Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Board of Directors and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Board Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item......................... PRESIDENT DAVID ROUSSEAU

   A. Request for approval of the minutes for the meetings of October 25 and December 5, 2022.

   B. Request for approval for PricewaterhouseCoopers (PwC) to serve as an independent public accountant for audits conducted for Fiscal Year 2023 (FY23) (recommended by the Audit Committee on December 8, 2022).

2. **Report of the Power Committee Meeting of December 13, 2022**

   ............................................................................. DIRECTOR MARIO HERRERA

   A. Request for approval of SRP’s participation in the next phase of Western Power Pool’s Western Resource Adequacy Program.

   B. Request for approval to extend SRP’s existing Transportation Service Agreements with El Paso Natural Gas Company, which provide firm pipeline capacity to its gas plants.

3. **Report of the Finance and Budget Committee Meeting of December 13, 2022**

   .................................................................................. DIRECTOR KEITH WOODS

   Request for approval to develop and issue a Request for Proposal (RFP) on behalf of the Board for the purpose of engaging a principal pricing consultant for the Board associated with the development of a Buy-Through program for SRP customers.

4. **Request for approval to re-appoint Customer Utility Panel (CUP) Members to a second term** ................................................................. ROB TAYLOR
5. Review of the Financial Results for the Month of November 2022
............................................................................................................... JEFF WRIGHT

6. SRP Customer Research ............................................................... ELISE GOULD

Informational presentation regarding three ongoing customer research tracking studies, their purpose, their use, and the key insights gained from them.

7. Informational Presentation Regarding Open Meeting Law Requirements for SRP Elected Officials ................................................................. KEN LEE

8. Informational Presentation Regarding Conflict of Interest Disclosures for SRP Elected Officials ................................................................. KEN LEE

9. Informational Presentation Regarding the Third Party Communication and Social Media Policy for SRP Elected Officials ........................................... KEN LEE

10. Informational Presentation to Provide Board Training Regarding the SRP Standards of Conduct and Written Procedures .......................... KARILEE RAMALEY

11. Informational Presentation Regarding Public Records Act Requirements ........................................................................................................ KATY HETH

12. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to Have Discussion or Consultation with Attorneys for Legal Advice and to Give Instructions on Pending and Contemplated Litigation with Respect to Ellis, et al. v. SRP, Case No. 2:19-cv-01228-SMB ...... MICHAEL O’CONNOR, KATY HETH, and JOHANNA OH

13. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to Provide an Update and to Have Discussion or Consultation with Attorneys for Legal Advice Regarding SRP’s Certificate of Environmental Compatibility (CEC) Application Regarding the Coolidge Expansion Project (CEP), SRP v. Arizona Corporation Commission (ACC), Maricopa County Superior Court CV-2022-008624 ...................................... MICHAEL O’CONNOR and KARILEE RAMALEY

14. 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


16. Council Chairman’s Report ............................................ COUNCIL CHAIRMAN TYLER FRANCIS

17. President’s Report / Future Agenda Topics ...... PRESIDENT DAVID ROUSSEAU
The Board 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 Board on any of the matters listed on the agenda.

The Board 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 BOARD MEETING IS SCHEDULED FOR MONDAY, FEBRUARY 6, 2023
SAFETY MINUTE: ROAD RAGE
SRP BOARD

SARA MCCOY
DIRECTOR, RISK MANAGEMENT
JANUARY 9, 2023
SAFETY MINUTE: AVOID ROAD RAGE

Aggressive Driving Behaviors

• Driving at excessive speeds
• Tailgating or flashing headlights at drivers
• Weaving through traffic, cutting off others
• Running stop lights and stop signs
• Erratic braking or accelerating
• Not using turn signal
• Inappropriate lane usage
• Chasing or hitting other vehicles
• Threatening, confronting, or honking or gesturing at other drivers

Practice Polite Driving Habits

• Adjust your driving attitude
• Slow down
• Get away from aggressive drivers
• Don’t make rude gestures or yell at other drivers
• Use your horn sparingly
• Avoid making driving a competitive sport
• Don’t drive if upset, angry, or drowsy
• Apologize if you’ve done something wrong
• Call a road rage hotline or 911
In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a joint meeting of the Board of Directors and Council of the District convened at 9:30 a.m. on Tuesday, October 25, 2022, at the PERA Sandhill East and West Rooms, 1 East Continental Drive, 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.

District Vice President C.J. Dobson called the meeting to order, and Corporate Secretary J.M. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona
October 18, 2022

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a joint meeting of the Board of Directors and Council to be held at 9:30 a.m. on Tuesday, October 25, 2022, in-person and via teleconference from the Sandhill East and West Rooms, at the PERA, 1 East Continental Drive, Tempe, Arizona. The purpose of the joint meeting is to discuss, consider, or make decisions on the matters listed on the agenda.

WITNESS my hand this 18th day of October 2022.

/s/ David Rousseau
President

Absent at roll call were President D. Rousseau; Directors K.J. Johnson, K.L. Mohr-Almeida, and P.E. Rovey; Council Chairman T.M. Francis; and Council Members J.R. Augustine, A.S. Hatley, D.B. Lamoreaux, and H. Tjaarda Jr.


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 meeting of the Board of Directors and Council at the SRP Administration Building, 1500 N. Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, October 21, 2022.

Opening Statement

District Vice President C.J. Dobson extended a welcome to the Board and Council Members in attendance.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, presented a safety minute regarding canal safety.

SRP Governance

Michael J. O’Connor, SRP Associate General Manager and Chief Legal Executive, stated that the purpose of the presentation was to provide information regarding SRP Governance. He introduced Marissa Sotomayor, SRP Supervisor of Research Archives and Heritage.

1903 – 1952, Organization and Development

Using a PowerPoint presentation, Ms. M. Sotomayor stated that in 1902, President Theodore Roosevelt signed the National Reclamation Act which provided federal loans and expertise to build an irrigation infrastructure; required that title to the dams and canal systems remain with the federal government; and provided that the water users who benefited from the stored water would repay the debt. She said that Judge Joseph Kibbey’s ruling established how key Arizona water rights concepts were formalized with respect to prior appropriation and appurtenance and that Judge Joseph Kibbey was the primary author of the Salt River Valley Water Users’ Association (SRVWUA) Articles of Incorporation in 1903.
Ms. M. Sotomayor provided the following details of the SRVWUA’s formation and governance established in the 1903 Articles of Incorporation: the Board would be comprised of ten governors elected from ten voting districts; Council would be comprised of 30 members, three elected from each district; and President and Vice President would be elected at-large. She stated that the purpose of the Association was to provide for and distribute and furnish to the lands an adequate supply of water for the irrigation of said lands; divert, impound, develop, pump, distribute, deliver, and use water for all beneficial uses; and create and transmit power for the accomplishment of any purposes or objects of the Association.

