



IRRIGATION & ELECTRICAL DISTRICTS ASSOCIATION OF ARIZONA, INC.

PO Box 2583
Litchfield Park, AZ 85340
(623) 238-1374
E-mail: ed.gerak@ieda-az.org

| |
|---|
| R.D. JUSTICE – PREDSIDENT ELSTON GRUBAUGH – VICE-PRESIDENT VACANT – SECRETARY JEFF WONER – TREASURER |
|---|

IEDA BOARD MEETING MINUTES - **Draft**

April 19th, 2022 – 11:30 AM

A meeting of the Board of Directors of the Irrigation & Electrical Districts Association of Arizona, Inc. (“IEDA”) was held on April 19th, 2022.

The following IEDA Members were present:

Mitch Basefsky-CAP (Virtual)
Michael Curtis – Dentons Law Group
Buchanan Davis – Governor’s Natural Resource Policy Advisor
Dennis Delaney-KR Saline
Ben Engelby – AEPCO (Virtual)
Sheri Farag-SRP
Ed Gerak-IEDA Executive Director
Elston Grubaugh – Wellton-Mohawk, Vice-President (Virtual)
Russ Jones – Arizona Power Authority
Mark Lewis – SRP (Virtual)
Ron McEachern – ED4 (Virtual)
Jason Moyes-Moyes, Sellers & Hendricks (Virtual)
Donovan Neese-Roosevelt Irrigation District
Paul Orme – Salmon, Lewis & Weldon (Virtual)
Ken Saline-KR Saline (Virtual)
Scott Saline- KR Saline (Virtual)
Meghan Scott-Nobel Law Firm (Virtual)
Ryan Serote – Meguire Whitney (Virtual)
Dave Slick – KR Saline (Virtual)
Russell Smoldon-B3 Strategies
Jim Sweeney – Arizona Power Authority
Sheryl Sweeney- Clark Hill
Bill Van Allen—ED6 (Virtual)
Shelton Van Allen – ED6 (Virtual)
Robert Van Hofwegen – ED8 (Virtual)
Glen Vortherms—MWD
Jeff Woner—HVPD & TID, Treasurer
Brian Yerges – ED3 (Virtual)
Brian Young – CAP (Virtual)

Executive Director Gerak called the meeting to order at 12:20 P.M.

Buchanan Davis, the Governor's Natural Resource Policy Advisor, made a report to IEDA regarding the status of water and water related legislation in Arizona. Mr. Davis addressed the ongoing drought and the recent letter from Assistant Secretary Trujillo. He assured us the Arizona will continue to do hard things in the face of these circumstances, but we also need to think bigger and differently to address the long term health of the river. That is why Governor Ducey recommended setting aside \$1B over three years for augmentation, and is a driving force behind the Arizona Water Authority legislation. Viewed as the next step in Arizona's water legacy, it allows for large augmentation projects as well as localized projects that would benefit the state. A new draft will be out soon, viewed as a work in progress, there will be opportunity for stakeholder feedback. Mr. Davis touched on other water related legislation, as well as updating the group that HB 2101, the Reliability Legislation, passed the senate and is moving to the Governor's desk. We expressed our desire that that legislation get signed.

Russel Smoldon provided an update on state legislative issues. It is the 100th day of the session. To date, there have been 157 bills signed by the Governor and zero vetoed. There are still 331 active bills and 28 bills sitting on the Governor's desk. The house has introduced a continuation budget, but it is expected to be a long session with \$5B in surplus revenues to play with. Infrastructure has been a big priority with this surplus, including the I-10 expansion. Multiple water bills have been discussed besides the Arizona Water Authority, including ones that would impact irrigation districts. On the power side, HB 2101 passed 17 to 11, which would remove deregulation off the books.

Ryan Serote updated the Board regarding the current issues in Washington, DC. The majority of the update was spent on the budget process and the recent Supreme Court confirmation of Ketanji Brown Jackson. The court still remains 6-3 in favor of conservatives. Given that this is an election year, it is anticipated that there won't be much progress on the proposed clean energy provisions until after the election. Both houses will take their August recess as well as won't be in session in October. Meguire Whitney continues to work with CREDA & IEDA on possible emergency supplemental and appropriations asks, specifically related to the power impacts to federal hydropower dams on the Colorado River.

