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ARIZONA POWER AUTHORITY

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**MINUTES OF THE ARIZONA POWER AUTHORITY (“APA”) COMMISSION
 (“Commission”) VIRTUAL MEETING HELD ON NOVEMBER 16, 2021**

- PRESENT:** Philip C. Bashaw, Vice Chairman
Kim Owens, Commissioner (*joined the call @ 10:06am*)
John Sullivan, Chairman
Jim Sweeney, Commissioner
(*All Commissioners Attended Virtually*)
- STAFF:** Heather Cole, Executive Secretary to Commission (*Attended Virtually*)
Ben Norris, Attorney General’s Office (*Attended Virtually*)
Sonseeahray Thayer, Senior Accountant
- OTHER:** Alexandra Arboleda, TSL Law Group
M. Cheng
Joseph Davis
Sheri Farang, Salt River Project
Ed Gerak, IEDA
DeWayne Justice, Electrical District #8
Kristine McMinimy, AEP
Doug Milligan, Salt River Project
Chris Mitchie, Electrical District
Jason Moyes, Moyes Sellers & Hendricks
Paul Orme, Electrical District #3
Emily Rice, B3 Strategies
Ken Robbins, Electrical District #2
Ken Saline, K.R. Saline & Associates
Scott Saline, K.R. Saline & Associates
Elizabeth Story
Sheryl Sweeney, Ryley, Carlock & Applewhite
Glen Vortherms, Maricopa Water Conservation District
Jeff Woner, K.R. Saline & Associates
Brian Yerges, Electrical District #3
All Guests attended virtually

CALL TO ORDER: The meeting was called to order at 10:01 a.m. by Chairman John Sullivan. Quorum was established.

ROLL CALL: Commissioners Bashaw, Owens, Sullivan and Sweeney were present.

CHAIRMAN REQUEST FOR DECLARATION OF CONFLICT OF INTEREST BY ANY COMMISSIONER:

- Each Commissioner declared they had no conflict of interest on any matter as listed on the agenda for today's meeting.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was recited.

APPROVAL OF MINUTES:

- **Motion:** To approve the minutes from the Regular Commission Meeting & Executive Session, held on October 26, 2021 was made by Vice Chairman Bashaw and seconded by Commissioner Sweeney.
- **Vote:** Commissioners Bashaw, Sullivan & Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

- **Motion:** To approve the minutes from the Special Commission Meeting & Executive Session, held on October 26, 2021 was made by Commissioner Sweeney and seconded by Vice Chairman Bashaw.
- **Vote:** Commissioners Bashaw, Sullivan & Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

- Commissioner Owens joined the call at 10:06am and declared she had no conflict of interest on any matter as listed on the agenda for today's meeting.

REVIEW OF EXPENDITURES AND FINANCIAL REPORTS AND APPROVAL OF

CLAIMS: Sonseeahray Thayer, Sr. Accountant, provided the Expenditures & Financial Reports. Hoover Operations Fund Claims #13127- #13168 for the period October 1, 2021 through October 31, 2021 were presented. \$192,851.00 in Transitional Costs & Repayable Advances was returned to the Customers. There were no APA Fund Claims during this time period.

- **Motion:** To approve Hoover Operations Fund Claims #13127 - #13168 as presented was made by Vice Chairman Phil Bashaw and seconded by Commissioner Sweeney.
- **Vote:** Commissioners Bashaw, Owens, Sullivan and Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

REPORT ON POWER OPERATION MATTERS: Sonseeahray Thayer, Sr. Accountant, reported the following:

- Monthly precipitation – September had more precipitation than the same time last year.

- Seasonal precipitation – Seasonally, we are still under the average precipitation compared to the same time last year.
- Water Precipitation to Date – Currently we are at 182% which is considerably higher than the same time last year.
- Lake Powell inflow is forecast to be 68% of normal for the year.
- Total System Contents – (Upper and lower basin) There was so little snow this year that we are not seeing an increase in the basins for the year and we do not expect to see this getting much better for the coming year.
- Reservoir and System Capacity – Currently Lake Powell is at 30% and Lake Mead is at 35% of capacity
- Lake Mead Elevation – Lake Mead is currently just below 1,075. By this time next year we anticipate the elevation to be at the 1,040 mark.

