

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

DISTRICT COUNCIL

Tuesday, June 6, 2023, 9:30 AM

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

Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. Request for Approval of the Minutes for the Meeting of May 2, 2023
..... CHAIRMAN TYLER FRANCIS
2. Council Committee Chairs and Liaisons Reports ... CHAIRMAN TYLER FRANCIS
3. Economic Outlook PAUL BACHMAN;
and KRISTEN STEPHENSON,
GREATER PHOENIX ECONOMIC COUNCIL (GPEC)

Informational presentation regarding the national and local economic outlook by Kristen Stephenson of GPEC, followed by a brief overview of the economic implications of relevance for SRP.
4. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT
 - A. Power System JOHN COGGINS
 - B. Finance and Information Services AIDAN McSHEFFREY
 - C. Water Resources LESLIE MEYERS
5. Reservoir Report / Weather Report BO SVOMA
6. President's Report PRESIDENT DAVID ROUSSEAU
7. Future Agenda Topics CHAIRMAN TYLER FRANCIS

The Council 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 Council on any of the matters listed on the agenda.

The Council 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.



THE NEXT COUNCIL MEETING IS SCHEDULED FOR
TUESDAY, AUGUST 8, 2023

05/30/2023

**SAFETY MINUTE: WATER WATCHER
SRP COUNCIL**

**SARA MCCOY
DIRECTOR, RISK MANAGEMENT
JUNE 6, 2023**



Delivering water and power™

SAFETY MINUTE: ASSIGN A WATER WATCHER

**ACTIVELY
WATCH!**

- Assign to adults who know how to swim and perform CPR.
- No distractions - put away devices and books.
- Have safety rings and poles available. Know the address.
- Monitor and keep count of everyone in the group.
- Pass the water watcher tag to another when needing to step away.
- Actively scan the pool during the event and before vacating the area.



My eyes are on everyone in the water.

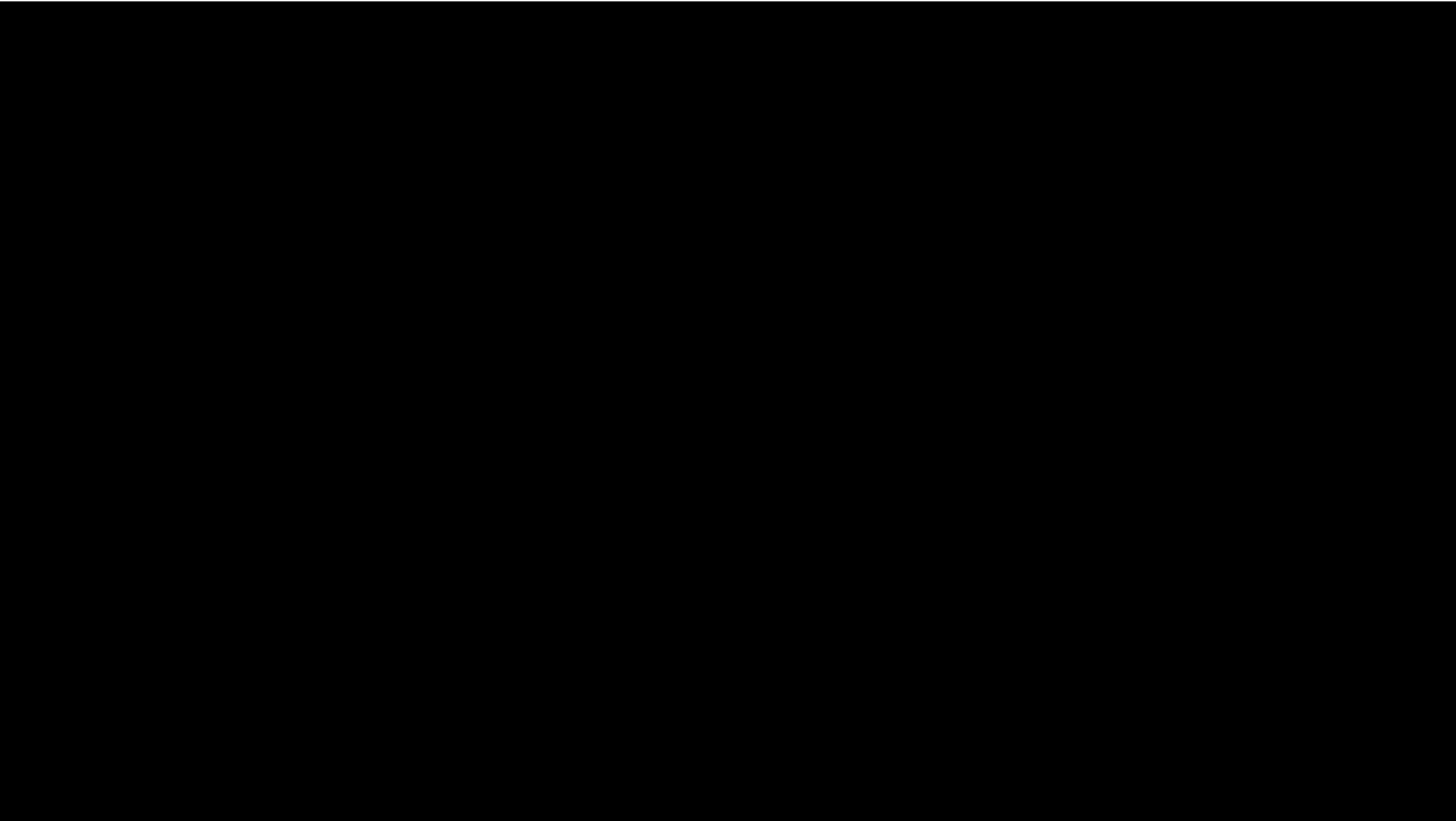
WATER WATCHER

SAFE SUMMER | BE WATER-SAFE

WATER WATCHER RESPONSIBILITIES:

- Take 15 minutes to vigilantly watch children in the pool.
- Put away cellphones and any other distractions.
- Hand off the Water Watcher tag to another responsible adult after 15 minutes.
- Call 911 if there is an emergency.





MINUTES OF COUNCIL
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER
DISTRICT

DRAFT

May 2, 2023

A meeting of the Council of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, May 2, 2023, from the Board 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.

Council Chairman T.M. Francis called the meeting to order, and Corporate Secretary J.M. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona
April 25, 2023

NOTICE OF COUNCIL MEETING

A meeting of the Council of the Salt River Project Agricultural Improvement and Power District (the District) is hereby called to convene at 9:30 a.m. on Tuesday, May 2, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. The purpose of the meeting is to discuss, consider, or make decisions on the matters listed on the agenda.

WITNESS my hand this 25th day of April 2023.

/s/ Tyler Francis
Council Chairman

Council Member D.B. Lamoreaux offered the invocation. Corporate Secretary J.M. Felty led the Council in the Pledge of Allegiance.

Council Members present at roll call were Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; and J.R. Augustine, M.B. Brooks, M.L. Farmer, A.A. Freeman, G.E. Geiger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, J.W. Lines, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Pacey, M.C. Pedersen, I.M. Rakow, M.G. Rakow, W.P. Schrader Jr., W.P. Schrader III, W.W. Sheely, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren.

Council Members absent at roll call were C.M. Leatherwood, M.A. Lewis, and H. Tjaarda Jr.

Also present were District Vice President C.J. Dobson; Council Member M.A. Freeman of the Association; Board Liaison M.J. Herrera; Board Member K.L. Mohr-Almeida; Mmes. K.J. Barr, M.J. Burger, L.F. Hobaica, L.A. Meyers, G.A. Mingura, and C.M. Sifuentes; and Messrs. R.L. Balzer, J.D. Coggins, J.M. Felty, S.P. Flora, M. Hummel, K.J. Lee, A.J. McSheffrey, M.J. O'Connor, J.M. Pratt, P.B. Sigl, 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 Council of the District meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, April 28, 2023.

Safety Minute

Using a PowerPoint presentation, Ryan L. Balzer, SRP Safety Services Supervisor, provided a safety minute regarding securing vehicle loads.

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.

Mr. R.L. Balzer left the meeting.

Election of Council Chairman and Vice Chairman

District Vice President C.J. Dobson announced that the election of the District Chairman and Vice Chairman of the Council for Fiscal Year 2024 (FY24) was in order. He called for nominations for the office of District Chairman and Vice Chairman of the Council.

On a motion duly made by Council Member P.A. Van Hofwegen and seconded by Council Member I.M. Rakow, Tyler M. Francis was nominated as District Council Chairman. With no other nominations being made, by acclamation, Tyler M. Francis was declared elected to the office of District Council Chairman for FY24.

Corporate Secretary J.M. Felty polled the Council Members on Council Member P.A. Van Hofwegen's motion to approve the nomination of Tyler M. Francis as District Council Chairman. The vote was recorded as follows:

| | | |
|------|---|------|
| YES: | Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; and J.R. Augustine, M.B. Brooks, M.L. Farmer, A.A. Freeman, G.E. Geiger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, J.W. Lines, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Pacey, M.C. Pedersen, I.M. Rakow, M.G. Rakow, W.P. Schrader Jr., W.P. Schrader III, W.W. Sheely, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren | (26) |
| NO: | None | (0) |

ABSTAINED: None (0)
 ABSENT: Council Members C.M. Leatherwood, M.A. Lewis, and (3)
 H. Tjaarda Jr.

On a motion duly made by Council Member P.A. Van Hofwegen and seconded by Council Member I.M. Rakow, J. Rocky Shelton was nominated as District Council Vice Chairman.

Corporate Secretary J.M. Felty polled the Council Members on Council Member P.A. Van Hofwegen's motion to approve the nomination of J. Rocky Shelton as District Council Vice Chairman. The vote was recorded as follows:

YES: Council Chairman T.M. Francis; Council Vice Chairman (26)
 J.R. Shelton; and J.R. Augustine, M.B. Brooks, M.L. Farmer,
 A.A. Freeman, G.E. Geiger, A.S. Hatley, A.M. Herrera,
 R.S. Kolb, D.B. Lamoreaux, J.W. Lines, J.L. Miller,
 M.R. Mulligan, T.S. Naylor, B.E. Pacey, M.C. Pedersen,
 I.M. Rakow, M.G. Rakow, W.P. Schrader Jr., W.P. Schrader III,
 W.W. Sheely, R.W. Swier, N.J. Vanderwey,
 P.A. Van Hofwegen, and M.A. Warren

NO: None (0)
 ABSTAINED: None (0)
 ABSENT: Council Members C.M. Leatherwood, M.A. Lewis, and (3)
 H. Tjaarda Jr.

Corporate Secretary J.M. Felty announced that J. Rocky Shelton was elected to the office of District Council Vice Chairman for FY24.

Tyler M. Francis assumed the Chair of the meeting.

Approval of Minutes

On a motion duly made by Council Member B.E. Pacey, seconded by Council Member P.A. Van Hofwegen and carried, the Council approved the minutes for the meeting of April 4, 2023, as presented.

Corporate Secretary J.M. Felty polled the Council Members on Council Member B.E. Pacey's motion to approve the minutes for the meeting of April 4, 2023. The vote was recorded as follows:

| | | |
|------------|---|------|
| YES: | Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; and J.R. Augustine, M.B. Brooks, M.L. Farmer, A.A. Freeman, G.E. Geiger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, J.W. Lines, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Pacey, M.C. Pedersen, I.M. Rakow, M.G. Rakow, W.P. Schrader Jr., W.P. Schrader III, W.W. Sheely, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren | (26) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | Council Members C.M. Leatherwood, M.A. Lewis, and H. Tjaarda Jr. | (3) |

Council Committee Chairs and Liaisons Reports

Council Chairman T.M. Francis asked for reports from the Council Committee Chairs and Liaisons to the Standing Board Committees. Council Member A.S. Hatley reported on discussions held at the Power Committee. Council Member M.A. Freeman reported on discussions held at the Water Committee. Council Member T.S. Naylor reported on discussions held at the Integrated System Plan (ISP) meetings. Council Member G.E. Geiger reported on discussions held at the Facilities and Support Services Committee.

Mr. R.T. Judd entered the meeting during the presentation.

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

Using a PowerPoint presentation, Mike Hummel, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the District.

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.

Mr. P.B. Sigl left the meeting during the presentation.

Status of Power System

Using a PowerPoint presentation, John D. Coggins, SRP Associate General Manager and Chief Power System Executive, provided an update on the SRP's power system. He provided a summary of April operations and stated that there was a peak demand of 5,301 Megawatts (MW) on April 30, 2023. Mr. J.D. Coggins provided an update on the Field Area Network (FAN) Communications System.

Mr. J.D. Coggins concluded with an overview of the High-Tech Interconnect Project (HIP) progress.

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.

Status of Financial and Information Services

Using a PowerPoint presentation, Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive, reviewed the combined net revenue (CNR) for the fiscal year-to-date; the financial highlights for the month of March, and the status of collections through March 2023 within the Fuel and Purchased Power Adjustment Mechanism (FPPAM). He reviewed the preliminary retail energy sales for Fiscal Year 2023 (FY23) and provided a summary of wholesale net revenue for April.

Copies of the handout distributed and PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Status of Water Resources

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources Executive, reviewed the draft Supplemental Environmental Impact Statement (SEIS) released by the United States Bureau of Reclamation. She provided an overview of all alternatives including a "no action alternative", "both action alternatives", "action alternative 1", and "action alternative 2".

Ms. L.A. Meyers concluded with other considerations and next steps.

Copies of PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Reservoir and Weather Report

Using a PowerPoint presentation, Stephen P. Flora, SRP Senior Hydrologist, reviewed the cumulative watershed precipitation outlook from October 2022 to June 2023 and watershed precipitation for Water Year 2023 to date. He discussed the reservoir inflows and April runoff response and provided images of the C.C. Cragin Watershed and Reservoir.

Continuing, Mr. S.P. Flora provided a streamflow forecast for Water Year 2023 for January 1, 2023 through May 31, 2023. He gave an overview of Roosevelt Lake flood control space operations and detailed the Verde and Salt watershed snowpack as of April 27, 2023. Mr. S.P. Flora reviewed the reservoir storage data for the Salt River, Verde River, C.C. Cragin Reservoir, Lake Pleasant, San Carlos Reservoir, and Upper and Lower Colorado River Basin systems as of April 27, 2023.

Mr. S.P. Flora reviewed the surface runoff and pumping data for April 2023 and year-to-date and the Colorado River Basin snowpack as of April 28, 2023. He provided a seven-day precipitation forecast and concluded with a review of the seasonal percent of normal precipitation from May 2023 through July 2023.

Copies of 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.L. Mohr-Almeida left the meeting during the presentation.

President's Report

There was no report by District Vice President C.J. Dobson.

Future Agenda Topics

Council Chairman T.M. Francis asked the Council if there were any future agenda topics. None were requested.

There being no further business to come before the Council, the meeting was adjourned at 11:22 a.m.

John M. Felty
Corporate Secretary

Economic Outlook

District and Association Council Meeting

Kristen Stephenson and Paul Bachman | June 6, 2023

Greater Phoenix Economic Snapshot

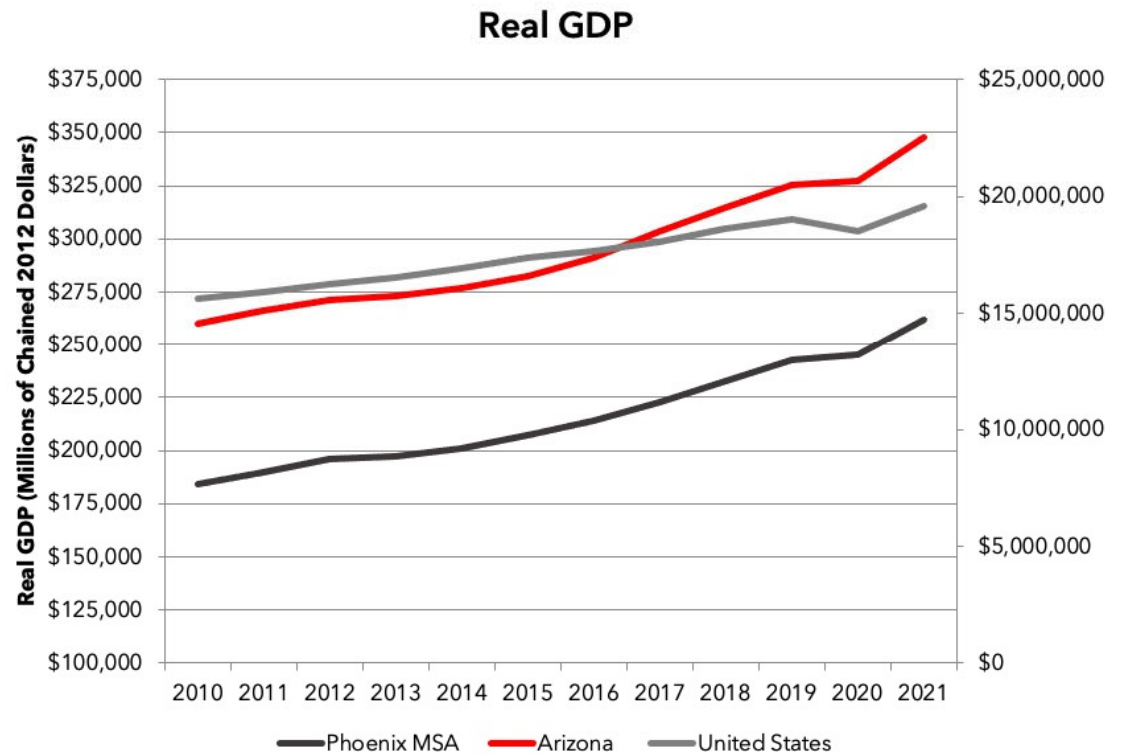
TUESDAY, JUNE 6TH, 2023



National Economic Activity

National, State & Greater Phoenix Economy

- Greater Phoenix real GDP in 2021 was \$261.7 billion, expanding by 6.9% over the previous year
- Arizona real GDP grew 6.3% from 2020 to 2021
- U.S. real GDP grew 5.9% from 2020 to 2021
- Most recent estimates of GDP show an annual growth rate of 1.6% in Q1 2023 nationally, a positive outlook and slower growth for the economy compared to a 2.6% increase in Q4 2022.



Source: Bureau of Economic Analysis May 2023

Wage Growth

- In Greater Phoenix and Arizona, overall real personal income grew faster than the national average from 2020 to 2021
- The percentage growth in real per capita personal income from 2020 to 2021 in Greater Phoenix was significantly higher than the national average

Real Personal Income (millions of constant 2012 dollars)

| | 2020 | 2021 | % Growth |
|-----------------|------------|------------|----------|
| Greater Phoenix | 234,587 | 252,473 | 7.6% |
| Arizona | 341,319 | 362,114 | 6.1% |
| United States | 17,825,584 | 18,412,541 | 3.3% |

Real Per Capita Personal Income (constant 2012 dollars)

| | 2020 | 2021 | % Growth |
|-----------------|--------|--------|----------|
| Greater Phoenix | 48,190 | 51,045 | 5.9% |
| Arizona | 47,551 | 49,766 | 4.7% |
| United States | 53,772 | 55,477 | 3.2% |

Source: Bureau of Economic Analysis January 2023

Inflation and Prices (National)

- Inflation reflects the annual percentage change in the cost to an average consumer of acquiring a standard market basket of goods and services. The inflation rate presented below is the year-over-year percentage change which is a measure of the average monthly change in the overall price for goods and services paid by urban consumers
- The most recent inflation rate was 4.9% which is a decrease for the tenth consecutive month since June 2022. However, rates remain above the long-term average



Source: Bureau of Labor Statistics, May 2023.

