

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

DISTRICT COUNCIL
Tuesday, March 5, 2024, 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. Service Awards CHAIRMAN TYLER FRANCIS
 - A. Cliff Leatherwood – 5 Years
 - B. Brandon Brooks – 10 Years
 - C. Jerry Geiger – 15 Years
 - D. Bill Sheely – 15 Years
 - E. Mark Lewis – 30 Years

2. Request for Approval of the Minutes for the Meeting of February 6, 2024
..... CHAIRMAN TYLER FRANCIS

3. Council Committee Chairs and Liaisons Reports... CHAIRMAN TYLER FRANCIS

4. Economic Outlook PAUL BACHMAN;
and JIM ROUNDS, ROUNDS CONSULTING GROUP

Informational presentation regarding the national and local economic outlook by external speaker and economist, Jim Rounds of Rounds Consulting Group, followed by a brief overview of the economic implications of relevance for SRP.

5. SRP 2035 Corporate Goals..... BOBBY OLSEN

Informational presentation regarding key updates to SRP’s 2035 Corporate Goals.

6. 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..... BRIAN KOCH
 - C. Water Resources LESLIE MEYERS

7. Reservoir Report / Weather Report..... TIM SKARUPA

8. President's Report..... PRESIDENT DAVID ROUSSEAU

9. 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
THURSDAY, MARCH 7, 2024**

MINUTES OF COUNCIL
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER
DISTRICT

DRAFT

February 6, 2024

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, February 6, 2024, 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
January 30, 2024

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, February 6, 2024, 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 30th day of January 2024.

/s/ Tyler Francis
Council Chairman

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 M.B. Brooks, M.L. Farmer, A.A. Freeman, G.E. Geiger, A.M. Herrera, D.B. Lamoreaux, C.M. Leatherwood, M.A. Lewis, J.W. Lines, J.L. Miller, T.S. Naylor, B.E. Paceley, M.C. Pedersen, I.M. Rakow, M.G. Rakow, W.W. Sheely, R.W. Swier, H. Tjaarda Jr., N.J. Vanderwey, and P.A. Van Hofwegen.

Council Members absent at roll call were J.R. Augustine, A.S. Hatley, R.S. Kolb, M.R. Mulligan, W.P. Schrader Jr., W.P. Schrader III, and M.A. Warren.

Also present were President D. Rousseau; Vice President C.J. Dobson; Council Member M.A. Freeman of the Association; Board Liaison M.J. Herrera; Directors

R.J. Miller and K.L. Mohr-Almeida; Mmes. I.R. Avalos, A.P. Chabrier, L.F. Hobaica, S.C. McCoy, E.B. McCullough, L.A. Meyers, G.A. Mingura, and C.M. Sifuentes; and Messrs. J. Abbruscato, T. Cooper, A.C. Davis, J.M. Felty, B.J. Koch, K.J. Lee, A.J. McSheffrey, M.J. O'Connor, B.A. Olsen, J.M. Pratt, 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, February 2, 2024.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding microwave oven safety.

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.

Ms. S.C. McCoy left the meeting.

Approval of Minutes

On a motion duly made by Council Member B.E. Paceley, seconded by Council Member P.A. Vanderwey and carried, the Council approved the minutes for the meeting of January 9, 2024, as presented.

Corporate Secretary J.M. Felty polled the Council Members on Council Member B.E. Paceley's motion to approve the minutes for the meeting of January 9, 2024. The vote was recorded as follows:

YES:	Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; and M.B. Brooks, M.L. Farmer, A.A. Freeman, G.E. Geiger, A.M. Herrera, D.B. Lamoreaux, C.M. Leatherwood, M.A. Lewis, J.W. Lines, J.L. Miller, T.S. Naylor, B.E. Paceley, M.C. Pedersen, I.M. Rakow, M.G. Rakow, W.W. Sheely, R.W. Swier, H. Tjaarda Jr., N.J. Vanderwey, and P.A. Van Hofwegen	(22)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members J.R. Augustine, A.S. Hatley, R.S. Kolb, M.R. Mulligan, W.P. Schrader Jr., W.P. Schrader III, and M.A. Warren	(7)

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 J.L. Miller reported on discussions held at the Customer Utility Panel (CUP) meeting regarding the selection of the CUP Chair and Vice Chair for Calendar Year 2024, SRP's operational practices, and the Integrated System Planning (ISP) update. Council Member G.E. Geiger reported on the Water Committee meeting regarding the Verde Reservoirs Sediment Mitigation Project (VRSMP), the SRP-Central Arizona Project (CAP) Interconnection Facility (SCIF) project, and the Arizona Department of Transportation (ADOT) Broadway curve project. Council Members J.W. Lines and I.M. Rakow reported on the Power Committee meeting regarding the pumped storage project, load forecast for Financial Plan 2025, and the status of new generation resources. Council Member M.L. Farmer reported on the Compensation meeting regarding SRP's Employees Retirement Plan performance. Council Member B.E. Paceley reported on the Council Education Committee meeting that will take place in April 2024.

Council Member R.S. Kolb; and Messrs. J.D. Coggins and R.T. Judd entered the meeting during the reports.

SRP 2035 Sustainability Goal Update Process

Using a PowerPoint presentation, Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive, stated that the purpose of the presentation was to provide information regarding the SRP 2035 Sustainability Goal Update Process to preview goal updates, stakeholder input received on topics discussed to-date, and next steps in the process.

Mr. B.A. Olsen explained where SRP is in the timeline of planning and implementing the ISP strategies, the 2050 strategic vision, and the 2035 sustainability goals. He provided a list of the 2035 sustainability advisory group participating members.

Mr. B.A. Olsen reminded the Board of the following 2035 sustainability goal pillars: carbon emissions reductions; water resiliency; supply chain and waste reduction; customer and grid enablement; and customer, community, and employee engagement. He concluded with a summary of proposed changes within those 2035 sustainability goal pillars and a discussion of next steps.

Mr. B.A. Olsen responded to questions from the Council.

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

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

Using a PowerPoint presentation, Jim M. Pratt, 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.

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 an update on the Abel-Pfister-Ball transmission project and its connection progress in the southeast valley transmission system.

Mr. J.D. Coggins provided updates on the following projects: Elliot Road Tech Corridor, Mesa and Queen Creek customer projects; and the solar and battery projects near Pinal Central. He highlighted the key benefits of the Abel-Pfister-Ball project as follows: reliable interconnection for new generation projects; increased capacity for industrial customers; and increased overall dynamic stability. Mr. J.D. Coggins provided a status on Abel-Pfister-Ball's schedule and budget.

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 December, and the status of collections through December 2023 within the Fuel and Purchased Power Adjustment Mechanism (FPPAM). He reviewed the preliminary retail energy sales for FY24 and provided a summary of wholesale net revenue for January.

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 Marketing and Communications

Using a PowerPoint presentation, Alaina P. Chabrier, SRP Associate General Manager and Chief Communications Executive, provided an overview of the sustainability and innovation campaign. She reviewed web content and videos regarding rooftop solar and preferred solar installers currently available on SRP's webpage.

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.

Director M.J. Herrera; Council Member M.A. Lewis; and Mr. T Cooper left the meeting during the presentation. Mr. B.M. Svoma entered the meeting.

Status of Water Resources

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources and Services Executive, provided updates on the Southside Dry-Up and Northside Dry-Up on canals. She reported on the water construction and maintenance dry-up accomplishments to-date.

Ms. L.A. Meyers provided images of the southside fish herding and relocation and dry-up canals on the northside. She said that the fish herded and relocated were approximately 11,000 fish on the southside and 6,000 fish on the northside.

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, Bo M. Svoma, SRP Senior Meteorologist, reviewed the cumulative watershed precipitation outlook for Water Year 2024 and provided images current snowpack on the Salt and Verde River watersheds. He 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 February 1, 2024. He discussed the surface runoff and pumping data for January 2024. Mr. B.M. Svoma concluded by providing a weekly precipitation forecast, a monthly precipitation forecast, and a review of the seasonal percent of normal precipitation outlook from February 2024 through March 2024.

Mr. B.M. Svoma responded to questions from the Council.

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.

Council Member I.M. Rakow; Mmes. E.B. McCullough and G.A. Mingura; and Messrs. J. Abbruscato, J.D. Coggins, and B.J. Koch left the meeting during the presentation.

President's Report

There was no report by President D. Rousseau.

Future Agenda Topics

Council Chairman T.M. Francis asked the Council if there were any future agenda topics. Council Member M.B. Brooks requested a presentation on how the power service territory boundary was developed and what it means to SRP competitively and operationally. Council Member M.G. Rakow requested a presentation on the General Manager and Chief Executive Officer Long-Term Incentive Plan and a presentation of the purposes of SRP branding advertisements. Council Member M.A. Freeman of the Association requested an update on a bridge that was demolished over the Consolidated Canal in Mesa. Council Member B.E. Paceley requested that the Randolph video presented in the Council meeting be provided to the members.

There being no further business to come before the Council, the meeting was adjourned at 12:01 p.m.

John M. Felty
Corporate Secretary

**SAFETY MINUTE: HEART HEALTH
SRP COUNCIL**

**SARA MCCOY
DIRECTOR, RISK MANAGEMENT
MARCH 05, 2024**



Delivering water and power™

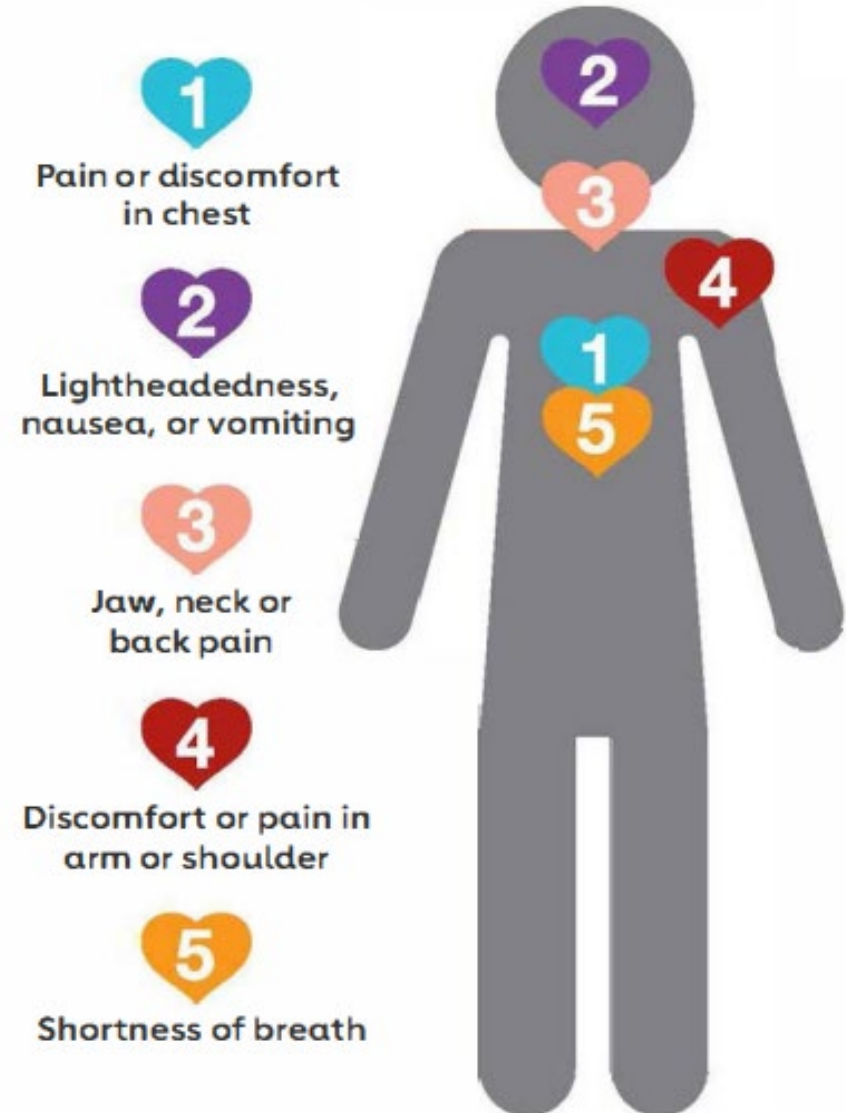
HEART HEALTH: FEBRUARY WAS HEART MONTH



Tips for a Healthy Heart

- Control Cholesterol
- Eat Better
- Lose Weight
- Get Active
- Manage Blood Pressure
- Reduce Blood Sugar
- Stop Smoking

Common Heart Attack Warning Signs



Economic Outlook

District and Association Council Meeting

Jim Rounds and Paul Bachman | March 5, 2024

The National Economy



03/05/2024 District and Association Council, J. Rounds

Defining a Recession

Q: What indicators does the committee use to determine peak and trough dates?

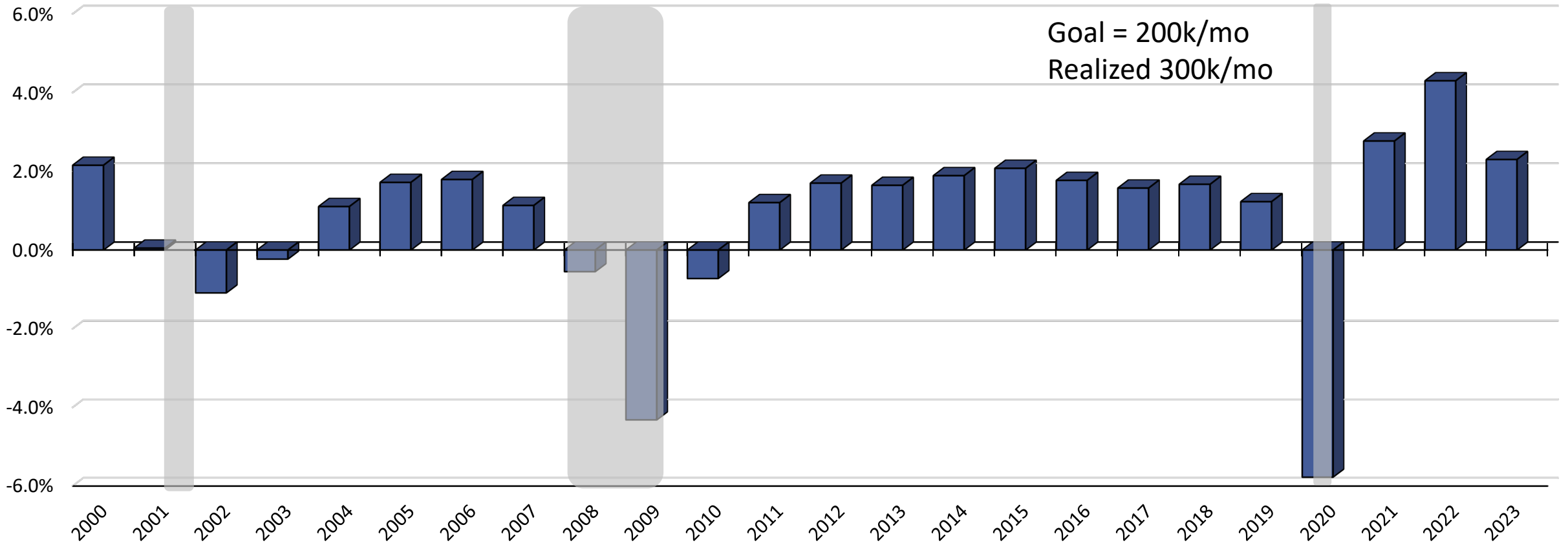
A: The determination of the months of peaks and troughs is based on a range of monthly measures of aggregate real economic activity published by the federal statistical agencies. These include **real personal income** less transfers (PILT), nonfarm payroll **employment**, **real personal consumption** expenditures, **wholesale-retail sales** adjusted for price changes, employment as measured by the household survey, and **industrial production**. There is no fixed rule about what measures contribute information to the process or how they are weighted in our decisions.

U.S. Employment Percent Change

Annually, 2000 – 2023*

Source: Arizona Office of Economic Opportunity

■ Recession Period



Goal = 200k/mo
Realized 300k/mo

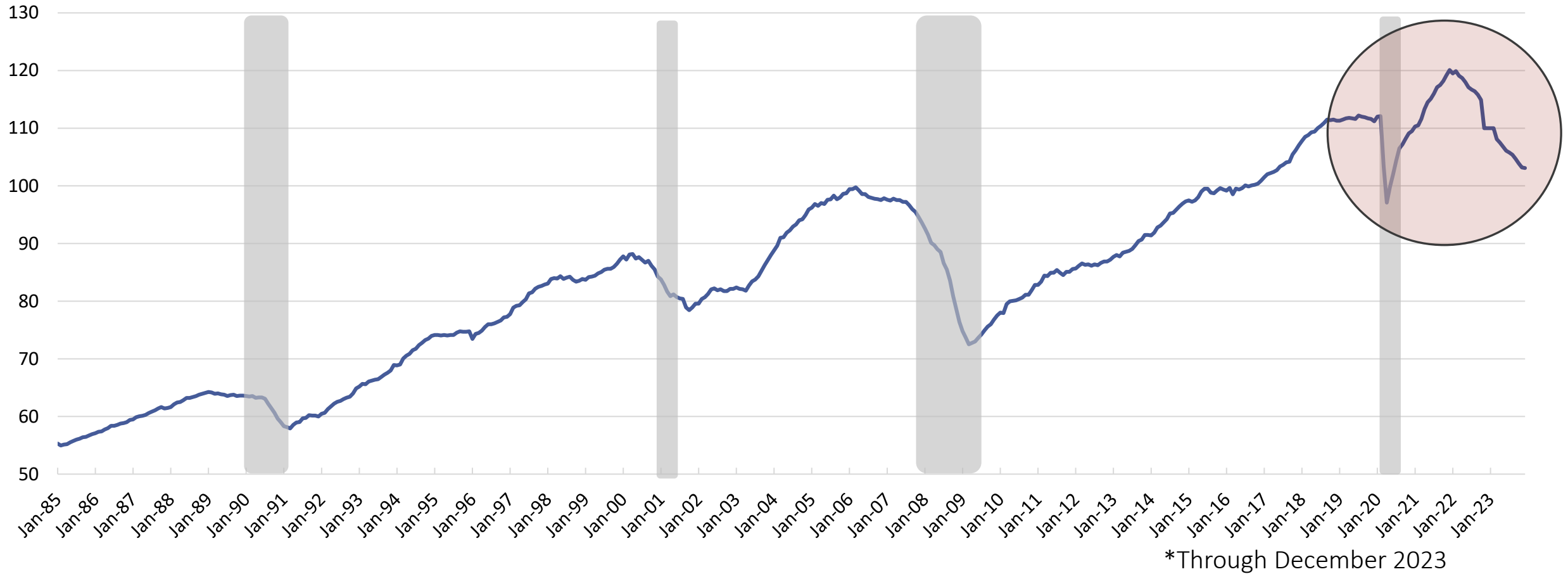
*Year-to-Date through December 2023

U.S. Leading Economic Index

Monthly, 1985 - 2023*

Source: The Conference Board

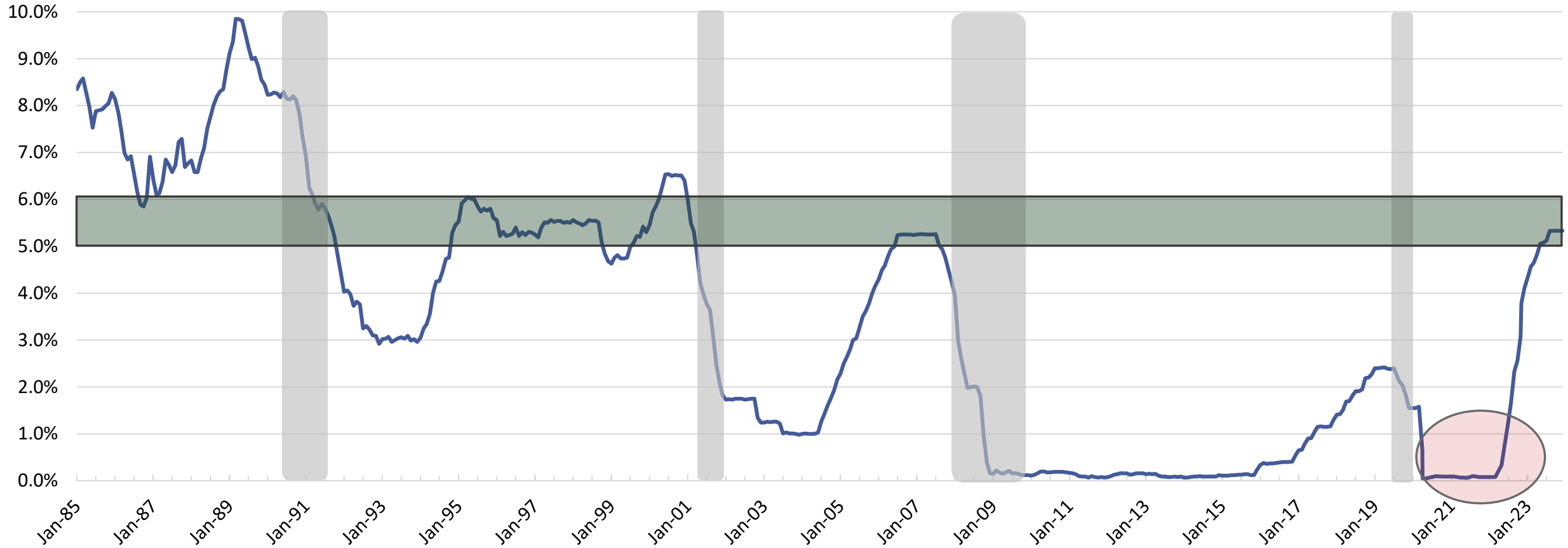
Recession Period



Federal Funds Effective Rate

Not-Seasonally Adjusted; Average Monthly, 1985 - 2023*
Source: Board of Governors of the Federal Reserve System

