

## 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

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## MINUTES OF THE ARIZONA POWER AUTHORITY VIRTUAL (“APA”) COMMISSION (“Commission”) MEETING HELD MAY 21, 2024

- PRESENT:** Phil Bashaw, Chairman  
Russ Jones, Commissioner  
Kim Owens, Commissioner  
John Sullivan, Commissioner  
Jim Sweeney, Vice Chairman
- STAFF:** Heather Cole, Executive Secretary to Commission  
Jordy Fuentes, Executive Director  
Ben Norris, Legal Counsel  
John Schutter, Senior Accountant  
Sonseeahray Thayer, Financial Administrator
- OTHER:** Andrew Campbell, Roosevelt Water Conservation District  
Ed Gerack, IEDA  
Elston Grubaugh, Wellton Mohawk  
Daniel Herderer, Clark Hill  
Taylor Howerter, Roosevelt Irrigation District  
Daniel Jones, Electrical District #4  
Derek McEachern, Electrical District #4  
Kristine McMinimy, AEPCO  
Jason Moyes, Moyes, Sellers & Hendricks  
Daniel Pritchard, K.R. Saline & Associates  
Jeff Ritter, Central Arizona Project  
Ken Robbins, Electrical District #2  
Ken Saline, KR Saline & Associates  
Scott Saline, KR Saline & Associates  
Meghan Scott, Wellton Mohawk  
Russell Smoldon, AMPUA  
Elizabeth Story  
Sheryl Sweeney, Clark Hill  
Brian Young, Central Arizona Project

**CALL TO ORDER:** The meeting was called to order at 11:04 a.m. by Chairman Phil Bashaw. 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 held on April 16, 2024, was made by Vice Chairman Sweeney and seconded by Commissioner Sullivan.
  - **Vote:** Commissioners Bashaw, Sullivan & Sweeney approved the motion. Commission Owens abstained since she did not attend the April Commission Meeting.
  - **Resolved:** Approved as stated above and the written documents are entered into the Commission records.
- *Commissioner Jones joined the Commission Meeting @ 11:09am and declared he 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, Financial Administrator, provided the Expenditures & Financial Reports. Hoover Operations Fund Claims #14630 - #14654 & #14659 - #14670 & APA Claims #671-#672 for the period April 1, 2024 through April 30, 2024 were presented.

- **Motion:** To approve Hoover Operations Fund Claims #14630 - #14654 & #14659 - #14670 & APA Claims #671- #672 as presented was made by Vice Chairman Sweeney and seconded by Commissioner Owens.
- **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.

With regard to the Financial Reports – Ms. Thayer shared that when looking at the energy detail behind the rate check, there has been a decrease in the anticipated energy to be generated for the remaining five months of the operating year compared to last month. However, we anticipate receiving additional energy from California and Nevada layoffs which will contribute additional revenue to help mitigate the lower total anticipated revenue to be collected during the operating year. Add to that the anticipated increase in interest from budget mitigated by an increase in anticipated charges from WAPA for the additional California and Nevada Energy to be received, gives us an anticipated \$10,000 under the \$400,000 margin. Additionally, the climate forecast from the Colorado Basin River Forecast Center for Arizona is 40% to 60% above normal temperatures with a zero to 40% chance of below normal precipitation over the next three months. Based on this information, we do not recommend to rate change at this time.

Mr. Fuentes explained that this is notable because for the last few months, APA staff has been tracking the anticipated total megawatt energy to be received and it has been trending in the wrong direction. This month it has corrected itself significantly. We were about \$54,000 in the negative of the \$400,000 margin and now we are \$10,000 below the \$400,000 margin.

**APA CUSTOMER MEETING - REVIEW OF DRAFT APA & HOOVER OPERATIONS  
FUND 2025 BUDGETS - APA CUSTOMER BUDGET REVIEW MEETING - Tuesday, June 18  
- Immediately Following Commission Meeting – LUNCH WILL BE SERVED**

**REPORT ON POWER OPERATION MATTERS:** Sonseeahray Thayer, Financial Administrator, reported on the following:

- Monthly precipitation – There has been more precipitation this April compared to the same time last year.
- Water Year Precipitation – When comparing Water Year 2024 to date to the same time last year, over all there has been less precipitation.
- Upper Colorado River System – Precipitation to Date in the Upper Colorado River System is currently at 102%, lower than it was at the same time last year but higher than the previous 3 years.
- Lake Powell inflow - Lake Powell inflow is forecast to be at 81% of normal for the year.
- Total System Contents – (Upper and lower basin) Total system contents for the current water year is relatively stable.
- Reservoir and System Capacity – Lake Powell’s is currently at 34% capacity, Lake Mead’s is at 35% capacity, while total system capacity is at 41%.
- Lake Mead Elevation – By March of 2026, it is anticipated that the elevation at Lake Mead will be at the 1,063 mark.
- Glen Release – The Glen release for WY24 is comparable to the same time over the last few years
- Hoover Release – The Hoover release remains relatively consistent year over year.