Purchasing Managers Index (National)

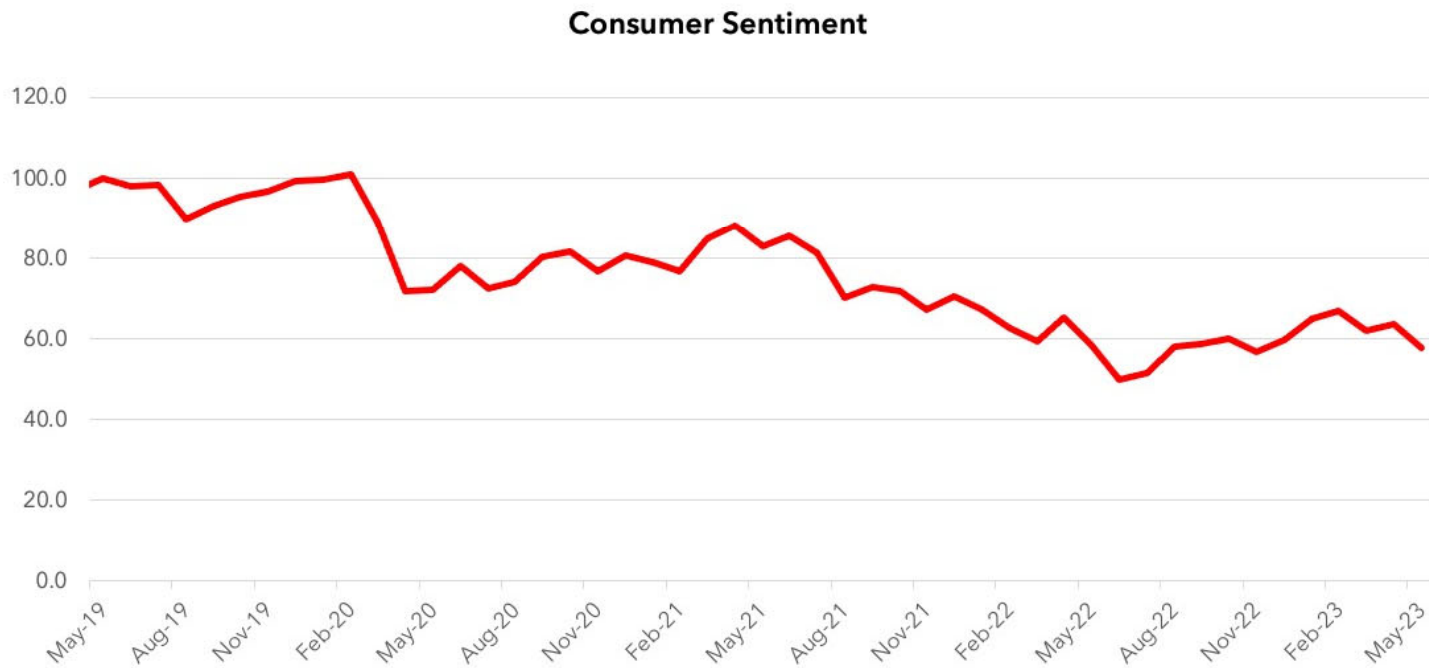
- Average Index for 12 months is at 50.1. April's PMI is 47.1 percent, 0.8 percentage points higher than March's PMI of 46.3, a reflection that there's an ongoing slow contraction in the overall economy



Source: Institute for Supply Management, May 2023

Consumer Sentiment (National)

- Consumer sentiment remains near its lowest level in the past decade
- Index is at 57.7 for the month of May



Source: University of Michigan, May 2023; preliminary results for May

Regional Economic Activity

Greater Phoenix Employment

Greater Phoenix's pre-COVID peak was in December 2019 at 2,255,700 jobs

There has been a steady increase in the number of jobs in the metro

Current total nonfarm payroll employment is 2,368,600 jobs; unemployment rate is 2.9%

Greater Phoenix Job Growth

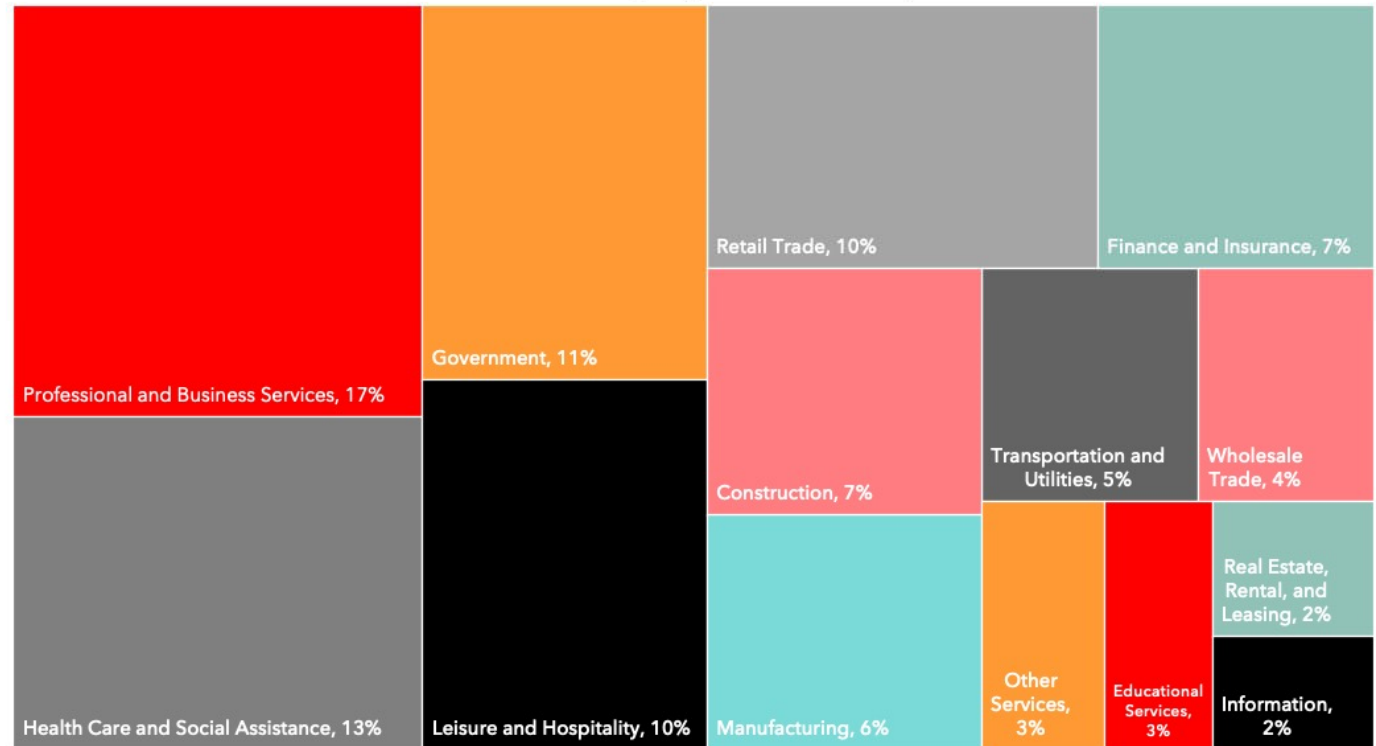


Source: AZ Office of Economic Opportunity Labor Statistics, May 2023, not seasonally adjusted, preliminary numbers

Current Makeup of Industry

- The largest industries in Greater Phoenix are professional and business services and healthcare and social assistance
- Since the 2008 recession, the most significant changes are a relative growth in healthcare and social assistance and a decline in construction and retail trade

Current Employment Diversity



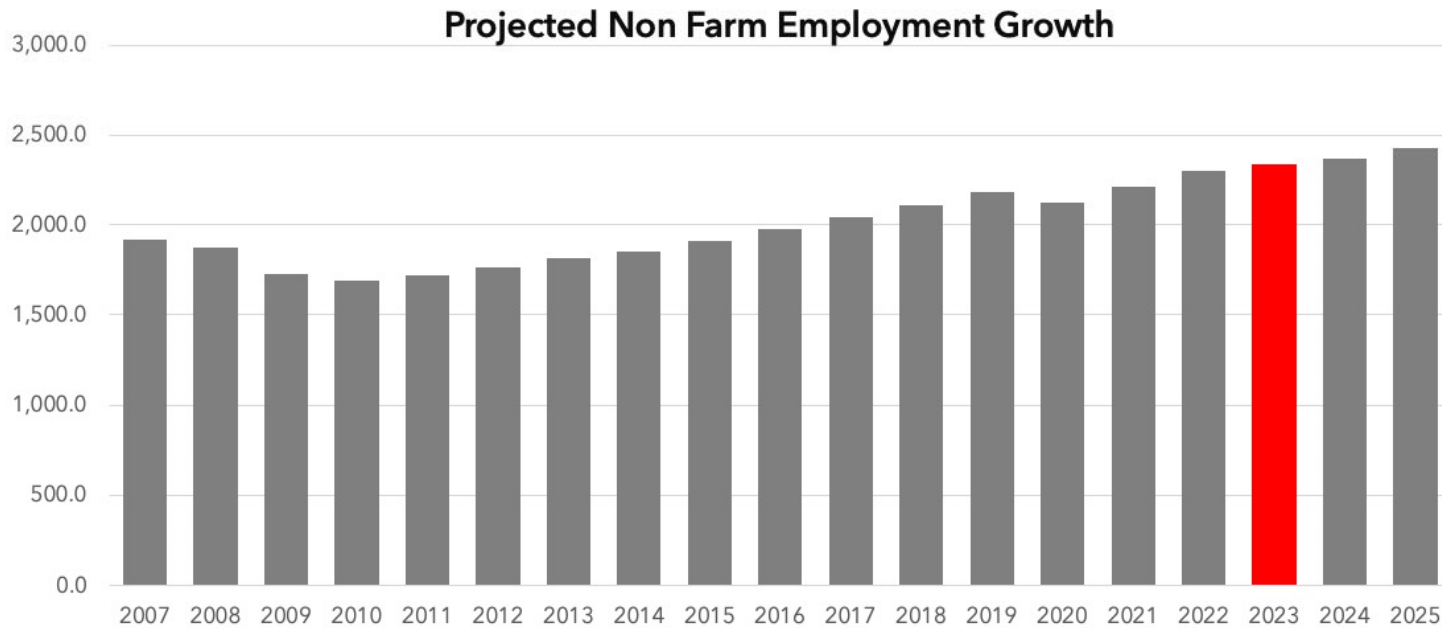
Source: AZ Office of Economic Opportunity Labor Statistics, April 2023, not seasonally adjusted, preliminary numbers

Job Forecast

Greater Phoenix job growth is projected to be 1.67% from 2023 to 2024

Arizona job growth is projected to be 1.58% from 2023 to 2024

Greater Phoenix recovered all job loss caused by COVID-19 in 2021



Source: University of Arizona Economic and Business Research Center, March 2023

Cost of Living

The overall cost of living in Greater Phoenix is 5.8% above the national average.

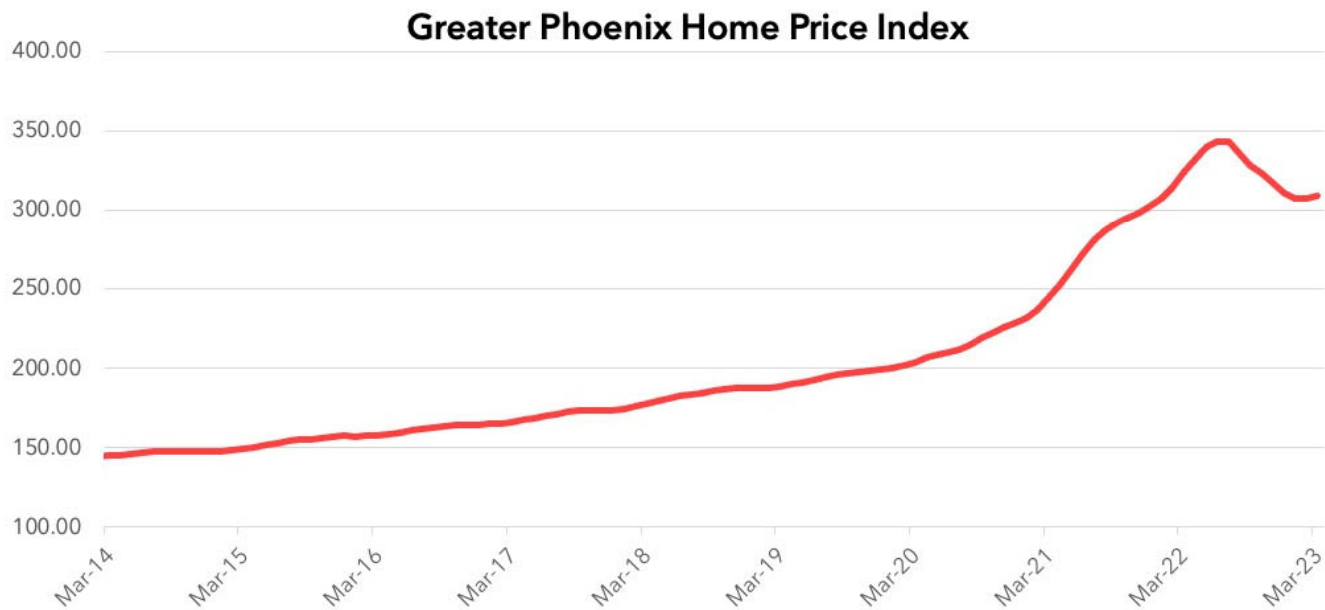
Cost of Living Comparison for Select Markets

| Region | 100% Composite Index | 17.26% Grocery items | 30.9% Housing | 10.21% Utilities | 7.54% Transportation | 4.42% Healthcare | 29.67% Misc. Goods and Services |
|--------------------------|-------------------------|-------------------------|------------------|---------------------|-------------------------|---------------------|---------------------------------------|
| Houston, TX | 91.8 | 90.3 | 81.9 | 103.0 | 100.1 | 94.4 | 96.6 |
| Albuquerque, NM | 93.0 | 97.0 | 87.7 | 90.4 | 92.5 | 93.1 | 97.2 |
| Austin, TX | 101.0 | 89.7 | 117.5 | 97.4 | 89.7 | 101.1 | 94.5 |
| Dallas, TX | 103.0 | 96.2 | 95.9 | 119.0 | 82.4 | 115.5 | 112.1 |
| Phoenix, AZ | 105.8 | 99.6 | 130.8 | 100.4 | 102.4 | 92.1 | 88.3 |
| Salt Lake City, UT | 107.4 | 101.7 | 117.8 | 92.3 | 111.1 | 94.0 | 106.3 |
| Denver, CO | 111.2 | 95.5 | 134.6 | 92.4 | 104.5 | 101.7 | 105.5 |
| Portland, OR | 122.2 | 106.4 | 156.1 | 91.3 | 125.1 | 109.2 | 108.0 |
| Arlington, VA | 139.1 | 109.2 | 210.5 | 96.2 | 110.7 | 107.1 | 109.0 |
| San Diego, CA | 147.4 | 110.0 | 227.1 | 111.0 | 127.6 | 107.2 | 109.8 |
| Boston, MA | 149.9 | 113.0 | 217.3 | 121.2 | 134.0 | 113.8 | 120.6 |
| Seattle, WA | 152.2 | 125.0 | 217.8 | 102.4 | 129.8 | 134.5 | 125.3 |
| Los Angeles, CA | 152.5 | 107.0 | 239.5 | 111.6 | 126.0 | 110.8 | 115.3 |
| San Francisco, CA | 182.8 | 131.7 | 307.9 | 128.5 | 131.8 | 127.3 | 122.0 |
| New York (Manhattan), NY | 237.6 | 126.2 | 491.2 | 102.3 | 110.4 | 108.8 | 136.2 |

Source: C2ER Cost of Living Index 2022 Q3

Housing Market Trends

- Home prices in Greater Phoenix increased for over a decade with the month of June recording the highest index at 343.56 with an annual percentage change of 26.56%
- Due to the increase in interest rates, the market is cooling off. The YoY change is at -4.49% for the month of March.



*An index value of 100 equals the home price in January 2000.

Source: S&P/Case-Shiller Home Price Index, May 2023



Business Development Trends

FY23 Quick Overview

Prospect Stats



As of April 30th



30 Companies
Located in FY23



\$29.4 Billion
In Capital Investment



7,256 Jobs
Created in the Region



\$84,164
Avg. High Wage Salary

FY23 Prospects by Type and Operation

Operation Type Highlights

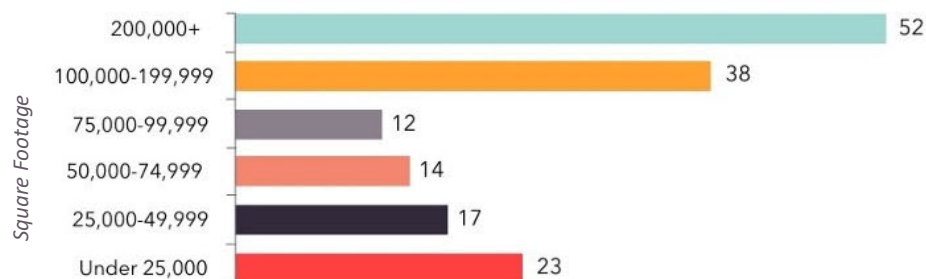


As of April 30th

Office Prospects (30)



Industrial Prospects (166)



Economic Outlook and SRP

Local Economic Pressures Receding

High local inflation continues to challenge affordability, but...

- Easing inflation and housing prices/rents will provide some relief to customers and communities
- Fast income growth and high wage jobs will bolster spending and finances



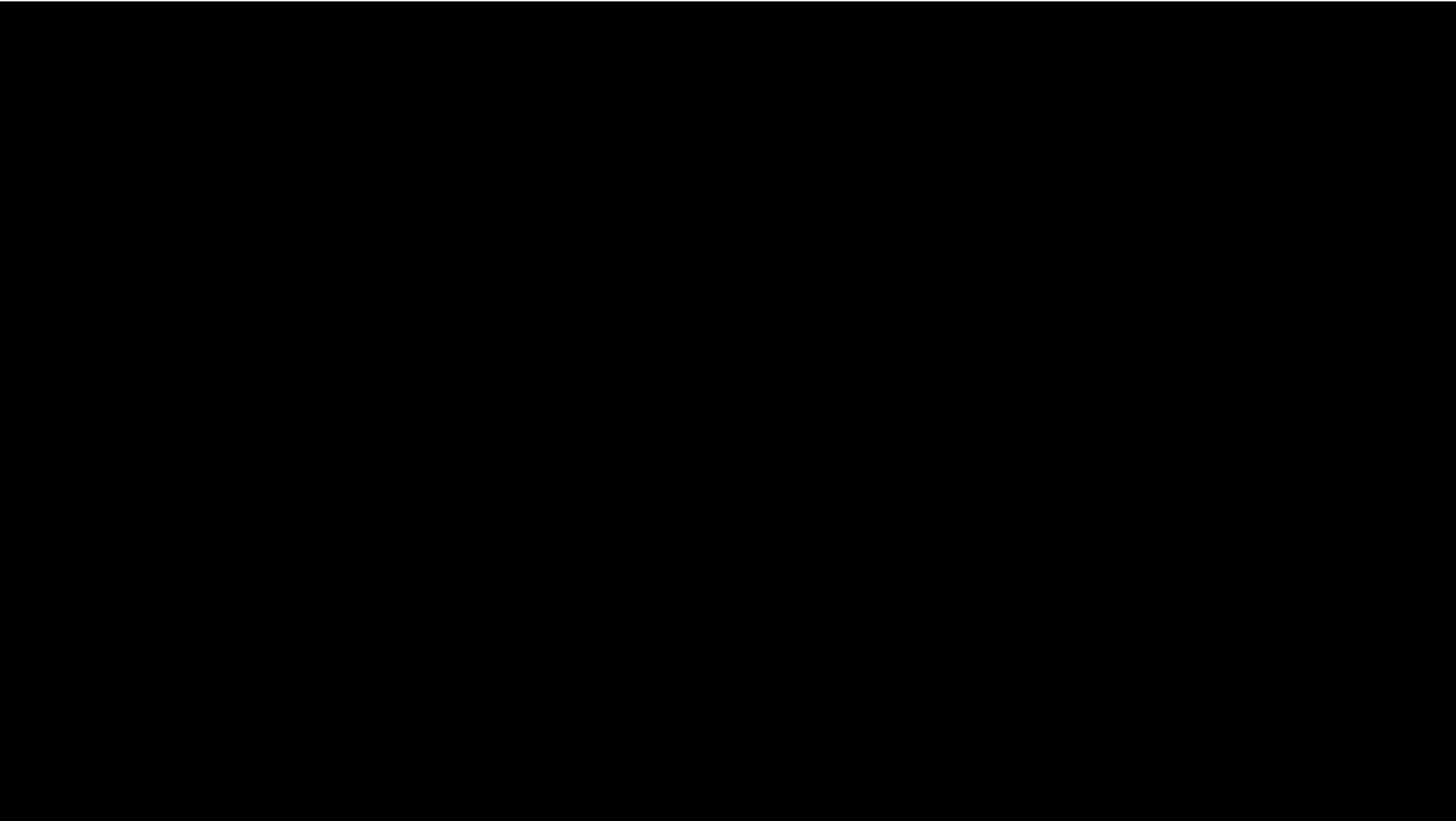
Economic Outlook and SRP



Robust Local Economy

- Economic development pipeline indicates continued commercial and industrial load growth
 - Manufacturing industries create quality jobs in SRP's territory
- Local economic activity creates virtuous cycle of new businesses, job opportunities, and inbound migration
- Diversified economy: healthcare and professional services more resilient to any downturn than construction and retail

thank you!



