

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

WATER COMMITTEE

Tuesday, February 20, 2024, 9:30 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Kevin Johnson, Chairman; Robert Arnett, Vice Chairman; and Mario Herrera, Anda McAfee, Kathy Mohr-Almeida, Mark Pace, and Paul Rovey

Call to Order

Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item CHAIRMAN KEVIN JOHNSON
 - Request for approval of the minutes for the meeting of January 23, 2024.

2. 2025 Association Water Budget..... TRAVIS BURNETT

Informational presentation regarding the Association’s proposed Fiscal Year 2025 water function budget, which will include proposed Calendar Year 2025 water pricing. This budget will be included in the District’s overall water function budget.

3. Caddisfly Population on the Arizona Canal..... FRANK TUNE

Informational presentation regarding an update on the status of SRP’s efforts to address the Caddisfly population on the Arizona Canal.

4. Report on Current Events by the General Manager and Chief Executive Officer or Designees JIM PRATT

5. Future Agenda Topics..... CHAIRMAN KEVIN JOHNSON

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary’s Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



THE NEXT WATER COMMITTEE MEETING
IS SCHEDULED FOR THURSDAY, MARCH 14, 2024

02/13/2024

MINUTES
WATER COMMITTEE
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT

DRAFT

January 23, 2024

A meeting of the Water Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, January 23, 2024, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines. The District and Salt River Valley Water Users' Association (the Association) are collectively known as SRP.

Committee Members present at roll call were K.J. Johnson, Chairman; R.C. Arnett, Vice Chairman; M.J. Herrera, A.G. McAfee, K.L. Mohr-Almeida, and M.V. Pace; and L.D. Rovey of the Association.

Committee Member absent at roll call was P.E. Rovey.

Also present were Board Members N.R. Brown and J.M. White Jr.; Council Vice Chairman J.R. Shelton; Council Liaisons M.A. Freeman and G.E. Geiger; Council Member M.L. Farmer; Mmes. I.R. Avalos, M.J. Burger, L.F. Hobaica, C.M. McJunkin, L.A. Meyers, G.A. Mingura, and C.M. Sifuentes; Messrs. J.D. Coggins, B.B. Davis, C.E. Ester, J.M. Felty, J.O. Garcia, R.J. Klawitter, K.J. Lee, A.J. McSheffrey, M.S. Mendonca, M.J. O'Connor, B.A. Olsen, B.F. Pane, J.M. Pratt, P.B. Sigl, R.R. Taylor, and K.J. Tilghman; and Brad Moore of Arizona Municipal Water Users Association (AMWUA).

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Water Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, January 19, 2024.

Chairman K.J. Johnson called the meeting to order.

Consent Agenda

Chairman K.J. Johnson requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Vice Chairman R.C. Arnett and seconded by Board Member M.J. Herrera, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Water Committee meeting on December 7, 2023, as presented

Corporate Secretary J.M. Felty polled the Committee Members on Vice Chairman R.C. Arnett’s motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

| | | |
|------------|---|-----|
| YES: | Board Members K.J. Johnson, Chairman; R.C. Arnett, Vice Chairman; and M.J. Herrera, A.G. McAfee, K.L. Mohr-Almeida, and M.V. Pace | (6) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | Board Member P.E. Rovey | (1) |

Verde Reservoirs Sediment Mitigation Project (VRSMP) and SRP-Central Arizona Project (CAP) Interconnection Facility (SCIF) Project Updates

VRSMP

Using a PowerPoint presentation, Ronald J. Klawitter, SRP Manager of Water System Projects, stated that the purpose of the presentation was to provide updates on the VRSMP, including Bartlett Dam Modification alternatives and the SCIF project.

Mr. R.J. Klawitter presented the proposed expansion options and opportunities for Bartlett Dam. He said that the National Audubon Society and The Nature Conservancy are researching potential habitat development sites.

Mr. R.J. Klawitter concluded with a discussion of the timeline of the VRSMP feasibility study, an update of the non-federal partner funding, and recent and upcoming milestones.

