

COMMISSION

PHILIP C. BASHAW – CHAIRMAN
JIM SWEENEY – VICE CHAIRMAN
RUSSELL L. JONES – COMMISSIONER
KIM OWENS – COMMISSIONER
JOHN F. SULLIVAN – COMMISSIONER

STAFF

JORDY FUENTES – EXECUTIVE DIRECTOR
HEATHER COLE – EXECUTIVE SECRETARY



ARIZONA POWER AUTHORITY

1810 W. ADAMS STREET
PHOENIX, AZ 85007-2697
(602) 368-4265

WWW.POWERAUTHORITY.ORG

MINUTES OF THE ARIZONA POWER AUTHORITY (“APA”) COMMISSION (“Commission”) MEETING HELD OCTOBER 17, 2023

- PRESENT:** Phil Bashaw, Chairman
Russ Jones, Commissioner (*Virtual*)
Kim Owens, Commissioner
John Sullivan, Chairman
Jim Sweeney, Vice Chairman
- STAFF:** Heather Cole, Executive Secretary to Commission
Jordy Fuentes, Executive Director
John Schutter, Senior Accountant
Sonseeahray Thayer, Financial Administrator
- OTHER:** Dennis Delaney, K.R. Saline & Associates
Sheri Farag, SRP
Elston Grubaugh, Wellton Mohawk Irrigation District
Daniel Herderer, ClarkHill
Taylor Howerter, Roosevelt Irrigation District
Diego Leal, B3 Strategies
Derek McEachern, Electrical District #4
Ron McEachern, Electrical District #4
Kristine McMinimy, AEPCO
Jason Moyes, Moyes, Sellers & Hendricks
Donovan Neese, Roosevelt Irrigation District
Paul Orme, ED #3
Daniel Pritchard, K.S. Saline & Associates
Ken Robbins, Electrical District #2
Ken Saline, KR Saline & Associates
Meghan Scott, Wellton Mohawk
Russell Smoldon, AMPUA
Sheryl Sweeney, ClarkHill
Kelly Urbine, Current Insights
Glen Votherms, Maricopa Water Conservation District
Jeff Woner, KR Saline & Associates
Brian Young, Central Arizona Project

CALL TO ORDER: The meeting was called to order at 10:02 a.m. by Chairman Phil Bashaw. Quorum was established.

ROLL CALL: Commissioners Jones, 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 held on September 19, 2023, was made by Commissioner Jones and seconded by Commissioner Sullivan.
 - Vote:** Commissioners Jones, Sullivan & Sweeney approved the motion. Chairman Bashaw abstained since he was not present at the September Commission Meeting. Commissioner Owens was not present for the vote.
 - Resolved:** Approved as stated above and the written documents are entered into the Commission records.
- *Commissioner Owens joined the meeting at 10:06m. She declared that he had no conflicts with any items on the agenda.*

REVIEW OF EXPENDITURES AND FINANCIAL REPORTS AND APPROVAL OF CLAIMS: Sonseeahray Thayer, Financial Administrator, provided the Expenditures & Financial Reports. Hoover Operations Fund Claims #14239 - #14269 for the period September 1, 2023 through September 30, 2023 were presented. There were no APA claims.

- Motion:** To approve Hoover Operations Fund Claims #14239 - #14279 as presented was made by Commissioner Sullivan and seconded by Commissioner Sweeney.
- Vote:** Commissioners Bashaw, Jones, Owens, Sullivan & 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, Financial Administrator, reported on the following:

- Monthly precipitation – September precipitation was dryer compared to the same time last year.
- Water Year Precipitation – When comparing Water Year 2023 to Water Year 2022, overall, we had more precipitation.
- Upper Colorado River System – Precipitation to Date in the Upper Colorado River System is at 113%, higher than what it was the same time last year.
- Lake Powell Inflow - Lake Powell inflow is forecast to be at 124% of normal for the year.
- Total System Contents – (Upper and Lower Basin) Total system contents at the beginning of Operating year 2024 is considerably higher than the same time last year.
- Reservoir and System Capacity – Lake Powell's is currently at 38% capacity, Lake Mead's is at 34% capacity, and the total system capacity is currently at 42%

- Lake Mead Elevation – By August of 2025, it is anticipated that the elevation at Lake Mead will be at the 1,058 mark.
- Glen Release – The Glen release has been significantly higher over the last few months compared to the last few years.
- Hoover Release – The Hoover release remains fairly consistent year over year.

