

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

GOVERNANCE COMMITTEE

Thursday, January 9, 2020, 9:30 AM

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

Committee Members: Leslie Williams, Chairman; Paul Hirt, Vice Chairman; and Robert Arnett, Nick Brown, Mario Herrera, Jack White Jr., and Keith 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 October 10, 2019
2. Informational Presentation Regarding Karen Contos' Correspondence with Respect to SRP Voter Participation MICHAEL O'CONNOR
and SECRETARY JOHN FELTY
3. Report on Current Events by the General Manager and Chief Executive Officer or Designees MIKE HUMMEL
4. Future Agenda Topics CHAIRMAN 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.



THE NEXT GOVERNANCE COMMITTEE MEETING
IS SCHEDULED THURSDAY, MARCH 5, 2020

01/03/2020

MINUTES
GOVERNANCE COMMITTEE
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT

DRAFT

October 10, 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 Thursday, October 10, 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; and N.R. Brown, M.J. Herrera (by teleconference), J.M. White Jr., and K.B. Woods.

Committee Members absent at roll call were P.W. Hirt, Vice Chairman; and R.C. Arnett.

Also present were Vice President J.R. Hoopes; Board Members C.J. Hawkey, D.S. Hendrickson, K.J. Johnson, R.J. Miller, M.V. Pace, 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. M.K. Greene and L.F. Hobaica; Messrs. H.A. Courtright, J.M. Felty, E.T. Hallock, P.M. Hayes, M. Hummel, K.J. Lee, M.J. O'Connor, J.M. Pratt, and R.R. Taylor; Diane Brown of Arizona Public Interest Research Group (Arizona PIRG); Karen Contos of Sierra Club; Gloria Montano Greene of Chispa Arizona; and Howard Johnson, James Moule, Bruce Sussman, and Jason Zeikowitz, members of the public.

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 Tuesday, October 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 J.M. White, Jr., seconded by Board Member N.R. Brown, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Governance Committee meeting on June 6, 2019, as presented

The vote was recorded as follows:

YES:	Board Members L.C. Williams, Chairman; and N.R. Brown, M.J. Herrera (by teleconference), J.M. White Jr., and K.B. Woods	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members P.W. Hirt, Vice Chairman; and R.C. Arnett	(2)

One-Meter/One-Vote Voting System

Using a PowerPoint presentation, Mike Hummel, SRP General Manager and Chief Executive Officer, stated that the purpose of the presentation was to discuss acreage-based voting in SRP elections and seek direction for Management from the Board on pursuit of voting changes. He stated that Management would discuss the risks and benefits of replacing acreage-based voting with a one-meter/one-vote election system.

Mr. M. Hummel said that all SRP District and Association Boards and Councils would need to agree to enact a change in voting requirements. He stated that changes in SRP voting or voter eligibility would require legislative involvement as well as changes to the Association Articles of Incorporation. Mr. M. Hummel discussed the legislative schedule, voter eligibility timeframes for SRP elections, and the approval process in connection with all four governing bodies. He concluded by stating that there was no existential crisis that forces SRP to change its voting system or boundaries and that these have been defended as both legal and constitutional.

Continuing, Michael J. O'Connor, SRP Associate General Manager and Chief Legal Executive, stated that the District's acreage-based voting system has been in place since 1937 and is set forth in the Arizona Revised Statutes under Title 48. He explained that the District was formed to provide support for the water operations of the Association. Mr. M.J. O'Connor said that acreage-based voting systems are not unique for special purpose districts in the United States and that at least six other special districts have acreage-based voting in Arizona. He stated that it was important to keep the voting systems of the District and Association aligned, as this is a foundational aspect of how SRP works. Mr. M.J. O'Connor said that this alignment was reinforced when the Supreme Court stipulated that the Association would not have transferred its assets to the District without a commitment to maintain the Association and acreage-based voting.

Continuing, Peter M. Hayes, SRP Associate General Manager and Chief Public Affairs Executive, discussed the political climate on a state and national basis. He stated that while the political climate is volatile, SRP is viewed as strong and stable. Mr. P.M. Hayes said that any SRP proposed modifications to Title 48 could be significantly changed by the legislature in the current political climate. He concluded by stating that SRP is in the strongest political position when the District and Association are unified and the respective Boards and Councils are aligned.

Messrs. P.M. Hayes, M. Hummel, and M.J. O'Connor responded to questions from the Committee.

Following discussion, Mr. M. Hummel summarized the presentation and recommended no modification be made to the acreage-based voting system in SRP elections.

On a motion duly made by Board Member M.J. Herrera (by teleconference), seconded by Board Member J.M. White Jr. and carried, the Committee agreed to recommend Board approval to direct Management to not pursue changes to the SRP acreage-based voting structure.

The vote was recorded as follows:

YES:	Board Members L.C. Williams, Chairman; and N.R. Brown, M.J. Herrera (by teleconference), J.M. White Jr., and K.B. Woods	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members P.W. Hirt, Vice Chairman; and R.C. Arnett	(2)

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 entered the meeting during the presentation.

