

**CPS ENERGY**  
**MINUTES OF REGULAR MEETING OF THE BOARD OF TRUSTEES**  
**HELD ON AUGUST 31, 2020**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of August was held on Monday, August 31, 2020 by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). There was no in-person public access to the meeting. Chair John Steen called the meeting to order at 1:00 p.m.

Present via phone were Board members:

Mr. John Steen, Chair  
 Dr. Willis Mackey, Vice Chair  
 Mr. Ed Kelley  
 Ms. Janie Gonzalez  
 Mayor Ron Nirenberg

Also present via phone were:

Ms. Paula Gold-Williams, President & CEO  
 Dr. Cris Eugster, Chief Operating Officer  
 Ms. Carolyn Shellman, Chief Legal Officer & General Counsel and Board Secretary  
 Mr. Fred Bonewell, Chief Security, Safety & Gas Solutions Officer  
 Ms. Vivian Bouet, Chief Information Officer  
 Mr. Frank Almaraz, Chief Administrative & Business Development Officer  
 Mr. Rudy Garza, Interim Chief Customer Engagement Officer  
 Mr. Gary Gold, Interim Chief Financial Officer

CPS Energy Staff Members  
 City of San Antonio officials  
 Interested Citizens

**I. ROLL CALL OF BOARD MEMBERS**

Ms. Shellman called the roll. A quorum was present.

Chair Steen noted that the Safety Message item would be taken out of order to accommodate Mayor Nirenberg, who joined the meeting at 1:07 p.m.

**II. INVOCATION**

An invocation was delivered by Mr. Kevin Pollo, Interim Vice President, Energy Supply & Market Operations.

**III. PUBLIC COMMENT**

Chair Steen announced that public comments would be taken and outlined the guidelines for making public comment. The following people made comments:

1. Ms. Alice Canestaro-Garcia spoke in favor of conservation and public participation in the utility policy-making process. She urged the closure of coal-burning plants.
2. Dr. Terry Burns, San Antonio Sierra Club, urged immediate action for progressive change.
3. Ms. Brittany Sharp urged action on the formation and implementation of the Rate Advisory Committee (RAC).
4. Ms. Yvette Reyna spoke about the Scenic Loop substation siting and transmission line routing project and the impacts it may have on endangered species.
5. Mr. Richard Perez, President & CEO, San Antonio Chamber of Commerce, spoke positively about CPS Energy management and leadership. He commented that if a RAC is appointed, it should include a diverse membership and be under the CPS Energy Board of Trustees' purview and jurisdiction.

#### IV. SAFETY MESSAGE

Mayor Nirenberg provided a brief COVID-19 update. He stated that the downward trend of positive cases and the positivity rate continue, indicating containment of the virus. The effect of school re-openings remains an unknown variable. He discussed the economic impacts of the pandemic.

Ms. Gold-Williams noted that although the rate of new positive cases at CPS Energy has slowed, we recently reached 100 cases, a milestone, since the beginning of the pandemic. Employee screenings, including temperature taking, continue and exposed employees are required to quarantine. Ms. Gold-Williams highlighted that customers entering our customer service centers are also being screened and, at their option, their temperatures are being taken. We emphasize the various ways that customers can remotely transact business with and receive helpful information from us. Our Energy Advisors continue to perform outreach to customers that may need assistance.

Chair Steen thanked Mayor Nirenberg and Ms. Gold-Williams for their leadership.

#### V. CEO'S REPORT

Ms. Gold-Williams provided context for several agenda items, including the current financial update, the new products being presented for Board approval, and the potential partnership between CPS Energy and the San Antonio Water System (SAWS).

Ms. Gold-Williams recognized Energy Advisors for maintaining service levels (i.e., answering phone calls within 30 seconds) upwards of 90%, while also proactively reaching out to customers that may need assistance. She acknowledged field employees, praising them for providing continuous customer service under very difficult circumstances.

Ms. Gold-Williams noted the different means by which we communicate with customers, including social media and virtual *People First* customer fairs.

Over 100 responses to the *FlexPOWER Bundle* request for information (RFI) have been received to date. These responses will help shape the forthcoming request for proposal (RFP).

