

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

BY-LAWS COMMITTEE MEETING

Thursday, October 19, 2023, 9:30 AM

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

Committee Members: M. Brandon Brooks, Chairman; Nick Vanderwey, Vice Chairman; Mark Farmer, Cliff Leatherwood, Wes Lines, Jacque Miller, T. Suzanne Naylor, Ian Rakow, Billy Schrader III, Harmen Tjaarda Jr., and Paul Van Hofwegen

Call to Order

Roll Call

1. Request for Approval of the Minutes for the Meeting of October 17, 2022
..... CHAIRMAN M. BRANDON BROOKS

2. District President and Vice President Participation in the SRP Employee Performance Incentive Compensation (EPIC) Program..... MICHAEL O'CONNOR

Request for approval to allow the District President and Vice President to participate in the SRP EPIC Program, to the extent that such EPIC payout is for corporate metrics, for their term that commences May 1, 2026.

3. Compensation of the District President and Vice President
..... MICHAEL O'CONNOR

Informational presentation regarding the compensation of the District President and Vice President. Pursuant to A.R.S. §38-431.03 (A)(3), the Committee may vote to go into Executive Session, which will not be open to the public, to discuss certain matters regarding compensation of its elected officials.

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

5. Future Agenda Topics..... CHAIRMAN M. BRANDON BROOKS

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 discussion of 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.



NOTICE WILL BE SENT REGARDING THE NEXT MEETING OF THE COUNCIL BY-LAWS COMMITTEE

MINUTES
COUNCIL BY-LAWS COMMITTEE
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT

DRAFT

October 17, 2022

A meeting of the Council By-Laws Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Monday, October 17, 2022, from the 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 M.B. Brooks, Chairman; N.J. Vanderwey, Vice Chairman; M.L. Farmer, C.M. Leatherwood, J.W. Lines, T.S. Naylor, and P.A. Van Hofwegen; and M.A. Freeman of the Association.

Committee Members absent at roll call were J.L. Miller, W.P. Schrader III, and H. Tjaarda Jr.

Also present were President D. Rousseau; District Vice President C.J. Dobson; Association Vice President J.R. Hoopes; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Members M.A. Lewis, B.E. Pacey, and M.C. Pedersen; Board Liaison M.J. Herrera; Board Members R.C. Arnett and S.H. Williams; Mmes. M.J. Burger, L.F. Hobaica, and C.M. Sifuentes; and Messrs. J.M. Felty, J.S. Hetrick, M. Hummel, G. Saint Paul, and R.R. Taylor.

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 Council By-Laws Committee meeting at the SRP Administration Building, 1500 North Mill Avenue in Tempe, at 9:00 a.m. on Friday, October 14, 2022.

Chairman M.B. Brooks called the meeting to order.

Approval of Minutes

On a motion duly made by Council Member P.A. Van Hofwegen, seconded by Vice Chairman N.J. Vanderwey and carried, the Committee approved the minutes for the meeting of September 27, 2022, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Council Member P.A. Van Hofwegen's motion to approve the minutes for the meeting of September 27, 2022. The vote was recorded as follows:

YES:	Council Members M.B. Brooks, Chairman; N.J. Vanderwey, Vice Chairman; and M.L. Farmer, C.M. Leatherwood, J.W. Lines, T.S. Naylor, and P.A. Van Hofwegen	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members J.L. Miller, W.P. Schrader III, and H. Tjaarda Jr.	(3)

Requirement for Physical Appearance at Meetings for Per Diem Payment

Using a PowerPoint presentation Michael J. O’Connor, SRP Associate General Manager and Chief Legal Executive, stated that the purpose of the presentation was to discuss and potentially request approval regarding the requirement for physical appearance at meetings for per diem payment. He provided an overview of Article V, Sections 6 and 7 of the District By-Laws, amended in 2014 to state that “actual attendance” was required at a meeting in order to receive per diem payment. Mr. M.J. O’Connor explained that in 2017, Article V, Sections 6 and 7 of the District By-Laws was amended to state “physical attendance.”

Continuing, Mr. M.J. O’Connor said that in 2020, the Council, due to the COVID-19 Pandemic, pursuant to a resolution, made a temporary exception to the “physical attendance” requirement and allowed per diem payments for virtual attendance. Discussion was held regarding the following three options for consideration: 1) Retain the physical attendance requirement for per diem payment and repeal the temporary suspension; 2) Retain the physical attendance requirement for per diem payment but allow a limited number of virtual meetings with per diem payment; and 3) Allow virtual attendance for per diem payment. He concluded with a review of possible other considerations including “good cause” exceptions at discretion of the Chair and addressing per diem attendance for non-Committee Members.

Mr. M.J. O’Connor responded to questions from the Committee.