Voting Outside of the Reservoir District Boundary

Using a PowerPoint presentation, Mr. M.J. O'Connor stated that the purpose of the presentation was to discuss legal issues regarding an expansion of the District Boundary. He stated that there is no current statutory process for amending the District Boundary and that A.R.S. §48-2367 imposes limitations on changing the boundary. Mr. M.J. O'Connor reported that new lands included within an expanded boundary would likely be subject to taxation and liens for District obligations. He said that an expanded boundary would likely require the Department of Interior's authorization and become part of a Federal Reclamation District. Mr. M.J. O'Connor concluded by stating that it is unknown if the Association boundary must expand in conjunction with any District change and if the new lands could become irrigable.

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

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.

SRP Customer Utility Panel

Using a PowerPoint presentation, Mr. P.M. Hayes stated that the purpose of the presentation was to discuss the potential enhancements to the current Residential Advisory Committee (RAC), including discussions regarding its potential composition,

role, and interaction with SRP Management and elected officials, along with Management's request for approval of the formation of the SRP Customer Utility Panel (CUP), which would be intended to replace the RAC, as set forth in the October 10, 2019 SRP CUP proposal handed out to the Committee. He stated that the goal is to provide a formal voice for SRP residential electric customers who reside outside the District voting boundary.

Continuing, Mr. P.M. Hayes explained the history, purpose, and responsibilities of SRP's current RAC. He presented an American Public Power Association (APPA) governance survey comparing 2010 to 2015 with respect to utilities that serve customers outside of municipal boundaries; a governance research survey of Large Public Power Council (LPPC) that included SRP; and a graph comparing SRP residential electric meter customers inside the District boundary versus SRP residential electric meters customers outside the District boundary. Mr. P.M. Hayes concluded with a report on key findings and described the proposed CUP.

Mr. P.M. Hayes responded to questions from the Committee.

Following discussion, Mr. M. Hummel recommended approval, as outlined in the referenced October 10, 2019 SRP CUP proposal, rather than seeking changes to existing statutes and articles.

On a motion duly made by Board Member N.R. Brown, seconded by Board Member K.B. Woods and carried, the Committee agree to recommend Board approval, as presented.

The vote was recorded as follows:

YES:	Board Members L.C. Williams, Chairman; and N.R. Brown, J.M. White Jr., and K.B. Woods	(4)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members P.W. Hirt, Vice Chairman; and R.C. Arnett and M.J. Herrera	(3)

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

Board Member M.J. Herrera (by teleconference) left 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 Mr. M. Hummel.

Future Agenda Topics

Chairman L.C. Williams asked the Committee if there were any future agenda topics. Board Member N.R. Brown requested a discussion of the contents of Karen Contos' letter dated September 25, 2019.

There being no further business to come before the Governance Committee, the meeting adjourned at 11:07 a.m.

John M. Felty
Corporate Secretary

September 27, 2019

Salt River Project Governance Committee
Chairman Leslie C. Williams
SRP Administration Building
1500 N. Mill Avenue,
Tempe, AZ 85281

Re: SRP Voter Participation

Dear Chairman Williams,

As the Salt River Project (SRP) Board plays an extremely vital role in establishing SRP prices, determining investments in clean energy, and in holding the large public electric utility management accountable, voter participation is extremely important. We would like you to put this letter in the next Governance Committee packet and discuss it at the next Governance Committee meeting.

Several local nonprofits are interested in increasing voter participation in SRP election, including the Sierra Club, Chispa Arizona, Arizona PIRG, and the Arizona Center for Law in the Public Interest, among others.

We would like to see SRP implement the following recommendations, at a minimum:

- Send a card to all eligible voters in January 2020, notifying them of the upcoming election, including instructions on how to register to vote
- Advertise the election, especially in ratepayer January 2020 bills
- Sponsor candidate debates in March 2020 in contested races

We believe that these changes are neither expensive nor burdensome and would increase the number of ratepayers who vote in the election.

Thank you for your consideration.

Karen Contos, Renewable Energy Advocate
Sandy Bahr, Chapter Director, Sierra Club, Grand Canyon Chapter
Jennifer Anderson, Staff Attorney, Arizona Center in the Law for Public Interest
Laura Dent, Executive Director, Chispa Arizona

January 8, 2020

Dear members of the Salt River Project Board and Management,

On behalf of the Arizona PIRG Education Fund, I write to support the intent of the letter to the Governance Committee submitted by Karen Contos and representatives of the Sierra Club - Grand Canyon Chapter, Arizona Center for Law in the Public Interest and Chispa Arizona.

The letter references the interest of the signers, and that of Arizona PIRG, in increasing voter participation in the SRP election. The Arizona PIRG Education Fund strongly agrees with the sentiments contained in the letter and is supportive of the recommendations.

Since our inception, the Arizona PIRG Education Fund has been engaged in non-partisan efforts to help register voters and increase turnout in elections. The Arizona PIRG Education Fund believes that our democracy functions best when citizens are engaged. Our organization does not endorse or oppose candidates.

