

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
SOUTHWEST PUBLIC POWER AGENCY, INC.
October 13, 2025**

A meeting of the Board of Directors of the Southwest Public Power Agency, Inc. ("SPPA") was held on October 13, 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:

Derek McEachern – ED4	Bill Van Allen—ED6
Arnold Mejia - GRICUA	Michael Curtis – Town of Wickenburg
Ken Stock – GRICUA	Ken Robbins – ED2
Brian Yerges – ED3	Anthony Cadorin - NTUA
Joe Mease – TOUA	Donovan Neese - RID
Jason Moyes – AID, HVPD, ED8, MVWCDD, TID	Taylor Howerter—RID
RD Justice – ED7	Scott Saline – AID, HVPD, TID, OWCD
Glen Vortherms – MWD	Robert VanHofwegen – ED8
Jeff Woner – OWCD	Greg Ellis – ED2
Kristan Johnson – TOUA	Ron McEachern – ED4
Srinivasa Venigalla – NTUA	
Elena Byrd – ED2	

Also present:

Judy Spallino - SPPA	Ashley Blank – KRSA
Daniel Pritchard – KRSA	Kent Simer - KRSA
Kim Polivka - SPPA	Dennis Delaney - KRSA
Daniel Herder – Clark Hill	Ken Saline – KR Saline
Sheryl Sweeney – Clark Hill	

The following SPPA Member(s) were not present:

City of Williams
City of Safford
Buckeye Water Conservation & Drainage
Ak-Chin Energy Services
Town of Thatcher

The meeting was called to order at 12:17 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.

- b. Ratification of approval items, if any, from the SPPA Pool Management Committee.

Mr. Yerges 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. Scott Saline moved to approve the contents of the Consent Agenda as presented. Mr. Ken Robbins 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 financial matters

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

Mr. Ken Robbins moved to approve the Financial Update & Treasurer's Report including disbursements as presented. Mr. Srinivasa Venigalla seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

Ms. Spallino overviewed the SPPA Banking and Cash Management Policy. President Yerges recommended amending to include the approval date and version history to aid in version tracking.

Upon discussion, Mr. Jason Moyes moved to approve the SPPA Banking and Cash Management Policy Consent Agenda as presented and to be supplemented with the approval date and version number. Mr. Ken Robbins seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

- b. Banking
 - i. CoBank/ADM Discussion
 - ii. Seek authority to switch operating funds away from BMO (Possible Action Item)
 - iii. Banking and Cash Management Policy Approval

Ms. Spallino gave an update with CoBank for a potential future banking relationship and will be preparing a comparison/contrast for the board of directors on or before the next SPPA BOD meeting.

- c. S&P Credit Rating
 - i. Moody's methodology vs. S&P
 - ii. Future Meeting with Bill Davis. Members to provide feedback and information

Ms. Spallino gave a presentation contrasting Moody's vs. S&P on their fundamental differences in how they provide credit ratings for entities like SPPA; description of Moody's processes is on the SPPA Website members page for member review. President Yerges presented on background of SPPA's credit rating starting in 2022 when it obtained an investment grade rating, how it was downgraded, and there was discussion on the recent development that S&P reaffirmed the non-investment grading and included a negative outlook. He floated the concept of obtaining a confidential rating from Moodys. There was consensus that no individual SPPA member had a Moody's rating, so there is no experience with how they may treat SPPA.

Mr. Dennis Delaney solicited directions on future conversations with Mr. Bill Davis of Piper Sandler to analyze what could be done to obtain a better credit rating for SPPA and also look at engaging Moody's in this assessment with a possible \$10 to \$15,000.00 cost that is included in the 2026 SPPA Budget. Mr. Jason Moyes explained that the group made great efforts to educate S&P on the AZ issues, but it did not appear to connect. Mr. Yerges and Mr. Robbins contemplated SPPA possibly showing in data how the step-up provisions protect against any danger posed by individual members S&P see as problematic or even asking S&P for a statement of what they need to see from SPPA to raise the rating.

6.) Risk Management Meeting

- a. Next meeting to be held on November 3, 2025

During the SPPA Board of Directors meeting an Executive Session for agenda items 7 through 9 as listed below, pursuant to A.R.S. § 38-431.03 (A) (2), (3) and/or (4) for the reasons stated in each agenda item below.

Mr. Donovan Neese called for a motion to go into Executive Session; and seconded by Mr. Ken Robbins and the motion passed unanimously at 12:45 p.m.

7.) Legal/regulatory matters:

- a. Box Canyon updates: *The Board may vote to discuss this matter in executive session pursuant to A.R.S § 38-431.03 (A), (3) and (4) for 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 negotiation and*
 - i. Update on SRP Participation Amendment to PPA, SRP Participation Agreement, Battery Option, and Amendment to Resale Agreement.
 - ii. Force Majeure notice regarding weather
 - iii. Curtailment discussions and cost allocation
 - iv. REC's sales update
- b. Discussion and possible action per agreement and discussion with AEPCO, including the below. The Board may vote to discuss this matter in executive session pursuant to A.R.S § 38-431.03 (A), (2), (3), and (4) for 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 negotiation and for legal advice, and for the discussion or consideration of records exempt by law from public inspection.
 - i. Pinal County PPA edits proposed by AEPCO
 - ii. Apache II working capital arrangements to support LC's
 - iii. Hedging Authority Matrix for extended lead time
 - iv. Energy Trading Authority Matrix update for transmission contract carveout
 - v. AEPCO EDAM Study Update
- c. Markets – Update regarding recent meeting with SPP and utilities joining SPP Markets+. The Board may vote to discuss this matter in executive session pursuant to A.R.S § 38-431.03 (A), (3) and (4) for 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 negotiation and for legal advice.
- d. Discussion of prepay opportunity and banking relationships The Board may vote to discuss this matter in executive session pursuant to A.R.S § 38-431.03 (A), (3) and (4) for 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 negotiation and for legal advice.

8.) Mesquite –Discussion and possible approval of AEPCO SOW with pricing, and timeline update on tolling study

9.) Transwestern – Update on volumes and next steps (Resale Agreement to be developed)

Out of Executive Session at 2:34 p.m.

For agenda item 8, Mr. Scott Saline moved to approve the additional study work on the Mesquite Tolling analysis, including the additional cost; and Mr. Robert VanHofwegen seconded the motion.

Mr. Donovan Neese/Roosevelt Irrigation District abstained.

Upon taking a voice vote, there were no nay votes and only RID's abstention, so the motion carried.

For agenda item 7.b. iii and iv, Ken Robins moved to approve the proposed Resolutions Authorizing Revisions to the SPPA Bilateral Power Trading Authority Matrix Approving and Authorizing Revisions to the Financial Natural Gas Trading Authority Matrix. and Mr. Glen Vortherms seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.

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

- a. Notice of vacancy of each of Board Secretary positions and seat on Risk Management Committee due to the retirement of Mr. Glenn Steiger. Interested parties should email Mr. Brian Yerges at brian.yerges@ed3.org no later than Monday, November 3, 2025.

11.) Discussion of Future Agenda Items

No additional business was discussed.

12.) Establishment of the date of the next SPPA Board Meeting: November 10, 2025.

13.) Public Comment

No additional business was discussed.

14.) Adjournment

There being no further business to come before the Board, the meeting was adjourned at 2:38 p.m.

Respectfully submitted,

Kim Polivka
Admin/Acct Assistant

Approved: _____