



**SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION MEETING
TO BE HELD ON JULY 25, 2022
LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)
*THIS MEETING WILL FOLLOW THE REGULAR BOARD OF TRUSTEES 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 concerning*
- attorney-client matters under Section 551.071,
 - deliberations and other authorized action on real property under section 551.072,
 - prospective gifts or donations under Section 551.073;
 - personnel under Section 551.074;
 - security personnel or devices under Section 551.076;
 - economic development negotiations under Section 551.087;
 - deliberations, voting or taking final action on competitive matters under section 551.086;
 - deliberations regarding security audits and devices under Section 551.089; or
 - deliberations under Texas Government Code Section 418.183(f) about confidential information under the Texas Homeland Security Act.

AGENDA

ITEM	TOPIC	ACTION	PRESENTER / SPONSOR
1	CALL TO ORDER	Execute	Dr. Willis Mackey
2	PUBLIC COMMENT Pre-Registration is from Wednesday, July 20, 2022 5:00 PM – Friday, July 22 1:00 PM Dial (210) 353-4662 or email PublicCommentRegistration@CPSEnergy.com	Discuss	Dr. Willis Mackey
CONSENT AGENDA			
3	APPROVAL OF CONSENT ITEMS: A. Minutes of the PFC Meeting held on 2/28/2022 B. Directors & Officers (“D&O”) Insurance Program Approval	Vote	Dr. Willis Mackey
REGULAR AGENDA			
4	CLOSE-OUT: Review Action Items from this meeting	Discuss	Ms. Julie Johnson
5	ADJOURNMENT	Execute	Dr. Willis Mackey
If the PFC meeting has not adjourned by 4:05 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.			

SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION

NOTICE OF MEETING

Notice is hereby given that the Board of Directors of the SA Energy Acquisition Public Facility Corporation will hold a public meeting in the Board Room located on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas **on Monday, July 25, 2022, at 3:25 p.m. or 5 minutes following the Regular Board Meeting of the CPS Energy Board of Trustees.** The Board of Directors will consider specifically those matters referred to in the attached agenda, which is incorporated herein. The meeting will also be live-streamed.

The meeting will be streamed on cpsenergy.com.

Those wishing to speak on an agenda item during the Public Comment portion of the meeting must register starting Wednesday, July 20, 2022 at 5:00 p.m. until Friday, July 22, 2022 at 1:00 p.m. CT. Registration may be made by email at **publiccommentregistration@cpsenergy.com** or by phone at **(210) 353-4662**. Those registering to speak should be prepared to provide the following information:

- First & last name
- City & state of residence
- Phone number
- Email address
- Group for which the individual is speaking, if applicable
- Agenda item # about which they are speaking
- Any required translation services

Commenters will be called to speak in the order that each registers.

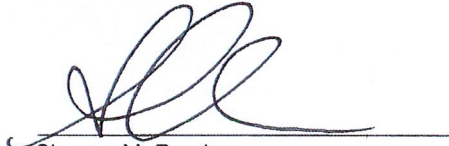
Written comments may be sent to **publiccommentregistration@cpsenergy.com** and will be shared with the Board prior to the start of the meeting.

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 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.



Shanna M. Ramirez
Secretary of the Board
July 20, 2022

2022-07-20 10:00 AM
2022-07-20 10:00 AM



**Minutes of Meeting of
Board of Directors
February 28, 2022**

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, February 28, 2022 at 5:15 p.m. by Board President Dr. Willis Mackey.

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

- Dr. Willis Mackey
- Ms. Janie Gonzalez
- Mr. John Steen
- Dr. Francine Romero
- Mayor Ron Nirenberg
- Mr. Cory Kuchinsky

Also, in attendance were officers-elect Shanna Ramirez - Secretary, Julie Johnson - Assistant Secretary, and David Ramirez - Treasurer. Mr. Rudy Garza, Interim President & CEO, and other CPS Energy leadership and staff members were also in attendance at the meeting

I WELCOME / CALL TO ORDER

Dr. Mackey welcomed everyone and called to order the meeting. It was noted that there were no registered speakers.

II AGENDA

Approval of Consent Agenda: Board Meeting Minutes from July 26, 2021

Upon a motion made by Mr. Steen and seconded by Ms. Gonzalez, the meeting minutes from the July 26, 2021 meeting were approved 5-1, with Dr. Romero abstaining as she was not a director at the time of the July 26 meeting.

Approval: Resolution for Appointment of Directors and Election of Officers

Ms. Ramirez presented on matter and read the resolution. The resolution appoints Mr. Rudy Garza as a Director for the unexpired term of Ms. Paula Gold-Williams. The resolution further appoints the following officers:

President: Dr. Willis Mackey
Vice President: Janie Gonzalez
Assistant Vice President: Rudy Garza
Secretary: Shanna Ramirez
Assistant Secretary: Julie Johnson
Treasurer: David Ramirez
Executive Director: Kevin Pollo

Upon a motion made by Mr. Steen and seconded by Ms. Gonzalez, the resolution was approved by the unanimous vote of all members present.

Approval: Financial Authorization and Approvals Policy for Banking and Investing

Ms. Julie Johnson presented an overview of the Financial Authorization and Approvals Policy for Banking and Investing. Ms. Johnson noted that no changes to the policy had been made since it was last approved and requested approval.

Upon a motion made by Mayor Nirenberg and seconded by Ms. Gonzalez, the policy was approved by the unanimous vote of all members present.

CLOSE-OUT

Ms. Johnson noted that there were no action items noted.

ADJOURNMENT

There being no further business to come before the Board, upon motion by Ms. Gonzalez, seconded by Mayor Nirenberg, the meeting was unanimously adjourned by Dr. Mackey at 5:22 p.m.

Shanna M. Ramirez
Secretary of the Board



Directors & Officers (D&O) Insurance Renewal Coverage for SA Energy Acquisition Public Facility Corporation (PFC) Effective August 1, 2022

- **Background:**

As part of the formation of the PFC and at the directive of its board of directors, the placement of a directors & officers policy was executed at the PFC's incorporated inception in April 2007 and is renewed annually.

- **PFC D&O Insurance Coverage:**

The policy protects the PFC's board of directors from liability arising from actions connected to their corporate positions as they relate to the management of PFC's business operations. In addition, the individual directors and corporate assets are protected against legal claims alleging wrongful acts such as breach of duty, neglect, errors, misstatements or misleading information.

- **Market Impact on PFC D&O Insurance Policy Renewal:**

- Marsh (CPS Energy's Insurance Broker) has indicated that current market conditions forecast premium rate increases to be within the 10% - 15% range
- Based on the PFC being a limited purpose entity with minimal complexity, the 6.61% premium rate increase is less than what our peer utilities are experiencing

- **PFC D&O Insurance Policy Renewal:**

Current Policy	Renewal Policy
Policy Period: 8/1/2021 – 8/1/2022	Policy Period: 8/1/2022 – 8/1/2023
Policy Limit: \$20,000,000	Policy Limit: \$20,000,000
Deductible: \$100,000	Deductible: \$100,000
Annual Premium: \$75,713	Annual Premium: \$80,719

Renewal program maintains the same coverage, policy limit, & deductible as the current policy with an 6.61% increase in the annual premium. Premium expenses & deductible are paid by the PFC.



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 August 1, 2022; 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 August 1, 2023, at a total premium cost not to exceed \$81,000; 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 August 1, 2022, with both premium and deductible, if the need arises, to be paid by the SA Energy Acquisition Public Facility Corporation.

Shanna M. Ramirez, Secretary