

**SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION MEETING
TO BE HELD ON JANUARY 30, 2026
LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)**

At any time during the Board Meeting, the Board may go into an executive session as permitted by the Texas Open Meetings Act, (Chapter 551 of the Texas Government Code) regarding any item on this agenda. To note, the Public Comment Registration period runs the Friday prior to the Board of Trustees meeting at 5:00 PM through 12:30 PM the day of the meeting via our online registration form in addition to the ability to register via phone from the Friday prior to the Board of Trustees meeting at 5:00 PM through Wednesday at 1:00 PM.

PFC Members

Dr. Francine Romero, President
Dr. Willis Mackey, Vice President
Mr. John Steen, Director

Mayor Gina Ortiz Jones, Director
Ms. Janie Gonzalez, Director

Mr. Rudy Garza, Assistant Vice President
Mr. Cory Kuchinsky, Director

AGENDA

ITEM	TOPIC	ACTION	PRESENTER / SPONSOR
1	CALL TO ORDER	Execute	Dr. Francine Romero
2	PUBLIC COMMENT	Discuss	Dr. Francine Romero
CONSENT AGENDA			
3	APPROVAL OF CONSENT ITEMS: A. Minutes of the PFC Meeting held on June 30, 2025 B. Financial Authorization and Approvals Policy for Banking & Investing	Vote	Dr. Francine Romero
REGULAR AGENDA			
4	RESOLUTION FOR ELECTION OF OFFICERS (Ms. Shanna Ramirez)	Vote	Dr. Francine Romero
5	CLOSE-OUT: Review Action Items from this meeting	Discuss	Ms. Julie Johnson
6	ADJOURNMENT	Execute	Dr. Francine Romero
If the PFC meeting has not adjourned by 5:00 PM, the presiding officer may entertain a motion to continue the meeting, postpone the remaining items to the next Board meeting date, or recess and reconvene the meeting at a specified date and time.			



**Minutes of Meeting of
Board of Directors
June 30, 2025**

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, June 30, 2025 at 5:36 p.m. by Board President Romero.

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

Dr. Francine Romero, President
Dr. Willis Mackey, Vice President
Mr. Rudy D. Garza, Assistant Vice President
Ms. Janie Gonzalez
Mr. John Steen
Mayor Gina Ortiz Jones
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

Board President Romero 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 comment.

III. APPROVAL OF CONSENT AGENDA

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

A. Board Meeting Minutes from January 31, 2025

The following item was pulled from the consent agenda for discussion:

B. Directors & Officers (“D&O”) Insurance Program Approval

Ms. Julie Johnson, Vice President, Finance & Accounting & Assistant Treasurer, presented a summary of the Directors & Officers Insurance Program reviewing the policy term, coverage, and premium considering the PFC winding down its business in the future. Board Member Steen moved approval, Board Member Gonzalez seconded, and the following resolution was approved unanimously:

RESOLUTION APPROVING ACQUISITION OF DIRECTORS AND OFFICERS LIABILITY INSURANCE

WHEREAS, on May 21, 2007, the SA Energy Acquisition Public Facility Corporation's (“Corporation's”) Board of Directors resolved to authorize the initial purchase of directors and officers liability insurance with policy limits equal to \$10 million with not more than a \$50,000 deductible; and

WHEREAS, on July 27, 2007, in order to provide an enhanced assurance of insurance protection, the Corporation's Board of Directors resolved to authorize the purchase of an additional \$10 million of coverage in excess of the primary \$10 million policy limit, resulting in securing two policies with a total limit of \$20 million; and

WHEREAS, on February 25, 2008, the Corporation's Board of Directors authorized the purchase of the primary \$10 million directors and officers liability insurance to renew the policy set to expire April 1, 2008; and

WHEREAS, on February 25, 2008, the Corporation's Board of Directors authorized the purchase of \$10 million excess directors and officers liability insurance to renew the policy set to expire June 1, 2008, and established a newly effective policy date of April 1, 2008 to correspond to the effective date of the primary \$10 million policy limit, resulting in continuing to secure two policies with a total limit of \$20 million; and

WHEREAS, on March 29, 2010, the Corporation's Board of Directors authorized increasing the directors and officers liability insurance deductible from \$50,000 to \$100,000 to attain additional premium savings; and