**EXECUTIVE DIRECTOR REPORT**

- **APA Auditor General Annual Audit Findings – Update**  
The Auditor General recently published their 2022 audit findings. This audit captured the period when the APA did not have an Executive Director. There were a few findings, however, all but one related to insufficient accounting processes because of no Executive Director. We are in the process of updating our policies to address the situation when there is no Executive Director.
- **Save The Colorado River Litigation - Update**  
The 9<sup>th</sup> Circuit ruled on the Save the Colorado River case. The court ruled in favor of the United States. Heather previously sent a highlighted copy of the opinion with the pertinent information highlighted.
- **APA Empowering Rural America Grant Update – Pinal Solar Project**  
Not a lot has changed on this since the last update. There is a customer meeting scheduled for June 5, which you all should have received an invite to attend.
- **Long-Term Experimental Management Plan (LTEMP)/Supplemental Environmental Impact Statement (SEIS) Update**

The only real update here is that the Final SEIS will now come out at either the end of the month or the beginning of next month. All indications are that the Bureau is moving forward with the “cool mix” option of bypass which is not helpful to hydropower. There is a good chance that with the timing of everything they may not be able to bypass this year. More information to follow, once we see the final SEIS.

- **Drought Impact Updates & Discussions**

Markets Conversation – Pseudo Tie Conversations

- There was some concern that not all lower basin parties were supportive of the pseudo-tie solution. AEPCO sent a letter asking for WAPA to continue to support the development of the pseudo-tie. WAPA has indicated that they are still committed to moving forward with the pseudo-tie.

- **APA REC Program Update**

**Hoover RECs**

- We sold 76,962 of Vintage 2024 “V24” 1<sup>st</sup> Quarter RECs at \$1.52 each totaling \$116,982.24. We anticipate cutting checks to customers on the upcoming check run.

**Non-Hoover REC Program**

- We are continuing to work with WAPA to get their policy aligned to allow for the marketing of non-Hoover RECs. We have a few of our customers that have submitted the agreement for us to market those for them.

- **Building Security/Landscaping – Update**

In the business section we will be asking the Commission to approve two separate contracts. First, the bid for the grass removal and rock replacement came in at \$27,000. I solicited and received a bid from Dakine Construction for just over \$10,000. We are coordinating with ADOA on a timeline. It should be completed in the next 1 to 2 months.

- **Update and discussion of other matters and issues affecting the operations of the APA**  
Engineering & Operations Committee “E&OC” Meeting took place last week. Finances look stable. We are reviving the Drought ad-hoc committee. Gayle Bates from CRC Nevada is going to be the customer spearheading that committee. Joe Stubitz from Boulder City and I are now the point of contact for customers on the Visitor’s Center sub-committee. This committee is tasked with developing solutions to help the visitor center become sustainable.

## **BUSINESS ITEMS**

- Possible Approval & Authorization for APA Staff to Enter into an Interagency Service Agreement with ADOA for fencing, plants & watering system in the amount of \$68,594.17
- Possible Approval & Authorization for APA Staff to Enter into an Agreement with Dakine Construction for grass removal & rock replacement in the amount of \$10,242,23.
  - **Motion:** To approve APA Staff to Enter into an Interagency Service Agreement with ADOA for fencing, plants & watering system in the amount of \$68,594.17 & an

Agreement with Dakine Construction for grass removal & rock replacement in the amount of \$10,242,23 as presented was made by Commissioner Sullivan and seconded by Commissioner Jones.

- **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.

## **JUNE COMMISSION MEETING**

**Tuesday, June 18 – 10:00am**

## **APA CUSTOMER BUDGET REVIEW MEETING**

**Tuesday, June 18 - *Immediately Following Commission Meeting***

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

### **COMMISSIONER COMMENTS:**

Commission Sullivan shared sad news of the passing of Mr. Leroy Michael, Jr. who passed away peacefully at the age of 93. Born on June 26, 1930, in Athens, Georgia, Leroy lived a life full of adventure, dedication, and service.

Leroy proudly served his country in the US Army Security Agency during the Korean War. After his military service, he pursued his passion for history at the University of Georgia and later earned his Juris Doctor from the University of Michigan.

His love for the western United States drew him to Phoenix, Arizona, where he settled and built a remarkable career spanning over 30 years with the Salt River Project. In his various legal and management roles, Leroy culminated his career as the leader of the SRP Planning and Resources Group. One of his notable achievements was negotiating a pivotal agreement among competing water users in Arizona, securing federal support for the Central Arizona Project.

Following his time at Salt River Project Mr. Michael worked as a consultant to the APA.

Leroy Michael Jr.'s legacy of service, love for the great outdoors, and dedication to his family and community will be remembered and celebrated by all who knew him.

### **ADJOURNMENT:**

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

The meeting was adjourned at 11:54 a.m.

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Phil Bashaw, Chairman

ATTEST:

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Heather J. Cole, Executive Secretary to Commission

