

**CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON AUGUST 25, 2025**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of August was held on Monday, August 25, 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
Mayor Gina Ortiz Jones

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Sarah Neill, Program Analyst, Customer Resolutions & Solutions Engineering.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, spoke in favor of public comment and her appreciation for the Board.

Ms. Deborah Henrich, Ms. Freddie Jean Satcher, Ms. Dawn Benitez, and Ms. Patricia Major, CPS Energy retirees, expressed concerns about the changes to the CPS Energy retiree healthcare benefits.

Mr. Alan Montemayor, Chief of the Alamo Group of the Sierra Club, spoke in favor of several sustainability and community efforts and requested there be an update on generation planning.

Mr. Kenneth Anshewitz, Utiylze, spoke about his company's services for analytics.

IV. CHAIR'S REMARKS

Chair Romero provided brief updates on the application process for the NE Quadrant Trustee position and Grillsgiving.

V. CEO RECOGNITION & REMARKS

Mr. Rudy Garza, President & CEO, recognized CPS Energy's first Financial Readiness Fair Project Team, and the team's efforts in hosting the successful event. Mr. Garza then gave a brief overview of the agenda.

VI. APPROVAL OF CONSENT ITEMS

On a motion by Vice Chair Dr. Mackey, seconded by Trustee Steen, and upon the affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved:

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

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 July 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$369,096,365.76, less applicable exclusions. The revenue for the month of July 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$405,259,447.88
Gas revenue	15,337,428.57
Interest and other income	5,375,071.73
Gross revenue per CPS Energy financial statements	<u>425,971,948.18</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(8,930,594.32)
LVG revenue per City Ordinance 100709	(40,219.15)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(52,467,151.59)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>4,562,382.64</u>
Total excluded revenue	<u>(56,875,582.42)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$369,096,365.76</u>
City payment per Bond Ordinance for July 2025 based upon July 2025 revenue	\$51,673,491.21
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	1,113,544.70
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	52,774,535.91	A
Utility services provided to the City for July 2025	(3,260,086.17)	
Net amount to be paid from July 2025 revenue to the City in August 2025	<u>\$49,514,449.74</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)

July 2025	Actual	Budget	Variance	
Current Month A	\$52,775	\$53,104	(\$329)	-0.6%
Year-to-Date	\$238,900	\$241,867	(\$2,967)	-1.2%

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 \$49,514,449.74 representing 14% of applicable system gross revenues for the month of July 2025, such payment being net of City utility services (\$3,260,086.17), is hereby approved." The Board ratifies that July 2025 revenue was sufficient to recover the remaining \$11,040,012.01 in funds that were advanced to the City in prior fiscal months.

D. Approval of Eastside Switching Station Land Acquisition

E. Procurement Items:

- a. **Item Description:** Medium & Heavy-Duty Trucks
- b. **Category:** Commodity & Material Goods
- c. **Supplier:** Cavender Ford Motor Company, Ltd. DBA Cavender Grande Ford
Rush Truck Centers of Texas, LP DBA Rush Truck Center San Antonio

The following items were pulled from consent for discussion:

B. Minutes from the June Regular Board Meeting, held on June 30, 2025

C. Minutes from the July Regular Board Meeting, held on July 28, 2025

Trustee Steen noted that he would vote against the minutes because although legally sufficient, he wished that the minutes included more detail regarding the comments from the Board of Trustees.¹ Vice Chair Dr. Mackey made a motion to approve Items 6B and 6C with an edit to further explain Ms. Henrich's comments regarding her concern being about the healthcare benefits for all retirees, and Chair Romero seconded. The motion was approved on a 3-2, with Trustee Steen and Trustee Gonzalez voting against approval.

¹ Trustee Steen requested that his remarks be included in full in the minutes, and they are attached as Attachment "A."

VII. 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:

Board Committee Reports

- A. Audit and Finance Committee meeting held on July 14, 2025. The report is attached as Attachment "B" to the meeting minutes.
- B. Employee Benefits Oversight Committee meeting held on July 14, 2025. The report is attached as Attachment "C" to the meeting minutes.

Community Input Committee (CIC) Report

- A. Community Input Committee meeting held on August 13, 2025. The report is attached as Attachment "D" to the meeting minutes.

VIII. 2026 HEALTH PLAN UPDATE

Ms. Veronica Uriegas, Vice President, People & Culture, presented on the changes to the health care benefits for retirees. The plan has been approved, and her presentation was intended to inform the full Board of Trustees on the implementation of a CPS Energy sponsored Medicare Supplement Health Plan for 2026. The plan is for retirees when they become Medicare eligible, and their CPS Energy insurance becomes secondary insurance.

The Board of Trustees asked several questions of Ms. Uriegas and staff about the reasons for the change, the design and implementation of the plan, and efforts around seeking input from and communicating with retirees. The Board of Trustees also requested follow-up information, and Chair Romero directed that staff provide the information to the Employee Benefits Oversight Committee.