WHEREAS, the directors and officers liability insurance policies totaling \$20 million with a \$100,000 deductible are currently set to expire July 31, 2025; and

WHEREAS, the Corporation's Board of Directors acknowledges that the cost of the policy premium and deductible will be paid by the SA Energy Acquisition Public Facility Corporation; and

WHEREAS, the existing policies are available for renewal at the existing terms, conditions, limits and deductible for a period ending July 31, 2026, at a total annual premium cost of \$80,231; and

WHEREAS, pursuing this insurance coverage for members of the Board of Directors continues to be a prudent and necessary expenditure to address the liability of the Corporation's Directors and Officers; and

NOW, THEREFORE, BE IT RESOLVED, that the Corporation's Board of Directors hereby authorizes the renewal of the Corporation's Directors and Officers Liability Insurance Program, which currently provides Corporate Board members and officers with insurance coverage of \$20 million with a \$100,000 deductible, to replace the policies that are set to expire July 31, 2025, with both premium and deductible, if the need arises, to be paid by the SA Energy Acquisition Public Facility Corporation.

IV. PFC AUDIT RESULTS

Mr. Andrew, Crouch, KMPG, presented the results of the audit for the PFC. Mr. Crouch noted it was a successful audit that finished timely with a clean opinion with no significant findings. He noted an uncorrected audit misstatement because the PFC amortizes its bond premium utilizing the redemption price method; however, the Governmental Accounting Standards Board (GASB) Statement No. 62 requires amortization of premiums and discounts to be made under the effective interest method. Mr. Crouch noted the same misstatement has been noted in previous audits. He also reiterated, as in years past, that the misstatement is not material to the financial statements, and not an item of concern. Trustee Steen stated that he believes that the PFC, without exception, should be in compliance with Generally Accepted Accounting Principles (GAAP) and with GASB No. 62, and he requested this concern be included in the minutes.

V. CLOSE-OUT

Ms. Johnson reviewed the action items.

VI. ADJOURNMENT

There being no further business to come before the Board of Directors, upon a motion duly made by Assistance Vice President Garza, seconded by President Romero, and upon the affirmative vote by all members present, the meeting was unanimously adjourned at 5:50 p.m. by President Romero.

Shanna M. Ramirez
Secretary

Executive Summary

San Antonio Energy Acquisition Public Facility Corporation

Financial Policy Annual Approval

January 30, 2026 Board Consent Agenda Item

ACTION REQUIRED:

- Board approval of San Antonio Energy Acquisition Public Facility Corporation's Financial Policy
- Should you have any questions or need any additional information, please contact
 - Julie Johnson at 210-353-2462 (office) / 210-289-3490 (cell)
 - Cory Kuchinsky at 210-353-5176 (office) / 210-415-2941 (cell)

SUMMARY OF CHANGES:

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓			

- Updated the effective date of the FAAP Policy.
- Clarified which liquid funds are invested in approved Government Money Market Funds.

BACKGROUND:

This Policy:

- Designates San Antonio Energy Acquisition Public Facility Corporation officers ("Officers") and other staff who are authorized to approve various banking, investing and hedging transactions and relationships
- Designates Investment Officers for the San Antonio Energy Acquisition Public Facility Corporation, as defined by the Texas Public Funds Investment Act ("PFIA")
- Authorizes Officers to act in the name of San Antonio Energy Acquisition Public Facility Corporation to perform duties such as establishing, maintaining and closing bank accounts; authorizing or approving investment and banking transactions; and establishing, maintaining and closing trading authorizations for the investment of San Antonio Energy Acquisition Public Facility Corporation funds

CONTENTS:

- Board Resolution: San Antonio Energy Acquisition Public Facility Corporation's "Financial Authorizations & Approvals Policy for Banking & Investing"
- Clean and redlined versions of policy



**FINANCIAL AUTHORIZATION AND APPROVALS POLICY
FOR BANKING AND INVESTING
(POLICY EFFECTIVE FEBRUARY 1, 2026)**

BANKING

Accounts

The SA Energy Acquisition Public Facility Corporation Officers listed below ("Officers"), or any persons appointed to fill those positions in an interim capacity, are authorized to act in the name of SA Energy Acquisition Public Facility Corporation (the "PFC") to establish, maintain and close bank and/or trust accounts:

Assistant Vice-President
Assistant Secretary
Treasurer

Authority to open or close any bank or trust account at a designated financial institution requires the signatures of at least two Officers. Signatures evidencing such authorization will be provided to financial institutions, including banks, investment firms, etc. upon establishment and termination of a relationship.

