

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

March 17, 2025

A meeting of the Board of Directors of the Southwest Public Power Agency, Inc. ("SPPA") was held on March 17, 2025, 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:

Ken Robbins – ED2

Elena Byrd – ED2

Glen Steiger – NTUA

Brian Fickett – TOUA

Jeff Woner - OWCD

Robert VanHofwegen - ED8

Michael Curtis – Town of Wickenburg

Bill Van Allen—ED6

Ken Stock – GRICUA

Jim Downing - MVWCDD

Donovan Neese - RID

Taylor Howerter—RID

Greg Ellis – ED2

Brian Yerges – ED3

Joe Mease – TOUA

Arnold Mejia – GRICUA

Jason Brimhall – City of Safford

Tim Sabo – City of Safford

Ron McEachern – ED4

Scott Saline – AID, HVPD, TID

Jason Moyes – AID, HVPD, TID

Glen Vortherms - MWD

Derek McEachern – ED4

Also present:

Judy Spallino

Kim Polivka

Daniel Herder

Sheryl Sweeney

Lisa Dowden

Steve Pearson

Dennis Delaney

Daniel Pritchard

Kent Simer

Ken Saline – KR Saline

The following SPPA Member(s) were not present:

Electrical District No. 7 of Maricopa

Ak-Chin

Town of Thatcher

Buckeye Water Conservation & Drainage

The meeting was called to order at 12:20 p.m. Mr. Ken Robbins chaired the meeting while Ms. Kim Polivka functioned as secretary.

ROLL CALL

Mr. Ken Robbins called on the role of the Directors 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.
03-10-25 – BOD Meeting
03-10-25 – Executive Session
- b. Ratification of approval items, if any, from the SPPA Pool Management Committee.

Mr. Robbins presented the Consent Agenda for the Committee's review and approval. All items listed on the Consent Agenda may be enacted by a single motion unless a Committee Member requests otherwise.

Upon discussion, Mr. Glen Steiger moved to approve the contents of the Consent Agenda as presented. Mr. Robert Van Hofwegen seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

4.) Item(s) removed from Consent Agenda (Possible Action Item).

No items were removed from the Consent Agenda.

5.) Financial matters:

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

Ms. Judy Spallino presented the Disbursements Reports for the Committee's review and approval. All items presented on the Consent Agenda may be enacted by a single motion unless a Committee Member requests otherwise.

Mr. Glenn Steiger moved to approve the Disbursements as presented. Mr. Rober VanHofwegen seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

- i. Balance Sheet Highlights
- ii. Profit & Loss Highlights
- iii. Deposits Reports

- iv. Expense Reimbursement Policy-Instructed changes

Upon discussion, Mr. Brian Yerges moved to approve the Expense Reimbursement Policy, as presented, reflecting the changes requested by the Board previously to clarify applicability to SPPA personnel. Mr. Glenn Steiger seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

- v. Other Item(s) to Highlight
- b. 2024 Baker Tilly Audit
 - i. Schedule Field work to begin week of March 24
- c. 2025 S&P Follow-up of 2024 Credit Review
Mr. Delaney and Mr. Scott Saline presented on the responses provided to S&P as part of SPPA's ongoing credit review
- d. 2025 Budget & Organizational Development Plan, including update/discussion re SPPA management. The Board may vote to discuss these matters in executive session pursuant to A.R.S

§ 38-431.03(A) (3), and (4) for the discussion or consultation with the attorney of the public body to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiation and for legal advice.

Mr. Dennis Delaney will revise the current budget for the month June – December 2025 and re submit it on April 14, 2025, at the Board of Directors meeting for approval.

6.) Legal/regulatory matters.

- a. FERC Developments of interest (presented in the Pooling Committee Meeting)

7.) Ongoing Activities:

- a. Report from Board of Nomination Committee
 - i. Annual Meeting – May 12, 2025, at 11:30 AM
 - ii. Officers' Elections – May 12, 2025

Mr. Donovan Neese presented on the status of soliciting candidates to run for officer positions. Depending on the number of candidates, a slate of candidates may be presented for single approval at the May annual meeting.

There have been two requests sent out for SPPA officers' nomination on the four open spots available.

Responses for SPPA Officer nomination:

1. Mr. Ed Gerak – returning
2. Mr. Robert Van Hofwegen
3. Mr. Brian Yerges

- b. Update on Energy Accounting Conversion Project

Mr. Delaney gives updates on the Energy accounting project, due to Mark's availability this last month there is not much to report on.

