

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

GOVERNANCE COMMITTEE
Thursday, January 19, 2023, 9:30 AM

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

Committee Members: Robert Arnett, Chairman; Mario Herrera, Vice Chairman; and Kevin Johnson, Kathy Mohr-Almeida, Krista O'Brien, Stephen Williams, and Keith Woods

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 ROBERT ARNETT
 - Request for approval of the minutes for the meeting of November 14, 2022.
- 2. Status of Succession Planning and Selection ProcessGERI MINGURA

Informational presentation regarding the status of the SRP Board Selection Process of the SRP General Manager and Chief Executive Officer.
- 3. Report on Current Events by the General Manager and Chief Executive Officer or Designees MIKE HUMMEL
- 4. Future Agenda Topics..... CHAIRMAN ROBERT ARNETT

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.



NOTICE WILL BE SENT REGARDING THE NEXT GOVERNANCE COMMITTEE MEETING

MINUTES
GOVERNANCE COMMITTEE
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT

DRAFT

November 14, 2022

A meeting of the Governance Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Monday, November 14, 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 R.C. Arnett, Chairman; M.J. Herrera, Vice Chairman; K.J. Johnson, S.H. Williams, and K.B. Woods; and L.D. Rovey of the Association.

Also present were President D. Rousseau; District Vice President C.J. Dobson; Association Vice President J.R. Hoopes; Board Members N.R. Brown, A.G. McAfee, K.H. O'Brien, P.E. Rovey, J.M. White Jr., and L.C. Williams; Council Vice Chairman J.R. Shelton; Council Liaison M.B. Brooks; Council Members M.L. Farmer, M.A. Lewis, and M.G. Rakow; Mmes. M.J. Burger, L.F. Hobaica, K.S. Ramaley, and C.M. Sifuentes; and Messrs. J.M. Felty, J.S. Hetrick, M. Hummel, K.J. Lee, M.J. O'Connor, and R.R. Taylor.

In compliance with A.R.S. §38-431.02, Andrew C. Davis of the Corporate Secretary's Office had posted a notice and agenda of the meeting of the Governance Committee at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, November 11, 2022.

Chairman R.C. Arnett called the meeting to order.

Consent Agenda

Chairman R.C. Arnett requested a motion for Committee approval of the Consent Agenda, in its entirety.

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

- Minutes of the Governance Committee meeting on January 9, 2020, as presented

Corporate Secretary J.M. Felty polled the Committee 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 R.C. Arnett, Chairman; M.J. Herrera, Vice Chairman; and K.J. Johnson, S.H. Williams, and K.B. Woods	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Trust and Limited Liability Company (LLC) Voting in SRP Elections

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 provide information regarding the amount of land held in trust, the amount of land held by LLCs in the SRP voting boundary, and the types of LLCs in Arizona.

Mr. M.J. O'Connor stated that Trust (testamentary) can be eligible to vote and that LLCs are not eligible to vote in SRP District elections as set forth in A.R.S. § 48-2381 *et seq.* He introduced John M. Felty, SRP Corporate Secretary.

Continuing, Mr. J.M. Felty compared acreage distribution to owner distribution with respect to various categories having ownership title in the District. He reviewed a chart depicting the voting areas in the District associated with individuals, trusts, LLCs, Limited Liability Partnerships (LLP), and hypothetically qualified LLCs. He provided a map representing distributions of LLCs and LLPs within the District boundary.

Next, Mr. M.J. O'Connor described the general use and membership structure of the types of LLCs set forth in A.R.S. § 29-3101 *et seq.* He introduced Rob R. Taylor, SRP Associate General Manager and Chief Public Affairs Executive.

In conclusion, Mr. R.R. Taylor commented on matters relating to the legislature and elections.

Messrs. J.M. Felty, M.J. O'Connor, and R.R Taylor responded to questions from the Committee.

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

Board Member M.V. Pace; and Mmes. L.A. Meyers and G.A. Mingura entered the meeting during the presentation.

Succession Planning and Selection Process

Using a PowerPoint presentation, President D. Rousseau, stated that the purpose of the presentation was to provide information on the upcoming SRP internal General Manager and Chief Executive Officer (GM/CEO) succession planning and selection

process. He introduced Geri A. Mingura, SRP Associate General Manager and Chief Human Resources Executive.

Continuing, Ms. G.A. Mingura provided a breakdown of the high level process as follows: Step 1: Board provides input to GM/CEO position specification; Korn Ferry develops candidate profile based on expertise in the industry and feedback from Board; and Internal successors reviewed against final candidate profile; Step 2: Candidate's complete assessments and are interviewed by Korn Ferry; Korn Ferry provides candidate results and recommendations – narrows candidates to top two or three; top candidates move to next phase – second assessment, simulations, and meeting in Chicago; and Board then interviews top candidates; and Step 3: Korn Ferry provides Board the results and recommendations based on second assessment and simulation; and Board decides and approves new GM/CEO. She concluded with a discussion of next steps.

President D. Rousseau and Ms. G.A. Mingura responded to questions from the Committee.

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

Council Member M.A. Lewis; Mmes. L.A. Meyers and K.S. Ramaley; and Messrs. J.S. Hetrick, K.J. Lee, and R.R. Taylor left the meeting during the presentation.

Engagement of an Executive Search Firm for the Succession Planning and Selection Process

President D. Rousseau stated that the purpose of the agenda item was to request approval to engage Korn Ferry, an executive search firm to support the SRP internal GM/CEO succession planning process.

