



**CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON JUNE 24, 2024, AT 1:00 PM
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.

AGENDA

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
1	CALL TO ORDER	Execute	Ms. Janie Gonzalez
2	SAFETY MESSAGE, INVOCATION & PLEDGE OF ALLEGIANCE	Execute	Mr. Matthew Jones
3	PUBLIC COMMENT Pre-Registration is from Thursday, June 20, 2024, 10:00 AM – Friday, June 21, 2024, 2:00 PM. Dial (210) 353-4662 or email PublicCommentRegistration@CPSEnergy.com	Discuss	Ms. Janie Gonzalez
UPDATE ON CHAIR’S PRIORITIES			
4	CHAIR’S REMARKS	Discuss	Ms. Janie Gonzalez
CONSENT AGENDA			
5	APPROVAL OF CONSENT ITEMS: A. Payment to the City of San Antonio for May 2024 B. Minutes from the May Regular Board Meeting, held on May 20, 2024 C. Procurement Items: None	Vote	Ms. Janie Gonzalez
REGULAR AGENDA			
6	COMMITTEE REPORTS A. Operations Oversight Committee (OCC) meeting held on May 6, 2024 (Dr. Francine Romero) B. Personnel Committee (PC) meeting held on May 29, 2024 (Ms. Janie Gonzalez)	Discuss	Ms. Janie Gonzalez

CONVENE TO EXECUTIVE SESSION			
7	EXECUTIVE SESSION: Personnel Matters – CEO Review & Compensation (§551.074)	Discuss	Ms. Janie Gonzalez
RECONVENE TO OPEN SESSION			
8	FY2024 CEO PERFORMANCE OVERVIEW & VOTE ON COMPENSATION ADJUSTMENT (Ms. Lisa Lewis and Mr. John Rhew, WTW)	Vote	Ms. Janie Gonzalez
9	RESOLUTION SUPPORTING FY2025 CEO SCORECARD & METRICS	Vote	Ms. Janie Gonzalez
10	APPOINTMENTS TO THE COMMUNITY INPUT COMMITTEE (CIC) (Ms. Kathy Garcia)	Vote	Ms. Janie Gonzalez
11	CEO RECOGNITION	Discuss	Mr. Rudy Garza
12	REVIEW OF ACTION ITEMS	Discuss	Ms. Shanna Ramirez
13	ADJOURNMENT	Execute	Ms. Janie Gonzalez
<p>If the Board meeting has not adjourned by 4:15 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.</p>			

CPS Energy Board of Trustees Meeting June 24, 2024

Approval of Payment to the City of San Antonio for May 2024

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 May 2024 is based on actual gross revenue per the New Series Bond Ordinance of \$252,269,489.02, 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 \$5,061,012.27. 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 \$5,061,012.27 against future months' revenues for fiscal year 2025. The revenue for the month of May 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$305,032,829.43
Gas revenue	14,304,594.88
Interest and other income	9,961,255.65
Gross revenue per CPS Energy financial statements	<u>329,298,679.96</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(8,266,669.46)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(20,259,232.68)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(48,503,288.80)
Total excluded revenue	<u>(77,029,190.94)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$252,269,489.02</u>
City payment per Bond Ordinance for May 2024 based upon May 2024 revenue	\$35,317,728.46
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	295,556.06
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)
City payment per Bond Ordinance plus adjustments for memorandums of understanding	<u>35,600,784.52</u> A
Utility services provided to the City for May 2024	(2,797,419.24)
Net amount to be paid from May 2024 revenue to the City in June 2024	<u>\$32,803,365.28</u>

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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)

May 2024	Actual	Budget	Variance	
Current Month A	\$35,600	\$32,450	\$3,150	9.7%
Year-to-Date	\$124,479	\$126,177	(\$1,698)	-1.3%

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 \$32,803,365.28 representing 14% of applicable system gross revenues for the month of May 2024, such payment being net of City utility services (\$2,797,419.24), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2025 is \$36,098,934.05.

Draft for review and approval
at the June 24, 2024 meeting

**CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON MAY 20, 2024**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of May was held on Monday, May 20, 2024, 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 Gonzalez called the meeting to order at 1 p.m.

