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

### **FACILITIES & SUPPORT SERVICES COMMITTEE**

Thursday, January 25, 2024, No Sooner Than 10:45 AM

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

Committee Members: Stephen Williams, Chairman; Krista O'Brien, Vice Chairman; and Nick Brown, Randy Miller, Jack White Jr., Leslie C. Williams, and Keith Woods

Call to Order Roll Call

- - Request for approval of the minutes for the meeting of December 12, 2023.

- 4. Future Agenda Topics ...... CHAIRMAN STEPHEN WILLIAMS

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.



## MINUTES FACILITIES AND SUPPORT SERVICES COMMITTEE

DRAFT

### December 12, 2023

The Facilities and Support Services (F&SS) 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 10:45 a.m. on Tuesday, December 12, 2023, 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.

Committee Members present at roll call were K.H. O'Brien, Vice Chairman; and N.R. Brown, R.J. Miller, J.M. White Jr., L.C. Williams, and K.B. Woods.

Committee Member absent at roll call was S.H. Williams, Chairman.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members M.J. Herrera, K.L. Mohr-Almeida, L.D. Rovey, and P.E. Rovey; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Member J.W. Lines; Mmes. I.R. Avalos, M.J. Burger, C.C. Burke, A.P. Chabrier, A.Y. Gilbert, L.F. Hobaica, N.J. Mullins, K.S. Ramaley, and C.M. Sifuentes; and Messrs. J.D. Coggins, J.M. Felty, C.R. Janick, R.T. Judd, K.J. Lee, A.J. McSheffrey, M.J. O'Connor, B.A. Olsen, J.M. Pratt, 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 F&SS Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, December 8, 2023.

Vice Chairman K.H. O'Brien called the meeting to order.

### Consent Agenda

Vice Chairman K.H. O'Brien requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member R.J. Miller and seconded by Board Member N.R. Brown, the Committee unanimously approved and adopted the following item on the Consent Agenda:

Minutes of the F&SS Committee meeting on September 21, 2023, as presented

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

YES:	Board Members K.H. O'Brien, Vice Chairman; and N.R. Brown,	(6)
	R.J. Miller, J.M. White Jr., L.C. Williams, and K.B. Woods	
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member S.H. Williams, Chairman	(1)

### Gilbert Pipeline Water Transmission Project

Using a PowerPoint Presentation, Christy C. Burke, SRP Director of Land, stated that the purpose of the presentation was to request approval for the use of eminent domain to acquire necessary land rights for the Gilbert Pipeline Water Transmission Project that will connect the existing SRP well site to another SRP well site.

Ms. C.C. Burke stated that the Gilbert Pipeline Water Transmission Project is necessary for: enhancing water system reliability; increasing water delivery to customers; connecting two existing well sites together; allowing access to the new well site and pipeline; and providing power to the new well site. She said the project is scheduled to start construction in March 2024 and provided aerials of the project location.

Ms. C.C. Burke concluded with Management's recommendation for approval to adopt a resolution authorizing the use of eminent domain as to specific parcels of land to acquire appropriate land rights needed to construct the Gilbert Pipeline Water Transmission Project.

Ms. C.C. Burke responded to questions from the Committee.

On a motion duly made by Board Member L.C. Williams, seconded by Board Member N.R. Brown and carried, the Committee agreed to recommend Board approval, as presented.

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

YES:	Board Members K.H. O'Brien, Vice Chairman; and N.R. Brown,	(6)
	R.J. Miller, J.M. White Jr., L.C. Williams, and K.B. Woods	
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member S.H. Williams, Chairman	(1)

Copies of the draft Board resolution and 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.

Messrs. J.F. Kudlinski and M.D. Weber entered the meeting during the presentation.

### <u>Summary of SRP's Fiscal Year 2023 (FY23)</u> Environmental, Health, and Safety (EHS) Audit Results

Using a PowerPoint presentation, Mathew D. Weber, SRP Director of Regulatory Audit and Compliance, stated that the purpose of the presentation was to provide information regarding the FY23 EHS Audit Program, which is designed to provide an independent assessment of EHS compliance and corporate risk, establish regulatory defense under the Occupational Safety and Health Administration (OSHA) Audit Policy, United States Environmental Protection Agency (U.S. EPA) Audit Policy, and raise awareness of EHS risk across the enterprise. He introduced Jim F. Kudlinski, SRP Manager of EHS Audits.