Ms. M. Sotomayor explained that in 1917, the Association entered into an agreement with the U.S. Bureau of Reclamation that allowed the Association to obtain operational control of the Project and permitted the Association to keep power revenues to reinvest for the benefit of the project; and allowed the U.S. Bureau of Reclamation to retain title to the water storage and delivery system and set the repayment obligation for cost of the project at $10 million. She said that the Association delivered power to the Valley in 1909 and power to the mines in 1914; and entered into a Territorial Agreement with CALAPCO in 1928. Ms. M. Sotomayor reviewed the Cragin plan that included building three dams on the lower Salt River and upgrading the transmission system in the eastern mining area.

Ms. M. Sotomayor explained that the Association, in compliance with Arizona legislation, formed the Salt River Project Agricultural Improvement and Power District (the District), which allowed the District to issue tax-exempt bonds at a lower interest rate from the Association, thereby reducing the Association’s debt by way of reduced interest rates. She said that in 1937, both the District and the Association entered into a contract.

Ms. M. Sotomayor summarized the District’s purposes as follows: secure water necessary to irrigate the lands; store, regulate, control or distribute water; develop additional water for irrigation; operate and maintain irrigation and drainage; provide power or a means of communication; reduce cost of irrigation, drainage and power to owners in the District; and finance or refinance debt. She stated that today, the District is defined in the Arizona Revised Statutes Title 48, Chapter 17, Article 1; and provided a map of the District’s boundaries.

Ms. M. Sotomayor stated that in 1949, the contract between the Association and the District was amended to clarify their respective roles as follows: District – Receive all the “water and power rights” and revenues formerly of the Association and operate the power system; and the Association – Responsible for operation and management of the irrigation system as an agent of the District and remain a separate entity.

Ms. M. Sotomayor said that in 1951 the legislation modified the Agricultural Improvement Districts (AID) Act adding five new districts along with five new directors; and in 1952 the legislation again amended the AID Act to include ten directors, one from
each division; 30 council members, three members from each division; a position of Vice President to be elected at-large, and an established two-year term of service. She concluded with a summary of the District’s purposes as defined in Arizona Revised Statutes Title 48, Chapter 17, Article 1.

1952 – 1981, Growth and Adapting to Change

Continuing, Mr. M.J. O’Connor compared agricultural acres to urban acres from 1957 through 2021 with respect to land use in the Salt River Reservoir District (SRRD), indicating a change in the early 1970s, where the delivery of water changes to cities rather than agriculture. He stated that in 1952, the first domestic water agreement was entered into with the City of Phoenix, wherein the city acted as an agent in delivering water to shareholders, collecting assessments; and the city paid the same cost of water as shareholders.

Mr. M.J. O’Connor reviewed the 1955 Territorial Agreement which identified electric service territory for SRP and Arizona Public Service (APS), approved by the Arizona Corporation Commission (ACC) and remaining in place today. He summarized the property tax dispute that arose in the 1960s regarding APS’ pressure on SRP as a political subdivision not having to pay property taxes, resulting in Governor Fannin creating the Blue Ribbon Commission in 1963 to handle the dispute and ending in SRP agreeing to pay voluntary contributions in lieu of ad valorem taxes.

Mr. M.J. O’Connor stated that in 1969, a change to the statute was made, allowing landowners of less than one acre to vote in elections (fractional acreage voting) which required an amendment to the AID Act and approval from the Association shareholders. He said that in 1971, the District Board’s vote and changes to the AID statute allowed for SRP to issue revenue bonds and that SRP has only issue revenue bonds since then.

Mr. M.J. O’Connor stated that in 1976, four at large seats were added to SRP’s board due to the public’s concern regarding SRP’s 23% rate increase. He provided an overview of the Ball v. James case, filed in 1976 in the U.S. District Court in Phoenix, challenging SRP’s acreage based voting system for its Board of Directors, looking to eliminate acreage voting and go towards a one person one vote system.

In conclusion, Mr. M.J. O’Connor outlined the structure and governance of how the board, officers, council, electors, and management changed over time. He introduced Ken J. Lee, SRP Senior Director of Legal Services.

1981 – Today, Key Aspects of Governance

Continuing, Mr. K.J. Lee explained that since the formation of the District, the District has an obligation to and has appropriately used electric revenues to financially support its water storage and delivery operations. He stated that in 1936, the Arizona legislature passed the AID Act with the stated purpose of an Agricultural Improvement District being to reduce the cost of irrigation and drainage by the sale of surplus water or
Mr. K.J. Lee stated that in 2002, a Memorandum of Understanding between the District and the Association was prepared identifying the process in the event of a dispute between District and Association over the extent of the District’s financial obligation and setting the District’s financial obligation to the Association regarding water support during the pendency of a dispute. He said that in 2007, the Residential Advisory Committee was formed to engage SRP residential electric customers who reside outside of the District voting boundaries; and in 2019, the Customer Utility Panel (CUP) was created and replaced the Residential Advisory Committee. Mr. K.J. Lee noted that the CUP consists of two members from each of the seven areas outside of the District voting boundaries; CUP members are nominated by management and appointed by the Board; and the CUP meets quarterly and reports to the Board.

Mr. K.J. Lee reviewed a District Board Resolution, adopted on December 3, 2012, regarding the organizational structure for SRP management; organizational structure for the SRP Board, President, Vice President, and General Manager and Chief Executive Officer (GM/CEO); organizational structure among the Board, President, GM/CEO, and Council; Board member communication with third parties; Board member access to SRP management, and Board evaluation and compensation of the GM/CEO. He outlined the District’s statutory authority, powers, duties, and procedures.

Mr. K.J. Lee described the role of the SRP Board of Directors in relationship with the District and SRP employees, along with their specific duties. He provided a diagram of elected officials regarding governance and an organizational chart regarding SRP management. Mr. K.J. Lee reviewed the Board of Directors’ role with respect to Best Practices and access to independent advisors. He cited the APPA Academy’s definition of Governance as “the conveyance of a fiduciary duty to the governing body (reasonable care, loyalty, good faith), along with the authority to oversee the operations of the organization and protect and enhance its value.” Mr. K.J. Lee commented on matters relating to Investor Owned Utilities (IOUs) shareholder value and public power ownership value. He concluded with a discussion regarding SRP’s third party communication and social media policy.

Ms. M. Sotomayor; and Messrs. M.J. O’Connor and K.J. Lee responded to questions from the Members.

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.

**Conclusion**

Mr. M.J. O’Connor summarized key takeaways and thanked Ms. M Sotomayor and Mr. K.J. Lee for their presentations.
Closing Remarks

Mr. M. Hummel stated that more information regarding the Territorial Agreement would be considered in the future. He concluded by thanking all in attendance.

There being no further business, the meeting adjourned at 11:14 a.m.

