

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

WATER COMMITTEE
Thursday, March 14, 2024, 9:30 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Kevin Johnson, Chairman; Robert Arnett, Vice Chairman; and Mario Herrera, Anda McAfee, Kathy Mohr-Almeida, Mark Pace, and Paul Rovey

Call to Order
Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item CHAIRMAN KEVIN JOHNSON

- Request for approval of the minutes for the meeting of February 20, 2024.

2. Governor’s Water Policy Council LESLIE MEYERS

Informational presentation regarding Arizona Governor Hobbs’ Water Policy Council established by her Executive Order issued on January 9, 2023 to analyze and recommend updates, revisions, and additions to the Groundwater Management Act of 1980 and related water legislation including recommendations for groundwater management outside of current active management areas.

3. SRP’s Forest Health Goal Update ELVY BARTON

Informational presentation regarding SRP’s forest health goal, partnerships, and projects for 2023 and 2024.

4. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to Discuss or Consult with Attorneys for Legal Advice Regarding the Status of Negotiations and Other Efforts to Resolve Water Rights Claims of Certain Tribes to Water Sources in Arizona Prior to Finally Adjudicating Those Claims in Judicial Proceedings PATRICK SIGL and ZACK HEIM

5. Report on Current Events by the General Manager and Chief Executive Officer or Designees JIM PRATT

6. Future Agenda Topics CHAIRMAN KEVIN JOHNSON

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



**THE NEXT WATER COMMITTEE MEETING
IS SCHEDULED FOR TUESDAY, APRIL 23, 2024**

MINUTES
WATER COMMITTEE
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT

DRAFT

February 20, 2024

A meeting of the Water Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, February 20, 2024, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines. The District and Salt River Valley Water Users' Association (the Association) are collectively known as SRP.

Committee Members present at roll call were K.J. Johnson, Chairman; R.C. Arnett, Vice Chairman; M.J. Herrera, A.G. McAfee, K.L. Mohr-Almeida, and M.V. Pace; and L.D. Rovey of the Association.

Committee Member absent at roll call was P.E. Rovey.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members N.R. Brown, J.M. White Jr., S.H. Williams, and K.B. Woods; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Liaison G.E. Geiger; Council Members M.L. Farmer and M.C. Pedersen; Mmes. I.R. Avalos, M.J. Burger, L.F. Hobaica, J.S. Jarrette, C.M. McJunkin, L.A. Meyers, G.A. Mingura, and C.M. Sifuentes; Messrs. T.J. Burnett, J.M. Felty, B.C. Heath, J.W. Hubbard, R.T. Judd, B.J. Koch, K.J. Lee, M.S. Mendonca, M.J. O'Connor, B.A. Olsen, J.M. Pratt, and P.B. Sigl; Andy McCoy of the Arizona Attorney General's Office; and Brad Moore of Arizona Municipal Water Users Association (AMWUA).

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Water Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, February 16, 2024.

Chairman K.J. Johnson called the meeting to order.

Consent Agenda

Chairman K.J. Johnson requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M.J. Herrera and seconded by Vice Chairman R.C. Arnett, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Water Committee meeting on January 23, 2024, as presented

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.J. Herrera's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members K.J. Johnson, Chairman; R.C. Arnett, Vice Chairman; and M.J. Herrera, A.G. McAfee, K.L. Mohr-Almeida, and M.V. Pace	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member P.E. Rovey	(1)

2025 Association Water Budget

Using a PowerPoint presentation, Michael S. Mendonca, SRP Senior Director of Water Strategic Services, stated that the purpose of the presentation was to provide information regarding the Association's proposed Fiscal Year 2025 (FY25) water function budget, which will include proposed Calendar Year 2025 (CY25) water pricing.

Mr. M.S. Mendonca said that the Association's water function budget will be included as part of the District's overall water function budget for FY25. He introduced Travis J. Burnett, SRP Manager of Water Finance and Contracts.