After further discussion of the options for consideration, a motion was duly made by Vice Chairman N.J. Vanderwey, seconded by Council Member P.A. Van Hofwegen and carried, to recommend Council approval to retain the physical attendance requirement for per diem payment and repeal the temporary suspension.

Corporate Secretary J.M. Felty polled the Committee Members on Vice Chairman N.J. Vanderwey’s motion to recommend Council approval. The vote was recorded as follows:

YES:	Council Members M.B. Brooks, Chairman; N.J. Vanderwey, Vice Chairman; and M.L. Farmer, C.M. Leatherwood, J.W. Lines, T.S. Naylor, and P.A. Van Hofwegen	(7)
------	---	-----

NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members J.L. Miller, W.P. Schrader III, and H. Tjaarda Jr.	(3)

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.

Trust and Limited Liability Company Voting in SRP Elections

Using a PowerPoint presentation, Mr. M.J. O'Connor stated that the purpose of the presentation was to provide information regarding trust voting and Limited Liability Company (LLC) voting in SRP elections. He provided an overview of eligibility to vote in SRP elections, pursuant to A.R.S. §48-2381, noting that Trusts can be eligible to vote, but LLCs are not eligible to vote.

Continuing, Corporate Secretary John M. Felty provided a graph depicting the distribution of acreage and types of owners of the District's voting area. He provided a map of LLC and Limited Liability Partnership (LLP) parcels within the District's voting area.

Mr. M.J. O'Connor provided an overview of the types of LLCs and introduced Rob R. Taylor, SRP Associate General Manager and Chief Public Affairs Executive. Mr. R.R. Taylor discussed the political process and environment regarding SRP elections.

Mr. M.J. O'Connor 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.

Council Members A.M. Herrera and J.L. Miller; and Board Member L.C. Williams entered the meeting during the presentation.

Report on Current Events by the General Manager or Designees

Mike Hummel, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chairman M.B. Brooks asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the By-Laws Committee, the meeting adjourned at 11:26 a.m.

John M. Felty
Corporate Secretary

Request for Approval for President and Vice President Participation in the SRP EPIC Program

**District By-Laws Committee Meeting
October 19, 2023**

**Michael J. O'Connor, Associate General Manager and
Chief Legal Executive**



Delivering water and power™

President and Vice President Participation in EPIC

- Approved by Council in 2013 on a term-by-term basis
- Participation to the extent of metrics based upon Corporate Objectives
- Participation during 2014 – 2018 term of office
- Participation during 2018 – 2022 term of office
- Not presented prior to 2022 – 2026 term of office, so no participation in EPIC 2022 - 2026

Request for Approval of President and Vice President Participation in EPIC

For the terms beginning in 2026 and ending in 2030, the President and Vice President shall continue to participate in the Employee Performance Incentive Compensation (“EPIC”), to the extent that such EPIC payout is for corporate metrics.



Informational Presentation Regarding Compensation of the District President and Vice President

**District By-Laws Committee Meeting
October 19, 2023**

**Michael J. O'Connor, Associate General Manager and
Chief Legal Executive**



Delivering water and power™

Issues to be Addressed

- **President & Vice-President Salary**
- **President & Vice President Benefits**

Compensation Review Sheet President and Vice President

Philosophy

The Council believes that service as the President and Vice President of the District is an honor and a privilege and should always be for the benefit of SRP and its customers. The District President and Vice President should receive compensation that reflects the duties of the office, the leadership role at SRP and the leadership role in the community. In determining compensation, the District Council should, among other things, review the compensation of similar positions, the past compensation to the office, the change in the Consumer Price Index since the last review and SRP's success in providing reliable water and power to its customers. In addition, the Council should consider that the President and Vice President are elected and that the District is a political subdivision of the State of Arizona.

Compensation Review Sheet President and Vice President

President:

Current Salary	\$87,274
Last Change	2018
Last Review	2020

Vice President:

Current Salary	\$65,106
Last Change	2018
Last Review	2020

Compensation Review Sheet President and Vice President

Additional Compensation and Benefits:

- EPIC 2014 - 2022 Yes
2022 - 2026 - No
- Executive Benefits Package – Yes approved by Council

Annual Salary President

Effective Date	Association	District	Combined Total
05/04/1936	\$3,600	\$0	\$3,600
05/05/1954	\$5,400	\$0	\$5,400
01/01/1958	\$5,400	\$5,400	\$10,800
05/01/1958	\$5,400	\$6,600	\$12,000
05/01/1960	\$5,400	\$9,600	\$15,000
01/01/1964	\$5,400	\$12,600	\$18,000
05/06/1974	\$9,400	\$12,600	\$22,000
05/03/1976	\$10,000	\$17,000	\$27,000
05/01/1978	\$12,400	\$18,600	\$31,000
05/01/1980	\$21,400	\$18,600	\$40,000
05/01/1982	\$21,400	\$28,600	\$50,000
05/07/1984	\$28,600	\$28,600	\$57,200
05/05/1986	\$28,600	\$41,400	\$70,000
05/02/1988	\$43,600	\$41,400	\$85,000
05/07/1990	\$43,600	\$56,400	\$100,000
05/06/1996	\$68,600	\$56,400	\$125,000
05/04/1998	\$93,600	\$56,400	\$150,000
05/06/2002	\$108,600	\$71,400	\$180,000
05/01/2018	\$132,726	\$87,274	\$220,000