In closing, Ms. Gold-Williams noted that proposed documents related to the RAC will be presented for Board input during the September Board meeting.

## VI. ADDITIONAL UPDATES

### FY2021 COVID-19 Financial Impact, Cont.

Mr. Gary Gold, Interim Chief Financial Officer, presented the FY2021 COVID-19 Financial Impact. This update includes actual results through July 31, 2020, and projections for the remainder of the fiscal year. Because of the uncertainty related to the full impact of COVID-19, these projections were noted to be preliminary and subject to change.

Mr. Gold explained that the net income year-to-date was budgeted to be negative \$10.5 million. However, the actual year-to-date net income amount is \$33.7 million, a favorable variance of \$44 million. The favorability is driven by lower operations and maintenance (O&M) expense, as well as lower interest and debt-related expenses.

Turning to July electric sales by customer segment, commercial and industrial customers used less power than projected. Residential customers, on the other hand, increased their usage. Overall, total system sales are approximately 0.9 percent above budget. Adjusted for high temperatures in July, overall electric sales are 1.2 percent lower than budget.

Regarding the potential effects of COVID-19 on net income for FY2021, a net loss of \$28.4 million is projected, assuming a Medium Impact scenario. A High Impact scenario is projected to result in a negative net income of \$78.7 million. This scenario considers the potential delay of property sales originally anticipated to close toward the end of the year. These projections are based on assumptions that wholesale and retail electric sales will be lower than budgeted and bad debt levels will be higher than budgeted.

Mr. Gold explained the drivers for the difference from previous financial forecasts, namely higher net retail revenue, lower wholesale revenue due to higher wind volumes and lower debt-related expenses.

Turning to the Flow of Funds, Mr. Gold stated that considering the effects of COVID-19, R&R Fund additions in a Medium Impact scenario are projected to be \$204 million, slightly higher than the July projections. A High Impact scenario is projected to result in R&R Fund additions of \$152 million, lower than July projections due to the potential delay of property sales. Mr. Gold highlighted that actual capital expenditures year-to-date are \$44.7 million under budget, reflecting cost mitigations.

Turning to the key financial metrics, the forecasted Adjusted Debt Service Coverage (ADSC) is 1.50x for the Medium Impact scenario, on track with the accountability plan threshold of 1.50x. In the High Impact scenario, ADSC is projected to be 1.37x. Days Cash on Hand (DCOH) for the Medium Impact scenario is projected at 167, better than the accountability plan's threshold of 150. In the High Impact scenario, DCOH is projected to be 157. The Debt Capitalization (DC) ratio is projected to be 60.5 percent for the Medium Impact scenario and 60.8 percent for the High Impact scenario, both favorable to the accountability plan threshold of 61.7 percent.

We continue to monitor the pandemic and take the following steps to minimize its impact:

- Analyze actual sales results to better understand demand patterns
- Monitor accounts receivable and bad debt, providing customers with information on assistance programs
- Focus on cash flows to ensure liquidity

- Prioritize ongoing spend to identify additional cost reductions and cash savings
- Scan for emerging risks
- Continue to provide monthly updates

In response to a question from Trustee Gonzalez, Mr. Gold noted that the current projection is that the property sales will close by the end of the year. Although there is no indication they will be delayed, the potential was included as part of the High Impact scenario.

Ms. Gold-Williams emphasized that we continue to look for savings, including through deferred initiatives and lower fuel costs.

Chair Steen congratulated Mr. Gold on his promotion to Interim Chief Financial Officer.

#### Cost Savings: Sweetwater 3 Wind Farm Repower

Mr. Pollo briefed the Board on cost savings achieved through repowering the Sweetwater 3 Wind Farm. Repowering comprises replacing wind turbines and blades with more efficient technology, such as longer, lighter blades and higher capacity turbines. As a result of the repowering, CPS Energy successfully negotiated a contract amendment with the operator resulting in savings of \$7 million over the course of the five remaining years of the contract.

In response to Dr. Mackey's inquiry, Mr. Pollo responded that the Sweetwater 3 Wind Farm has a nameplate capacity of approximately 87 MWs. Ms. Gold-Williams commented that costs of the repowering were solely borne by the operator; CPS Energy did not contribute any capital investment. Resulting fuel savings are passed on to CPS Energy customers.

