

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

GOVERNANCE COMMITTEE

Thursday, June 6, 2019, 9:30 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85281

Committee Members: Leslie C. Williams, Chairman; Paul W. Hirt, Vice Chairman; and Robert C. Arnett, Nick R. Brown, Mario J. Herrera, Jack M. White Jr., and Keith B. Woods

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 LESLIE C. WILLIAMS
 - Request for approval of the minutes for the meeting of February 12, 2019
2. Discussion Related to the Acreage Based Voting System in SRP Elections MICHAEL O'CONNOR
3. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3), to Discuss Legal Issues Related to the Acreage Based Voting System in SRP Elections MICHAEL O'CONNOR
4. Report on Current Events by the General Manager and Chief Executive Officer or Designees MIKE HUMMEL
5. Future Agenda TopicsCHAIRMAN LESLIE C. WILLIAMS

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. §30-808, for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: All property in your possession, including purses, briefcases, packages or containers, will be subject to inspection.



NOTICE WILL BE SENT REGARDING THE NEXT GOVERNANCE COMMITTEE MEETING

05/30/2019

MINUTES
GOVERNANCE COMMITTEE
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT

DRAFT

February 12, 2019

A meeting of the Governance Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, February 12, 2019, in the Geronimo Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona.

Committee Members present at roll call were L.C. Williams, Chairman; P.W. Hirt, Vice Chairman; and R.C. Arnett, M.J. Herrera, J.M. White Jr., and K.B. Woods.

Committee Member absent at roll call was N.R. Brown.

Also present were President D. Rousseau; Vice President J.R. Hoopes; Board Members D.S. Hendrickson, K.J. Johnson, R.J. Miller, P.E. Rovey, and S.H. Williams; Board Member L.D. Rovey of the Salt River Valley Water Users' Association (the Association); Council Chairman M.L. Farmer; Council Vice Chairman J.R. Shelton; Council Liaisons H. Tjaarda Jr. and P.A. Van Hofwegen; Council Member M.A. Lewis; Mmes. A.P. Chabrier, M.K. Greene, and L.F. Hobaica; Messrs. J.M. Felty, P.M. Hayes, M. Hummel, R.T. Judd, and M.J. O'Connor; and Karen Contos of Sierra Club.

In compliance with A.R.S. §38-431.02, Anaveli Sierras of the Corporate Secretary's Office had posted a notice and agenda of the meeting of the Governance Committee at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, February 8, 2019.

Chairman L.C. Williams called the meeting to order.

Consent Agenda

Chairman L.C. Williams requested a motion for Committee approval of the Consent Agenda, in its entirety.

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

- Minutes of the Governance Committee meetings on January 11, February 27, and February 28, 2018, as presented

The vote was recorded as follows:

YES:	Board Members R.C. Arnett; M.J. Herrera; P.W. Hirt, Vice Chairman; J.M. White Jr.; L.C. Williams, Chairman; and K.B. Woods	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N.R. Brown	(1)

Third Party Communication and Social Media Policy for Elected Officials

Michael J. O'Connor, SRP Associate General Manager and Chief Legal Executive, stated that the purpose of the agenda item was to provide information regarding, and potentially request approval of, a proposed Third Party Communication and Social Media Policy for elected officials. Referencing a handout, he requested approval of the proposed Third Party Communication and Social Media Policy for elected officials.

Discussion was held regarding the proposed Third Party Communication and Social Media Policy for elected officials.

Mr. M.J. O'Connor responded to questions from the Committee.

Following discussion, on a motion duly made by Board Member M.J. Herrera, seconded by Board Member K.B. Woods, the Committee agreed to recommend Board approval of the proposed Third Party Communication and Social Media Policy for elected officials with a modification to the draft policy to add "SRP, or "Salt River Project" to paragraph 6 as follows in red line italics:

6. To the extent that a Board member (individually or as a member of any group other than the full District Board) has an existing domain name or social media page/site *that uses the term "SRP" or "Salt River Project"* as of the time of this policy, such Board member shall provide the identity of each such to the SRP President and the SRP GM/CEO for review and approval for continued use;

The vote was recorded as follows:

YES:	Board Members R.C. Arnett; M.J. Herrera; J.M. White Jr.; L.C. Williams, Chairman; and K.B. Woods	(5)
NO:	Board Member P.W. Hirt, Vice Chairman	(1)
ABSTAINED:	None	(0)
ABSENT:	Board Member N.R. Brown	(1)

Copies of the draft Third Party Communication and Social Media Policy for elected officials used in this discussion are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Conduct of Committee Meetings and
Role of Committee Chairs

Chairman L.C. Williams stated that the purpose of the agenda item was to provide information regarding conduct of Committee meetings and role of Committee Chairs. Discussion was held regarding conduct of Committee meetings and role of Committee Chairs.