John M. Felty
Corporate Secretary
MINUTES
BOARD OF DIRECTORS
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

DRAFT

December 5, 2022

In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a meeting of the Board of Directors of SRP convened at 9:30 a.m. on Monday, December 5, 2022, 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.

President D. Rousseau called the meeting to order, and Corporate Secretary J.M. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona
November 28, 2022

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a meeting of the Board of Directors to be held at 9:30 a.m. on Monday, December 5, 2022, 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 28th day of November 2022.

/s/ David Rousseau
President

Director R.C. Arnett offered the invocation. Corporate Secretary J.M. Felty led the Pledge of Allegiance.

Board Members present at roll call were President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O’Brien, M.V. Pace, P.E. Rovey, L.C. Williams, S.H. Williams, and K.B. Woods.

Board Member absent at roll call was Director J.M. White Jr.
Also present were District Vice President C.J. Dobson; Association Vice President J.R. Hoopes; Governor L.D. Rovey of the Association; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Mmes. K.J. Barr, M.J. Burger, A.P. Chabrier, C.M. Hallows, L.F. Hobaica, S.C. McCoy, L.A. Meyers, G.A. Mingura, K.S. Ramaley, and C.M. Sifuentes; Messrs. J.D. Coggins, J.M. Felty, M. Hummel, K.J. Lee, A.J. McSheffrey, M.J. O’Connor, B.A. Olsen, J.M. Pratt, G. Saint Paul, and R.R. Taylor; and 14 various SRP electric customers and other interested parties.

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 meeting of the Board of Directors at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, December 2, 2022.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding household risk mitigation.

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.

Consent Agenda

President D. Rousseau requested a motion for Board approval of the Consent Agenda, in its entirety, as presented.

On a motion duly made by Director L.C. Williams and seconded by Director K.B. Woods, the Board unanimously approved and adopted the following items on the Consent Agenda:

A. Approval of the minutes for the meeting of November 7 and November 14, 2022

B. Approval of the Monthly Cash Statement for October 2022 (recommended by the Finance and Budget Committee on November 17, 2022)

C. Approval to contribute $29,211 to the ASU Foundation – Department of Physics to support the Modeling Instruction Program (recommended by the Community Relations Committee on November 17, 2022)

D. Approval to contribute $30,000 to the Phoenix Theatre Company to support their 103rd Season (recommended by the Community Relations Committee on November 17, 2022)
E. Approval to contribute $40,000 to the Arizona Science Teachers Association to support the Ambassador Program for K-12 educators (recommended by the Community Relations Committee on November 17, 2022)

F. Approval to contribute $45,000 to the Boys & Girls Clubs of the Valley to support the Valley Academic Success Initiative; sponsor the Today's Kids, Tomorrow’s Stars fundraising event; and board dues (recommended by the Community Relations Committee on November 17, 2022)

G. Approval to contribute $50,000 to the St. Mary’s Food Bank to support the purchase of one grocery rescue box truck (recommended by the Community Relations Committee on November 17, 2022)

H. Approval to contribute $68,316 to the ASU Foundation – Mary Lou Fulton Teachers College to support three educator programs: Teaching Inquiry-Based STEM Science (TIBSS), the Environmental Education Program, and the Environmental Stewardship Patrol (recommended by the Community Relations Committee on November 17, 2022)

I. Approval to contribute $80,000 to the ASU Foundation – Kyl Center for Water Policy to support the Arizona Water Blueprint 2.0 – Securing Our Water Future program (recommended by the Community Relations Committee on November 17, 2022)

Corporate Secretary J.M. Felty polled the Directors on Director L.C. Williams’ motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:


NO: None (0)

ABSTAINED: None (0)

ABSENT: Director J.M. White Jr. (1)

Copies of the handout distributed are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Report of the Power Committee Meeting of November 17, 2022

Director M.J. Herrera reported that Management, at the Power Committee meeting of November 17, 2022, requested approval to authorize the President, Vice President, General Manager and Chief Executive Officer, or Associate General Manager and Chief Power System Executive to proceed with the second phase of development of the Copper Crossing Energy and Research Center with a capital expenditure of $105.6 Million through Fiscal Year 2026 (FY26) and to include: 1) installation of approximately
55 Megawatts (MW) of solar generation and associated equipment; 2) completion of all necessary site preparation activities, including required infrastructure and permitting for the installation and operation of such equipment; and 3) execution of all necessary agreements and approvals for the activities described therein, as well as any amendments to those agreements that do not materially affect the terms.

On a motion duly made by Director M.J. Herrera, seconded by Director R.C. Arnett and carried, the Board granted approval, as recommended by the Power Committee.

Corporate Secretary J.M. Felty polled the Directors on Director M.J. Herrera’s motion for approval. The vote was recorded as follows:

NO: None (0)
ABSTAINED: None (0)
ABSENT: Director J.M. White Jr. (1)

Ms. E.M. Gould; and Messrs. C.D. Corwin and J.W. Tiedmann entered the meeting.

Report of the Finance and Budget Committee Meeting of November 17, 2022

Director K.B. Woods reported that Management, at the Finance and Budget Committee meeting of November 17, 2022, requested approval to introduce the new E-28 residential time-of-day pilot price plan with super off-peak hours. He said that the E-28 pilot price plan will allow the opportunity to align time-of-day super-off-peak hours with low-cost and low-carbon hours; help customers save money and make energy use more sustainable; and shift on-peak hours to later in the evening to match higher costs in the evening due to an evolving grid. Director K.B. Woods noted that in addition, the E-28 pilot price plan will allow for significant research to inform future time-of-day hours before establishing a standard price plan.

On a motion duly made by Director K.B. Woods, seconded by Director M.J. Herrera and carried, the Board granted approval, as recommended by the Finance and Budget Committee.

Corporate Secretary J.M. Felty polled the Directors on Director K.B. Woods’ motion for approval. The vote was recorded as follows:

NO: None (0)
Continuing, Director K.B. Woods reported that Management, at the Finance and Budget Committee meeting of November 17, 2022, also requested approval to increase the Telecommunications and Cable TV pole attachment fees from the current level of $20.22 to $22.95 per pole attachment, effective January 1, 2023. He said that the pole attachment fees are in accordance with the Federal Communications Commission formula and reflects a 13.5% increase. Director K.B. Woods noted that the proposed annual revenues for Cable TV would increase by $23,084 and Telecommunications by $95,068.

On a motion duly made by Director K.B. Woods, seconded by Director L.C. Williams and carried, the Board granted approval, as recommended by the Finance and Budget Committee.

