

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

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## WATER COMMITTEE Thursday, June 27, 2019, 9:30 AM

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

Committee Members: Mark Pace, Chairman; Kevin Johnson, Vice Chairman; and Robert Arnett, Corey Hawkey, Mario Herrera, Paul Rovey, and Stephen Williams

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 MARK PACE
  - Request for approval of the minutes for the meeting of May 16, 2019
2. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to have Discussion or Consultation with Attorneys for Legal Advice on a Proposed Well Lease and Credit Recovery Agreement with Red Mountain Mining, Inc. and Similar Agreements  
.....PATRICK SIGL and CHRISTA MCJUNKIN
3. Request for Approval to Enter into a Well Lease and Credit Recovery Agreement with Red Mountain Mining, Inc. and Similar Agreements  
.....PATRICK SIGL and CHRISTA MCJUNKIN
4. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to have Discussion or Consultation with Attorneys for Legal Advice with Respect to an Update on the Status of the SRP Reservoir Operations and Implementation of the Habitation Conservation Plans under the SRP Incidental Take Permits ..... PATRICK SIGL and CHARLES PARADZICK
5. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to have Discussion or Consultation with Attorneys for Legal Advice and to give Instructions on Pending and Contemplated Litigation with Respect to an Update on the Status of Gallagher & Kennedy, P.A. v. City of Phoenix, et al., Case No. 2:16-CV-04447 JJT (G&K CERCLA Litigation), Roosevelt Irrigation District (RID) v. SRP, et al., Case No. 2:15-CV-00448 JJT (Declaratory Judgment Litigation), and RID v. SRP, et al., Case No. 2:15-CV-00439 JJT (Quiet Title Litigation)  
.....MICHAEL O'CONNOR and DAVID ROBERTS
6. Report on Current Events by the General Manager and Chief Executive Officer or Designees ..... MIKE HUMMEL
7. Future Agenda Topics..... CHAIRMAN MARK PACE

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.



**THE NEXT WATER COMMITTEE MEETING IS SCHEDULED  
TUESDAY, AUGUST 20, 2019**



MINUTES  
WATER COMMITTEE  
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND  
POWER DISTRICT

**DRAFT**

May 16, 2019

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 Thursday, May 16, 2019, in the Geronimo Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona.

Committee Members present at roll call were M.V. Pace, Chairman; K.J. Johnson, Vice Chairman; R.C. Arnett, C.J. Hawkey, and M.J. Herrera; and L.D. Rovey of the Salt River Valley Water Users' Association (the Association). The District and Association are collectively known as SRP.

Committee Members absent at roll call were P.E. Rovey and S.H. Williams.

Also present were Board Members D.S. Hendrickson and J.M. White Jr.; Council Chairman M.L. Farmer; Council Vice Chairman J.R. Shelton; Council Liaison C.J. Dobson; Council Members M.B. Brooks, G.E. Geiger, and R.S. Kolb; Mmes. A.P. Chabrier and L.F. Hobaica; and Messrs. J. Evancevich, J.M. Felty, P.M. Hayes, M. Hummel, A.J. McSheffrey, M.J. O'Connor, C.J. Podolak, J.M. Pratt, D.C. Roberts, L.M. Shaw, and P.B. Sigl.

In compliance with A.R.S. §38-431.02, Anaveli H. Sierras 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 Tuesday, May 14, 2019.

Chairman M.V. Pace called the meeting to order.

Consent Agenda

Chairman M.V. Pace requested a motion for Committee approval of the Consent Agenda, in its entirety.

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

- Minutes of the Water Committee meeting on April 23, 2019, as presented

The vote was recorded as follows:

YES:	Board Members M.V. Pace, Chairman; K.J. Johnson, Vice Chairman; and R.C. Arnett, C.J. Hawkey, and M.J. Herrera	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member P.E. Rovey and S.H. Williams	(2)

Board Member S.H. Williams entered the meeting.

Executive Session: Verde Valley

Chairman M.V. Pace requested a motion to enter into executive session, pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to discuss or consult with attorneys for legal advice regarding a status update on progress of the program to execute Historic Water Use Agreements with water users in the Verde Valley.

On a motion duly made by Board Member M.J. Herrera, seconded by Board Member R.C. Arnett and carried, the Committee convened into executive session at 9:33 a.m.

