



SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION MEETING
TO BE HELD ON AUGUST 31, 2020
BY TELEPHONE CONFERENCE
1 (888) 409-5380

RECEIVED
 CITY OF SAN ANTONIO
 CITY CLERK

2020 AUG 26 AM 9:53

This meeting will follow the 15-minute break after the Regular Board Meeting of the CPS Energy Board of Trustees held at 1:00 p.m.

This agenda serves notice that the Board of Directors of the SA Energy Acquisition Public Facility Corporation will hold a meeting, open to the public, at which time the Board of Directors will consider the following matters, detailed below.

To protect the health of the public and limit the potential spread of COVID-19, the CPS Energy Board of Trustees will hold this meeting via telephone conference. These meeting standards are based upon the provisions of the Open Meetings Act, as modified by the Governor of Texas in response to the COVID-19 crisis. These modified standards shall remain in place until further notice or until the state disaster declaration expires or is otherwise terminated by the Texas Governor. There will be no in-person public access to the meeting.

At any time during the Board Meeting, and pursuant to the provisions of Chapter 551 of the Texas Government Code, the Board may meet in executive session for consultation concerning attorney-client matters under Section 551.071; for deliberations and other authorized action on real property under Section 551.072; on prospective gifts or donations under Section 551.073; on personnel under Section 551.074; on security personnel or devices under Section 551.076; on economic development negotiations under Section 551.087; to deliberate, vote, or take final action on competitive matters under Section 551.086; to deliberate regarding security audits and devices under Section 551.089; or to deliberate under Texas Government Code Section 418.183(f) about confidential information under the Texas Homeland Security Act.

ITEM	TOPIC	ACTION	PRESENTER / SPONSOR
1	CALL TO ORDER	Execute	Mr. John Steen
2	PUBLIC COMMENT (Pre-Registration scheduled from 11:00 AM – 12:00 PM @ (210) 353-4662) A. Chair's Announcements B. Comments	Discuss	Mr. John Steen
CONSENT AGENDA			
3	APPROVAL OF CONSENT ITEMS: A. Minutes of the Meeting held on 06/29/2020	Vote	Mr. John Steen
REGULAR AGENDA			
4	APPOINTMENT OF OFFICERS AND RECOMMENDATION FOR APPOINTMENT OF DIRECTOR	Vote	Ms. Carolyn Shellman
5	CLOSE-OUT: Review Action Items from this meeting	Discuss	Mr. Gary Gold
6	ADJOURNMENT	Execute	Mr. John Steen

RECEIVED
CITY OF SAN ANTONIO
CITY CLERK

2020 AUG 26 AM 9:53

NOTICE OF MEETING

SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION

BY TELEPHONE CONFERENCE

To protect the health of the public and limit the potential spread of COVID-19, the Board of Directors of the SA Energy Acquisition Public Facility Corporation will hold this meeting via telephone conference. These meeting standards are based upon the provisions of the Open Meetings Act, as modified by the Governor of Texas in response to the COVID-19 crisis. These modified standards shall remain in place until further notice or until the state disaster declaration expires or is otherwise terminated by the Texas Governor.

Notice is hereby that the Board of Directors of the SA Energy Acquisition Public Facility Corporation will hold a public meeting on Monday, August 31, 2020, at 4:45 p.m. or 15 minutes following the Regular Board Meeting of the CPS Energy Board of Trustees, whichever is later, by telephone conference. The Board of Directors will consider specifically those matters referred to in the attached agenda, which is incorporated herein.

There will be no in-person public access to the meeting.

The meeting will be audio-streamed on cpsenergy.com.

The meeting is also available by calling toll-free 1 (888) 409-5380.

Those wishing to speak on an agenda item during the Public Comment portion of the meeting must register on the day of the Board meeting by phone at 210-353-4662. Registration is open for 1 hour, from 11:00 a.m. CT to 12:00 p.m. CT. Those registering to speak should be prepared to provide the following information:

- First & last name / group or organization
- City & state of residence
- Phone and/or email address
- Agenda item # about which they are speaking
- Group for which the individual is speaking
- Any required translation services

Speakers will be called to speak in the order that they register.

