

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

AUDIT COMMITTEE

Tuesday, October 18, 2022, No Sooner Than 9:55 AM

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

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: Jack White Jr., Chairman; Anda McAfee, Vice Chairman; and Mark Pace, Paul Rovey, and Leslie C. 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 JACK WHITE JR.
 - Request for approval of the minutes for the meeting of September 20, 2022
2. Executive Session, Pursuant to A.R.S. §38-431.03(A)(9) for Presentation and Discussion of Records Exempt by Law from Public Inspection Regarding Confidential Cyber Security Actions Taken in Response to Current Events and Discussion of Geopolitical Issues Impacting Cyber Security..... BRIAN IRISH
3. Report on Current Events by the General Manager and Chief Executive Officer or Designees MIKE HUMMEL
4. Future Agenda Topics..... CHAIRMAN JACK WHITE JR.

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



THE NEXT AUDIT COMMITTEE MEETING IS
SCHEDULED FOR TUESDAY, NOVEMBER 15, 2022

10/11/2022

MINUTES
AUDIT COMMITTEE

DRAFT

September 20, 2022

A meeting of the Audit 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 10:15 a.m. on Tuesday, September 20, 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.

Committee Members present at roll call were J.M. White Jr., Chairman; A.G. McAfee, Vice Chairman; and R.J. Miller, K.H. O'Brien, P.E. Rovey, and L.C. Williams.

Committee Member absent at roll call was M.V. Pace.

Also present at roll call were President D. Rousseau; District Vice President C.J. Dobson; Association Vice President J.R. Hoopes, Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, L.D. Rovey, and S.H. Williams; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Liaisons A.A. Freeman and R.S. Kolb; Council Member J.W. Lines; Mmes. K.J. Barr, M.J. Burger, A.P. Chabrier, S. Gardner, K.M. Golubchik, L.F. Hobaica, A.E. Martinez, L.A. Meyers, and G.A. Mingura; Messrs. J.D. Coggins, J. Evancevich J.M. Felty, R.T. Judd, K.J. Lee, A.J. McSheffrey, J.M. Pratt, G. Saint Paul, and R.R. Taylor; and Pete Ewen of Freeport McMoRan.

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 Audit Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, September 16, 2022.

Chairman J.M. White Jr. called the meeting to order.

Consent Agenda

Chairman J.M. White Jr requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Vice Chairman A.G. McAfee and seconded by Board Member R.J. Miller, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Audit Committee meeting on August 16, 2022, as presented

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

- YES: Board Members J.M. White Jr., Chairman, A.G. McAfee, Vice Chairman; and R.J. Miller, K.H. O’Brien, P.E. Rovey, and L.C. Williams (6)
- NO: None (0)
- ABSTAINED: None (0)
- ABSENT: Board Member M.V. Pace (1)

Review of Audit Activity for Three Months Ended July 31, 2022

Using a PowerPoint Presentation, Reuben T. Judd, SRP Corporate Auditor, stated that the purpose of the presentation was to review the audit activity for the three months ending July 31, 2022. He reviewed the Fiscal Year 2023 (FY23) audit plan status as of July 31, 2022, audit reports for first quarter FY23, key audits completed or in progress. Mr. R.T Judd introduced John Evancevich, SRP Manager of Audit Projects.

Continuing, Mr. J. Evancevich provided a background on the Palo Verde to Pinal Central Transmission costs. He stated that there is a 150-mile 500 kilovolt (kV) transmission line from Palo Verde Nuclear Power Plant to the Pinal Central Substation. Mr. J. Evancevich listed the participants as follows: SRP, Operating Agent; Tucson Electric Power (TEP), Electrical Districts Nos. 2, 3, and 4; and Arizona Electric Power Cooperative. He introduced Anna E. Martinez, SRP Auditor. Ms. A.E. Martinez discussed the key risks; audit approach; and audit results of the Palo Verde to Pinal Central Transmission costs.

Continuing, Mr. J. Evancevich provided a background on the Springerville Administration & General (A&G) Reopener Audit and discussed the audit approach. He introduced Suzanne Gardner, SRP Principal Auditor. Ms. S. Gardener provided the key risk areas of the Springerville A&G Reopener Audit, along with corporate Information Technology (IT) costs. She concluded with the audit results.

Mmes. S. Gardener and A.E. Martinez; and Messrs. J. Evancevich and R.T. Judd 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 Member K.B Woods entered the meeting during the presentation.

Review of Paid Vouchers for Fiscal Year Quarter Ended July 31, 2022, for the District and Association

Jason I. Riggs, SRP Director and Assistant Treasurer, presented the paid vouchers for the fiscal year quarter ending July 31, 2022.

Mr. J.I. Riggs responded to questions from the Committee.

Vice Chairman A.G. McAfee motioned to go into Executive Session, pursuant to A.R.S. §38-431.03(A)(2), to discuss certain matters included in the paid vouchers report for fiscal year quarter ended July 31, 2022 for the District and Association that are exempt by law from public inspection. The motion died for the lack of a second.

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

Mmes. S. Gardner, K.M. Goulbchik, and A.E. Martinez; and Mr. J. Evancevich left the meeting during the presentation. Messrs. B.J. Koch, S.L. Peeples, and J.I. Riggs entered the meeting.

Review of Purchase Orders, Contracts, and Revisions Equal to or Greater than \$1,000,000

Skip L. Peeples, SRP Principal Analyst of Supply Chain, reviewed the Report of Purchase Orders and Revisions Equal to or Greater than \$1,000,000 issued for the period of May 1, 2022 through July 31, 2022 under authority granted by the Board on September 9, 2020.

Mr. S.L. Peeples responded to questions from the Committee.

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

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

There was no report on current events by Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive.

Future Agenda Topics

Chairman J.M. White Jr. asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Audit Committee, the meeting adjourned at 10:53 a.m.

Lora F. Hobaica
Assistant Corporate Secretary