The vote was recorded as follows:

YES:	Board Members M.V. Pace, Chairman; K.J. Johnson, Vice Chairman; and R.C. Arnett, C.J. Hawkey, M.J. Herrera, and S.H. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member P.E. Rovey	(1)

The Committee reconvened into open session at 9:59 a.m. with the following Members and others present: President D. Rousseau; Board Members R.C. Arnett, C.J. Hawkey, D.S. Hendrickson, M.J. Herrera, K.J. Johnson, M.V. Pace, P.E. Rovey, J.M. White Jr., and S.H. Williams; Board Member L.D. Rovey of the Association; Council Chairman M.L. Farmer; Council Vice Chairman J.R. Shelton; Council Liaison C.J. Dobson; Council Members M.B. Brooks, G.E. Geiger, and R.S. Kolb; Mmes. K.J. Barr, A.P. Chabrier, and L.F. Hobaica; and Messrs. J. Evancevich, J.M. Felty, P.M. Hayes, M. Hummel, A.J. McSheffrey, M.J. O'Connor, C.J. Podolak, J.M. Pratt, D.C. Roberts, L.M. Shaw, and P.B. Sigl.

Historic Water Use Agreements with Certain Verde River Water Users in Verde Valley

Using a PowerPoint presentation, Chuck J. Podolak, SRP Director of Water Rights and Contracts, requested approval to authorize the General Manager and Chief Executive Officer or a designee to enter into Historic Water Use Agreements with Verde Valley area water users in accordance with the agreement principles and conditions discussed

therein, and any subsequent amendments to such agreements that do not materially modify the principles and conditions discussed therein.

On a motion duly made by Board Member M.J. Herrera, seconded by Board Member S.H. Williams and carried, the Committee agreed to recommend Board approval, as presented.

The vote was recorded as follows:

YES:	Board Members M.V. Pace, Chairman; K.J. Johnson, Vice Chairman; and R.C. Arnett, C.J. Hawkey, M.J. Herrera, P.E. Rovey, and S.H. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

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

Board Member P.E. Rovey left the meeting.

Executive Session: Roosevelt Irrigation District

Chairman M.V. Pace requested a motion to enter into executive session, pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to have discussion or consultation with attorneys for legal advice and to give instructions on pending and contemplated litigation with respect to an update on the status of Gallagher & Kennedy, P.A. v. City of Phoenix, et al., Case No. 2:16-CV-04447 JJT (G&K CERCLA Litigation), Roosevelt Irrigation District (RID) v. SRP, et al., Case No. 2:15-CV-00448 JJT (Declaratory Judgment Litigation), and RID v. SRP, et al., Case No. 2:15-CV-00439 JJT (Quiet Title Litigation).

On a motion duly made by Board Member M.J. Herrera, seconded by Board Member S.H. Williams and carried, the Committee convened into executive session at 10:00 a.m.

The vote was recorded as follows:

YES:	Board Members M.V. Pace, Chairman; K.J. Johnson, Vice Chairman; and R.C. Arnett, C.J. Hawkey, M.J. Herrera, and S.H. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member P.E. Rovey	(1)

The Committee reconvened into open session at 10:37 a.m. with the following Members and others present: President D. Rousseau; Board Members R.C. Arnett, C.J. Hawkey,

D.S. Hendrickson, M.J. Herrera, K.J. Johnson, M.V. Pace, J.M. White Jr., 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 Liaison C.J. Dobson; Council Members M.B. Brooks, G.E. Geiger, and R.S. Kolb; Mmes. K.J. Barr, A.P. Chabrier, and L.F. Hobaica; and Messrs. J. Evancevich, J.M. Felty, P.M. Hayes, M. Hummel, A.J. McSheffrey, M.J. O'Connor, C.J. Podolak, J.M. Pratt, D.C. Roberts, L.M. Shaw, and P.B. Sigl.

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. He reported on the SRP 2035 corporate and sustainability goals approved at the Strategic Planning Committee.

Future Agenda Topics

Chairman M.V. Pace 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 10:45 a.m.

John M. Felty  
Corporate Secretary





# **Well Lease, Credit Recovery, and Water Exchange Agreement with Red Mountain Mining, Inc. and Similar Agreements**

**Water Committee Presentation  
June 27, 2019**



# Red Mountain Mining Agreement

## **Requested Committee Action**

Recommend to the Board that the Board authorize the General Manager and CEO or his designee to:

- Enter into a well lease, credit recovery, and exchange agreement with Red Mountain Mining in accordance with the agreement principles and conditions discussed herein
- Enter into any subsequent amendments to such agreements that do not materially modify the economic terms described herein
- Enter into additional agreements with other entities under substantially similar terms for quantities that do not exceed 100 af/year