We moved down the agenda to the water section and Donovan Neese updated the board regarding what is happening at NWRA and ABWC. He highlighted the FFA Trap Shoot, the Women in Water & Ag meeting that is coming up on May 24th at the Wigwam. The Capital Times is having a water related focus. At the last ABWC meeting, a majority of the time was focused on the letter from Assistant Secretary Trujillo. Finally, RWCD is hosting a technology conference on May 2nd. Mr. Gerak highlighted to the board that the NWRA Federal Legislation Conference on May 9th to the 11th.

John Sullivan, APA Chairman, was called upon to provide an update on the Authority. The APA has selected Jordy Fuentes as the new Executive Director, with a target date of June 1st. The BCP 5-Year rate process is starting. This is a formulaic process, but concerns about the current drought could lock in an escalation without recourse if we are not careful.

Sheri Farag, Salt River Project, provided an update on the recent CREDA meeting. Basin hydrology continues to be problematic. WAPA expressed a desire for collaborative working relationships with customers regarding the drought. Gail Bates, CRCNV, provided an estimate of the impacts of the drought to the customers based on a mark to market analysis using historically wet years versus recent lost generation.

Ken Saline provided an update on the announcement of Jack Murray as the DSW Regional Manager. Mr. Saline provided more information about the rate process, the One Transmission Rate and also highlighted how well DSW has been helpful working with the customers. He also mentioned that Tracey Lebeau will be visiting the Pinal County Districts on May 3rd.

Mr. Gerak highlighted issues from the Board Report prior to addressing the business items. They included the proposed BCP Rate increase of 9.1%, which currently does not include the 500+ impacts. The Supreme Court continues to take on cases that will impact water and power issues. These include West Virginia vs. EPA, the Sacketts vs. EPA and California's Prop 12 (hog spacing) challenge. European gas has jumped 450% because of the invasion of the Ukraine. Russia produces 10% of the world's oil. The United States became the world's largest exporter of LNG, and this volume may increase given the situation in Eastern Europe. It is projected that EVs will increase the electrical load demand 25% by 2040, but the grid might be overwhelmed by 2028 if new capacity is not added. President Biden also released a \$5.8T Budget, and the US just eclipsed \$30T in debt.

Mr. Gerak asked for a motion for approval of the minutes for the March 15th, 2022 board meeting. Glen Vortherms made a motion to approve the minutes from March 15th, 2022 board meeting. Donovan Neese seconded the motion. Mr. Gerak called for a vote and the motion passed.

Mr. Gerak informed the board that there was a draft support letter for S3308 – “The Colorado River Indian Tribes Resiliency Act of 2021.” After discussing the approach and some of the history behind the issue, he asked for a motion to send the letter. Glen Vortherms made a motion to authorize sending the letter. Jeff Woner seconded the motion. Mr. Gerak called for a vote and the motion passed.

Mr. Gerak provided an update on the current status of membership and impacts to the budget. Based on trending spend rates, current dues should still cover all expenses (memo provided).

Mr. Gerak presented meeting impacts for the June and July meetings. Based on the schedules of CREDA and the proposed APA meeting in Flagstaff in July, Mr. Gerak requested that we push back the June meeting to the 24th. It was also recommended that IEDA participate in the summer meeting in Flagstaff. Jeff Woner made a motion to adopt these recommendations for scheduling adjustments. Donovan Neese seconded the motion. Mr. Gerak called for a vote and the motion passed.

Mr. Gerak updated the Board on the discussions with AMPUA and the proposed “Unification Project.” Mr. Gerak recommended that IEDA and AMPUA have a joint meeting and subsequently form committee(s) for negotiating the process. Brian Yerges made a motion to pursue the “Unification Project” recommendation. Glen Vortherms seconded the motion. Mr. Gerak called for a vote and the motion passed.

Mr. Gerak lastly proposed a reciprocal non-voting membership swap with ABWC. Donovan Neese made a motion to support the request. Jeff Woner seconded the motion. Mr. Gerak called for a vote and the motion passed.

The Board exited executive session and the meeting was adjourned at 2:00 P.M.