Continuing, Mr. T.J. Burnett stated that by 2035, 60% of the irrigation and drainage operations and maintenance expenses will be met from electric revenues, and the total amount of financial support to water system operations and maintenance will not exceed 2.5% of total electric revenues. He reviewed forecasts for the District's support of the Association's water functions and the percent of electric revenues from FY21 to FY35.

Mr. T.J. Burnett provided the draft Statement of Revenues and Expenses Association Budget for FY25 with changes from FY24. He reviewed the proposed price and fee recommendations along with the changes from CY24 to CY25.

Mr. T.J. Burnett explained the meaning of cost per acre foot based on examples of customers' accounts. In conclusion, he compared price per acre-foot to the cost charged by other districts as of CY24.

Mr. T.J. Burnett responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Members R.J. Miller and P.E. Rovey; and Council Member A.S. Hatley entered the meeting during the presentation.

Caddisfly Population on the Arizona Canal

Using a PowerPoint presentation, Christa M. McJunkin, SRP Senior Director of Water Supply and System, stated that the purpose of the presentation was to provide an update on the status of SRP's efforts to address the caddisfly population on the Arizona Canal.

Ms. C.M. McJunkin described caddisflies as insects found in wetlands, whose larvae are known for making cases to pupate in. She explained that caddisflies are moth like insects approximately one-half inch in length, hatch in water, can be found in river communities, and are especially noticeable at night when they swarm around lights.

Ms. C.M. McJunkin stated that although caddisflies are harmless to humans and pets, they tend to be a nuisance every spring and fall when they emerge from the water of the Arizona Canal, primarily from 24th Street to 56th Street. She provided images of caddisflies larvae, a net-building clump, and egg masses.

Ms. C.M. McJunkin provided an overview of caddisfly control methods used in previous years, efforts made in 2023, and additional control methods planned for 2024. She said that SRP hosted two public meetings with homeowners affected by the caddisflies to provide updates on its mitigation plan. Ms. C.M. McJunkin highlighted that SRP continues to provide regular updates via its monthly newsletters and additional updates as they are made available. She concluded with a discussion regarding long-term solutions that are in process and others being researched.

Ms. C.M. McJunkin responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Mr. J.W. Hubbard left the meeting during the presentation. Ms. A.P. Chabrier entered the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chairman K.J. Johnson asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Water Committee, the meeting adjourned at 10:14 a.m.

John M. Felty
Corporate Secretary



Informational Presentation on the Establishment, Process and Recommendations from the Governor's Water Policy Council