Voter Qualification in SRP Elections

Chairman L.C. Williams stated that the purpose of the agenda item was to provide information regarding voter qualification in SRP elections. Discussion was held regarding voter qualification in SRP elections.

Executive Session: Voter Qualification in SRP Elections

Chairman L.C. Williams requested a motion to enter into executive session, pursuant to A.R.S. §38-431.03(A)(3) and (4), to discuss or consult with attorneys for legal advice with respect to voter qualifications in SRP elections.

On a motion duly made by Board Member K.B. Woods, seconded by Board Member M.J. Herrera and carried, the Committee convened into executive session at 10:26 a.m.

The vote was recorded as follows:

YES:	Board Members R.C. Arnett; M.J. Herrera; P.W. Hirt, Vice Chairman; J.M. White Jr.; L.C. Williams, Chairman; and K.B. Woods	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N.R. Brown	(1)

Karen Contos of Sierra Club left the meeting.

The Committee reconvened into open session at 11:06 a.m. with the following Members and others present: President D. Rousseau; Vice President J.R. Hoopes; Board Members R.C. Arnett, D.S. Hendrickson, M.J. Herrera, P.W. Hirt, K.J. Johnson, R.J. Miller, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods; Board Member L.D. Rovey of the Association; Council Chairman M.L. Farmer; Council Vice Chairman J.R. Shelton; Council Liaisons H. Tjaarda Jr. and P.A. Van Hofwegen; Council Member M.A. Lewis; Mmes. A.P. Chabrier, M.K. Greene, and L.F. Hobaica; and Messrs. J.M. Felty, P.M. Hayes, M. Hummel, R.T. Judd, and M.J. O'Connor.

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

Mike Hummel, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chairman L.C. Williams asked the Committee if there were any future agenda topics. Board Member R.C. Arnett requested additional discussion regarding voter qualification in SRP elections. Board Member P.W. Hirt requested future agenda topics to discuss expansion of voting beyond the reservoir boundary, expansion of voting to LLC's and other ownership types, and implementation of one vote per property owner.

There being no further business to come before the Governance Committee, the meeting adjourned at 11:10 a.m.

John M. Felty
Corporate Secretary

Discussion Related to Acreage-Based Voting System in SRP Elections

District Board Governance Committee Meeting June 6, 2019

Michael J. O'Connor, Associate General Manager and
Chief Legal Executive



Delivering water and power™

Definitions

Salt River Reservoir District (“SRRD”): The geographic area described in the Salt River Valley Water Users’ Association (the “Association”) Articles of Incorporation, as amended, within which the holders of certain lands were eligible to subscribe to shares of the Association and, thus, were eligible to receive water from the federal reclamation project (“Shareholder Lands”).

The boundaries are described in Article IV, Section 3 of the Articles of Incorporation for the Association, dated January 21, 1903, as amended in 1912. The Articles name the area the “Salt River Reservoir District.”

