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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 MARCH 17, 2026

PRESENT: James Sweeney, Chairman
Phil Bashaw, Commissioner
Russ Jones, Commissioner (*Virtual*)
Kim Owens, Vice Chairman (*Virtual*)
John Sullivan, Commissioner

STAFF: Doug Brimhall, Accountant 4
Heather Cole, Executive Secretary to Commission
Jordy Fuentes, Executive Director
Roberto Pulver, Legal Counsel
Sonseeahray Thayer, Financial Administrator

OTHER: Elena Bryd, ED #2
Michael Cook
Quinn Daoust, Clark Hill
Tara Davis, AEPCO
Jean Deitrich, CliftonLarsenAllen
Bryce Dininger, CAWCD
Sheri Farag, SRP
Deborah Ferraro, City of Mesa
Darrin Francom, CAWCD
Logan Gernet, ED #2
Josh Grier, SRP
Ed Gerack, IEDA
Elston Grubaugh, Wellton Mohawk
Daniel Herderer, Clark Hill
Taylor Howerter, Roosevelt Irrigation District
Leslie James, CREDA
Daniel Jones
Nicole Layton
Jeff Low, City of Safford
Adam McAnally, SRP
Derek McEachern, ED #4
Kristine McMinimy, AEPCO
Jason Moyes, Moyes, Hendricks &
Donovan Neese, Roosevelt Irrigation District
Paul Orme

John Paulsen, WAPA
Daniel Pritchard, KR Saline & Associates
Jeff Ritter, CAWCD
Kat Ryan, WPacific
Verdent Sahu
Ken Saline, KR Saline & Associates
Scott Saline, KR Saline & Associates
Kaisey Skibba, CliftonLarsenAllen
Meghan Scott, Scott & Rogers
Kent Simer, K.R. Saline & Associates
Elizabeth Story
Sheryl Sweeney, Clark Hill
Kelly Urbine, Current Insights
Robert VanhofWegen, Electrical District #8
Glen Vortherms, Maricopa Water Conservation District
Jeff Woner, KR Saline & Associates

CALL TO ORDER: The meeting was called to order at 10:00 a.m. by Chairman James Sweeney. Quorum was established.

ROLL CALL: Commissioners Bashaw, Jones, Owens, Sullivan & 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 January 20, 2026 was made by Commissioner Bashaw 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.

REVIEW OF OY2025 AUDIT REPORT - *CliftonLarsonAllen, LLP., Jean Deitrich, Principal*
Ms. Dietrich reported that CLA has concluded to OY2025 audit. They advised that it was a clear opinion. They had no findings or recommendations. She thanked the staff for their help and responsiveness.

REVIEW OF EXPENDITURES AND FINANCIAL REPORTS AND APPROVAL OF CLAIMS: Sonseeahray Thayer, Financial Administrator, provided the Expenditures & Financial Reports. Hoover Operations Fund Claims #15812 - #15889 and APA Claims #701-#702 for the period January 1 – February 27, 2026 were presented.

- **Motion:** To approve Hoover Operations Fund Claims #15812 - #15889 and APA Claims #701-#702 as presented was made by Commissioner Sullivan and seconded by Commissioner Bashaw.
- **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: Douglas Brimhall, Accountant 4, reported on the following:

- Monthly precipitation – When looking at monthly precipitation, there has been more precipitation this February compared to the same time last year.
- Water Year Precipitation – When comparing Water Year 2026 to Water Year 2025, overall there has been more precipitation.
- Upper Colorado River System – Precipitation to Date in the Upper Colorado River System is currently at 90%, which is lower than the past few years.
- Lake Powell Inflow - Lake Powell Inflow is forecast to be at 52% of normal for the year.
- Total System Contents – (Upper and Lower Basin) Total System Contents for the beginning of OY26 remains steady.
- Reservoir and System Capacity – Lake Powell is at 25% capacity, Lake Mead is at 35% capacity, and the Total System Capacity is currently at 36%.
- Lake Mead Elevation – By January of 2028, it is anticipated that the elevation at Lake Mead will be at the 1,040 mark.
- Glen Release – The Glen Release for Water Year 26 is comparable to prior years.
- Hoover Release – The Hoover Release for Water Year 26 is lower than prior years.

EXECUTIVE DIRECTOR REPORT

- Customer Consultation Committee had their first meeting. Each APA Customer selected their “Designated Representative” and “Alternate Representative”. The group selected the following representatives to attend “Business Meeting” such as E&O and TRC on behalf of the APA:
 - Logan Gernet, ED #2
 - Adam McAnally, SRP
 - Kristine McMinimy, AEPCO
 - Jason Moyes
 - Scott Saline
 - Robert Vanhofwegen, ED #8

There are positive indications that the Solicitors may be making a positive decision on BOR having the ability to use the PRB Funds.

- Pinal Solar Project Update – Staff is working with Legal Counsel to finalize the Off-Taker Agreement and is continuing to work with AEPCO to confirm that the agreements are compatible.