Annual Salary Vice President

Effective Date	Association	District	Combined Total
01/01/1964	-	\$3,000	\$3,000
05/04/1964	\$3,000	\$3,000	\$6,000
01/01/1971	\$3,000	\$6,000	\$9,000
05/06/1974	\$5,000	\$7,000	\$12,000
05/03/1976	\$7,000	\$9,000	\$16,000
05/01/1978	\$8,000	\$12,000	\$20,000
05/01/1980	\$18,000	\$12,000	\$30,000
05/01/1982	\$18,000	\$19,500	\$37,500
05/07/1984	\$23,250	\$19,500	\$42,750
05/05/1986	\$23,250	\$36,750	\$60,000
05/02/1988	\$38,250	\$36,750	\$75,000
05/07/1990	\$38,250	\$41,750	\$80,000
05/06/1996	\$58,250	\$41,750	\$100,000
05/04/1998	\$83,250	\$41,750	\$125,000
05/06/2002	\$95,750	\$54,250	\$150,000
05/01/2018	\$114,894	\$65,106	\$180,000

Medical/Dental Benefits

Medical Plan Options

SRP PPO \$300/\$600 Deductible

SRP PPO \$1,000/\$2,000 Deductible*

SRP Exclusive Provider Organization (EPO)

Exec-U-Care (EUC)

Dental Plan Options

SRP Delta Dental

Employers Dental Service (EDS)

*Not eligible for EUC in high deductible Option

Exec-U-Care (EUC)

- Supplemental plan that pays out-of-pocket medical, dental, and vision expenses for member and their eligible dependents.
- \$750,000 maximum annual benefit with a \$10,000/occurrence limit on essential benefits
- Medex for medical emergencies while traveling more than 100 miles from home
- Additional \$100,000 Accidental Death & Dismemberment (AD&D)

Executive Physical Exam Allowance

- Provides an additional \$2,500 annual allowance over the annual \$500 physical allowance provided in PPO Plan
- Total of \$3,000 to use annually for an executive physical

Executive Vision

- Provides the member and eligible dependents with no co-pay for the exam
 - Two pair of glasses or contacts are available every 2 years

Life Insurance

- SRP Paid Benefits
 - Basic Life/AD&D = 2X Association Salary
 - Executive AD&D = 3X Association Salary
 - Executive Dependent AD&D = \$50,000 spouse/\$10,000 children (if enrolled in Executive Dependent Life)

Life Insurance (cont'd)

- Employee Paid Benefits
 - Optional Life/AD&D (Association Salary)
 - Up to 5 X Association Salary
 - Executive Term Life (Association Salary)
 - Up to 1 X Association Salary
 - Executive Dependent Life
 - Spouse - \$10,000 to \$100,000 (\$10,000 increments)
 - Children - \$10,000

Disability Benefits

- SRP Paid
 - Executive Salary Continuation Plan
 - 70% of biweekly salary (District & Association) until eligible for long-term disability
 - Long Term Disability (LTD)
 - 60% of monthly salary (District)
 - 70% of monthly salary (Association)
- Employee Paid
 - Optional LTD
 - 10% of monthly salary

Pension & 401(k) Plan

- Eligible for pension benefit based on District and Association pay
 - 5 years vesting required (retire age 65)
 - 10 years to retire at age 55
- Eligible to participate in 401(k) Plan on Association pay only
 - Company match of 85¢ on first 6% of Association pay after 1 year of service

Association Deferred Comp. Plan

- SRP contribution of 5% on Association salary
plus
- Health Life Allowance of \$7,500 annually
- President/Vice President can elect to defer up to 60% of Association salary
- Tax-deferred

Other Benefits

- Financial Planning/Tax Preparation/Estate Planning Allowance
 - \$12,000 over any 3 consecutive calendar years
- Tuition Reimbursement for Dependent Children (under 26 years old)
 - Undergraduate & Graduate degrees
 - Tuition up to highest AZ Univ. rate (currently ASU)
 - Book/Fee Allowance of \$500 annually (75% of book/fees on graduate classes)

Additional Benefits

- Tax Saver Account
 - Usually not necessary with EUC
- Group Legal
- Auto/Homeowners Insurance
- Long-Term Care (LTC)

Questions

