

**SILVER STATE ENERGY ASSOCIATION  
BOARD OF DIRECTORS MEETING**

**OCTOBER 30, 2013  
MINUTES**

**Call to Order  
10:01 A.M.**

Colorado River Conference Room, Southern Nevada Water Authority  
100 City Parkway, Suite 700, Las Vegas, Nevada

**DIRECTORS PRESENT:**

Dr. Larry Moses, Overton Power District No. 5; Rory Dwyer, City of Boulder City; Bob Reese, Colorado River Commission (alternate); Edward Wright, Lincoln County Power District No. 1 (via teleconference); Philip Speight, Southern Nevada Water Authority

**STAFF PRESENT:**

Scott Krantz, Chuck Hauser

**CALL TO ORDER**

The meeting was called to order by Larry Moses, who noted that the meeting was noticed and posted in accordance with the Nevada Open Meeting law.

**COMMENTS BY THE GENERAL PUBLIC**

There were no speakers wishing to be heard.

**ITEM NO.**

**1. APPROVAL OF AGENDA AND MINUTES OF THE MEETING OF APRIL 24, 2013**

**ACTION:** A motion was made by Phil Speight and seconded by Bob Reese that the agenda for the meeting and the April 24, 2013 meeting minutes be approved. The motion was unanimously approved.

**2. CONSIDERATION OF AND POSSIBLE ACTION TO AUTHORIZE THE MANAGER TO EXECUTE CONSENT TO ASSIGNMENT AND AMENDMENT NO. 2 TO AGREEMENT AMONG LAS VEGAS VALLEY WATER DISTRICT, LAS VEGAS POWER COMPANY, SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, AND SILVER STATE ENERGY ASSOCIATION**

Scott Krantz stated that Agenda Items 2 and 3 are interrelated. Larry Moses asked if both items could be combined together. Board members had no objection to considering both items concurrently and approving with one motion.

**3. CONSIDERATION OF AND POSSIBLE ACTION TO AUTHORIZE THE MANAGER TO EXECUTE AN ENERGY SALES AGREEMENT BETWEEN THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AND THE SILVER STATE ENERGY ASSOCIATION**

Scott Krantz explained that for Agenda Item 2, the Silver State Energy Association (SSEA) is signing the Consent to Assignment and Amendment No. 2 to Agreement among Las Vegas Valley Water District (LVVWD), Las Vegas Power Company (LVPC), Southern California Public Power Authority (SCPPA) and SSEA with respect to acceptance of Section 3 only. Section 3 states that SSEA plans to sign the power sales agreement, which is attached as Exhibit A.

Agenda Item 3 is the attached Exhibit A, the Energy Sales Agreement between SCPPA and SSEA. LVPC currently owns the Apex Generating Station, a large natural-gas-fired, combined-cycle power plant north of Las Vegas, and has an existing agreement with LVVWD to get the water for that plant. Part of the agreement for water states that a certain portion of the electrical output of the plant will be made available to Nevada entities at somewhat favorable prices. LVPC is selling their facility to SCPPA, a southern California entity, who upon review of the existing water agreement, determined the power provision was not appropriate and started negotiations with LVVWD to change the provision. LVVWD recognized SSEA is in the best position to manage this type of power contract. As such, SSEA restructured the provision and the Energy Sales Agreement before the Board today is that power deal.

Per the agreement, SSEA will have the right to buy 50 MW of off-peak power at Mead, which is SSEA's normal delivery point, for 25 years. The price of that power is based on the monthly gas index of Southern California Border times a 7.2 heat rate plus \$1.50, which represents the variable O&M of the facility. SSEA is not obligated to buy the product; however, if SSEA wants to take the power, two weeks' notice must be provided before any given month. The transaction would require exceptions to SSEA's current Risk Control Procedures, which are overseen by the SSEA Working Group, who supports moving ahead with the transaction.

Finally, all transactions executed under this agreement will be part of SSEA's whole power portfolio, along with the other buys and sells that are executed. This means that the participants in the Load Requirements Service (LRS) will receive the benefits.

FINAL ACTION: A motion was made by Bob Reese and seconded by Phil Speight to authorize the Manager to execute both the Consent to Assignment and Amendment No. 2 to Agreement among Las Vegas Valley Water District, Las Vegas Power Company, Southern California Public Power Authority and Silver State Energy Association and its related Energy Sales Agreement between the Southern California Public Power Authority and the Silver State Energy Association. The motion was unanimously approved.

**4. CONSIDERATION OF AND POSSIBLE ACTION TO AUTHORIZE THE MANAGER TO EXECUTE THE BLOOMBERG AGREEMENT AND ACCOMPANYING SCHEDULE OF SERVICES AND DATAFEED ADDENDUM FOR THE SUBSCRIPTION TO THE BLOOMBERG DATA SERVICE**

Scott Krantz stated that the Colorado River Commission (CRC) currently holds the Bloomberg agreement and has done so for many years. SSEA's traders and operators use the service for information related to power pricing indices and credit reporting of counterparties. Since SSEA has become the more appropriate entity to be the account holder, it is being proposed that SSEA subscribe to the service directly. Rory Dwyer asked about the costs associated with the service. Scott indicated the costs are \$3,500 per month for two users.

FINAL ACTION: A motion was made by Phil Speight and seconded by Rory Dwyer to authorize the Manager to execute the Bloomberg Agreement and accompanying Schedule of Services and Datafeed Addendum for the subscription to the Bloomberg data service. The motion was unanimously approved.

**5. RECEIVE ANY UPDATES FROM STAFF ON ANY ELECTRIC RESOURCES AND TRANSMISSION ISSUES ASSOCIATED WITH THE NEEDS OF, REQUIREMENTS FOR, OR IMPACTS ON THE SSEA OR ANY OF THE SSEA MEMBERS**

Scott Krantz had no updates to give.

**COMMENTS BY THE GENERAL PUBLIC**

Phil Speight introduced David Wright, who is the new Chief Financial Officer for SNWA and LVVWD. David has an extensive background in the utility industry, both from a water and electric perspective. He used to be general manager for the City of Riverside utility operations and started working at SNWA/LVVWD after Labor Day. Scott mentioned that David will be SNWA's alternate on the SSEA Board.

**ADJOURN**

There being no further business to come before the Board, a motion was made by Phil Speight and seconded by Bob Reese to adjourn the meeting at approximately 10:16 a.m.