Recession Period

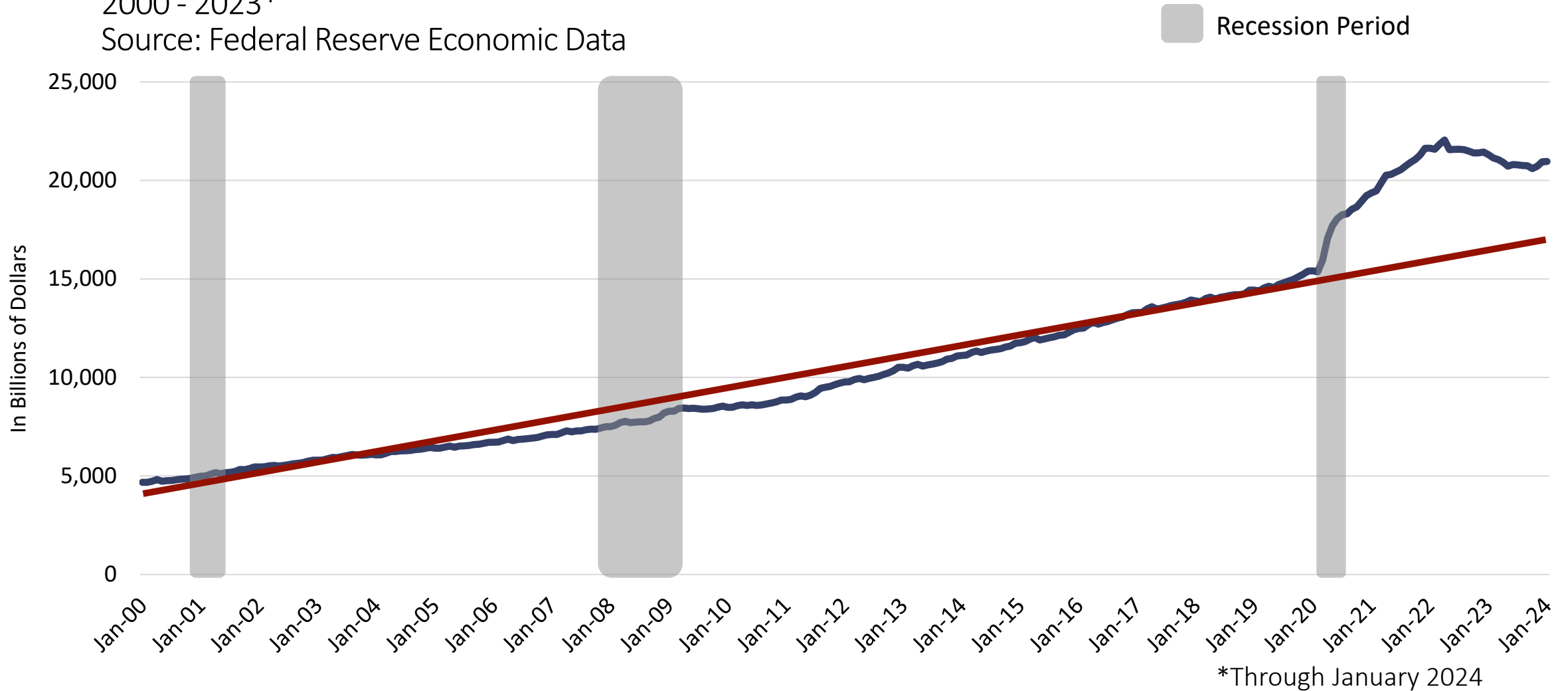


*Through December 2023

United States Money Supply (M2)

2000 - 2023*

Source: Federal Reserve Economic Data



Consumer Price Index

All Items CPI, Non-Seasonally Adjusted; YoY Percent Growth, 2010 - 2023*

Source: U.S. Bureau of Labor Statistics

Recession Period

Remember, 0% means prices aren't going up or down, not that they are going down.



*Through December 2023

Why does this matter?

- There is at least some money in your current revenue base that is artificially propped up.
- We borrowed significantly from the future, so thank your kids (and later their kids) for paying off our debt.
- Will Arizona be different? Most likely...

The Local Economy



03/05/2024 District and Association Council, J. Rounds

10

Milken Institute Math?

Metro Name

Phoenix-Mesa-Scottsdale, AZ MSA

BPC 2024 Ranking	18
Broadband coverage	67
Community resilience	61
Gini index (inequality)	65
Housing affordability	103
HT GDP Growth (2017-2022)	49
HT GDP Growth (2021-2022)	82
HT industries with LQ>1	51
HT location quotient	57
Job Growth (2017-2022)	12
Job Growth (2021-2022)	60
Short-term job growth	110
Wage growth (2017-2022)	19
Wage growth (2021-2022)	57



Job Growth by State 2022

State Ranking; Year-To-Date 2022*
Source: U.S. Bureau of Labor Statistics

Rank	%	State
1	6.49%	Nevada
2	5.76%	Texas
3	5.36%	Florida
4	5.04%	California
5	4.81%	New Jersey
6	4.80%	Georgia
7	4.66%	Oregon
8	4.59%	New York
9	4.54%	Massachusetts
10	4.53%	Hawaii

*Through December 2022

Arizona was #18...

...so what happened?

COVID-19 Job Recovery Rankings

State Ranking, Trough-To-Current*

Source: U.S. Bureau of Labor Statistics

Rank	%	State	Rank	%	State
1	133.4%	Utah	11	83.5%	Mississippi
2	114.8%	Idaho	12	83.3%	Nebraska
3	93.7%	Arizona	13	82.5%	Alabama
4	92.2%	Texas	14	81.9%	North Carolina
5	88.7%	South Dakota	15	81.6%	Arkansas
6	88.2%	Montana	16	81.1%	Washington
7	85.5%	Georgia	17	79.2%	Colorado
8	84.2%	Tennessee	18	78.7%	Indiana
9	83.8%	Florida	19	76.7%	Missouri
10	83.5%	South Carolina	20	76.5%	New Hampshire

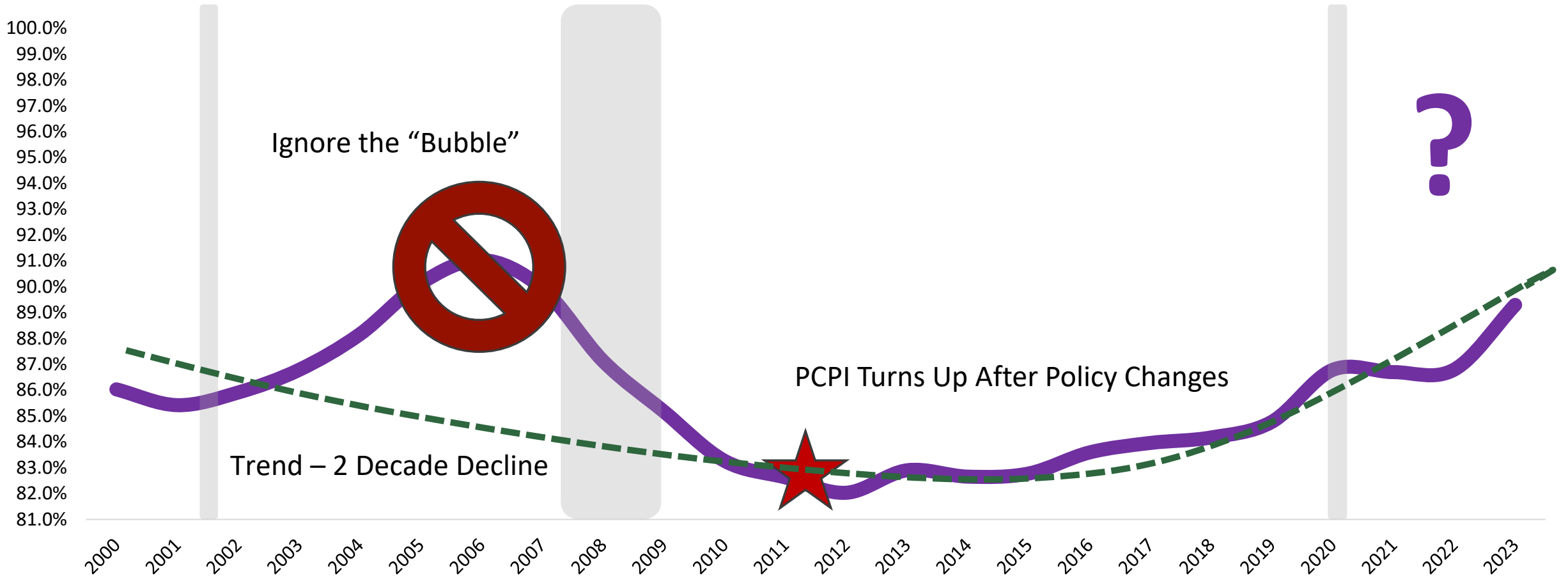
*Through September 2021

Quality Measure – PCPI as a Percent of the U.S.

Arizona as a Percent of U.S.; Annual 2000 - 2023

Source: U.S. Bureau of Economic Analysis

Recession Period



What is Arizona's story?

- AZ has a fairly resilient economy.
- This occurred not by accident, but was deliberate.
- Resilient economies perform better during recessions.
- Need to keep diversifying, need to build on our strengths.

Short term forecast?

- Nationally, the recession could be dampened by continued govt spending and the Fed still keeping the economy propped up with money.
- AZ will realize fewer job losses.
- **“Jobs Posting Recession”**

State and Local Budgeting



03/05/2024 District and Association Council, J. Rounds

17

Getting through a recession?

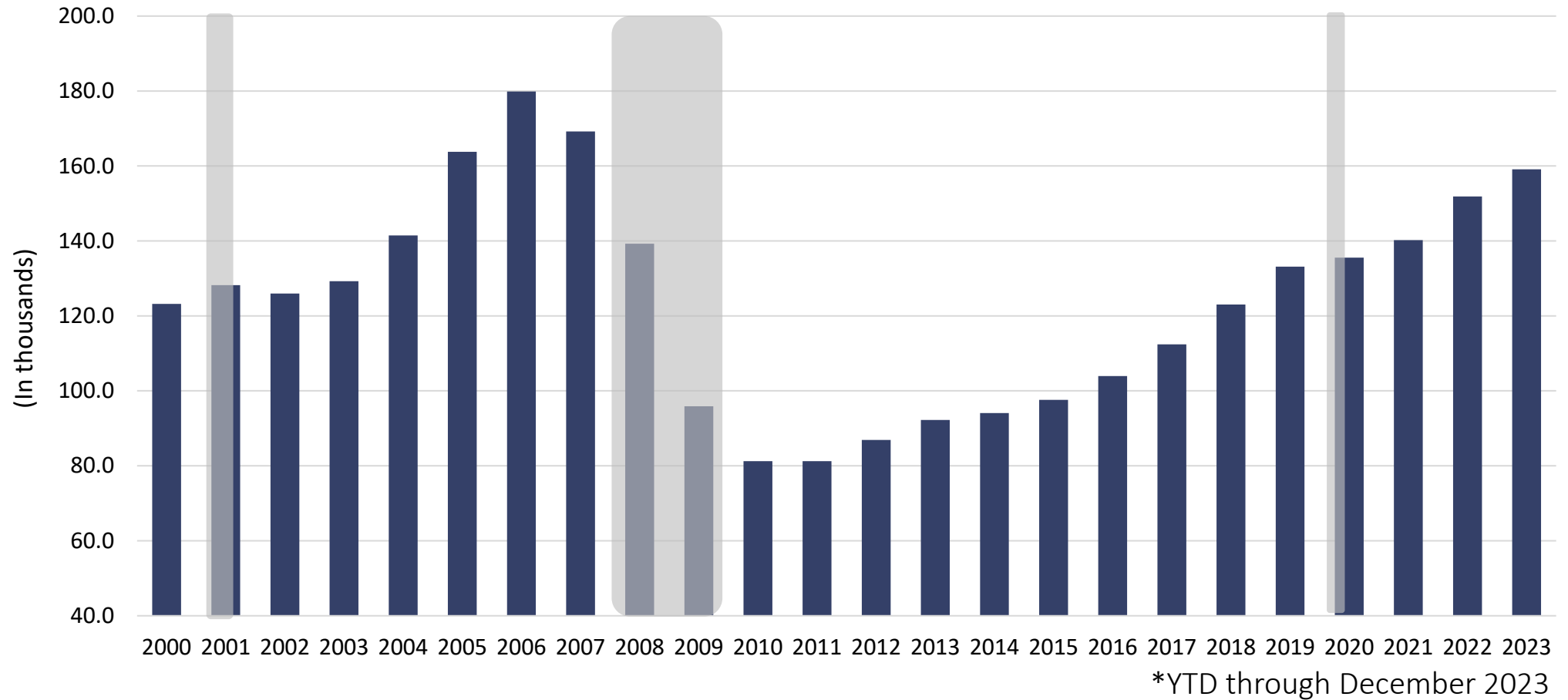
- Current Rainy Day Fund Monies = About \$1.5B
- \$400M+ was added in 2021 to hedge against possible income tax cut problems.
- Conclusion – If managed properly, we may not require massive budget cuts or tax increases.

Greater Phoenix Construction Employment

Annual Employment Level (2000-2023*)

Source: Arizona Office of Economic Opportunity

Recession Period



Annual Household Expenditures

Arizona Average

Source: U.S. Bureau of Labor Statistics

Category	2005 % of Annual Expenditures	2010 % of Annual Expenditures	2022 % of Annual Expenditures
Housing	30.0%	33.6%	34.3%
Transportation	21.5%	16.3%	23.0%
Food	13.1%	13.4%	10.5%
Healthcare	5.9%	6.1%	7.7%
Entertainment	4.8%	6.3%	3.8%
Apparel	3.8%	4.9%	2.4%
Education	1.5%	0.6%	1.4%
Other	19.4%	18.8%	16.9%

Annual Household Expenditures

For Households Making Less Than \$50K

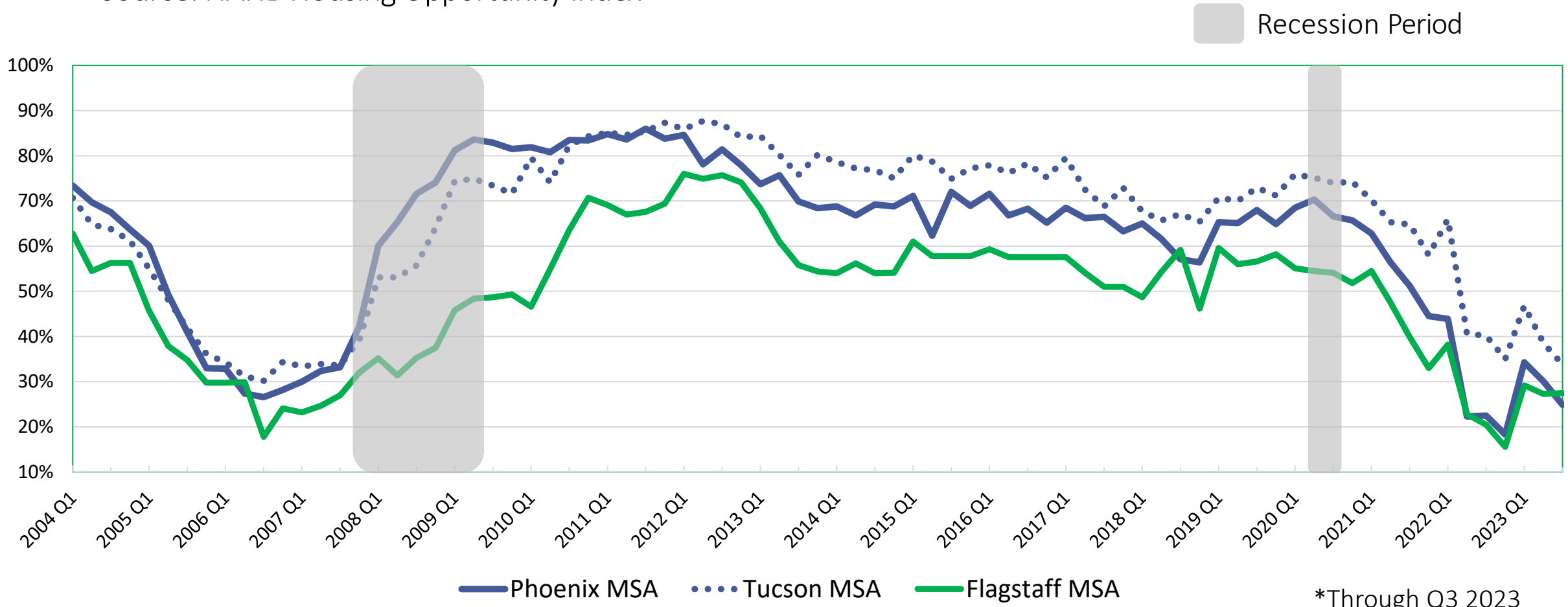
Source: U.S. Bureau of Labor Statistics

Category	2005 % of Annual Expenditures	2010 % of Annual Expenditures	2022 % of Annual Expenditures
Housing	41.4%	42.8%	44.3%
Transportation	20.6%	18.4%	18.7%
Food	15.7%	16.3%	16.3%
Healthcare	8.6%	9.0%	10.9%
Entertainment	5.4%	5.4%	4.5%
Apparel	4.6%	4.1%	2.2%
Education	1.7%	2.0%	1.4%
Other	2.0%	2.0%	1.7%