SCIF

Next, Mr. R.J. Klawitter provided a map of the connecting regional water systems and an ariel of the proposed SCIF project. He explained that the interconnection would allow direct deliveries downstream to Pinal County and Pima County and allows exchanges for upstream diversion to Maricopa County and the Colorado River.

Mr. R.J. Klawitter stated that the approval of the SCIF application would create the following opportunities: self-firming, federal and state firming, and new water development and augmentation.

Mr. R.J. Klawitter concluded with a discussion of next steps, recent and upcoming milestones, and key takeaways. He responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

President D. Rousseau; Board Members R.J. Miller, P.E. Rovey, S.H. Williams, and K.B. Woods; Council Chairman T.M. Francis; and Council Member A.S. Hatley entered the meeting during the presentation.

SRP Water Infrastructure Modifications under the Arizona Department of Transportation (ADOT) Broadway Curve Project

Using a PowerPoint presentation, Robert F. Pane, SRP Director of Water Engineering and Transmission, stated that the purpose of the presentation was to provide information regarding SRP water delivery infrastructure modifications made or planned to be made as a result of the ADOT 1-10 Broadway Curve Improvement Project. He introduced Jorge O. Garcia, SRP Senior Principal Engineer.

Continuing, Mr. J.O. Garcia said that the Broadway Curve project is the largest urban freeway reconstruction project in ADOT's history, it's an 11-mile expansion expected to be completed by late 2024 and is estimated at \$776 million. He explained how the reconstruction project is impacting existing SRP water facilities and canals.

Mr. J.O. Garcia provided history of repairs and extensions made to the Western Canal Twin Culverts Crossing at the 1-10 Freeway from 1964 through 2017. He said that in 2017, an inspection of the Western Canal Culverts discovered exposed rebar on the ceiling wall. Mr. J.O. Garcia stated that in 2020, improvements to the entire box culvert crossing and ceiling wall were made in collaboration by ADOT and SRP.

Mr. J.O. Garcia said that ADOT's current underground utility crossings of highways requires a jack and bore operation so as not to impact traffic and a carrier pipe (SRP water in this case) to be installed inside steel casing pipe. He discussed the factors considered in the design process and presented photos of the jack and bore installation and the traditional pipeline and delivery structure work.

Mr. J.O. Garcia concluded with a summary of SRP's water work relating to the reconstruction project. He responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Messrs. R.J. Klawitter, M.S. Mendonca, P.B. Sigl, R.R. Taylor, and K.J. Tilghman left the meeting during the presentation. Vice President C.J. Dobson; and Mmes. A.P. Chabrier and V.P. Kisicki entered the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chairman K.J. Johnson asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Water Committee, the meeting adjourned at 10:46 a.m.