Present were Board members:

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

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. Cory Kuchinsky, Chief Financial Officer & Treasurer
Ms. DeAnna Hardwick, Chief Customer Strategy Officer
Mr. Evan O'Mahoney, Chief Information Officer
Ms. Lisa Lewis, Chief Administrative 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. Nathalia Lopez, Legal Program Manager.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, expressed her appreciation for Mr. Rudy Garza and his leadership. She also expressed her appreciation for Ms. Elaina Ball, Mr. Richard Medina, and Mr. Richard Lujan. She also thanked Chair Gonzalez and Vice Chair Romero for allowing her to speak.

Mr. Yenter Tu, Deaf Association of San Antonio, thanked CPS Energy for hosting community events and serving the community. He also stated his appreciation for working together on better communication for the deaf community.

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Mr. Castel Rice, Pastor at Family Deaf Church, thanked CPS Energy for all the work we've been doing and for allowing us to interact with the deaf community in San Antonio.

IV. CHAIR'S REMARKS

Chair Gonzalez noted that May is National Electricity Safety Month, and she provided rules to safely use and recycle lithium batteries which will be highlighted by the Electrical Safety Foundation. She also urged community members to stay properly hydrated as we move into the hot summer months and reminded community members about cooling centers offered by the City of San Antonio and non-profits that provide fans to seniors.

She noted the recent accomplishments of CPS Energy in acquiring gas plants in Corpus Christi and Laredo, and in securing an additional 52 megawatts of nuclear power. She reminded the community about the re-envisioned Community Input Committee and the upcoming application deadline for community members to have their voices heard. CPS Energy received a \$2.45M grant from the Department of Transportation to safeguard gas infrastructure. Finally, Chair Gonzalez noted that Fitch and S&P revised our credit outlook to stable, which aligns with our Vision 2027 plan and recognizes the work of CPS Energy in financial management. The Board of Trustees discussed the upgrade in the credit outlook.

V. APPROVAL OF CONSENT ITEMS

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

A. Approval of Payment to the City of San Antonio for April 2024

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 2024 is based on actual gross revenue per the New Series Bond Ordinance of \$197,508,924.08, 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 \$22,918,941.86. 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 \$22,918,941.86 against future months' revenues for fiscal year 2025. The revenue for the month of April 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$185,755,851.82
Gas revenue	12,570,321.87
Interest and other income	1,339,228.33
Gross revenue per CPS Energy financial statements	<u>199,665,402.02</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(7,497,560.33)
Fuel cost component of off-system nonfirm	

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energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(5,195,763.90)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>10,536,846.29</u>
Total excluded revenue	<u>(2,156,477.94)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$197,508,924.08</u>
City payment per Bond Ordinance for April 2024 based upon April 2024 revenue	\$27,651,249.37
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	(287,346.20)
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	27,351,403.17 A
Utility services provided to the City for April 2024	<u>(2,833,906.79)</u>
Net amount to be paid from April 2024 revenue to the City in May 2024	<u>\$24,517,496.38</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 2024	Actual	Budget	Variance	
Current Month* A	\$27,352	\$29,631	(\$2,279)	-7.7%
Year-to-Date	\$88,879	\$93,727	(\$4,848)	-5.2%

* Includes a rounding adjustment of \$1 to agree to correctly rounded YTD amount.

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 \$24,517,496.38 representing 14% of applicable system gross revenues for the month of April 2024, such payment being net of City utility services (\$2,833,906.79), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2025 is \$31,037,921.78.

B. Minutes from the April Regular Board Meeting, held on April 22, 2024

C. Procurement Items:

1. **Item Description:** Substation and Transmission Engineering Services
Category: Professional Services
Supplier: Black & Veatch Corp.
HDR Engineering, Inc.

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M&S Engineering, LLC
TRC Engineers, Inc.

*The listed Procurement Items are to be attached as Attachment "A".

VI. COMMITTEE REPORTS

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

- A. Audit and Finance Committee meeting held on April 15, 2024. The report is attached as Attachment "B" to the meeting minutes.
- B. Employee Benefits and Oversight Committee meeting held on April 15, 2024. The report is attached as Attachment "C" to the meeting minutes.