Housing Affordability – Phoenix, Tucson & Flagstaff

Share of Homes Sold Affordable to Families Earning the Median Income; Quarterly, 2004 - 2022*

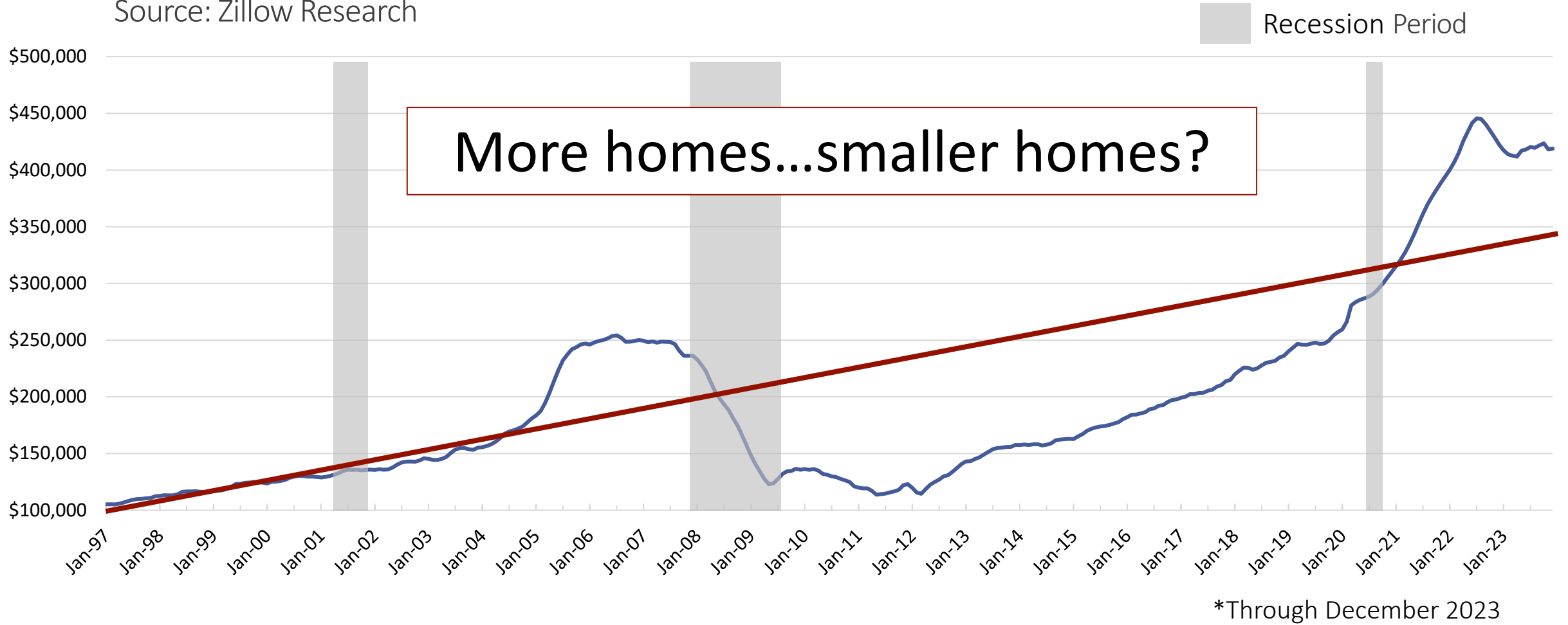
Source: NAHB Housing Opportunity Index



Arizona Median Price of Homes Sold

1997-2023*

Source: Zillow Research



Workforce Supply



Bumper Sticker Case Studies:



Case Study: Higher Ed

Annual gains by becoming average in attainment...

9,500
Additional High
School Graduates



19,500
Additional College
Enrollees



14,800
Additional College
Graduates



\$1.4B
Additional Annual
Earnings

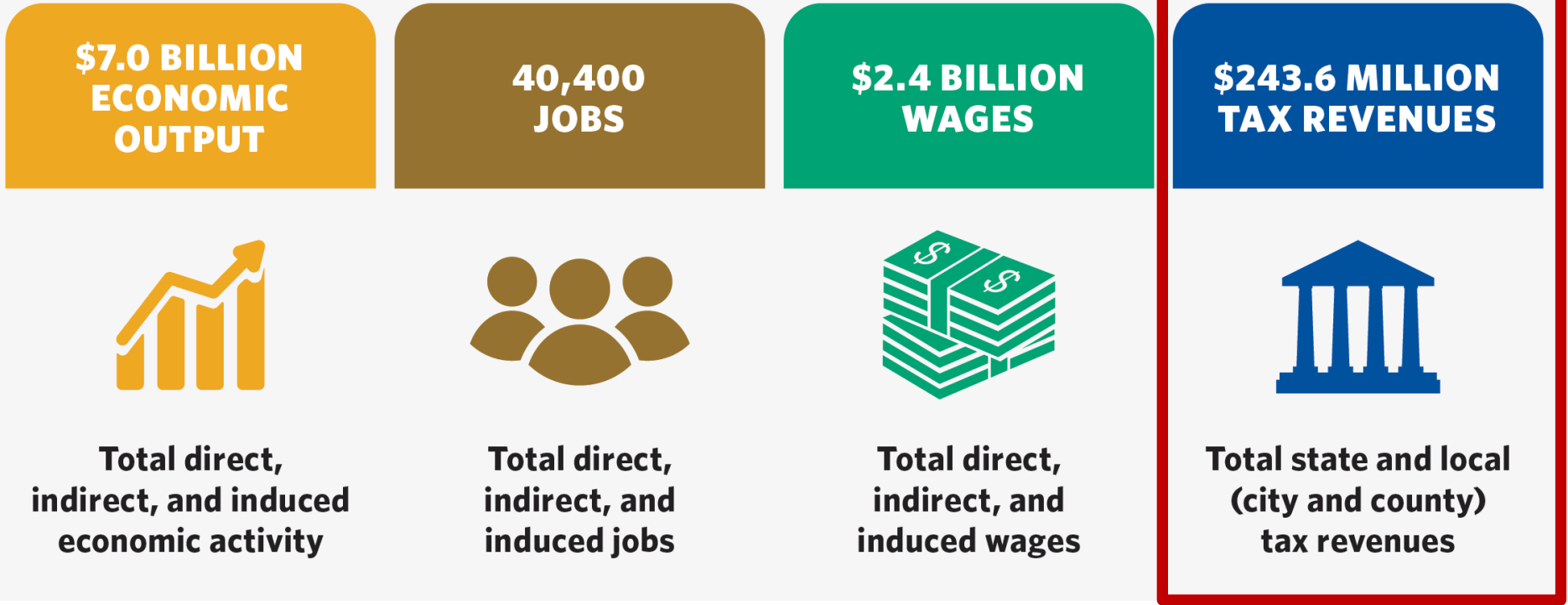


\$497.6M
New Statewide Tax
Revenues



Case Study: Environmental Tech

GROWING ARIZONA'S NEW ECONOMY AND SUSTAINABILITY JOBS FROM 2.0% TO 2.6%



x2

Economic Outlook and SRP



A recession could stress many customers' budgets, lower inflation, and temper SRP's customer growth.



Robust reserves relieve any need for fiscal policy that would deepen our customers' struggles.



Housing affordability threatens local vitality; the solution would slow residential energy and water demand.



Economic Investments and SRP

Closing the Gaps leads to higher incomes and...

- An educated and skilled workforce helps SRP thrive in a climate of fast-paced technological change.
- Sustainable technology will be vital for achieving many of our 2035 Corporate Goals and 2050 Vision.

thank you!

2035 Corporate Goals

District Council Meeting

Bobby Olsen | March 5, 2024

2050 Strategic Vision Framework

SRP
Mission 


2050 Vision and
Associated Themes



2035 Corporate
Goals

Our Mission



SRP serves our **customers** and **communities** by providing reliable, affordable and sustainable **water** and **energy**

2050 VISION THEMES

SECURE WATER



Serve as a regional leader in water infrastructure and strategic water policy partner.

NET-ZERO, RESILIENT POWER



Deliver net-zero carbon power across a resilient, regionally connected grid, preserving affordability and reliability.

EMPOWERED CUSTOMERS



Provide effortless, personalized customer products, services, and communications supported by modern systems and a dynamic grid.

THRIVING COMMUNITIES



Intentionally and meaningfully engage in and partner with our communities.

MISSION

SRP serves our customers and communities by providing reliable, affordable and sustainable water and energy.



2050 VISION

A secure water and clean energy future empowers Arizona to thrive for generations to come.

2035 Corporate Goals - Key Updates

1

**Aligned to
Mission and
2050 Vision**

2

**Clarified Role
of Reliability**

3

**Simplified
Goal Structure**

4

**Updated 2035
Sustainability
Goals**

STRATEGIC DIRECTIONS

Framework aligned with SRP's mission to serve our customers and communities by providing reliable, affordable and sustainable water and energy.



CUSTOMERS Understand value from our customers' perspective and continually improve their experience with us to meet their evolving expectations



COMMUNITY Be a collaborative community partner and thought leader on issues at the heart of SRP's mission



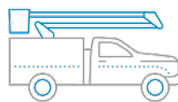
RELIABILITY Invest in the long-term resilience, flexibility and security of our water and power systems



AFFORDABILITY Ensure continued affordability of the water and power we deliver by maintaining SRP's strong financial health and increasing our financial flexibility



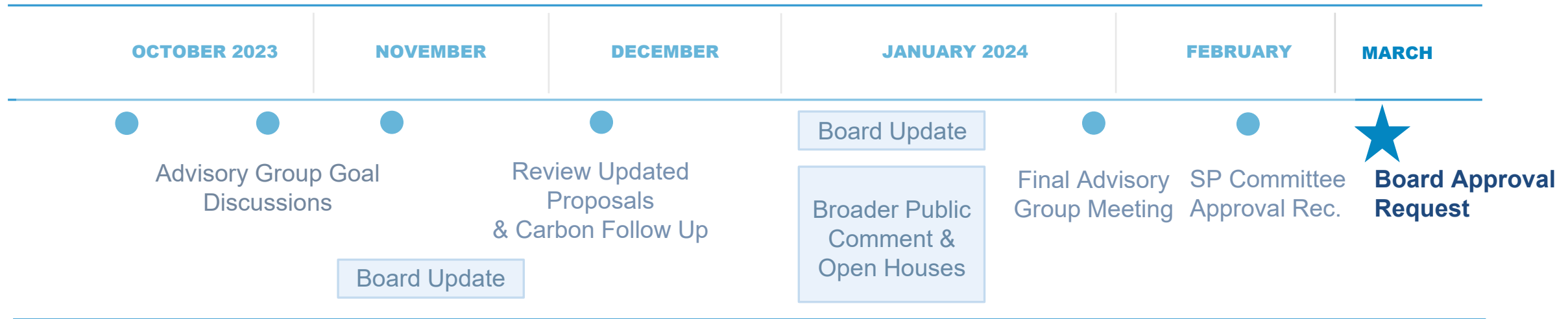
SUSTAINABILITY Embed sustainable principles and practices in all that we do to create a lasting, positive social and environmental impact



WORKFORCE Further develop an engaged and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of our communities

2035 Sustainability Goals

2035 Sustainability Goals Update Process



Key Advisory Group (AG) Feedback:

- Some appreciated SRP's recommended update to the Generation Carbon Goal and the challenge of balancing this goal with other SRP obligations
- Some recommend a more aggressive and/or mass-based Generation Carbon Goal
- AG members appreciated SRP's goal revisions in response to their input on several goals (Facilities Carbon, Transportation Electrification, and Forest Restoration)

Summary of Proposed Updates

14

Goals to
revise



4

Goals to
maintain



2

Goals to
retire



1. CARBON EMISSIONS REDUCTIONS

1.2 Facilities Carbon

Current Goal:

1.2 Reduce carbon emissions from facilities by 30% on a mass basis

Proposed Goal Revisions:

1.2 Reduce carbon emissions from facilities by **45%** on a mass basis **from 2016 baseline**

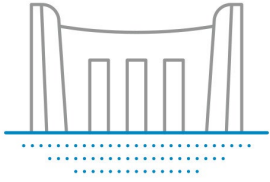
1.3 Transportation Fleet Carbon

Current Goal:

1.3 Reduce carbon emissions from fleet by 30% on a mass basis

Proposed Goal Revisions:

1.3 Reduce carbon emissions from fleet by 30% on a mass basis **from 2016 baseline**



2. WATER RESILIENCY

2.1 Facilities Water

Current Goal:

2.1 Reduce water use at SRP facilities by 45% on a mass basis

Proposed Goal Revisions:

2.1 Reduce water use at SRP facilities by 45% on a mass basis **from 2016 baseline**

2.4 Generation Fleetwide Water

Current Goal:

2.4 Achieve 20% reduction in generation-related water use intensity across all water types

Proposed Goal Revisions:

2.4 Achieve **30%** reduction in generation-related water use intensity across all water types **from 2005 baseline**



1. CARBON EMISSIONS REDUCTIONS

1.1 Generation Carbon (for retail energy)

Current Goal:

1.1 Reduce the amount of CO₂ emitted by generation (per MWh) by 65% from 2005 levels by 2035 (~550 lbs/MWh)

2050 Target: 90% intensity reduction from 2005

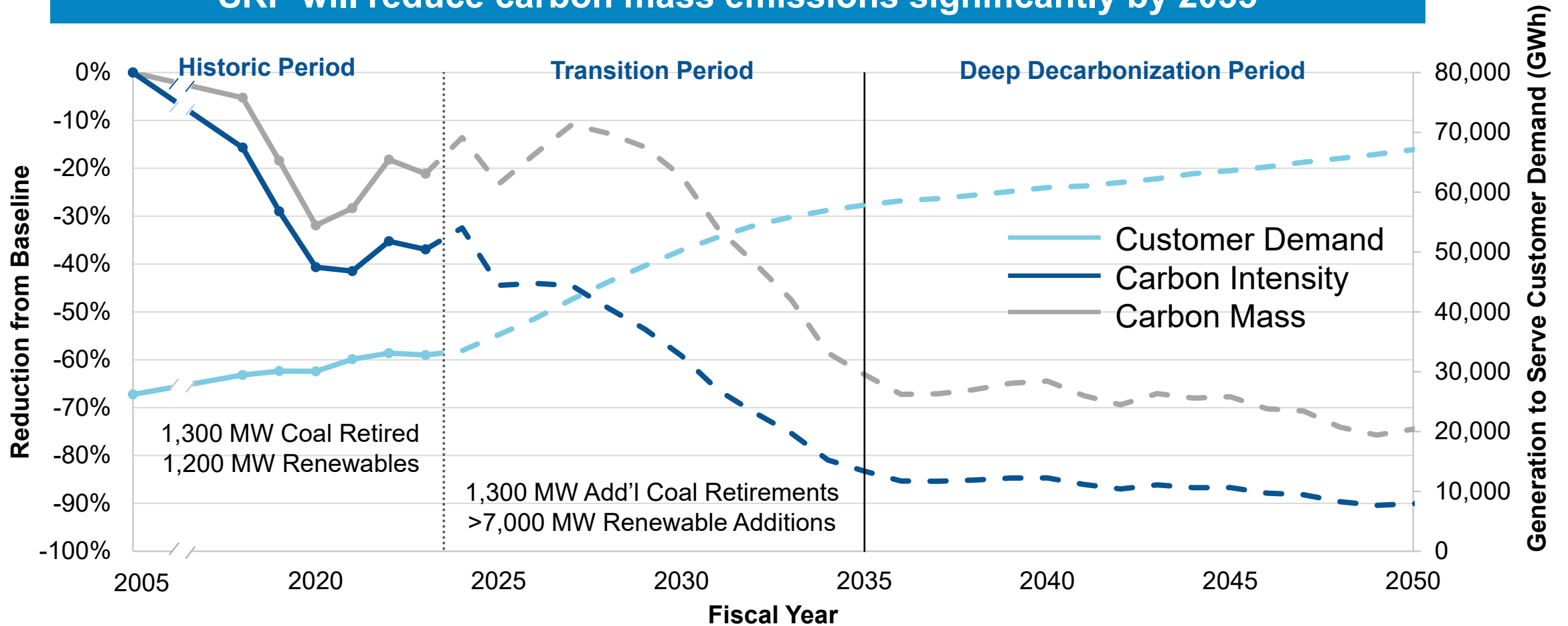
Proposed Goal Revisions:

1.1 Reduce the amount of CO₂ emitted by generation (per MWh) by **82%** from 2005 levels by 2035 (~284 lbs/MWh)

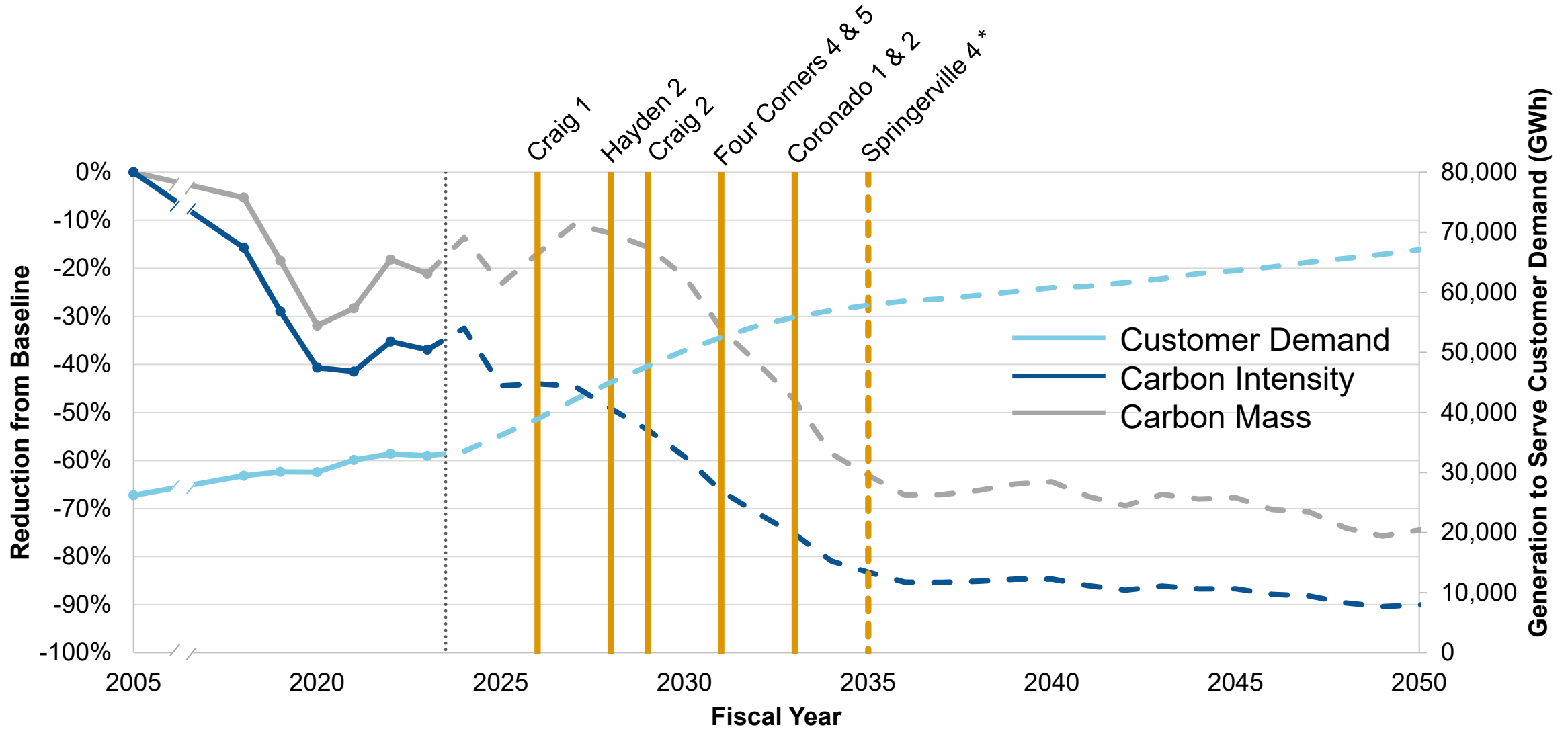
2050 Goal: **Net-zero** carbon emissions

SRP's Lower Carbon Mass Trajectory

Even with customer demand doubling relative to today, SRP will reduce carbon mass emissions significantly by 2035



SRP's Coal Closure Commitments



* Proposed EPA GHG rule compliance modeled as retirement by 2035

Carbon Reduction/Renewable Goals



2030 45% renewables,
65% clean energy

2035 *Proposed: 82%
carbon intensity
reduction from 2005*

2035 80% carbon
reduction from 2005,
70% renewable
energy for retail load

2050 100% clean and
carbon free

2050 *Proposed: Net-zero
CO2 emissions*

2050 Work toward net zero
direct greenhouse
gas emissions by
2050.

Key Takeaway: There is general alignment between Arizona utilities' visions for decarbonization.