Mr. J.F. Kudlinski discussed the FY23 EHS Audit key accomplishments, which included EHS audits, Waste Disposal and Recycling Vendor Audits, and Environmental Site Assessments. He said that 11 facilities and programs had been audited, 20 findings were reported, and that the Mobile Maintenance Crew, C.C. Cragin, Respiratory Protection Program, and Regulatory Training Program each received a "Zero Finding" Award.

Mr. J.F. Kudlinski summarized the 16 Waste Disposal and Recycling Vendor Audits completed. He provided an overview of Safety Services coordination with respect to oxygen/fuel gas safety devices, field reviews, and voluntary protection program preparation.

Mr. J.F. Kudlinski concluded with details of the completed and ongoing EHS Audits for FY24.

Messrs. J.F. Kudlinski and M.D. Weber 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.

Mmes. C.C. Burke and N.J. Mullins left the meeting during the presentation. Ms. D.D. Patterson entered the meeting.

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

Jim M. Pratt, 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**

Vice Chairman K.H. O'Brien asked the Committee if there were any future agenda topics. None were requested.

Ms. D.D. Patterson; and Messrs. J.F. Kudlinski and M.D. Weber left the meeting.

There being no further business to come before the F&SS Committee, the meeting adjourned at 11:16 a.m.

Lora F. Hobaica Assistant Corporate Secretary

## District and Association Quarterly Claims Report August 1, 2023 – October 31, 2023

Jason Hovis | January 25, 2024

## **District**

# August 1, 2023 – October 31, 2023 Damage Claims Paid in Excess of \$7,500

Page	Claimant	Amount Paid
4	Cox Communications	\$15,526.32
5	Daniella Rosales	\$50,000.00
6	Precision Auto Inc.	\$60,000.00
7	VM Energy LLC	\$10,620.00
8	BAE Systems PLC	\$42,534.51
	2 <sup>nd</sup> Quarter Total	\$178,680.83

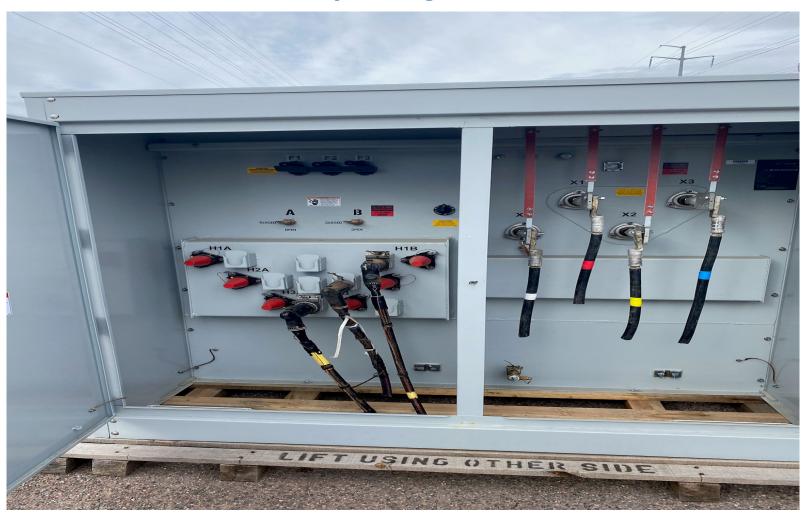
## **BAE SYSTEMS PLC**

Date of Loss: 12-07-2022

### **DETAILS OF BAE SYSTEMS INCIDENT**

- A three-phase transformer was changed out on December 7, 2022. During the installation of the new transformer, the secondary conductors were installed in opposite order of the original configuration causing a reverse rotation which damaged the motor of an industrial air compressor.
- A miscommunication in the scheduling of this work was a contributing factor. The transformer change out was scheduled with the crew on December 7, 2022. However, the customer was expecting the outage on December 17, 2022.
- The secondary conductors in the transformer being replaced had been labelled incorrectly prior to the work on December 7, 2022.
- The total amount paid for the repair to the air compressor was \$42,534.51.