Recent presentations from SRP Management have provided helpful insight on potential barriers needing to be addressed before all customers meeting Arizona's voter registration requirements are eligible to vote in SRP elections. While SRP should actively pursue removing obstacles to voter participation, we understand the necessary changes will not be in place for the SRP election this Spring.

In the meantime, as you know, efforts in recent election cycles have helped to increase voter attention and turnout; however, the percentage of eligible SRP voters that cast their ballot remains dismal.

The recommendations cited in the Contos et al letter (listed below) provide basic and standard opportunities to increase voter awareness and engagement:

- Send a card to all eligible voters in January 2020, notifying them of the upcoming election, including instructions on how to register to vote
- Advertise the election, especially in ratepayer January 2020 bills
- Sponsor candidate debates in March 2020 in contested races

The Arizona PIRG Education Fund respectfully requests the above list for this election cycle also include:

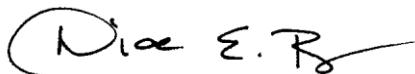
- A highly visible description and link on the SRP website to the webpage that houses voter information. Further, the webpage should include information provided by the candidates on their platform(s).
- Distribution of information to eligible voters by email and text (in instances where the customer has provided consent to be contacted in this manner). Information should include a direct link to the Early Ballot Request and a link to the voting webpage. This information should be provided prior to the end of this month and again a week prior to the deadline to request a ballot. Additionally, information should be distributed in this manner at least one time to remind voters to submit or cast their ballot and provide a link to the section on the voting webpage that contains candidate information.
- A targeted social media campaign, that includes a direct link to the Early Ballot Request, to encourage eligible voters to register. SRP should then launch a subsequent targeted social media campaign, that includes a link to the SRP voter information/candidate webpage, to encourage eligible registered voters to vote.
- Inclusion of information as a stand-alone insert (for bills that are mailed) or as a splash page (for online bills) through Election Day that highlight upcoming election deadlines and provide a direct weblink(s) and a number to call with questions, which is particularly important for customers without web access.

The combined recommendations contained in this letter can continue, and ideally ramp up, an upwards trend of voter registration and turnout in SRP elections. The above recommendations can and should be achieved this election cycle.

Following the upcoming SRP election, the Arizona PIRG Education Fund urges SRP to form a stakeholder group to work with your designated representatives on additional opportunities, such as Automatic Voter Registration, for the next election cycle. Arizona PIRG Education Fund stands ready to share our experience and expertise in this area with you.

Please feel free to contact me at (602)318-2779 (c) or dbrown@arizonapirg.org with any questions or to discuss.

Sincerely,

A handwritten signature in black ink that reads "Diane E. Brown". The signature is written in a cursive style with a large initial "D" and a long horizontal stroke at the end.

Diane E. Brown
Executive Director

Informational Presentation in Response to Karen Contos Correspondence Regarding SRP Voter Participation

**Governance Committee Meeting
January 9, 2019**

**Michael J. O'Connor, Associate General Manager and
Chief Legal Executive – John Felty SRP Corporate Secretary**



Delivering water and power™

September 25, 2019 Correspondence

- Karen Contos, Sandy Bahr, Jennifer Anderson, Laura Dent
- Three Requests:
 - 1) Send a card to all eligible voters in January 2020, notifying them of the upcoming election, including instructions on how to register to vote
 - 2) Advertise the election, especially in ratepayer January 2020 bills
 - 3) Sponsor candidate debates in March 2020 in contested races

Request Number 1

Send a card to all eligible voters in January 2020, notifying them of the upcoming election, including instructions on how to register to vote

Current SRP Process:

- All voters on the Permanent Early Voting List (PEVL) will be mailed a notification of the upcoming election on January 8.

SRP Comments:

- A.R.S. Title 48 provides the legal requirements for notice in SRP Elections. SRP meets such requirements.
- The SRP elections have and will be noticed on the SRP Website. <https://www.srpnet.com/elections/>
- Mailing a card to all property owners on the Voter roll is not planned for this election cycle.

Request Number 2

Advertise the election, especially in ratepayer January 2020 bills

Current SRP Process:

- A Notice of Election is published in Arizona Republic, East Valley Tribune, and Prensa Arizona two times. (Jan 5 and 12th)
- Information about the election is provided in the February SRP Irrigation Newsletter.

SRP Comments:

- A.R.S. Title 48 provides the legal requirements for notice in SRP Elections. SRP meets such requirements.
- The SRP elections have and will be noticed on the SRP website. <https://www.srpnet.com/elections/>
- Information about participating in the SRP Election will be provided in the February 2020 customer billing information.

Request Number 3

Sponsor candidate debates in March 2020 in contested races

Current SRP Process:

- SRP does not sponsor candidate debates.
- SRP posts a list of qualified candidates on the SRP election website after February 7th.
<https://www.srpnet.com/elections/>

SRP Comments:

- There is no plan to have SRP sponsor candidate debates, but third parties are free to organize and facilitate a candidate debate.

Questions