Chair Steen asked Ms. Gold-Williams to comment on the focus on cost savings which has preceded the pandemic and has allowed us to not have a rate increase in 6 years. Ms. Gold-Williams stated that because every customer owns the assets of the utility, it is critical that we optimize the assets and recognize the opportunities to save money. She acknowledged that the pandemic has, in some cases, resulted in increased expenses, such as for personal protective equipment (PPE). Yet, our focus is on managing our assets and looking for cost savings. She noted her appreciation for the "tone at the top" set by the Board.

#### **VII. APPROVAL OF CONSENT ITEMS:**

On motion duly made by Dr. Mackey, seconded by Trustee Gonzalez, and upon affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved.

#### Approval of Minutes

Minutes of the Regular Board Meeting held on July 27, 2020, were approved with a non-substantive correction as noted by Trustee Kelley.

#### Approval of Payment to the City of San Antonio for July 2020

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 2020 is based on actual gross revenue per the New Series Bond Ordinance of \$266,169,432.17, less applicable exclusions. The revenue for the month of July 2020 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$277,986,032.08
Gas revenue	9,044,021.16
Interest and other income	2,013,667.16
Gross revenue per CPS Energy financial statements	<u>289,043,720.40</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(6,547,721.82)
LVG revenue per City Ordinance 100709	0.00
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(9,378,569.06)
Noncash and other income, GASB 31 investment market value change, miscellaneous Interest income, gas billing adjustment and unbilled revenue	<u>(6,947,997.35)</u>
Total excluded revenue	<u>(22,874,288.23)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$266,169,432.17</u>
City payment per Bond Ordinance for July 2020 based upon July 2020 revenue	\$37,263,720.50
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	311,231.14
Wholesale Special Contract Annual True Up	0.00
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	37,562,451.64 <b>A</b>
Utility services provided to the City for July 2020	<u>(2,605,907.17)</u>
Net amount to be paid from July 2020 revenue to the City in August 2020	<u>\$34,956,544.47</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 2020	Actual	Budget	Variance	
Current Month* <b>A</b>	\$37,562	\$40,782	(\$3,220)	-7.9%
Year-to-Date*	\$162,521	\$173,318	(\$10,797)	-6.2%

\* This amount does not include any additional funding authorized by the Board of Trustees.

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 \$34,956,544.47, representing 14% of applicable system gross revenues for the month of July 2020, such payment being net of City utility services (\$2,605,907.17), is hereby approved." The Board ratifies that July 2020 revenue was sufficient to recover \$40,541,644.00 in funds that were advanced to the City in prior fiscal months.

#### **VIII. APPOINTMENT OF TREASURER & ASSISTANT TREASURERS**

Ms. Shellman presented a resolution approving the appointment of Mr. Gold as Treasurer and Mr. Cory Kuchinsky, Interim Vice President, Strategic Pricing & Enterprise Risk Management & Solutions, and Ms. Julie Johnson, Senior Director, Treasury & Finance, as Assistant Treasurers to the Board of Trustees, effective September 1, 2020. Ms. Shannon Albert, Interim Vice President, Accounting, and Ms. Maricela Benavides, Senior Director, Financial Systems & Strategic Projects, will remain as Assistant Treasurers. Ms. Shellman noted that Mr. Gold was recently promoted from Vice-President of Corporate Services to Interim CFO.

In response to Dr. Mackey's question, Ms. Shellman clarified that Mr. Gold currently serves as an Assistant Treasurer for the Board. The requested resolution appoints him Treasurer and appoints two additional Assistant Treasurers, Mr. Kuchinsky and Ms. Johnson, for the Board.