IX. PROCUREMENT POLICY FOLLOW-UP

Ms. Lisa Lewis, Chief Administrative Officer, presented on the Procurement Policy. She reviewed the Board action to amend the Procurement Policy in December 2024, and she reviewed those amendments. She also noted that potential changes to the Board approval thresholds were discussed during the December meeting. At that meeting, the Board voted not to change the threshold levels and requested more information. Ms. Lewis noted that additional analysis has been provided to the Board for their review and discussion. Finally, she noted that the approval thresholds within the Procurement Policy can be aligned to any level the Board deems necessary to provide fiduciary oversight and governance.

The Board of Trustees asked questions and discussed the Procurement Policy, the discussion was primarily related to how we compare to our peer utilities and maintaining transparency.

Chair Romero asked for any motions. Vice Chair Dr. Mackey made a motion to maintain the current Board approval threshold limits in the Procurement Policy, and Chair Romero seconded it. It was noted that it wasn't necessary for the Board to vote as amendments to the Policy were not being proposed, but Chair Romero noted that a vote would affirm the Board's position. The motion passed unanimously.

X. ACCOUNT MANAGEMENT AND PAST DUE BALANCES

Ms. DeAnna Hardwick, Chief Customer Strategy Officer, and Ms. Devi Kumar-Nambiar, Vice President, Deputy General Counsel presented on account management and past due balances. Ms. Kumar-Nambiar reviewed the legal framework, noting that state law and regulatory requirements require we impose and collect for charges and cannot provide any free service, and reviewed the programs we do have to assist our customers within the legal framework. Ms. Hardwick reviewed our reduction in past due balances, provided a snapshot of the demographics for these customers, and provided information on our programs and our outreach and engagement efforts with our customers.

The Board of Trustees asked questions and discussed the presentation, noting their appreciation for staff's hard work. The Board also requested additional information.

XI. EXECUTIVE SESSION

At approximately 3:42 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:

- Personnel Matters (§551.074) & Attorney-Clients Matters (§551.071)
- Attorney-Client Matters (§551.071)
- Security Personnel or Devices (§551.076)

The Board reconvened in open session at 4:35 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.

XII. ADJOURNMENT

Chair Romero asked Ms. Ramirez to review the requested action items. There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Mackey, seconded by Trustee Steen, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:39 p.m. by Chair Romero.



Shanna M. Ramirez
Secretary of the Board



CPS Energy Board of Trustees Meeting
August 25, 2025
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1. Item Description: Purchase Category: Supplier:	Medium & Heavy-Duty Vehicles
	Commodity & Material Goods
	Bruckner Truck Sales Inc. dba Bruckner's Truck & Equipment
	Cavender Ford Motor Company, Ltd. dba Cavender Grande Ford
	Rush Truck Centers of Texas, LP dba Rush Truck Center, San Antonio

Committee Presentations: Audit & Finance Committee – July 14, 2025
Operations Oversight Committee members provided 1:1 procurement preview meetings in lieu of a committee presentation due to a schedule change to the August Operations Oversight Committee meeting.

Approval: **Lewis, Lisa D.** Digitally signed by Lewis, Lisa D
Date: 2025.08.18 17:08:41 -05'00'

Lisa D. Lewis, Chief Administrative Officer

Approval: **Garza, Rudy D.** Digitally signed by Garza, Rudy D.
Date: 2025.08.19 12:28:09 -05'00'

Rudy D. Garza, President & CEO



CPS Energy Board of Trustees Meeting

August 25, 2025

Procurement Form 1

Item Description	Medium & Heavy-Duty Vehicles
Purchase Order Value	\$65,000,000
Purchase Category	Commodity & Material Goods
Department	Fleet Asset Management
Chief Administrative Officer	Lisa D. Lewis

Detailed Description

CPS Energy staff recommend that a contract be awarded to Cavender Grande Ford, a local, small firm, and Bruckner's Truck & Equipment and Rush Truck Centers of Texas, both local firms, as the respondents who will provide the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the purchase of new medium to heavy duty vehicles with Gross Vehicle Weight Rating (GVWR) ranging from 14,001 lbs. to 80,000 lbs. This procurement will enable CPS Energy to replace vehicles that are required to support the construction and maintenance of our system and continue toward our organization's 10-year lifecycle replacement plan for this type of fleet aligned with industry best practices. These vehicles are essential assets that support various departments responsible for system reliability, including Gas, Distribution, Power Generation, Storeroom, and Substation operations. These contracts will expire on September 29, 2030.

Subcontracting Opportunities

None available.