CUSTOMER SERVICE: Heather Cole, Executive Secretary to the Commission, shared the agenda for the November Commission Meeting @ Hoover Dam & events associated with the CRWUA Conference

- Commission Meeting @ Hoover Dam – Monday, December 13, 2021
 - 10:00am – Transportation to Pick Up @ Caesars Palace
 - 11:00am - Meet @ Hoover Dam – Spillway House
 - 11:30am – Lunch Provided
 - 12:00noon – Commission Meeting
 - 1:00pm – VIP Hoover Dam & Waste Site Tour (*Commissioners, APA Staff, Technical & Legal Counsel Only*)
 - 3:00pm – Return to Caesars Palace
 - 6:00pm – APA Commissioner & Customer Dinner @ Carmine’s Caesar Forum Shops

Due to Covid19 protocols, the highly sensitive nature of the drought conditions and issues with the waste site, Len Schilling has requested that only APA Commissioners, Staff & Legal/Technical Counsel attend the tour and see the waste site.

CHAIRMAN REPORT: Chairman Sullivan provided an update on the following:

- National Water Resources Association (NWRA) Update: Chairman Sullivan attended the annual meeting which was the first live and in person meeting since 2020. Over 200 people attended with most of the conversations & presentations revolving around the drought situation. It was not just the Colorado River but also, CA, TX and the Midwest. Subject matter experts that presented included: Leslie James, Chris Udall and Dave Roberts. Chairman Sullivan also shared that former Interim Executive Director, Bob Johnson is writing a book on the history of Hoover Dam.
- Status of Executive Director Search – Chairman Sullivan announced that 16 applications have been received to date and reminded those on the call that applications would be accepted through Friday, November 19. The Leadership Search Advisory Committee will convene in Early December to review the applications and narrow down the list for Commissioner Interviews.

EXECUTIVE SESSION: Chairman Sullivan asked for a motion to go into Executive Session.

- **Motion:** to convene in executive session for legal advice and discussion with its attorneys pursuant to A.R.S. § 38-431.03(A)(1) & (3) regarding:
 - APA/Hoover Dam Waste Site Common Interest Agreement

- Status of Executive Director Search was made by Commissioner Sweeney and seconded by Commissioner Owens.

- **Vote:** Commissioners Bashaw, Owens, Sullivan and Sweeney approved the motion.

➤ The Commission recessed to go into Executive Session at 10:20 a.m.

➤ The Commission reconvened to Open Session at 10:47 a.m.

BUSINESS ITEMS:

- APA/Hoover Dam Waste Site Common Interest Agreement – The document is still a work in progress. Legal Counsel will provide a final version of the document to review in December. No action was taken.
- Executive Director Search Advisory Committee – Chairman Sullivan updated the Commissioners and Customers during the Chairman Report. No action was taken.
- APA Commissioner/Customer Dinner in conjunction with Commission Meeting held @ Hoover Dam and the CRWUA Annual Meeting: Chairman Sullivan explained that the APA would like to hold a Commissioner/Customer dinner on Monday, December 13 @ Carmine's Caesars Palace. This is not something that the APA does on a regular basis, however the APA has hosted meals for the credit agency periodic reviews as well as legislators and other officials.

- **Motion:** The APA would host a Commission/Customer Dinner while the Commission is attending the CRWUA Conference on Monday, December 13, 2021 was made by Vice Chairman Bashaw and seconded by Commissioner Sweeney.
- **Discussion:** Commission Owens asked if any tax payer funds would be used. Any funds used to pay for a dinner of this sort would come from the APA Fund. Legal Counsel suggested that these dollars may be considered state funds since they have been deposited into the state treasury. The purpose of the dinner is networking with no APA business taking place.
- **Amended Motion:** The APA would host a Commission/Customer Dinner while the Commission is attending the CRWUA Conference on Monday, December 13, 2021 with each attendee being responsible for their own meal and/or any alcoholic beverages and will reimburse the APA following the event was made by Vice Chairman Bashaw and seconded by Commissioner Sweeney.
- **Vote:** Commissioners Bashaw, Owens, Sullivan & Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

COMMISSIONER COMMENTS: Chairman Sullivan informed the Commission that he has invited Ed Gerak to join the tour of the waste site as a technical advisor. Mr. Gerak has been instrumental in the conversations taking place regarding mitigation of the waste site.

VISITORS' COMMENTS/CALL TO THE PUBLIC: N/A

ADJOURNMENT:

There being no further business to come before the Commission, Chairman Sullivan adjourned the meeting.

The meeting was adjourned at 11:10 a.m.

John F. Sullivan, Chairman

ATTEST:

Heather J. Cole, Executive Secretary to Commission

DRAFT