On motion duly made by Dr. Mackey, seconded by Trustee Gonzalez, and upon affirmative vote by all members present, the following resolution was approved:

#### **RESOLUTION APPROVING APPOINTMENT OF TREASURER AND ASSISTANT TREASURERS FOR THE CPS ENERGY BOARD OF TRUSTEES**

**WHEREAS**, the CPS Energy Board of Trustees is required to designate and authorize specific officers and staff to conduct financial transactions on behalf of CPS Energy; and

**WHEREAS**, effective August 1, 2020, CPS Energy appointed Gary Gold to serve as the Interim Chief Financial Officer (CFO), to oversee all of CPS Energy's financial functions; and

**WHEREAS**, in his new role as Interim CFO, Mr. Gold will assume responsibility for managing and directing the financial transactions that require Board of Trustees approval and will be providing support to the Board related to these financial matters; and

**WHEREAS**, Mr. Gold was most recently and currently serves as an Assistant Treasurer, and

**WHEREAS**, the role of Board Treasurer has been vacant since the departure of the prior CFO on July 31, 2020; and

**WHEREAS**, the Board previously appointed Shannon R. Albert, who now serves as Interim Vice President - Accounting and Maricela Benavides, who now serves as Sr. Director, Financial Systems & Strategic Projects to serve as Assistant Treasurers to the Board; and

**WHEREAS**, one Treasurer and four Assistant Treasurers will facilitate more effective and timely financial transaction coverage, and the below named individuals have broad experience in financial matters;

**NOW, THEREFORE, BE IT RESOLVED** that the CPS Energy Board of Trustees hereby approves the appointment of Gary Gold as Treasurer as well as Cory Kuchinsky and Julie Johnson as additional Assistant Treasurers to the Board of Trustees, effective September 1, 2020.

#### **IX. NEW PRODUCTS: WHOLESALE DISTRIBUTION SERVICE & RESILIENCY SERVICE**

Mr. Kuchinsky reviewed two proposed products: the updated Wholesale Distribution Service (WDS) tariff and the Resiliency Service (RS) tariff. The Board was introduced to both during its Special Meeting on August 17, 2020. Board approval for both is being requested.

The WDS tariff addresses customers who want to directly connect distributed resources, such as battery storage, to CPS Energy's distribution system. The Public Utility Commission of Texas (PUCT) and Electric Reliability Council of Texas (ERCOT) require that distribution utilities, such as CPS Energy, allow these battery operators to use their distribution grid to access the wholesale electric market. This enhances the stability and resilience of the ERCOT grid. These WDS customers participate in the wholesale market by purchasing electricity at night when rates are low and selling during the day when rates are higher. Updating the WDS tariff also protects the community's investments with modernized pricing, ensuring the fixed costs of the assets are recovered. Notably, PUCT and ERCOT rules also stipulate that CPS Energy is the sole retail energy provider in its certificated service area.

While the current WDS tariff prescribes a uniform charge regardless of the WDS customer's connection point, the proposed updated WDS tariff uses an enhanced, tiered approach based on the location at which the WDS customer connects to our distribution system and how much of the system is used. The proposed tariff also includes an additional payment for nonstandard infrastructure and an administrative component to cover customer-related and billing costs, if applicable. Costs for scheduling the battery activity on behalf of the WDS customer with ERCOT will also be recovered. Based on their dissimilar profiles, customers on the current WDS tariff are not impacted by the updated pricing.

Turning to the proposed RS tariff, Mr. Kuchinsky reminded the Board that this product has undergone a successful year-long pilot and is now ready for full deployment. He explained that the RS tariff is intended to meet commercial customers' needs for enhanced reliability and resiliency to mitigate significant business risk, such as lost revenues or production, during outages. In partnership with a third party, CPS Energy provides on-site back-up generation in exchange for a monthly fee that provides cost recovery for the infrastructure. The third party owns, operates and maintains the natural gas-fueled back-up generation, and, using CPS Energy as a broker, may deploy the unit into the wholesale market when it is not providing back-up power during an outage. CPS Energy is strategically positioned as the interface with the retail customer.

The RS tariff is designed to recover the costs of infrastructure and system costs, operations and maintenance expenses, and power from the back-up generation. Additionally, CPS Energy may also receive additional revenue from the third party's wholesale market revenue.

In closing, Mr. Kuchinsky noted that the proposed tariffs address the changing industry trends as customer expectations and technologies evolve while protecting CPS Energy's assets. He requested Board approval of the two products.

Trustee Kelley commented at length about whether the WDS tariff will result in any unintended consequences that threaten our business model, which has proven successful since the City of San Antonio

(CoSA) acquired the utility. He recapped CPS Energy's successes, including its low rates, high customer service levels, notable renewable portfolio, and significant contributions to CoSA's general fund, and intimated that battery operators connected to our distribution system could negatively impact our net income. He questioned the approach of the proposed tariffs that only recover the costs to serve.