Corporate Secretary J.M. Felty polled the Directors on Director K.B. Woods’ motion for approval. The vote was recorded as follows:


NO: None (0)

ABSTAINED: None (0)

ABSENT: Director J.M. White Jr. (1)

Copies of the handouts distributed are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

General Manager and Chief Executive Officer Position Specifications

Geri A. Mingura, SRP Associate General Manager and Chief Human Resources Executive, referenced the handout distributed to the Members relative to the General Manager and Chief Executive Officer (GM/CEO) position specifications for SRP’s GM/CEO succession planning and selection process. She stated that input was provided by various Board Members for the final draft of the position specifications. Ms. G.A. Mingura concluded by requesting approval of the position specifications for SRP’s GM/CEO succession planning and selection process.

Ms. G.A. Mingura responded to questions from the Board.

On a motion duly made by Director K.B. Woods, seconded by Director M.J. Herrera and carried, the Board granted approval, as presented.

Corporate Secretary J.M. Felty polled the Directors on Director K.B. Woods’ motion for
approval. The vote was recorded as follows:


NO: None (0)

ABSTAINED: None (0)

ABSENT: Director J.M. White Jr. (1)

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

Integrated System Plan Research Insights Phases 1 and 2

Using a PowerPoint presentation, Alaina P. Chabrier, SRP Associate General Manager and Chief Communications Executive, stated that the purpose of the presentation was to provide information regarding research conducted by Bellomy, SRP’s selected independent research firm, regarding SRP’s Integrated System Plan (ISP). She said that a phased research approach was conducted, which consisted of virtual focus groups (Phase 1) and a quantitative online survey (Phase 2). Ms. A.P. Chabrier introduced April Smith of Bellomy.

Ms. A. Smith said that SRP is preparing its first ISP, which is focused on planning the power system through 2035. She stated that the goal of the research was to bring the voice of SRP’s residential customers into the planning of the future power system. Ms. A. Smith explained the methodology of the ISP and noted that lower income customers demonstrated affordability concerns.

Ms. A. Smith stated that customers evaluated an illustrative SRP energy mix. She said that while two-thirds of the customers surveyed rated the energy plan positively, only one-fourth rated the plan as excellent, demonstrating an opportunity for improvement. Ms. A. Smith reported that the majority of customers responded positively to the illustrative plan, but respondents cited varying thoughts on which renewable sources SRP should prioritize.

Continuing, Ms. A. Smith said that while a majority of customers ranked reliability first in the focus groups, they discussed a tough tradeoff between reliability and affordability. She noted that over four-fifths rated their experience with SRP positively and cited outstanding customer service and reliability. Ms. A. Smith reported that over half of the customers expressed interest in ways to save and over one-fourth were interested in topics related to SRP’s environmental efforts and/or climate change. She concluded with the following insights: 1) affordability and reliability were top priorities for the future; 2) a majority agreed that the plan should be prioritized by SRP; and 3) customers wanted to continue to hear about ways to save.
Ms. A. Smith responded to questions from the Board.

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.

Messrs. P.R. Bachman, T. Cooper, and J.C. Robertson entered the meeting.

**Economic Outlook**

Using a PowerPoint presentation, Kelly J. Barr, SRP Associate General Manager and Chief Corporate Services and Sustainability Executive, stated that the purpose of the presentation was to provide information regarding the national and local economic outlook and a brief overview of the economic implications relevant to SRP. She introduced Jim Rounds, President of Rounds Consulting Group, Inc.

Mr. J. Rounds discussed the current national economy and the various economic drivers since 2020 leading up to a possible 2023 recession. He compared the Arizona job growth to the U.S. job growth from 1991 to 2022. Mr. J. Rounds discussed the monthly Arizona employment data from 2000 to 2022 and compared the monthly Arizona job recovery to the U.S. job recovery from the January 2008 recession and the February 2020 recession peak levels. He provided an overview of the U.S. job growth by state in 2020 and 2022.

Mr. J. Rounds reviewed the annual per capita personal income in Arizona from 2000 to 2021 and noted the following economic concerns and/or opportunities: political influences, workforce supply, infrastructure, housing, inflation, water, and energy. He said that what matter in a growing economy are tax rates; economic development programs; workforce; transportation infrastructure; marketing; responsible regulations; a balanced budget; reliable, cost effective, and sustainable energy; water; housing affordability; and economic diversity.

Continuing, Mr. J. Rounds reviewed the Arizona housing shortage estimates and the average annual household expenditures, focusing on housing, for 2005, 2010, and 2022. He provided an overview of case studies for advancing the economy regarding higher education and environmental technology.

Next, Paul R. Bachman, SRP Senior Planning Analyst of Strategic Planning, reviewed the Financial Plan 2024 initial peak load forecast and discussed opportunities in talent acquisition within the workforce and technology prices and availability.

Messrs. P.R. Bachman and J. Rounds responded to questions from the Board.

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. E.M. Gould; and Messrs. C.D. Corwin and J.W. Tiedmann left the meeting.
Ms. S.A. Perkinson; and Mr. J.A. Wright entered the meeting.

Finance Presentation

Sue Ann Perkinson, SRP Controller and Senior Director of Corporate Accounting Services, referenced the financial handout distributed to the Members relative to the combined highlights of operations of the District and Association for the month of October 2022. Using a PowerPoint presentation, she compared the actual versus budgeted figures for categories such as CNR, system sales, and customer count. Ms. S.A. Perkinson concluded by reviewing the financial summary and key financial indicators for the month of October 2022.

Ms. S.A. Perkinson responded to questions from the Board.

Copies of the handout distributed and 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. The financial information in the handouts and PowerPoint slides is unaudited and non-GAAP.

President D. Rousseau; Directors K.J. Johnson and P.E. Rovey; Messrs. P.R. Bachman, T. Cooper, and B.A. Olsen; and Jim Rounds of Rounds Consulting Group, Inc. left the meeting.

Western Energy Market Update

Using a PowerPoint presentation, John D. Coggins, SRP Associate General Manager and Chief Power System Executive, stated that the purpose of the presentation was to provide information regarding an update on the current state of affairs as it relates to Western energy markets. He introduced Josh C. Robertson, SRP Director of Energy Market Strategy.

Mr. J.C. Robertson reviewed the potential benefits and risks for expanded western markets and summarized SRP’s corporate goal related to Western energy markets as follows: integrate and operate emerging clean technologies and engage in industry and regional efforts to advance decarbonization and address growing energy demand. He detailed SRP’s priorities for new market or Regional Transmission Organization (RTO) participation and provided maps reviewing the expanded market footprints.

Continuing, Mr. J.C. Robertson discussed the California Independent System Operator (CAISO) day-ahead market update and next steps and the Southwest Power Pool (SPP) markets update and next steps. He provided an overview of Northwest Power Pool’s (NWPP) Western Resource Adequacy Program’s (WRAP) benefits and timeline. Mr. J.C. Robertson concluded by stating that the Western markets activity is progressing and that SRP will need to make key decisions in the next three to four months.
Mr. J.C. Robertson responded to questions from the Board.

