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STAFF

JORDY FUENTES – EXECUTIVE DIRECTOR
HEATHER COLE – EXECUTIVE SECRETARY

MINUTES OF THE ARIZONA POWER AUTHORITY (“APA”) VIRTUAL COMMISSION (“Commission”) MEETING HELD AUGUST 18, 2026

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

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

OTHER: Brian Bennett
Tara Davis, AEPCO
Denny Decker, ED #4
Bryce Dininger, CAP
Deb Ferraro, City of Mesa
Andrew Frasier, Maricopa Water Conservation District
Ed Gerak, IEDA
Josh Grier, SRP
Elston Grubaugh, Wellton Mohawk
Daniel Herderer, Clark Hill
Taylor Howerter, Roosevelt Irrigation District
Leslie James
Daniel Jones
Jimmy Kendrick, WAPA
Stephanie Knight-Dubien, Agribusiness & Water Council
Patrick Kufrovich
Jeff Low, City of Safford
Adam McAnally, SRP
Kristine McMinimy, AEPCO
Donovan Neese, Roosevelt Irrigation District
Matt Ogden, Maricopa Water Conservation
Jeff Ritter, CAP
Verdent Sahu
Ken Saline, KR Saline & Associates
Scott Saline, KR Saline & Associates
Megan Scott,

Kent Simer, K.R. Saline & Associates
Elizabeth Story
Kelly Urbine, Current Insights
Bill Van Allen
Robert VanhofWegen, Electrical District #8
Glen Vortherms, Vortherms Consulting
Jeff Woner, KR Saline & Associates

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

ROLL CALL: Commissioners Bashaw, Jones, 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 July 20, 2026 was made by Commissioner Jones and seconded by Commissioner Bashaw.
- **Vote:** Commissioners Bashaw, Jones, Sullivan & Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

REVIEW OF EXPENDITURES AND FINANCIAL REPORTS AND APPROVAL OF CLAIMS: Sonseeahray Thayer, Financial Administrator, provided the Expenditures & Financial Reports. Hoover Operations Fund Claims #16067 - #16164 and APA Claims #714 - #715 for the period July 1 – July 31, 2026 were presented.

- **Motion:** To approve Hoover Operations Fund Claims #16067 - #16164 and APA Claims #714 - #715 as presented was made by Commissioner Sullivan and seconded by Commissioner Bashaw.
- **Vote:** Commissioners Bashaw, Jones, 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 – Looking at monthly precipitation, there has been much more precipitation this July compared to the same time last year.
- Water Year Precipitation – When comparing Water Year 2026 to Water 2025, overall there has been more precipitation.

- Upper Colorado River System – Precipitation to Date in the Upper Colorado River System is currently at 82%, which is low but higher than last year.
- Lake Powell Inflow - Lake Powell Inflow is forecast to be at 37% of normal for the year.
- Total System Contents – (Upper & Lower Basin) Total System Contents in OY26 continue to decrease.
- Reservoir & System Capacity – Lake Powell is at 23% capacity, Lake Mead is at 27% capacity, and the total system capacity is currently at 32%.
- Lake Mead Elevation – By June of 2028, it is anticipated that the elevation at Lake Mead will be at the 1,010 feet mark.
- Glen Release – The Glen Release for Water Year 26 is lower than prior years.
- Hoover Release – and the Hoover Release for Water Year 26 is similar to prior years.

EXECUTIVE DIRECTOR REPORT

Colorado River Updates – Mr. Fuentes updated the Commissioner and Customers on many issues regarding the Colorado River including the Final Environmental Impact Study (EIS), planned water releases and the impact it will have on rates. The EIS is a 2-year timeframe with operational guidelines forthcoming in the Record of Decision (ROD). The ROD will outline water releases and lake elevations. The APA, along with Irrigation & Electrical Districts of Arizona (IEDA), Grand Canyon State Electric Cooperative Association (GCSECA) and Arizona Municipal Power Users Association (AMPUA) submitted comments. Arizona Department of Water Resources (ADWR) also submitted comments addressing the lack of concern with Compact Compliance. Final Operating Guidelines are needed. Litigation is likely to be considered.

Pinal Solar Project Update – The Pinal County Supervisors will meet on September 2 to discuss the project. Staff is continuing to work on the off-taker agreement and identifying the obligations off-takers are being asked to take on. Staff will send the finalized draft documents to the Commissioners for their review prior to the September Commission Meeting. Construction is likely to begin soon with a completion date of December 2027.

