

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

March 20, 2023

A meeting of the Board of Directors of the Southwest Public Power Agency, Inc. ("SPPA") was held on March 20, 2023, 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:

Jason Moyes—AID, City of Safford, HVPD, and TID	Ron McEachern—ED4 Bill Van Allen—ED6	Glenn Steiger—NTUA Jeff Woner—OWCD
Noel Carter—BWCDD	Jim Downing—ED8 and MVWCDD	Donovan Neese—ROD
Ken Robbins—ED2	Kenneth Stock—GRICUA	Brian Fickett—TOUA
Brian Yerges—ED3	Glen Vortherms—MWD	

Also present:

Dennis Delaney	Steve Pearson	Jennifer Torpey
Frank McRae	Ken Saline	Joe Mease
Sheryl Sweeney	Scott Saline	Daniel Herder
Lisa Dowden	Daniel Pritchard	Taylor Howerter
Ann Finley	Jerri Tso	

The following SPPA Member(s) were not present:

Ak-Chin Energy Services	Town of Thatcher
City of Safford	Town of Wickenburg
Electrical District Number Seven of Maricopa County	

The meeting was called to order at 9:11 a.m. President Robbins chaired the meeting while Ms. Torpey acted as secretary.

**ROLL CALL**

Ms. Torpey called roll of the Members to ensure there was a quorum present. Quorum being established, the business of the meeting proceeded.

**CONSIDERATION AND POSSIBLE APPROVAL OF CONSENT AGENDA (POSSIBLE ACTION ITEM)**

**A) MINUTES FROM PRIOR MEETINGS OF THE SPPA BOARD OF DIRECTORS**

*i. FEBRUARY 13, 2023*

*ii. MARCH 13, 2023*

**B) MINUTES FROM EXECUTIVE SESSION HELD DURING PRIOR MEETING OF THE SPPA BOARD OF DIRECTORS**

*i. MARCH 13, 2023*

**C) RATIFICATION OF APPROVAL ITEMS, IF ANY, FROM THE SPPA POOL MANAGEMENT COMMITTEE**

Mr. McRae presented the Consent Agenda for the Board's review and possible approval. All items listed on the Consent Agenda may be enacted by a single motion unless a Board Member requests otherwise. There were no approval items from the SPPA Pool Management Committee included in the Consent Agenda.

Ms. Sweeney requested that the Minutes of the March 13, 2023 Executive Session be removed from the Consent Agenda.

**Upon discussion, Mr. Steiger moved to approve the contents of the Consent Agenda as presented, with the exception of the Minutes of the March 13, 2023 Executive Session. Mr. Fickett seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.**

**ITEM(S) REMOVED FROM CONSENT AGENDA (POSSIBLE ACTION ITEM)**

Ms. Sweeney indicated she would confer with staff at a later time regarding possible changes to the March 13, 2023 Executive Session Minutes.

**FINANCIAL UPDATE AND TREASURER'S REPORT, INCLUDING DISBURSEMENTS  
(POSSIBLE ACTION ITEM)**

A series of financial reports were presented for the Board's review, including copies of SPPA's balance sheet and profit and loss statement, as well as recent disbursements. Ms. Torpey noted that January's preliminary figures reflected a payment from Enel X, as well as the initial payment reserve amounts made by those Members participating in the index swap endeavor.

**Upon discussion, Mr. Downing moved to approve and ratify the financial reports and disbursements as presented, subject to audit. Mr. Yerges seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.**

**UPDATE ON EFFORTS TO RENEGOTIATE MESQUITE POWER PURCHASE AGREEMENT ENERGY PRICING MECHANISM AND ANY ASSOCIATED TERMS AND CONDITIONS (POSSIBLE ACTION ITEM), INCLUDING EXECUTIVE SESSION PURSUANT TO A.R.S. § 38-431.03 (A) (3) FOR DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF SPPA**

Mr. McRae reported that no significant progress had been made in the negotiations on the Mesquite Power Purchase Agreement. In anticipation of short-term resource needs, staff were working towards interim solutions in hopes of limiting the impacts of pricing volatility over the next few months. Additional adjustments to various SPPA policies and procedures may also be necessary to allow for additional flexibility in procuring these resources. No formal action was required at this time and none was taken.

**DISCUSSION AND POSSIBLE ACTION ON ENGAGEMENT OF BOND COUNSEL (POSSIBLE ACTION ITEM)**

Mr. McRae discussed the draft letter agreement from Zach Sakas at Greenberg Traurig, proposing to serve as special public finance counsel for SPPA. Discussion ensued as to the scope of services to be rendered.