Key Takeaways

1

SRP's proposed Sustainability Goals maintain one of the most comprehensive set of sustainability goals in the country and balance the diverse feedback received around reliability, affordability, and sustainability

2

SRP's update process was open, transparent, and enabled broad customer and community participation

3

The proposed 2035 Retail Carbon Goal (82% reduction in carbon/MWh) is aligned with the ISP balanced system plan, and takes into account that SRP will need to more than double the resource capacity connected to the system through 2035

4

The proposed 2050 Net-Zero carbon goal is a mass-based goal and is consistent with voluntary industry goals for similar utilities striving to achieve carbon neutrality

5

The proposed 2035 Corporate Goals are aligned with SRP's mission and clarify that reliability is a top strategic priority, responsive to feedback from the Board regarding reliability goals

thank you!

2035 Corporate Goals

(A pre-read for the March 5, 2024, Council Meeting presentation titled: 2035 Corporate Goals)

Background and Summary: In 2019, SRP established and began implementing the Board-approved 2035 Strategic Directions and Corporate Goals (“Goals”). Each year, Management reviews the Goals and Strategic Directions to ensure SRP’s strategy remains relevant and appropriate amid changes within our operating environment. Following Management’s annual review process, the Goals are presented to the Board for approval. The 2035 Sustainability Goals, a subset of the Corporate Goals, are reviewed and updated on a five-year basis through a comprehensive stakeholder and public engagement process to ensure the goals continue to meet the needs of our customers and communities. This year was the first such review and update process for the 2035 Sustainability Goals.

On February 8, 2024, the Board Strategic Planning Committee recommended the Board approve the updated 2035 Corporate Goals, including the 2035 Sustainability Goals, which are outlined in detail below. The updated goals will be considered for approval at the March 4th Board Meeting.

2035 Corporate Goals

Recommended Updates: This year’s review process identified opportunities to update the 2035 Corporate Goals to align with SRP’s proposed 2050 Strategic Vision and to simplify the goal structure. A summary of the key updates include:

- Revising the six strategic directions to more closely align with the pillars of SRP’s mission. Specifically, adding a *Reliability* strategic direction, renaming *Finances* to *Affordability*, and removing *Leadership* as a standalone strategic direction (the corresponding *Leadership* goals are maintained within the *Reliability*, *Affordability*, and *Community* strategic directions).
- Adding a reliability goal that aims to maintain SRP’s strong reliability performance. The addition of reliability within the goal set ensures all three pillars of SRP’s mission are supported by corresponding goals, as affordability and sustainability are already reflected in the existing goal set.
- Simplifying the goal set by separating out specific metrics/benchmarks into *2035 Targets* and consolidating some of the goal language throughout for clarity and unification.

2035 Sustainability Goals (a subset of the 2035 Corporate Goals)

Introduction and Background: SRP’s current suite of 20 sustainability goals was approved by SRP’s Board in 2019 after an extensive stakeholder process to ensure customer and community perspectives were considered. The 2035 Sustainability Advisory Group, consisting of large customers, nonprofit and advocacy groups, municipal and educational partners, and representatives of SRP’s Customer Utility Panel, was formed to advise SRP on the relevance, ambition, and completeness of the goals. At the time, SRP committed to evaluating the goals every five years with stakeholder input.

To demonstrate meaningful interim progress, SRP identified five-year milestones and developed associated action plans for each goal. The five-year goal review cadence aligns with those milestones and action plans, allowing for SRP to implement goals and demonstrate progress while periodically assessing whether the goals continue to meet the needs of the customers and communities we serve. Fiscal Year (FY) 2024 marks the first five-year update process. While the more extensive update process occurs on a five-year basis, SRP meets with the Advisory Group at least annually to discuss progress toward goals and sustainability topics of interest.

FY2024 Sustainability Goals Update Process

Stakeholder Engagement: In June 2023, SRP initiated the goal update process by meeting with Advisory Group members individually to provide an overview of the process, answer questions, and collect input on the process and priorities for discussion. SRP designed an engagement process based on the goals and topics prioritized by the Advisory Group. Between September and January, the Advisory Group met six times to review and discuss the 2035 Sustainability Goals in their current form and the proposed updates recommended by SRP, including a special session to discuss the generation carbon goal in greater detail at the request of the Advisory Group. Surveys were conducted throughout to measure participants' level of satisfaction with recommended goal updates. The recommendations presented in initial meetings were maintained or revised based on feedback received in the surveys and discussions. Meetings were facilitated by a third party consultant, Dr. Kim Hartmann.

Public Input: During the week of January 8th, SRP hosted three open house events across the Valley (Glendale, East Mesa, and South Phoenix) to gather broader public input. In total, approximately 150 customers and community members attended the three events. SRP subject matter experts attended to discuss and answer questions related to the recommended goal updates.

During the same week, a comment form was available on SRP's website to solicit feedback on the proposed goals. SRP received 351 online comment form submissions in addition to email submissions. The public comment form and open house events were advertised by SRP through a press release, social media, and direct customer email invitations.

Residential Customer Survey: As part of the recent Integrated System Plan (ISP) development process, SRP worked with a third party to survey residential customers to understand their perspectives on the balance of reliability, affordability, and sustainability. These perspectives were carried forward into the Sustainability Goal Update process and informed Management's recommendations for goal revisions.

Board Engagement: SRP Board and Council Observers participated in all six Advisory Group meetings. Management also provided four presentations to the Board Strategic Planning Committee, sharing the proposed process for updating the goals, interim recommendations, and proposed goal updates for its approval recommendation. A presentation of recommended updates for all goals was provided to the full Board on January 8th and the SRP Council on February 6th.

Key Stakeholder Feedback Themes (Advisory Group, Open Houses, and Public Comment):

- Open house attendees appreciated the opportunity to provide feedback and learn more about the goals from SRP staff.
- ISP residential customer survey results indicate that affordability is their top priority and even more so for limited income customers.
- Feedback from Advisory Group and public comments was balanced with respect to the proposed carbon reduction goal updated. Some appreciated the balance it strikes among affordability, reliability, and sustainability, with a prioritization of affordability. Others recommended SRP set a more aggressive, mass-based carbon goal.
- Advisory Group members appreciated SRP's goal revisions in response to their input on several goals relative to Facilities Carbon, Transportation Electrification, and Forest Restoration.
- The primary areas of positive sentiment from public comment included:
 - Praise for the goals and input opportunity
 - SRP's planning for the future and growth
 - Focus on water resiliency

- Enablement of and investment in electric vehicles and other new technologies
- The primary areas of negative sentiment from open house and online comments included:
 - Distrust surrounding renewable energy sources/reliability concerns
 - Concerns about increases in costs
 - Calls for revised carbon goals (both more and less aggressive)
 - Public comments included other topics outside the scope of the goal updates like more affordable and accessible solar power

Recommended Updates: Stakeholder and public engagement allowed SRP to consider feedback in proposed goal revisions. This input resulted in making certain goals more ambitious, explicitly stating baseline years in several goals for greater transparency, modifying the titles of some goals for improved clarity, and affirming that several goals should remain standalone targets (versus proposals to combine them).

Based on feedback received through the process, Management recommends:

- Maintaining, updating, or retiring certain 2035 Sustainability Goals, as outlined in Exhibit 2
- Continuing to report carbon emissions on a mass and intensity basis
- Continuing engagement and reporting with the Advisory Group annually and to consider additional opportunities to discuss the goals and related technical concepts in greater detail
- Providing more detail related to programs, partnerships, and activities related to the goals

Reporting: Goal progress is reported annually in SRP's Sustainability Report. The Five-Year Action Plans are also updated annually and include baseline data and five-year milestones for each goal.¹ Additionally, SRP's Greenhouse Gas Fact Sheet² is updated annually following verification by a third-party auditor and The Climate Registry.

¹ Annual Sustainability Report and Five-Year Action Plans are available: [srp.net/2035](https://www.srp.net/2035)

² GHG Factsheet available: <https://www.srpnet.com/assets/srpnet/pdf/grid-water-management/sustainability-environment/greenhouse-gas-emissions-factsheet.pdf>

EXHIBIT 1: COMPREHENSIVE SET OF 2035 CORPORATE GOALS

Updated 2035 Strategic Directions:



CUSTOMERS Understand value from our customers' perspective and continually improve their experience with us to meet their evolving expectations



COMMUNITY Be a collaborative community partner and thought leader on issues at the heart of SRP's mission



RELIABILITY Invest in the long-term resilience, flexibility and security of our water and power systems



AFFORDABILITY Ensure continued affordability of the water and power we deliver by maintaining SRP's strong financial health and increasing our financial flexibility



SUSTAINABILITY Embed sustainable principles and practices in all that we do to create a lasting, positive social and environmental impact



WORKFORCE Further develop an engaged and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of our communities

Updated 2035 Corporate Goals:

***Note: The 2035 Sustainability Goals are represented within the goal set as Targets across the Customers, Community, Reliability, and Sustainability Strategic Directions. Full goal language and a detailed view of changes made to the 2035 Sustainability Goals are captured in Exhibit 2: 2035 Sustainability Goal Updates.**



CUSTOMERS

Understand value from our customers' perspective and continually improve their experience with us to meet their evolving expectations.



2035 Goals

- 1 Continue to deepen our understanding of customers' needs, wants and aspirations and ensure our methods to measure their satisfaction and experience with us remain meaningful and actionable.
- 2 Personalize and continually evolve the customer experience by providing segment-specific products, services, and communications that enable them to meet their unique water- and power-related goals.



2035 Targets

Customer satisfaction increase (from 2019)	10%	*Dispatchable demand response	300 MW
SRP Brand Health Index Score	≥65	*Enablement of customer-sided resources, without technical constraints	100%
*Energy savings from energy efficiency, annual aggregate	4M MWh	*J.D. Power Sustainability Index Score	Above Avg.
*Energy savings from non-EV electrification, annual aggregate	320k MWh	*Managed EV charging	90%

* Represent 2035 Sustainability Goals, full goal language available in Exhibit 2

EXHIBIT 1: COMPREHENSIVE SET OF 2035 CORPORATE GOALS



COMMUNITY

Be a collaborative community partner and thought leader on issues at the heart of SRP's mission.



2035 Goals

- 1 Proactively partner with communities and tribal nations on economic development initiatives and also on programs related to water, energy and sustainability.
- 2 Be a positive presence and partner in our communities through meaningful engagement, targeted outreach, corporate contributions, educational programs and employee giving.
- 3 Hold key positions at relevant regional, industry and community organizations and demonstrate leadership to shape and implement water- and energy- related decisions and solutions.



2035 Targets

SRP Community Index Score **≥62**

Gallons of water conserved through partnership* **5B

Total acres of forest thinned* **800k

* Represent 2035 Sustainability Goals, full goal language available in Exhibit 2



RELIABILITY

Invest in the long-term resilience, flexibility and security of our water and power systems.



2035 Goals

- 1 Maintain high levels of power quality and reliability to ensure customers experience minimal disruptions to the power they depend on.
- 2 Participate in coalitions and industry partnerships to conduct research and demonstration projects that support and prepare SRP for the deployment of emerging technologies and infrastructure.
- 3 Manage and deliver a reliable water supply that serves the needs of shareholders.
- 4 Serve as a regional water infrastructure leader and strategic water recovery partner to ensure a resilient and sustainable water supply for our shareholders and customers and to address local and state water challenges.



2035 Targets

Per acre water allocation and storage **2.5 AF
2 AF**

**Water supplies stored underground* **1M
AF**

Average customer power interruption compared to peers **Top
10**

* Represent 2035 Sustainability Goals, full goal language available in Exhibit 2.

EXHIBIT 1: COMPREHENSIVE SET OF 2035 CORPORATE GOALS



AFFORDABILITY

Ensure continued affordability of the water and power we deliver by maintaining SRP's strong financial health and increasing our financial flexibility.



2035 Goals

- 1 Maintain a strong yet flexible financial position as measured by SRP's key financial indicators and credit ratings.
- 2 Shape and participate in regional Western electric markets that provide value for SRP and our customers.



2035 Targets

Lowest quartile retail electric prices, on average, in the region **≤ 25%**

Credit rating, as compared to other large public power utilities. **Top 25%**



WORKFORCE

Further develop an engaged and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of our communities.



2035 Goals

- 1 Continually improve SRP's safety culture and performance with the aspirational goal of zero incidents.
- 2 Attract, develop and retain a high-performing workforce with the range of skills and competencies necessary to be successful in a dynamic environment.
- 3 Maintain and foster a strong company culture that embeds diversity and inclusion across the organization and inspires an engaged, innovative and committed workforce to achieve SRP's mission.



2035 Targets

Safety culture ranking, as benchmarked against appropriate industries **Top 10%**

Employee engagement, as benchmarked against industry high-performers **Above Avg.**

EXHIBIT 1: COMPREHENSIVE SET OF 2035 CORPORATE GOALS



SUSTAINABILITY

Embed sustainable principles and practices in all that we do to create a lasting, positive social and environmental impact.



2035 Goals

- 1 Take meaningful action to address climate change and our environmental impact by reducing carbon emissions, managing water use, and implementing sustainable practices across our operations.



2035 Targets

*Reduction of CO ₂ emitted per MWh of generation	82%	*Power generation groundwater use in AMAs	0
*Carbon emissions reduction from facilities, mass basis	45%	*Generation-related water use intensity reduction	30%
*Carbon emissions reduction from fleet, mass basis	30%	*Sustainability criteria incorporated into sourcing decisions and pre-qualification requirements	100%
*Water use reduction at facilities, mass basis	45%	*Municipal solid waste diverted	75%
*Electric vehicle adoption supported within service territory	1M	*Nonhazardous industrial solid waste sent to Investment Recovery	95%

* Represent 2035 Sustainability Goals, full goal language available in Exhibit 2

EXHIBIT 2: DETAILED UPDATES TO 2035 SUSTAINABILITY GOALS

	Goal #	Current Goal (as set in 2019)	Proposed Goal Revisions
Carbon Emissions Reductions	1.1 Generation Carbon	Reduce the amount of CO2 emitted by generation (per MWh) by 65% from 2005 levels — 2050 target: 90% intensity reduction from 2005	Reduce the amount of CO2 emitted by generation (per MWh) by 82% from 2005 levels — 2050 goal: net zero carbon emissions
	1.2 Facilities Carbon	Reduce carbon emissions from facilities by 30% on a mass basis	Reduce carbon emissions from facilities by 45% on a mass basis from 2016 baseline
	1.3 Fleet Carbon	Reduce carbon emissions from fleet by 30% on a mass basis	Reduce carbon emissions from fleet by 30% on a mass basis from 2016 baseline
Water Resiliency	2.1 Facilities Water	Reduce water use at SRP facilities by 45% on a mass basis	Reduce water use at SRP facilities by 45% on a mass basis from 2016 baseline
	2.2 Lost & Unaccounted For Water	Achieve lost and unaccounted for water rate of less than 5% on a 10-year rolling average	Retire goal and transition into maintenance focus, continue to report performance and investigate improvement opportunities
	2.3 Generation Groundwater	Eliminate or offset power generation groundwater use in Active Management Areas (AMAs)	Eliminate or offset power generation groundwater use in Active Management Areas (AMAs)
	2.4 Generation Fleet-Wide Water	Achieve 20% reduction in generation-related water use intensity across all water types	Achieve 30% reduction in generation-related water use intensity across all water types from 2005 baseline

EXHIBIT 2: DETAILED UPDATES TO 2035 SUSTAINABILITY GOALS

	Goal #	Current Goal (as set in 2019)	Proposed Goal Revisions
Water Resiliency	2.5 Water Storage	Store 1 million acre- feet (af) of water supplies underground	Lead efforts in water storage and drought resiliency by storing at least 1 million acre-feet of water supplies underground and pursuing the long-term viability of increasing beneficial use during flood events by up to 100,000 af
	2.6 Community Water Conservation	In partnership with Valley cities, support municipal water conservation goal achievements by creating and executing programs to identify 5 billion gallons (~15,300 af) of potential water conservation by 2035	Achieve 5 billion gallons (~15,300 af) of water conservation by 2035 through partnership
Supply Chain & Waste Reduction	3.1 Supply Chain	Incorporate sustainability criteria into sourcing decisions for 100% of managed spend	Incorporate sustainability criteria into sourcing decisions for 100% of managed spend* and integrate Sustainability criteria into the supplier pre-qualification requirements for 100% of SRP suppliers <small>*Spend managed by SRP's Purchasing Services</small>
	3.2 Municipal Waste	Divert 75% of municipal solid waste — 2050 target: Divert 100% of municipal solid waste	Divert 75% of Municipal Solid Waste by 2035; 100% by 2050
	3.3 Industrial Waste	Divert 95% of nonhazardous industrial solid waste sent to Investment Recovery	Divert 95% of non-hazardous Industrial Solid Waste sent to Investment Recovery by 2035; 100% by 2050
Customer & Grid Enablement	4.1 Energy Efficiency	Deliver over 3 million MWh of annual aggregate energy savings	Deliver over 4 million MWh of annual aggregate energy savings
	4.2 Demand Response	Deliver at least 300 MW of dispatchable DR and load management programs	Deliver at least 300 MW of dispatchable DR and load management programs

EXHIBIT 2: DETAILED UPDATES TO 2035 SUSTAINABILITY GOALS

	Goal #	Current Goal (as set in 2019)	Proposed Goal Revisions
Water Resiliency	2.5 Water Storage	Store 1 million acre- feet (af) of water supplies underground	Lead efforts in water storage and drought resiliency by storing at least 1 million acre-feet of water supplies underground and pursuing the long-term viability of increasing beneficial use during flood events by up to 100,000 af
	2.6 Community Water Conservation	In partnership with Valley cities, support municipal water conservation goal achievements by creating and executing programs to identify 5 billion gallons (~15,300 af) of potential water conservation by 2035	Achieve 5 billion gallons (~15,300 af) of water conservation by 2035 through partnership
Supply Chain & Waste Reduction	3.1 Supply Chain	Incorporate sustainability criteria into sourcing decisions for 100% of managed spend	Incorporate sustainability criteria into sourcing decisions for 100% of managed spend* and integrate Sustainability criteria into the supplier pre-qualification requirements for 100% of SRP suppliers <small>*Spend managed by SRP's Purchasing Services</small>
	3.2 Municipal Waste	Divert 75% of municipal solid waste — 2050 target: Divert 100% of municipal solid waste	Divert 75% of Municipal Solid Waste by 2035; 100% by 2050
	3.3 Industrial Waste	Divert 95% of nonhazardous industrial solid waste sent to Investment Recovery	Divert 95% of non-hazardous Industrial Solid Waste sent to Investment Recovery by 2035; 100% by 2050
Customer & Grid Enablement	4.1 Energy Efficiency	Deliver over 3 million MWh of annual aggregate energy savings	Deliver over 4 million MWh of annual aggregate energy savings
	4.2 Demand Response	Deliver at least 300 MW of dispatchable DR and load management programs	Deliver at least 300 MW of dispatchable DR and load management programs

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 concrete structure. The sky is a clear, pale blue. The text is overlaid on the image.