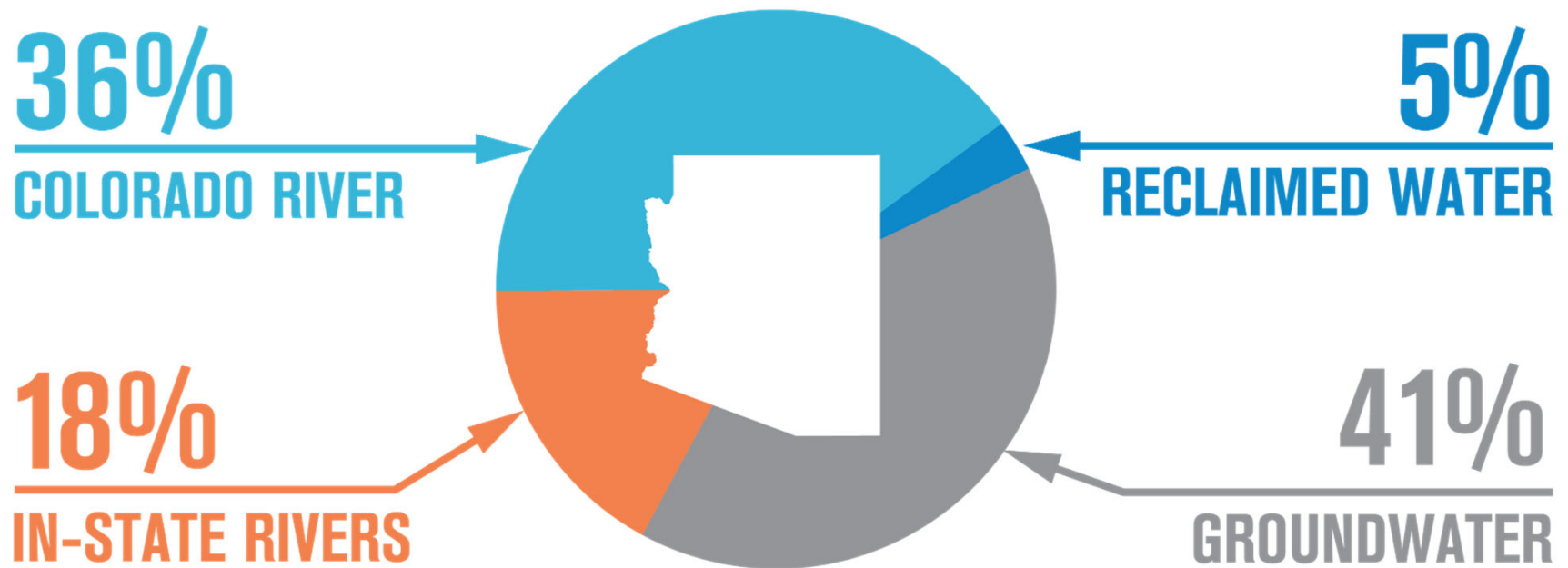
Water Committee

March 14, 2024

Leslie A. Meyers, Associate General Manager



ARIZONA'S WATER SUPPLY

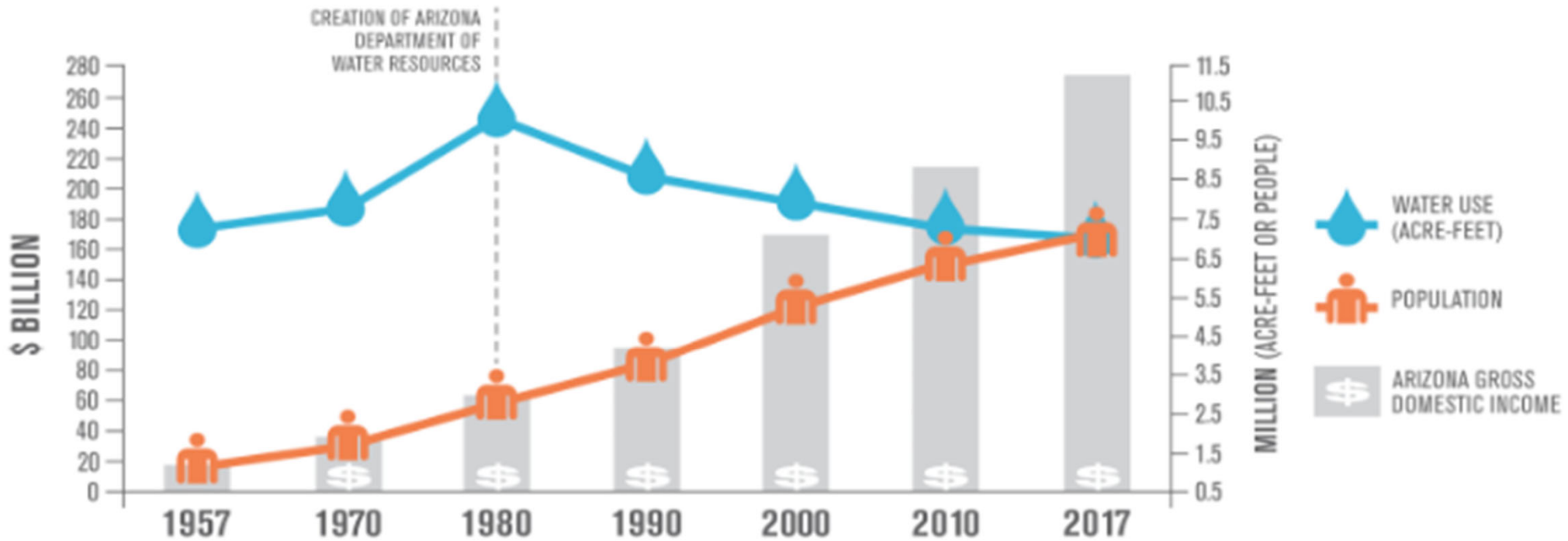


SOURCE: ADWR, 2020

1980 Groundwater Management Act

- Water Management - Establishment of the Arizona Department of Water Resources
- Regulating Groundwater – Establishment of Active Management Areas (Phoenix, Tucson, Pinal, Prescott, Santa Cruz, Douglas)
- Balanced Growth – Assured Water Supply Program
- Reduction in Water Use – Mandatory Conservation Requirements

ARIZONA'S WATER MANAGEMENT SUCCESS





Governor's Water Policy Council

On January 9, 2023, Governor Katie Hobbs issued an Executive Order to establish the Governor's Water Policy Council (the "Council"), which is tasked with modernizing the Arizona Groundwater Management Act, the state's playbook for protecting its groundwater. The group will update groundwater management tools and protect groundwater, which serves as 41 percent of the state's water supply.



Governor's Water Policy Council

"The Governor's Water Policy Council is created to analyze and recommend updates, revisions and additions to the GMA and related water legislation, which shall include, without limitation, analysis and recommendations for groundwater management outside current Active Management Areas."

Assured Water Supply Review and Recommendations