Trustee Gonzalez generally agreed with Trustee Kelley but stressed the balance between cost recovery and meeting the needs of the customers in San Antonio where the average household income is \$49,000. She also noted the need to communicate with the community the complexities of technology and tariffs in an understandable way.

Ms. Gold-Williams noted that CPS Energy is a hybrid of a "for profit" and "not for profit" company that must be prudently operated. She noted that any revenue beyond cost recovery is reinvested in capital infrastructure and returned to the community. She reminded the Board that CPS Energy is required by regulations to allow third parties to move energy across our distribution system. This is a prime example of the industry evolution and disruption that has been discussed with the Board. It is not feasible to ignore the changing generation technology, such as batteries and renewables; rather, CPS Energy assets must be optimized alongside them. Ms. Gold-Williams acknowledged that while third parties wheeling energy through our distribution system may arbitrage the ERCOT wholesale market, CPS Energy also participates by selling energy beyond what our customers need into the market. She reassured Trustee Kelley and Trustee Gonzalez that staff have carefully considered the concerns they raised.

Trustee Kelley stated that, at the end of the day, CPS Energy is doing a great job on those factors on which we are properly judged - our pricing structures and service levels. Our performance demonstrates that we are taking care of our customers. Still, he warned against potential impacts to CPS Energy's franchise.

Responding to an inquiry by Chair Steen, Ms. Gold-Williams noted that a successful RS pilot has already been conducted. Because the WDS tariff is an existing tariff that is being updated, a pilot for that tariff is not contemplated.

Trustee Gonzalez commented on the electric vehicle (EV) tariff pilot, opining that adoption rates may not be sufficient.

Regarding whether a pilot of the updated WDS tariff should be performed, Ms. Shellman noted that the WDS tariff requires both City Council and PUCT approval. Because there is an existing commercial customer that wants to place a battery on our distribution system now, Ms. Shellman suggested that using the proposed tariff instead of the current one would be in CPS Energy's best interest. Ms. Gold-Williams offered to review the WDS tariff with the Board on an annual basis and reserve the right to update it.

Dr. Eugster reminded the Board that a third-party battery operator connected to our distribution system can only charge and discharge into the wholesale power market; the operator is prohibited from selling the power to retail customers. At Trustee Kelley's request, Ms. Gold-Williams confirmed that residential and large commercial customers would be considered retail. Trustee Kelley acknowledged that he misunderstood the market in which the third-party battery operators would participate but stressed that the WDS tariff must recover all costs of delivering the service. He continued to urge the protection of CPS Energy's service territory.

Chair Steen reiterated the request for approval of the WDS and RS tariffs.

Mayor Nirenberg commented that the industry and nature of customers' desires are changing and that more decentralized generation is occurring. If we want to remain relevant in the 21<sup>st</sup> century, we must put ourselves in the shoes of those customers who want the opportunities to generate their own capacity and provide them the ability to do so. He thanked staff for their work on these proposed tariffs.

Trustee Gonzalez moved to approve the updated WDS tariff and the RS tariff and Mayor Nirenberg seconded.

Trustee Kelley and Ms. Gold-Williams discussed the gist of the RS tariff and the RS pilot performed pursuant to the New Service Offering (NSO) tariff. It was clarified that the resiliency product is used during outages caused not only by severe weather, but also by any event causing an outage.

There being no further discussion, the Chair called for a vote and upon affirmative vote by all members present, the updated WDS tariff and RS tariff were unanimously approved.

#### **X. CPS ENERGY / SAWS AMI PARTNERSHIP**

Mr. Jonathan Tijerina, Senior Director, Business & Economic Development, reviewed an opportunity for a potential partnership with SAWS for a water advanced metering infrastructure (AMI) project. The Board was introduced to the matter during its Special Meeting held on August 17, 2020. He noted that the potential partnership supports our Guiding Pillars and leverages community assets to maximize customer benefits while enabling our Smart City vision.

