

CPS ENERGY
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
HELD ON SEPTEMBER 25, 2023

The Special Meeting of the CPS Energy Board of Trustees convening as the Risk Management Committee was held on Monday, September 25, 2023, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

I. CALL TO ORDER

Trustee Dr. Mackey called the meeting to order at 3:05 p.m.

Present were Board members:

Dr. Willis Mackey, Chair
Ms. Janie Gonzalez
Dr. Francine Romero
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
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
CPS Energy staff members
Interested Citizens

II. PUBLIC COMMENT

There were no members of the public wishing to provide public comment.

III. APPROVAL OF CONSENT AGENDA

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

A. Minutes of the Risk Management Committee Meeting held on December 19, 2022

IV. ENTERPRISE RISK & CONTROLS UPDATE

Ms. AnnaMarie Rangel, Director of Enterprise Risk Management & Solutions, presented the strategic plan relating to the Enterprise Risk Management (EMRS) Process. She then discussed the current ERMS

initiatives including risk management, internal controls, and insurance. Finally, she discussed the Enterprise Resource Planning (ERP) Transformation and the accompanying risks, goals, and objectives.

V. CURRENT MACROECONOMICS ENVIRONMENT & RELATED RISKS

Mr. Eric Brown, Director of PFM Financial Advisors, presented the current environment affecting public power related to inflation, labor markets, and the Federal Reserve and monetary policy. Mr. Brown noted that the cost of borrowing has increased, but that it remains low for CPS Energy compared to other borrowers in the market. Finally, he discussed how the various geopolitical factors could dramatically change the economic landscape.

VI. ENTERPRISE RESOURCE PLANNING (ERP) PROGRAM FINANCIAL UPDATE

Mr. Evan O'Mahoney, Chief Information Officer, provided a financial update on the ERP Transformation Program, noting that significant progress across planning activities has informed the development of a financial forecast to support of our ERP Transformation Program. Finally, he noted that his team is expected to bring a recommendation back to the Board before the end of the year and that the total program is estimated to cost \$304 million.

The Board of Trustees discussed and asked questions.

VII. ADJOURNMENT

There being no further business to come before the Board Committee, upon a motion duly made by Trustee Dr. Romero and seconded by Chair Gonzalez and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:42 p.m. by Trustee Dr. Mackey.



Shanna M. Ramirez
Secretary of the Board