John M. Felty
Corporate Secretary

FISCAL YEAR 2025 ASSOCIATION WATER BUDGET

**Water Committee
February 20, 2024**

Travis Burnett, Manager, Water Finance and Contracts

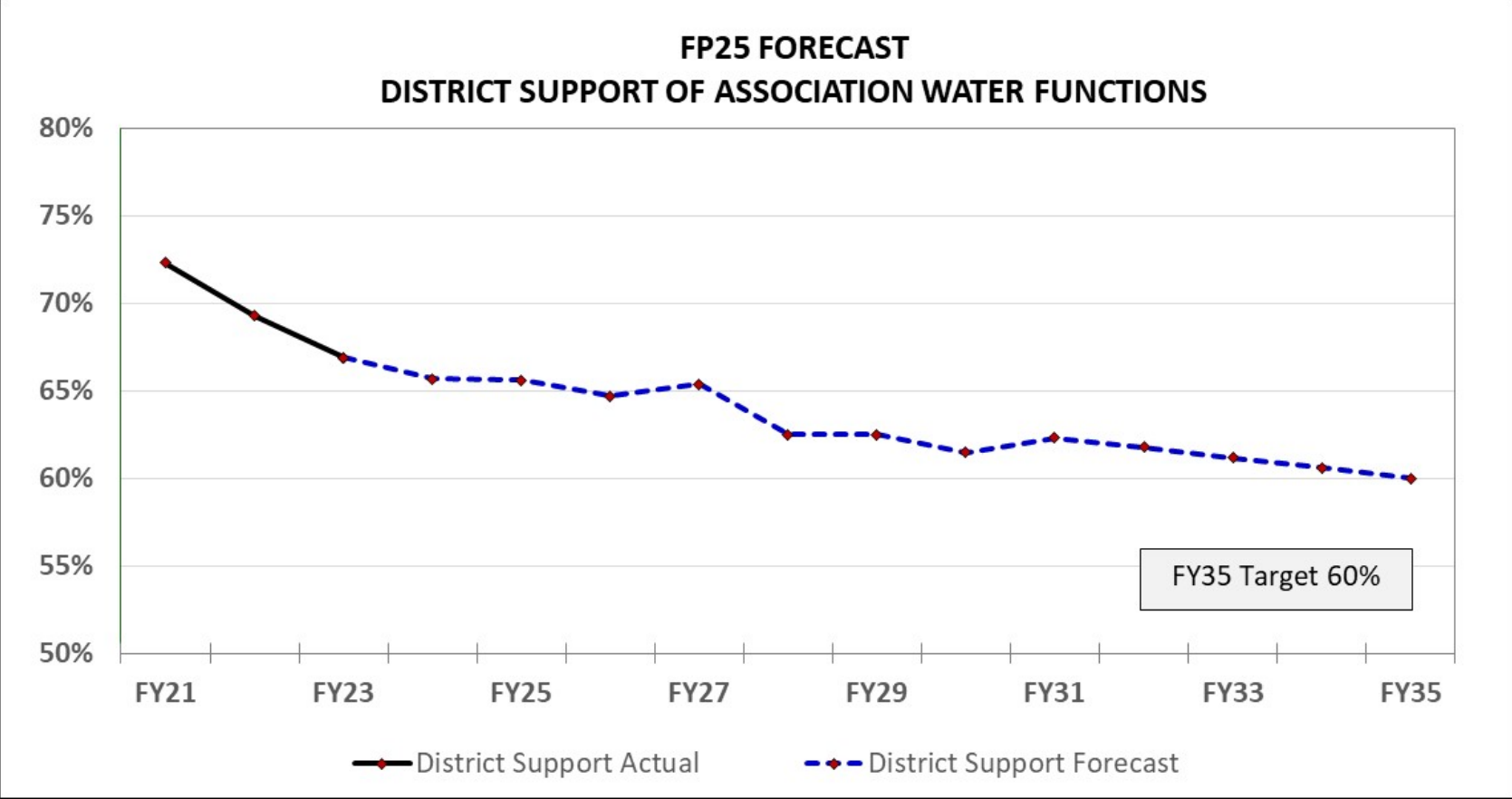
AGENDA

- ✓ FY35 Water Support Goal
- ✓ Proposed FY25 Association O&M budget
- ✓ Proposed 2025 water pricing