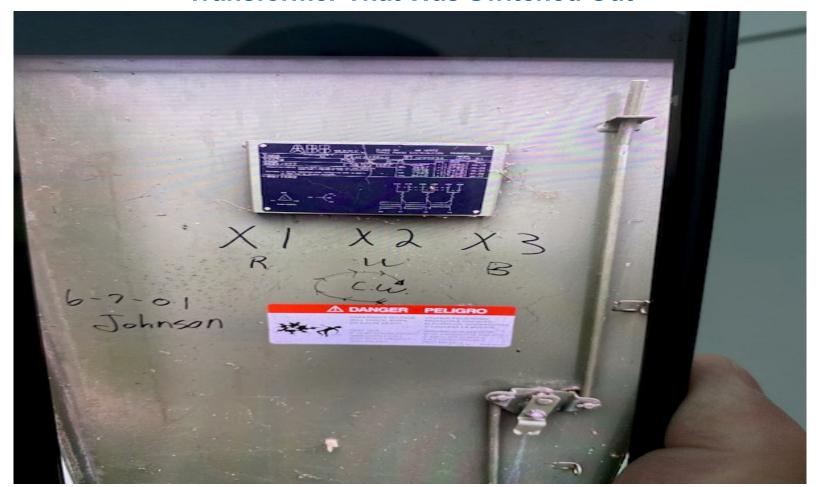
### **Three-Phase Secondary Configuration Per SRP Standard**



## The Secondary Configuration That Brought A Clockwise Rotation To Customer (Corrective Action)



## **Secondary Conductor Phasing Instructions In The Transformer That Was Switched Out**



### **Damaged Air Compressor**



Gardner-Denver 100 HP Compressor

# **QUESTIONS?**

## **Claims Paid by Claims Services**

### Claims Paid in 2nd Quarter FY24 August 1, 2023 – October 31, 2023

Responsible Company	Damage Description	# of Claims	<u>Payment</u>
Association	FLOODING	1	\$1,300.00
	Pomper, Raymond F		\$1,300.00
	MISCELLANEOUS (ASSOCIATION)	1	<u>\$813.41</u>
	United Rentals		\$813.41
	PV STRUCK REAR OF OV	1	<u>\$2,582.62</u>
	Ortega, Omar A		\$2,582.62
	PV STRUCK STANDING OV - NON-BACKING	1	<u>\$1,692.42</u>
	Mercek, Jennifer		\$1,692.42
<b>Association Total</b>		4	\$6,388.45
District	BLUE-STAKING	2	<u>\$15,755.32</u>
	Krawczyk, Paul W		\$229.00
	Cox Communications		\$15,526.32
	FIRE-OTHER (STRUCTURE, BRUSH, MISC)	4	<u>\$114,900.00</u>
	Freeman, Elisha		\$1,500.00
	Hernandez, Concepcion		\$3,400.00
	Rosales, Daniella		\$50,000.00
	PRECISION AUTO INC		\$60,000.00
	J-BOX	1	<u>\$1,386.72</u>
	Fanter, Mckenzie		\$1,386.72
	MARKETING PROGRAMS	1	\$250.00
	Tate, Joanne		\$250.00
	METER INSTALL / CHANGE	3	<u>\$4,251.81</u>
	Luque, Sandra		\$412.00
	Rangel, Carlos		\$1,859.81
	INNOVATIVE CONTRACTOR SOLUTIONS INC		\$1,980.00
	M-POWER	2	<u>\$685.00</u>
	Branham, Tracy		\$250.00
	Pala Mesa Apartment Homes		\$435.00
	OUTAGES (INSTANTANEOUS, CAUSE UNKNOWN)	5	<u>\$2,980.65</u>
	Padilla, Paula A		\$300.00
	Smith, Denise		\$400.00
	Taussig, Donald		\$512.00
	Kettenburg, Paula A		\$607.23
	Hostick, Valecia R		\$1,161.42
	POWER POLE	5	<u>\$7,035.13</u>
	Maust, Douglas		\$200.00
	Villa Senor, Martha E		\$335.13
	Venegas, David A		\$500.00
	Lumen Technologies		\$3,000.00
	Pickens, Keith E		\$3,000.00