Battery Energy Storage System (BESS) – An APA Customer meeting was held in June to discuss the possibility of the APA getting involved in a BESS project to protect the Hoover resource. AEPCO recently sent information regarding a funding opportunity to support batteries: Powering Affordable Reliable Technology (PART) Energy Program released by United States Department of Agriculture (USDA)/ Rural Utility Service (RUS). Mr. Fuentes immediately reached out to Western Area Power Administration (WAPA) & Bureau of Reclamation (BOR) for their thoughts on the opportunity. Both confirmed that both WAPA & BOR are excluded from this type of funding. Discussions have also been held with Colorado River Commission (CRC) Nevada and the Hoover CA Contractors.

AEPCO introduced ScottMadden, a consulting firm, well versed in these types of grants applications. They have a 60% acceptance rate on grant application they have submitted. The grant would allow for up to 40% forgivable principle on a RUS loan up to \$100,000,000. The grant is specifically targeted for Rural America and a multi-state application will be very appealing.

An initial Letter of Interest (LOI) will need to be submitted between September 8 – October 8. This LOI will describe the scope of the project, who will be participating from the project, where it will be located and what the benefits will be. A “business case” will address the size of the project and will include a cost benefit analysis. The second step will be to follow-up with off taker indications of interest as APA customers have done with the Pinal Solar project.

Engagement with ScottMadden would include the following:

- Development of the LOI - \$29,000
- Follow-Up (Once Selected) \$150,000 for the full application.

Indications are that if there is approval to apply for the grant, it is more likely to be granted. Funding of the initial \$29,000 would come from the appropriated funds already held at AEPCO.

REVIEW OF DRAFT APA & HOOVER OPERATIONS FUND 2027 BUDGETS - *Sonseeahray Thayer, Financial Administrator*

APA Budget

The APA budget remains mainly as presented in the June customer meeting with the exception of actuals for OY26 updated through July of 2025 and estimated depreciation and earned interest amounts updated to better reflect estimates based on additional OY26 information. Please note, revenue and insurance expenses for Electrical District #4 are also estimated, as Arizona Department of Administration (ADOA) has not finalized their insurance billings as of today.

HOA Budget

The Administrative & General (A&G) detail in the Hoover Operating Account (HOA) budget has had no changes from the July 2026 presentation.

In July, the APA presented 2 budget scenarios to the commission; The traditional method which ties revenue collected to estimated MWhs to be generated for the year, creating a composite rate to be used during invoicing and a new method of budgeting which breaks out costs to customers using each customer's total hoover percentage and eliminating the reliance on MWhs generated to determine monthly invoicing.

Given the many unknowns with hydrology and energy generation moving forward, the APA is recommending to the commission the approval of the new budget method which no longer uses MWhs generated for invoicing. This would remove the need to continually estimate revenue to be collected for the year and, most probably, the additional need to raise rates multiple times in the year. It would also eliminate the funding of a \$400K margin, thereby allowing customers to keep more of their cash throughout the operating year instead of having to wait for a refund one year later.

BUSINESS ITEMS

Consideration and Possible Approval of APA & Hoover Operating Fund 2027 Budgets

- **Motion:** To approve the FY 27 HOA & APA budgets as presented and proposed new process for billing by APA Staff.
- **Vote:** Commissioners Bashaw, Jones, Sullivan & Sweeney approved the motion.
- **Resolved:** Approved as stated above and the written documents are entered into the Commission records.

Consideration and Possible Approval of APA Staff engaging ScottMadden Management Consultants to study the viability of the APA participating in the Powering Affordable Reliable Technology (PART) Energy Program released by United States Department of Agriculture (USDA)/ Rural Utility Service (RUS).

- **Motion:** To approve APA Staff engaging ScottMadden Management Consultants to study the viability of the APA participating in the Powering Affordable Reliable Technology (PART) Energy Program released by United States Department of Agriculture (USDA)/ Rural Utility Service (RUS) at a cost not to exceed \$29,000, was made by Commissioner Sullivan and seconded by Commissioner Jones.
- **Vote:** Commissioners Bashaw, Jones, 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:

Leslie James thanked the APA & Customers as well as Colorado River Energy Distributors Association (CREDA) & WAPA for the many discussions and educational opportunities they had over the past few months on the importance of hydropower, all of which contributed to the decision of BOR not to engage in cool-mix flows this year.

COMMISSIONERS' COMMENTS:

Commissioner Sullivan shared that Mr. George Caan who was employed by CRC Nevada has been appointed as a Commissioner to the Colorado River Commission of Nevada.

Mr. Ed Gerak shared that Former APA Commissioner Larry Robertson recently passed away.

ADJOURNMENT:

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

The meeting was adjourned at 11:33 p.m.

Jim Sweeney, Chairman

ATTEST:

Heather J. Cole, Executive Secretary to Commission