An aerial photograph of a large dam and reservoir situated in a deep, rugged canyon. The canyon walls are composed of layered, reddish-brown rock formations. The reservoir is a deep blue color, and the dam is a long, curved structure across the middle of the canyon. The sky is a clear, pale blue.

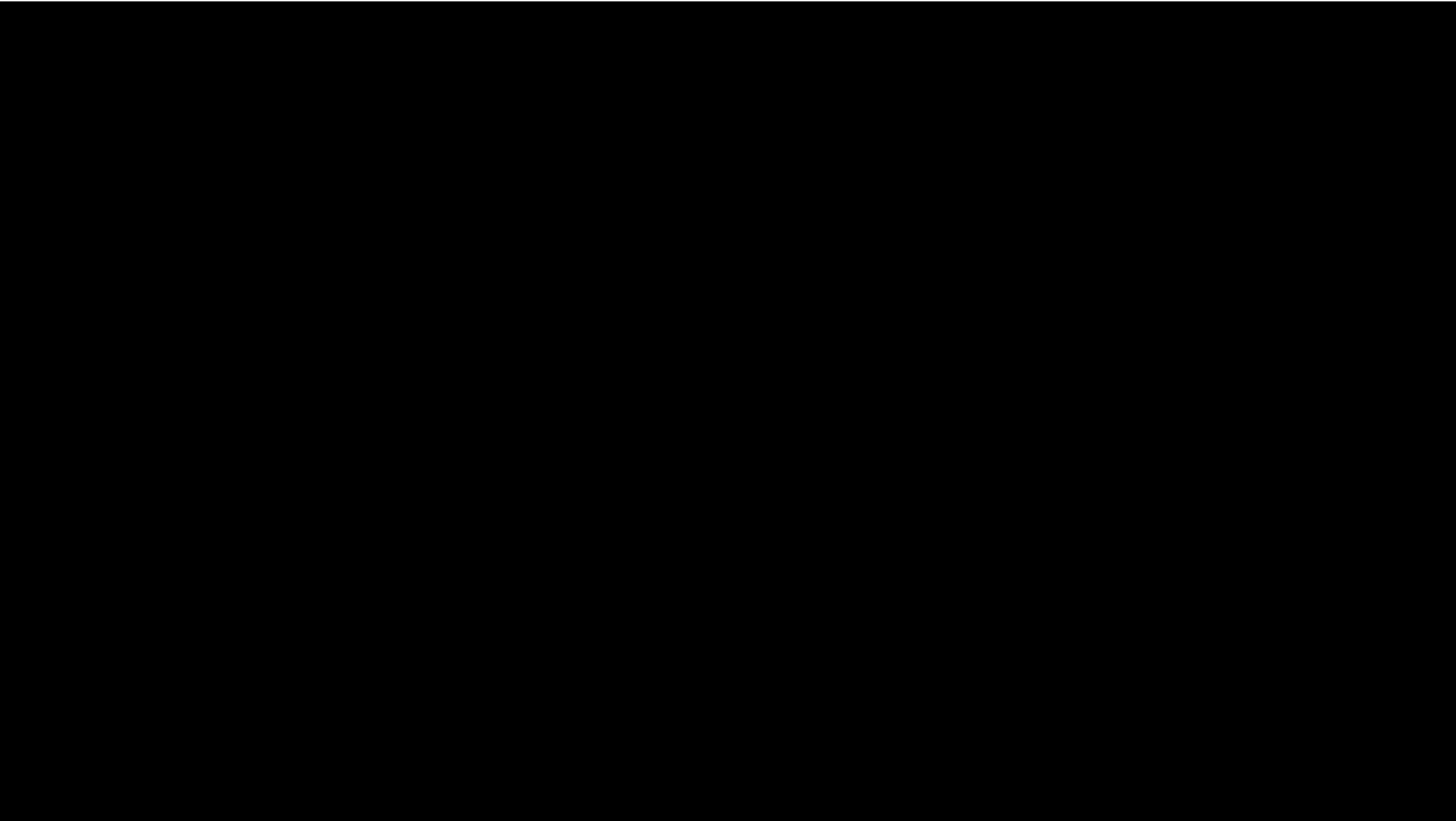
Council Report

Council Meeting

June 6, 2023

Current Events

Jim Pratt



Power System Update

John Coggins

May Operations Summary

- Customer peak demand: 5934 MW
 - Occurred on May 16 with 102-degree temperature
 - 3 MW lower than forecast
- Overall, power system assets performed well
- Maintenance outage season has concluded

Drone Inspections of 69kV Poles



Drone Inspections of 69kV Poles



Annual Spill Gate Test at Roosevelt Dam



Horse Mesa Dam Turbine Shutoff Valve (TSV) Monument Dedication



Horse Mesa Dam Turbine Shutoff Valve (TSV) Monument Dedication



Horse Mesa Dam Turbine Shutoff Valve (TSV) Monument Dedication



Horse Mesa Dam Turbine Shutoff Valve (TSV) Monument Dedication



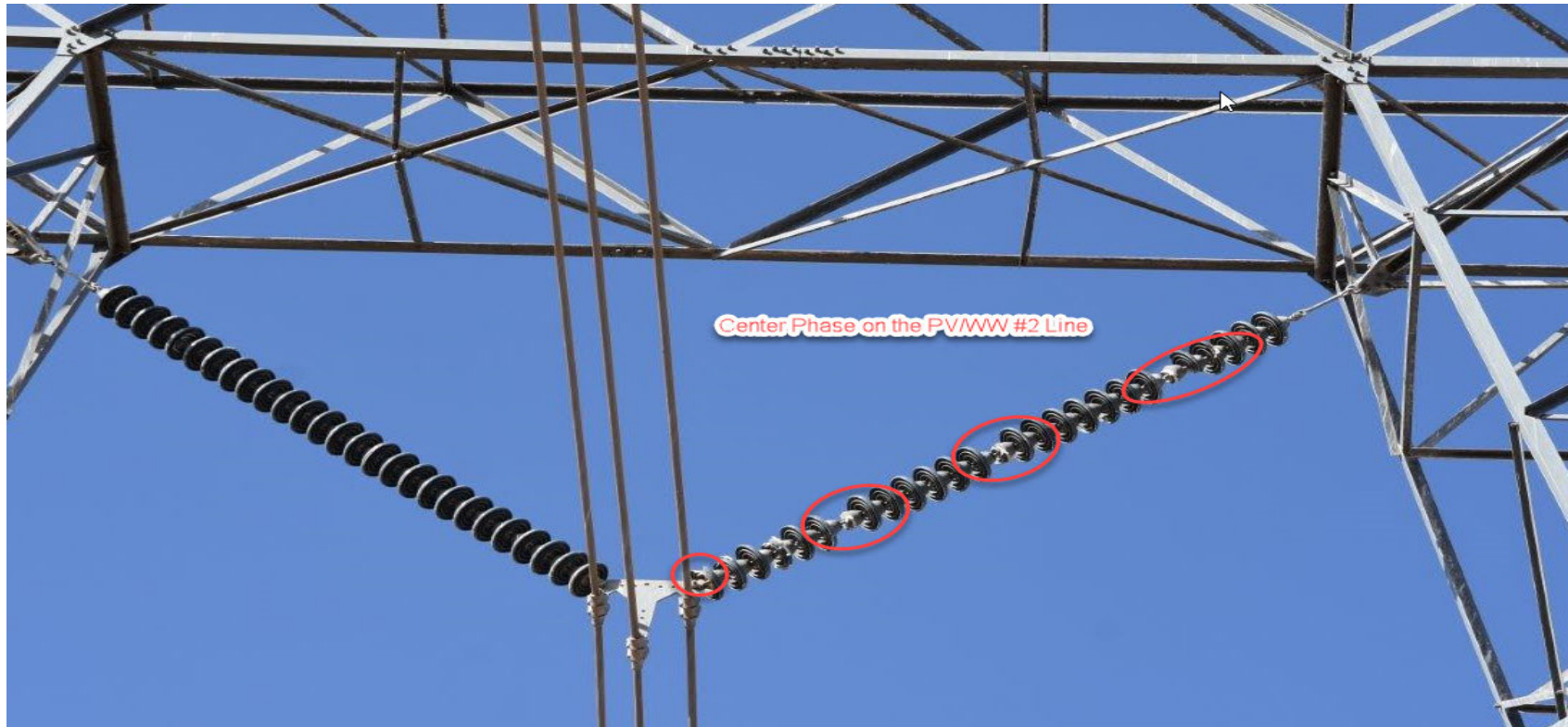
Horse Mesa Dam Turbine Shutoff Valve (TSV) Monument Dedication



Horse Mesa Dam Turbine Shutoff Valve (TSV) Monument Dedication



Palo Verde-West Wing Insulator Damage



Western U.S. Wholesale Energy Markets

- California legislation to allow the CAISO to become a multi-state regional transmission organization (RTO) with an independent board was not approved
 - Creates additional uncertainty for the number of potential participants in the proposed new CAISO day ahead energy market

Safety Recognition

- Two groups received recognition for a perfect safety record throughout FY23
 - President's Trophy was awarded to Santan/Kyrene Generating Stations
 - Mickey Fine Award was awarded to Substation Maintenance East



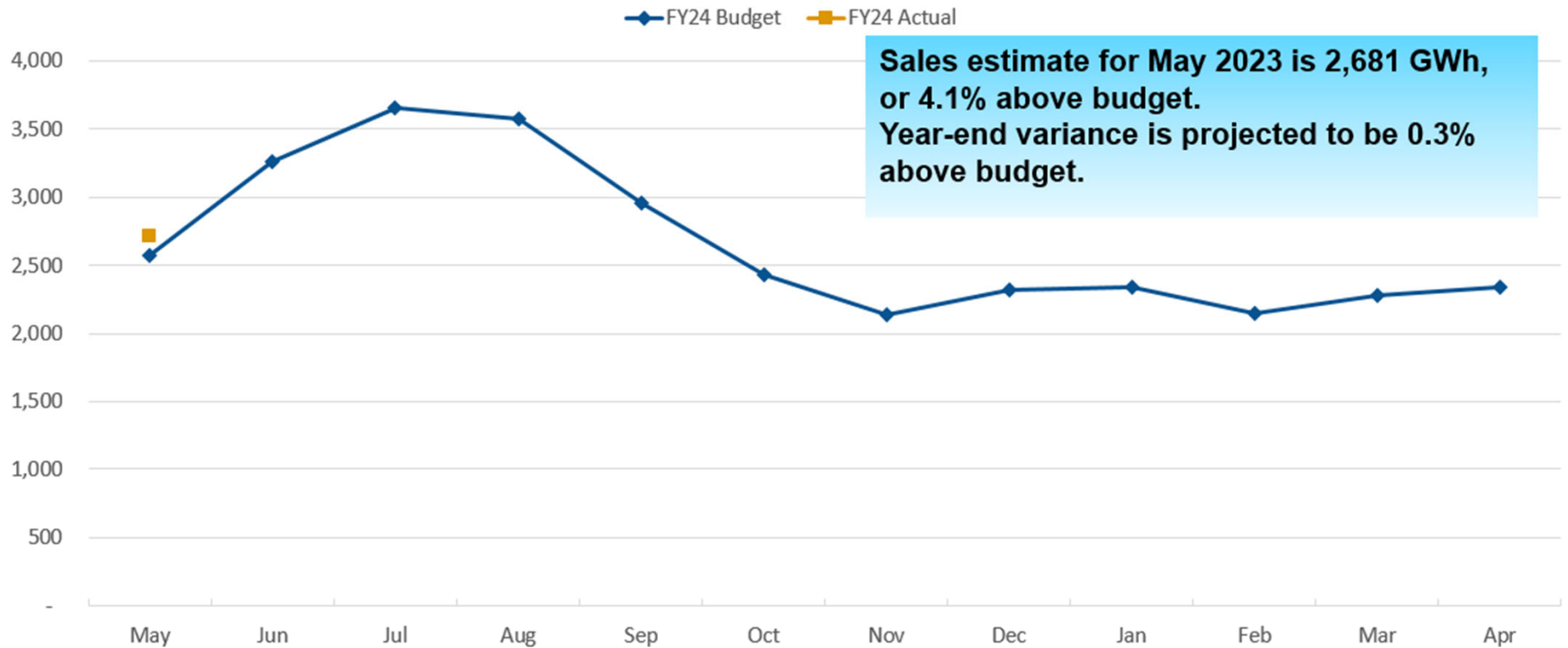
Financial Update

Aidan McSheffrey

Financial Results Schedule

- FY23 Audit and Reporting
 - FY23 Audit is in process and going well
 - Preliminary FY23 financial results will be presented at the June 27th Finance & Budget Committee meeting
- FY24 Reporting
 - Preliminary May and June results will be presented at the August 7th Board meeting and August 8th Council meeting
 - FY24 Q1 results will be presented at the August 22nd Finance & Budget Committee meeting

FY23 Preliminary Retail Energy Sales (GWh)



May Wholesale Summary

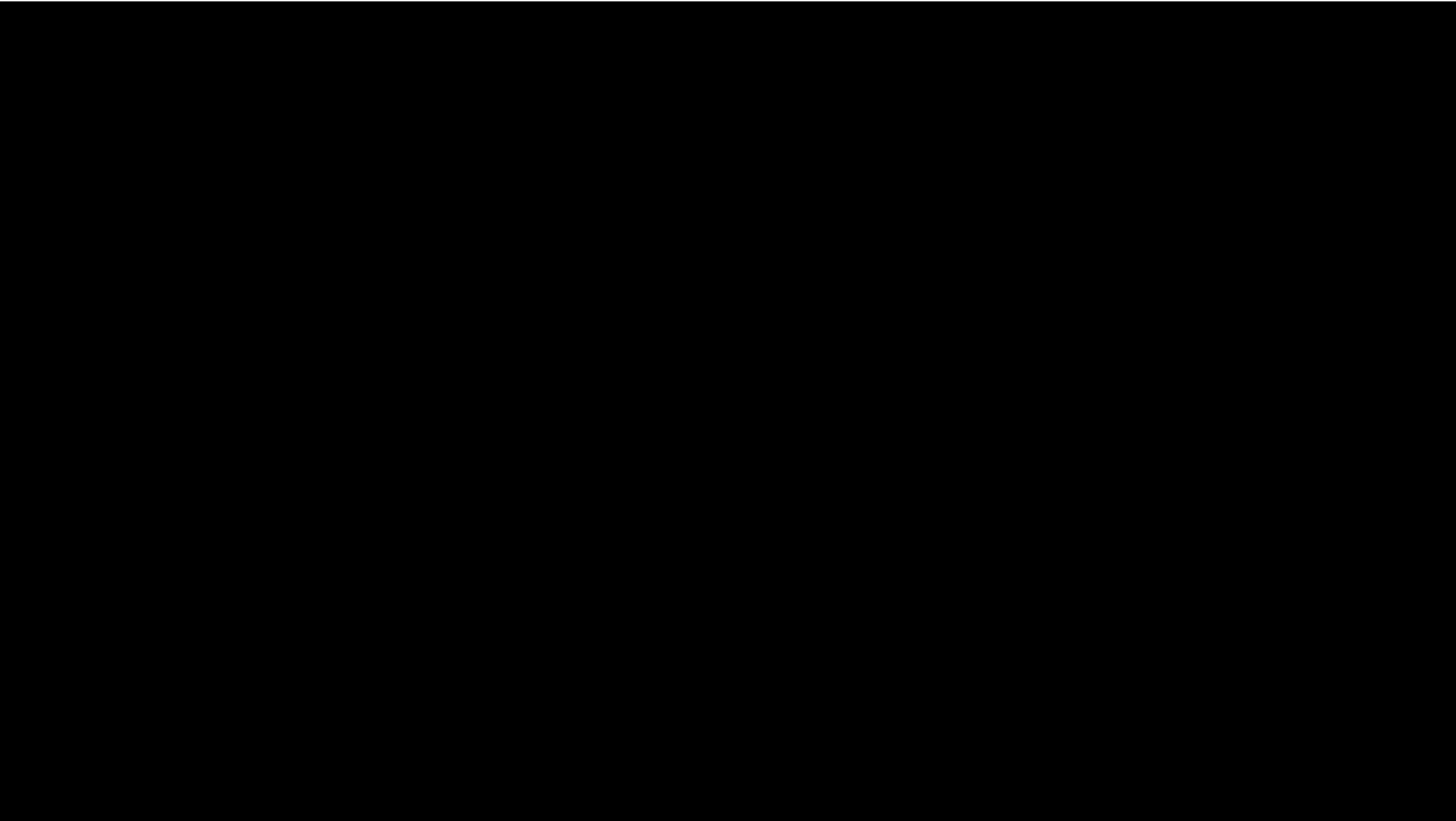
Wholesale Net Revenue

Budget
\$3.8M

Estimate
\$0.4M

Primary Drivers:

- Below budget wholesale margins
 - Average sales price is below budget
 - Snowmelt increased the availability of hydro resources and depressed market prices



Water Resources

Leslie Meyers

Phoenix Active Management Area Groundwater Flow Model



ARIZONA DEPARTMENT OF WATER RESOURCES

Groundwater Flow Model of the Phoenix Active Management Area



Groundwater Modeling Section
Hydrology Division
Modeling Report No. 28

June 2023

What is the Model?