**Following discussion, Mr. Downing moved to approve execution of the letter agreement from Greenberg Traurig. Mr. Steiger seconded the motion. Upon the taking of a voice vote, the motion was unanimously carried.**

**DISCUSSION AND POSSIBLE ACTION ON ENGAGEMENT OF IT/IT SECURITY CONSULTANT (POSSIBLE ACTION ITEM)**

Mr. McRae indicated no report was necessary at this time. No action was taken on the item at this time.

**DISCUSSION ON SPPA ORGANIZATIONAL DEVELOPMENT**

Mr. McRae indicated no report was necessary at this time. No action was taken on the item at this time.

**GENERAL MANAGER'S REPORT**

Mr. McRae indicated he had no additional report at this time. No action was taken on the item at this time.

**ANY OTHER BUSINESS THAT MAY COME BEFORE THE MEETING**

No other business was discussed.

**DISCUSSION OF FUTURE AGENDA ITEMS**

No future agenda items were discussed.

**ESTABLISHMENT OF DATE OF NEXT SPPA MEETING**

The next SPPA meeting will be held April 10, 2023.

**PUBLIC COMMENT**

There was no comment from the public.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 9:29 a.m.

Respectfully submitted,

*Jennifer Torpey*

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Jennifer Torpey  
Assistant Secretary-Treasurer

Approved: 4/10/23

Attachment(s): List of approved disbursements.

**Southwest Public Power Agency, Inc.**  
**Disbursement Report**  
February 13 through March 13, 2023

03/12/2023  
Cash Basis

Date	Num	Name	Memo	Account	Original Amount	Paid Amount
02/13/2023	WIRE (APPROVED)	Mesquite Power, LLC	January 2023 Mesquite PPA Charges, Inv. # 2023-01 SPPA	1040 · SPPA Pool Checking	-21,741,673.72	-21,741,673.72
02/13/2023	WIRE (APPROVED)	Clark Hill	Legal Services 12.22/1277135 & 1.23/1282728	1040 · SPPA Pool Checking	-50,627.64	-50,627.64
02/13/2023	WIRE (APPROVED)	Spiegel & McDiarmid LLP	Dec-22 Legal Services for SPPA/Inv # 2110000916	1040 · SPPA Pool Checking	-12,097.50	-12,097.50
02/14/2023	WIRE (APPROVED)	K.R. Saline & Associates, PLC	Jan.23 SPPA Admin & Scheduling, RFP, PV East Transmission, & L&R Analysis Inv #2560, 2561, 2562	1040 · SPPA Pool Checking	-112,610.00	-112,610.00
02/14/2023	WIRE (APPROVED)	K.R. Saline & Associates, PLC	Fourth wire disbursement to KRSA under Employee Lease Agreement between SPPA and KRSA. Advancem...	1040 · SPPA Pool Checking	-25,000.00	-25,000.00
02/21/2023	WIRE (INCOMING)	Arizona Electric Power Cooperative, Inc.	Wire Deposit--Refund from AEPSCO of net owed to SPPA Jan-23 EMS.	1040 · SPPA Pool Checking	2,776,604.20	2,776,604.20
03/02/2023	WIRE (INCOMING)	Arizona Public Service Company	Wire Deposit--Refund from APS of net owed to SPPA Dec-22 NITS Transmission.	1040 · SPPA Pool Checking	736,878.56	736,878.56
02/24/2023	WIRE	U.S. Department of Energy - WAPA	Jan.23 ED5-PV Transmission, Bill # GG1653C0123 & 10.22-12.22 True-Up	1040 · SPPA Pool Checking	-310,128.00	-310,128.00
03/10/2023	WIRE	Mesquite Power, LLC	February 2023 Mesquite PPA Charges, Inv. # 2023-02 SPPA	1040 · SPPA Pool Checking	-12,745,956.19	-12,745,956.19
03/13/2023	WIRE (PENDING)	Spiegel & McDiarmid LLP	Jan-23 Legal Services for SPPA/Inv # 2110001040	1040 · SPPA Pool Checking	-10,990.00	-10,990.00
03/13/2023	WIRE (PENDING)	Clark Hill	February 2023 Legal Services for SPPA/Inv.#1290675	1040 · SPPA Pool Checking	-13,347.50	-13,347.50
03/13/2023	WIRE (PENDING)	K.R. Saline & Associates, PLC	Feb.23 SPPA Admin & Scheduling, RFP, PV East Transmission, & L&R Analysis Inv #2641, 2642, 2643, 2644 & underpaid amount from Jan.23	1040 · SPPA Pool Checking	-164,081.21	-164,081.21
03/13/2023	WIRE (PENDING)	K.R. Saline & Associates, PLC	Fifth wire disbursement to KRSA under Employee Lease Agreement between SPPA and KRSA. Advancem...	1040 · SPPA Pool Checking	-15,000.00	-15,000.00
						<b>-31,688,029.00</b>