Responsible Company	Damage Description	# of Claims	<u>Payment</u>
<u>Company</u>	PRIMARY EQUIPMENT (UG) NOT OTHERWISE CLASSIFIED Folmar, Deborah E Holomon, Calvin Trench-Ade, LLC	3	<b>\$2,854.78</b> \$145.00 \$362.30 \$2,347.48
	PRIMARY LINE (UG)  Kishi, Tadashi Randall, Barbara J  Trench-Ade, LLC  Trench-Ade, LLC  Trench-Ade, LLC  RUSTLERS ROOSTE PROP LLP	6	\$16,563.50 \$40.00 \$421.67 \$3,697.31 \$3,697.31 \$3,707.21 \$5,000.00
	PV ALLEGEDLY DROPPED OR THREW UP OBJECT  Miller, Jami	1	<b>\$2,844.95</b> \$2,844.95
	PV AND OV COLLIDED - INTERSECTION  Martinez-Sanchez, Victor M  Martinez, Charlie  Martinez-Sanchez, Victor M	3	\$13,550.00 (\$450.00) \$7,000.00 \$7,000.00
	PV STRUCK REAL PROPERTY  Callahan, Keith E  VM ENERGY LLC	2	<b>\$11,120.00</b> \$500.00 <b>\$10,620.00</b>
	RAILROAD (ANIMAL INJURY) Isaacson, Ken Isaacson, Ken Isaacson, Ken	3	<b>\$4,450.00</b> \$1,300.00 \$1,300.00 \$1,850.00
	RENTAL CAR Enterprise	1	<b>\$485.00</b> \$485.00
	SECONDARY LINE (UG) OTHER THAN SERVICE LINE Trask, Yvonne M Boyer, Lanise Faith Family Church Inc.	3	\$11,536.14 \$625.00 \$3,511.14 \$7,400.00
	SERVICE ENTRANCE SECTION (CUSTOMER EQUIPMENT) Flores-Romero, Efrain	1	<b>\$600.00</b> \$600.00
	SERVICE ENTRANCE SECTION (SRP METER EQUIPMENT) Hirales, Christopher P	1	<b>\$318.00</b> \$318.00
	SERVICE LINE (OH) Montano, Athena E	1	<b>\$150.00</b> \$150.00
	SERVICE LINE (UG) Lemon, G Gonzalez, Martha Leonard, Mark Guerrero, Angel Gerrity, Kevin George, Nathan Bowman, Shaina E	7	\$13,754.03 \$100.00 \$500.00 \$746.03 \$1,140.00 \$1,662.00 \$3,840.00 \$5,766.00
	SUBSTATION  Hendricks, Michael C  Lyons, Charles L	2	<b>\$70.00</b> \$20.00 \$50.00

Responsible Company	Damage Description	# of Claims	<u>Payment</u>
<u>oompuny</u>	TRANSFORMER	8	<u>\$49,770.42</u>
	Alber, Mary ann		\$49.31
	Benza, Teresa		\$179.84
	Quinn, Julie		\$315.00
	Dey, Michele		\$591.76
	Eberle, Kenda J		\$600.00
	Streisel, Robert		\$1,000.00
	Desert Blossom Health and Rehab		\$4,500.00
	BAE Systems PLC		\$42,534.51
	TRANSMISSION	1	<u>\$7,000.00</u>
	Despain, JR		\$7,000.00
	TRENCHING	1	<u>\$6,600.00</u>
	CCRM Holdings LLC		\$6,600.00
	WORK OPERATIONS (NOT OTHERWISE CLASSIFIED)	4	<u>\$5,022.11</u>
	Lowe, Eric		\$150.00
	King, Rachel		\$300.00
	Warg, Paul A		\$1,130.00
	Ortega, Eliberto N		\$3,442.11
District Total		71	\$293,933.56
<b>Grand Total Paid</b>		75	\$300,322.01
	Total Claims Closed during 2nd Quarter FY24	354	

Cox Communications

Claim Number:

10000091181

Date of Loss:

11/01/2022

Date of Payment:

10/12/2023

Organization:

**Fault Locating Operations** 

Payee:

JNR Adjustment Company, Inc.