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
Overall cost	40
Experience and qualifications to perform the services	35
Training program	10
Economic Development (Local and Small business consideration)	10
Legal and compliance requirements	5
TOTAL	100



CPS Energy Board of Trustees Meeting

August 25, 2025

Procurement Form 1

Recommended Respondent(s) & Award

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Bruckner's Truck & Equipment	Local	93	\$30,000,000	2228500	
Rush Truck Centers of Texas	Local	82	\$20,000,000	2228601	
Cavender Grande Ford	Local/Small	72	\$15,000,000	2228499	
TOTAL			\$65,000,000		

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	\$500,000	0.03%	\$13,000,000	\$13,000,000	\$13,000,000
\$982,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

Our current approved budget and latest estimates support the new purchase order.



AUDIT & FINANCE COMMITTEE (A&F)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM JULY 14, 2025 MEETING

PREPARED FOR CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE AUGUST 25, 2025 BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on July 14, 2025. As part of the Audit & Finance Committee agenda, the Committee:

- A. Approved meeting minutes from the prior meetings held on April 22, 2025.
- B. Received a presentation of the board procurement policy, described policy changes, proposed reporting cadence, procurement category limits and request for feedback from the committee.
- C. Received a presentation regarding the Special Facilities Structure project which included ERCOT market landscape, regional transmission growth, and the Permian Basin reliability project.
- D. Received a Procurement Preview of four contracts related to financial audit services and procurement of residential gas meters, purchase of medium and heavy-duty vehicles, and electric PVC conduit that will coming to the Board for approval in July, August, and September 2025, respectively.
- E. Received the Audit Services Quarterly Report, including a review of project count, audit plan coverage, and audit universe coverage. Provided an update on department staff.

The next meeting of the Audit & Finance Committee will be held on October 6, 2025.



EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JULY 14, 2025, MEETING PREPARED FOR COMMITTEE CHAIR DR. FRANCINE SANDERS ROMERO FOR REVIEW AT THE AUGUST 25, 2025, BOARD OF TRUSTEES MEETING

The EBOC met on July 14, 2025. As part of the EBOC agenda, the Committee:

- A. Approved meeting minutes from the prior meeting held on April 22, 2025.
- B. There were no Action Items to review from the meeting held on April 22, 2025.
- C. Reviewed the annual EBOC calendar and governance overview as part of a Benefit Plans Administrative & Financial Update.
- D. Approved the extension of the External Audit Services Agreement with BDO for one year.
- E. Received an Investment Performance Update, recapping investment performance (net of fees) for the year to date through May 2025, highlighting that performance remained positive despite high volatility in the financial markets due to the announcement of tariff policies and geopolitical tensions.

The Committee also received a presentation regarding the CPS Energy Health Plan:

- F. The presentation noted that health claims cost projections indicate a need to increase premiums by 11.2% for active employees and non-Medicare eligible retirees for the 2026 plan year. To mitigate the significant increase, the Administrative Committee recommended approval of an increase in deductibles and out-of-pocket maximums, which in turn, reduced the premium increase from 11.2% to 9.83%. A new employer-sponsored plan was presented for Medicare-eligible retirees and dependents that provides favorable plan design options through a Supplement Plan that coordinates with Medicare. The new plan will replace CPS Energy Group Health Plans A, B, and C for Medicare eligible retirees, at an overall average savings of 35% compared to 2025 Plan A costs. The EBOC approved all recommended plan design changes and premiums. The Health Trust will continue to fund retiree health plans, regardless of the plan in which they participate.
- G. The committee noted two Action Items for follow-up:
 - a. Provide a performance report by asset class.
 - b. Incorporate graph into future presentations that shows Pension Plan performance over time.

The next meeting of the EBOC will be held on October 6, 2025.



Community Input Committee (CIC) Committee Report

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE AUGUST 13, 2025, MEETING PREPARED FOR COMMITTEE CHAIR, MS. LAWSON PICASSO FOR REPORT AT THE AUGUST 25, 2025, BOARD OF TRUSTEES MEETING

The Community Input Committee met on August 13, 2025. As part of the agenda, the committee:

- A. Participated in a discussion led by Chair Lawson Picasso of the draft revisions to the Community Input Committee (CIC) Bylaws. All CIC members had an opportunity to provide proposed revisions to the bylaws, which the CIC Executive Committee considered, acting as the Bylaws Review Committee. The Bylaws Review Committee received 33 submissions, of which most were incorporated into the revisions. These submissions generally fell into the following categories: the role, naming, and structure of the CIC subcommittees; the meeting cadence for full CIC meetings; and member expectations and duties. The proposed revisions were submitted to the utility's legal department, which provided a redlined version of the bylaws. This redlined version was shared with all Committee members and posted on the CIC website in advance of the August 13th meeting. During this meeting, the committee discussed each change and moved to adopt the proposed revisions en bloc. The motion carried 12-1 to adopt the revisions and move them forward to the CPS Energy Board of Trustees for their consideration.

The next regularly scheduled Community Input Committee meeting is October 8, 2025.



AUDIT & FINANCE COMMITTEE (A&F)

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