Financial Transactions

Any two Officers are authorized to sign checks drawn on PFC bank accounts. In addition, any two Officers may authorize and approve other financial transactions, including electronic funds transfers ("EFT") or investment of funds. EFT's may be executed verbally with personal identification codes, by signed letter or facsimile, or by electronic banking system transmission, provided that adequate segregation of system administration functions exists.

Any two Officers may designate other authorized representatives ("Authorized Representatives"). An Authorized Representative may authorize and approve financial transactions when, and only when, joined by at least one Officer. A list of Officers and, when applicable, Authorized Representatives will be provided to approved financial institutions along with specimen signatures. The Officers and Authorized Representatives who authorize and approve a financial transaction are prohibited from executing that transaction.

Collateral

In the event cash balances exceed levels insured by the Federal Deposit Insurance Corporation, the trustee, as defined by Texas Property Code Sec. 111.004(18) and hereinafter referred to as "Trustee", will pledge collateral in accordance with the Texas Public Funds Collateral Act and the Trust Indenture dated June 1, 2007 securing Gas Supply Revenue Bonds, Series 2007 ("Indenture"). Currently, Bank of New York Trust Company, N.A. serves as Trustee for the PFC. Two Officers will be required to approve collateral pledges or releases.

INVESTMENT**Investment Authorization**

The above-listed Officers, or any persons appointed to fill those positions in an interim capacity, are authorized to act in the name of the PFC to establish, maintain and close investment relationships with the Trustee, investment managers, money market funds, and depository institutions for the investment of PFC funds. The signature of any two Officers will be required to open or terminate such investment relationships. The Treasurer and the Assistant Secretary are designated as the PFC's Investment Officers and will maintain the requisite number of investment training hours as specified in the Texas Public Funds Investment Act ("PFIA").

Investment Emphasis and Strategy

Investment of PFC funds will be in accordance with the PFIA, the Trust Indenture, and agreement(s) relating to the issuance of any of the PFC's bonds.

The investment emphasis and strategy describe its objectives based on the following order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the entity;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield

The majority of the PFC's funds will be invested in a Guaranteed Investment Contract (GIC) with J. Aron as the GIC provider. Goldman Sachs guarantees the obligations of its wholly-owned subsidiary, J. Aron (the gas supplier). The PFC Bond's credit ratings reflect the lower of the ratings of Goldman Sachs, CPS Energy, and the Royal Bank of Canada (the swap counterparty). Liquid funds (e.g., cash) in the Revenue Fund and General Fund are currently in approved Government Money Market Funds.

The strategy for investment of PFC's funds is to ensure timely deposit of all debt service funds with the GIC provider.

Emphasis for investment of PFC funds should be placed on safety of principal and liquidity followed by emphasis on earning investment income at market rates.

Investment of funds not related to debt service will have a maximum maturity of one year or less to ensure adequate operating liquidity in the event early liquidation is required for cash flow purposes.

Market values of investments will be attained from sources deemed reliable by industry standard and will be reviewed no less than quarterly. All eligible securities will be settled on a delivery versus payment method.

Other available funds beyond debt service will be timely invested in authorized investments to earn market yields, with emphasis on safety and liquidity for operational requirements.

Authorized Investments

PFC funds may be invested in "Qualified Investments" as defined in the Indenture. With the exception of GICs or Repurchase Agreements, the PFC will own no greater than 10% of the outstanding issued amount for any one CUSIP or money market mutual fund. All investments are to be made consistent with this Policy, the Indenture, the PFIA, and other legal agreements and federal income tax requirements. Any two Officers may authorize the Trustee or investment manager to invest funds in said instruments without day-to-day oversight or additional authorization by those Officers.

No investment transaction shall be made that would cause the portfolio to be out of compliance with this Policy. The impact that an investment transaction would have on the portfolio will be evaluated prior to executing a transaction. However, it is possible for the portfolio to become out of compliance with this Policy due to regulatory changes, etc. Action will be taken to move the portfolio back into compliance within a period of 90 days from the date upon which the non-compliance event occurred or was discovered. Additional time periods may be granted in the event temporary market conditions are not seen as favorable for taking corrective action.