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, Mike Hummel, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the District. Referencing handouts, he provided a mid-year report on FY23 Corporate Objectives.

Copies of the handouts 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 Power System

Using a PowerPoint presentation, Mr. J.D. Coggins provided a summary of November operations. He stated that there was a peak demand of 3,470 Megawatts (MW). Mr. J.D. Coggins provided an update on the following: Palo Verde Phase 2 short circuit mitigation, Copper Crossing Energy and Research Center Phase 1, Coronado Generating Station Split Selective Catalytic Reduction for Unit 1, and Navajo Generating Station decommissioning.

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 status of collections through October 2022 within the Fuel and Purchased Power Adjustment Mechanism; and the preliminary retail energy sales for Fiscal Year 2023 (FY23). He concluded with a summary of wholesale net revenue for October.

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, provided an update on water resources.
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.

Mr. S.P. Flora entered the meeting during the presentation.

Reservoir and Weather Report

Using a PowerPoint presentation, Stephen P. Flora, SRP Senior Hydrologist, discussed the cumulative watershed precipitation outlook from October 2022 to June 2023. 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 December 1, 2022. Mr. S.P. Flora reviewed the surface runoff and pumping data for November 2022 and year-to-date. He concluded with a review of the monthly and seasonal percent of normal precipitation from January 2023 through March 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.

Council Chairman’s Report

There was no report by Council Chairman T.M. Francis.

President’s Report/Future Agenda Topics

District Vice President C.J. Dobson asked the Board if there were any future agenda topics. None were requested.

There being no further business to come before the Board, the meeting was adjourned at 12:14 p.m.

John M. Felty
Corporate Secretary
SCOPE OF WORK

PROJECT CONTEXT
The Consultant’s role is to review and present comments on SRP management’s Buy-Through pricing proposal to SRP’s publicly elected Board of Directors. The selected Consultant will analyze and assess Management’s proposal through the lens of the Board’s own pricing principles, sound utility practice, and general economic theory. The review will include rate design, alignment with legislative requirements, and comparison to other utilities’ Buy-Through (or similar) programs. As part of this work, the Consultant will develop a written report summarizing their conclusions for Board and public review. Additionally, the Consultant will present findings and recommendations to the Board at one or more public meetings. The Consultant may meet with the Board at their request at other regular committee or Board meetings.

INDIVIDUAL PROJECT REQUIREMENTS
This review process will include the selected Consultant performing the following:

A. Perform evaluation of cost analyses.
   This task may include the use of the Cost Allocation Study (the CAS, SRP’s embedded cost study), and Marginal Cost Study (MCS). The review will include work papers, spreadsheet, methodology, data, and analyses prepared by Management as well as discussions with Management. The review and evaluation will include the proposed design and structure of the proposed Buy-Through offering, including potential financial impacts, customer acceptance, program applicability and rollout.

B. Prepare analysis of Management’s Buy-Through proposals.
   The purpose of this task is to prepare an analysis of the reasonableness of Management’s proposed Buy-Through program.
   1. Is this proposal consistent with the SRP Board’s pricing principles?
      Specifically:
      - **Gradualism**: which seeks to enhance sound, economic decision-making by customers of all types through stabilizing price levels and smoothing the impact of cost movements that may be caused by temporary factors.
      - **Cost Relation**: which establishes prices in relation to costs and SRP’s stewardship to its water constituents, and thus does not pursue the maximization of “profit.”
      - **Choice**: which seeks to constantly improve customer satisfaction through the creative design of pricing structures that reflect customers’ different desires or abilities to manage the
consumption, assume more price control, or demand differentiated products and services, among others.

- **Equity:** which seeks to treat customers of all types in an economically fair manner.
- **Sufficiency:** which enables SRP to recover the cost of, and to invest and reinvest in a system of assets to perform its policy obligations, including its obligation to store and deliver water to the owners of land within the boundaries of the Salt River Reservoir District, to maintain SRP’s financial well-being, and to follow the foregoing principles.

2. Is the Buy-Through proposal consistent with sound utility practice and general economic theory?
3. Does the Buy-Through proposal fairly reflect the underlying cost drivers?
4. Does this proposal comply with A.R.S. § 30-810?

C. The Consultant will prepare a publicly available report that summarizes their findings, conclusions, and recommendations to the Board. The Consultant will prepare and deliver a presentation of the results of those findings and recommendations to the Board at one or more public meetings.

D. In addition, the Consultant will address any issues that arise from Management's proposal. Specifically, the Consultant will review as part of this proposal:
   1. GSP Resource Adequacy requirements/options.
   2. Provider-of-Last-Resort (POLR) considerations including recovery of fixed generation costs.
   3. Imbalance service charges.
   4. Default of GSP considerations.
   5. Return to Company standard offers.
   7. Customer, GSP, and SRP responsibilities.

E. The Consultant will respond to questions and inquiries from the Board and public and provide educational sessions as needed.
VENDOR RESPONSE REQUIREMENTS

VENDOR QUALIFICATIONS AND RESOURCES

Proposals are to provide the following:

A. Description of company and core capabilities.

B. Experience with the type of work described above.

C. Sample copies of publicly available work described above that the company has provided to other entities.

D. Experience the company or individuals have in related projects including but not limited to calculations, written support, filed and trial testimony, public power boards or other jurisdictional authority experience.

E. Experience with rate design and industry issues, including but not limited to revenue recovery, cost allocation approaches, western power markets and associated Open Access Transmission Tariff (OATT) transmission rate development, generation, and marginal costs.

F. Experience in engaging with media and the public.

G. Describe your review process for the Buy-Through proposal.

COST PROPOSAL

A. Hourly labor rate for company project experts.

B. Estimated hours and cost by project expert to complete each task (e.g., if there is a more junior level analyst that will also be doing support work, please provide the estimated hours/cost, as well as for the senior level consultant).

C. Other estimated costs associated with project by task (e.g., travel, lodging, etc.).

REFERENCES

Please provide information describing the qualifications of the individuals who would be working on this project, contact information for corporate references, including company name, contact name, title, address, telephone number and client relationship synopsis.
Request for Approval to Reappoint CUP Members

Rob Taylor | January 9, 2023
Customer Utility Panel

Provides a voice for SRP residential electric customers who reside outside the District boundary.