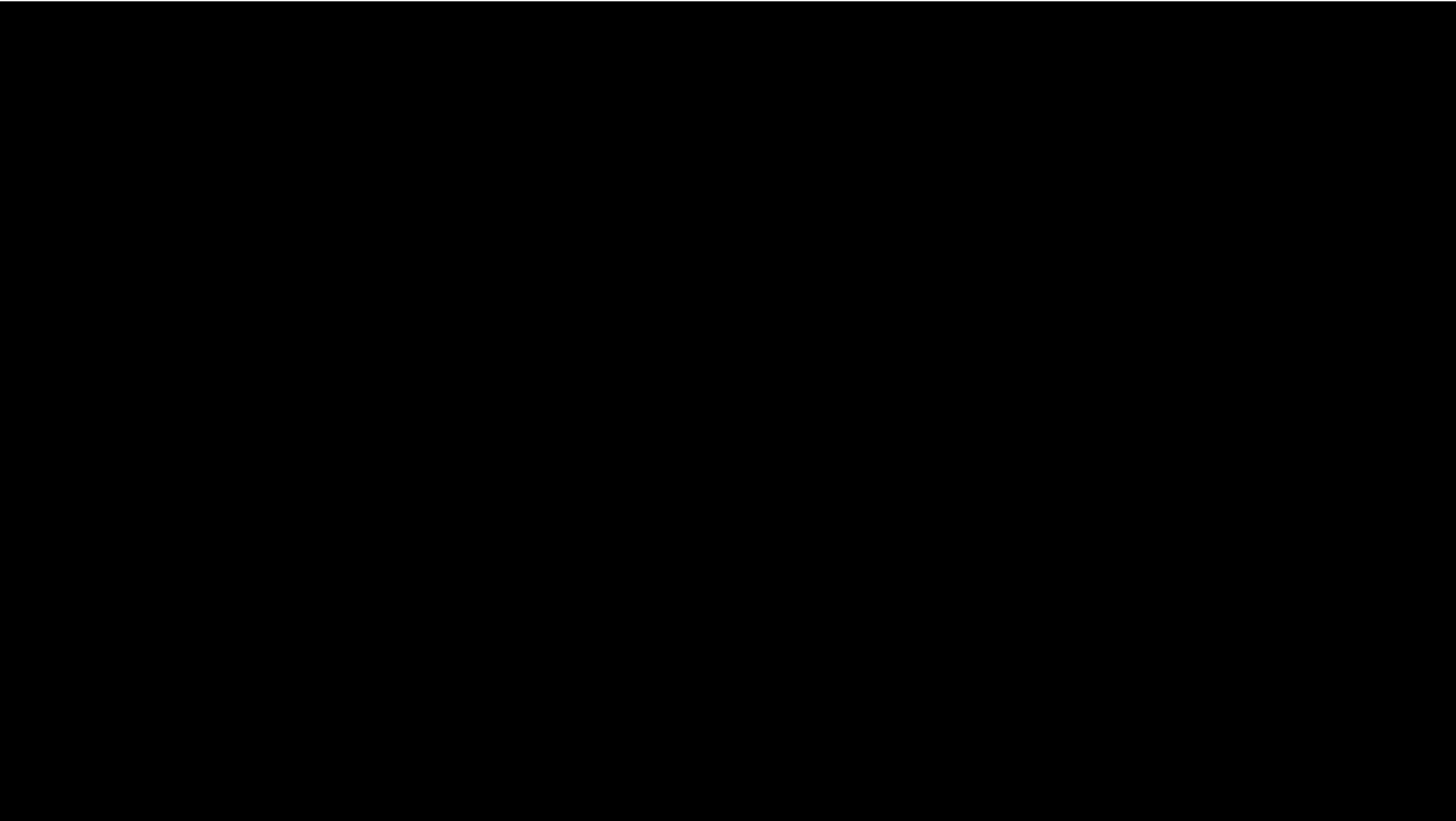
The Phoenix AMA Groundwater Model is a regulatory tool used by ADWR to implement Arizona's 100-year Assured Water Supply requirements. The Model evaluates if new groundwater uses will have an impact on existing residents and businesses in the Phoenix metropolitan area.

What does it project over 100-years?

The Model shows that after 100-years of current and planned groundwater pumping, there are areas where not all demands will be met. The Model shows 4.86 MAF of groundwater demands that go unmet over the 100-year period. This accounts for only 4% of total groundwater demand over that time.

What will happen as a result?

As required by the 100-year Assured Water Supply law, the State will pause approval of new Certificates of Assured Water Supply that are reliant on groundwater. Growth on existing Certificates, within Designations, and developments that use non-groundwater supplies will be unaffected.



MEMORANDUM



TO: Board and Council

FROM: Jim Pratt, General Manager & CEO

DATE: May 30, 2023

SUBJECT: SRP FY23 Corporate Objectives Year-End Summary

SRP delivered solid results across the board in FY23 and is in a strong position financially and operationally. The company's ongoing success speaks to the dedication and resilience of our incredible team members who, day in and day out, fulfill our mission to deliver water and power reliably, affordably, and sustainably. And because of their efforts, in FY23 SRP continued to set the standard for serving our customers, once again scoring #1 with J.D. Power for residential and business customer satisfaction.

The company delivered strong financial results in FY23. Through March, Combined Net Revenue totaled \$80.2 million above budget, due to lower operations spending, lower taxes, higher other electric revenue, and other factors, partially offset by lower margin results. The General Fund is forecasted to end the year at \$595M as of February, well above the targeted \$550M. Liquidity is further supported by expanded commercial paper and RCA program totaling \$800M. SRP maintains an AA+ rating from Standard and Poor's and an Aa1 rating from Moody's, which represent the highest credit ratings of any Large Public Power entity in the United States.

Power System metrics indicate that in FY23, SRP achieved overall Run Reliability of 97.7%, exceeding the target of 96.3%. However, in FY23 we did not meet our target for the System Average Interruption Duration Index and the System Average Interruption Frequency Index. This was due to an active monsoon season that included seven Major Event Days (MED) resulting from severe storms. These results are covered in the attached document.

Customer demand for power continues to increase across the Valley, especially with large industrial customers, including high-tech manufacturing. SRP is taking a comprehensive approach to meeting this demand.

SRP completed the 2021 All-Source Request for Proposals (RFP) to procure additional resources to meet near-term growth reliably, affordably and sustainably. Resources procured out of the RFP will come online between 2024 and 2026 and will replace some of the power that would have been added through the Coolidge Expansion Project, which was rejected by the Arizona Corporation Commission. SRP negotiated power purchase agreements for five projects totaling over 2,000 MW of power, with these projects including a mix of solar, grid charged batteries, and natural gas. SRP has also issued a new all-source RFP to continue to identify the resources necessary to meet the growing demand for power in the Valley and support the continuing transition to renewable resources.

To further mitigate the risk of generation shortfalls in summer 2024, SRP developed a plan to add additional generation at the Copper Crossing site. In FY23, the SRP Board of Directors voted to approve Phases 1 and 2 of the Copper Crossing Energy and Research Center, which include the installation of two flexible natural gas fired combustion turbines each with an output less than 50MW and an advanced solar generation project capable of generating up to 55 MW.

SRP reservoirs ended FY23 at full capacity resulting from the wet and productive winter and spring runoff seasons on both the Verde and Salt River watersheds. Measurements showed that snowpack on the Verde watershed was the deepest in three decades. The intense runoff from the snowmelt and rain required SRP to spill approximately 730,000 acre-feet from reservoirs on both river systems for an extended period during the spring. The situation supports the need for the infrastructure improvements SRP is pursuing, including the proposal to raise Bartlett Dam, the plan to increase short-term storage capacity by temporarily using the flood control space at Roosevelt Dam and completing

the SRP to CAP Interconnection Facility which will support cross-system exchanges of water. These proposals would not only help secure water for SRP shareholders into the future but would also provide Valley communities outside of the SRP system access to the additional, non-project water that is collected and stored.

Our industry is evolving at a pace unlike anything we've seen in our 120-year history - technology, customer needs and resources – and we must continue to evolve as well. It is more important than ever for SRP to be able to recruit, retain and develop team members with the skills and abilities needed, and for the company to continue to build a workplace that is diverse, equitable and truly inclusive. To help meet that challenge, SRP's Human Resources team led an 'Attracting Talent' initiative with participants across the organization.

As part of that effort, Talent Acquisition developed a comprehensive strategic plan and a future state end-to-end process map to guide recruiting and retention efforts and to improve and shorten the process. This will also embed the core principles – diversity, equity and inclusion - into our current and future processes, practices, and policies. Over the next three years, we expect these changes will significantly strengthen and streamline our efforts to identify, attract and hire quality talent to help SRP achieve the desired business outcomes.

As a mission-oriented and strategy-driven organization, SRP will meet the future opportunities and challenges head on as we always do. Looking ahead to FY24, we will take advantage of the many opportunities present within this dynamic period of change by proactively extending our strategic vision to 2050, launching development programs that help us build an engaged and future-ready workforce and continuing our reliable transition to a lower-carbon resource portfolio.

SRP is successful and remains a trusted and valued community partner because of our incredible employees. Their hard work, dedication and commitment to giving back allow

us to support the Valley's continued growth and prosperity and to improve the quality of life for Arizonans.

I want to thank the Board for the incredible privilege of leading this amazing organization. I'm very optimistic about the future, and I look forward to working with you to build on the extraordinary momentum we have established.

Attached for your review, is a summary of our performance on accomplishing the FY23 Corporate Objectives.

Sincerely,



Jim Pratt

Attachments:
SRP FY23 Corporate Objectives Year-End Summary Report



Delivering water and power™

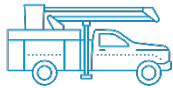
The FY23 Corporate Objectives represent the priority, near-term actions undertaken by SRP to ensure progress toward our longer-term 2035 Strategic Directions and Corporate Goals.



CUSTOMERS



SUSTAINABILITY



WORKFORCE



LEADERSHIP



COMMUNITY



FINANCES

- 1) **Provide exceptional service to our customers and communities by delivering safe, sustainable, reliable and affordable water and power. (CCM, CO, F&IS, LL&RM, Power System, Water Resources)**



Annual Metrics

- A. Achieve customer satisfaction rating of 63% (CCM, CO)

STATUS: Complete

SRP consistently exceeded the 63% customer satisfaction target throughout FY23. Based on the “Overall Customer Satisfaction” score provided in the FY23 Q4 Customer Perspectives Residential Power Summary, 65.8% of customers indicated they are “very satisfied.”

- B. Achieve direct cost per customer of \$948 (F&IS)

STATUS: Complete

As of March, year-end direct costs are forecasted to be \$916 per customer (\$32 per customer or 3.4% below budget). This below budget forecast is mainly driven by below budget labor spending due to open T.O., below budget Customer Program spending due to lower than anticipated program activity and lower than anticipated uncollectible expense due to increased assistance payments. These variances are partially offset by above budget Supply Chain, Transportation and Flight Services spending driven by increased fuel usage and inflationary impacts to freight and postage. The forecast assumes no corporate contingency will be spent. An additional \$6.5 million in savings, or \$6 per customer, is needed to achieve the second EPIC target of \$910 per customer.

- C. Ensure 98% of employees complete three proactive safety activities by April 30, 2023. (LL&RM)

STATUS: Complete

Out of 5,076 eligible employees, 99.37% of employees completed three or more proactive safety activities.

- D. Achieve a run reliability of 96.3% for Valley gas and hydro facilities (Power System)

STATUS: Complete



Delivering water and power™

SRP exceeded the run reliability target for Valley Gas and Hydro facilities, achieving a rate of 97.7% through April 2023. The run reliability metric indicates how effectively the gas and hydro plants were able to start when needed and remain online.

- E. Maintain 90% preventative maintenance compliance for Power System overall and 95% for Coronado Generating Station (*Power System*)

STATUS: Complete

SRP's preventative maintenance targets were achieved: 96.4% for Power System and 99.3% for Coronado Generating Station.

- F. Achieve 2.0 or less Forced Outages per Hundred Miles of Transmission per Year (FOHMY) (*Power System*)

STATUS: Not Met

FOHMY ended the fiscal year at 105% of the FY23 target, due primarily to storm related events.

- G. Achieve an annual System Average Interruption Duration Index (SAIDI) of ≤ 73.1 minutes (*Power System*)

STATUS: Not Met

SAIDI was 83.25 minutes for FY23, exceeding the fiscal year target by 14% due primarily to having seven storm-related Major Event Days (MED). Like last year, this year's storm season had a significant impact on distribution reliability metrics. The 5-year average for FY18 – FY22 is 62.4 minutes.

- H. Achieve an annual System Average Interruption Frequency Index (SAIFI) of ≤ 0.82 interruptions (*Power System*)

STATUS: Not Met

SAIFI was 1.114 interruptions, exceeding the fiscal year target by 40% due primarily to the previously mentioned seven storm-related Major Event Days (MED).

- I. Ensure 575,000 acre-feet or more of surface water and 200,000 acre-feet or less of groundwater is available for shareholder use in calendar year 2022, adjusting if necessary, based on reservoir conditions. (*Water Resources*)

STATUS: Complete

The final calendar year 2022 total volume was 537,000 acre-feet (AF) of surface water and 197,000 AF of groundwater use to meet SRP shareholder demands. Groundwater use was within 1.5% of the annual target with totals slightly below the Project Reservoir Operation Plan (PROP) targets due to well above median precipitation and inflows during monsoon season and fall of 2022 reducing the overall demand. Mid-year, changes occurred to the 2022 Groundwater Savings Facilities (GSF) total volume as cities reduced the GSF due to Colorado River Shortages (reduced from 41,900 AF to 25,900 AF). This resulted in the physical pumping being behind as of July/August. Surface Water worked with Water Transmission and Water Strategy to adjust monthly pumping for the second half of 2022 to recover and meet the 2022 groundwater target.

J. Achieve water delivery availability 95% of the time within +/- 15 minutes of the scheduled start time. (CO)

STATUS: Complete

95.53% of water deliveries were within +/- 15 minutes of the scheduled start time throughout FY23.

2) **Improve customer satisfaction and loyalty by personalizing and more deeply understanding the customer experience.** (CCM, CO)



Deliverables

A. Complete a strategic roadmap that confirms the implementation schedule and resource requirements for critical customer technology platforms, including central pre-pay, meter data management system, interval data billing, customer information system replacement and the next generation advanced metering infrastructure, by Feb. 1, 2023. (CO, F&IS)

STATUS: Complete

Customer Operations, ITS, and CCM collaborated to develop a roadmap, schedule, and initial resource prioritization plan for these projects. Incorporated within the roadmap was the consideration of a potential Time-of-Use (TOU) Pilot and a full Pricing process and how such efforts would impact resources, timeline, and scope.

B. Finalize the selection of a new customer data platform that integrates all customer touchpoints and enables real-time decision making and automation by April 30, 2023. (CCM)

STATUS: Delayed

The selection of a customer data platform (CDP) has been slightly delayed. Stakeholder interviews were conducted by Highnoon (SRP's ad agency) and CCM with ten internal teams within Information Technology Services, Customer Operations and Water Operations. Interviews identified 90 use cases which were consolidated to 70 business requirements. Concurrently, Highnoon vetted a dozen CDP vendors' capabilities against these business requirements to recommend six CDP vendors to respond to SRP's request for proposals (RFP). The RFP responses were comprehensive and required more time than was allotted to review. Since the CDP underpins CCM's personalization roadmap and strategy and impacts other initiatives across the company, the team decided to conduct five vendor demonstrations, which took place in April, rather than eliminate a vendor prematurely. Using a scoring matrix, the evaluation team will narrow the selection to two vendors who will provide a demonstration of their tool using actual SRP data prior to finalizing the selection. While slightly postponed from the targeted completion date, a final CDP vendor selection is expected in May.

3) **Implement economic development activities and community engagement plans that support and positively impact the communities in which we serve and operate.** (S&CS, Public Affairs, Power System, Water Resources, CCM)



Deliverables

- A. Develop and implement a Sustainable City certification program to help participating communities promote their commitment to sustainable growth. Create a toolkit of energy management and water offset, conservation and education options that connect sustainable practices in water and energy for new economic development projects. Both deliverables to be complete by Mar. 31, 2023. (S&CS, Water Resources)

STATUS: Complete

SRP Economic Development in collaboration with Water Strategy launched a pilot of the SRP Sustainable Cities Program, which provides a structure to assist cities in understanding and demonstrating their efforts in the area of sustainability to ensure their future competitiveness. Four participants were engaged in the pilot: City of Phoenix, City of Mesa, City of Tempe, and Town of Gilbert. The cities worked with consultant, Boyette Strategic Advisors, and SRP to inventory their sustainable assets and programs. The review, assessment and scoring were led by Boyette, and resulted in Mesa, Phoenix, and Tempe each being awarded Platinum designations.

Additionally, SRP Economic Development developed a toolkit to connect sustainable practices in water and energy for new economic development projects. This included launching educational webinars for our municipal partners focused on water management and conservation, energy efficiency, and SRP's water and power resources as they relate to economic development projects. Economic Development also inventoried existing SRP water and energy conservation efforts to better equip SRP to promote the respective programs and initiatives with partners and potential clients.

- B. Guide infrastructure investment within targeted growth areas by engaging with municipal and county partners to plan for future growth by implementing a site readiness program that identifies key planning insights through initial load impact studies. Complete engagement through this Site Readiness Program for at least one growth area by April 30, 2023. (S&CS, Public Affairs)

STATUS: Complete

Site Readiness Program - The SRP Site Readiness Program was developed to focus on the identification, assessment, and improvement of marketable sites in SRP's service territory to position communities to successfully compete for new jobs and investment. Due to the high demand for industrial land in our service territory, most of the sites SRP Economic Development originally pitched have been sold or developed on. SRP is now focusing on sites not under private ownership such as Arizona State Land prescribed by our community partners. In October 2022 the City of Mesa requested new site profiles for two State Land sites, and in January 2023 the City of Apache Junction requested two site profiles for privately-owned properties.

Infrastructure Maps with Employment Corridors - SRP Economic Development provided Distribution Planning with key insights to help them better anticipate future infrastructure needs in key employment corridors. Understanding where municipalities envision future commercial growth and where large municipal infrastructure investment has or is planned to occur will help SRP better plan and align with our municipal partners. The SRP Economic Development team met with

economic development and planning departments at Chandler, Scottsdale, Peoria, Gilbert, Queen Creek, Tempe, and Glendale and will continue to meet with additional cities to discuss new employment corridors, redevelopment of existing corridors, Capital Improvement Projects, and any challenges with power infrastructure.

Load Impact Study - SRP Economic Development partnered with Transmission Planning to run a Load Impact Study (LIS) for the Laveen area in the City of Phoenix. This study indicated that in the summer of 2026, SRP will only have approximately 13 MW of additional capacity left on the 69kV system. Therefore, Anderson substation will need to be expanded to support additional load.

- C. Complete an assessment of economic development, education, workforce development and transportation opportunities for the communities around Coronado and Springerville Generating Stations by Oct. 31, 2022. *(Public Affairs, Power System, S&CS, CCM)*

STATUS: Complete

In early FY23, SRP's Board approved \$25,000 in Learning Grants earmarked for St. Johns and Round Valley School Districts. Community Stewardship worked directly with local superintendents to determine how best to allocate grant funds. In addition, Community Stewardship served on the United Way of Northern Arizona Task Force during a community health study to determine gaps in social services and how the organization could continue to provide meaningful assistance post plant closures. The health study covered all the social determinants of health, economic stability, housing, access to health care, education, food and other basic needs to further inform how we can support this region. The completed study was presented to the general public in April.

A transportation planning grant was submitted for Apache County through Arizona Department of Transportation; however, the grant was not received. Over 300 applicants applied and only 45 were accepted. Based on this result, SRP wrote a second grant for congressionally directed funding. SRP was able to bring Successful Impressions, an organization committed to helping individuals with career search resources, to St. Johns and Round Valley High Schools to support workforce development needs. In addition, SRP connected the communities with Arizona Complete Health through ACCESS for mental health services at the high schools. This is a barrier and much more prevalent in rural communities.