- Renewable Energy Certificates (RECs) The APA has received all the contracts and documents necessary to allow for the APA to market the CRSP RECs on behalf of the APA Customers with CRSP Allocations. The REC markets still low and pricing less than \$.41/REC. Staff is working with our brokers to try and increase the pricing by looking for creative ways to market the RECs. Currently there are 283,590 (V2025) APA RECs and 1,677,000 V2014 – V2025) CRSP RECs available to market.
- Colorado River Updates - Post-2026 Negotiations – Negotiations are continuing. A joint letter from APA, AMPUA, GCSECA & IEDA was sent to Acting Secretary Scott Cameron regarding the Bureau of Reclamation’s (Bureau) Draft Environmental Impact Statement (DEIS) for the Development of Post-2026 Operational Guidelines and Strategies for Lake Powell and Lake Mead, as published in Fed. Reg. Vol. 91, No. 11 (January 16, 2026). As Hydrology continues to be poor

BUSINESS ITEMS

- A discussion of possible changes in current rates because of declining hydrology and lower than expected revenue was held. APA Staff prepared several 7-month (March – September) scenarios that were shared with the Commission and Customers.
 - Case Scenario #2 – if MWh drop to 2023 levels (12,600 less than current) showed rate increases of \$0.30, \$0.43 and \$0.66
 - They also shared several scenarios if the APA receives the 5,000 layoff that is expected - \$0.73, \$0.81 and \$0.89.
 - WAPA has indicated that there will be lay offs in April, May & potentially June.
 - All options are being looked at, including how to manage and not leverage all APA funds.

Commissioner Bashaw commented on whether the Commission should create certainty with one rate change or look at multiple rate changes and modest rate increases but more often? Vice Chairman Owens & Commissioner Jones echoed these comments. Ken Saline appreciated the Commissioner comments especially in light of increased cost of replacement power in the summer months. It would be better to have certainty and spread it over several months.

- **Motion:** To approve a \$.66 rate increase according to the 7-month scenarios 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.
- A discussion was held regard a proposed contract with Empire Paving & Maintenance LLC to resurface the APA parking lot. It was noted that any funds used for the following Capital Improvement will come from Licensee revenues.
 - **Motion:** To approve the bid from Empire Paving & Maintenance to resurface the APA Parking Lot as presented was made by Vice Chairman Owens and seconded by Commissioner Sullivan.
 - **Vote:** Commissioners Jones, Owens, Sullivan & Sweeney approved the motion. Commissioner Bashaw voted no on the motion.

- **Resolved:** The motion was approved 4-1 as stated above and the written documents are entered into the Commission records.
- A discussion was held regard a proposed contract with Gordian to undertake office improvements which would create two additional offices for additional licensees. It was noted that any funds used for the following Capital Improvement will come from current Licensee revenues.
 - **Motion:** To approve the bid from Gordian to undertake office improvements which would create two additional offices for additional licensees as presented was made by Commissioner Bashaw and seconded by Commissioner Sullivan.
 - **Vote:** Commissioners Bashaw, Jones, Owens, Sullivan & Sweeney approved the motion. Commissioner Bashaw voted no on the motion.
 - **Resolved:** Approved as stated above and the written documents are entered into the Commission records.
- A discussion was held regard a proposed contract with AccuTemp to replace the 22 yr old HVAC system for the APA Office. Replacement and possible outages will be coordinated with the Licensees. It was noted that any funds used for the following Capital Improvement will come from current Licensee revenues.
 - **Motion:** To approve the bid from AccuTemp to replace the HVAC system for the APA office as presented was made by Commissioner Jones and seconded by Vice Chairman Owens.
 - **Vote:** Commissioners Bashaw, Jones, Owens, Sullivan & Sweeney approved the motion. Commissioner Bashaw voted no on the motion.
 - **Resolved:** Approved as stated above and the written documents are entered into the Commission records.
- APA Policy 2026-02 – APA Non-Discrimination Policy – A discussion was held regarding the conforming of the APA Policy with the ADOA version.
 - **Motion:** To approve APA Policy 2026-02 – Non-Discrimination Policy as presented was made by Commissioner Jones and seconded by Commissioner Bashaw.
 - **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.
- APA Resolution 26-01 - In Appreciation – Michael A. Curtis - APA Policy 2026-01 – Chairman Sweeney read the Resolution.
 - **Motion:** To approve APA Resolution 26-01 in Appreciation - Michael A. Curtis for his many dedicated years or service to public power, AMPUA, The Arizona Power Authority and the State of Arizona as presented was honorably 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.

VISITORS' COMMENTS/CALL TO THE PUBLIC: Kristine McMinimy, AEPCO thanked the APA for the thorough process on the proposed rate change and use of licensee funds for the capital improvements.

COMMISSIONERS' COMMENTS: N/A

ADJOURNMENT:

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

The meeting was adjourned at 12:19 p.m.

Jim Sweeney, Chairman

ATTEST:

Heather J. Cole, Executive Secretary to Commission