- Began in 2020
- Meets Quarterly
- Communicates and reports quarterly w/ District Board
- 7 Geographical Areas – 2 Members per Area – 14 Total Members
  - Management Nominates
  - District Board Appoints
- 3-year staggered terms – 2 terms max
- Board Liaisons
  - 2 District Board members
  - 1 District Council member
  - Pres/VP
- Support of CUP provided by Management in coordination with Corporate Secretary’s Office
CUP Member Reappointment Slate

AREA 1
Alton Washington^

AREA 2
Julie Graham^

AREA 3
Mike Hutchinson^  
Scott Stilgenbauer  
Appointed Oct 2021

AREA 4

AREA 5
Mary Gloria^  

AREA 6
Bryant Powell^  

^ = original 3-year term
Recommendation

Recommend Board Approval to reappoint Alton Washington, Julie Graham, Mike Hutchinson, Scott Stilgenbauer, Mary Gloria, and Bryant Powell to represent their respective CUP Areas.
Questions
CNR without Fair Value Adjustments - YTD November 2022

- FY19: $459.9
- FY20: $324.3
- FY21: $468.6
- FY22: $306.5
- Actual: $395.9
- Budget: $300.5

CNR with Fair Value Adjustments - YTD November 2022

- FY19: $510.8
- FY20: $217.8
- FY21: $634.7
- FY22: $503.2
- FY23: $88.6
Combined Operating Revenues - YTD November 2022

Combined Expenses - YTD November 2022
Funds Available - YTD November 2022

Debt Service Coverage - YTD November 2022

Note: Debt Service Coverage Ratio on Total Debt
Debt Ratio - YTD November 2022

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

Water Storage Levels

(Non-GAAP, Unaudited)
Capital Expenditures - YTD November 2022

Bar chart showing budget and actual expenditures for different categories:
- Gen
- Trans
- Dist
- Cust Sys
- Corp
- Water
- Other

Budget and Actual columns compared for each category.
Monthly Financial Report
November 2022

Board Meeting
Jeffrey A. Wright | January 9, 2023
YTD Combined Net Revenue

November YTD Variance is $95.4

(Non-GAAP, Unaudited)
System Sales

![System Sales Chart]

- Actual Wholesale
- Actual Retail
- Budget Wholesale
- Budget Retail

(GWh)
# Financial Summary – November 2022

<table>
<thead>
<tr>
<th>(Thousands)</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$ 239,817</td>
<td>$ 200,673</td>
<td>$ 39,144</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td>124,958</td>
<td>77,816</td>
<td>47,142</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>99,773</td>
<td>108,231</td>
<td>(8,458)</td>
</tr>
<tr>
<td>Depr &amp; Tax</td>
<td>68,451</td>
<td>69,870</td>
<td>(1,419)</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>293,182</td>
<td>255,917</td>
<td>37,265</td>
</tr>
<tr>
<td>Net Financing Costs</td>
<td>10,607</td>
<td>11,933</td>
<td>(1,326)</td>
</tr>
<tr>
<td>Other, Net</td>
<td>5,855</td>
<td>865</td>
<td>4,990</td>
</tr>
<tr>
<td>Combined Net Revenues</td>
<td>$ (58,117)</td>
<td>$ (66,312)</td>
<td>$ 8,195</td>
</tr>
</tbody>
</table>

1/9/2023 Board Meeting, J. A. Wright (Non-GAAP, Unaudited)
**Key Financial Indicators-YTD November 2022**

<table>
<thead>
<tr>
<th>(Thousands)</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
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</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>$ 629,950</td>
<td>$ 828,510</td>
<td>$(198,560)</td>
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<tr>
<td>Funds Available</td>
<td>$ 691,207</td>
<td>$ 591,549</td>
<td>$ 99,658</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>5.52</td>
<td>5.05</td>
<td>0.47</td>
</tr>
</tbody>
</table>
Ways SRP Measures the Voice of the Customer

Customers’ feedback about their experiences with SRP and expectations for products and services.

- J. D. Power
- Brand Health
- Communication Campaign/Ad Testing
- Product & Service Development
- UX/Usability Testing
- Customer Perspectives
- Broad-Based Customer Experience
- Customer Experience/Journeys

Secondary Research
Segmentation
## Study Use Recommendations

<table>
<thead>
<tr>
<th>J.D. POWER</th>
<th>CP</th>
<th>BCX</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Comparison to industry</td>
<td>□ Track EPIC Performance</td>
<td>□ Impact of a single/bundle of programs on CX and other metrics</td>
</tr>
<tr>
<td>□ Monitor industry best practices</td>
<td>□ Help prioritize goals based on key drivers</td>
<td>□ Link overall CX to interaction CX to help prioritize actions</td>
</tr>
<tr>
<td>□ Monitor for customer issues</td>
<td>□ Monitor customer issues</td>
<td>□ Monitor for customer issues</td>
</tr>
<tr>
<td></td>
<td>□ Track topical issues</td>
<td></td>
</tr>
</tbody>
</table>
JD Power
Residential Electric
J.D. Power – 2022 Electric Residential Overview

Purpose:
• Quantify factors that drive overall customer satisfaction
• Compare overall customer satisfaction + perceptions
• Track attributes to determine gaps relative to other utilities
J.D. Power Residential Study Overall Customer Satisfaction Index - SRP

SRP’s Customer Satisfaction Index improved nearly 100 index points over the last 10 years.

Customer Satisfaction by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Customer Satisfaction Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>700</td>
</tr>
<tr>
<td>2013</td>
<td>709</td>
</tr>
<tr>
<td>2014</td>
<td>730</td>
</tr>
<tr>
<td>2015</td>
<td>738</td>
</tr>
<tr>
<td>2016</td>
<td>730</td>
</tr>
<tr>
<td>2017</td>
<td>775</td>
</tr>
<tr>
<td>2018</td>
<td>782</td>
</tr>
<tr>
<td>2019</td>
<td>790</td>
</tr>
<tr>
<td>2020</td>
<td>806</td>
</tr>
<tr>
<td>2021</td>
<td>806</td>
</tr>
<tr>
<td>2022</td>
<td>796</td>
</tr>
</tbody>
</table>

West Large region rank

<table>
<thead>
<tr>
<th>Year</th>
<th>Region Rank</th>
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</thead>
<tbody>
<tr>
<td>2012</td>
<td>1</td>
</tr>
<tr>
<td>2013</td>
<td>1</td>
</tr>
<tr>
<td>2014</td>
<td>1</td>
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<td>2015</td>
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<tr>
<td>2020</td>
<td>1</td>
</tr>
<tr>
<td>2021</td>
<td>1</td>
</tr>
<tr>
<td>2022</td>
<td>1</td>
</tr>
</tbody>
</table>

Ranking in the nation

<table>
<thead>
<tr>
<th>Year</th>
<th>National Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3</td>
</tr>
<tr>
<td>2013</td>
<td>3</td>
</tr>
<tr>
<td>2014</td>
<td>2</td>
</tr>
<tr>
<td>2015</td>
<td>3</td>
</tr>
<tr>
<td>2016</td>
<td>10</td>
</tr>
<tr>
<td>2017</td>
<td>7</td>
</tr>
<tr>
<td>2018</td>
<td>8</td>
</tr>
<tr>
<td>2019</td>
<td>7</td>
</tr>
<tr>
<td>2020</td>
<td>4</td>
</tr>
<tr>
<td>2021</td>
<td>8</td>
</tr>
<tr>
<td>2022</td>
<td>3</td>
</tr>
</tbody>
</table>

Index based on 100 – 1000 point score

▲▼ Significantly different from current wave at a 95% confidence level
J.D. Power Residential Index Score Comparisons - SRP

SRP was rated highest in Customer Care, Billing & Payment, and PQ&R. Price declined the most in 2022.