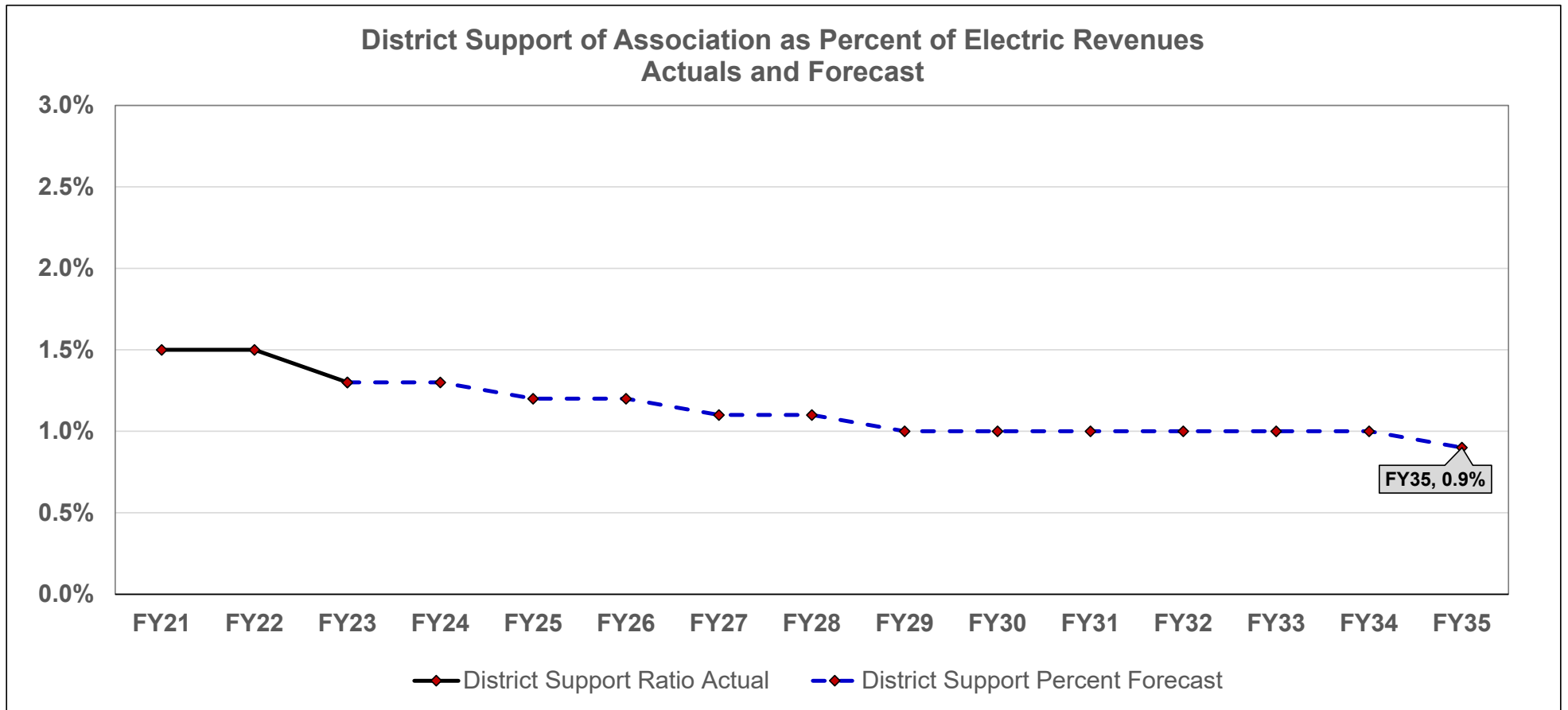
APPROVED 2035 WATER SUPPORT GOAL

- ✓ By 2035, 60% of the Irrigation & Drainage O&M expenses will be met from electric revenues
- ✓ Total amount of financial support to water system O&M will not exceed 2.5% of total electric revenues

DISTRICT SUPPORT FY35 FORECAST



DISTRICT SUPPORT AS PERCENT OF ELECTRIC REVENUES



DRAFT STATEMENT OF REVENUES AND EXPENSES ASSOCIATION BUDGET

| | FY24 Budget (000) | FY25 Proposed Budget (000) |
|---|-------------------|-------------------------------|
| <i>Operating Revenues</i> | | |
| Stored and Developed | \$11,385 | \$12,006 |
| Additional Deliveries | \$2,213 | \$2,315 |
| Water Delivery Revenues | \$2,025 | \$1,993 |
| Other Service Revenues | \$4,329 | \$4,552 |
| Falling Water | \$9,206 | \$6,897 |
| <i>Total Operating Revenues</i> | \$29,158 | \$27,763 |
| <i>Operating Expenses</i> | | |
| Operations & Maintenance | \$78,905 | \$76,029 |
| Power for Pumping | \$7,106 | \$4,191 |
| <i>Total Operating Expenses</i> | \$86,011 | \$80,220 |
| <i>Net Operating Revenues (Loss)</i> | (\$56,853) | (\$52,457) |
| <i>Other Income (Deductions) Net</i> | \$2,594 | \$2,751 |
| <i>Net Revenues (Loss)</i> | (\$54,259) | (\$49,706) |