Objective: Review and make recommendations for changes to Assured Water Supply policies legislatively, administratively, or by executive action—to address the challenges revealed by Assured Water Supply modeling projections, while continuing to:

- strengthen the integrity of the Assured Water Supply program,
- protect consumers and aquifers, and
- ensure future growth is not reliant on mined groundwater.

Rural Groundwater Recommendations

Objective: Develop recommendations for a water management framework to assist rural Arizona communities to manage their groundwater resources.



Governor's Water Policy Council

Recommendations

Assured Water Supply Program Committee

- Alternative Path to Designation Proposal
- Build to Rent Proposal
- “Wildcat” Development Proposal

Rural Groundwater Recommendations

- Rural Groundwater Management Area Framework Proposal
- Rural Groundwater Measuring and Reporting Proposal

“Wildcat” Development Defined

“Proliferation of development by splitting residential parcels of 6 or more lots with the intent to circumvent laws relating to the creation of a subdivision”

“Wildcat” development is an informal term to characterize illegal lot splitting. The purpose of the proposal is to stop those who are intentionally circumventing laws that relate to assured water supply and other improvements in subdivisions.

thank you!





Update on SRP's Activities to Meet Its Forest Health Goal

Water Committee

March 14, 2024

Elvy Barton

2035 Forest Health Goal

- Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 800,000 acres total by 2035