Council Report – Current Events

Council Meeting

March 5, 2024

Current Events

Jim Pratt

Power System Update – Current Events

John Coggins

Operational Updates – February 2023

- Customer peak demand: 4124 MW
 - Occurred on February 9th
 - 338 MW lower than forecast
- Assets performed well overall
- Planned maintenance continues

Orme-Rudd Conductor Upgrade Project

El Mirage Rd

59th Ave



Orme-Rudd Conductor Upgrade Project

- Scope:
 - 8.5 miles of double circuit 230kV
 - Increases capacity in support of the Sierra Estrella interconnection & load growth
- Schedule:
 - Orme construction completion March 2024
 - Rudd construction completion March 2024
 - April 2024 planned in-service date
- Unique feature:
 - First time use of composite conductor



Benefits of Composite Conductor

- Additional line capacity
- Tower replacements not required
- Overall project cost & schedule greatly reduced vs. tower replacement
 - Composite conductor more expensive than standard conductor
 - But increased conductor costs are small vs. tower replacement
- Able to utilize existing tools and processes for construction

Standard vs. Composite Conductor

Standard Conductor



Composite Conductor



Orme-Rudd Conductor Upgrade Project Overview

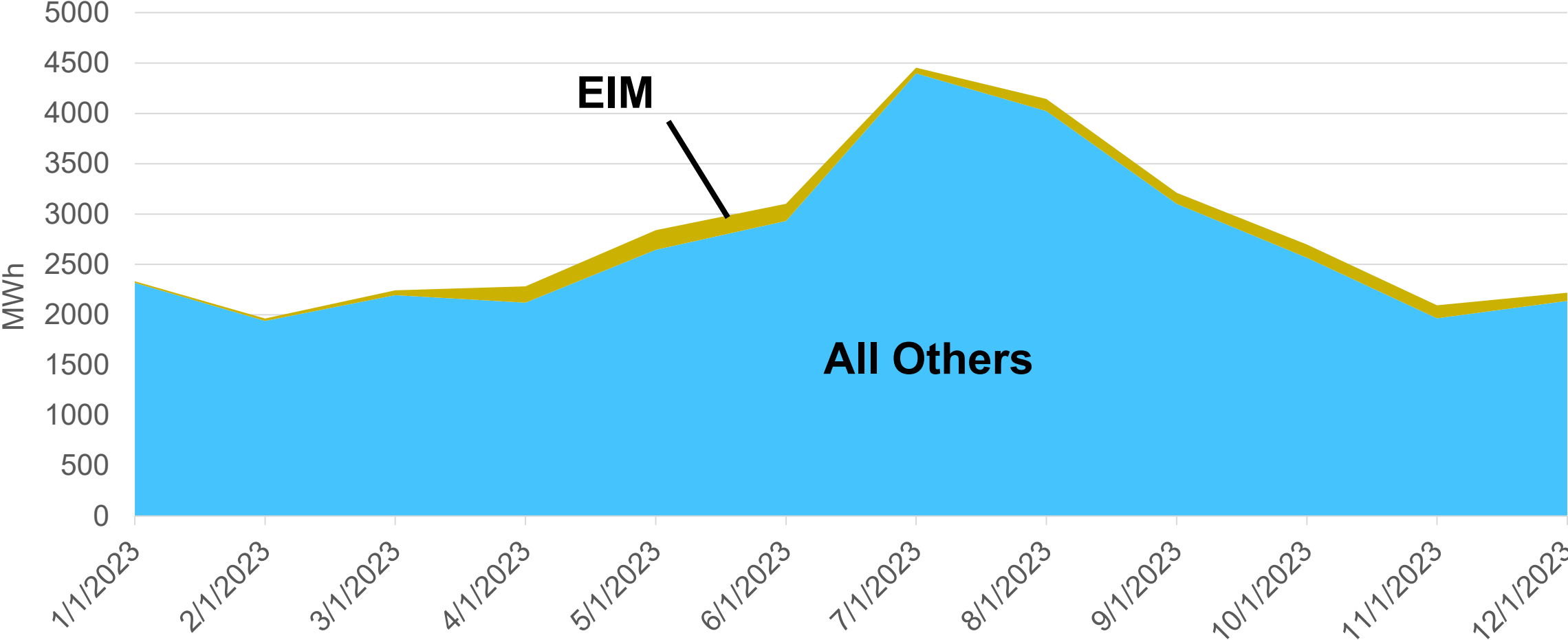
Schedule Status	Date
Planned Go-Live	4/30/24
Forecast	5/17/24

Budget Status	Total
Overall Budget	\$11.5M
Current Forecast	\$10.1M

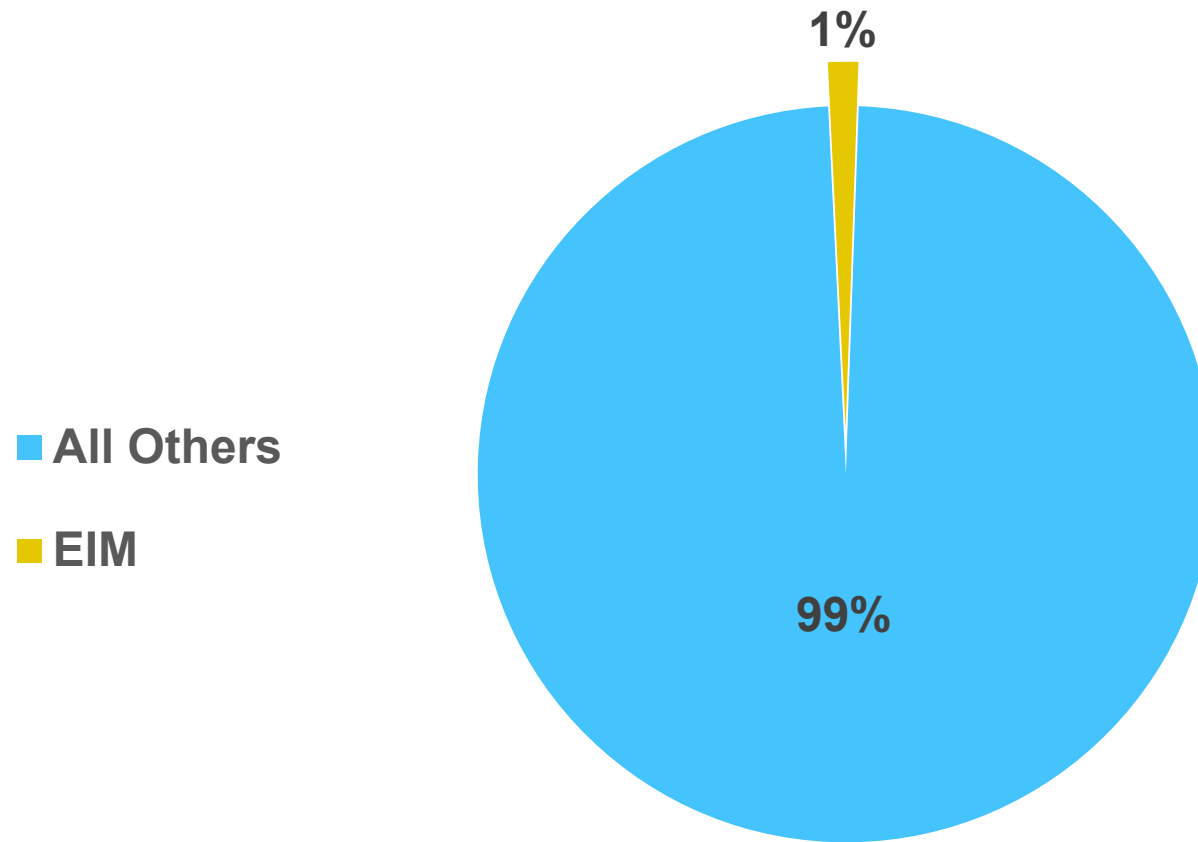


Risks/Issues	Accomplishments	Upcoming Activities
<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Line #2 construction complete 	<ul style="list-style-type: none"> Continued construction of Line #1
	<ul style="list-style-type: none"> Substation construction complete 	<ul style="list-style-type: none"> Termination of conductor at Orme

Retail Generation by Source - CY2023



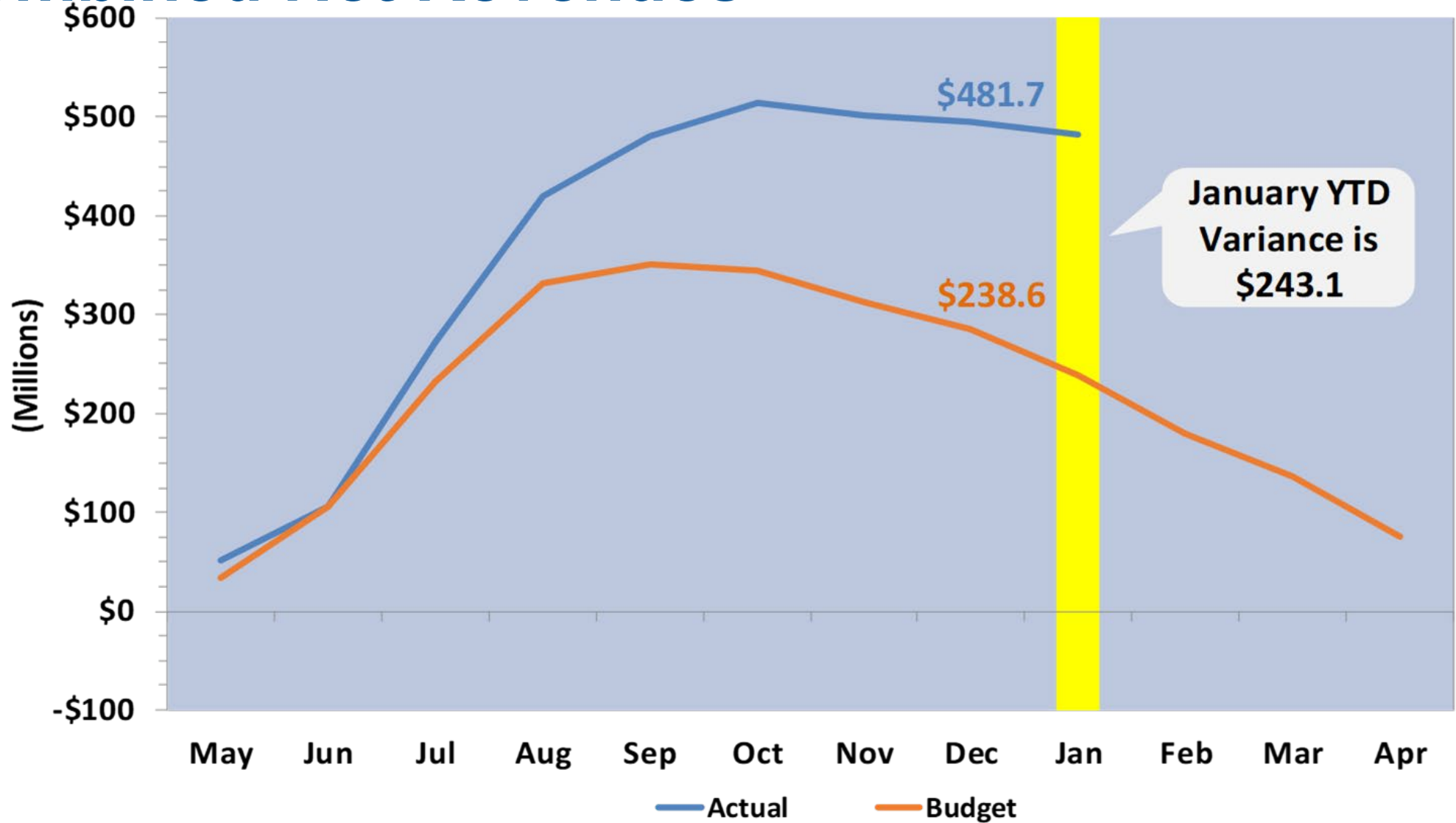
Retail Generation by Source – July 2023



Financial Update

Brian Koch

Combined Net Revenues

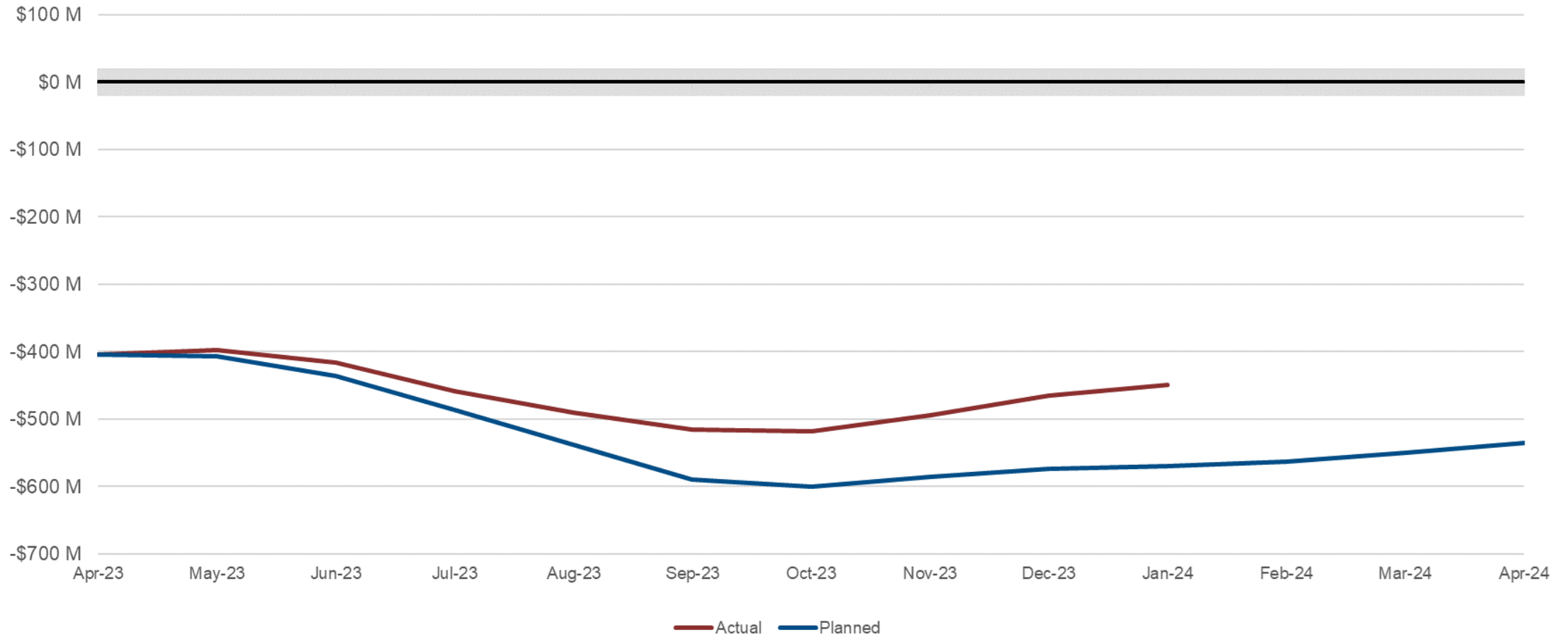


Financial Summary

January 2024

\$ Millions	Actual	Budget	Variance	% of Budget
Combined Revenues	\$330.3	\$273.2	\$57.1	121%
Combined Expenses	\$343.1	\$320.0	\$23.1	107%
Comb Net Revs (Loss)	(\$12.8)	(\$46.8)	\$34.0	27%
Funds Available	\$39.4	(\$10.3)	\$49.7	381%
Capital Expenditures	\$105.0	\$108.7	(\$3.7)	97%

Fuel and Purchased Power Adjustment Mechanism Fiscal YTD Through January 2024

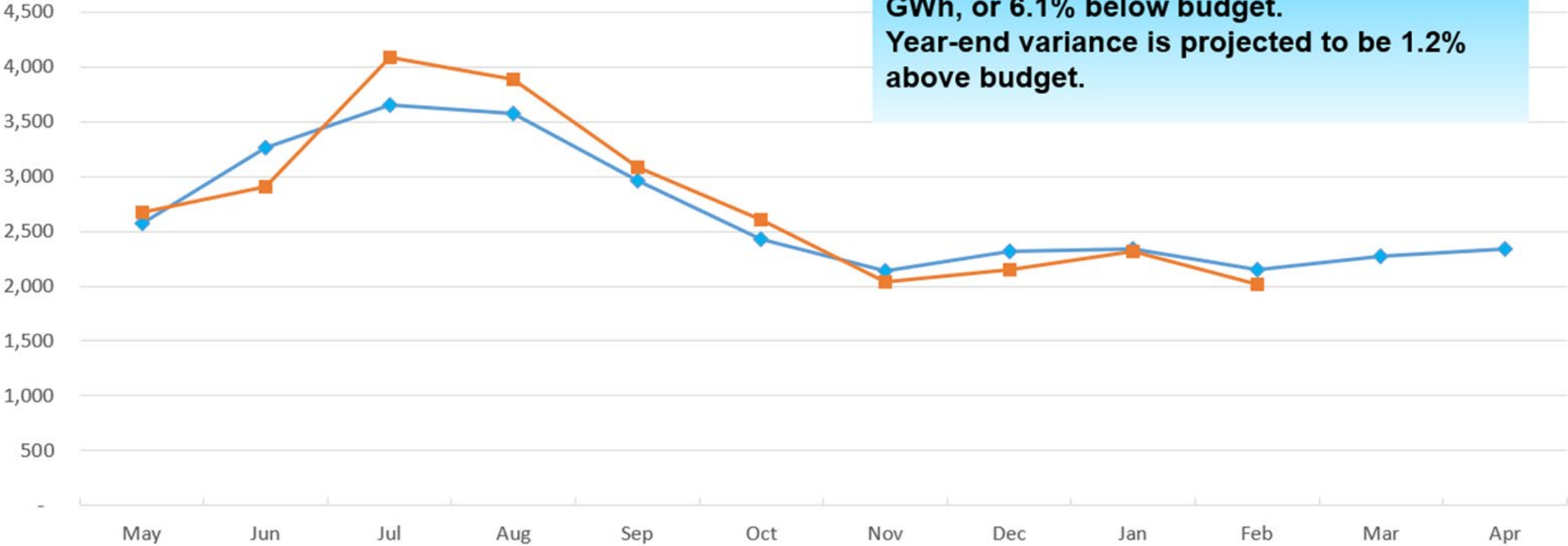


FY24 Preliminary Retail Energy Sales (GWh)

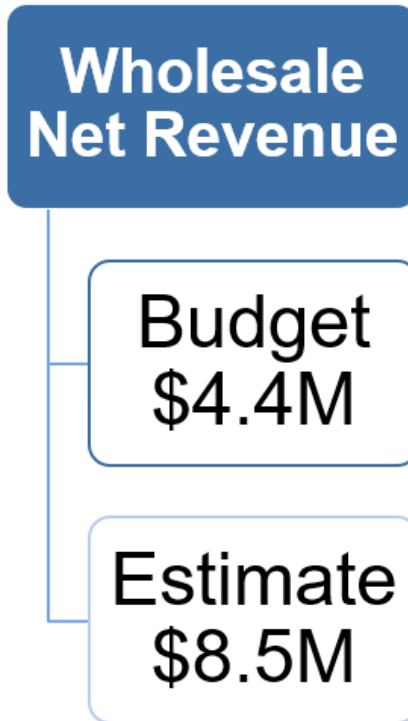
Chart Area

FY24 Budget FY24 Actual

Sales estimate for February 2024 is 2,016 GWh, or 6.1% below budget. Year-end variance is projected to be 1.2% above budget.