VII. VISION 2027 GENERATION PLAN UPDATE

Mr. Benny Ethridge, Chief Energy Supply Officer, provided an update on the Vision 2027 Generation Plan. He noted we have made significant progress toward the execution of the plan, and we are well-positioned to meet our community's future energy needs. He reviewed the accomplishments including executed power purchase agreements, the acquisition of plants in Corpus Christi and Laredo, and the additional 2% ownership in the South Texas Project Electric Generating Station (STP). He also provided a view of the regional footprint of CPS Energy within Texas. Mr. Garza noted that the acquisitions will add critical capacity to our generation portfolio, especially as our older gas units are less reliable and will have to be retired. He also noted that the acquisitions remove the risks stemming from constructing a new plant, and we got three times the capacity at half the costs which is a good deal for our community.

Ms. Elaina Ball, Chief Strategy Officer, provided an update on the pathway to 2050 and our transition to net-zero carbon emissions. She noted that beyond 2030, it is crucial to continually seek out opportunities and technologies to integrate into our fleet to lower CO2 carbon intensity.

The Board of Trustees discussed the presentation and asked questions.¹

VIII. SUMMER PREPAREDNESS UPDATE

The Executive Leadership Team provided an update on CPS Energy's preparedness for the summer. Mr. Benny Ethridge, Chief Energy Supply Officer, stated we focus on our people, processes, and equipment. Mr. Brian Alonso, Chief Meteorologist, shared the NOAA outlook, noting that temperatures are already higher than normal. He stated that the rain forecast is less clear, but he stated that the prediction of a higher likelihood of tropical storms could be determinative. Mr. Ethridge introduced the team, and he noted that our people and systems are ready to respond to changing market conditions. Mr. Richard Medina, Chief Energy Delivery Officer, introduced the team and noted that prioritization of materials and work orders will be

¹ Trustee Steen expressed his financial concerns, and he requested that his concern be recorded in the minutes. His comments are attached as Attachment "D." Mr. Cory Kuchinsky clarified that continued rate increases every two years have not been automatically included in the financial plan. He also noted that credit rating agencies consider the investments over the long term and that the acquisitions will require less borrowing than new construction.

Draft for review and approval
at the June 24, 2024 meeting

a key component of success. He also covered the preparation activities that CPS Energy has engaged in ahead of the summer. Ms. DeAnna Hardwick, Chief Customer Strategy Officer, introduced the team and noted our key customer focus areas: empowering customers, connecting customers, and partnering with stakeholders. She also reviewed messaging to our customers and stakeholders to encourage conservation and provide emergency notices.

The Board of Trustees discussed the presentation and asked questions.

IX. CEO RECOGNITION

Mr. Garza recognized the teams that worked on 1) securing the \$2.45M DOT PHMSA Grant, 2) the acquisitions of the CPS Energy South gas plants, 3) the acquisition and power purchase agreement at STP, and 4) the debt management team that lead the efforts in stabilizing our credit rating. He appreciates all of the hard work, and noted how these efforts will be a positive for our customers and community.

X. REVIEW OF ACTION ITEMS

Ms. Ramirez reviewed open items, noting that all will close today or at the June meetings. She also reviewed the two new action items:

XI. EXECUTIVE SESSION

Chair Gonzalez tabled the Executive Session items.

XII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Romero, seconded by Trustee Dr. Mackey, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:02 p.m. by Chair Janie Gonzalez.

Shanna M. Ramirez
Secretary of the Board



OPERATIONS OVERSIGHT COMMITTEE (OOC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 6, 2024 MEETING PREPARED FOR COMMITTEE CHAIR, DR. FRANCINE ROMERO FOR REPORT AT THE JUNE 24, 2024 BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on May 6, 2024. As part of the agenda, the Committee:

- A. Reviewed and approved meeting minutes from the prior meeting held on March 26, 2024.
- B. Reviewed proposed edits to the Operations Oversight Committee Charter.
- C. Received a Project and Procurement Preview that included:
 - a. A review of Substation and Transmission growth, which included:
 - i. Drivers for infrastructure growth
 - ii. And an overview of committed and probably projects
 - b. And a procurement preview, which included:
 - i. A new contract/rebid for civil sitework construction services
 - ii. A contract renewal for 138KV and 345KV steel monopoles
 - iii. A new contract/rebid for underground residential electric distribution and electric termination services
 - iv. A new contract/rebid for underground infrastructure installation services
 - v. A new contract for the supply, delivery, and commissioning of generator step-up and auxiliary power transformers
 - vi. A new contract/rebid for professional engineering services
 - vii. And a procurement summary for spring and summer 2024.
- D. Received a presentation on our 2040/2050 outlook that included:
 - a. A review of our strategic plan development approach
 - b. A discussion on how disruptions emerging today create uncertainty in the future and how collaborative strategic planning will set the framework for future goals and strategic actions
 - c. And a presentation by PA Consulting Group Inc. on industry disruptors and uncertainties.

The next meeting of the Operations Oversight Committee meeting is August 12, 2024.



PERSONNEL COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 29, 2024 MEETING
PREPARED FOR COMMITTEE CHAIR JANIE GONZALEZ
FOR REPORT AT THE JUNE 24, 2024 BOARD OF TRUSTEES MEETING**

The Personnel Committee met on May 29, 2024. As part of the Personnel Committee agenda, the Committee:

- A. Discussed compensation data prepared by Willis Towers Watson, John Rhew
- B. Conducted the President & CEO's annual performance review discussion

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

RESOLUTION SUPPORTING FY2025 CEO SCORECARD & METRICS

WHEREAS, CPS Energy is a municipally-owned utility of the City of San Antonio; and

WHEREAS, Section 1502.070 of the Texas Government Code provides that the powers and duties of the CPS Energy Board of Trustees is determined through the proceedings of the City of San Antonio in its bond ordinances; and

WHEREAS, these Bond Ordinances vest the management and control of CPS Energy with the Board of Trustees and provides that the Board may appoint a President & CEO; and

WHEREAS, the CPS Energy Board of Trustees has consistently appointed a President & CEO to develop the strategic direction and provide for the overall management of CPS Energy's operations; and

WHEREAS, the CPS Energy Board of Trustees has created a Personnel Committee which is charged with managing the performance of the President & CEO, as the Board of Trustees' sole employee; and

WHEREAS, the Personnel Committee Charter directs the Committee to report to the Board the "appropriate CEO performance metrics consistent with CPS Energy's long-term vision and strategic objectives"; and

WHEREAS, the Personnel Committee establishes a "CEO Scorecard" each year, which represents the CEO performance metrics that aligns with the CPS Energy enterprise measures and strategic objectives; and

WHEREAS, the enterprise measures have been developed in consultation with third party to identify considerations, challenge assumptions, and compare to benchmarks; and

WHEREAS, for this fiscal year, the Personnel Committee utilized the enterprise measures, validated by hbaileygroup, LLC, and the established Vision 2027 strategic plan to develop the FY2025 CEO Scorecard; and

WHEREAS, the Board of Trustee provides feedback to management in the development and establishment of these enterprise measures each year; and

WHEREAS, the FY2025 CEO Scorecard drives the Board of Trustees' expectations for the President & CEO which then translates to the organization's performance; and

WHEREAS, this year, the Personnel Committee has reported the appropriate CEO performance metrics for President & CEO, Mr. Rudy D. Garza, to this Board with the FY2025 CEO Scorecard, and has offered an opportunity for input and feedback from all Board Members.

NOW, THEREFORE, BE IT RESOLVED, CPS Energy Board of Trustees confirms and supports this process and affirms that the FY2025 CEO Scorecard is the means to measure the performance this fiscal year of the CPS Energy President & CEO, Mr. Rudy D. Garza.

Shanna M. Ramirez
Secretary of the Board

DRAFT

6/19/2024

Dear Rudy Garza,

Subject: Recommendation for Adoption of FY2025 CPS Energy CEO Scorecard

The Personnel Committee recommends the adoption of the proposed new CEO scorecard for our municipally owned utility company. This recommendation is based on a thorough review of best practices from leading utilities, including Austin Energy, CPS Energy, and others.

