

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

BY-LAWS COMMITTEE MEETING

Thursday, April 17, 2025, No Sooner Than 9:35 AM

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

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

Call to Order

Roll Call

1. Request for Approval of the Minutes for the Meeting of December 10, 2024
..... CHAIR M. BRANDON BROOKS
2. "Resign-to-Run" Provision..... MICHAEL O'CONNOR

Informational presentation regarding SRP's consideration of adopting a
"resign-to-run" provision for SRP elected officials.
3. Term Limits for the Offices of the SRP President and Vice President
..... MICHAEL O'CONNOR

Informational presentation and discussion regarding SRP consideration of
adopting a term limit for the offices of the SRP President and Vice President.
4. Reducing the Number of Council Meetings..... MICHAEL O'CONNOR

Informational presentation and discussion regarding reducing the number of
Council meetings to be held every year.
5. Report on Current Events by the General Manager and Chief Executive
Officer or Designees JIM PRATT
6. Future Agenda Topics..... CHAIR 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

04/10/2025

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

DRAFT

December 10, 2024

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 Tuesday, December 10, 2024, 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. 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, Chair; and M.L. Farmer, C.M. Leatherwood, J.W. Lines, J.L. Miller, T.S. Naylor, B.E. Paceley, I.M. Rakow, W.P. Schrader III, and P.A. Van Hofwegen; and M.A. Freeman of the Association.

Committee Member absent at roll call was N.J. Vanderwey, Vice Chair.

Also present were Vice President C.J. Dobson; Council Chair J.R. Shelton; Council Members E.L. Gorseigner, M.R. Mulligan, M.G. Rakow, and C. Resch-Geretti; Board Liaison M.J. Herrera; Board Member R.J. Miller; I.R. Avalos, M.J. Burger, A.P. Chabrier, J.D. Coggins, A.C. Davis, J.M. Felty, M.K. Greene, B.J. Koch, K.J. Lee, L.A. Meyers, G.A. Mingura, M.J. O'Connor, and C.M. Sifuentes of SRP; and Steve Neil, a member of the public.

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, December 6, 2024.

Chair 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 Council Member J.L. Miller and carried, the Committee approved the minutes for the meeting of October 19, 2023, 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 October 19, 2023. The vote was recorded as follows:

| | | |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| YES: | Council Members M.B. Brooks, Chair; and M.L. Farmer, C.M. Leatherwood, J.W. Lines, J.L. Miller, T.S. Naylor, B.E. Paceley, I.M. Rakow, W.P. Schrader III, and P.A. Van Hofwegen | (10) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | Council Member N.J. Vanderwey, Vice Chair | (1) |

Compensation of District Elected Officials

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 compensation of District Board and Council Members and the compensation of other elected officials and utility Board Members.

M.J. O'Connor said that based on SRP's 2013 Council Resolution, the philosophy for the District Board and Council Members is that elected officials should receive compensation that reflects their duties and responsibilities. They further said that the District Board and Council Members believe that their service is an honor and a privilege and should always be for the benefit of SRP shareholders and SRP customers.

M.J. O'Connor stated that pursuant to A.R.S. §48-2362, the Council shall determine the compensation of the Board, but limits compensation to a maximum of \$60 per diem. They confirmed that the current per diem for the District Board and Council Members is \$60. M.J. O'Connor said that the last change to the per diem was made in 2000 and that last review of the per diem was made in 2023. They further said that any recommendation to the per diem is yet to be determined.

M.J. O'Connor reviewed board compensation of other public power and government utilities, and the compensation of Arizona elected officials. They compared Arizona Title 48 entities for the Power District, Electrical District, Drainage and Flood Control District, Irrigation and Water Conservation, and Central Arizona Project (CAP).

M.J. O'Connor concluded with a review of investor-owned board of directors' compensation for 2024 – Arizona Public Service (APS)/Pinnacle West and Southwest Gas. They 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.

President D. Rousseau; N.J. Vanderwey, Vice Chair; Council Vice Chair T.M. Francis; Board Members S.D. Kennedy, K.H. O'Brien, and P.E. Rovey; and V.P. Kisicki of SRP entered the meeting during the presentation.

Acreage Voting in SRP Elections

Using a PowerPoint presentation M.J. O'Connor stated that the purpose of the presentation was to provide information regarding acreage voting in SRP elections. They provided a summary of Management's assumptions and direction as follows: 1) SRP's self-governance is critical to the success of SRP, its customers and shareholders; 2) fundamental to SRP's existence and success is the provision and support of water to the lands within the Reservoir Boundary; 3) the service provided to electric customers outside the Reservoir Boundary are identical to those provided within the District including pricing, programs, reliability and customer service; 4) the current acreage voting system has been held to be legal and Constitutional; 5) any recommendation for change will need approval of all four SRP governing bodies; 6) any changes in SRP voting or voter eligibility would require changes to Arizona statutes and/or the Association articles of incorporation and may need Department of Interior approval; and 7) the District Board in October 2019 voted to continue the support of the current elector qualifications.