The agenda packet is attached. It and other informational material may be found at:

<https://www.cpsenergy.com/en/about-us/who-we-are/trustees/board-meetings.html>

A recording of the telephonic meeting will be made and will be available to the public in accordance with the Open Meetings Act upon written request.

At any time during the Board Meeting, and pursuant to the provisions of Chapter 551 of the Texas Government Code, the Board may meet in executive session for consultation concerning attorney-client matters under Section 551.071; for deliberations and other authorized action on real property under Section 551.072; on prospective gifts or donations under Section 551.073; on personnel under Section 551.074; on security personnel or devices under Section 551.076; on economic development negotiations under Section 551.087; to deliberate, vote, or take final action on competitive matters under Section 551.086; to deliberate regarding security audits and devices under Section 551.089; or to deliberate under Texas Government Code Section 418.183(f) about confidential information under the Texas Homeland Security Act.

Carolyn E. Shellman

Carolyn E. Shellman
Secretary of the Board
August 26, 2020

*with permission
Abigail Johnson*



**Minutes of Meeting of
Board of Directors
June 29, 2020**

A regular meeting of the Board of Directors of SA Energy Acquisition Public Facility Corporation ("PFC" or "Corporation"), held by telephone conference, was called to order on Monday, June 29, 2020 at 5:20 p.m. by Board President Mr. John Steen.

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

- Mr. John Steen
- Dr. Willis Mackey
- Mr. Ed Kelley
- Ms. Janie Gonzalez
- Ms. Paula Gold-Williams

Also, in attendance during the telephone conference were Carolyn Shellman - Secretary, Gary Gold - Assistant Secretary, and Shannon Albert - Treasurer. Other CPS Energy leadership and staff members were also in attendance on the call.

WELCOME / CALL TO ORDER

Mr. Steen welcomed everyone and called to order the meeting. It was noted that there were no registered speakers. Chair Steen mentioned there were several communication channels available for public comment.

AGENDA

Approval: Board Meeting Minutes from January 14, 2020 – Upon a motion made by Dr. Mackey and seconded by Mr. Kelley, the meeting minutes from the January 14, 2020 meeting were unanimously approved by all members present.

Presentation: External Auditors' Report on the Financial Audit - Mr. Gold introduced external auditors, Ms. Jodi Dobson, CPA, Partner of Baker Tilly Virchow Krause, LLP, and Ms. Carmen Garcia, CPA, from C.C. Garcia & Company PC. Ms. Dobson explained that the objective of the audit was to obtain reasonable assurance that the financial statements are free from material misstatement and whether effective internal control was maintained in all material respects. The auditors successfully completed their field work remotely in mid-May 2020, given the circumstances of COVID-19. The auditors issued an unmodified opinion (clean opinion) on the financial statements. Ms. Dobson stated that there were no material weaknesses or significant deficiencies noted in the PFC's internal controls.

Ms. Dobson also stated that the audit went smoothly, management and staff were cooperative and available, the schedule was maintained, communications were good and no audit adjusting journal entries were noted. Ms. Dobson thanked the Board and CPS Energy staff for their time. Ms. Garcia, whose firm worked on the financial presentation of the audit, concurred with Ms. Dobson's comments.

Mr. Steen thanked Ms. Dobson and Ms. Garcia for their great work. Mr. Steen asked

if whether Ms. Dobson had participated in the special internal controls audit performed last year. Ms. Dobson replied that she had and that the work management did to document processes and controls which were tested internally, provided a good foundation for this audit since management was able to provide a deeper level of details

The Board discussed the upcoming transition of members; Ms. Gold-Williams noted that no action was necessary at this time. Ms. Shellman reminded all that a vote was needed to accept the SA Energy Acquisition Public Facility Corporation's audit results. Upon a motion made by Mr. Kelley, seconded by Ms. Gonzalez, the results were unanimously accepted.