February Wholesale Summary



Primary Drivers:

- Higher than expected sales volume
 - Regional unit outages
 - Weather-related effects on CA solar output

18 Days Estimated Actual 11 Days Forecast

Budget Schedule

Date	Description	Audience
Feb. 27	FY25 Budget	GM Staff
Feb. 28	Mail Budget Books	Board/Council Liaisons
Mar. 12	FY25 Budget and Financial Plan	Special F&B Committee
Mar. 26	Question & Answer	F&B Committee
Mar. 28	Request FY25 Budget Approval	Special F&B Committee/Board Mtg

Water Stewardship

Leslie Meyers

Colorado River Shortage Sharing

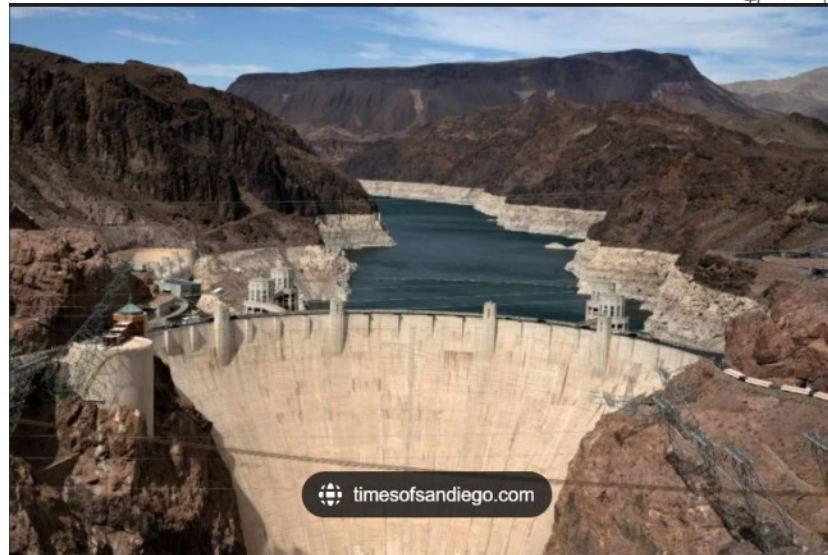
- 2007 Interim Guidelines
- 2019 Drought Contingency Plan

COLORADO RIVER 2007 INTERIM GUIDELINES AND DROUGHT CONTINGENCY PLANS

In 2005, after six years of severe drought in the Colorado River Basin, federal officials and representatives of the seven basin states — California, Arizona, Nevada, New Mexico, Colorado, Utah and Wyoming — began building a framework to better respond to drought conditions and coordinate the operations of the basin's two key reservoirs, [Lake Powell](#) and [Lake Mead](#).



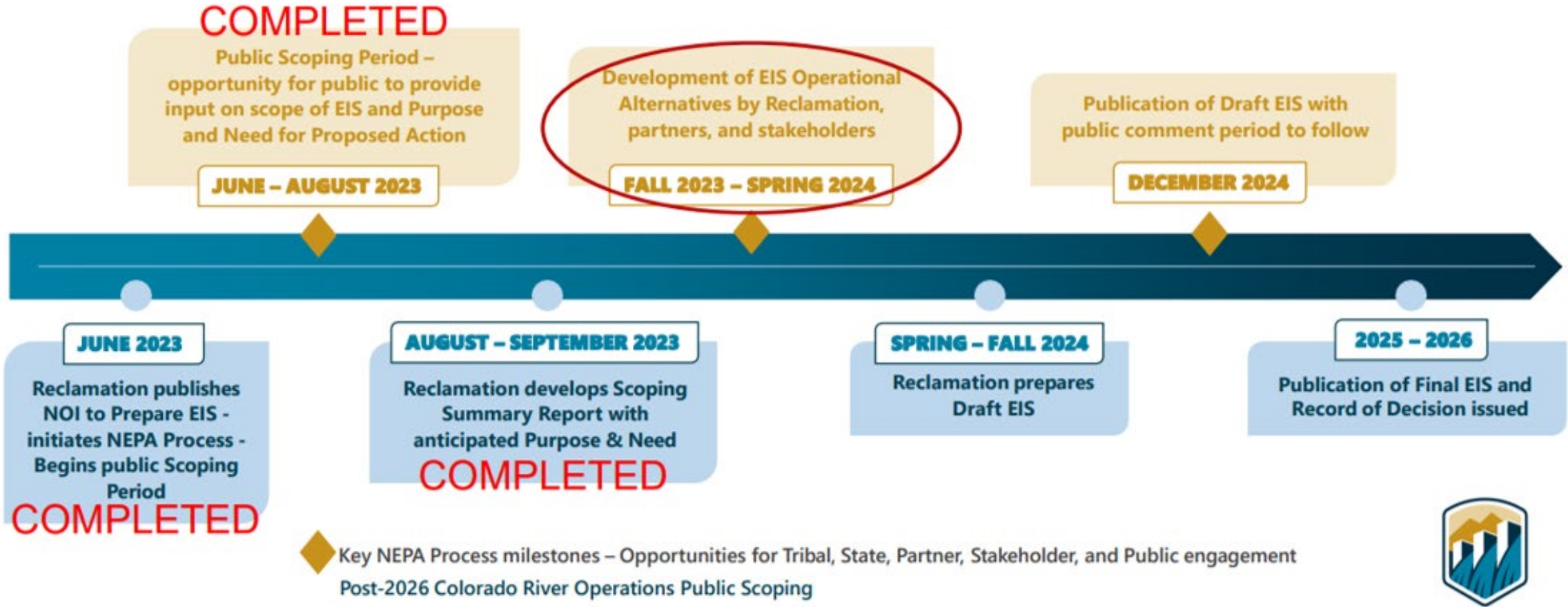
The 2007 Interim Guidelines for Lower Basin and the Coordinated Operations for Lake Powell and Lake Mead (Interim Guidelines) set the conditions for shortage determinations and details of coordinated reservoir operations. The 2007 Interim Guidelines remain in effect through Dec. 31, 2025.



NEPA Process

- In June, Reclamation formally announced its intent to prepare an Environmental impact Statement for post-2026 operations, and solicited public comments on the scope of specific operational guidelines, strategies, and related issues.
- More than 24,000 comments were received
 - 321 unique letters, including: 56 Federal, State, and local entities
 - 15 Tribes
 - 65 Organizations (approximate)
 - 21,292 copies of 7 different form letters
- In October, Reclamation released a post-2026 Scoping Report, which summarized the comments, and identified Reclamation's anticipated purpose and need and proposed federal action

Next Steps:



thank you!

Operating Environment January 2024

	Actual	Budget	Variance	% of Budget
Elec Customers – Jan 2024	1,158,864	1,151,885	6,979	101%
Elec Customers - April 2023	1,135,989			
Elec Customers – Jan 2023	1,135,586			
System Sales GWH	2,320.7	2,334.7	(14.0)	99%
Wholesale Sales GWH	972.0	347.4	624.6	280%
Total A.F. Water Delivered	24,937	31,000	(6,063)	80%

(Non-GAAP, Unaudited)

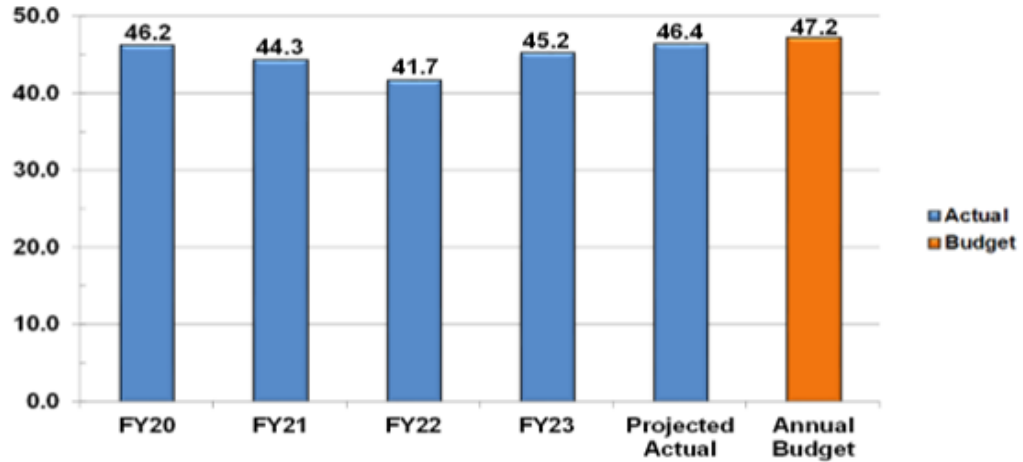
Financial Summary January 2024

\$ Millions	Actual	Budget	Variance	% of Budget
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Capital Expenditures	\$105.0	\$108.7	(\$3.7)	97%

(Non-GAAP, Unaudited)

Debt Ratio January 2024

Debt Ratio - YTD January 2024

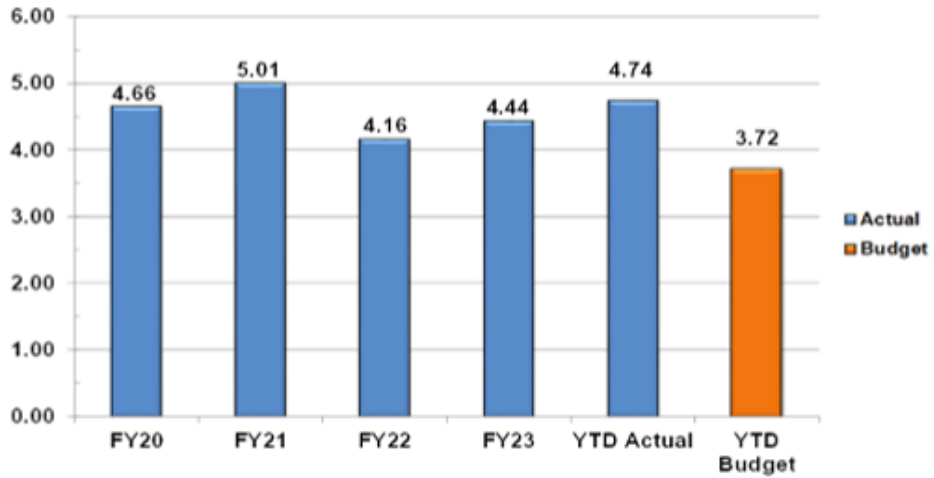


Note: Prior Years and Budget are Fiscal Year-End Ratios

(Non-GAAP, Unaudited)

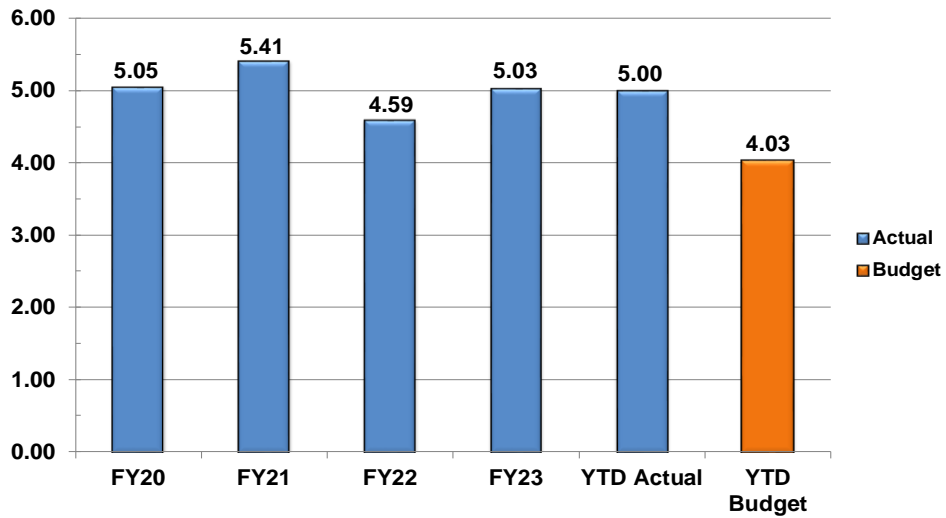
Debt Service Coverage Ratio January 2024

Debt Service Coverage - YTD January 2024



Note: Debt Service Coverage Ratio on Total Debt

(Non-GAAP, Unaudited)



(Non-GAAP, Unaudited)

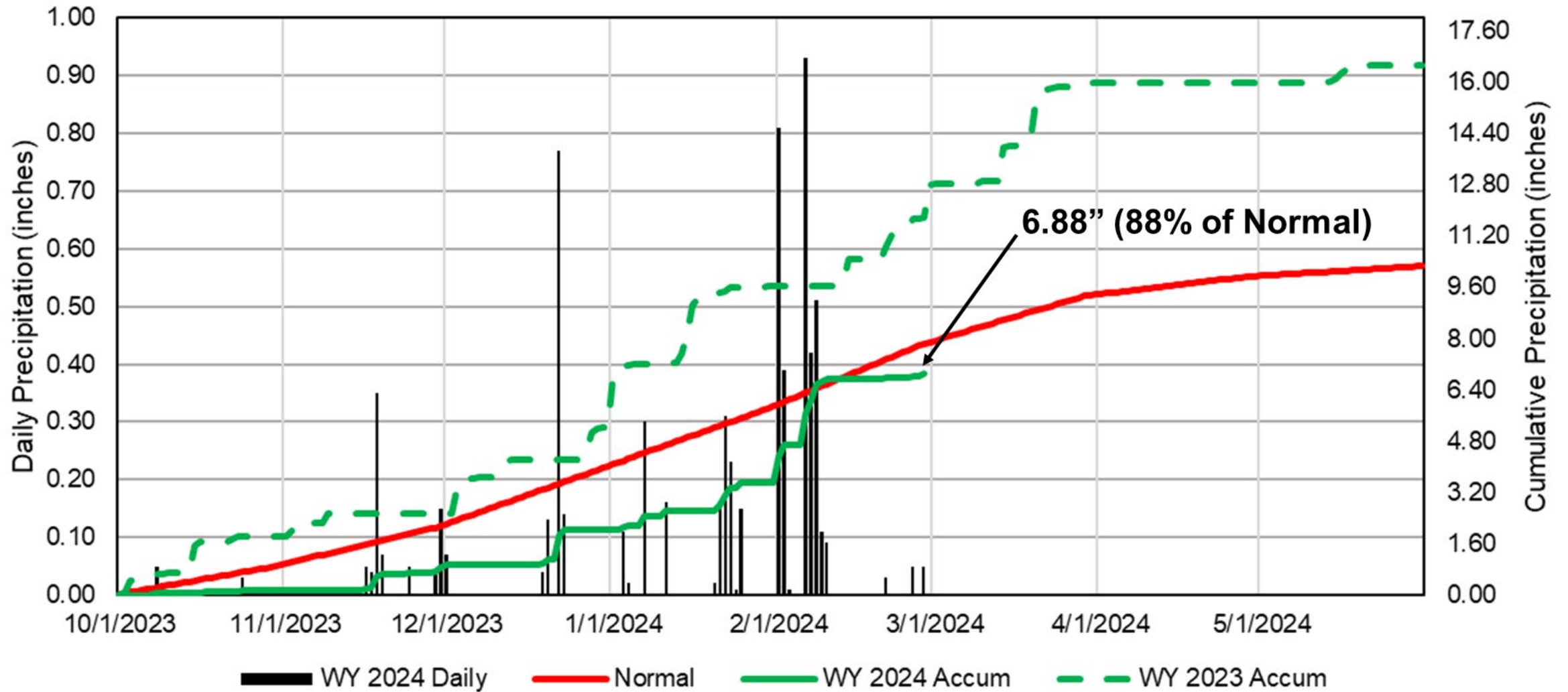
Water Supply and Weather Report

March Council Meeting

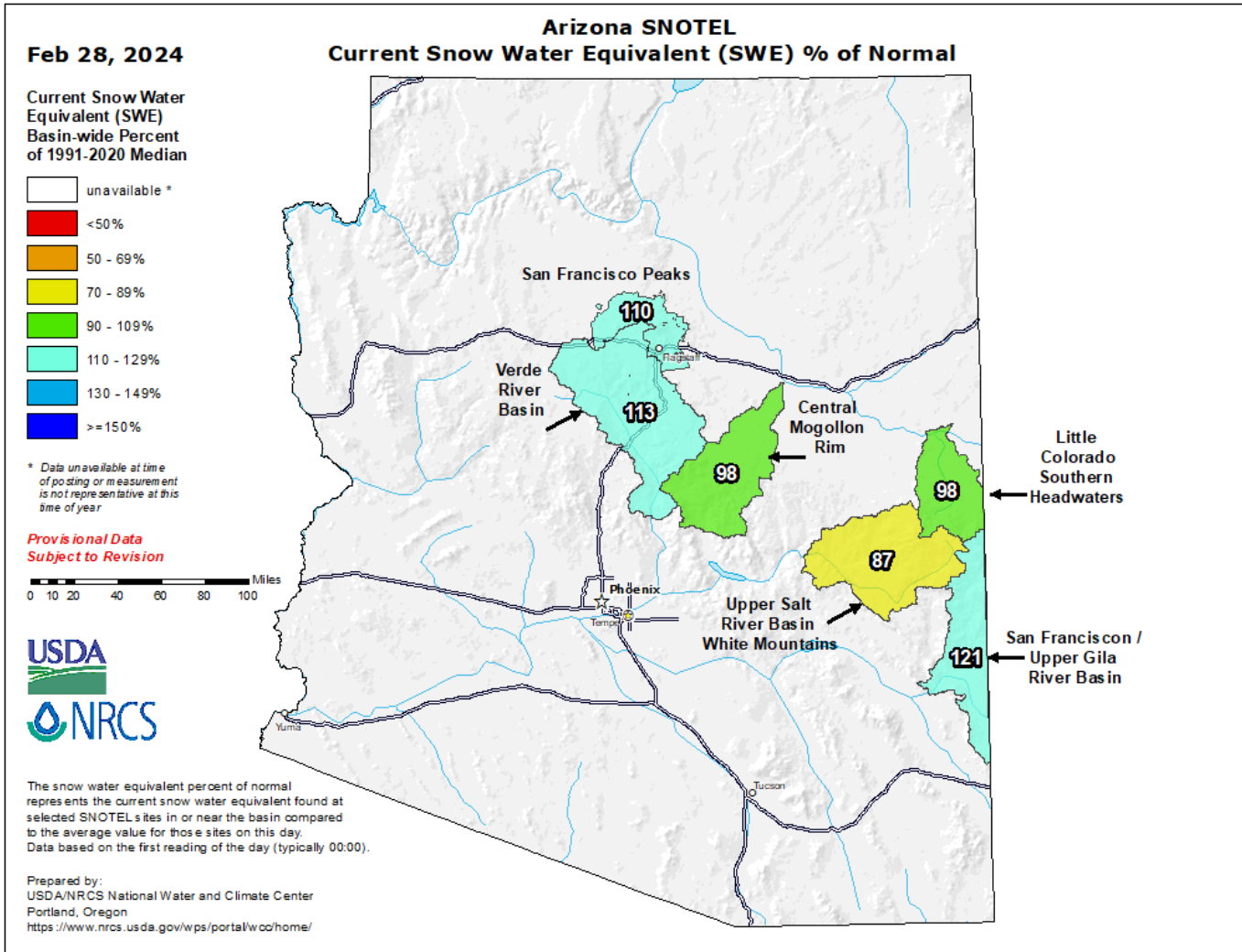
March 5, 2024

Tim Skarupa

Cumulative Watershed Precipitation: Fall-Winter-Spring (WY 2024)