The Coal Communities Transition (CCT) team and Apache County leadership discussed the CCT effort with Representatives Juan Ciscomani (CD6) and Eli Crane (CD2), Senator Kelly and Senator Sinema. It was determined that community partnership will be the future project driver and focal point for the Coal Communities Transition Strategy. SRP also initiated collaboration with the Interagency Working Group Four Corners Rapid Response Team, which is tasked to support coal communities in the Four Corners region.

- D. Conduct a feasibility study of low- and no-carbon repurposing options for the Coronado Generating Station and deliver a report to SRP Executive Sponsors that summarizes and ranks the viability of various technology conversion options by April 15, 2023. This excludes the study of new nuclear which is being led by a third party on a different timeline (S&CS, Public Affairs)

STATUS: Complete

SRP retained Kiewit, an engineering consulting firm, to perform a study to identify and assess potential future technologies (other than nuclear, which is being studied separately) for deployment on the CGS site following closure of the coal generating facility in 2032. SRP hosted an open house in St. Johns in October 2022 to discuss the Repurposing Study with the community. The event had over 175 attendees including CGS families, elected officials, and residents. The Repurposing Study was completed and presented to SRP's Executive Sponsors in FY23 and will be presented to SRP's elected officials and the CGS community in early FY24.

- 4) **Provide new product and service offerings to support our customers and communities in achieving their sustainability-related goals.** (CO, S&CS, F&IS, Public Affairs, Water Resources, Power System)



Deliverables

- A. Implement a new clean energy offering targeted at SRP's mid-size business customers by Nov. 1, 2022 and launch the large and strategic customer offering by April 30, 2023 to ensure a clean energy product is offered to all SRP customers. (CO, S&CS, F&IS)

STATUS: Complete

SRP Customer Programs team, in collaboration with several internal stakeholders, expanded and launched the Solar Choice program to mid-size business customers in November 2022. Similar to the initial residential and small business offering, this program allows customers to offset half or all their energy use with clean energy at a half cent per kWh premium. The team determined 750,000kWh/year as the expanded energy usage threshold for the mid-size business offering.

On the large and strategic customer clean energy offering, efforts focused on program design to address this group's unique needs, individual segment allocations, and resource identification to determine program capacity size and in-service timing. Based on design options developed with an external consultant and select customer feedback, the program for this segment was designed with no additionality. The team completed extensive data review and recommended ranking this customer segment by size to arrive at more granular allocations per group and potential caps for large customers. The team's analysis showed that most customers in this segment could be served by allowing a maximum 20% clean energy offset with the largest eight customers also being capped at 15 MW. This is a meaningful clean energy offset percentage, especially when combined with the carbon-free resources in SRP's standard retail product and complemented by an upcoming Renewable Energy Credit (REC) program that SRP plans to launch in FY24. 300 MW of the CO Bar Solar resource, due to come online June 2025, will be allocated to this program. The large business clean energy program, which will be offered under the REC Pilot Rider, was presented to the Board Finance and Budget Committee in April 2023 and approved by the Board in May.

- B. Offer a portfolio of forest thinning projects to 50 commercial and select customers to secure at least seven project investors by April 30, 2023 to advance strategic thinning and restoration efforts on SRP's watersheds. (*Water Resources*)

STATUS: Complete

Water Resources, in collaboration with Customer Strategy, was able to reach over 50 commercial customers on SRP's "Resilient Water and Forest Initiative", which offers a portfolio of forest thinning projects to SRP commercial customers. SRP held in-depth presentations/discussions with ten commercial customers, submitted three project proposals, and is currently in negotiation with one commercial customer. SRP is on track to secure investment in 11 forest thinning projects.

- C. Develop annual work plans for the three sustainability-focused MOUs established with Valley municipalities in FY22 by Aug. 31, 2022. Subject to the agreement of the municipalities, implement at least one priority project identified within each of the work plans by April 30, 2023. (*S&CS, Public Affairs, CO*)

STATUS: Complete

Sustainability Policy & Programs (SP&P) collaborated with Customer Operations, Government Relations, and Water Resources to establish a partnership framework to achieve mutual goals around drought resilience and carbon-emission reductions. The collaboration aligns the efforts of Valley municipalities (Tempe, Phoenix, and Mesa) and SRP to create a resilient water supply and low-carbon future that will benefit each city, its residents, businesses and SRP's customers. The annual work plans for all three municipalities were developed and mutually agreed upon by the target date of August 2022. The goal of implementing at least one priority project identified within each of the work plans (City of Phoenix: Transportation Electrification Activator (TEA); City of Mesa: TEA and Shade Corridors; City of Tempe: TEA and Equity) is complete.

- D. Enable the adoption of at least 39,000 electric vehicles within SRP's service territory by April 30, 2023. (*CO, Power System*)

STATUS: Complete

To enable electric vehicle (EV) adoption, SRP continued to implement a portfolio of residential and commercial EV adoption programs, expanded the reach of its transportation electrification (TE) programs, and made significant progress on EV managed charging pilots. Based on the latest quarterly statistics from the Electric Power Research Institute, SRP supported the enablement of 38,274 EVs within its service territory through December 2022, representing 98% of the year-end objective of 39,000 EVs. Final FY23 data from EPRI will not be available until June 2023, but the team is confident that the goal was reached by April 2023. As of February 2023, more than 1,600 residential EV chargers, 500 EV-ready ENERGY STAR Homes, and nearly 300 Business EV charging ports were rebated.

To mitigate the need for large grid infrastructure investments to incorporate EVs, SRP's 2035 TE goal stipulates that EV charging should be managed. Accordingly, the team made significant strides this fiscal year. First, the team completed the inaugural year of the EV Flex Charge managed charging pilot, successfully dispatching over 40 managed charging events with no customer complaints and very few event opt-outs. Second, the team launched the new, telematics-based EV Smart Charge pilot with 250 customer vehicles subscribed. Third, the team engaged with other vendors in the EV space to learn about behavioral and telematics-based managed charging capabilities as well as optimization tools that allow utilities to monitor and forecast loads on secondary distribution transformers.

5) **Continue implementation and communication of the 2035 Sustainability Goals action plans.**
(S&CS, CCM, All)



Deliverables

- A. Communicate key accomplishments of the 2035 Sustainability Goals action plans. Publish the annual report and post a scorecard of progress on SRP's website by Dec. 31, 2022. (S&CS, CCM)

STATUS: Complete

Sustainability Policy & Programs (SP&P) gathered annual progress updates from goal owners and collaborated with the Content and Marketing team to produce this year's sustainability report. The report details progress to 2025 milestones as well as broader 2035 goals. The FY23 scorecard and 2022 Annual Sustainability Report were published to SRP's external sustainability website in December 2022. As part of the effort to promote this year's sustainability report, a distinct web version of the report was created instead of simply linking to a PDF as we have in recent years. The revised page has increased user interaction and impressions with the sustainability report.

- B. Update the action plans for FY24 and share updates to the 2035 Sustainability Goals action plans with stakeholders and SRP elected officials by Jan. 31, 2023. (S&CS, ALL)

STATUS: Complete

SP&P collected FY22 goal progress updates and FY24 priorities and updated the 5-year action plan documents accordingly. The FY22 progress updates were shared with SRP's Strategic Planning Committee in September 2022 and the 2035 Sustainability Advisory Group in October 2022. SRP also revised its external sustainability website with updated information on progress and goal tracking. The five-year action plan was published as of February 1, 2023.

- C. Establish an enterprise-wide environmental, social and governance (ESG) framework and identify reporting and priority focus areas gaps by April 30, 2023. (S&CS, CCM)

STATUS: Complete

SP&P compiled a corporate-wide inventory of all current efforts at SRP related to ESG. A draft of this inventory was completed in October 2022. The SP&P team refined the inventory, developed reporting on the results, and presented this information to executives in early 2023. This discussion provided essential feedback on material issues and gaps. The SP&P team will initiate stakeholder engagement on this process in FY24.

- D. Capture initial climate risk considerations within the Corporate Six-Year Implementation Plans by Aug. 1, 2022. Prioritize the gaps identified in SRP's Climate and Sustainability Assessment and develop work plans to address the gaps by Dec. 31, 2022. Begin to implement the work plans by Apr. 30, 2023. (S&CS)

STATUS: Complete

SP&P concluded the additional research and interview items GM Staff asked for coming out of the initial presentation at the end of FY22. The team coordinated with the Strategic Risk Management (SRM) group to align with their governance structure. In September 2022, SP&P presented the updated governance structure proposal and received GM Staff authorization to proceed with the formal kickoff for the Climate Core Team. The Climate Risk Core Team kicked off in January 2023 and held two workshops around climate data integration and planning in February and April 2023.

6) **Enhance SRP's infrastructure and partnerships to ensure a resilient and reliable long-term water supply.** *(Water Resources, Public Affairs)*



Deliverables

- A. Coordinate with the U.S. Bureau of Reclamation to initiate a feasibility study to determine the technical, environmental and financial feasibility of implementing one of two Bartlett Dam modification options by Dec. 31, 2022. *(Water Resources, Public Affairs)*

STATUS: Complete

The SRP project team worked with Reclamation to develop a project management plan for the feasibility study, including project budget and schedule for evaluation of the technical, environment, economic, and financial feasibility of the two Bartlett Dam Modification alternatives. A contract was issued to initiate engineering design in August 2022. The feasibility study was kicked-off with a week-long workshop of SRP and Reclamation technical team members in October 2022. The SRP team led a group of 23 non-federal partners to determine an appropriate allocation for the water capacity created by a modified Bartlett Dam. The group has been considering how to best assess individual and overall need for a long-term renewable water supply in these allocation scenarios which provides justification for the project and modification of Bartlett Dam.

- B. Initiate the Environmental Assessment of the SRP-CAP Interconnection Facility by April 30, 2023. *(Water Resources)*

STATUS: Not Met

This objective was unable to be pursued due to a legal barrier. Current regulations require that an Environmental Assessment is completed within one year from the date of initiation. Due to a pending lawsuit against the Bureau of Reclamation involving water quality issues from a co-mingled supply in the Santa Rosa Canal, the Bureau has not formally adopted water quality standards necessary for wheeling in the CAP canal. Without these standards in place, the Environmental Assessment cannot be completed.

Progress on the SCIF was instead made under an alternative approach in which SRP worked with the Bureau of Reclamation to initiate the technical review of the 30% design before beginning the environmental assessment. Under this alternative approach, SRP secured the support of a team of 13 project participants via a Memorandum of Understanding and led the participants in a process to evaluate and select from three alternative paths for the project. A cost-share strategy was developed among the participants based on desired capacity in the finished project.

- C. Continue to implement SRP's Forest Health Leadership Strategic Plan by partnering with the U.S. Forest Service and Arizona Department of Forestry and Fire Management to execute agreements for 6,000 acres of forest thinning projects by April 30, 2023. *(Water Resources, Public Affairs)*

STATUS: Complete

SRP worked closely with the Arizona Department of Forestry and Fire Management (DFFM) and the U.S. Forest Service (USFS) to execute two supplement project agreements (SPA) totaling 40,851 acres to be thinned. The first SPA was for the Cragin Watershed to implement 31,287 acres and the second for projects in the Tonto National Forest to implement 9,564 acres.

- D. Initiate environmental compliance activities for the Roosevelt Dam Flood Control Space operational deviation by June 30, 2022 and execute the partner operating agreement by April 30, 2023. *(Water Resources)*

STATUS: Complete

The environmental compliance process was initiated in June 2022 with the release of the scoping letter for the National Environmental Policy Act (NEPA) Environmental Assessment by the U.S. Fish & Wildlife Service (FWS) and the U.S. Army Corps of Engineering (USACE). The NEPA process and ancillary compliance activities are expected to be complete in fall 2023 to allow for operations to begin in January 2024. The partner operating agreement, now called the Accounting and Delivery Agreement, is in final form and all partners have signed. The agreement will become effective upon approval of the operational deviation by USACE later this year.

7) Utilize integrated planning and publish SRP's first Integrated System Plan (ISP) to guide system-wide investment decisions. (S&CS, F&IS, CCM)



Deliverables

A. Utilize the Integrated Planning Process to execute cross-functional study efforts to better inform our system-wide plan (ISP & Annual Plan).

STATUS: Delayed

The analysis phase of the ISP was delayed twice due to repercussions of the Coolidge Expansion decision and the passing of the Inflation Reduction Act (IRA). Integrated System Planning & Support (ISP&S) worked alongside planning teams, the Planning Leadership Team (PLT), and consulting partners to identify opportunities to get the schedule back on track, including hosting workshops for cross-functional internal alignment, public technical working sessions to engage and seek insight from industry experts on specified expertise (IRA, Inverter Based Resources, Regional Market Development, Evolving Time of Day Pricing), staff supplementation through a contract agreement, validation, and support of the ISP long-term capacity expansion efforts.

The PLT approved seven cross-functional study efforts to inform the ISP and FP24 Annual Plan. These studies included three efforts aligned with Operational Readiness, a Time of Use Study, and a Solar Hosting Study to inform evolving system needs, EIM Forecasting methodology development to better assess EIM trends and expectations for the next budget year, and a cross functional review of proposed future EPA rules. Completion of the individual efforts fed into the FP24 Integrated Annual Plan. The Integrated Annual Plan culminated in the presentation of the FP24 Financial Plan and the FY24 Operating Budget to SRP's Board, and the Board approved the FY24 Operating Budget in March 2023.

i. Execute the study plan developed with management, SRP elected officials and external stakeholders and publish SRP's first Integrated System Plan by April 30, 2023. (S&CS)

STATUS: Delayed

All planning groups will be finished with analysis by fiscal year end, but the synthesis and strategy development needed to publish the ISP will occur over the summer of 2023 through operator review, ISP Advisory Group meetings, residential customer research, and a Board work study session. FY24 Corporate Objectives now reflect the new ISP timeline to seek Power Committee approval by August 2023.

ii. Complete market research regarding customer acceptance of new Time-of-Day (TOD) designs by Oct. 31, 2022 and identify the next generation SRP Time-of-Day program

design, including recommended TOD hour costing periods for residential and commercial customers, by April 30, 2023. (F&IS, CCM, S&CS)

STATUS: Delayed

Financial Services led the completion of the Integrated Planning Effort to analyze modifications to Time-of-Day (TOD) programs to reflect changing system conditions and identify potential alignment with future capacity needs and customer savings. This resulted in the identification of super-off-peak periods to align to a distinct low-cost period. To better understand adoption behaviors of this potential TOD adjustment, the team engaged Community, Communications & Marketing for a preliminary customer research study. The preliminary study, completed in July 2022, shaped the design of a new Time-of-Day rate design to be assessed through a pilot. In December 2022, the team received Board approval to introduce a pilot price plan with super-off-peak hours and on-peak hours shifted later in the day. Pricing led efforts to collaborate with internal stakeholders to launch the pilot by May 2023 to study residential customer behaviors and experiences this summer.

8) Add reliable generation capacity and increase system flexibility to meet growing customer energy needs and enable the integration of more renewable resources. (Power System, S&CS, Water Resources, Public Affairs)



Deliverables

A. Complete construction and installation of the gas turbine optimizations and additions at Desert Basin, Agua Fria and Santan Generating Stations by Dec. 31, 2022. (Power System)

STATUS: Complete & Delayed

Construction was completed for Desert Basin and Agua Fria. Santan has been delayed due to relay upgrades and discovery work on steam valves and the steam turbine. This project will contribute 30 - 40 MW of added generation capacity.

B. Identify a preferred site for feasibility-level due diligence and initiate engineering, geotechnical and environmental studies for a potential pumped storage facility on the Salt River by Dec. 31, 2022. (Water Resources, Public Affairs, S&CS)

STATUS: Complete

Geotechnical mapping and underwater reservoir mapping was completed on the top two sites under consideration in summer 2022. The mapping and additional preliminary engineering design confirmed that sufficient intake capacity exists at both sites to support a pumped storage project. The mapping and preliminary engineering designs indicate the site near Alchesay Canyon is the preferred location over the alternative site near Horse Mesa Dam. To maintain optionality, both sites are planned to be assessed for geotechnical, biological, cultural, and other siting consideration in case unanticipated fatal flaws are identified at the preferred site. Environmental surveys and cultural resources studies are underway at both sites to support overall project permitting as well as ground-disturbing geotechnical drilling expected to be complete in FY24.

C. Execute the Operational Readiness Implementation Plan to build the capabilities needed to operate the future grid safely, reliably and cost-effectively. (Power System)

- i. Enable and test all potential capabilities of the Bolster battery system, including integration of the resource into the Energy Imbalance Market (EIM) by Oct. 31, 2022.

Status: Complete

Testing of the Bolster storage capabilities for basic and advanced functionality was completed in November 2022. Results were communicated to key stakeholders and the learnings then applied to related projects. Bolster was officially transitioned to a Participating Resource in the Energy Imbalance Market (EIM) and charged from the EIM. Export of energy from the storage system into EIM was conducted in April 2023.

- ii. Based on recommendations resulting from a third-party review of SRP's reserve practices, implement an updated reserves management strategy by April 1, 2023.

Status: Complete

Reserve strategy recommendations were completed and approved for implementation by senior leadership. A charter was completed, and a reserves governance team is being established. Operating practices are being written by Transmission & Generation Operations (TGO) and Supply & Trading and Fuels (STF), followed by training for implementation by summer 2023.

- iii. Determine the most optimal configurations for inverter-based resources to ensure new resources are designed and operated to provide essential reliability services in addition to energy and capacity by April 1, 2023.

Status: Complete

A roadmap was developed that shows how SRP's utility-scale solar and storage resources will provide essential reliability services without jeopardizing capacity serving, resource by resource, over the next three fiscal years. This will be done initially with a hybrid approach for solar plus storage resources, which means the plant output is controlled by SRP at the point of interconnection. SRP's standard form power purchase agreement (PPA) has been written to allow different control modes/approaches to be implemented over the life of the PPA, such as co-location, where the solar and storage are controlled separately.

- iv. Evaluate advanced solar forecasting tools and techniques and develop a proposed architecture solution for SRP that integrates new tools, systems and processes to improve solar forecast accuracy by April 15, 2023.

Status: Complete

The Forecasting team completed its summary of peer utility learnings and its vendor accuracy comparison. The team met with vendors and the University of Arizona to review data retention, pipelining, and web visualization capabilities and has proposed a new data schema, which can store and serve solar forecast data to the rest of the organization. The business requirements and architecture have been given to Power Delivery Technology Services (PDTs) for implementation.

- D. Execute contracts associated with the winning bids from the All-Source RFP by Dec. 31, 2022. (S&CS)

STATUS: Complete

SRP completed the 2021 All-Source Request for Proposals (RFP) to procure additional resources to meet near-term reliability needs. As a result of the denial of the Coolidge Expansion Project (CEP), SRP leveraged the RFP to procure additional resources beyond the originally identified needs. This involved negotiating power purchase agreements for five projects totaling over 2,000 MW of nameplate capacity. This included contracts for three new solar and/or grid charged battery projects totaling 640 MW, a tolling agreement for the output from a 975 MW natural gas generating facility, a 394 MW solar facility and negotiated amendments to four other agreements to ensure continued viability of 948 MW of additional projects that were under contract.

To further mitigate the risk of generation shortfalls in summer 2024, SRP developed a plan to add additional generation at the Copper Crossing site. In FY23, the SRP Board of Directors approved Phases 1 and 2 of the Copper Crossing Energy and Research Center (CCERC), which include the installation of two flexible natural gas fired combustion turbines each with an output less than 50MW and an advanced solar generation project capable of generating up to 55 MW.