M.J. O'Connor broke down SRP's acreage-based voting as follows: 1) both the Association and the District have acreage voting systems with similar voting boundaries; 2) the Association's acreage voting system has been in place since 1903 and is set forth in the Association Articles of Incorporation; 3) the District's acreage voting system was put in place since 1937 and is set forth in the Arizona Revised Statutes, Title 48; 4) there are several other Title 48 entities that also have an acreage voting system; and 5) both the Association and District voting systems were drafted and designed in light of the relationship of the amount of land pledged for collateral (burdened land) and water rights that are appurtenant to the burdened land. They defined for the Committee the following terms: 1) the Salt River Reservoir District (SRRD); 2) the District; and 3) the District's electric service area and presented a map of the District's electric service area.

M.J. O'Connor provided an overview of the current voting structure and presented a map of the Association and District votable lands. They reviewed the Association's Articles of Incorporation – capital stock and qualifications of electors.

M.J. O'Connor said that the Customer Utility Panel (CUP) was created in 2019 and highlighted that the CUP provides a formal voice for SRP residential electric customers who reside outside the District boundary. They summarized the structure of the CUP and provided a map of the areas the CUP represents.

M.J. O'Connor provided governance survey data from 2019 through 2021 for the following entities: 1) the Large Public Power Council (LPPC); 2) SRP; and 3) the American Public Power Association (APPA). They concluded with a discussion of how other utility advisory panels compare to the CUP.

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.

Board Member K.H. O'Brien left the meeting during the presentation.

SRP District Election Overview

Using a PowerPoint presentation, John M. Felty, SRP Corporate Secretary, stated that the purpose of the presentation was to provide information regarding the SRP District election and takeaways.

J.M. Felty reviewed the District and the Association's early ballots requests and returns from 2014 through 2024, and the 2024 District early ballots requests and returns by division areas. They said that the following improvements were implemented in 2024: 1) improved Permanent Early Voting List (PEVL) and early ballot web form; 2) candidate information forum; 3) improvements to ballot counting software to eliminate the problems that occurred in the 2022 election ballot counting; 4) improved website information, Frequently Asked Questions (FAQ), and voting instructions; 5) improved candidate biographical forms; and 6) use of Quick Response (QR) codes for navigation to web information and early ballot request.

J.M. Felty outlined the areas of concern from the 2024 election as follows: 1) the voting center lines were long; 2) not enough staff to handle the increased voters and candidate participation; 3) low percentage of early ballot returns; and 4) higher numbers of voter phone inquiries. They concluded with a discussion regarding election communication methods and potential improvements for the 2026 election.

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.

Report on Current Events by the General Manager or Designees

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

A.P. Chabrier, V.P. Kisicki, and G.A. Mingura of SRP left the meeting.

Future Agenda Topics

Chair M.B. Brooks asked the Committee if there were any future agenda topics. Chair M.B. Brooks requested a follow up presentation regarding an evaluation of the frequency of full Council meetings.

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

John M. Felty
Corporate Secretary

Informational Presentation Regarding “Resign to Run” re SRP Elections

Michael J. O'Connor | April 17, 2025 | SRP District By-Laws

Agenda - District

- What is the Resign to Run issue?
- What would be the proposed change?
- What is the process to change?
- Has it been previously addressed?

What is the Resign to Run Issue?

- A.R.S § 48-2365 Terms of Office; election provides in pertinent part:
 - (C): “A petitioner shall not file petitions for more than one office or seat and shall not be eligible for election to any other seat or office at the District of that election”

What is the Resign to Run Issue (cont)

- The staggered nature of District elections allows certain elected officials in the middle of their term to run for another seat – without having to resign their office.
- For example, an “odd number seat” could run for President or Vice President without resigning current seat, while an “even number seat” could run for President or Vice President, but only if he/she resigned his/her current seat.

What would be the proposed change?

- The previously proposed solution would put the “odd” and “even” seats on par – requiring that the “odd number seat” to resign his/her seat if running for President or Vice President.

What is the process to change?

- To institute a resign to run provision, SRP would need to seek a statutory change to A.R.S §48-2365(C).
- A prior proposal considered by the Council added the following language at the end of A.R.S. § 48-2365(C):
 - “A board or council member who files a petition for the office of President or Vice President will be deemed to have resigned such board or council position effective as of the first Monday in May following the election”.

Has the Resign to Run issue been previously addressed?

- This issue has come before the Council and Board several times since 2007.

Discussion

thank you!



Term Limits for Offices of SRP President and Vice President

Michael J. O'Connor | April 17, 2025 | SRP District By-Laws

Term Limits for District President and Vice President

- Does SRP have term limits for District elected offices?
- What would term limits look like?
- What is the process to enact term limits for District offices?

SRP District Offices of President and Vice President

- There are currently no term limits – i.e., no limitation on the number of years or terms a person may serve as President and Vice President.

What Would Term Limits Look Like?

- Term limits – what limits would the Board/Council propose, if any, regarding a limit on the number of terms or number of years in office?

What is the Process to Enact Term Limits for District President and Vice President?

- The Board and Council would need to direct management to seek a statutory change to the Arizona Revised Statutes Title 48 to enact term limits.

Discussion and Next Steps

thank you!



Reducing The Number of Council Meetings

Michael J. O'Connor | April 17, 2025 | SRP District By-Laws

Discussion Regarding Number of District Council Meetings

- Statutory Requirements
 - A.R.S § 48-2362 (C) – Council must meet at least once per year.
- Current Practice
 - Monthly meetings, except for July and December.
- Discussion of Options

Discussion and Next Steps

thank you!