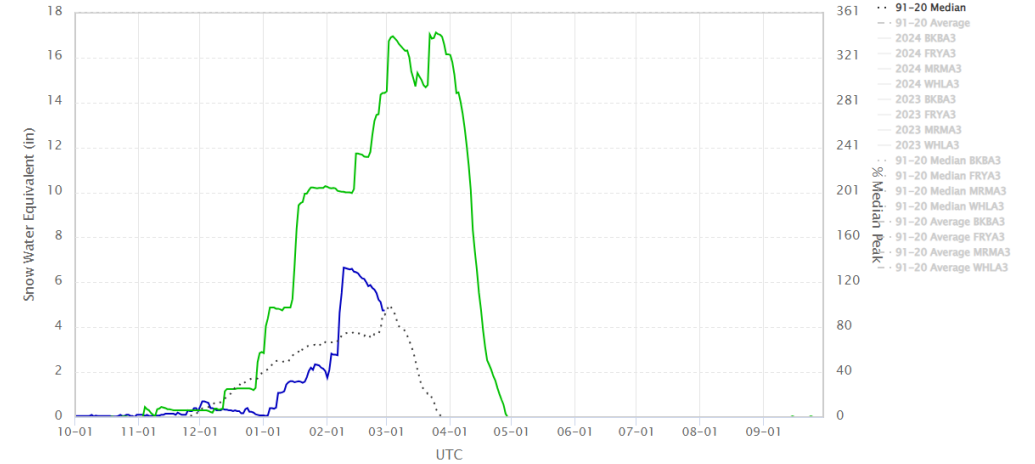


Late February Snowpack near Median



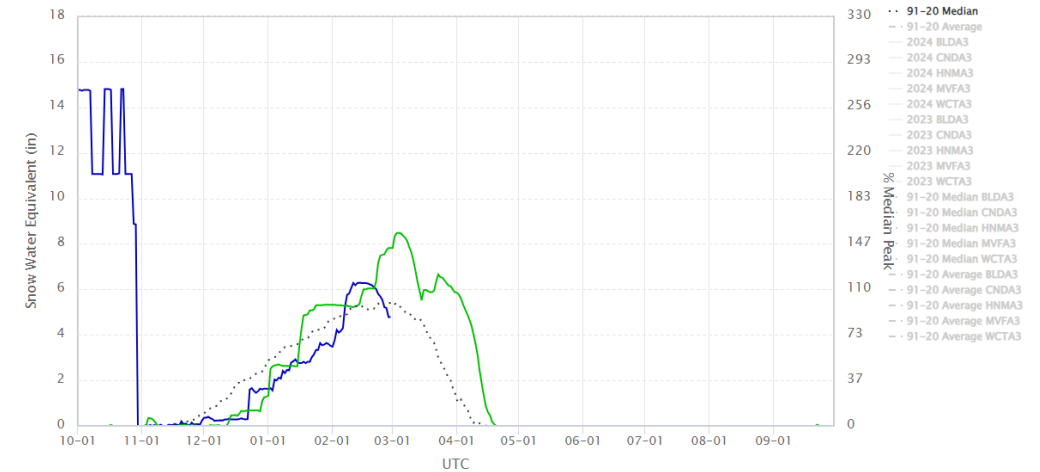
Verde River - Group SNOTEL Plot

BKBA3,FRYA3,MRMA3,WHLA3
 Ob (02-28): 4.75 in, 104% Med - Rate (in/dy): -0.12 (3-day), -0.33 (week)
 Peak (02-09): 6.65 in (133.00% Med Pk) - Med Peak (03-02): 4.99 in

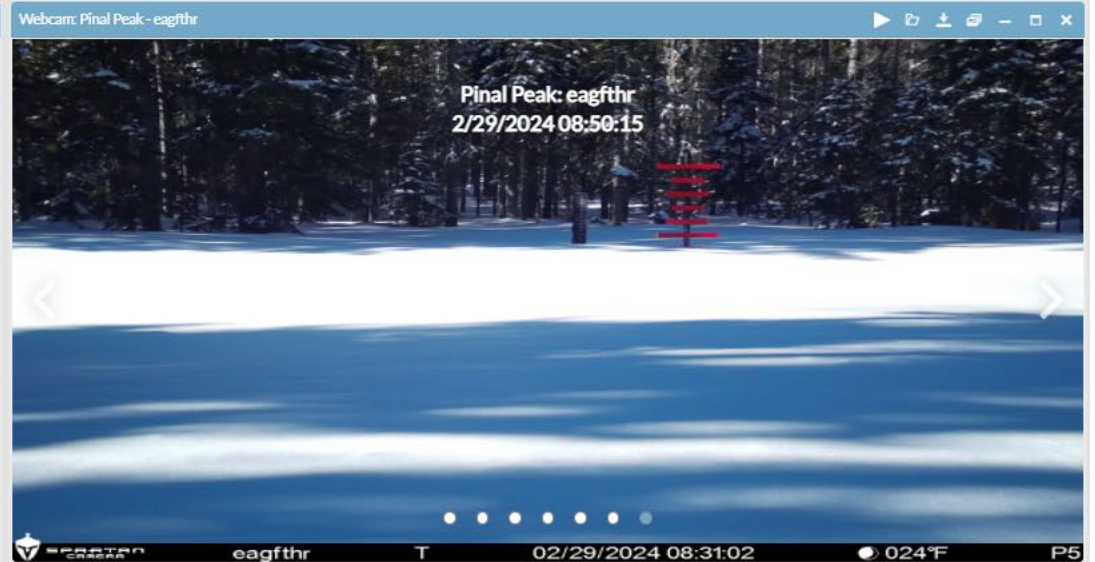


Salt River - Group SNOTEL Plot

BLDA3,CNDA3,HNMA3,MVFA3,WCTA3
 Ob (02-28): 4.78 in, 88% Med - Rate (in/dy): -0.13 (3-day), -0.34 (week)
 Peak (10-14): 14.80 in (271.00% Med Pk) - Med Peak (03-01): 5.46 in



Late February Snowpack across the Watershed

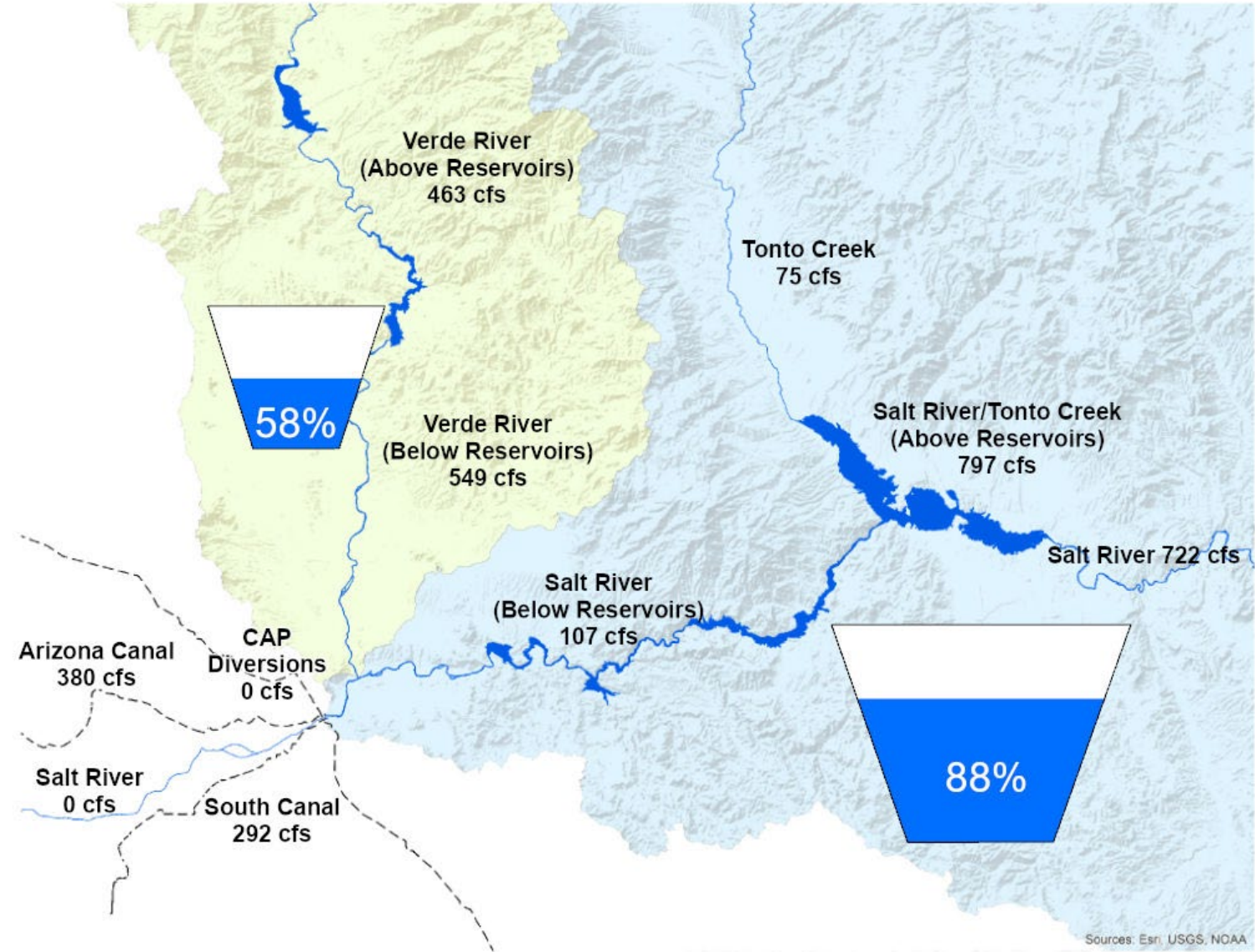


SRP Reservoir System Status

February 29, 2024

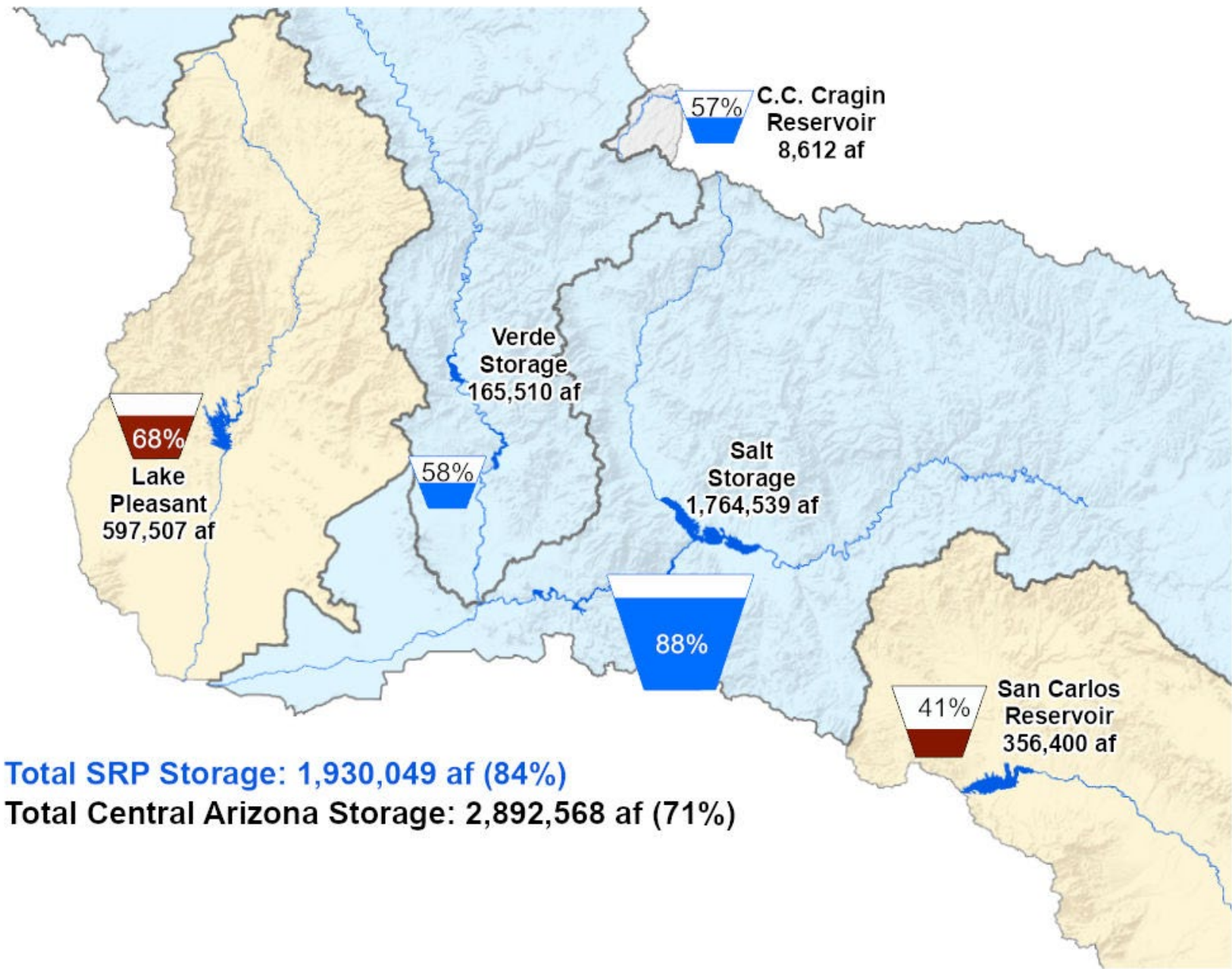
Current Storage:

Salt	1,764,539 AF
Verde	165,510 AF
Total	1,930,049 AF

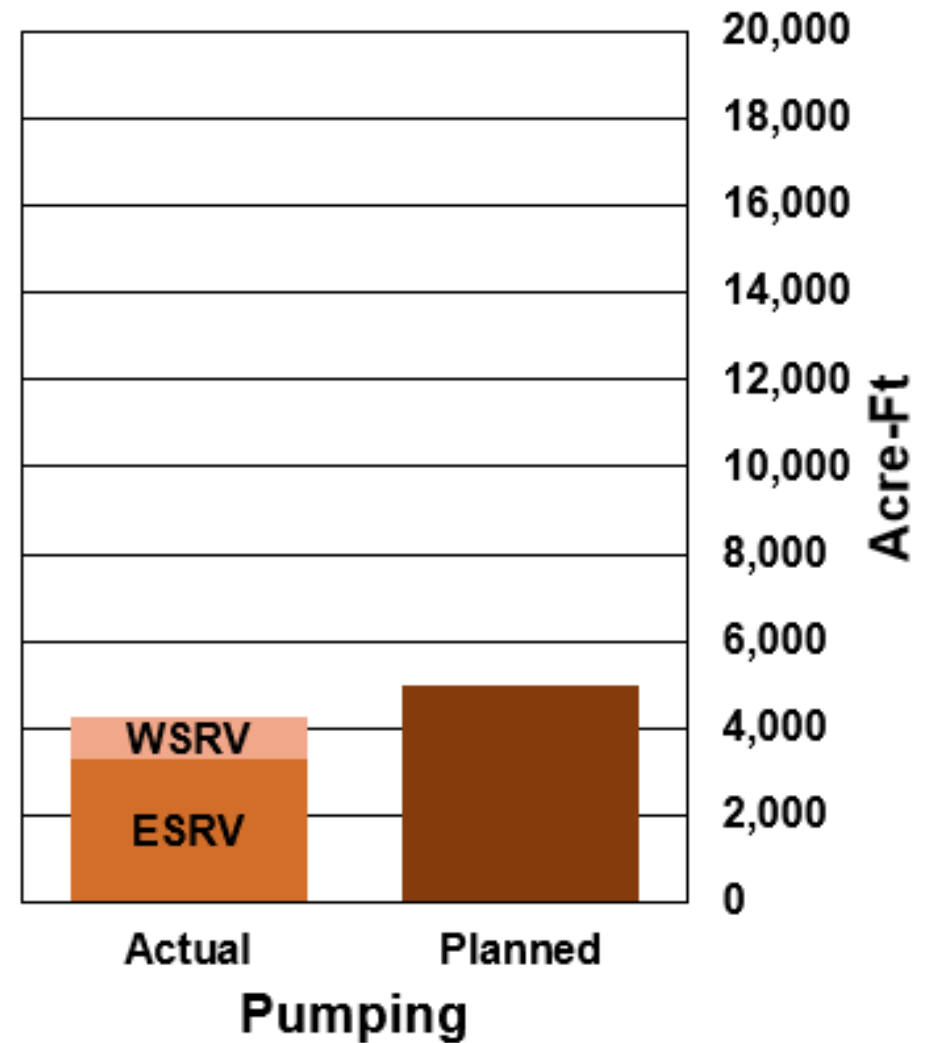
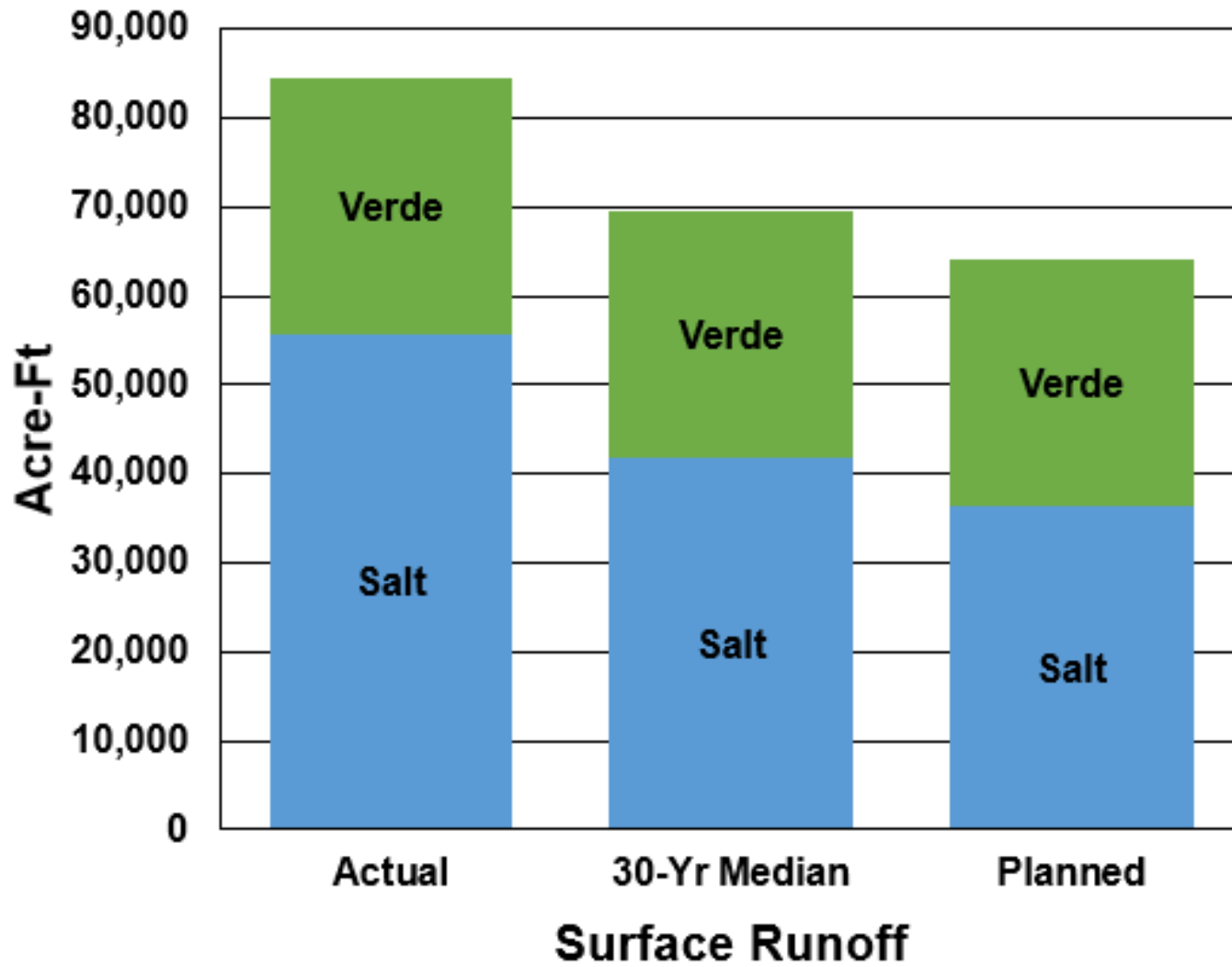