PROPOSED PRICE RECOMMENDATION FOR CY2025

| <u>Per Acre Foot Prices</u> | 2024 Approved | | 2025 Proposed | |
|---|-------------------|--------------|-------------------|--------------|
| | <u>% Increase</u> | <u>Rates</u> | <u>% Increase</u> | <u>Rates</u> |
| Basic Stored & Developed ^[1] | 5.8% | \$24.04 | 4.7% | \$25.17 |
| Normal Flow | 3.0% | \$17.39 | 3.0% | \$17.91 |
| Additional Stored and Developed | 3.0% | \$17.39 | 3.0% | \$17.91 |
| Pump Right Water | 5.8% | \$57.30 | 4.7% | \$59.99 |
| Additional Subdivision Water | 5.8% | \$57.30 | 4.7% | \$59.99 |
| Supplemental Supply Program | 5.8% | \$57.30 | 4.7% | \$59.99 |

[1] Basic Stored & Developed are provided in 2 Acre Feet per Acre increments

PROPOSED FEE RECOMMENDATIONS FOR CY2025

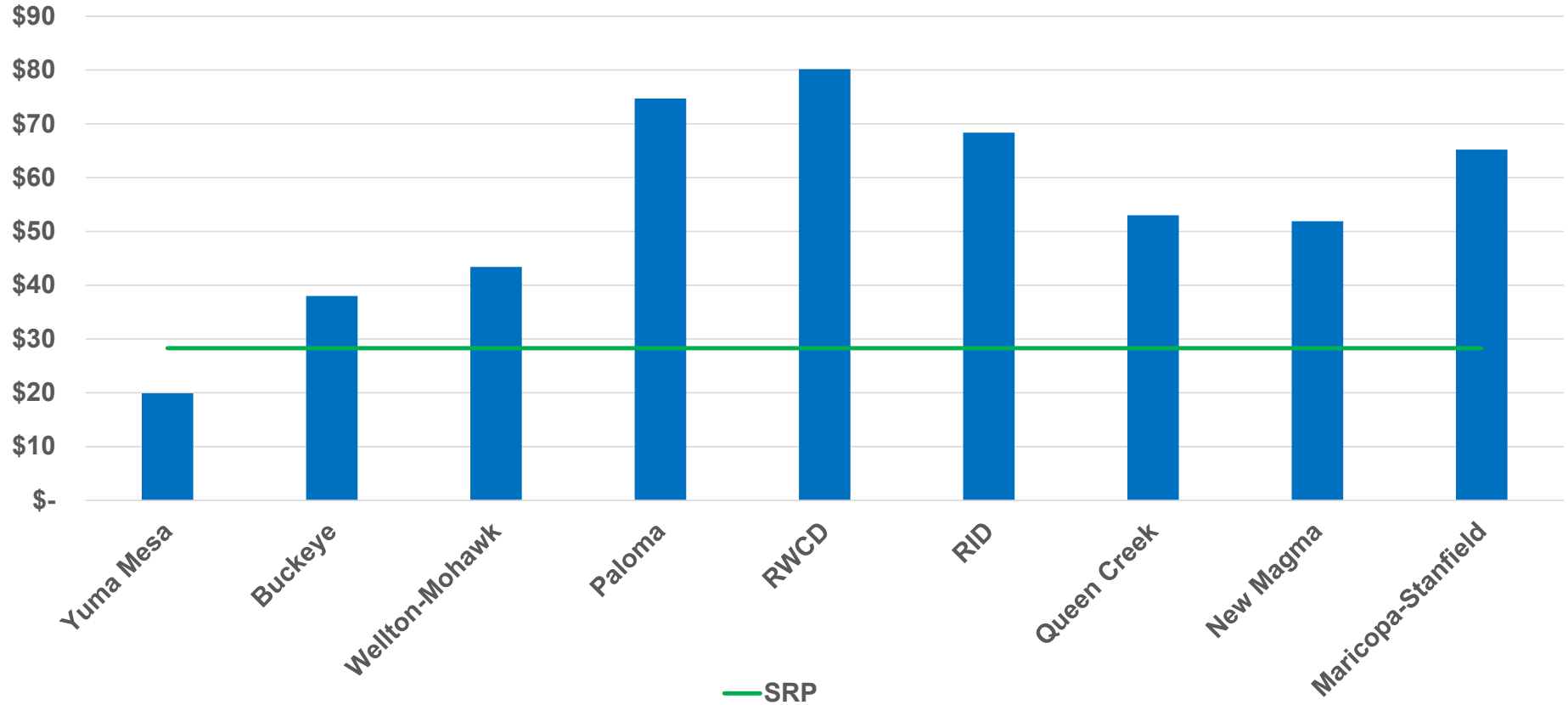
| | 2024 | 2025 | % |
|--|------------------------|------------------------|------------------------|
| Water Delivery Fee ^[1] | <u>Approved</u> | <u>Proposed</u> | <u>Increase</u> |
| Per Account | \$87.29 | \$90.52 | 3.7% |
| Per Acre | \$0.41 | \$0.43 | 4.9% |
| City Contracts | \$5.68 | \$5.89 | 3.7% |