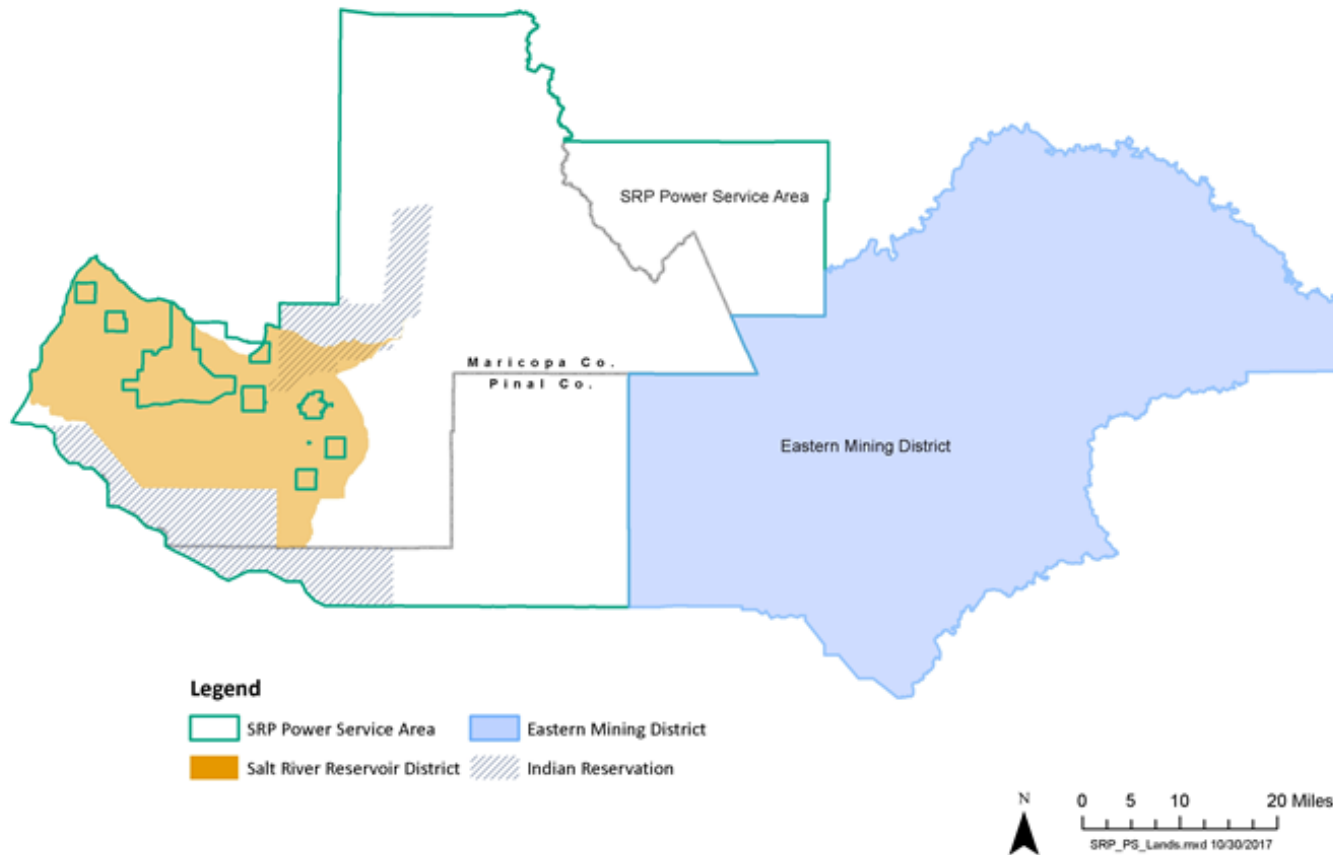
Salt River Project Agricultural Improvement and Power District: An agricultural improvement district established in accordance with Arizona law by the Maricopa County Board of Supervisors (the “District”).

The boundaries of the District were established by an Order of County of Maricopa Board of Supervisors dated January 25, 1937. The boundaries established by the order begin with the boundaries of the SRRD but exclude certain areas.

SRP’s Electric Service Area: The geographic area where SRP provides electric service.

SRP’s electric service area was first described in a territorial agreement entered into in 1928 between the Central Arizona Light and Power Company and the Association. Following disputes over the interpretation of provisions of the original territorial agreement, a second territorial agreement was entered into in 1955. That agreement, dated August 31, 1955, by and between the District and Arizona Public Service Company was acknowledged by the Arizona Corporation Commission.

SRP's Electric Service Area



Current Voting Structure

A.R.S. §48-2383 Acreage system of voting

- A.** The petition for organization of the district may provide that each owner of land shall have one vote, or may provide for voting on an acreage basis.
- B.** Except as provided in section 48-2365, subsection D, if the district is or has been organized under a provision for voting on an acreage basis, each landowner possessing the qualifications of an elector shall be entitled to cast one vote at all elections after the organization election on each office to be filled, or each question submitted, for each acre of land within the district owned by him.
- C.** Except as provided in section 48-2365, subsection D, from and after April 18, 1969 each landowner possessing the qualifications of an elector who owns less than one acre of land within the district shall be entitled to a fractional vote on each office to be filled or each question submitted. The fractional vote shall be equal to the fraction of an acre owned by such elector.

Current Voting Structure (cont'd)

- D.** If land is held in more than one name, each owner otherwise possessing the qualifications of an elector may vote the number of acres or fractions thereof represented by his legal interest or proportionate share of and in the lands.
- E.** The result of each election shall be determined by the highest number of votes cast as provided in subsections B, C and D of this section.
- F.** The district shall maintain a record of the persons owning real property within the boundaries of the district as such ownership appears on the records of the county recorder and the number of votes or fractions thereof the owner thereof shall be entitled to vote.

Questions