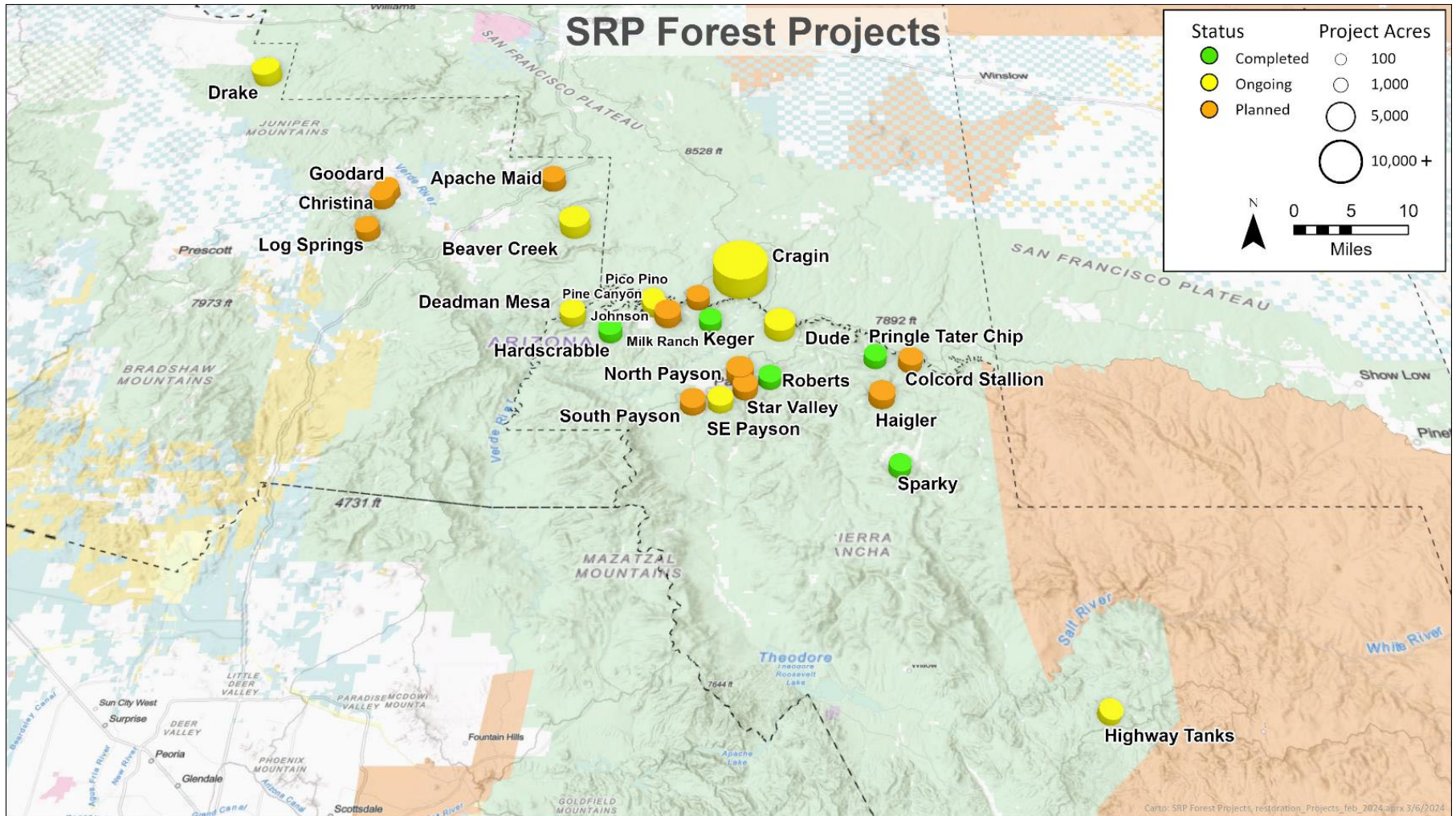


2023 Forest Projects

2023 Forest Project Updates

- Funded 7 projects:
 - Cragin: Roosevelt, Gifford, McCarty
 - Tonto NF: Roberts, Pringle Tater Chip, Keger, Dude Phase 1
- Total Project Investments: \$4.73M
 - SRP: \$934K
 - USFS: \$1.99M
 - Other Partners: \$1.80M
- Funded Acres: 8,866
- Completed Acres: 4,081