[1] Formula for calculation is set by Association By-Laws

WHAT DOES THIS MEAN? COST PER ACRE FOOT EXAMPLES

| <u>Customer Examples</u> | <u>2024</u> | <u>2025</u> | <u>Increase</u> | <u>Percent</u> |
|----------------------------------|-------------|-------------|-----------------|----------------|
| Large account over 1,500 Acres | \$23.94 | \$25.05 | \$1.11 | 4.6% |
| Small account 10 Acres | \$28.60 | \$29.90 | \$1.30 | 4.5% |
| 1 acre sub account | \$54.62 | \$57.02 | \$2.40 | 4.4% |
| 2 acre water balance sub account | \$36.51 | \$37.98 | \$1.47 | 4.0% |
| All Cities | \$30.91 | \$32.30 | \$1.39 | 4.5% |

PRICE PER AF COMPARISON TO OTHER DISTRICTS AS OF 2024



Based on 100 Acres & 5 AF per Acre

QUESTIONS?





Update on Efforts to Address the Caddisfly Population on the AZ Canal

Frank Tune

February 20, 2024

Water Committee

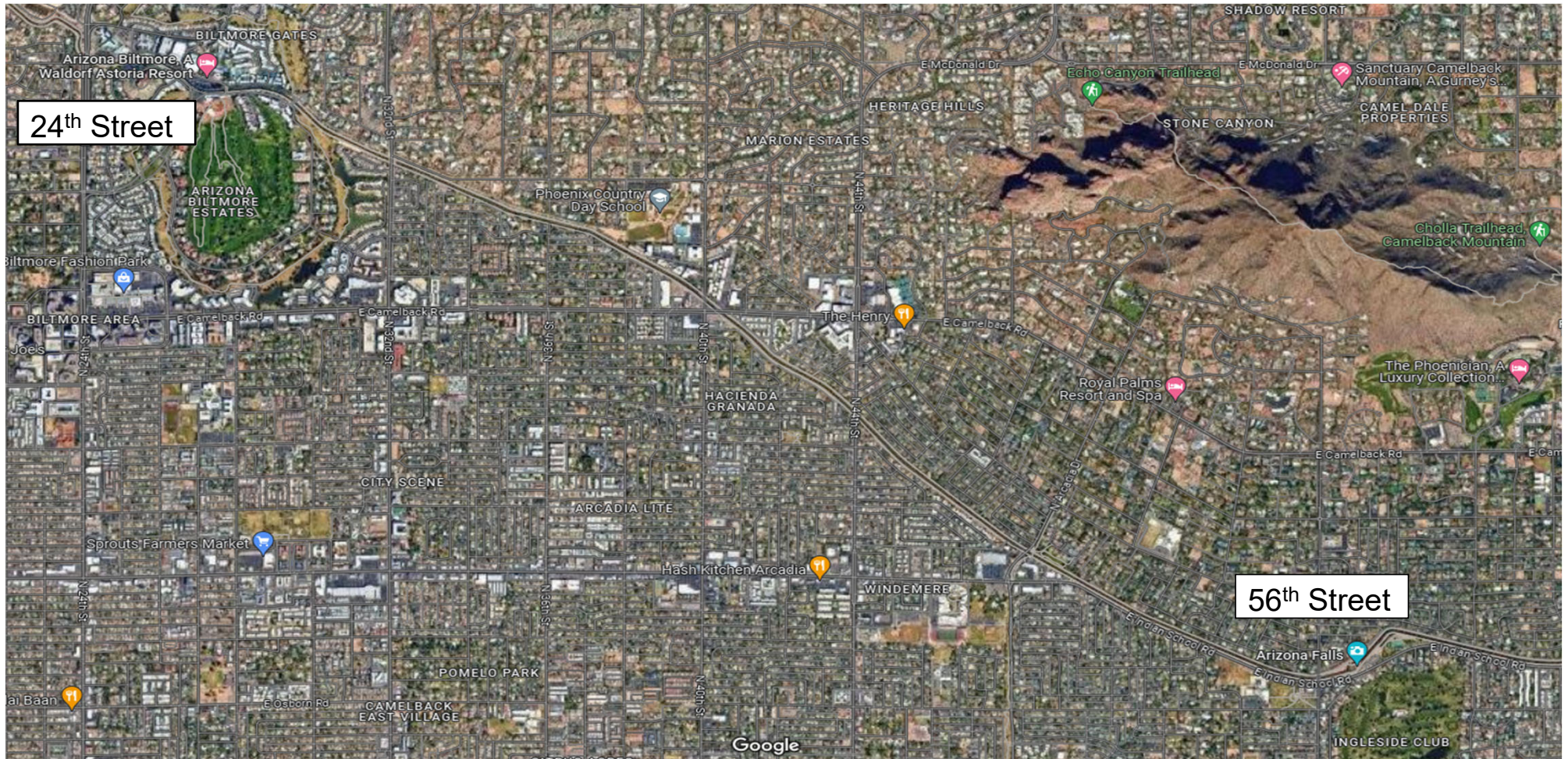


What are Caddisflies?