Benefits of the New Scorecard

- **Strategic Alignment:** Ensures the CEO's efforts contribute to our utility's broader goals and community values.
- **Comprehensive Evaluation:** Combines quantitative and qualitative measures for a balanced performance assessment.

The Personnel Committee believes this new scorecard will drive effective performance evaluation and strategic alignment, ultimately benefiting our utility and the community we serve.

Thank you for considering our recommendation. We look forward to discussing this further.

Sincerely,



Janie Martinez Gonzalez
Chair, Personnel Committee
CPS Energy

CC: Dr. Willies Mackey
Vice Chair, Personnel Committee

CPS Energy CEO Scorecard for FY2025

The CEO's scorecard is designed to provide a comprehensive evaluation based on metric types, Vision 2027 and FY 2025 goals, and performance ratings (Met, Exceeded). Below is a detailed breakdown of the scorecard:

Pillar 1: Operational Evolutions

- **Operational Efficiency**
 - **Metric Type:** Reliability metrics, system maintenance, and efficiency improvements.
 - **FY 2025 Goals:** Achieve 99.99% system reliability and reduce downtime by 15%.
 - **Rating Criteria:**
 - **Met:** Achieves 99.99% system reliability and a 15% reduction in downtime.
 - **Exceeded:** Surpasses 99.99% system reliability and reduces downtime by more than 15%.
- **Innovation and Modernization**
 - **Metric Type:** Implementation of phase one of the ERP system.
 - **FY 2025 Goals:** Successfully complete phase one within the project timeline and budget.
 - **Rating Criteria:**
 - **Met:** Completes phase one of the ERP system within the timeline and budget.
 - **Exceeded:** Completes phase one ahead of schedule and under budget.
- **Reliability Metrics**
 - **Metric Type:** Frequency and duration of outages (SAIDI).
 - **FY 2025 Goals:** Achieve a SAIDI score of 60 minutes or less.
 - **Rating Criteria:**
 - **Met:** Achieves a SAIDI score of 60 minutes or less.
 - **Exceeded:** Achieves a SAIDI score significantly below 60 minutes.

Pillar 2: Financial Stability (25%)

- **Liquidity Cushion**

- **Metric Type:** Days cash and liquidity on hand.
- **FY 2024 Goals:** Maintain at least 90 days of cash and 120 days of liquidity on hand.
- **Rating Criteria:**
 - **Met:** Maintains 90 days of cash and 120 days of liquidity.
 - **Exceeded:** Maintains more than 90 days of cash and 120 days of liquidity.
- **Financial Flexibility**
 - **Metric Type:** Adjusted debt service coverage and debt capitalization ratio.
 - **FY 2024 Goals:** Maintain an adjusted debt service coverage ratio of at least 1.5 and a debt capitalization ratio below 60%.
 - **Rating Criteria:**
 - **Met:** Achieves a debt service coverage ratio of 1.5 and a debt capitalization ratio below 60%.
 - **Exceeded:** Exceeds a debt service coverage ratio of 1.5 and maintains a debt capitalization ratio well below 60%.
- **Financial Performance**
 - **Metric Type:** Growth in non-fuel revenues, O&M expenses, and CapEx.
 - **FY 2024 Goals:** Achieve 3% annual growth in non-fuel revenue, keep O&M within 95% of the budget, and maintain CapEx within 95% of the budget.
 - **Rating Criteria:**
 - **Met:** Achieves 3% growth in non-fuel revenue, keeps O&M and CapEx within 95% of the budget.
 - **Exceeded:** Exceeds growth in non-fuel revenue and maintains O&M and CapEx well within 95% of the budget.
 - **Note:** All three factors will be weighted and evaluated within a target range band of 3.00.
- **Bond Rating Stability**
 - **Metric Type:** Bond rating maintenance.
 - **FY 2024 Goals:** No downgrade in the bond rating from the start to the end of the evaluation period.
 - **Rating Criteria:**
 - **Met:** Maintains current bond rating.
 - **Exceeded:** Improves bond rating.

