

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

## COMPENSATION COMMITTEE

Tuesday, June 21, 2022, No Sooner Than 9:50 AM

SRP Administration Building  
1500 N. Mill Avenue, Tempe, AZ 85281

**This SRP District Committee meeting will be held in the Board Committee Room with an option to attend in-person or observe via Zoom. The public may receive the teleconference meeting access information by contacting the Corporate Secretary's Office at (602) 236-4398. Supplemental materials will be posted on the SRP website.**

Committee Members: Randy Miller, Chairman; Mark Pace, Vice Chairman; and Anda McAfee, Krista O'Brien, Paul Rovey, Jack White Jr., and Leslie Williams

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 RANDY MILLER
  - Request for approval of the minutes for the meeting of May 17, 2022
2. Report on Current Events by the General Manager and Chief Executive Officer or Designees..... MIKE HUMMEL
3. Future Agenda Topics..... CHAIRMAN RANDY MILLER

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. §30-808, for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: All property in your possession, including purses, briefcases, packages or containers, will be subject to inspection.



THE NEXT COMPENSATION COMMITTEE MEETING  
IS SCHEDULED FOR TUESDAY, AUGUST 16, 2022

06/14/2022



MINUTES  
COMPENSATION COMMITTEE

DRAFT

May 17, 2022

A meeting of the Compensation Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 10:14 a.m. on Tuesday, May 17, 2022, in-person and via teleconference 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.

Committee Members present at roll call were K.B. Woods, Chairman; M.J. Herrera, Vice Chairman; and R.C. Arnett, N.R. Brown, K.J. Johnson, L.D. Rovey, and S.H. Williams.

Also present were President D. Rousseau; District Vice President C.J. Dobson; Association Vice President J.R. Hoopes; Board Members A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., and L.C. Williams; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Liaisons M.A. Freeman and G.E. Geiger; Council Members T.S. Naylor, M.G. Rakow, and H. Tjaarda Jr.; Mmes. K.J. Barr, M.J. Burger, A.P. Chabrier, Q.R. Daoust, M.K. Greene, L.F. Hobaica, S.T. Lee, G.A. Mingura, and M.K. Owsley; Messrs. J.D. Coggins, J.M. Felty, J.W. Hubbard, B.J. Koch, K.J. Lee, A.J. McSheffrey, M.J. O'Connor, and G. Saint Paul; and Tim Egan and Ellen Martel of CAPTRUST.

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 Compensation Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, May 13, 2022.

Chairman K.B. Woods called the meeting to order.

Consent Agenda

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

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

- Minutes of the Compensation Committee meeting on April 19, 2022, as presented

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

YES:	Board Members K.B. Woods, Chairman; M.J. Herrera, Vice Chairman; and R.C. Arnett, N.R. Brown, K.J. Johnson, L.D. Rovey, and S.H Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

#### SRP Employees' Retirement Plan – First Quarter Update by CAPTRUST

Using a PowerPoint presentation, Tim Egan, a Principal Financial Advisor of CAPTRUST, SRP's investment consultant for the SRP Employees' Retirement Plan (the Plan) and the SRP Employees' 401(k) Plan (401(k) Plan), stated that the purpose of the presentation was to provide information regarding the performance of the Plan and detail the first quarter 2022 performance analysis of investment managers and comparisons with general SRP investment objectives. He reviewed the materials distributed to the Members regarding the capital market environment and performance of the Plan during the first quarter of 2022.

Mr. T. Egan discussed the overall market environment in the first quarter of 2022 and compared the Plan's performance to that of the market. He stated that as of March 31, 2022, the market value of SRP's total portfolio was \$2.8 billion, and investment losses were \$187 million in the first quarter.

Mr. T. Egan reviewed SRP's portfolio positioning and allocation of assets. He discussed the composition and performance of the Plan's investment managers for the period ended March 31, 2022. Mr. T. Egan concluded by reviewing the performance of the total fund, investment manager composition, equity style analysis, and a snapshot of the pension as of March 31, 2022.

Mr. T. Egan responded to questions from the Committee

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

Mmes. Q.R. Daoust, S.T. Lee, and M.K. Owsley left during the meeting.

#### SRP Employees' 401(k) Plan – First Quarter Update by CAPTRUST

Using a PowerPoint presentation, Ellen Martel, a Principal Financial Advisor of CAPTRUST, reviewed the materials distributed to the Members regarding the performance of the 401(k) Plan during the first quarter of 2022. She discussed the overall market environment and compared the 401(k) Plan's performance to that of the market. Ms. E. Martel said that as of March 31, 2022, the market value of SRP's total portfolio was approximately \$1,129.9 million, including approximately \$61.8 million of investment losses and \$10.1 million of net outflows.

Ms. E. Martel responded to questions from the Committee.

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

### SRP Employees' 401(k) Plan – Share Class Change Recommendation

Using a PowerPoint presentation, Jon W. Hubbard, SRP Director of Finance, stated that the purpose of the presentation was to request approval to move assets in the existing Dodge & Cox International Stock Fund, Dodge & Cox Balanced Fund, and Dodge & Cox Income Fund to new share classes.

Mr. J.W. Hubbard provided background information on the current class shares, an example of the proposed class shares; and an action timeline. He stated that the change would simplify the process and transparency and that there is a zero net impact to the participant. Mr. J.W. Hubbard concluded by requesting approval to replace the current Dodge & Cox Funds with the new X share class; authorize the Treasurer or a designee to enter into the investment management agreements and other necessary documents related to the transaction. Mr. J.W. Hubbard reminded the Committee that as the named Fiduciary of the Plan and 401(k) Plan, the Committee is authorized to approve this change.

On a motion duly made by Vice Chairman M.J. Herrera, seconded by Board Member K.J. Johnson and carried, the Committee granted approval to move assets in the the existing Dodge & Cox International Stock Fund, Dodge & Cox Balanced Fund, and Dodge & Cox Income Fund to new share classes, as recommended.

Corporate Secretary J.M. Felty polled the Committee Members on Vice Chairman M.J. Herrera's motion to approve the recommendation as presented. The vote was recorded as follows:

YES:	Board Members K.B. Woods, Chairman; M.J. Herrera, Vice Chairman; and R.C. Arnett, N.R. Brown, K.J. Johnson, L.D. Rovey, and S.H Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

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

Tim Egan and Ellen Martel of CAPTRUST left the meeting.

Report on Current Events by the General Manager and Chief Executive Officer 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 K.B. Woods asked the Committee if there were any future agenda topics. None were requested.

Messrs. J.W. Hubbard and B.J. Koch left the meeting.

There being no further business to come before the Compensation Committee, the meeting adjourned at 10:49 a.m.

John M. Felty  
Corporate Secretary