

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
SOUTHWEST PUBLIC POWER AGENCY, INC.**

May 11, 2026

A meeting of the Board of Directors of the Southwest Public Power Agency, Inc. ("SPPA") was held on **May 11, 2026**, at the offices of Clark Hill, located at 3200 North Central Avenue, Suite 1600, Phoenix, Arizona 85012.

The following Board Members or Member alternates were present:

Scott Saline – AID, HVPD, TID, OWCD
Arnold Mejia - GRICUA
Jeff Low – City of Safford
Brian Yerges – ED3
Joe Mease – TOUA
Logan Gernet – ED2
Donovan Neese – RID
Robert VanHofwegen – ED8
Noel Carter - BWCDD
Jeff Woner – OWCD

Ed Gerak – Ak- Chin
Jason Moyes – AID, HVPD, TID, MVWCDD, ED8
Taylor Howerter - RID
Anthony Cadorin - NTUA
Derek McEachern – ED4
Heath Brown – Thatcher
Greg Ellis – ED2
Ken Stock - GRICUA
Bill Van Allen – ED6
Jeff Low – City of Safford

Also present:

Judy Spallino - SPPA
Kim Polivka - SPPA
Daniel Herder – Clark Hill
Bella Esparza – Guest of BWCDD

Kent Simer - KRSA
Dennis Delaney - KRSA
Steven Foster - KRSA
Ashley Blank – KRSA
Dan Pritchard - KRSA
Ken Saline - KRSA

The following Board Member(s) were not present:

Maricopa Water District
Town of Wickenburg
City of Williams
Electrical District 7

The meeting was called to order at 12:51 p.m. Mr. Brian Yerges chaired the meeting while Ms. Kim Polivka functioned as secretary.

ROLL CALL

Mr. Brian Yerges called on the role of the Board Members to ensure there was a quorum present. Quorum being established; the business of the meeting proceeded.

3.) Consideration and approval of Consent Agenda (Possible Action Item)

All items on the Consent Agenda are considered to be routine matters and will be enacted by one motion of the Board of Directors. A Board Member may request removal of any item(s) or part(s) thereof without debate or vote.

a. Minutes from prior meetings of the SPPA Board of Directors.

i. 04-13-2026 SPPA BOD Meeting Minutes

ii. 04-13-2026 Confidential Executive Session

b. Ratify/approve Pool Management Committee Items

Mr. Brian Yeargs presented the (3.a.) Consent Agenda for the Board's review and approval. All items listed on the Consent Agenda may be enacted by a single motion unless a Board Member requests otherwise.

Upon discussion, Mr. Robert VanHofwegen moved to approve the contents of the Consent Agenda as presented. Mr. Ken Stock seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

4.) Item(s) removed from Consent Agenda:

None

5.) Financial matters:

- a. Financial Update & Treasurer's Report including disbursements (Possible Action Item)

Ms. Judy Spallino presented financial matters

- i. Balance Sheet Highlights
- ii. Profit & Loss Highlights
- iii. Other Item (s) to highlight

Upon discussion, Mr. Noel Carter moved to approve the Financial Update & Treasurer's Report including disbursements; Mr. Scott Saline seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

- b. Update on Annual Audit

Ms. Judy Spallino gave an update on the annual Audit that is nearly completed.

Mr. Dennis Delaney provided that SPPA has moved \$10,000.00 into Bell Bank, moving forward the updated Bank information for SPPA to receive payments will be provided on all invoices for future payments from the members.

Mr. Brian Yerges inquires about the amount of in and out fees, maximum limitations from Bell Bank

Ms. Judy Spallino has confirmed with Betsy at Bell Bank; the ACH limit is outgoing only. Limit is \$1,000,000.00. Incoming is fine at any amount.

Mr. Delaney discussed the difficulties with the AEPCO Invoice that SPPA receives from them, needing some help from AEPCO, this will be addressed more in the Risk Management meeting, Mr. Delaney will proceed with the invoice for now.

6.) Risk Management Meeting

Next meeting to be held on June 1, 2026.