- I. Identify key resource flexibility requirements as defined by the Operational Readiness Implementation Plan by May 30, 2022 and ensure all agreements executed out of the All-Source RFP incorporate such requirements. (*Power System, S&CS*)

STATUS: Complete

SRP worked with consultant SoundGrid Partners to develop power purchase agreement templates that incorporate desired flexibility attributes. SRP negotiated and executed several PPAs incorporating the flexibility requirements for projects selected in the 2021 All-Source RFP, including two new grid-charged battery projects, one new solar plus battery project, and one solar-only project. Given supply chain and regulatory challenges encountered industry-wide, SRP also negotiated amendments to four agreements already under contract to keep the projects viable and on schedule to meet near-term resource needs and sustainability objectives. The desired flexibility and operational readiness provisions were successfully incorporated into these four amendments as well.

9) Strengthen SRP's commitment to safety by continually improving the SRP safety culture using recommendations based on Safety Culture Survey results and benchmarking. (LL&RM, CCM)



Deliverables

- A. Revise safety training requirements for each SRP employee to be consistent corporate-wide, and develop quarterly reporting of completion status, by Aug. 1, 2022. (LL&RM)

STATUS: Complete

As of November 2022, OneSRP Safety Training was assigned to all employees. The process of quarterly reporting of completion status is complete along with the development of a completion status dashboard. As of April 2023, 92% of employees completed the OneSRP Safety Training.

- B. Launch an internal communication and education series by Dec. 1, 2022 to better enable employees to identify, communicate and suggest solutions to safety problems. (LL&RM, CCM)

STATUS: Complete

The safety internal communication and education series was launched on time, with corporate-wide communications being sent to employees regarding recent improvements to the Safety Incident Report Form and the mobile optimization of the Safety Observation System (SOS). Organizational Change Management (OCM) and internal communications plans have been developed and are being implemented in support of the Near-Miss Program, which went live in March 2023, and other safety initiatives.

- C. Based on safety culture benchmarking and a gap analysis, develop a plan by Feb. 1, 2023 for SRP to reach a top 10% safety culture. *(LL&RM)*

STATUS: Complete (partially delayed)

To advance SRP's safety culture, enhancements have been implemented within the Safety Services organization resulting in greater personal engagement with stakeholders and enhanced application of proactive safety expertise, metric analysis and reporting, learning opportunities, and communications. The Corporate Safety Team evolved into the Safety Leadership Team (SLT), which will have authority and accountability for the overall corporate safety program and will work to continuously improve SRP's safety culture using recommendations based on employee feedback, Safety Culture Survey results and safety culture benchmarking.

The SLT created Corporate Safety Objectives for FY24 based on the safety culture benchmarking, which were approved by the GM Staff. The Top 10% Safety Culture Assessment has been completed through industry benchmarking, gap analysis, and subject-matter expert recommendations and a prioritized plan based on assessment recommendations has been drafted, but deferred by the creation of the SLT, and will be reviewed at the beginning of FY24.

10) Serve the evolving needs of our employees and our business by attracting, engaging and developing a diverse and inclusive workforce. *(Human Resources)*



Deliverables

- A. Publish the Diversity, Equity and Inclusion (DEI) Annual Report by Dec. 31, 2022, to communicate progress on SRP's DEI efforts.

STATUS: Complete

The DEI annual report planning process began in March 2022. The DEI team worked closely with internal communications to provide feedback on the final report, which was posted on InsideSRP in November 2022 for all employees.

- B. Update and implement inclusive hiring frameworks and policies to promote and reinforce systems and practices that advance SRP's commitment to workforce diversity by Mar. 30, 2023.

STATUS: Complete

To support our company's future workforce needs and continue building an inclusive workplace, HR led an 'Attracting Talent' initiative with input from leaders across the company to improve and streamline the recruiting process, benefitting both hiring managers and talent candidates. Talent Acquisition developed a short- and long-term strategic plan in January 2023 and a future state end-to-end talent acquisition process map in February 2023. These foundational milestones will ensure we remain focused on inclusion as we embed its principles into our current and future processes, practices and policies. Additionally, these planned changes over the next three years will further reinforce our mission of attracting, sourcing and hiring quality talent to achieve SRP's business outcomes.

- C. Develop and begin implementing an aligned, inclusive and comprehensive development strategy that accelerates employee competence and capability to advance SRP's mission and strategic goals.

STATUS: Complete

- i. Implement a targeted employee development strategy that incorporates the online learning platform Percipio by Oct. 31, 2022.

STATUS: Complete

Human Resources designed and developed a targeted employee development strategy which incorporated feedback from the business, employees, and human resources business partners (HRBPs), and aligns with industry best practices. Percipio, a content-rich and convenient learning platform for all SRP employees was launched along with a formalized brand tagline: "SRPLearn: Helping you develop for tomorrow". A multichannel marketing strategy was developed to increase awareness of Percipio and engagement of new and existing users of the platform. As of October 2022, active users in Percipio increased 99.7% compared to the same period in 2021.

- ii. Implement a succession planning process for Associate General Managers and Senior Directors by Jan. 31, 2023.

STATUS: Complete

AGM successors and development plans were entered into OneWorkforce in July 2022. GM Staff direct report successors (Senior Directors/Directors) were identified in October 2022. A review of the GM Staff direct reports' successors was conducted in December 2022 with development plans for those successors input into OneWorkforce by the end of January 2023.

To support this year's succession planning process, the HRBPs partnered with AGMs to update succession plans for the AGM roles in preparation of an Executive Talent Review session. The Talent Review session addressed the strategic benefits of succession planning and each AGM role's potential successor was discussed for readiness, risk/impact of loss, diversity, strengths, identified gaps, and opportunities for development. Following the review session, AGMs engaged in discussions with potential successors to review talent gaps and create succession development plans. The development actions were captured in OneWorkforce to provide ease of monitoring ongoing progress. 100% of SRP's AGM roles and 76% of the Senior Director roles have diverse successors in their pipeline for FY23. These strong percentages help us develop and grow an inclusive and capable leadership bench strength that reflects our workforce and the communities we serve.

- iii. Design a leadership development strategy and launch a formal leadership pilot program by Mar. 30, 2023.

STATUS: Complete

Talent Development selected vendor FranklinCovey to partner on the development of the strategy for a three-tiered leadership development program. Through collaboration with a cross-business leadership strategy project team, seven leadership capabilities with corresponding behaviors and five leadership traits were identified to serve as the foundation for all leadership development programs and resources. Six-month Senior Director and Director pilot programs with reinforcement and sustainment activities were designed and developed. The Senior Director program launched in March 2023 and the Director program launched in April 2023. Design of the Manager and Supervisor pilot program has started with a focus group facilitated by FranklinCovey with the pilot expected to launch in early Summer of 2023. In addition to the pilot programs, landing pages were added to InsideSRP for all employees and leaders to facilitate communication about the strategy, capabilities, traits and implementation plan.

- D. Implement Phase 1 of Strategic Compensation Alignment by April 30, 2023, to advance SRP's competitiveness in attracting and retaining qualified employees.

STATUS: Complete

HR developed a two-phase approach to SCA with the support of senior leadership. Phase 1 included a new compensation philosophy, assigning more descriptive job titles versus generic titles to our employees, and implementing a job family architecture. Phase 1 was successfully implemented in September 2022 and resulted in 395 new job titles being created and 905 employees' titles changing. Phase 2 began in January 2023 by signing a statement of work (SOW) with consultant, Willis Towers Watson, standing up a Steering Committee, and defining SRP's career framework. Phase 2, which includes developing job level guidelines and implementing a new salary structure, will continue into FY24 and will conclude the SCA project.

11) Support affordability by maintaining company performance, reporting and compliance efforts to ensure long-term credit ratings of Aa1/AA+. (F&IS, Public Affairs, S&CS, CO, Power System, Water Resources)



Deliverables

- A. Identify and prioritize federal infrastructure funding opportunities by Sep. 30, 2022. Develop and begin to implement plans to pursue funding for them by Dec. 31, 2022. (Public Affairs, S&CS, CO, Power System, Water Resources, F&IS)

STATUS: Complete

SRP's Regulatory group created and led a cross-functional Federal Infrastructure Funding Opportunity Working Group to explore and identify grant and funding opportunities to further our organizational initiatives. An extensive matrix of major projects that were potential candidates for federal funding was developed and later prioritized based on strategy alignment, project readiness, internal resource availability and other criteria. A consultant, Kim Joyce and Associates, was retained to support grant writing for federal funding being pursued and to assist SRP in identifying relevant funding opportunities as they become available. In April, SRP submitted a comprehensive grant proposal associated with the \$10.5 billion Grid Resilience and Innovation Partnerships federal

funding opportunity, which is focused on enhancing grid flexibility and improving the resilience of the power system against growing threats of extreme weather and climate change.

- B. Grow the general fund fiscal year-end balance to at least \$550 million to ensure a fund balance that covers nearly two months of cash expenditures by April 30, 2023. *(F&IS)*

STATUS: Complete

The General Fund is forecasted to end the year at \$595M as of February 2023, well above the targeted \$550M. SRP's liquidity and financial position is further supported by the successful renegotiation of JP Morgan's existing RCA agreement and further diversification of the liquidity program through the addition of TD Bank (TD), the successful receipt of a new Arizona Corporation Commission (ACC) bonding authorization of \$1.8 billion in new money and \$3 billion in refunding bonds, and the successful execution of a \$500M new money bond sale with JP Morgan as lead underwriter.

- C. By April 30, 2023, build the FP24 Financial Plan to ensure the debt ratio remains at or below 50% and gradually grows the year-end General Fund balance over the plan to \$600 million. *(F&IS)*

STATUS: Complete

The FP24 Financial Plan represents a six-year plan in which each year's forecasted debt ratio is at or below 50%. This was accomplished despite the heavy amount of borrowing in the financial plan. Additionally, the plan supported growth in the General Fund, such that it would achieve a low balance at fiscal year-end of \$600M by the end of FY25.

12) Identify and pursue near-term innovation priorities that prepare SRP for the transformation ahead. *(S&CS, Power System, Public Affairs)*



Deliverables

- A. Subject to the agreement of partner entities, form a coalition with Arizona utilities, universities and industry partners to establish an Arizona Center for a Carbon Neutral Economy by Aug. 31, 2022 and, as a coalition, submit a proposal for a regional hydrogen hub by April 30, 2023. *(S&CS, Public Affairs)*

STATUS: Complete

SRP participated in the formation of the Arizona Center for Carbon Neutral Economy (AzCaNE) that included Arizona utilities, universities, and the Arizona Commerce Authority as the founding members in May. AzCaNE has since added a number of industrial partners interested in developing hydrogen projects as part of an Arizona, Nevada and Navajo Nation regional hub proposal. The team named the regional hub the Southwest Hydrogen Innovation Network (SHINe). The SHINe team submitted a concept paper to the Department of Energy (DOE) in November 2022. DOE selected the SHINe hub proposal along with 32 other hub proposals for encouragement to proceed with submitting a full proposal. The team completed the proposal and submitted it to DOE by the deadline in April 2023. The SHINe proposal requests \$1B in DOE funding and includes 10 projects that will bring an additional approximately \$3B in private investment. The hub will include multiple projects that produce hydrogen, store hydrogen in large underground caverns and transport hydrogen to end uses primarily in the transportation and mining sectors. DOE plans to announce awards to 6-10 regional hubs in the fall of 2023.

- B. Implement priority innovation and research projects that support SRP's transition to a more dynamic, decarbonized and technologically advanced grid in alignment with SRP's 2035 Corporate Goals.

STATUS: Complete

The implementation of these three key innovation and research priority activities are well positioned to help SRP meet challenges associated with our Corporate 2035 Carbon and Grid Enablement goals. All three efforts include broad collaboration across many SRP departments and have regular meetings to keep team members updated on progress.

- i. Complete the construction of the Distribution Enablement Laboratory by Dec. 31, 2022 to serve as a test environment for evaluating various technology use cases at the distribution-level, including peak shaving, microgrids, voltage support and more. *(Power System)*

Status: Delayed

The completion of the Distribution Enablement Lab will be delayed into the first quarter of FY24 due to critical long lead materials not being available. The start of construction was approved by project sponsors and started in February 2023. Lab commissioning is targeted for June 2023.

- ii. Evaluate long-duration non-battery energy storage technologies and select a pilot project by Mar. 31, 2023 targeting a 2025 commercial deployment to test the feasibility, dispatchability, cost, safety and operability of the storage technology. *(S&CS)*

Status: Complete

Innovation and Development (I&D) issued a request for proposals (RFP) for a 10MW/10hr energy storage pilot at the Copper Crossing Energy and Research Center on September 23. I&D engaged EPRI to help evaluate technologies to include and selected 14 non-Lithium-ion battery technologies to provide proposals, based on a screening process done of over 80 different emerging energy storage technologies. I&D received 11 proposals and completed evaluation of the proposals using a cross-functional team with representatives from 11 departments. I&D selected two finalists and received management support to pursue negotiations for two 5 MW, 10-hour duration pilots. I&D targets completing negotiations and requesting Board approval for one or both projects in early FY24.

- iii. Continue the Advanced Distribution Management System (ADMS) Foundation project implementation with successful completion of the Factory Acceptance Test by April 30, 2023 in preparation for the FY24 go-live. *(Power System)*

STATUS: Complete

The ADMS Foundation project completed Factory Acceptance Testing (FAT) with over 700 standard and customary test cases developed with a success rate of 97%.

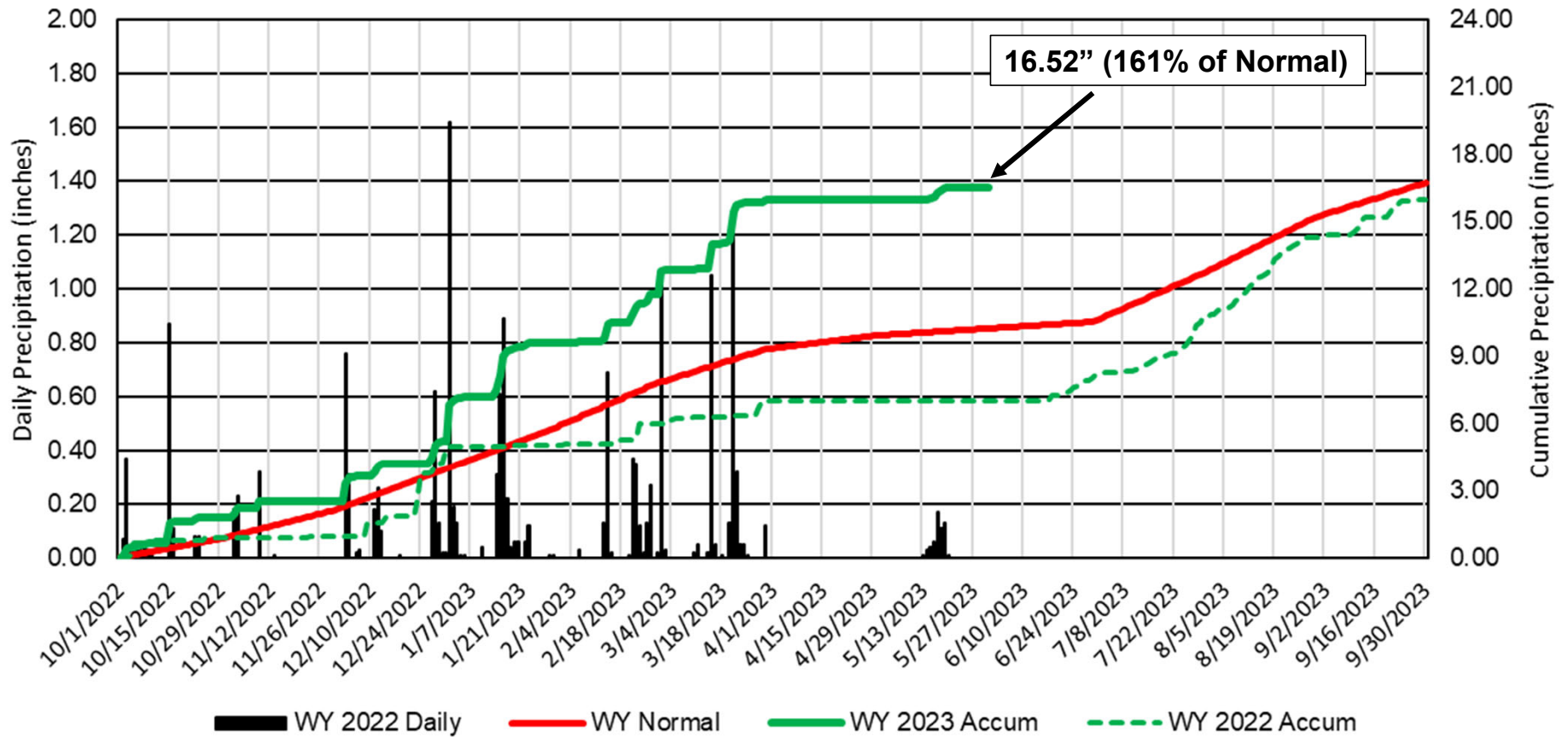
Water Supply and Weather Report

June Council Meeting

June 6, 2023

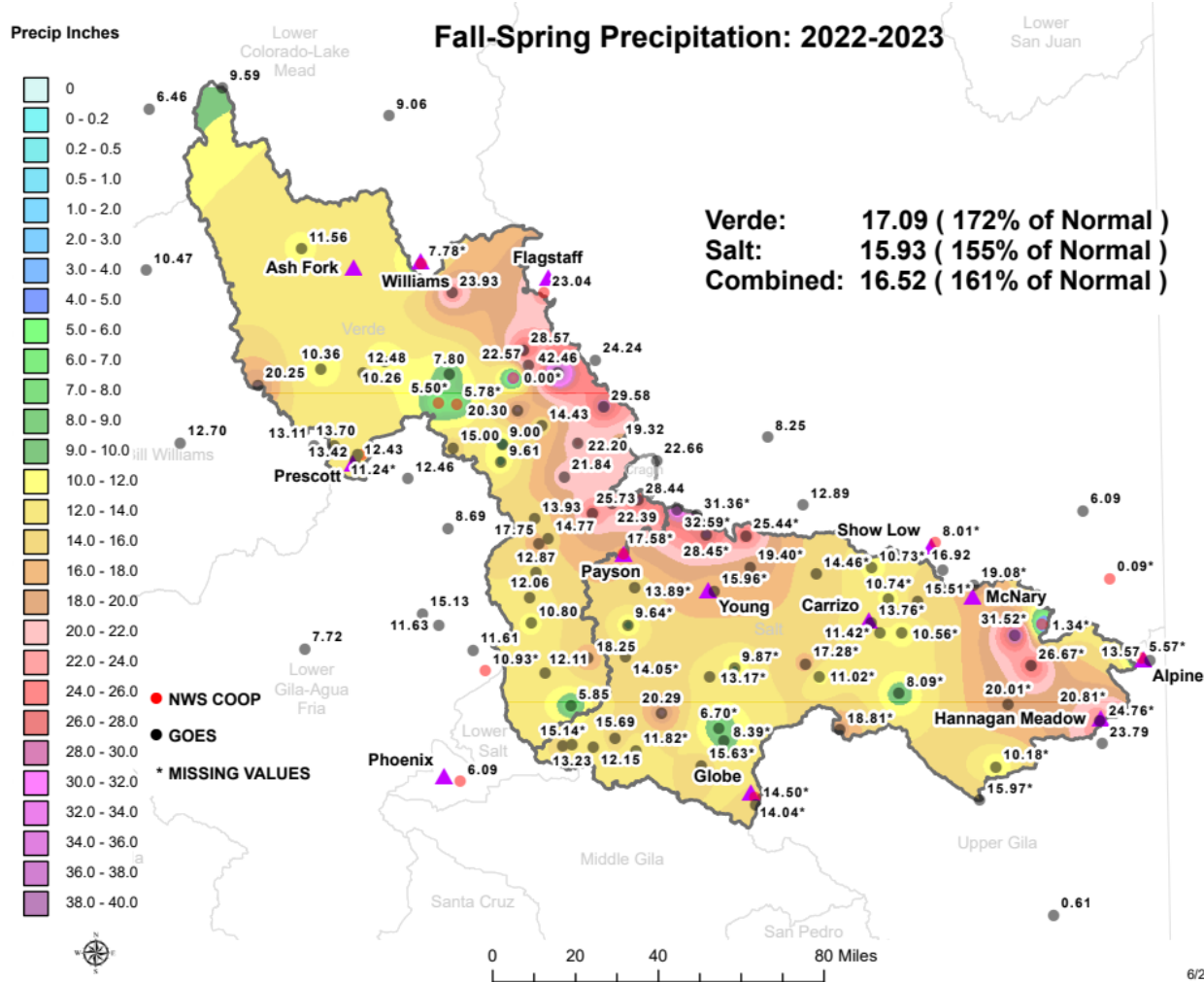
Bo Svoma

Cumulative Watershed Precipitation: Water Year (Oct 2022 - Sep 2023)