New Partnerships

New Partnerships in 2023

Partnership	Description
Biomass Power Partnership	<ul style="list-style-type: none"> 5 municipalities signed a 10-year agreement
Gila County	<ul style="list-style-type: none"> 5-year MOU \$5K/yr donation to a project of their choosing
National Forest Foundation	<ul style="list-style-type: none"> 5-year MOU SRP contributing \$500K/yr to forest restoration projects & \$25K/yr to Wood For Life program
EdgeCore	<ul style="list-style-type: none"> One-time donations of \$94K to Dude Phase 1 and \$194K to Dude Phase 2
PepsiCo	<ul style="list-style-type: none"> One-time donation of \$250K to Dude Phase 1
Google	<ul style="list-style-type: none"> One-time donation of \$150K to Dude Phase 2
Meta	<ul style="list-style-type: none"> One-time donation of \$300K to Dude Phase 3



Research Project Updates

Research Project Updates

- **Solar Chips:**
 - Evaluating dust suppression at PV installations with wood chips
- **SPARKit:**
 - Landscape-scale forest restoration priority model to help identify wildfire risks to SRP and values at risk
- **Ecohydrological Monitoring of Upper Verde Thinning Impacts:**
 - Assessing forest thinning hydrologic impacts
- **Pinyon Jay Nest Colony Delineation & Analysis:**
 - Characterizing the species' nesting habitat requirements in AZ

