



IRRIGATION & ELECTRICAL DISTRICTS ASSOCIATION OF ARIZONA, INC.

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

GLEN VORTHERMS – PRESIDENT ROBERT VANHOFWEGEN – VICE-PRESIDENT NOEL CARTER – SECRETARY DONOVAN NEESE – TREASURER BRIAN FICKETT – AT-LARGE ELSTON GRUBAUGH - AT-LARGE

IEDA BOARD WORK SESSION MEETING MINUTES - Draft

June 18, 2024 – 12:00 PM

A meeting of the Board of Directors of the Irrigation & Electrical Districts Association of Arizona, Inc. (“IEDA”) was held on June 18, 2024.

The following IEDA Members attended the meeting:

Mitch Basefsky – CAP (Virtual)
Noel Carter – BWCDD
Heather Cole – Arizona Power Authority (Virtual)
Ben Engelby – AEPCO (Virtual)
David Fitzgerald – AEPCO (Virtual)
Jordy Fuentes – Arizona Power Authority
Ed Gerak - IEDA Executive Director
Elston Grubaugh – Wellton-Mohawk (V)
DeWayne Justice – ED7
Stephanie Knight-Dubien – ABWC (V)
Adam McAnally- SRP
Jason Moyes - TID, HVPD, Aguilla (Virtual)
Meghan Scott - (Virtual)
Donovan Neese – RID
Paul Orme – Salmon, Lewis & Weldon (Virtual)
Daniel Pritchard - KR Saline & Associates (Virtual)
Emily Rice – B3 Strategies
Ken Saline – KR Saline & Associates
Scott Saline - TID, HVPD, Aguilla (Virtual)
Shan Sanders – AEPCO (V)
Meghan Scott - (Virtual)
Patrick Sigl & Guest – SRP
Lori Taitano – SRP
Robert Van Hofwegen – ED8
Glen Vortherms – MWD, IEDA Board President
Jeff Woner – Ocotillo (Virtual)

President Vortherms called the meeting to order at 12:01 P.M.

Based on a roll call, a quorum was established.

President Vortherms welcomed Patrick Sigl, Principal Managing Attorney for Water, Land & Environment for Salt River Project provided an update on the recent Colorado River Tribal water settlements involving the Navajo Nation, Hopi & the San Juan Southern Paiute. Arizona has the largest amount of Indian reservation land, with the Navajo Nation being the largest in size and area. Mr. Sigl provided an overview of the proposal that the tribes have agreed to and discussed next steps, including key sponsors of the legislation. The proposed \$5B deal seems to be being fast tracked given the current position of the administration. Mr. Sigl also provided an update on cases under consideration by the Supreme Court of the United States. These include two cases that possibly could alter the Chevron Doctrine and a Grants Pass case that could help alleviate the growing problem of homelessness encampments on canals.

Moving into the board actions, a motion was requested for approval of the minutes for the May 28th, 2024. Robert Van Hofwegen made a motion to approve the minutes. Noel Carter seconded the motion. A vote was called for and the motion passed.

Mr. Gerak discussed the released LTEMP FEIS and pending Record of Decision. Mr. Gerak sought direction from the board regarding its position on the situation regarding challenging the decision. David Fitzgerald provided some comments regarding the viability of pursuing the case. The board directed Mr. Gerak to do anything to delay the implementation of the decision.

Mr. Gerak provided an update on federal issues. The Help Hoover Dam Act received a markup last week and passed out of the Natural Resources Committee. It is now eligible for unanimous consent (the Houses Suspension Calendar). There is discussion of a year-end omnibus for natural resources, which would be a great vehicle to attach the bill to for possible passage.

On the Senate side, Mr. Gerak received a copy of the letter from all six Lower Basin senators requesting a hearing in Senate Energy and Natural Resources. A few hours later, he also received an email from Chris Phalen, from Senator Sinema's office announcing that that would be his last day with the Senator. Samantha Edwards will be handling this bill moving forward. Mr. Gerak has a call with Ms. Edwards on Thursday to discuss.

