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BEGINNING OF AUDIO TRANSCRIPT

2 **Mr. Avila:** I am going to go ahead and start the record button. Okay, so we are we are
3 recording. And Mr. Almaraz, is it all right with you if I record this session?

4 **Mr. Almaraz:** Yeah. Sure.

5 **Mr. Avila:** He's going to clap just to sync up our cameras. All right. Really appreciate you joining
6 us this morning to tell us more about your new headquarters. Can you give us an update to
7 start off with about where are you in the project, and how much did it cost, and who's going to
8 be there and that kind of thing?

9 **Mr. Almaraz:** Sure, yeah. Thank you for having me on. The project is very close to completion.
10 We, it's been five years in the making. We have had experts all over the company and advisors
11 externally to make this a success. We're coming in under budget. Our budget was 215 million
12 dollars. We will be about 212 million dollars. And it will house about 1,200 employees of CPS
13 Energy and we are bringing from other locations to consolidate there to save money for our
14 community.

15 **Mr. Avila:** And uh, what the, I understand that this will kind of replace some of the other
16 historic buildings that we have been familiar with and always identified with CPS Energy.

17 **Mr. Almaraz:** Yes Sir. Well, the building that we are in now is our current headquarters, 145
18 Navarro, and it was built when Calvin Coolidge was president. It's been a long time and it has
19 gotten to be very expensive for us to maintain it. And it is time for us to do something different.
20 And this new building, which is going to be very cost effective for us, is going to take the

21 employees that are here in this building, across the street at our other Navarro building at
22 Northside Customer Service Center and put them all in one location.

23 **Mr. Avila:** And you touched on this a bit, but why is this better for ratepayers?

24 **Mr. Almaraz:** Well, Jaie our customers are going to be better served with this new building with
25 the lower cost that it takes to maintain it's 60% less cost effective less energy intensive and
26 with a building of the age that I am sitting in now is everything is more expensive from an
27 efficiency standpoint but even just maintaining the exterior, it has gotten to be so cost
28 burdensome that really the only responsible thing to do is to consolidate our employees into
29 somethings that is going to last us for many more decades and be more cost effective.

30 **Mr. Avila:** people in San Antonio also do care about the skyline how did how are you feeling
31 about the way the building looks and integrates with the rest of downtown?

32 **Mr. Almaraz:** Well, Jaie, this process started about five years ago and it began with a blue-
33 ribbon panel of involving community leaders and customers to really just think about exactly
34 that question, how are we going to impact the skyline? And what our presence should look like,
35 and we, it resulted, that effort resulted in the location that we selected at McCullough. I think
36 the building is very attractive. And um, we're so pleased that we were able to do that under
37 budget and such an affordable way I think. I think it is a really nice addition to the skyline.

38 **Mr. Avila:** And it is a balance that people in San Antonio are particularly keen on. They want to
39 be budgetarily responsible as far as their utilities and government agencies and what-not. But
40 at the same time, they do want to be proud of their city and of their downtown. So, I am glad
41 you touched on that. And we will routinely do stories when new headquarters buildings come

42 out. And we'll ask about the cost of the project and we'll also ask about the cost of furnishing it
43 and what-not. I give, as an example, we did a story on SAWS when they moved into their
44 headquarters many years ago we did that kind of story. So, how much did you end up spending
45 on furnishing inside the building?

46 **Mr. Almaraz:** Well, the cost of furnishings we can get the exact number but is a small fraction of
47 the total amount of the project itself. And we're taking over as much of the furniture that is –
48 that has an existing useful life in our current facilities. What you see behind me and kind of
49 coordinate to the left and right of me. This is some of the newer furniture that we have at CPS,
50 and this will go along with me. I'll be sitting, if we do this interview in a year, you will see this
51 same furniture that I've got now. So, I mentioned the building is 90 years old. The furniture
52 inside the building, I could have played on that when I was a toddler. It is that old, the system
53 furniture here. And so, it really is time for a refresh. And really, we looked on how much we
54 could keep. It will fall apart if we try to take it apart and reconstitute over there. So, in the end,
55 it is a lot more cost effective to replace, you know, all of the substantially all of the furniture
56 and take just pieces that we can safely transport.

57 **Mr. Avila:** (inaudible) I told you I would not get you for any figures off the top of your head. I
58 apologize for that. I did receive an email saying something like \$7.3 million, I believe was the
59 figure in response to records request that I had done. That was figure that I was going to go
60 with for the story that I air unless I get different information later on. But I appreciate your
61 explanation of why some of the old furniture won't be used and what-not. So, let me ask you a
62 little bit about that though. Although I was able to get a total figure of how much the total
63 furniture cost, I was not able to get the price of each individual, how much CPS Energy paid for

64 the individual pieces of furniture. And so, I do want to ask, as you understand it, why can't you
65 give us the amount of each item of furniture and how much you paid for that?

66 **Mr. Almaraz:** Well, we're happy to be as transparent as possible and provide everything that
67 we are able to. Our suppliers are allowed by law to protect their proprietary and competitively
68 sensitive pricing information. Once we get the go ahead that we can provide it, we will happily
69 provide information to you.