Pillar 3: Customer Experience

- **Customer Satisfaction**
 - **Metric Type:** Customer Perception measure using Escalent's Residential, Engaged Customer Relationship (ECR).
 - **FY 2024 Goals:** Achieve a satisfaction score of 699.
 - **Rating Criteria:**
 - **Met:** Achieves a satisfaction score of 699.
 - **Exceeded:** Achieves a satisfaction score significantly above 699.
- **Digital Business Transformation**
 - **Metric Type:** Implementation of Phase 1 ERP.
 - **FY 2024 Goals:** Complete within the project timeline and budget.
 - **Rating Criteria:**
 - **Met:** Completes Phase 1 ERP within timeline and budget.
 - **Exceeded:** Completes Phase 1 ERP ahead of schedule and under budget.
- **Energy Supply**
 - **Metric Type:** Critical Months Equivalent Availability Factor (EAF).
 - **FY 2024 Goals:** Achieve an EAF calculation as $AH - (ESDH + EFDH) / PH$ during critical seasons.
 - **Rating Criteria:**
 - **Met:** Achieves the EAF target.
 - **Exceeded:** Surpasses the EAF target.

Pillar 4: Team Culture and Community Partnership (25%)

- **Employee Safety**
 - **Metric Type:** Enterprise Recordable Incident Rate (RIR).
 - **FY 2024 Goals:** Achieve an RIR of 1.12.
 - **Rating Criteria:**
 - **Met:** Achieves an RIR of 1.12.
 - **Exceeded:** Achieves an RIR significantly below 1.12.
- **Living Mission & Values**
 - **Metric Type:** Employee Engagement Survey (Gallup 12+ Index).

- **FY 2024 Goals:** Achieve a Gallup 12+ Index score of 4.12.
- **Rating Criteria:**
 - **Met:** Achieves a Gallup 12+ Index score of 4.12.
 - **Exceeded:** Achieves a Gallup 12+ Index score significantly above 4.12.
- **Strategically Investing in the Community**
 - **Metric Type:** Local spend percentage.
 - **FY 2024 Goals:** Achieve a local spend percentage of 70.00.
 - **Rating Criteria:**
 - **Met:** Achieves a local spend percentage of 70.00.
 - **Exceeded:** Exceeds a local spend percentage of 70.00.

Summary

This scorecard provides a balanced and comprehensive assessment of the CEO's performance across five pillars. By focusing on operational evolutions, financial stability, customer experience, team culture, and community partnership, CPS Energy ensures that the CEO's efforts align with the company's Strategic Vision 2025 and community values. Each metric type has clearly defined FY 2024 goals, and performance is evaluated based on whether these goals are met or exceeded.

Executive summary of references to scorecards and performance metrics for CEOs of municipally owned utilities:

1. CPS Energy:

CEO Rudy Garza focuses on keeping up with San Antonio's growth, transitioning to a greener energy portfolio, improving infrastructure, and cybersecurity. The scorecard metrics include financial performance, customer satisfaction, operational efficiency, and compliance with regulatory standards.

2. Austin Energy:

Austin Energy is led by General Manager Bob Kahn, whose responsibilities include day-to-day operations, strategic direction, customer experience, grid resilience, environmental leadership, financial health, employee experience, and health and safety.

3. Seattle City Light:

CEO Debra Smith's performance metrics focus on financial stability, operational reliability, customer satisfaction, environmental stewardship, and employee engagement. The utility's strategic plan includes targets for renewable energy integration, grid modernization, and community programs.

4. Los Angeles Department of Water and Power (LADWP):

CEO Martin Adams emphasizes metrics related to infrastructure investments, water and power reliability, environmental initiatives, customer service, and regulatory compliance. The utility's performance is measured against ambitious sustainability goals, including reducing greenhouse gas emissions and increasing renewable energy usage.

5. Nashville Electric Service (NES):

CEO Decosta Jenkins' scorecard includes financial performance, system reliability, customer service, and employee safety. NES focuses on modernizing the grid, enhancing cybersecurity, and improving community outreach programs

6. General Practices in Public Power Utilities:

The American Public Power Association highlights metrics like financial performance, operational reliability, customer service, digital transformation, environmental impact, community engagement, and leadership effectiveness for public power utilities.