Customer Satisfaction and Factors

Index based on 100 – 1000 point score
Key Takeaways

- 1st in nation, 3 years out of 24 years
- 1st in the West Large region, 23 years out of 24 years (21 years in a row)

Uses

- Compare performance in six key areas to other utilities nationwide
- Guidance on where to focus efforts
- Improvements to website, mobile apps, and outage communications
- Opportunity increase communications recall, awareness of sustainability and safety initiatives
- Understand expectations of customers moving into service territory
Customer Perspectives
Customer Perspectives (CP)

**Purpose:**
- Measure customers’ overall opinions & perceptions
- Provide high-level direction for decision making

**Application:**
- Track key performance metrics and customer touchpoints in strategic focus areas
- Track EPIC customer satisfaction
- Provide over-arching research design to be supported by other detailed/diagnostic studies
- Customer comments/ ways to better serve
Customer Classes Measured

Customer Perspectives

Power
- Residential
- Valued Business
- Mid-Size Business
- Large Business
- Strategic Customers

Water
- Residential Irrigation
- Agriculture/Other Urban
- Municipalities
Q: Please rate your overall experience as an SRP customer. How would you rate the overall value you receive from SRP considering the amount you pay for services? How would you rate SRP’s overall performance as an electric company?
Overall Takeaways of FY23 Q2

Customer satisfaction and experience remained stable

Notable improvements in performance:

- Power Reliability
- Use of renewable energy sources increased to an all-time high
- Website ratings
- Metrics directly related to the water management
- Valued Business Energy Manager ratings having the appropriate knowledge

Opportunities exist:

- More ways to save - overall pricing & value perceptions
- Energy efficiency programs
- Communication about environmental efforts
- Commitment to the future and innovation
Broad-based Customer Experience (BCX)
Broad Customer Experience (BCX)

Overall Customer Experience Trend 93,509

- Jul-21: 74%
- Sep-21: 73%
- Nov-21: 75%
- Jan-22: 76%
- Mar-22: 78%
- May-22: 78%
- Jul-22: 77%
- Sep-22: 76%
- Nov-22: 78%

Survey Date

Positive Top 2 Box Ratings

From 65% to 90%
BCX Uses

• Distinguish what enhances, detracts or doesn't affect customer experience
• Measure marketing/communications efforts
• Facilitates in-depth analysis
BCX Key Takeaways

Capabilities:
• Track sentiment, ratings in near real-time
• Surveys are flexible
• Detect small changes in corporate metrics over time
• Enables advanced analysis + modeling of customer behavior, needs, expectations
• Monitor customers' opinions new or piloted programs

Opportunities:
• Understand key drivers of overall customer experience + other metrics
• Develop new programs and services
thank you!
What is the Open Meeting Law?

A set of laws that are intended to:

• Maximize public access to the governmental process
• Open deliberations and proceedings to the public
• Prevent public bodies from making decisions in secret
“Public Body” within meaning of the Open Meeting Law

- Multi-member governing bodies of a political subdivision, such as the District’s Board and Council
- All standing, special or advisory committees of, or appointed by, the Board or Council (e.g. the Customer Utility Panel)
- The Boards and Committees of the District’s subsidiaries (e.g. New West Energy, Papago Park Center, SRP Captive Risk Solutions)
What Must the Public Body do?

• Publish advance notice of meetings
• Publish an agenda (and stick to it)
• Meet in public
• With limited exceptions, allow the public to attend meetings
• Take all actions in public
• Prepare minutes of meetings
What is a “Meeting”? 

Any gathering:

• in person, or through technological devices
• of a quorum of a public body*
• to discuss, propose, deliberate or take legal action

* For purposes of a quorum – need to consider committee membership

Legal Action – means any discussions, deliberations, considerations, or consultations among a majority of the members of a public body regarding matters that may foreseeably require final action or a final decision by the governing body
What is a “Meeting”? (continued)

Meetings include:

- one-way electronic communication by one member sent to a quorum of the members of a public body that proposes legal action
- exchange of electronic communications among a quorum of the members that involves a discussion, deliberation or the taking of legal action by the public body concerning a matter likely to come before the public body for action

It does not matter what label is placed on a gathering; it may be called a "work" or "study" session, or the discussion may occur at a social function
Serial Communications

• One of the most common issues of concern

• Communications need not be at the same time or in the same manner to result in a “meeting”

• Cannot use e-mail or other means of communication among a quorum to:
  • Discuss board business
  • Propose or take legal action
  • Deliberate on board business
Agendas

• Must contain such information as is reasonably necessary to inform public of matters to be discussed or decided

• Agenda including all matters to be discussed, considered, or decided must be available to the public at least 24 hours prior to meeting

• Cannot entertain discussion of matters not listed on the agenda
Communications with Media and Public

The Open Meeting Law allows a member of a public body to express an opinion or discuss issues with the public or through the media if:

- Not principally directed at another member of the public body
- Not directly given to another member of the public body
- No concerted plan to engage in collective deliberation to take legal action
Executive Sessions

- Only permitted for specific matters
- Must vote to go into an executive session
- No final action allowed (cannot vote or take “straw polls”)
- Confidential by law (admonition must be provided)
- Limited attendance
Closed Sessions

- Available for discussion of confidential commercial or financial information
- No vote needed to go into closed session
- Can take legal action in closed session
Consequences of Noncompliance

- Board actions can be invalidated
- Members and others who aid can be assessed:
  - $500 civil penalty for second violation
  - Up to $2,500 civil penalty for third and subsequent violations
  - Public body may not pay the civil penalties
  - Equitable relief as court deems appropriate
- If knowing violation and intent to deprive public of information:
  - Court may remove member from office
  - Charge member or other person all costs and attorneys’ fees incurred
Questions?
Conflict of Interest Laws
A.R.S. §§ 38-501 - 511

Purposes:
Restricts the ability of the District’s elected officials and employees to participate in transactions with the District

• Prohibits public officials and employees from realizing a personal gain at the expense of the public entity/employer

• Seeks to ensure that public officials and employees act in the best interests of the public entity/employer, without consideration of personal benefit
Statutory Requirements

• Officials, employees or their “relatives” with a “substantial interest” in a transaction involving SRP:
  • Must disclose the interest, and
  • Refrain from voting or participating in any manner regarding such transaction
“Relatives” Defined