Standard of Care

Directors and Officers of the PFC, Authorized Representatives and the Trustee will be required to operate under the prudent-person rule, *i.e.*, managing financial transactions, investments and diversification of investments "shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived."

Investment Reporting

Reports of investment activity will be prepared and submitted to the PFC Officers on a quarterly basis in accordance with PFIA requirements. In addition, this Financial Authorization and Approvals Policy for Banking and Investing will be reviewed and approved by the Officers of the PFC not less than annually, during the fiscal year. If brokers are engaged in investment transactions for the PFC, the Investment Officers will review and approve a list of qualified brokers on an annual basis.

[The remainder of this page intentionally left blank]



RESOLUTION FOR APPROVAL OF THE FINANCIAL AUTHORIZATION AND APPROVAL POLICY FOR BANKING AND INVESTING

The following resolution relating to the banking and investing activities of the City of San Antonio, Texas acting by and through San Antonio Energy Acquisition Public Facility Corporation ("PFC") was presented for consideration and approval by the Board of Directors ("Board"):

WHEREAS, the Board of Directors of the PFC, is required to designate and authorize specific PFC Officers and staff to conduct financial transactions on behalf of the PFC; and

WHEREAS, a PFC Financial Authorization and Approval Policy for Banking and Investing ("the Policy") guides the banks, investment firms, brokers, and other counterparties to conduct transactions in the daily operations of the PFC; and

WHEREAS, PFC has proposed changes to the Policy to update the effective date and clarify which funds are approved to be invested.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves the attached PFC Financial Authorization and Approval Policy for Banking and Investing, effective February 1, 2026.

Shanna M. Ramirez
Secretary

RESOLUTION FOR ELECTION OF OFFICERS

WHEREAS, Article VII of the Corporation's Articles of Incorporation stipulates that "No person shall be appointed as a director of the Corporation unless that person is also appointed as a member of the Board of Trustees of CPS Energy or serves as the President and CEO or Chief Financial Officer of CPS Energy; provided that a director whose term on the Board of Trustees of CPS Energy or whose employment at CPS Energy concludes before the expiration of the term as a director of the Corporation shall also conclude their term as a director of the Corporation"; and

WHEREAS, on February 6, 2025, the San Antonio City Council reappointed members of the CPS Energy Board of Trustees along with the President & Chief Executive Officer and the Chief Financial Officer of CPS Energy to the SA Energy Acquisition Public Facility Corporation Board of Directors for terms to commence February 1, 2025 and expiring on January 31, 2027; and

WHEREAS, on January 16, 2025, the San Antonio City Council appointed Dr. Erika Gonzalez to the SA Energy Public Facility Corporation, replacing Mr. John Steen as the Trustee representing Quadrant 2, for a term to commence February 1, 2026 and expiring on January 31, 2027; and

WHEREAS, on March 4, 2024 the Board of Directors elected a slate of officers to serve the Corporation for terms that expire January 31, 2025; and

WHEREAS, the Corporation's by-laws call for the election of a president, a vice president, a secretary, and an executive director and authorize the board of directors to establish and fill other offices that it determines to be necessary; and

NOW, THEREFORE, BE IT RESOLVED, that the following persons shall serve as officers of the Corporation, in positions as identified below, for a term ending January 31, 2027, provided that an officer whose term on the Board of Trustees of CPS Energy concludes before the expiration of the term as an officer of the corporation shall also conclude his/her term as an officer of the corporation:

President ^(1,3)	Dr. Francine Romero
Vice President ^(1,3)	Dr. Willis Mackey
Assistant Vice President ⁽¹⁾	Rudy Garza
Secretary	Shanna Ramirez
Assistant Secretary ⁽²⁾	Julie Johnson
Treasurer ⁽²⁾	Lizeth Oliver
Executive Director	Kevin Pollo

Notes:

- 1) Also serves as a Director of the Corporation. Other Trustees of CPS Energy not specified above also serve as Directors of the Corporation.
- 2) Serves as an Authorized Financial Officer for Banking & Investing of the Corporation.
- 3) The President and Vice President positions in the Corporation are aligned to be consistent with the Chair and Vice Chair positions on the CPS Energy Board.

Shanna M. Ramirez
Secretary