***wettest fall-winter-spring since 2005 (before that 1993)**

Watershed Precipitation – WY 2023 to Date

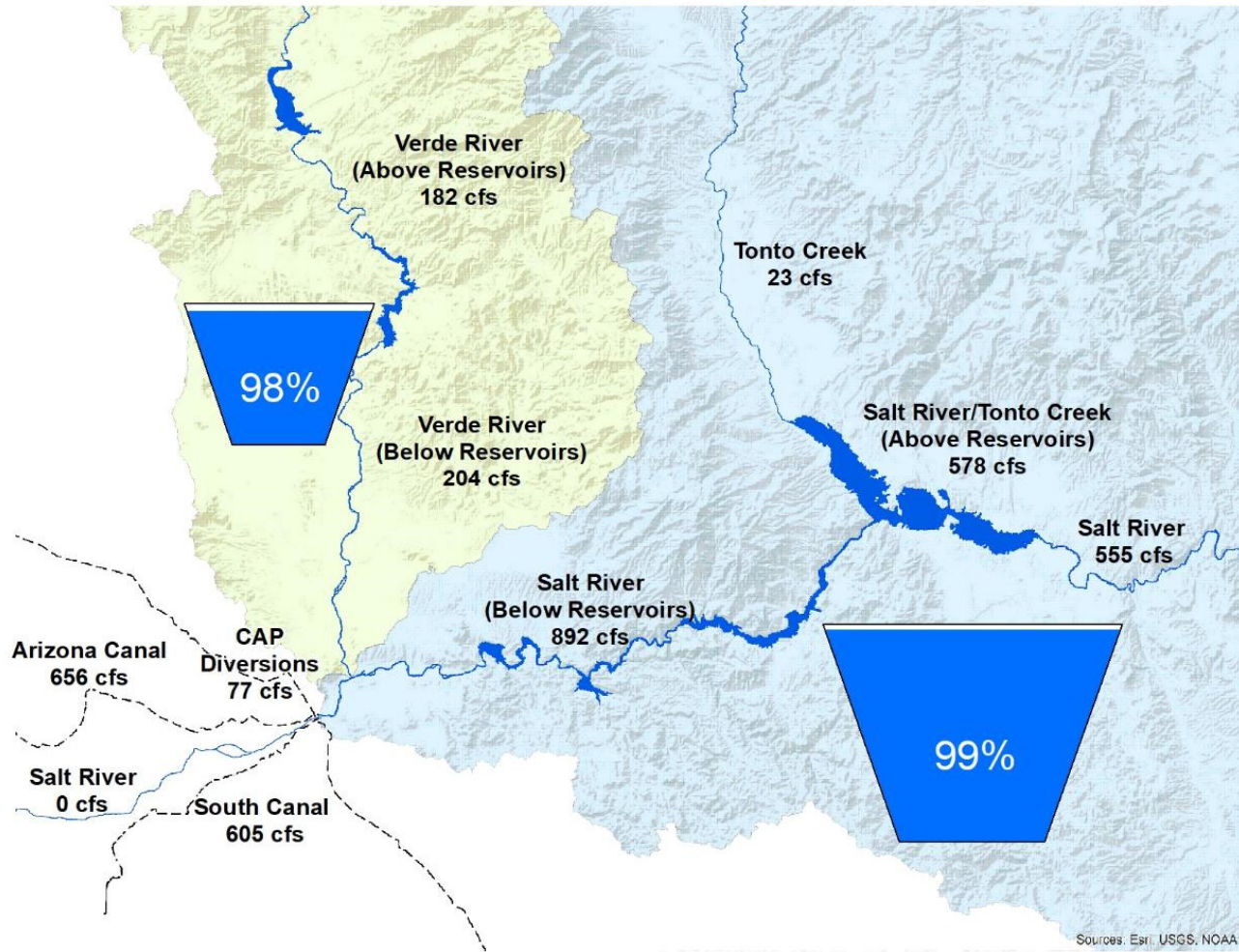


SRP Reservoir System Status

June 1, 2023

Current Storage:

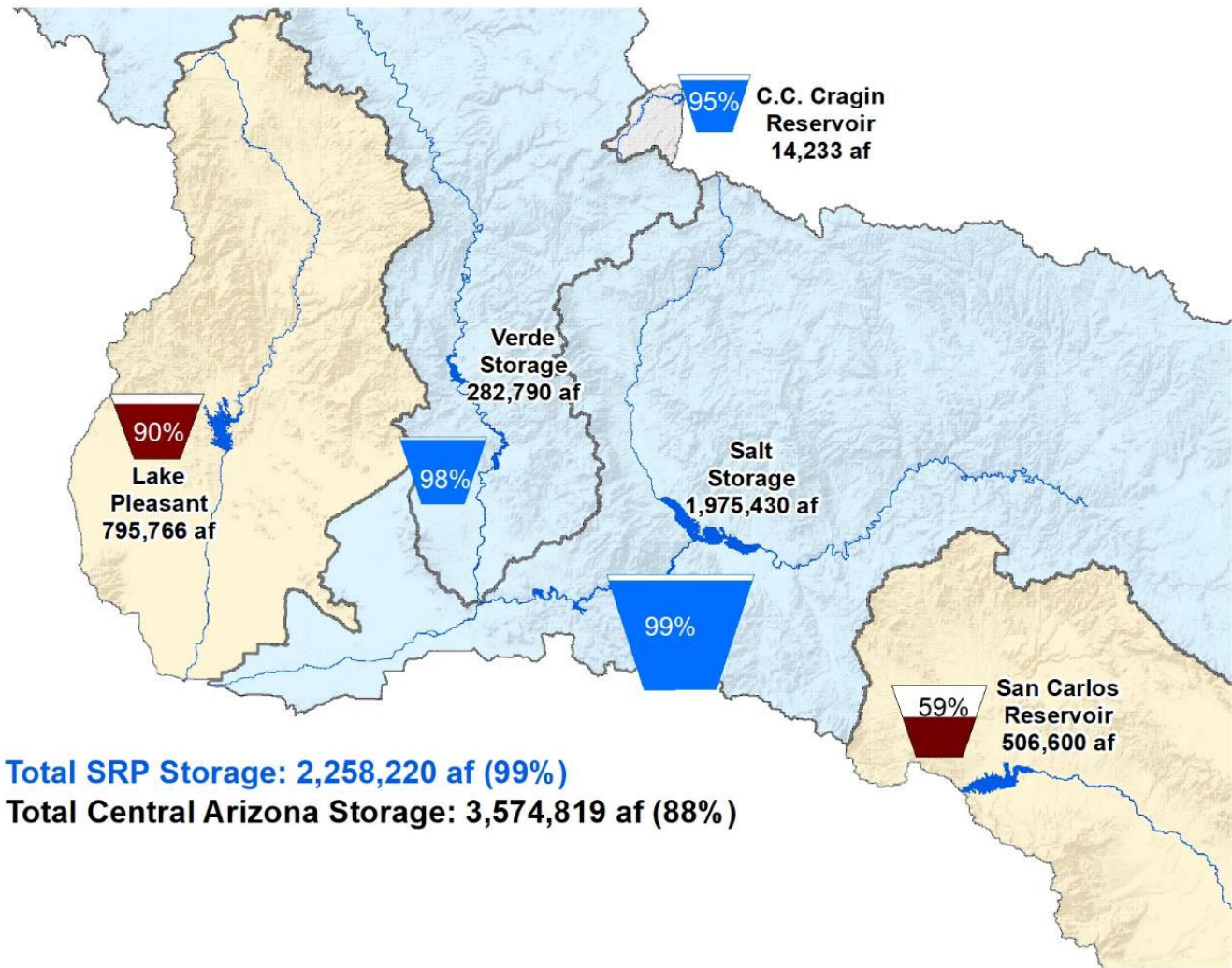
| | |
|--------------|---------------------|
| Salt | 1,975,430 AF |
| Verde | 282,790 AF |
| Total | 2,258,220 AF |



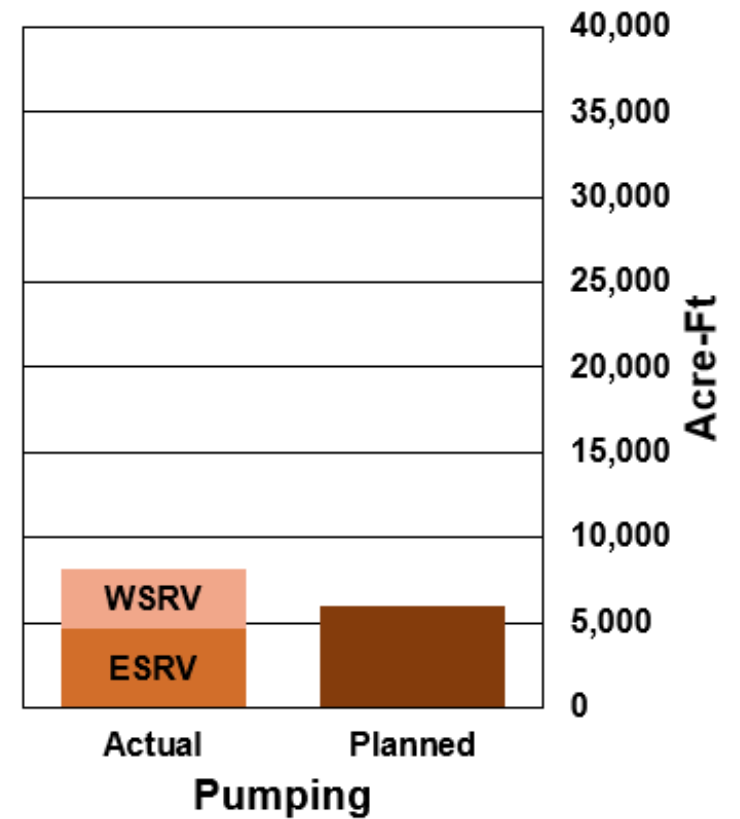
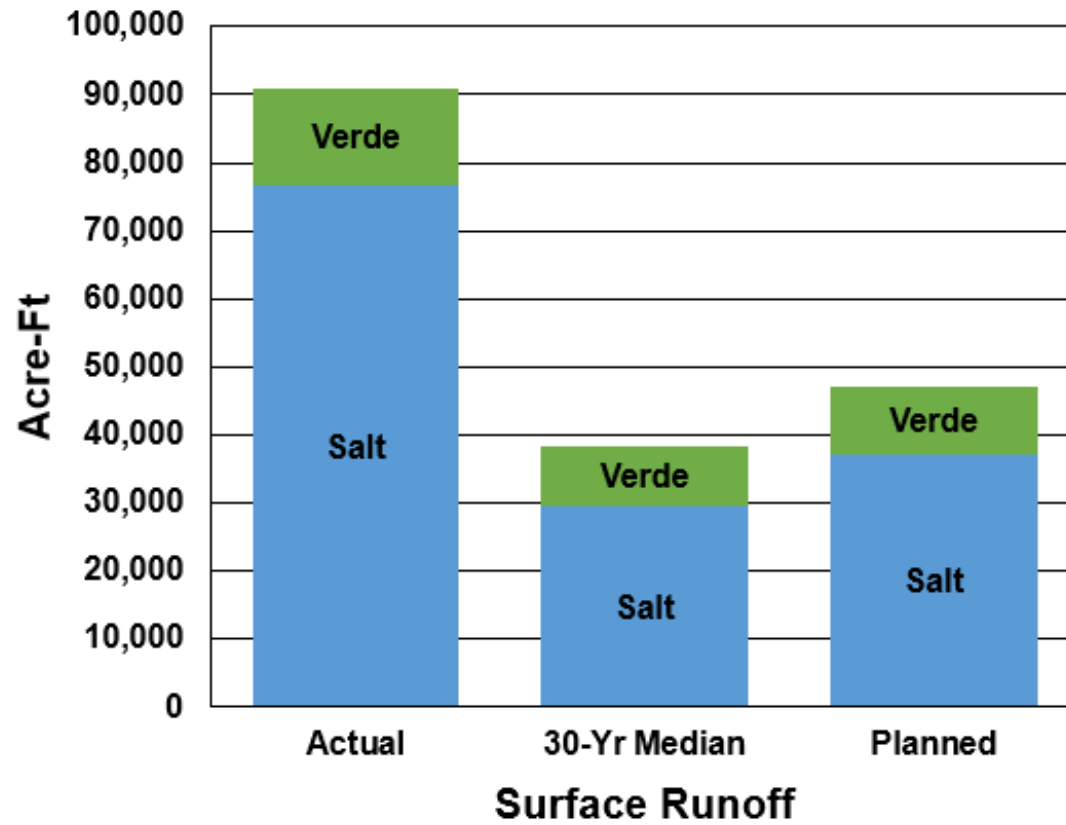
Central Arizona Reservoir Status

June 1, 2023

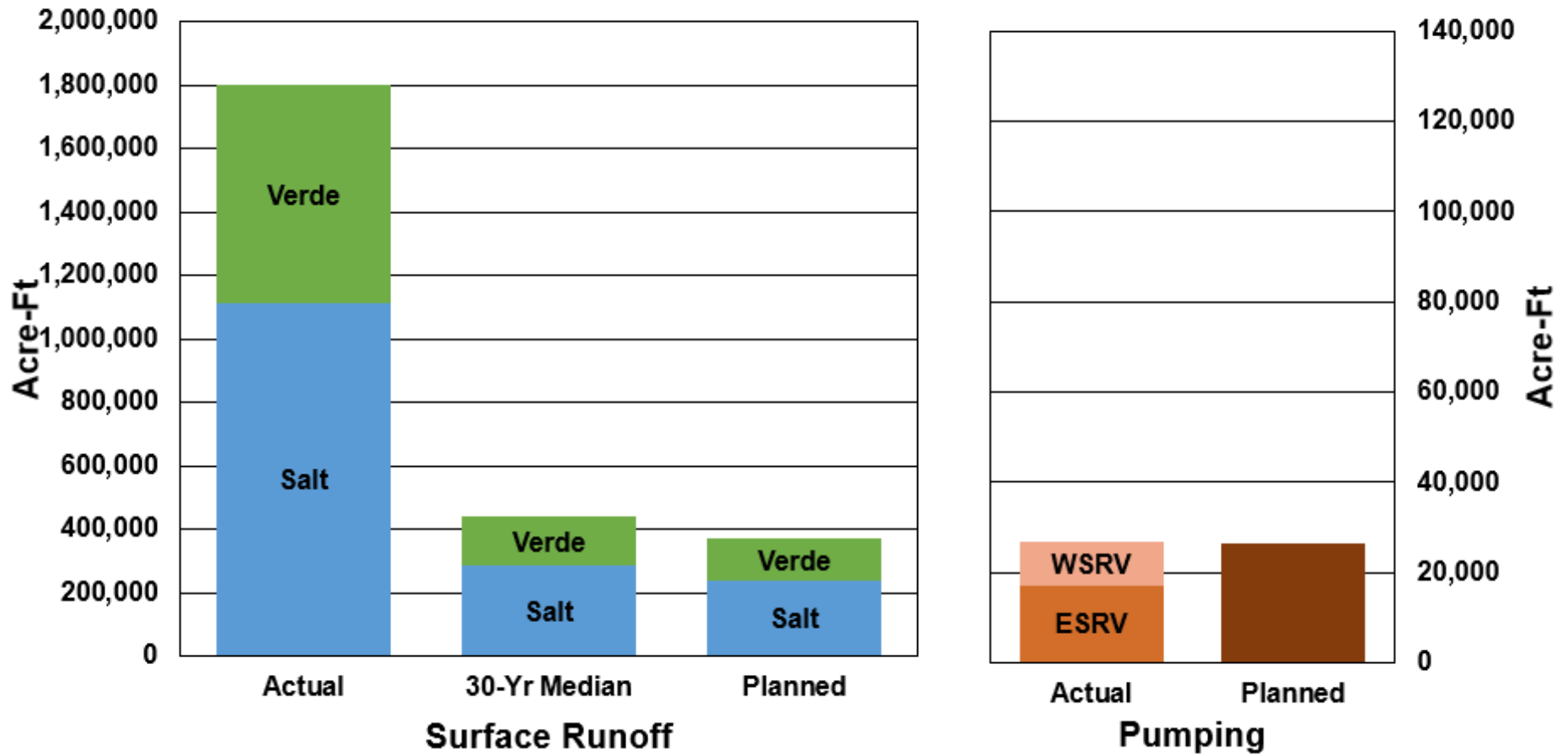
*Painted Rock Dam is currently 1% (21,000 AF) with 500 cfs release



May 2023



Year to Date 2023



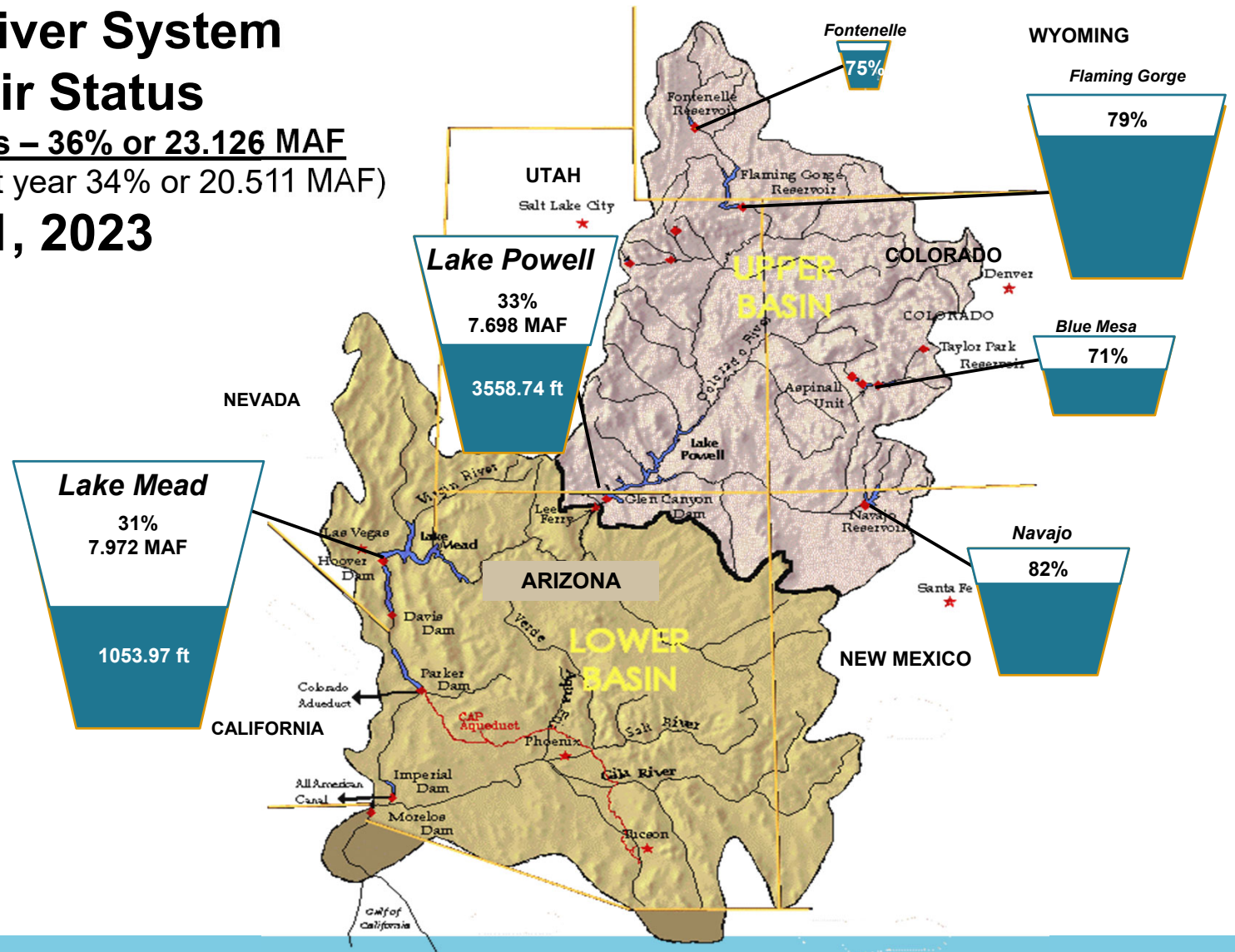
*YTD reservoir spill was approximately 724,000 AF (March 2 – May 12)

