects that have been approved in South Texas to improve system reliability.
- Ms. DeAnna Hardwick, Chief Customer Strategy Officer, reviewed our wildfire preparedness – identifying assets in high-risk areas, conducting trainings, and communicating internally and externally. She noted that we use clear and concise messaging to educate stakeholders and employees on Wildfire Mitigation and Safety. Finally, she reviewed our billing and collections approach and our efforts to support our customers.

The Board of Trustees asked questions and discussed.

XI. EXECUTIVE SESSION

At approximately 3:10 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. 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:

- Competitive Matters (§551.086) & Attorney-Client Matters (§551.071)
- Personnel Matters (§551.074) – Evaluation of President & CEO

The Board reconvened in open session at 4:01 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.

XII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Steen, seconded by Vice Chair Dr. Mackey and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:01 p.m. by Chair Romero.



Shanna M. Ramirez
Secretary of the Board



CPS Energy Board of Trustees Meeting May 19, 2025 APPROVAL of PROCUREMENT ITEMS Table of Contents

1.	Item Description:	Purchase and Maintenance of Bucket Trucks
	Purchase Category:	General Services
	Supplier:	Altec, Inc. dba Altec Industries, Inc.
		Terex USA LLC dba Terex Utilities
Committee		Audit & Finance Committee – April 9, 2025
Presentations:		Operations Oversight Committee – April 9, 2025
2.	Item Description:	Vegetation Management and Right-of-Way Maintenance Services
	Purchase Category:	General Services
	Supplier:	Asplundh Tree Expert, LLC
		Chemical Weed Control, Inc
		ClearWay Industries LLC
		CWC Right of Way, Inc DBA Right of Way Services, Inc.
		McCoy Tree Surgery, Co.
		Paloma Blanca Enterprises, Inc
		Pannell Contracting, LLC DBA Pannell Co.
		Pozzi Enterprises, Inc. DBA Border Construction Services
		Sequoias Tree Expert LLC
		The Arbor Experts, LLC
		The Davey Tree Surgery Company
Committee		Audit & Finance Committee – April 22, 2025
Presentations:		Operations Oversight Committee – April 9, 2025

Approval:

Lewis, Lisa D Digitally signed by Lewis, Lisa D
Date: 2025.05.13 11:38:07 -05'00'

Lisa Lewis, Chief Administrative Officer

Approval:

Garza, Rudy D Digitally signed by Garza, Rudy D.
Date: 2025.05.13 13:07:54 -05'00'

Rudy Garza, President & CEO



CPS Energy Board of Trustees Meeting

May 19, 2025

Procurement Form 1



Item Description	Purchase and Maintenance of Bucket Trucks
Purchase Order Value	\$83,000,000
Purchase Category	General Services
Department	Fleet Asset Management
Chief Administrative Officer	Lisa Lewis

Detailed Description

CPS Energy staff recommend that a contract be awarded to Terex USA dba Terex Utilities, a local firm, and Altec, Inc. dba Altec Industries, Inc. as the respondents who will provide the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for the purchase of new aerial buckets of different working heights with access to a variety of chassis platforms and includes specialized maintenance, general inspections, and repair services for new and existing aerial bucket trucks. This contract will allow CPS Energy to procure trucks necessary to maintain reliability of our electric grid. These contracts will expire on March 31, 2030.

Subcontracting Opportunities

Both companies have committed to subcontract a portion of the services to one or more local or small businesses.

The solicitation method for this procurement was a Request for Proposal. 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
Safety records and training program	20
Experience, warranty, quality control, and contingencies	15
The overall cost	10
Economic Development (Local and Small business consideration)	15
The ability to meet CPS Energy's requirements	5
The financial soundness of the Respondent	Pass/Fail
TOTAL	100



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Procurement Form 1



Recommended Respondent(s) & Award

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Terex USA dba Terex Utilities	Local	68	\$50,100,000	2227204	
Altec, Inc. dba Altec Industries, Inc.		59	\$32,900,000	2227203	
TOTAL			\$83,000,000		

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$0	0%	\$11,800,000	\$13,800,000	\$54,400,000
\$982,000,000	Non-Fuel O&M	\$350,000	0.04%	\$400,000	\$400,000	\$1,850,000

Our current approved budget and latest estimates support these new purchase orders.