Address of Occurrence: 4839 South Darrow Drive, Tempe, Arizona

Cost Data:

Paid to Claimant

\$15,526.32

Net Cost to SRP:

\$15,526.32

### **Description of Incident:**

While excavating to repair a bad order primary, an SRP crew damaged an unmarked, direct buried coaxial cable belonging to Cox Communications ("Cox"). excavating, an Arizona 811 blue stake ticket was requested by SRP. However, Cox did not respond to the ticket or apply locate marks for the communications facility with the required timeframe. Unaware that Cox hadn't responded and without confirming, SRP began excavating and struck the coaxial cable.

### Summary:

Cox referred this claim to its third-party administrator, JNR Adjustment Company, Inc., who filed a Notice of Claim for damages in the amount of \$22,180.45. Claims Services negotiated a reduced settlement, contending that Cox's failure to mark its facilities prior to the due date of the locate request as required under A.R.S. § 40-360.22(B) was a contributing cause of the incident.

Total cost to SRP for this incident is \$15,526.32.

Claims Agent's Signature:

Manager's Approval:

Robert Pierce

Rafael and Daniella Rosales

Claim Number:

10000089285

Date of Loss:

07/10/2021

**Date of Payment:** 

08/03/2023

Organization:

Tempe Line

Payee:

Treon & Shook PLLC FBO Rafael and Daniella Rosales

Address of Occurrence: 4615 South 5th Street, Phoenix, Arizona

Cost Data:

Paid to Claimant

\$50,000.00

Net Cost to SRP:

\$50,000.00

### **Description of Incident:**

On July 10, 2021, a fire occurred at Claimants' residence, consuming Claimants' real and personal property, including their single-family home, a mobile home, several automobiles, and a boat. Mr. Rosales stated to the City of Phoenix fire investigator that at the time the fire first broke out, he had power inside his house, but when he went outside, he witnessed "fire on SRP's utility pole" and "arcing to the power line just north of the utility pole" that moved to "arcing at the electrical feed to his house." Mr. Rosales confirmed that there was no history of electrical issues at his home in the past or on the night of the fire. Claimants subsequently filed a Notice of Claim alleging that the fire started as a result of SRP's electrical equipment and wires not properly secured and/or being in an inadequate or defective condition. Claimants demanded \$295,000.00 to settle their claim. SRP denied the claim after its investigation found no evidence of SRP equipment having caused the fire.

### **Summary:**

Claimants filed suit on March 7, 2022, alleging that SRP's failure to adequately design, install, service, and/or maintain its pole and equipment caused the fire. SRP defended the suit, contending, among other things, that plaintiffs had no evidence of negligent conduct or omission by SRP in respect to its lines and electrical equipment, nor could they identify gross negligence, which requires showing that SRP had notice of any issue with its electrical equipment in the vicinity. SRP further noted flaws in Claimants' case, including issues with their electrical wiring, fuses, and service entry panel, as well as removal of a damaged mobile home prior to SRP's formal inspection of the premises after the lawsuit was filed. However, SRP's expert was unable to conclusively determine the cause of the fire. The parties agreed to mediate the matter and reached a favorable settlement.

Total cost to SRP for this incident was \$50,000.00.

Claims Agent's Signature:

Manager's Approval:

JDH/January 2024/Facilities Support Services Committee

Page 5 of 8

Precision Auto Diagnostics, Inc.