APPOINTMENTS TO COMMUNITY INPUT COMMITTEE (CIC)

PRESENTED BY:

Kathy Garcia

Vice President, Government and Regulatory Affairs & Public Policy

June 24, 2024
APPROVAL REQUESTED



AGENDA

- Prior Composition of the CAC
- Expanded Composition of the CIC
- Overview of the Application Process
- Presentation of the Candidates for Approval
- Approval of Appointments

We are seeking your approval of six appointments to the newly formed and expanded Community Input Committee (CIC), formerly known as the Citizens Advisory Committee (CAC).



PRIOR COMPOSITION OF THE CITIZENS ADVISORY COMMITTEE (CAC)



Richard Farias (D1)



Lawson Picasso (D2)



Diana Martinez (D3)



Frank Gonzales (D4)



District 5 (Currently Unfilled)



Raquel Zapata (D6)



Dr. Adelita Cantu (D7)



John Kelly (D8)



Tom Corser (D9)



Vanessa Alvarado (D10)



Andra Clapsaddle
(At-Large)



Bob Zapata
(At-Large)



Aaron Stein
(At-Large)



Steve Bonnette
(At-Large)



Bill Day
(At-Large Term Expired)

The CAC was composed of 15 members, one from each of the ten City Council Districts and five At-Large members selected by the committee.

COMPOSITION OF THE COMMUNITY INPUT COMMITTEE (CIC)



- The CIC has 19 members, adding one new member from each of the four Board Quadrants, which you have selected.
- An existing At-Large committee member is being filled by someone residing outside the San Antonio city limits. This candidate was selected by the CIC Executive Committee and received an affirmative vote from the CIC, using past protocol.
- Additionally, Councilwoman Castillo has brought forward her selection to fill the existing, open District 5 position.
- We are seeking approval of 6 appointments to the CIC today.

OVERVIEW OF APPLICATION PROCESS



- Timeline:
 - April 24 – Began Public Promotion
 - April 29 – Opened Application Period
 - May 21 – Closed Application Period
 - May 30 – Began Board/CIC Review
 - June 12 – CIC Made At-Large Selection
 - June 24 – Board Provides Final Approval
- A total of 27 applications were received.
 - Of those 27, eight were also eligible for the open At-Large position.





COMMUNITY INPUT COMMITTEE (CIC) CANDIDATES



Christopher Fullerton
Quadrant 1 (Northwest)

- Lawyer, independent researcher, and advisor on water and energy.
- Board member for the SAWS Community Conservation Committee.
- Former CPS Energy Rate Advisory Committee (RAC) Member.



Dana McGinnis
Quadrant 2 (Northeast)

- Founder of Mission Advisors, an energy investment advisory firm.
- Board member for the Institute of Nautical Archaeology at Texas A&M University.
- Former CPS Energy Rate Advisory Committee (RAC) Member.



Frank Dunn
Quadrant 3 (Southeast)

- Owner and insurance broker at Frank Dunn Insurance Agency.
- Board Member for the Ella Austin Community Center.
- Former CPS Energy plant operator for 10 years.



Peter Onofre
Quadrant 4 (Southwest)

- Operations Administrator for New Life Christian Center.
- Retired City of San Antonio employee and public servant.
- Former CPS Energy Rate Advisory Committee (RAC) Member.

The four new CIC candidates that have been selected by the Board of Trustees.



COMMUNITY INPUT COMMITTEE (CIC) CANDIDATES



Maria Nelson
(At-Large)

- Strategic Marketing Manager at Halff.
- Board Member for the Society for Marketing Professional Services.
- Leadership San Antonio Class 43.



Dr. Julián Villarreal
(Council District 5)

- Process and material science engineer.
- MIT, Bachelor of Science.
- University of Texas at Austin, Ph.D.
- District 5 community organizer with Climate Action SA Coalition.

The At-Large candidate selected by the CIC and the District 5 candidate brought forward by Councilwoman Castillo.



REQUEST FOR APPROVAL

COMMUNITY INPUT COMMITTEE (CIC) CANDIDATES

- Christopher Fullerton (Quadrant 1)
- Dana McGinnis (Quadrant 2)
- Frank Dunn (Quadrant 3)
- Peter Onofre (Quadrant 4)
- Maria Nelson (At-Large)
- Dr. Julián Villarreal (City Council District 5)



THANK YOU