Caddisflies are a large order of insects that can be found in all kinds of wetlands. The larvae are known for making cases to pupate in, gathering stones, sand and leaves, and wrapping them with silk. Caddisflies are tan, moth like insects that are about one-half inch long at maturity. They hatch in water, which is why they are found in river communities. They are especially noticeable at night when they swarm around lights.

What issues do Caddisflies cause?

Although they are harmless to humans and our pets, they can be an annoyance when they emerge from the water every spring and fall.



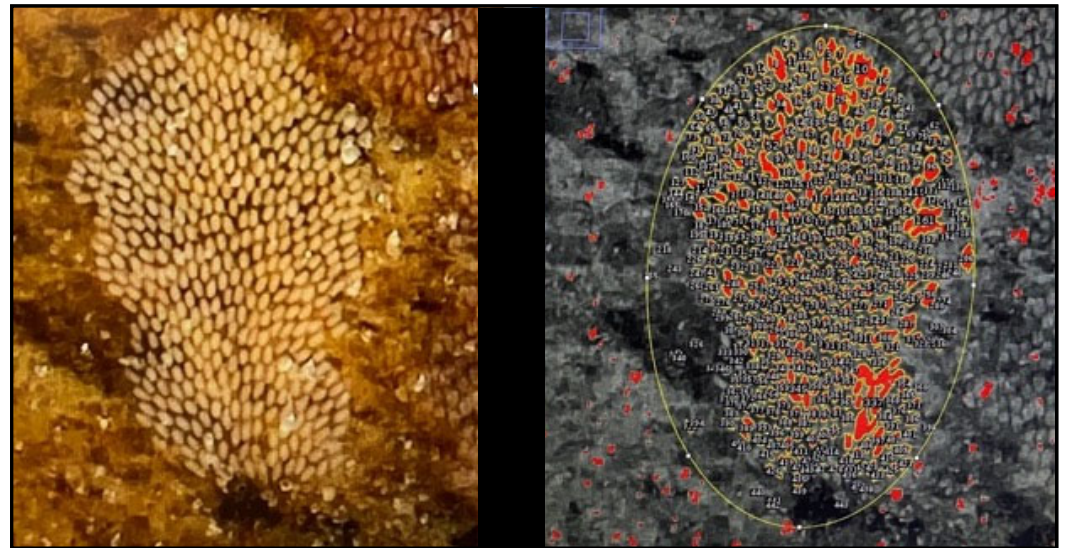
Caddisfly Biology, Ecology, and Life History Strategies

- Larvae construct cases from sand, plant material, silk
- Require good water quality and highly sensitive to pollution
- Selective habitat preferences, considering factors such as water velocity, dissolved oxygen, river substrate stability
- Any exposed surface area with biofilms (green clumps) are ideal for larvae net-building



“Why are there so many caddisflies?”