On a motion duly made by Board Member K.B. Woods, seconded by Vice Chairman M.J. Herrera and carried, the Committee agreed to recommend Board approval as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member K.B. Woods' motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members R.C. Arnett, Chairman; M.J. Herrera, Vice Chairman; and K.J. Johnson, S.H. Williams, and K.B. Woods	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

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

There was no report on current events by Mike Hummel, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chairman R.C. Arnett asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Governance Committee, the meeting adjourned at 10:55 a.m.

John M. Felty
Corporate Secretary

Status of The SRP Board Selection Process of The SRP General Manager/CEO

**District & Association Governance Committee
January 19, 2023**

Geri A. Mingura, Associate General Manager and Chief Human Resources Executive

Status of Process

In December, the SRP Board approved the following:

- GM/CEO succession process – focused on internal candidates
- GM/CEO qualifications – position specification
- Korn Ferry to assist the Board and management with the process
 - Including vetting and presenting candidates to the Board for consideration

Status of Process – Mid January 2023

- Three internal candidates have been interviewed by Korn Ferry
- All candidates to be further vetted over a multi day period in February 2023
- Korn Ferry will present all candidates to the Board in March
 - Provide its assessment of the relative strengths for the Board to consider
- SRP Board will interview candidates and when comfortable – vote regarding its decision. March – April 2023

Questions



Confidential Position Specification

Salt River Project

General Manager and Chief Executive Officer

2023



CONFIDENTIAL POSITION SPECIFICATION

Position	General Manager and Chief Executive Officer
Company	Salt River Project (SRP)
Location	Tempe, Arizona
Reporting Relationship	Board of Directors and Governance Committee
Website	https://www.srpnet.com

DESIRED EXPERIENCE

The next General Manager and CEO will be expected to possess the following business skills:

- At least 20 years of demonstrated business success and track record of increasing accomplishments in the Investor Owned Utility, Public Power, Water or related industry sectors (regulated, unregulated, and renewable/clean energy).
- At least ten years of experience at the executive level in general management, line or staff functions with demonstrated bottom line and customer impact along with leading transformational change.
- Experience with a utility possessing a multi-site generation portfolio of nuclear, natural gas, fossil fuel and renewable energy.
- Broad exposure to Transmission and Delivery planning.
- Strong appreciation for the challenges and complexities of maintaining and growing a water business.
- At least five years' experience and a demonstrated track record of accomplishment with larger capital investment project oversight.
- A track record of accomplishment in leading organizations towards cleaner energy alternatives including accountability for at least one or more strategic initiatives and related capital investments:
 - Energy efficiency and demand response
 - Renewable energy – wind, solar, biomass, geothermal, etc.
 - Smart grid
 - Energy storage
 - Distributed generation
 - Greenhouse gas reduction
 - Track record of measurable clean energy impact
- Experience in managing water delivery systems and resources, and a strong understanding of what drives water policies in Arizona and other states within the Colorado River basin
- Leadership integration experience of at least two or more complex business functions, value chains, or lines of business, and at least 500 + team members.
- Experience working with State Public Utility Commissions, Independent System Operators (ISOs), Federal Regulatory agencies, Consumer Groups, Technology Providers and other relevant Stakeholders.



LEADERSHIP QUALITIES

In addition to the professional and industry experience of the successful candidate, there are key competencies that individuals must possess for the success in the position:

Values

- Possesses a keen sense of integrity, honesty and loyalty.
- Ensures that actions are supportive of SRP's success and are loyal to the interests of the shareholders.

Leadership

- Demonstrates desired behaviors and results by actions, as well as words.
- Possesses, communicates and implements a vision for the direction of SRP and the industry.
- Inspires, energizes and motivates others to grow professionally and achieve more than they had previously, or perhaps even more than they thought possible.
- Ensures that a rigorous senior leadership succession planning process is consistently maintained as part of SRP's corporate governance practices.
- Collaborative with all constituents, including SRP's President, Vice President, Board, Council, Committees, employees, community leaders and local, state and federal government representatives.

Vision

- A strategic thinker who can develop and execute upon SRP's corporate strategy.
- Thinks of the bigger picture; anticipates future events and suggests possible directions and strategies to respond or get ahead of the curve.
- Possesses creative intelligence, intellectual curiosity and inquisitiveness, and a desire for self-education.
- Maintains an external focus, always within the context of the needs and expectations of stakeholders, particularly shareholders and customers.

Teamwork

- Causes employees to work constructively and cooperatively to achieve SRP's goals.

Communications Skills and Behaviors

- Represents SRP in a professional manner and effectively conveys key messages and information.
- Internally, provides the right messages and information, both good and bad, to the right people in a timely fashion; communicates both upward and across the entire organization.
- Both internally and externally, articulates SRP's goals, achievements, and other messages effectively.
- Encourages feedback and listens; learns from mistakes.
- Fosters an open environment for communication.



- Possesses the ability to articulate concepts and facts well, in both oral and written form.
- Comfortable interfacing with community leaders and government officials, both inside and outside the Company's service territory.
- Familiarity with and an appreciation of the impact of social media on a business and its reputation.

A Sense of Corporate Governance

- Adheres to the ethos of managing the enterprise through good corporate governance practices, including fiduciary stewardship and full-disclosure on all SRP matters to appropriate stakeholders.

EDUCATION

An undergraduate degree is required and an advanced degree is desired.

COMPENSATION

The Company will design an attractive compensation and benefits package to include base salary and bonus, commensurate with the successful candidate's value-added contribution.