The Climate Forecast from the Colorado Basin River Forecast Center for Arizona is normal to slightly higher than normal temperatures with a normal to slightly higher than normal chance of precipitation over the next 3 months.

EXECUTIVE DIRECTOR REPORT

- **November Commission Meeting *Cancelled*** – A discussion was held regarding the November Commission Meeting since it falls on the week of Thanksgiving. The December Commission Meeting at Hoover Dam will take place on Tuesday, December 12, a week earlier than usual. It was decided that the November Commission Meeting will be cancelled. Vice Chairman Sweeney asked that the financial statements still be sent to the Commissioners for review in November. They will be presented for approval at the December Commission meeting.
- **APA REC Program Update** – V2022 RECs revenue checks have been mailed to customers. 1st & 2nd Qtr REC numbers have been received and are being reviewed. 3rd Qtr numbers should be released soon. Mr. Fuentes is working with the Brokers and should have an offer (V2023 – Qtrs 1-3) for the Commission to review soon. The draft APA REC Sale Contract is being reviewed by several of the brokerage firms. Once all revisions have been made it will be presented to the Commission for approval. There may be a Special Commission Meeting scheduled to address the Contract & Offer prior to the December Commission Meeting.
- **APA Empowering Rural America Grant & Membership Services Update** – The USDA received double the amount of Grant requests than expected which has delayed the announcement of the Grant Recipients. The APA is working with Mr. John Coyle to prepare subscription agreements for the APA customers in the event the program moves forward.

AEPCO has provided the APA with a Membership Services Letter of Agreement. The agreement has been reviewed by APA Legal Counsel.

- **Drought Impact Updates & Discussions**
 - WIFA – Water Infrastructure Finance Authority – A WIFA Forum was held to roll out the long-term water augmentation RFI that was recently released. Mr. Fuentes spoke during the forum to reinforce the idea that any water projects need to include a power/energy component. He underscored the idea that the APA is available and would like to participate in facilitating important water projects in the state.
 - Markets – WAPA CRSP to SPP – conversations are continuing to take place. Mr. Fuentes attended the dedication of a new WAPA facility in Yuma. There he had the opportunity to speak with Tracey LeBeau, WAPA Administrator. Mr. Fuentes and APA Staff have also had conversations with APS. Several APA Customers have Bill Crediting arrangements with APS and Mr. Fuentes would like to continue to create connections with APS.

- **APA Building & Property** – There has been an increase of nuisance issues and recently more costly damage to the APA property including the dumpster being set on fire and the copper wiring being stolen from the AC units. APA Staff has contacted Capital Police as well as the Governor’s office. The increase in vandalism may be due to the opening of a “cooling station” on the west side of the APA offices. APA Staff is working with ADOA to determine the best way to protect the property which may include permanent fencing around the AC units & power boxes or fencing in the entire property. Staff will have quotes & other information to share with the Commissioners at an upcoming Commission meeting. The Commission was very clear in their thoughts regarding the safety of APA staff and that APA Customers should not bear the expense of damage due to decisions being made by the Governor’s office.

BUSINESS ITEMS:

- Consideration and Approval of AEPCO Membership Services Letter of Agreement
 - **Motion:** To approve the AEPCO Membership Services Letter of Agreement which has been approved by APA Legal Counsel and AEPCO was made by Commissioner Owens and seconded by Commissioner Sullivan.
 - **Discussion:** This agreement will serve as a basic understanding on ranges/costs & services that can be provided to the APA by AEPCO as a member. This agreement provides flexibility and the opportunity for the APA to engage with AEPCO on particular services depending on the scope of work. This letter agreement does not obligate the APA to any specific services.
 - **Vote:** Commissioners Bashaw, Jones, Owens, Sullivan & Sweeney approved the motion.
 - **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

VISITOR COMMENTS: N/A

COMMISSIONER COMMENTS: N/A

ADJOURNMENT:

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

The meeting was adjourned at 10:49 a.m.

Phil Bashaw, Chairman

ATTEST:

Heather J. Cole, Executive Secretary to Commission

DRAFT