70 **Mr. Avila:** so, for now, I only have just a few items that were part of the construction job that I
71 was given some of the prices and a little bit of information about items there. And, it seems like
72 there are a lot of break rooms in this new facility. Do you know anything about that?

73 **Mr. Almaraz:** Well, there's a place on every floor for our employees to go and prepare their
74 lunch or take work at a different location. This building is built to be flexible for our employees
75 to do their best work by collaborating in many different types of spaces. And the break rooms
76 will be a place to get water. It will be a place to squat and collaborate with another coworker,
77 and otherwise be a place to be efficient for our customers.

78 **Mr. Avila:** And in asking that question, I realized that we are dealing with a couple of towers
79 that are more high rise situations than a lot of us are used to working in so I can imagine that
80 there would be more than one or two break rooms.

81 **Mr. Almaraz:** that's right.

82 **Mr. Avila:** there were things listed like, you know, quite a bit of money had to be spent on ice
83 makers, refrigerators, coffee makers, things like that in your view though, is this pretty routine,
84 not exorbitant type of expenses?

85 **Mr. Almaraz:** We treat every penny as though it was our own. We know that this is in the end
86 these are the dollars of our community and we we're careful not to do things that only that
87 spend money that was cost effective and prudent. I am very comfortable with what the big
88 group and team of people who analyze this to every penny have produced and I think that we
89 have been very very reasonable and it is very much in line for even to the more modest side of
90 what you would expect in an office like the one that we had.

91 **Mr. Avila:** Can you tell me anything about the executive offices or the boardroom any executive
92 lounges things like that. Do you have any of those for more senior management type of areas in
93 the building?

94 **Mr. Almaraz:** well, our senior more senior manager will be on one floor together, and you are
95 looking at the furniture that will be there this is as nice as it gets I am glad to have it this will be
96 what you will find on our floor and no such that's what you would find.

97 **Mr. Avila:** do you have any gyms in the building?

98 **Mr. Almaraz:** We don't have a gym in the building. We have a location that on the retail so no,
99 we don't have a gym in the building. One day, were open hoping that somebody might would
100 like to open one open a facility there.

101 **Mr. Avila:** So, there's room for retail on the bottom?

102 **Mr. Almaraz:** The city code requires us to have some amount of retail space. So, in accordance
103 with city code, we provided some square footage for that purpose we don't know what will be
104 there in the end.

105 **Mr. Avila:** any final comments that you want the public to know? Because I am hoping to get
106 some video from CPS energy we'd love to shoot ourselves but we understand with all the
107 variables going on, that we're going to receive some from CPS energy. We are eager to see
108 inside, and I didn't know if there were any comments you just wanted to make to the public
109 about unveiling the building and perhaps when you might take occupancy?

110 **Mr. Almaraz:** right. Thank you. The building is going to be attractive, but it is affordable. Our,
111 we focused very, very much on making sure that we were spending these dollars in the most
112 prudent way possible we think it is gonna be a fantastic place for us to base our operations out
113 of. We are a 24/7/365 business that supports our community. In this time of COVID, everything
114 has just gotten a little more complicated, but we know one day, we will welcome our customers
115 to our facility, and they will see that we have done the right thing for our community.

116 **Mr. Avila:** OK. On this end my photographer is going to move around a bit and get some
117 different angle shots, so I will just hold you a few more moments. Is there an estimated when
118 you'll be taking occupancy of all your employees?

119 **Mr. Almaraz:** Yeah, so the reason I dialed in later here is because we had some folks just come
120 in briefly to put stickers on my furniture. I'm weeks away from moving personally. We will be
121 moving from, you know, through October, November, December timeframe, and be there and
122 operational in the early part of the next year.

123 **Mr. Avila:** Okay, so really operational early part of next year?

124 **Mr. Almaraz:** Well, we will have fully moved by then. Any individual will be operational in a
125 seamless way. When I move, I will move on a Friday excuse me. I'll leave on a Friday, and move
126 will occur over the weekend. I will show up Monday and be functional in our new location.

127 **Seamus Nelson:** hey Jay I just want to give a four-minute warning I promised I'd get Frank out
128 at an appropriate time. And, Frank, will be understanding with me, but it's his other people.

129 **Mr. Avila:** Right, we're very close. All right. Is anybody working in there now?

130 **Mr. Almaraz:** Well, we don't have our certificate of occupancy yet so, by law, no one can be
131 working there in a office capacity. But we have lots of people working there to finalize and
132 finish up on the last details of the building.

133 **Mr. Avila:** when will the first employees move in?

134 **Mr. Almaraz:** The last week of September.

135 **Mr. Avila:** OK. Have other news media had an opportunity to shoot any video or pictures inside
136 or getting of your pictures yet?

137 **Mr. Almaraz:** we have not granted access to the building to anybody that doesn't need to be
138 there, simply because COVID-19. We want to make sure that everybody is safe on that. And
139 also, because even though it's mostly going to remain an active construction site. So, I'll let
140 Seamus give you the details as to whether we provided footage to anybody. But nobody has
141 been allowed access that didn't need to be there for private purposes.

142 **Seamus:** Jaie, we didn't.

143 **Mr. Avila:** today, I appreciate it.

144 **(END OF TRANSCRIPTION)**