

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

**December 9, 2024**

A meeting of the Board of Directors of the Southwest Public Power Agency, Inc. ("SPPA") was held on December 9, 2024, 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  
Glen Steiger – NTUA  
Noel Carter - BWCDD  
Brian Fickett – TOUA  
Jeff Woner - OWCD  
Jason Moyes – AID, HVPD, TID  
Heath Brown - THAT  
Robert VanHofwegen - ED8  
Glen Vortherms—MWD  
Michael Curtis – Town of Wickenburg  
Derek McEachern – ED4

Elena Byrd – ED2  
Ron McEachern – ED4  
RD Justice – ED7  
Arnold Mejia – GRICUA  
Jim Downing - MVWCDD  
Donovan Neese - RID  
Taylor Howerter - RID  
Joe Mease – TOUA  
Jason Brimhall – City of Safford  
Ed Gerak – Ak-Chin

**Also present:**

Dennis Delaney  
Frank McRae  
Judy Spallino  
Kim Polivka  
Scott Saline

Kent Simer  
Ken Saline  
Daniel Herder  
Dan Pritchard

**The following SPPA Member(s) were not present**

Electrical District No. 3 of Pinal

Electrical District No. 6 of Pinal County

The meeting was called to order at 12:05 p.m. Mr. Ken Robbins chaired the meeting while Ms. Kim Polivka functioned as secretary.

**ROLL CALL**

Mr. Frank McRae called the roll of the Directors to ensure there was a quorum present. Quorum being established, the business of the meeting proceeded.

During the SPPA Board of Directors meeting an Executive Session, **pursuant to A.R.S. § 38-431.03 (A) (2) and (3) 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 LOC with BMO, Bank Account Arrangement with BMO, December 6<sup>th</sup> deadline.** was called for by Mr. Ken Robbins and seconded by Mr. Ed Gerak and the motion passed unanimously at 12:07 PM.

Out of Executive Session at 12:16 pm

Upon discussion Mr. Ken Robbins called for Approval for the Resolution to Obtain Credit and Other Financial Services, as presented to the Board of Directors. Mr. Robert VanHofwegen moved to approve, Mr. Glen Vortherms seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

In furtherance of the above, upon discussion, Mr. Ken Robbins called for approval to appoint Mr. Glenn Steiger to be assistant Secretary. Mr. Glen Vortherms moved to approve, Mr. Ed Gerak seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

The Board recessed to conduct the Pooling Management Committee Meeting. Upon conclusion of the Pooling Management Committee Meeting:

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

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

- a. Minutes from prior meetings of the SPPA Board of Directors.
  - o October 14, 2024, BOD Minutes
  - o October 14, 2024, Executive Session Minutes #1 and #2
  - o November 4, 2024, BOD Minutes
  - o November 4, 2024, Executive Session Minutes #1 and #2
- 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. Glenn Steiger moved to approve the contents of the Consent Agenda as presented. Mr. Robert VanHofwegen 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 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.

- o Balance Sheet Highlights
  - o Profit & Loss Highlights
  - o Deposit Report
  - o Other Item (s) to Highlight
- Ms. Judy Spallino presented the financial statements for October and September on an accrual basis.
  - The balance sheet remains stable, with no significant changes.
  - The income statement reflects an \$81,000 change between September and October, primarily due to a change in the market value of the working capital fund.

- Interest is paid on a quarterly basis and can be accrued to smooth out fluctuations.
- Interest earned from Morgan Stanley on the margin has been reclassified from income to liability, as it will be paid back to the members.
- Legal fees decreased by \$20,000, which is positive news.
- Reported in on the daily credit threshold report from ACES, which is monitored to keep track of market exposure and cash.
- As of the latest report, there is \$1.5 million in cash against \$1.48 million in exposure, with a slight excess of \$11,000.
- A recent report indicates a potential return of \$400,000, pending approval from ACES and Morgan Stanley.
- Ms. Spallino emphasized the importance of closely monitoring market movements and cash exposure.

**b. 2025 Budget & Organizational Development**

An Executive Session for agenda item 5.b, organizational development plan, pursuant to A.R.S § 38-431.03(A) (3) for the discussion or consultation with the attorney of the public body for legal advice, was called for by Mr. Donovan Neese and seconded by Mr. Robert Van Hofwegen and the motion passed unanimously at 1:26 PM.

**6.) Legal/regulatory matters**

- a. FERC & ACC Proceedings, including WRAP update.
- Mr. Herder explained that there are delays expected on binding aspects of WRAP into the future

**7.) Ongoing Activities:**

- a. Update on Energy Accounting Conversion Project  
Updated in the Pooling Committee meeting
- b. Onward/Mesquite PPA  
Reporting on the buybacks during the maintenance outages that have taken place and upcoming ones in February/March 2025 time frame. Addressed in Pooling Committee.
- c. Update on Financial Gas Hedging  
None to report beyond what was covered in the Pooling Committee
- d. AEPCO
- i. Apache II Solar/BESS PPA and development of resale agreement. The Board may vote to discuss these matters in an 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 for legal advice and to consider its position and instruct its attorneys regarding the public body’s position regarding contracts subject to negotiation.
  - ii. Pinal Co Solar/BESS Subscription Agreements, including potential board approval of authority for SPPA General Manager to proceed with related matters and execute agreements as appropriate. The Board may vote to discuss these matters in an 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 for legal advice and to consider its position and instruct its attorneys regarding the public body’s position regarding contracts subject to negotiation.
  - iii. EDAM study

Executive Session 4<sup>th</sup> for Pending Contract Negotiations 2:05 pm

**10.) Establishment of the Date of Next SPPA Board Meeting**

The cancellation of January 9, 2025, Board of Directors Management Meeting was announced, if needed special meeting (s) will be held.

The next official Board of Directors meeting will be held on February 10, 2025.

**11.) Public Comment**

There was no comment from the public.

**12.) Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 2:35 pm

Respectfully submitted,

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Kim Polivka  
Admin/Acct Assistant

Approved: \_\_\_\_\_