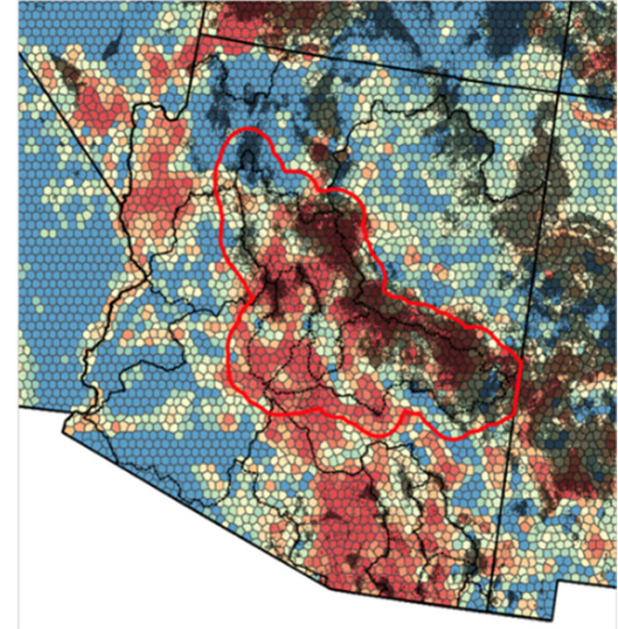


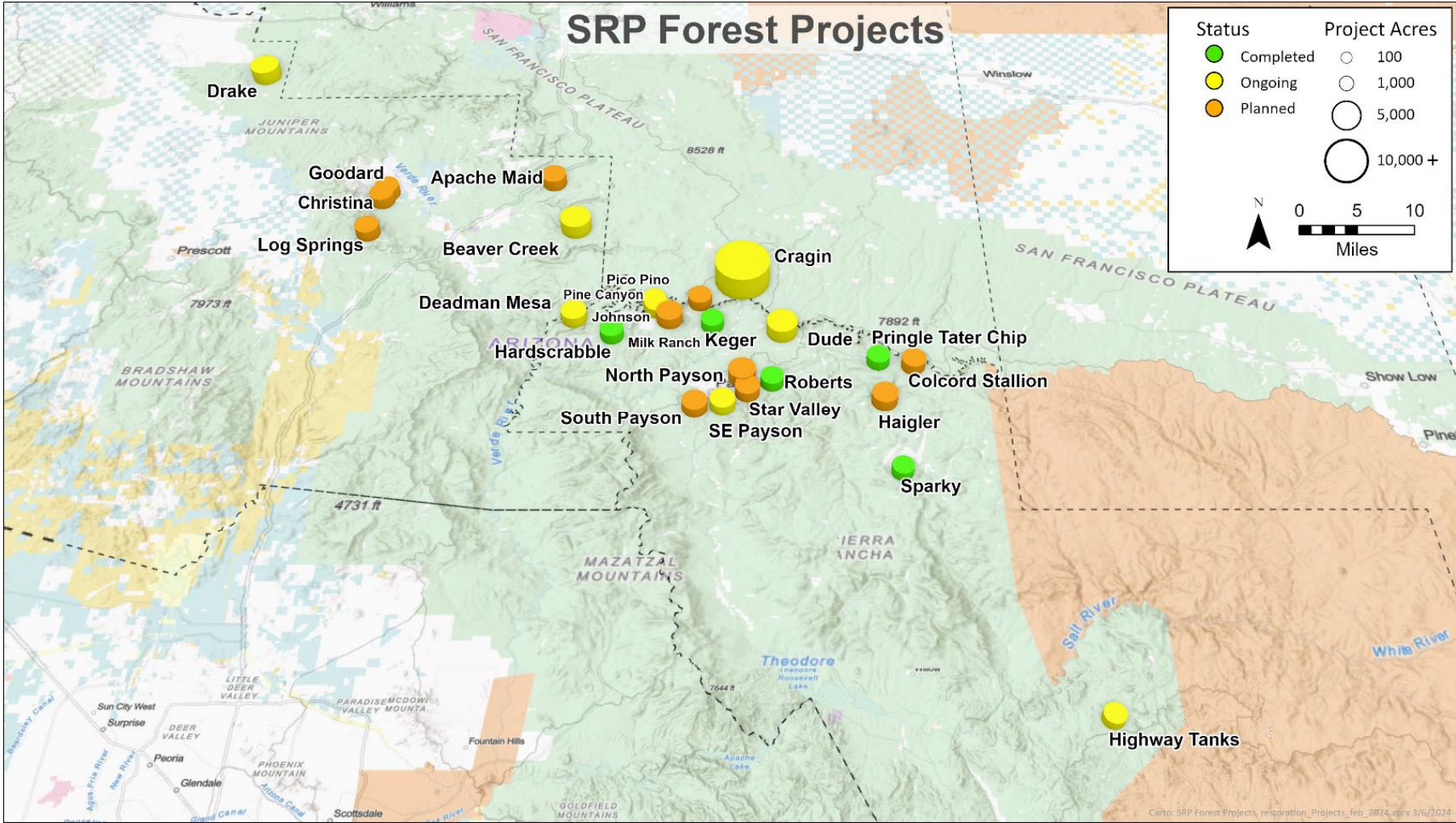
Figure 1: Potential pilot landscape (outlined in red) capturing forest- and woodland-related resources (black areas) within priority watersheds (outlined in black) for north-central Arizona overlaid on Ager et al.'s (2021b) Fireshed Registry colored by low (blue) to high (red) wildfire exposure risk.

2024 Outlook

2024 Forest Projects

- Funding 8 Projects:
 - Cragin: Kinder, Kehl
 - Tonto NF: S. Payson Phase 1, Dude Phase 2, Poco Pino, Highway Tanks Phase 1
 - Prescott NF: Drake Phase 1
 - Red Rock District: Beaver Creek Phase 1
- Total Project Investments: \$13.45M
 - SRP: \$3.70M
 - USFS: \$4.81M
 - Other Partners: \$4.93M
- Acres Funded: 16,930





New Partnerships in 2024

Partnership	Description
Mule Deer Foundation	<ul style="list-style-type: none"> • 5-year MOU (executed in January) • SRP to provide donations for the Highway Tanks project
The Nature Conservancy	<ul style="list-style-type: none"> • 5-year MOU • SRP to provide donations for restoration projects
AZ Elk Society	<ul style="list-style-type: none"> • 5-year MOU • SRP/ AES to provide donations for restoration projects
Apache-Sitgreaves NF	<ul style="list-style-type: none"> • 10-year MOU • Defined acreage to collaborate on up to 60K acres • SRP & USFS fund projects 50/50
Coconino NF	<ul style="list-style-type: none"> • 10-year MOU • Defined acreage to collaborate on up to 10K acres • SRP & USFS fund projects 50/50



Questions

