



# COUNCIL MINUTES

February 25, 2003

The City Council of the City of Mesa met in a Joint Dinner Meeting with the Salt River Project Board, 660 W. Fairway Drive, Mesa, on February 25, 2003 at 6:00 p.m.

## CITY COUNCIL PRESENT

Mayor Keno Hawker  
Rex Griswold  
Kyle Jones  
Dennis Kavanaugh  
Janie Thom  
Claudia Walters  
Mike Whalen

## STAFF PRESENT

Mike Hutchinson  
Jim Huling  
Barbara Jones  
Eric Norenberg  
Dave Plumb  
Paul Wenbert

## SALT RIVER PROJECT BOARD PRESENT

Bill Schrader, President  
Bill Arnett  
Fred Ash  
Dwayne Dobson  
John Williams

## SALT RIVER PROJECT STAFF PRESENT

Dave Areghini  
Kathie Lee  
Dick Silverman  
John Sullivan

## SALT RIVER PROJECT BOARD ABSENT

Dale Riggins

## SALT RIVER PROJECT STAFF ABSENT

Mark Bonsall  
Dick Hayslip

(Items were discussed out of order but for purposes of clarity will remain as listed on the agenda.)

### 1. Welcome and Introductions.

Salt River Project (SRP) Board President Bill Schrader welcomed everyone to the meeting. Mr. Schrader commented that these meetings are extremely beneficial since issues are similar and stated his appreciation for the partnerships that have evolved over the years.

Mayor Hawker requested that the Councilmembers and Staff introduce themselves and also asked that they discuss a SRP or a water issue that is of special interest to them.

President Schrader requested that the members of the Salt River Project (SRP) Board and Staff also introduce themselves. Mr. Schrader introduced himself as President of the Salt River Project Board after the introductions and commented that it is an honor to serve as President of such a fine organization.

(Dinner was served at 6:28 p.m. Meeting reconvened at 7:20 p.m.)

Prior to discussion of remaining agenda items, General Manager Dick Silverman commented on Salt River Project's recent centennial event and commented on the enormous amount of media coverage that took place at the company's 100-year anniversary celebration. Mr. Silverman stated that one week after the initial event, a celebration in Washington D.C. at the Library of Congress took place with 250 attendees.

2. Hear an update by SRP on drought issues.

(A handout relative to "SRP's Perspective On Drought" was distributed to those in attendance.)

Assistant General Manager John Sullivan discussed the current drought and outlined the steps taken each year by Staff (review of statistical data) to request an appropriate allocation for water from the Board for the following year. Mr. Sullivan pointed out that in 2002, watershed precipitation produced just 7.65" which was the least amount ever recorded in over 100-years of record. Mr. Sullivan reported that reservoir storage is currently about 28% of capacity and the Roosevelt Dam is approximately 14% full, compared to 90% in 1995. In addition, Mr. Sullivan commented on the fact that SRP has purchased or exchanged approximately 430,000 acre-feet of Central Arizona Project (CAP) water since 1996 and stated that CAP has been a "lifesaver" for their shareholders. Mr. Sullivan also pointed out that SRP is pumping ground water, approximately 325,000 acre-feet in 2002, and stated that it is anticipated that in 2003 even more groundwater will be pumped if conditions continue to remain dry.

Mr. Sullivan noted that last fall the SRP Board reduced SRP's allocation from 3 acre-feet to 2 acre-feet for the current year. Mr. Sullivan explained that because of this reduced allocation, SRP has been working diligently with other cities to inform citizens of the importance of water conservation through the "Water: Use It Wisely" campaign. Mr. Sullivan commented that the official word from the company's hydrologist is that the drought is not over yet.

Discussion ensued relative to the survey completed this spring by the Fish and Wildlife Service and the Bureau of Reclamation at the Verde River. Mr. Sullivan reported that although willow flycatcher nests were discovered in the storage space at Horseshoe Reservoir, it was not to the degree of those found at Roosevelt Dam. Mr. Sullivan outlined the impacts from the discovery and protection of endangered species and stated that the financial impact at Roosevelt amounted to approximately twenty million dollars.

3. Hear an update by SRP on the Solar Project at East Mesa Regional Library.

Mr. Silverman very briefly discussed the solar covered parking facility located at Mesa's new regional library. Mr. Silverman reported that the system generates approximately 20 kilowatts and commented on the fact that it would take an enormous amount of solar mirrors in order to produce 1 megawatt of energy. Mr. Silverman commented that this project is part of SRP's Earth Wise Energy Program that includes not only solar but a power plant that is powered by landfill gas. Mr. Silverman also announced

that SRP is currently looking for windmills and an appropriate location (windy conditions most of the time) in order to utilize this type of energy.

4. Hear an update by SRP on Electric Deregulation in Arizona.

General Manager Silverman commented on the substantial financial problems experienced by the utility companies in California, including Enron, since retail deregulation was imposed in that State. Mr. Silverman stated that the financial problems that occurred as a result of escalating prices experienced by the State of California has had an impact on every state in the western United States. Mr. Silverman pointed out that based on these factors, the western states (except Arizona) have either canceled or postponed the deregulation of utilities. Mr. Silverman reported that although Arizona has not yet opted out, the Corporation Commission is currently considering the possibility of discontinuing deregulation.

Mr. Silverman briefly spoke relative to the problems experienced by states that have wholesale electric deregulation and pointed out that the states do not approve of the Federal Government's involvement in this issue.

Discussion ensued regarding increases to gas prices and the new pipeline coming from Colorado.

(At the close of the meeting, City Manager Mike Hutchinson stated his appreciation for the continual assistance provided by SRP staff over the years).

(President Schrader thanked everyone for their attendance.)

5. Adjournment.

Without objection the meeting adjourned at 8:03 p.m.

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KENO HAWKER, MAYOR

ATTEST:

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BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Joint Dinner Meeting with the Salt River Project Board and the City of Mesa Council held on the 25<sup>th</sup> day of February 2003. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2003

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BARBARA JONES, CITY CLERK