CPS Energy Board of Trustees Meeting

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Procurement Form 2



Item Description	Vegetation Management and Right-of-Way Maintenance Services
Purchase Order Value	\$80,000,000
Purchase Category	General Services
Department	Energy Delivery Services
Chief Energy Delivery Officer	Richard Medina

Detailed Description

CPS Energy staff recommend that a contract be awarded to ClearWay Industries LLC, Paloma Blanca Enterprises, Inc, Pannell Contracting, LLC DBA Pannell Co., Pozzi Enterprises, Inc. DBA Border Construction Services, and The Arbor Experts, LLC, all small, local firms, CWC Right of Way, Inc. DBA Right of Way Services, Inc. and Sequoias Tree Expert LLC, both small firms; Asplundh Tree Expert LLC, Chemical Weed Control, Inc., and McCoy Tree Surgery, Co., all local firms, and The Davey Tree Surgery Company 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 provide vegetation management and right-of-way maintenance services as needed and as requested by CPS Energy. This work will be performed on various CPS Energy gas and electric easements located in the San Antonio Metropolitan Area and other remote easements. These contracts will expire on June 19, 2028.

Subcontracting Opportunities

All large businesses have committed to subcontract a portion of the services to small businesses.

The solicitation method for this procurement was a Request for Proposal. 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	50
Safety records and training program	20
The overall cost	10
The ability to meet CPS Energy's requirements	10
Economic Development (Local and Small business consideration)	10
The financial soundness of the Respondent	Pass/Fail
TOTAL	100



CPS Energy Board of Trustees Meeting May 19, 2025 Procurement Form 2



Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Paloma Blanca Enterprises, Inc.	Small/Local	90	\$2,500,000	2227007	Corporate headquarters located in the San Antonio Metropolitan area
Pannell Contracting, LLC DBA Pannell Co.	Small/Local	88	\$10,000,000	2227008	
The Arbor Experts, LLC	Small/Local	84	\$10,000,000	2227011	
McCoy Tree Surgery, Co.	Local	82	\$10,000,000	2227006	
ClearWay Industries LLC	Small/Local	80	\$10,000,000	2227004	
Pozzi Enterprises, Inc. DBA Border Construction Services	Small/Local	80	\$2,500,000	2227009	Corporate headquarters located in the San Antonio Metropolitan area
Sequoias Tree Expert LLC	Small	77	\$10,000,000	2227010	New supplier identified at the October 2024 Community Vendor Fair
The Davey Tree Surgery Company		76	\$10,000,000	2227012	
Asplundh Tree Expert LLC	Local	75	\$10,000,000	2227002	
Chemical Weed Control, Inc.	Local	75	\$2,500,000	2227003	
CWC Right of Way, Inc. DBA Right of Way Services, Inc.	Small	71	\$2,500,000	2227005	
TOTAL			\$80,000,000		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$0	0%	\$0	\$0	\$0
\$982,000,000	Non-Fuel O&M	\$18,000,000	1.8%	\$25,000,000	\$25,000,000	\$12,000,000

Our current approved budget and latest estimates support these new purchase orders.



PERSONNEL COMMITTEE (PC)

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MARCH 31, 2025 MEETING
PREPARED FOR COMMITTEE CHAIR, DR. WILLIS MACKEY
FOR REPORT AT THE MAY 19, 2025 BOARD OF TRUSTEES MEETING**

The Personnel Committee met on March 31, 2025. As part of the Personnel Committee agenda, the Committee:

- A. Approved minutes from the September 30, 2024, Personnel Committee Meeting.
- B. Discussed input and process for CEO performance evaluation for FY2025.

The next meeting of the Personnel Committee is not yet scheduled.



AUDIT & FINANCE COMMITTEE (A&F)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM APRIL 9, 2025 MEETING PREPARED FOR COMMITTEE CHAIR, DR. FRANCINE ROMERO FOR REPORT AT THE MAY 19, 2025 BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on April 9, 2025. As part of the Audit & Finance Committee agenda, the Committee:

- A. Received a Procurement Preview of five contracts related to new electric and gas infrastructure installation services, transmission monopoles, communication engineering services, design-build new campus at WT Montgomery, and the purchase and maintenance of bucket trucks that went to the Board for approval in April.

The next meeting of the Audit & Finance Committee will be held in July 2025.