Presentation: Directors & Officers (D&O) Insurance Renewal – Mr. Orlando Flores, Director, Enterprise Risk Management & Solutions, gave an overview of the D&O insurance program's objectives. He reviewed the changes between the current policy and the proposed renewal, noting an increase in the annual premium of about 20% because of class-action lawsuits and uncertainty in financial conditions due to COVID-19. Mr. Flores mentioned that the D&O coverage applies to all directors and officers of the PFC.

Mr. Flores then asked for approval of the Resolution Approving Acquisition of Directors and Officers Liability Insurance to renew the D&O insurance program under the following terms:

- One-year policy effective August 1, 2020
- \$20,000,000 policy limit
- \$100,000 deductible
- Annual premium not to exceed cost of \$70,000

In response to Mr. Steen's inquiry, Mr. Flores and Ms. Shellman reiterated that both the premium and deductible costs are paid by the PFC, as noted in the Resolution. Upon motion made by Ms. Gold-Williams, seconded by Mr. Kelley, the resolution was unanimously approved.

Presentation: Proposed Amendment to PFC Bylaws – Ms. Shellman, CPS Energy's Chief Legal Officer & General Counsel and Secretary of the PFC, gave an overview of the proposed changes to the PFC Bylaws. The changes align all Directors' two-year terms by having them expire on January 31 of odd-numbered years. She explained that whenever a Director is appointed mid-term, he / she would need to be re-appointed on January 31 of the next odd-numbered year to serve a subsequent full two-year term. The proposed amendment provides a more efficient manner of appointment by the City Council. Ms. Shellman requested approval of a Resolution approving the amendment. Upon motion made by Ms. Gonzalez, seconded by Dr. Mackey, the resolution was unanimously approved.

CLOSE-OUT – Mr. Steen and Ms. Gold-Williams revisited the upcoming transition of PFC members, noting that all necessary documentation should be ready at the end of July. Mr. Steen then asked Mr. Gold if there were any other items for the Close-Out section. There were no action items noted.

ADJOURNMENT

There being no further business to come before the Board, upon motion by Dr. Mackey, seconded by Mr. Kelley, the meeting was unanimously adjourned by Mr. Steen at 5:55 p.m.

Carolyn Shellman, Secretary



RESOLUTION TO RECOMMEND APPOINTMENT OF DIRECTOR AND 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 General Manager 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 January 14, 2020 the Board of Directors elected a slate of officers to serve the Corporation for terms that expire January 31, 2021; and

WHEREAS, effective August 1, 2020, Mr. Gary Gold was appointed CPS Energy’s new Interim Chief Financial Officer (CFO) & Assistant Treasurer, and by virtue of his position and pursuant to Article 2.2 will be presented to City Council for appointment to the Corporation. Mr. Gold previously held the position of VP of Corporate Services & Assistant Treasurer; and

WHEREAS, effective August 9, 2020, Ms. Shannon R. Albert was appointed CPS Energy’s new Interim VP of Accounting & Assistant Treasurer. Ms. Albert previously held the position of Sr. Director of Treasury; and

WHEREAS, effective August 9, 2020, Ms. Julie Johnson was appointed CPS Energy’s new Sr. Director of Treasury & Finance. Ms. Johnson previously held the position of Sr. Director & Controller; 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,

1. that the appointment of Mr. Gary Gold, CPS Energy Interim CFO & Assistant Treasurer, to the SA Energy PFC Board is recommended to the San Antonio City Council; and
2. that the following persons are elected to serve as officers of the Corporation, in positions as identified below, for a term ending January 31, 2021, 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:

Assistant Secretary ⁽²⁾	Shannon R. Albert
Treasurer ⁽²⁾	Julie Johnson

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*

Carolyn Shellman, Secretary

DRAFT