Mr. Gerak also highlighted the presentation of Ron Brownstein from the American Public Power Administration National Conference. Mr. Brownstein provided a historical perspective of the elections in the United States and some things to watch for 2024. Most states (80%) have voted the same way for some time, and this year's election comes down to seven swing states (GA, NC, NV, AZ, MI, PA & WI), with Virginia and Minnesota also possibly in play. Given the entrenched voting patterns, it is possible that the Democrats could lose 2 of the 3 vulnerable seats in Ohio, West Virginia and Montana. If that comes to pass, it is likely that the Republicans could hold the Senate until 2030.

Emily Rice provided a report to the members of all the activity going on at the state legislature. Sine Die occurred Saturday, the 160th day of session. This session also saw the third highest number of bills introduced at 1,660 – behind 2023 at 1,674 and 2021 at 1,774. 202 bills have been signed so far and 59 vetoed. 30 Memorials and Resolutions have been transmitted to the Secretary of State, including seven questions that were sent to the ballot.

The final budget included a notable reduction in spending from last year – with the introduced budget coming in at about \$17.2 billion, down from last year's \$18 billion budget. In

order to make up for the \$1.3 billion deficit, the budget included numerous reductions to spending, fund transfers, appropriation clawbacks, and pushing many transportation and infrastructure projects out to later years. For the purposes of IEDA's members, some of the most significant impacts will be to WIFA, which lost the third year of \$333 million appropriation – or 1/3 of the billion dollars former Governor Doug Ducey advocated for as an investment in water. State agencies across the board saw significant reductions in their operating lump sum appropriation, with most receiving at 3.45% cut, with the Department of Agriculture seeing the largest cut at 4.34% and Department of Water Resources seeing the smallest at 0.15%.

HB2003, the reconductoring bill passed the Senate 18-9 and was transmitted to the Governor's desk. If signed, this would be helpful for system upgrades, especially for legacy lines. Mrs. Rice also provided an update on water legislation. SB1081, the Buckeye waterlogged bill, was sent to the Governor's desk along with SB1172 and SB1181. HB2201 and SB1221 failed to make out of both chambers.

Noel Carter provided an update from the Water Committee. Hydrology took a hit when runoff projections were reduced by 900K AC-FT. This is the second year in a row that estimates were revised downward (1 MAF in 2023). Storage is still up due to a wet 2023, but potential for another wet year were not realized.

A lot of discussion was had regarding the Post-2026 negotiations, as this is a potential vehicle for some future hydropower legislative priorities. Mr. Carter attended the Getches-Wilkinson Conference where the Basin States discussed the future. Despite giving the impression that a consensus deal was possible, Tom Buschatzke shared with Mr. Gerak that the Upper Basin states sent an email to the Commissioner stating they had no legal responsibility to release more than 7.5 MAF during any year. Mr. Buschatzke's comment was that there is more uncertainty today than before the conference.

Mr. Gerak provided an update on important power issues. Summer energy demand is projected to be up 2.7% compared to last year. The expansion of AI and data centers are exacerbating resource adequacy concerns. AI could consume as much as 9% of total electricity in the US by 2030.

California is recognizing that they may need natural gas longer than anticipated. A total 148 MW of fast-response, dispatchable natural gas generation was installed at three locations in the Central Valley.

The Senate recently approved three new FERC commissioners, bringing them back up to a full slate. FERC Order 1920 was approved, which addressed long-term planning and cost allocation.

SPP recently filed its Tariff with FERC. Mr. Gerak is reviewing the submission for possible impacts to IEDA members.

Treasurer Neese provided the finance report. Travel and overhead expenses are at approximately \$15,914.28 YTD 5 months in, with a \$30K travel & \$10K contingency budget. Mr. Gerak updated the group regarding the SCIP membership. They have submitted the sole source justification to the solicitors and are awaiting a response back. Treasurer Neese asked about how they would fund their membership. Despite submitting the 5-year invoice, they will pay it year to year.

President Vortheims opened the floor to member comments.

Mr. Gerak highlighted that the October meeting may change due to his schedule. He also provided an update on the Annual Meeting date moving to January 15th. APPA is in town for the Joint Action Agency, so this would allow us access to some of their speakers and also a regional panel. Representative Griffin has also committed to the meeting.

The meeting was adjourned at 1:55 P.M.