Mr. Tijerina stated that the partnership facilitates SAWS' use of available capacity on CPS Energy's existing AMI communication network, provided by Itron, to expand the intelligence of its water distribution system, promote the means for enhanced cost management, and improved information and services to customers. These are the same types of benefits realized by CPS Energy's implementation of the AMI network.

Following up on a question previously raised by Trustee Gonzalez, Mr. Tijerina explained that the network architecture, currently being validated, contemplates two security rings that protect and safeguard each parties' assets, including data.

Reviewing the deal structure, Mr. Tijerina noted that Itron is currently bidding on the SAWS AMI contract. Under the bid and contemplated partnership structure, Itron will provide "software as a service", or SaaS, and hardware to SAWS and serve as the single point of contact for contractual obligations. In the potential project, CPS Energy will provide the "network as a service", or NaaS, through Itron to SAWS. If Itron is selected by SAWS, the project would commence with a 6-month pilot, with a potential for subsequent full deployment, based on the outcomes of the pilot. Mr. Tijerina noted that this potential partnership presents an opportunity to develop new revenue streams.

In discussing next steps, Mr. Tijerina stated that the SAWS Board will consider this potential partnership during their October meeting.

Mr. Tijerina requested approval of a resolution in support of the AMI partnership between CPS Energy and SAWS.

Trustee Gonzalez and Trustee Kelley commented in support of the project.

On motion duly made by Dr. Mackey, seconded by Trustee Kelley, and upon affirmative vote by all members present, the following Resolution in Support of the SAWS Advanced Metering Infrastructure Project was unanimously approved.

### **RESOLUTION IN SUPPORT OF SAWS ADVANCED METERING INFRASTRUCTURE PROJECT**

**WHEREAS**, San Antonio Water System (“SAWS”) intends to pilot and potentially implement an Advanced Metering Infrastructure (“AMI”) system for its customers (also referred to as the “SAWS AMI Project”);

**WHEREAS**, in 2019, SAWS released a request for proposals for vendors to provide technology and services for the planning and implementation of advanced metering infrastructure to the SAWS customers; and

**WHEREAS**, CPS Energy joined a third-party provider of its network infrastructure (Itron) to submit a proposal to provide Network-as-a-Service (“NaaS”) to SAWS for the SAWS AMI Project. CPS Energy adds value to the SAWS AMI Project by providing an existing network that is reliable, proven, secure and competitively priced; and

**WHEREAS**, SAWS plans to pilot, refine and implement a fully effective AMI system, as determined at their sole discretion; and

**WHEREAS**, CPS Energy and the third party may be chosen for a city-wide deployment of the AMI technology solution; and

**WHEREAS**, CPS Energy’s NaaS pricing model allows recovery of reasonable operation and maintenance costs while anticipating a variety of endpoints to be served on its network; and

**WHEREAS**, the NaaS fees are outside the scope of CPS Energy’s base rates, and the transaction will be cost-neutral to all other customers served by CPS Energy; and

**WHEREAS**, CPS Energy will continually strive to be a strong steward of the community’s energy utility assets while effectively balancing its following Guiding Pillars:

- *Reliability,*
- *Customer Affordability,*
- *Security,*
- *Safety,*
- *Environmental Responsibility,*
- *Resiliency,*
- *Financial Responsibility,* and

**WHEREAS**, CPS Energy's participation in the SAWS AMI Project supports San Antonio and metropolitan citizens to better leverage infrastructure investment by both utilities and further enables future smart communities' initiatives.

**NOW, THEREFORE, BE IT RESOLVED** that after careful consideration, and in light of the foregoing, the CPS Energy Board of Trustees expresses its support for CPS Energy's participation in the SAWS AMI Project.

#### **XI. EXECUTIVE SESSION**

At approximately 3:36 p.m., Chair Steen 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 the following posted items:

- Attorney-Client Matters (§551.071)
- Competitive Matters (§551.086)

The Board reconvened in open session at 5:00 p.m. Ms. Shellman reported that only Attorney-Client Matters and Competitive Matters, and no others, were discussed and no votes were taken in Executive Session.

#### **XII. ADJOURNMENT**

There being no further business to come before the Board, upon a motion duly made by Trustee Kelley, seconded by Dr. Mackey and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 5:02 p.m. by Chair Steen.

  
Carolyn E. Shellman  
Secretary of the Board