Colorado River System Reservoir Status

Total System Contents – 36% or 23.126 MAF

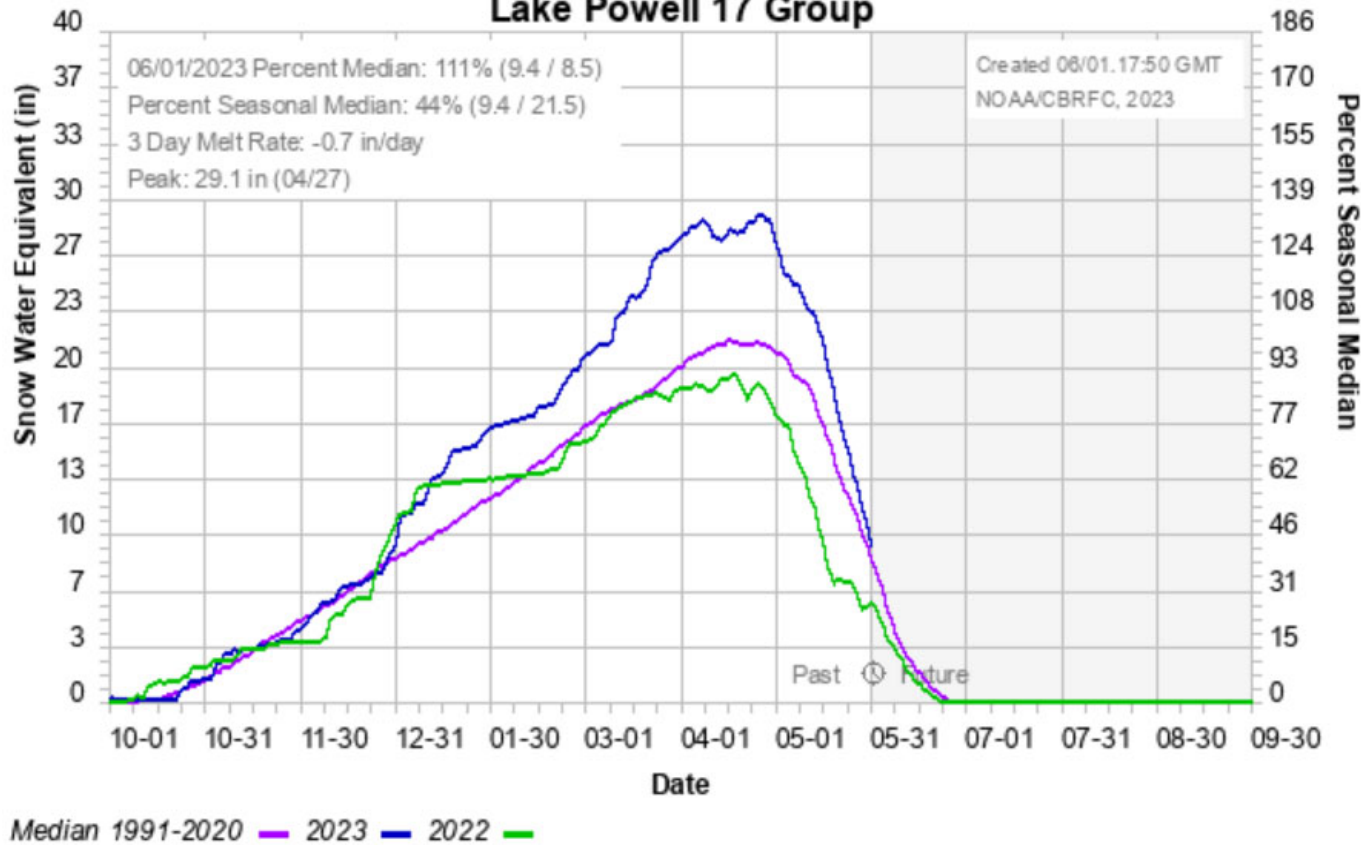
(Total system contents last year 34% or 20.511 MAF)

June 1, 2023



Colorado River Basin Snowpack (SWE) – June 1, 2023

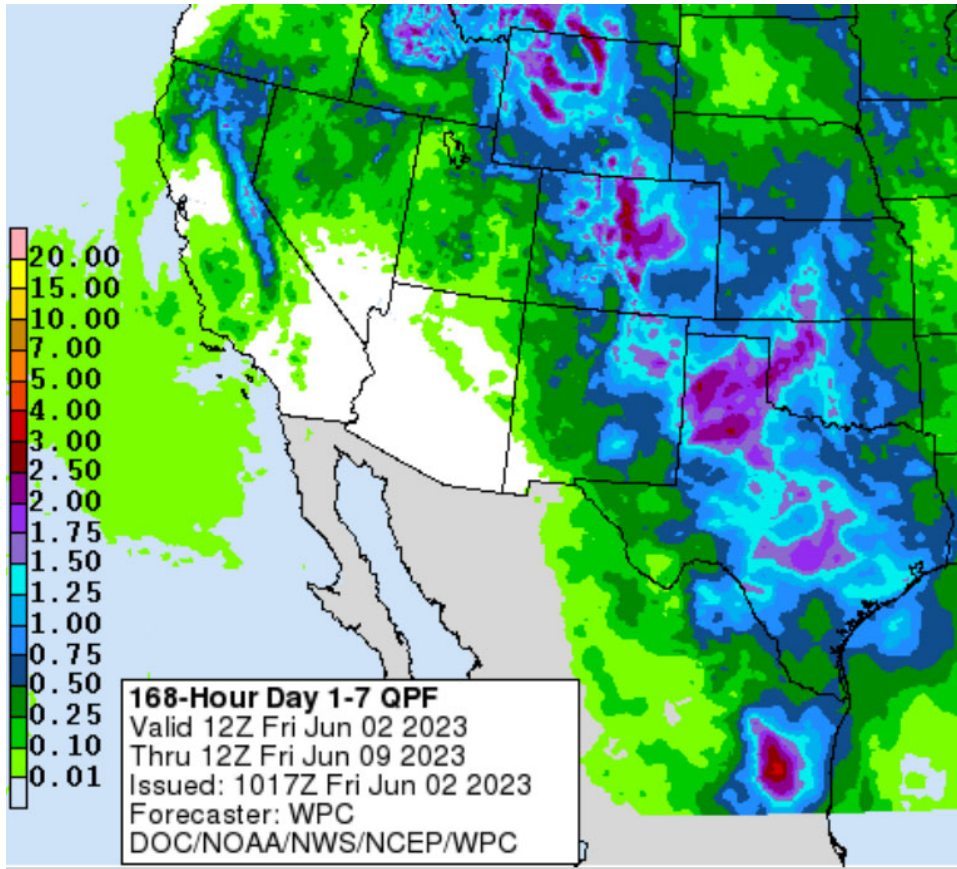
Colorado Basin River Forecast Center Lake Powell 17 Group



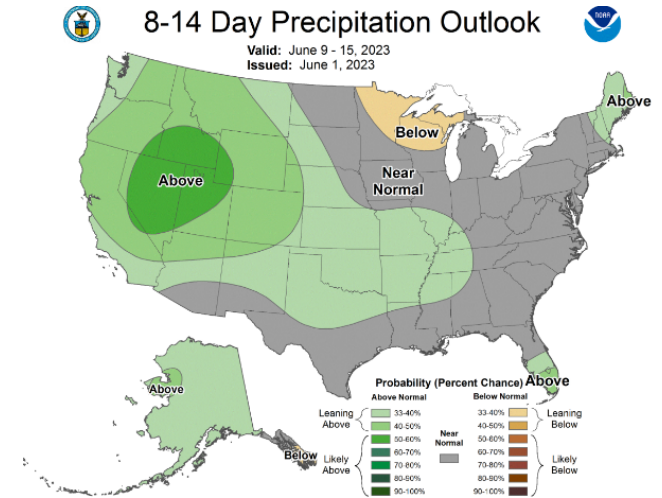
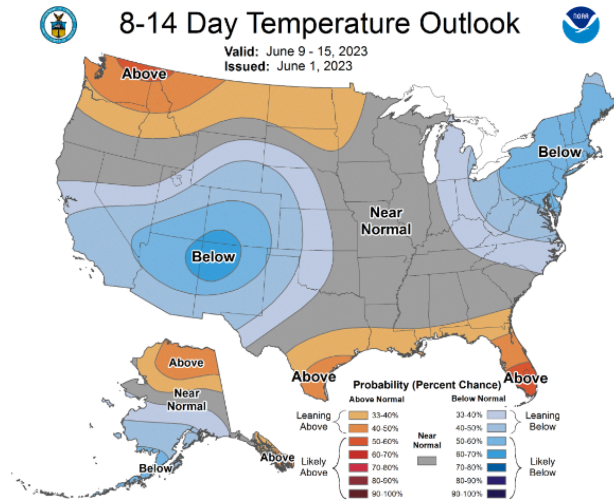
CBRFC
 Unregulated
 Inflow into Lake
 Powell Forecast
 (April – July)

11,000,000 AF
 (172% of average)

7-day Precipitation Forecast



6/6/2023, Board Meeting, B. Svoma



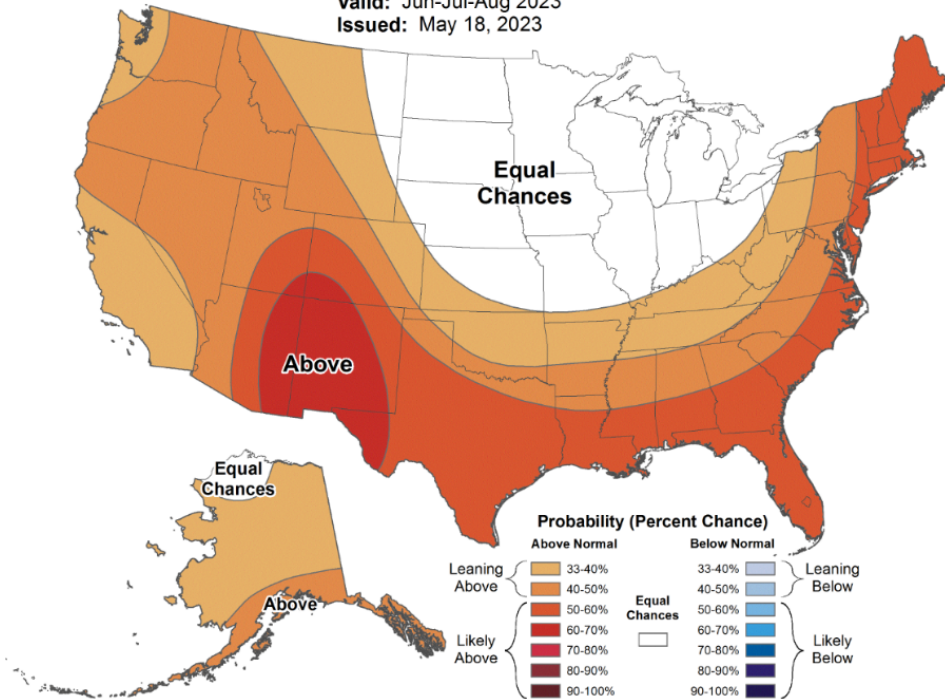
June-Aug. 2023 Seasonal Outlook



Seasonal Temperature Outlook



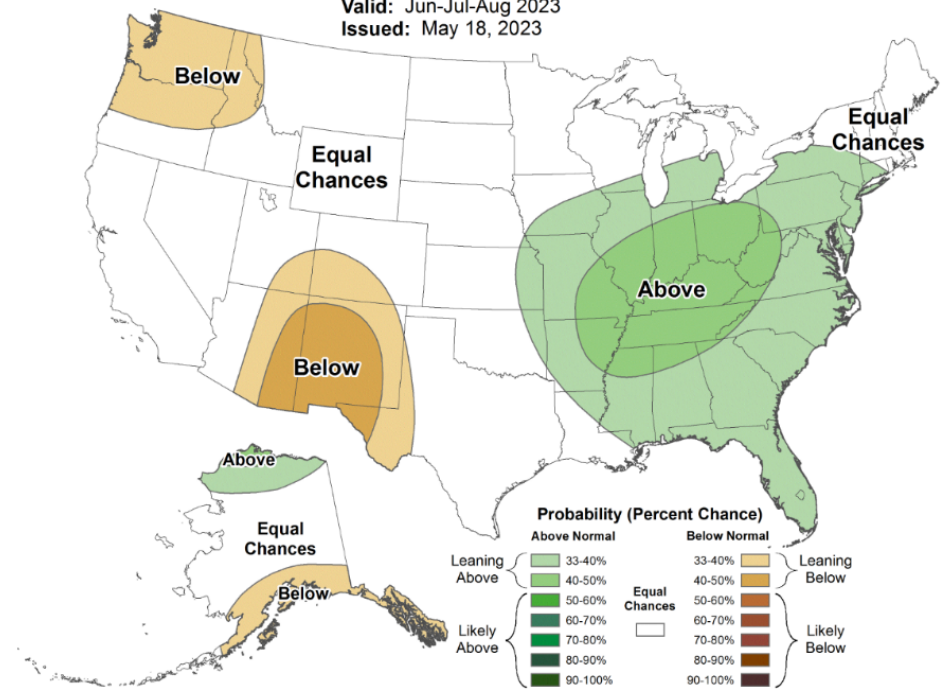
Valid: Jun-Jul-Aug 2023
 Issued: May 18, 2023



Seasonal Precipitation Outlook



Valid: Jun-Jul-Aug 2023
 Issued: May 18, 2023



Lag from wet winter (e.g., high soil moisture, deep western snowpack, and cold Gulf of California waters) and current weather pattern favors a late start to monsoon season

Roosevelt Storage/Elevation/%

6/1/23 – 1,975 (kaf), 2,150' (99%)

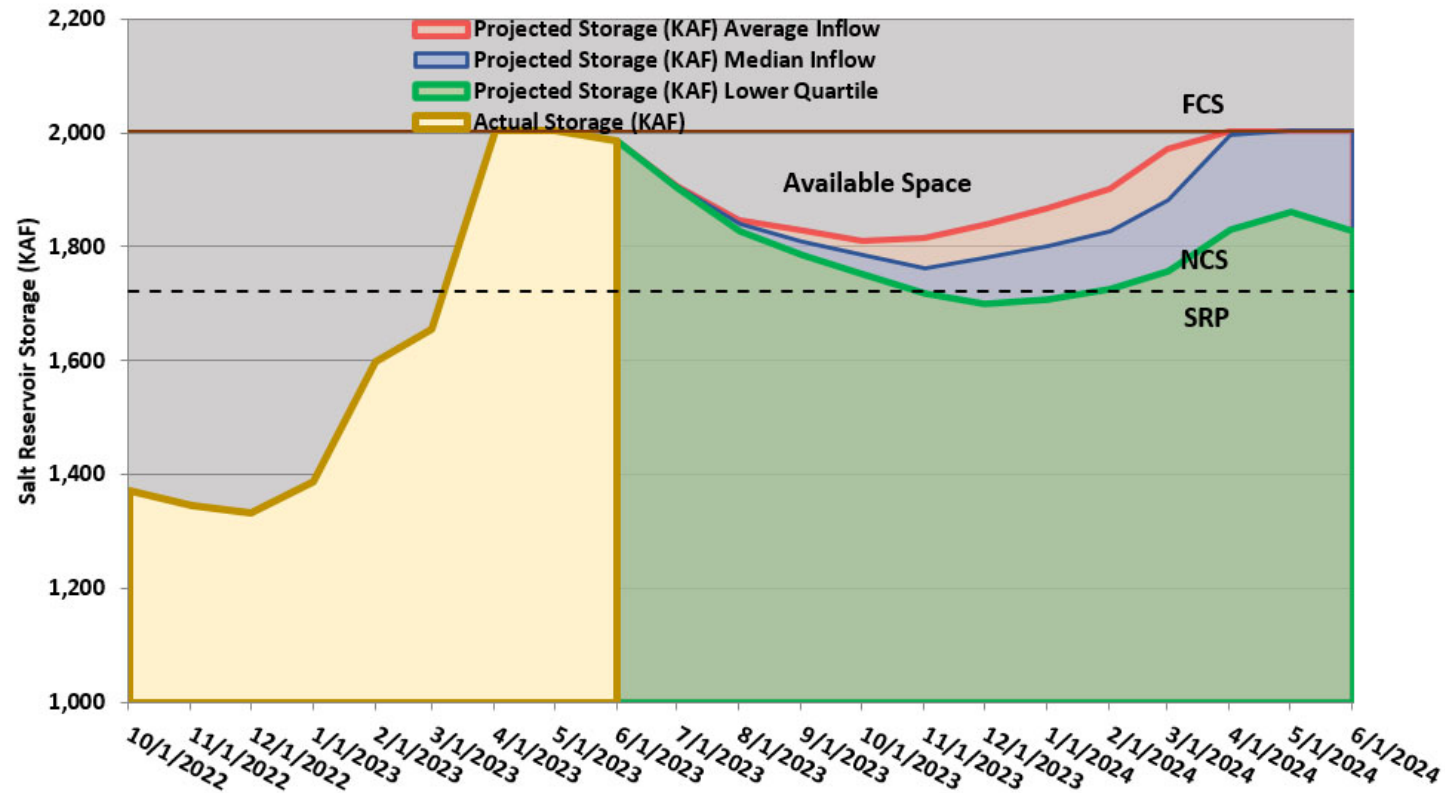
June 2023-June 2024 Projections

10/1/23 – 85% to 88%

6/1/24 – 89% to 100%

*Graph shows storage up to top of conservation and does not include FCS operations. Roosevelt FCS operation will vary based on conditions at that time.

Projected Salt Reservoir Storage



*Projections are preliminary and assume lower quartile, median, or average inflows and that demand follow the SRP Project Reservoir Operations Plan (PROP).

thank you!