Mr. Michael Curtis asked what kind of estimated timeframe for completion, invite to a member meeting.

Mr. Delaney replies that they are at least 90 days out, going to reach out to Mark for a date or a get-together for a meeting with the Board on a completion timeframe. Board members requested to be updated on the time required for completion.

- c. Onward/Mesquite PPA.
Nothing to report
- d. Updates on Financial Gas Hedging
Nothing further to report
- e. AEPCO
 - i. Letter Agreement with ACES for access and SPPA's access to and use of Forward Market Data provided by Fenics Software Limited to ACES.

Mr. Daniel Herder presented the Letter Agreement with ACES for access and SPPA's access to and use of Forward Market Data for approval.

Mr. Glenn Steiger moved to approve the Letter Agreement with ACES for access and SPPA's access to and use of

Forward Market Data as presented. Mr. Robert VanHofwegen seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

- ii. Apache II Resale Agreements, and AEPCO PPA/ESA update. The Board may vote to discuss these matters in executive session pursuant to A.R.S § 38-431.03(A) (3), and (4) for the discussion or consultation with the attorney of the public body to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiation and for legal advice.

Mr. Herder give an update on Apache II status

- AEPCO does not expect the SPPA PPA to be signed immediately

- Status of Apache II - SPPA has provided notes and edits on the AEPCO SPPA agreement and has been collaborating with outside counsel for two and a half months. AEPCO has not yet responded with edits but is working on them.
- AEPCO has communicated that there is no expectation for SPPA to sign the agreement immediately and will allow SPPA time to review the edits once received.
- Entities can sign the Apache II resale agreement now if they are comfortable with the current points and caveats, including tax questions. Alternatively, they can wait for AEPCO's edits, as AEPCO understands the timeline.

iv. EDAM Study

Mr. Delaney updates on EDAM Study

- The AEPCO Board acted on the EDAM study last week.
- WAPA, SPPA, AEPCO, and the authorities are all participants in the study.
- It is believed that the AEPCO Board approved the study.

Executive Session AEPCO/Pinal County sign agreement letter moving forward

The SPPA Board of Directors moved for an Executive Session for agenda items 7 (e)iii, 7 (f), pursuant to A.R.S. § 38-431.03 (A) (2) and (3) and (4) for discussion or consultation with the attorneys of SPPA for legal advice, and for the consideration of records exempt by law from public inspection, regarding the Pinal County Resale Agreement and Box Canyon Solar Project status.

Mr. Robert Van Hofwegen called for a motion to go into Executive Session; and seconded by Mr. Donovan Neese and the motion passed unanimously at 1:05 p.m. Executive Session concluded at 1:22pm.

iii. Pinal Co Resale Agreements

Mr. Brian Yerges called for a motion on the Pinal County resolution presented to the board, authorizing SPPA to sign the subscription agreement, once SPPA and AEPCO reach a letter agreement allowing SPPA participants to terminate their participation without penalty; and seconded by Mr. Robert VanHofwegen and the motion passed unanimously at 1:21 p.m.

- g. APS NITS Transmission Project/Service
- h. Presentation on the potential for SPPA members to Participate in “Pre-Pay Energy Supply Opportunities.”

Mr. Delaney – BP Presentation

It would be prudent to draft and propose a Non-Disclosure Agreement (NDA) to ensure confidentiality and protect any sensitive information shared during further discussions.

Notify Box Canyon about your intention to share the agreements. This ensures transparency and maintains trust with all parties involved.

Mr. Herder, if necessary, consider creating a separate project box for this initiative. This can help in managing resources and tracking progress more effectively.

Steps legal counsel would recommend for initiating a new project

- Draft and sign an NDA: Ensure confidentiality before sharing sensitive information.
- Outline Options in a Memo to the Board with all options and steps in a memo for board approval.

Mr. Robert Van Hofwegen called for a motion, Mr. Dennis Delaney and staff continue flushing out this idea, finding an NDA, moving forward with Study; and seconded by Mr. Brian Fickett and the motion passed unanimously.

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 Next SPPA Board Meeting

The established date of the Board of Directors Management Meeting: April 14, 2025

11.) Public Comment

None

12.) Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:03 p.m.

Respectfully submitted,

Kim Polivka
Admin/Acct Assistant

Approved: _____