OPERATIONS OVERSIGHT COMMITTEE (OOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 9, 2025 MEETING PREPARED FOR COMMITTEE CHAIR, MR. JOHN STEEN FOR REPORT AT THE MAY 19, 2025 BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on April 9, 2025. As part of the agenda, the Committee:

- A. Reviewed and approved meeting minutes from the prior meeting held on November 11, 2024.
- B. Reviewed the Committee Governance Policy.
- C. Received a Load Growth Update:
 - a. Drivers for infrastructure growth,
 - b. Summary on ERCOT market landscape and industry trends and system growth,
 - c. And upcoming actions, including more Requests for Proposals (RFPs) and continued execution of substation and transmission projects.
- D. Received a Transmission Update & Routing & Siting Review:
 - a. An update on transmission projects and approvals,
 - b. A summary of community engagement and infrastructure expansion,
 - c. And a discussion on ERCOT Reliability Plan & Future Investments.
- E. Received a Procurement Preview that included:
 - a. A new contract/ rebid for New Electric and Gas Infrastructure Installation Services,
 - b. A new contract/rebid for Vegetation Management and Right-of-Way Services,
 - c. A new contract/rebid for Transmission Monopole Initiative,
 - d. A new contract/rebid for Engineering, Procurement, and Construction (EPC) contract for Substation and Transmission,
 - e. A new contract/rebid for Communications Engineering Services,
 - f. A new contract/rebid for the Financial Audit Services,
 - g. A new contract/rebid for Design-Build New Campus at the WT Montgomery Project,
 - h. A new contract/rebid for Purchase and Maintenance of Bucket Trucks,
 - i. And a new contract/rebid for Managed Staffing Services Contract.
- F. Received an update on our Engaged Customer Relationship that included:



- a. A review of the Customer Satisfaction (CSAT) measure,
 - b. An overview of the Engaged Customer Relationship (ECR) measure,
 - c. And a discussion on how we are using both surveys in parallel to better understand our community's needs and where to focus our resources to benefit the customer.
- G. Received an Summer Preparedness update that included:
- a. A weather outlook for Summer 2025,
 - b. A preview of Summer readiness in Operations,
 - c. And a discussion on customer-focused Summer campaigns and extreme weather communications plan.

The next meeting of the Operations Oversight Committee Meeting is planned for June 23, 2025.



EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 22, 2025, MEETING PREPARED FOR COMMITTEE CHAIR DR. FRANCINE ROMERO FOR REVIEW AT THE MAY 19, 2025 BOARD OF TRUSTEES MEETING

The EBOC met on April 22, 2025. As part of the EBOC agenda, the Committee:

- A. Approved meeting minutes from the prior meeting held on January 13, 2025.
- B. Reviewed the Action Items list from the meeting held on January 13, 2025.
- C. Reviewed the annual EBOC calendar and governance overview as part of a Benefit Plans Administrative & Financial Update.
- D. Reviewed and approved revisions to the CPS Energy Employee Benefit Plans Statement of Governance (SoG).

The Committee also received presentations regarding:

- E. An update on the 2024 external audit results conducted by BDO USA LLP regarding the employee benefit trusts. There were no adjustments, comments, or deficiencies identified.
- F. An Investment Performance Update, noting the final 2024 performance (net of fees) exceeded benchmark plans and the pension plan is performing in the top quartile nationally over the 10-year returns. The AC is monitoring market conditions as federal policy changes are causing market volatility and impacting returns in the first quarter.
- G. The committee noted no Action Items for follow-up.

The next meeting of the EBOC will be held on July 14, 2025.



AUDIT & FINANCE COMMITTEE (A&F)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM APRIL 22, 2025 MEETING

PREPARED FOR COMMITTEE CHAIR, DR. FRANCINE ROMERO

FOR REPORT AT THE MAY 19, 2025 BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on April 22, 2025. As part of the Audit & Finance Committee agenda, the Committee:

- A. Approved meeting minutes from the prior meetings held on January 9, 2025 and April 9, 2025.
- B. Received a presentation from KPMG, external auditors, regarding the audit results and required communication with those charged with governance in relation to the audit services provided.
- C. Received a Capital Markets Update to update the Committee on the economic conditions impacting CPS Energy and outreach with the investor community.
- D. Reviewed the Transmission Update and Routing & Siting (R&S) Review which detailed the overall R&S process and the necessary approval process as well as the status of several critical projects.
- E. Received a Procurement Preview of three contracts related to managed staffing, vegetation management and right-of-way maintenance as well as engineering, procurement and construction of substation and transmission infrastructure that will coming to the Board for approval in May and June.
- F. Received the Audit Services Quarterly Report, including a review of project count, audit plan coverage, audit universe coverage, project feedback metrics, and the results of four completed projects. Provided a preview of FY2026 audit planning process, Audit Services FY2026 proposed budget, and an overview of upcoming Audit Services projects. Vote and approval of the FY2026 Audit Projects.

The next meeting of the Audit & Finance Committee will be held in July 2025.