Open position on the Risk Management Committee, email if interested.

7.) Legal/regulatory matters:

- a. Markets – Update regarding plans for support of members, and others, embedded in entities joining markets.

Mr. Delaney more to come in the next Board meeting.

- b. AEPCO project updates, including the below.
- i. Update on Apache II
 - ii. Update on Pinal County Project

Mr. Daniel Herder updates on Pinal County Project:

- SPPA has posted to AEPCO the participants' working capital contributions as cash, which has been earning no interest under AEPCO policies. There is the option to post one LC to AEPCO, and perhaps Bell Bank can facilitate. There have also been discussions with AEPCO to find ways for the money to earn interest. Last

communication with them ½ of the dollars can be made available to accrue interest, with some constraints, money must be in their account.

- More information to come.

AEPCO may be about to counter sign the Pinal PPA, waiting for the upcoming AEPCO meeting.

Mr. Yerges notes on May 21, 2026; Pinal County Planning and Zoning Committee Meeting WAPA is also having a meeting, we are hoping to get support from the Pinal County participants.

c. Prepay Updates

Mr. Yerges, we have an upcoming meeting set up with SRP on introducing entering into a Prepay structure, what their thoughts are on Box Canyon, prepay project that they have going.

Mr. Delaney finds that BP is being problematic, trying to find people to partner with SPPA

Mr. Yerges replies we do not know the final pricing to move forward.

d. Box Canyon update

Mr. Herder and Mr. Delaney have a meeting with the CFO of Box Canyon tomorrow

e. Credit Rating Considerations

f. Bell Bank Update, Including transfer of WCF1 and WCF2

As discussed prior, SPPA is moving accounts from BMO to Bell Bank.

Mr. Ed Gerak asked for the amount of money to be transferred.

Mr. Dennis Delaney updated on the liquidation of funds into Bell Bank from BMO, there will be no cost to the Members, estimated \$25,000,000.00 to be transferred.

Upon discussion, Mr. Ed Gerak moved to approve the Transferring of Funds into Bell Bank from BMO; Mr. Robert VanHofwegen seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

g. APS Transmission Network Integration Transmission Service Agreement (NITSA) Amendment Update regarding large member loads.

Mr. Herder explains that ED7 is the farthest along of the APS Districts trying to bring on large load that would require additional APS Transmission through the contract, more to come.

APS this morning sent over for signature the proposed amendment to the existing NITSA with SPPA adding the new substation to the table of delivery points and loads of SPPA. Risk to SPPA is minimized at this time because SPPA has the right to update the load table in future, setting data center load to zero, and eliminate associated transmission charges.

The intent is to bring to the board next month the proposed additions to the APS Transmission project agreement to specifically address large loads.

Mr. Yerges follows up with SPPA APS NITS project, SPPA members are not part of the project or are we speaking of the SPPA NITS' APS project Committee.

Mr. Herder, it would be the SPPA NITS' APS project Committee, ratified by the board for signature by SPPA.

Mr. Delaney an amendment is coming with a clear road map.

Upon discussion, Mr. Robert VanHofwegen moved to approve the signing of the new substation addition with SPPA NITS; Mr. Derek McEachern seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried, except Ak-Chin abstained from the vote.

Mr. Ken Saline offers to provide a signed APS agreement for the board's information and better understanding for the next Board of Directors meeting.

Ms. Judy Spallino: upon completion of Audit, Baker Tilly will present in person at the next board meeting on their findings, with mutual agreement Baker Tilly will present virtually and not in person.

8.) Any other business that may come before the meeting

No additional business was discussed.

9.) Discussion of Future Agenda Items

No additional business was discussed.

10.) Establishment of the date of the next SPPA Board Meeting: June 8, 2026.

11.) Public Comment

No additional business was discussed.

12.) Adjournment

There being no further business to come before the Board, the meeting was adjourned at 1:55 p.m.

Respectfully submitted,

Kim Polivka

Kim Polivka
Admin/Acct Assistant

Approved: *Derek McEachern*