

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

**FEBRUARY 16, 2017
MINUTES**

**Call to Order
10:31 A.M.**

Grand Canyon Conference Room, Southern Nevada Water Authority
100 City Parkway, Suite 700, Las Vegas, Nevada

DIRECTORS PRESENT:

Rory Dwyer, City of Boulder City; Douglas Beatty, Colorado River Commission; David Luttrell, Alternate (via teleconference), Lincoln County Power District No. 1; Mike Fetherston, Overton Power District No. 5; David Johnson, Southern Nevada Water Authority

STAFF PRESENT:

Scott Krantz, Laura Browning

CALL TO ORDER

The meeting was called to order by Rory Dwyer. 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 SEPTEMBER 15, 2016

ACTION: A motion was made by David Johnson and seconded by Mike Fetherston that the agenda for the meeting and minutes of the September 15, 2016 meeting be approved. The motion was unanimously approved.

2. RECEIVE AND POSSIBLY ACCEPT THE ANNUAL FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2016, AS PRESENTED BY THE SILVER STATE ENERGY ASSOCIATION'S EXTERNAL AUDITOR, PIERCY BOWLER TAYLOR AND KERN

Richard Bowler of Piercy Bowler Taylor & Kern (PBTk) stated that PBTk provided an unmodified opinion with respect to the audit of the Silver State Energy Association's (SSEA's) financial statements for the year ending June 30, 2016. There were no findings, material weaknesses or any other issues to report. Copies of the Annual Financial Report were distributed to the Board prior to this meeting.

FINAL ACTION: A motion was made by Douglas Beatty and seconded by David Johnson to accept the Annual Financial Report for the period ending June 30, 2016. The motion was unanimously approved.

3. CONSIDERATION OF AND POSSIBLE ACTION TO RATIFY THE STATEMENT OF WORK BETWEEN PIONEER SOLUTIONS LLC AND THE SILVER STATE ENERGY ASSOCIATION FOR IMPLEMENTATION SERVICES RELATED TO TRMTRACKER TRADING AND RISK MANAGEMENT SOFTWARE

Scott Krantz stated that at the last board meeting, the Board approved the Master Agreement to Provide and Host Software with Pioneer Solutions LLC (Pioneer) for TRMTracker trading software used by the SSEA. However, at the time of the approval, the final Statement of Work, an attachment to the master agreement that includes costs for installation, training, data migration, testing and travel, was not completed. Since the last board meeting, Pioneer has been moving forward with data migration and testing. Therefore, the Board is being asked to ratify the Statement of Work that includes a one-time expense in an amount not to exceed \$83,600.

FINAL ACTION: A motion was made by David Johnson and seconded by Mike Fetherston to ratify the Statement of Work between Pioneer Solutions LLC and the Silver State Energy Association for implementation services related to TRMTracker trading and risk management software. The motion was unanimously approved.

4. CONSIDERATION OF AND POSSIBLE ACTION TO AUTHORIZE THE MANAGER TO EXECUTE AMENDMENT #1 TO INTERLOCAL CONTRACT BETWEEN THE COLORADO RIVER COMMISSION OF NEVADA AND THE SILVER STATE ENERGY ASSOCIATION FOR ADMINISTRATIVE SERVICES

Scott Krantz indicated that the Interlocal Contract for administrative services between the Colorado River Commission of Nevada (CRC) and the SSEA has been in effect for the past four years and will expire in May. This amendment extends that contract by an additional four years and adds an additional \$7,000,000 to the not-to-exceed amount. Douglas Beatty mentioned that the amendment was approved by the CRC at its commission meeting

yesterday. He pointed out that on the amendment's signature page, the "approved as to form" signature line for SSEA counsel was omitted and needed to be added.

FINAL ACTION: A motion was made by Douglas Beatty and seconded by David Luttrell to authorize the Manager to execute Amendment #1 to Interlocal Contract between the Colorado River Commission of Nevada and the Silver State Energy Association for administrative services with the addition of the signature line for SSEA counsel on the signature page. The motion was unanimously approved.

5. CONSIDERATION OF AND POSSIBLE ACTION TO AUTHORIZE THE SSEA MANAGER TO EXECUTE THE ICE FUTURES U.S., INC. PARTICIPANT AGREEMENT TO ENABLE THE SILVER STATE ENERGY ASSOCIATION CONTINUED ACCESS TO AND USE OF ICE'S TRADING PLATFORM FOR TRADING ENERGY COMMODITIES AND DERIVATIVE PRODUCTS

Scott Krantz commented that the ICE OTC Participant Agreement, which enables SSEA access to ICE's trading platform to enter into contracts for physical and financial power and gas commodities, was approved by the Board in 2013. SSEA relies heavily on this critical industry exchange. The purpose for this new ICE Futures U.S. Participant Agreement is to allow SSEA continued access to ICE's trading platform. In 2012, the U.S. Commodity Futures Trading Commission (CFTC), which regulates trading exchanges, determined that energy "swaps" being traded on the ICE exchange should be considered as energy "futures." ICE then began trading the same products through their subsidiary ICE Futures U.S. with no change to the existing OTC Participant Agreements. When the CFTC performed an audit of ICE last month, it determined that new agreements needed to be executed between ICE Futures U.S. and their clients. The new agreement does not change any of SSEA's activities or trading processes. It is only required by ICE to comply with the CFTC audit.

FINAL ACTION: A motion was made by Douglas Beatty and seconded by Mike Fetherston to authorize the SSEA Manager to execute the ICE Futures U.S., Inc. Participant Agreement to enable the Silver State Energy Association continued access to and use of ICE's trading platform for trading energy commodities and derivative products. The motion was unanimously approved.

6. COMMENTS BY THE GENERAL PUBLIC

There were no speakers wishing to be heard.

7. ADJOURN

There being no further business to come before the Board, the meeting was adjourned at approximately 10:44 a.m.