Central Arizona Reservoir Status

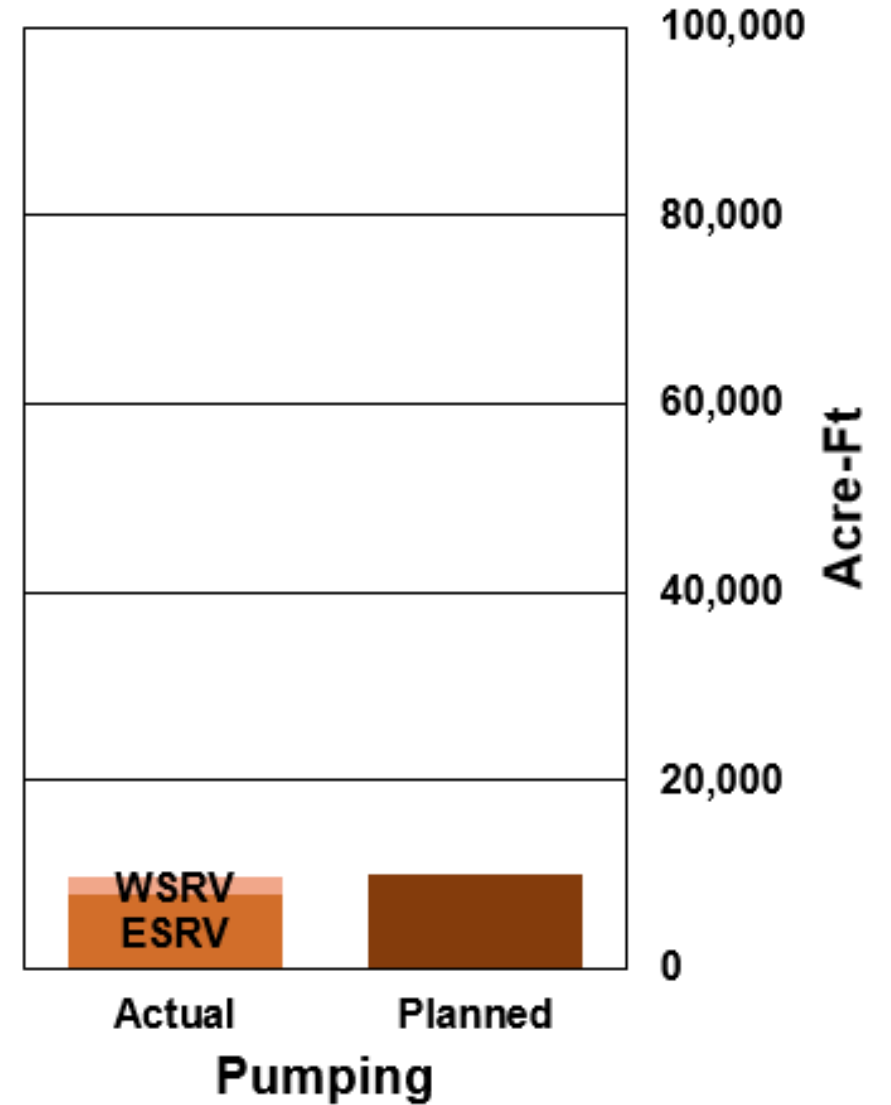
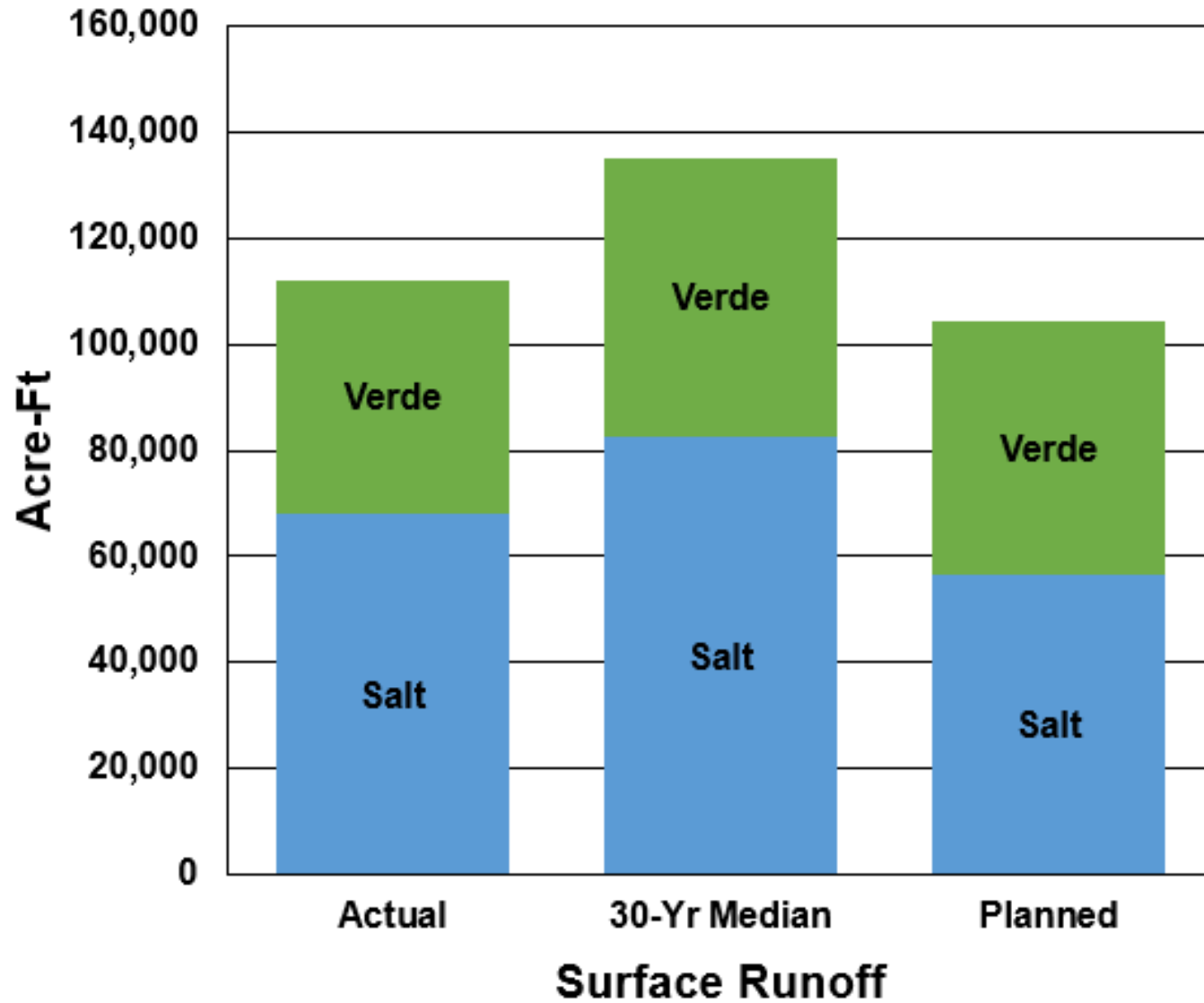
February 29, 2024



February 2024



Year to Date 2024

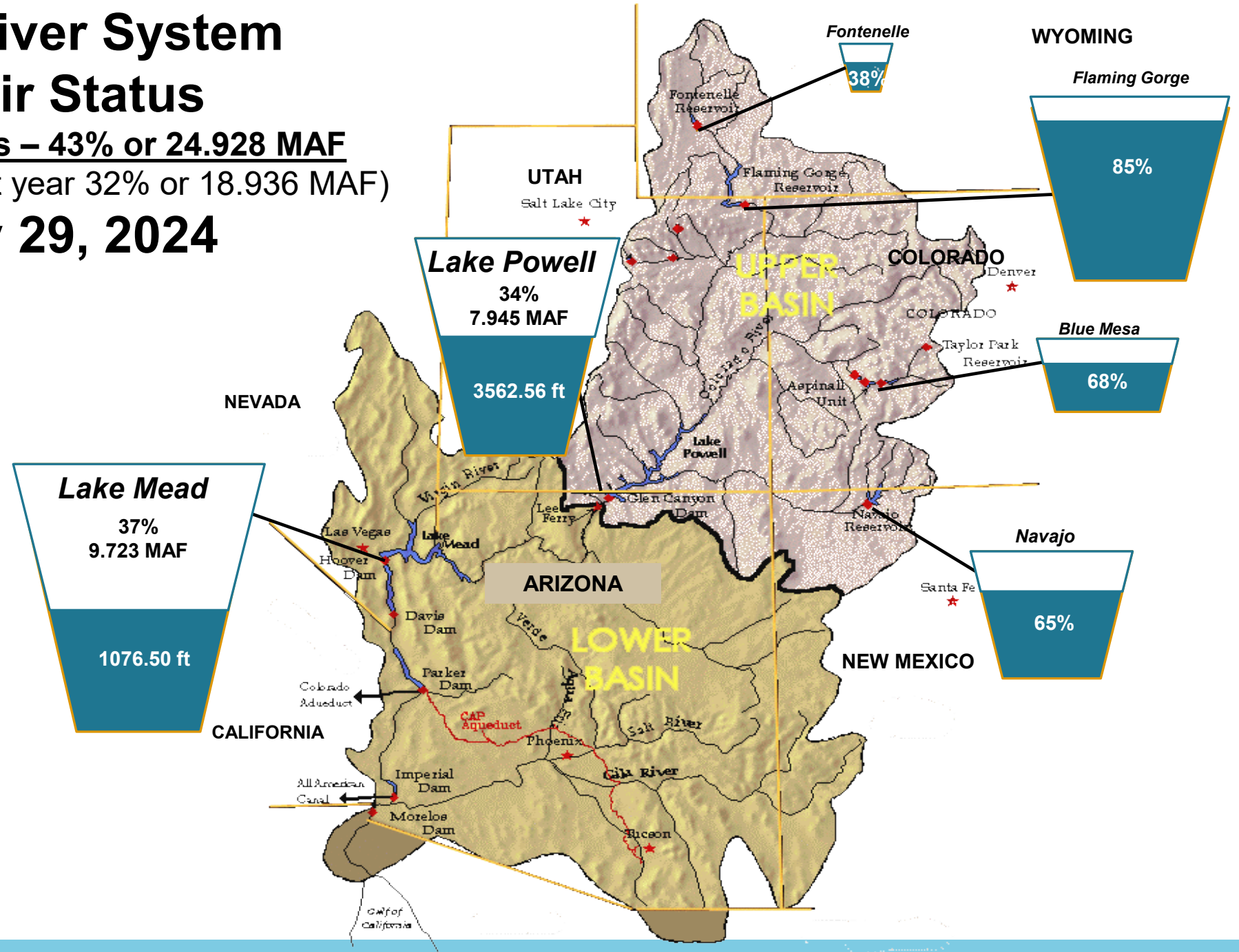


Colorado River System Reservoir Status

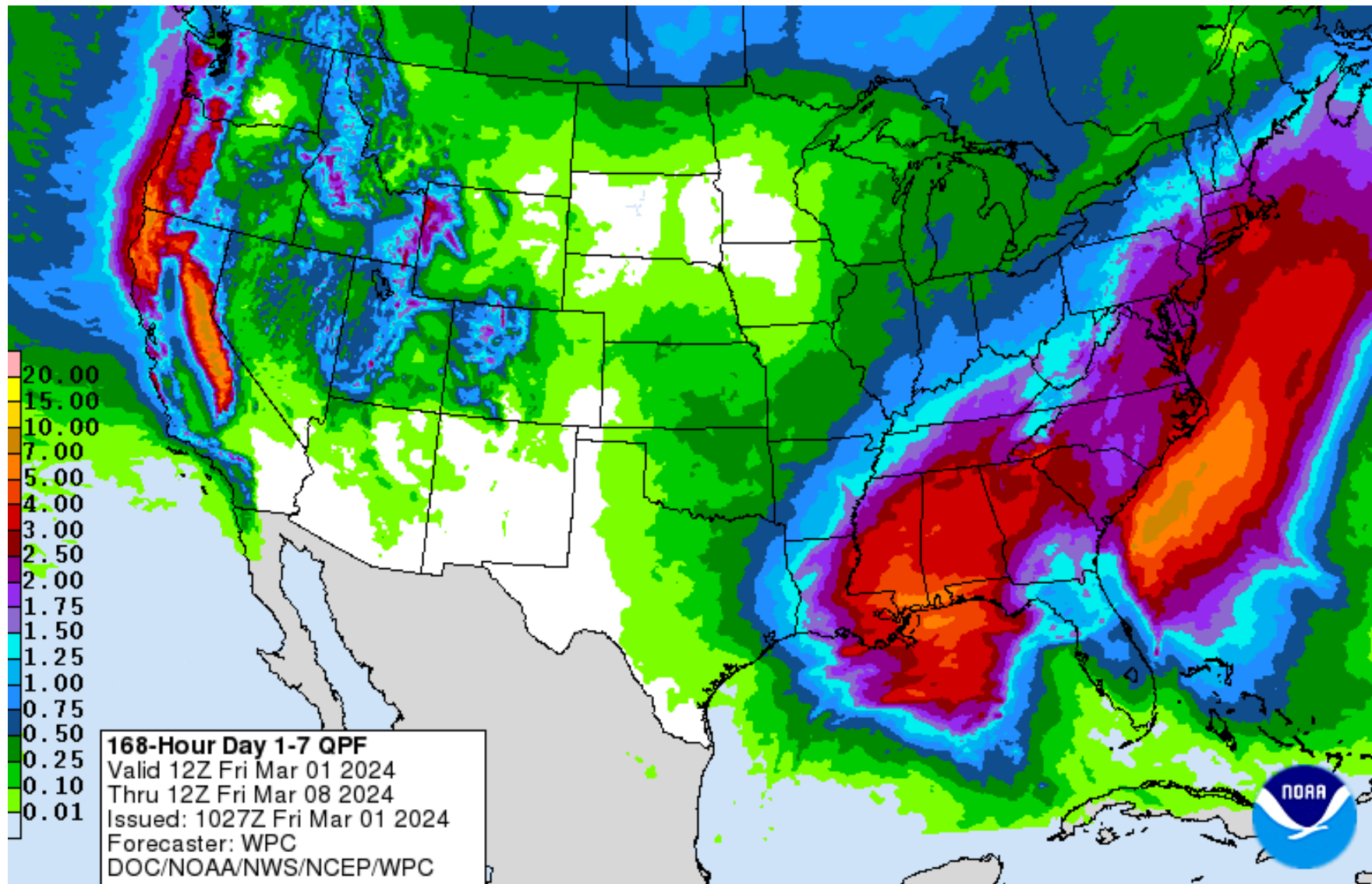
Total System Contents – 43% or 24.928 MAF

(Total system contents last year 32% or 18.936 MAF)

February 29, 2024



Forecast Precipitation this Week



March Outlook

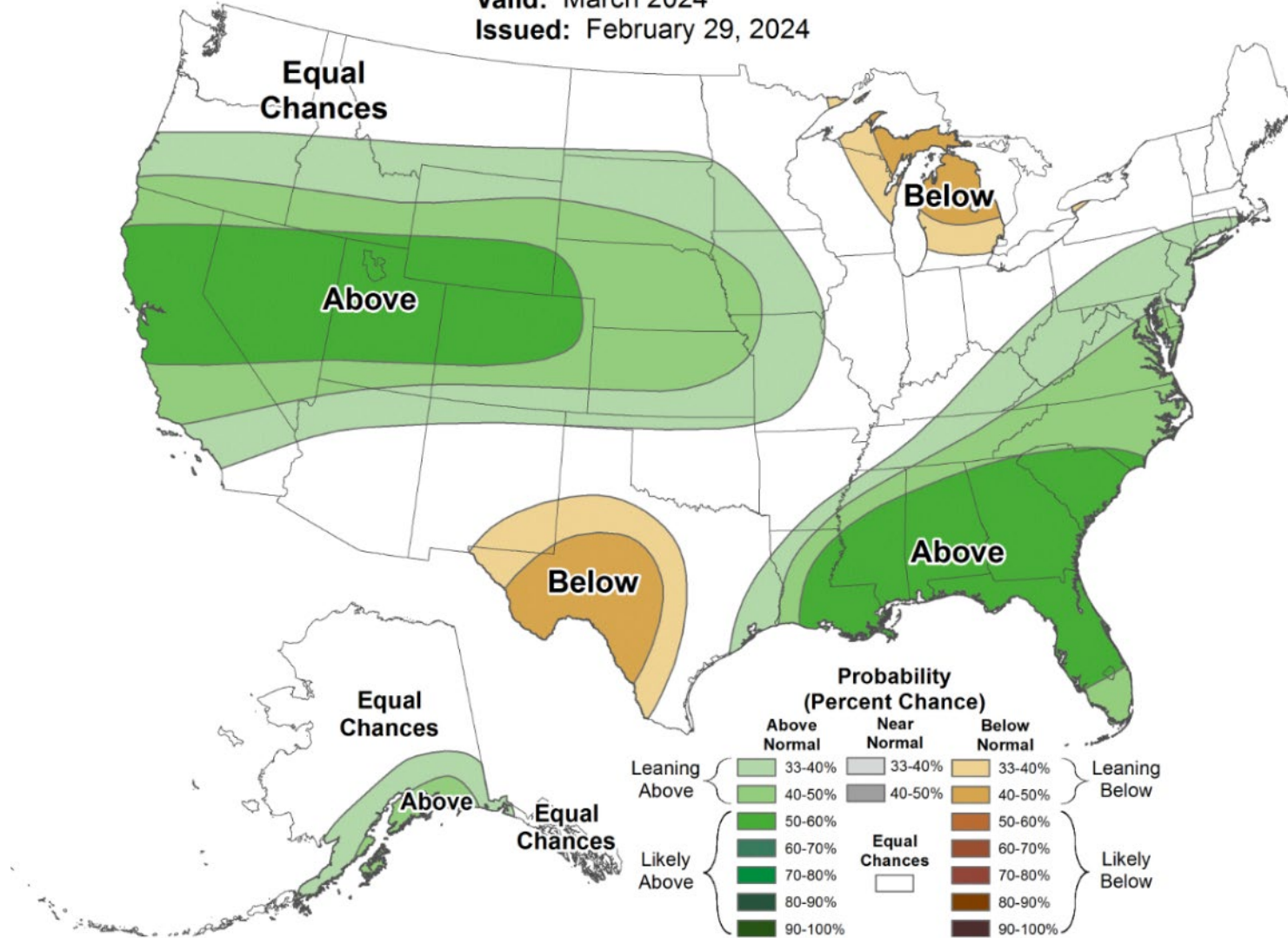


Monthly Precipitation Outlook



Valid: March 2024

Issued: February 29, 2024



thank you!