Claim Number:

10000088234

Date of Loss:

08/17/2020

**Date of Payment:** 

08/31/2023

Organization:

Tempe Line

Payee:

The Law Office of Christos Agra PLC Trust Account

Address of Occurrence: 1519 East Elwood Street, Phoenix, Arizona

Cost Data:

Paid to Claimant

\$60,000.00

Net Cost to SRP:

\$60,000.00

### **Description of Incident:**

On August 17, 2020, a fire broke out at a vehicle salvage yard, engulfing a portion of SRP's power pole along with several vehicles stored on the lot. A Notice of Claim was filed alleging that the fire started due to sparking from an SRP-owned transformer affixed to the top of the power pole located on the property. Claimant alleged that SRP was grossly negligent in failing to inspect and maintain its transformer. It further alleged that SRP was on notice of the purported danger the transformer posed due to a fire that occurred on the same lot in June 2019, which it claimed had been caused by another transformer. SRP's 2019 investigation concluded that its equipment did not cause that fire, which Claimant did not dispute. Claimant demanded \$155,324.69 to resolve its 2020 claim. Claims Services denied the demand as there was no evidence that the transformer was the cause of the fire.

#### Summary:

Claimant filed suit on August 6, 2021, asserting a claim for gross negligence against SRP for its failure to inspect, monitor, maintain, or otherwise keep the transformer in good repair, which purportedly caused the fire. SRP defended the lawsuit, arguing, among other things, that there was no evidence to support the gross negligence claim, and that there was no indication that SRP's transformer had failed. Claimant's electrical engineering expert agreed with SRP that its transformer had not failed or caused the fire. Claimant shifted theories, alleging that the insulation of an arrester, which was not recovered from the scene or inspected by its expert, had failed and was the cause of the fire. Early attempts to settle and mediate the matter were unsuccessful. However, SRP's expert was unable to conclusively determine the cause of the fire. The parties agreed to participate in a second mediation and reached a favorable settlement.

Total cost to SRP for this incident was \$60,000.00.

Claims Agent's Signature:

Manager's Approval:

Robert Pierce

VM Energy LLC

Claim Number:

10000091657

Date of Loss:

06/11/2023

**Date of Payment:** 

08/16/2023

Organization:

Transmission Line Asset Management & Maintenance

SRP Vehicle:

2016 International 7600 Boom Truck

Payee:

VM Energy, LLC

Address of Occurrence: 420 North Apache Trail, Apache Junction, Arizona

Cost Data:

Paid to Claimant

\$10,620.00

Net Cost to SRP:

\$10,620.00

### **Description of Incident:**

While an SRP employee was entering a fuel island at an AJ Shell Food Mart gas station. the top of the boom attachment on the SRP vehicle struck the fuel island canopy, causing minor structural damage.

### Summary:

Claims Services' investigation confirmed that the boom attachment was properly stowed with a vehicle height of 13' 6". The fuel island canopy height, however, was posted at 12' 6". An estimate for the repairs was reviewed and deemed reasonable.

Total cost to SRP for this incident was \$10,620.00.

Claims Agent's Signature:

Manager's Approval:

Robert Pierce

Jason Hovis

**BAE Systems PLC** 

Claim Number:

10000091138

Date of Loss:

12/07/2022

**Date of Payment:** 

09/21/2023

**Organization:** 

Transmission Line Design, Construction & Maintenance

Payee:

**BAE Systems PLC** 

Address of Occurrence: 7822 South 46th Street, Phoenix, Arizona

Cost Data:

Paid to Claimant

\$42,534.51

Net Cost to SRP:

\$42,534.51

### **Description of Incident:**

On December 7, 2022, BAE Systems' industrial air compressor was damaged after a newly installed transformer caused a reverse rotation in the equipment due to a change in the orientation of the secondary conductors. This transformer replacement was routine but due to a miscommunication, the customer had been told the outage would occur on a later date. The transformer changeout was scheduled with the crew for December 7, 2022, but the customer was notified that outage would occur on December 17, 2022.

### **Summary:**

Claims Services' investigation confirmed the scheduling error, as well as an error in the labeling of the X1 and X3 phase secondary conductors. Per SRP standards, X1 should be identified with red tape and X3 with blue tape. Research found that prior to the changeout, the X1 and X3 phases were correctly installed, but mislabeled. At the time of changeout, the crew installed the secondary conductor according to the color code standard, which in this circumstance, was incorrect. As a result of this error, the electricity delivered to the customer was in reverse order. Claims Services reviewed the invoice for repairs and determined that the cost was reasonable.

Total cost to SRP for this incident was \$42,534.51.

Claims Agent's Signature:

Manager's Approval:

Robert Pierce