- Multivoltine (multiple generations in a single year)
- Rapid recolonization rates
- Simple habitats
- Low competition + low predation
- High water quality
- Abundance of food items



Approximately >400 eggs per egg mass

SRP Caddisfly Control Methods in Previous Years

Prior to 2019, brushing of canal lining was the main control method. Frequency of brushing was increased during August – November.

- Caddisfly emergence period increased: February to Nov. (10 months)

2020 Canal was drained, and power washed with steam cleaner (56th St. to 40th St. and 32nd St. to 24th St.) over a 30-day period.

- Caddisfly emergence period was reduced to July/August to Nov. (5 months)

2021 Canal was drained/lowered for 2-week period.

- Caddisfly emergence period remained July/August to Nov. (5 months)

2022 Canal was drained/lowered for 2-week period.

- Caddisfly emergence period remained July/August to Nov. (5 months)

SRP Caddisfly Control Efforts in 2023

Drained and replaced canal lining from 56th Street to 48th street.

- 48th Street to 32nd Street, canal water level was lowered to expose the caddisfly larvae.
- 32nd Street to 16th Street, canal water level was lowered to expose the caddisfly larvae.

The intent of lowering the canal water level was to expose caddisfly larvae in an effort to dry-out the larvae, killing them and reducing the number of active larvae.

Visual inspection of swarming adults was monitored throughout the year. Roughly September timeframe as swarms increased, brushing of the canal lining started. Additional use of heavy metal rake drag was incorporated with the brushing. Brushing/dragging ended at the start of November as numbers decreased.

SRP Caddisfly Additional Control Methods Planned for 2024

Drain/lower canal for 14-day period (January 8th – 22nd)

- 56th Street to 40th Street
- 32nd Street to 24th Street

Installed jersey barriers upstream of 56th St. to provide rest area for fish; encourage the fish to stay upstream of the 56th St. bridge where mechanical cleaning cannot reach.

Stocking of 5-6" trout as biocontrol for the larvae – Mid February

- Planned stocking above AZ Falls, below AZ Falls and below 32nd St. bridge.

Stocking of Tilapia in May (weather dependent)

- Planned stocking above AZ Falls, Below AZ Falls and below 32nd St. bridge.

On-going larvae monitoring to evaluate impact of the fish.

Public Involvement

Hosted two public meetings to provide updates on the mitigation plan.

- Feedback was positive and appreciative of steps being taken.

Encouraging open communication and providing regular updates to surrounding homeowners.

- Monthly newsletters are being sent.
- Additional updates provided as they are available.

SRP Caddisfly Long Term Solutions in Process

SRP currently working with University of Arizona, Aquaculture Dept. to develop methods of spawning and grow-out of Sonoran Suckers.

- Native fish: Sonoran Sucker fish are adapted to feeding on aquatic insects and algae in fast moving water; adapted to water temperature. Believe they will do a better job than the non-native species. This species was present in higher numbers in years past.
- Project has had its setbacks with fish survival.
- Challenges of raising new species of fish in an aquaculture environment. (Flow rates, disease prevention, feed adaptation, recirculating water system/filtration).

SRP Caddisfly Long Term Solutions Being Researched...

Anti-fouling paint – substrates coated in anti-fouling paint to determine if larvae will not attach.

Essential oils – trials with vaporizing/misting oils to deter swarms.

- Clove, peppermint, cedar, cinnamon

Egg mass collection with submerged material

Actively pursuing research and development opportunities with various Universities on control/deterrent methods.

thank you!