- Spouse or parent, brother, sister or child of a spouse
- Child
- Grandchild
- Parent
- Grandparent
- Brother or sister of the whole or half blood and their spouses
“Substantial Interest” Defined

A substantial interest is any pecuniary or proprietary interest, either direct or indirect, other than a “remote interest”

To determine whether a substantial interest exists, ask:

1. Could the decision affect, either positively or negatively, an interest of the officer or employee or the officer’s or employee’s relatives?
2. Could it affect a financial (pecuniary) interest or ownership (proprietary) interest?
3. Is the interest something other than a remote interest?
“Remote Interests” Include:

• A non-salaried officer of a nonprofit corporation

• Ownership of less than 3% of the shares of a for-profit corporation, unless dividends or other income received from the corporation exceeds 5% of total annual income of the official

• That of a relative who is an employee of any business entity or governmental entity that employs at least twenty-five employees within this state and who, in the capacity as an employee, does not assert control or decision-making authority over the entity’s management or budget decisions
What To Do

• Contact Secretary’s Office
• Disclose conflict in writing
• Do not vote on transaction or discuss with others involved in the decision-making process
• If you are directly involved in providing equipment, material, supplies or services, the transaction must be competitively bid by the entity (disclosure does not cure)
Disclosure – SRP Process

• Complete, sign and return disclosure form provided by SRP Corporate Secretary
• Before transaction is initiated
• Disclosure form is available to the public
Sanctions for Violations

• An intentional or knowing violation is a class 6 felony
• A reckless or negligent violation is a class 1 misdemeanor
• Forfeiture of public office
Questions?
Background and Intent

- Approved by District and Association in March 2019
- Attempts to balance elected official's individual rights to communicate to voters with SRP need to speak with one voice
Third Party Communications

• In third party communications regarding SRP operations or policies:
  • Board members must make it clear that the member is speaking is his/her individual capacity and not on behalf of SRP
  • Include an appropriate disclaimer
Social Media

• When creating or using social media sites/pages:
  • Board members must make it clear that the member is speaking is his/her individual capacity and not on behalf of SRP
  • Include an appropriate disclaimer
Disclaimer

Example for member holding both a District and Association Board seat:

• (Elected Official Name) is a Salt River Project Board member. The views and opinions expressed in this [communication] are solely (his/her) individual views and opinions and are not made on or on behalf of the SRP Board of Directors or Board of Governors, the Salt River Project Agricultural Improvement and Power District, or the Salt River Valley Water Users’ Association
SRP Intellectual Property

• For SRP intellectual property the Policy provides:
  • Structure and guidance on use of SRP intellectual property including the terms “SRP” and “Salt River Project”
  • A process if a dispute arises regarding an elected official's use of SRP’s intellectual property
Compliance Requests

Requests:

1. Provide Corporate Secretary’s office required information regarding social media sites

2. Review and be cognizant of the Policy – available from Corporate Secretary

3. Any questions, please contact Legal Services or the Corporate Secretary
A Reminder About SRP Email Addresses

With respect to your SRP provided email address:

• Only use for SRP related communications, no personal or political/campaign use
• Include an appropriate disclaimer
• Your emails may be made requested by the public
• Do not use any inappropriate language, pictures, memes, etc.
• Be aware of Open Meeting Law issues
Questions?
SALT RIVER PROJECT
STANDARDS OF CONDUCT TRAINING

Karilee Ramaley
Senior Principal Attorney

DISTRICT BOARD MEETING
JANUARY 9, 2023
THE STANDARDS OF CONDUCT (SOC)

• The SOC were established by the SRP Board to govern the use of confidential transmission information and to help ensure fair wholesale energy and transmission markets.

• While the Federal Energy Regulatory Commission (FERC) adopted SOC rules applicable to regulated utilities, the SRP Board established SRP’s SOC to be consistent with FERC’s rules.

• All SRP employees, officers, directors, contractors and consultants must comply with the SOC.
SOC EMPLOYEE CLASSIFICATIONS

• The SOC focus on the interactions among three distinct employee classifications:
  
  o Transmission Function Employees or TFEs,
  
  o Marketing Function Employees or MFES, and
  
  o No Conduit Employees

• Classifications are assigned based on individual job functions, not a specific department, organizational code or group within the company.
Transmission Function Employees, or TFEs, are Employees who “actively and personally engage on a day-to-day basis in Transmission Functions”

Transmission Functions are generally defined as “the planning, directing, organizing or carrying out of day-to-day transmission operations”
MARKETING FUNCTION EMPLOYEES AND MARKETING FUNCTIONS

Marketing Function Employees, or MFES, are Employees who “actively and personally engage on a day-to-day basis in Marketing Functions”

Marketing Functions are generally defined as “the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights”
NO CONDUIT EMPLOYEES

• No Conduit Employees are Employees not classified as TFEs or MFEs, but who may become privy to Non-Public Transmission Function Information
• No Conduit Employees are prohibited from disclosing Non-Public Transmission Function Information to MFEs
• Board and Council members are No Conduit Employees under the SOC
GENERAL REQUIREMENTS OF THE SOC

1. **Independent Functioning**: TFEs must operate independently from MFEs and cannot perform mixed functions.

2. **No Conduit**: Neither TFEs nor other Employees may share Non-Public Transmission Function Information with MFEs and MFEs cannot have access to Non-Public Transmission Function Information.

3. **Non-Discrimination**: SRP must treat all transmission customers (both affiliated and non-affiliated) the same.

4. **Transparency**: SRP must ensure certain information is posted on its OASIS.
NON-PUBLIC TRANSMISSION FUNCTION INFORMATION

• Non-Public Transmission Function Information may include:
  o Information about transmission service prices, operations, system conditions or available transmission capability not posted on SRP’s OASIS and not publicly available;
  o Information related to transmission outages and system maintenance activities;
  o Critical Energy Infrastructure Information (CEII);
  o Transmission and interconnection service requests; and
  o Information about a transmission customer
LIMITED EXCEPTIONS

• There are limited exceptions to the Independent Functioning and No Conduit rules.

• Subject to recordkeeping requirements, TFEs may share Non-Public Transmission Function Information with an MFE provided it is:
  1. Necessary to (a) perform generation dispatch or (b) maintain or restore operation of the transmission system or generating units; or
  2. Furnished to comply with reliability standards

• If a TFE shares such information with an MFE, SRP must make a contemporaneous record of the information exchanged
LIMITED EXCEPTIONS

• In an emergency, the SOC permits SRP to take whatever actions are needed for safe and reliable operation of the transmission system

• TFEs may act, as necessary, to protect/restore the transmission system, including sharing Non-Public Transmission Function Information with MFES

• In an emergency, SRP must make a record of information shared as soon as practicable after the fact
QUESTIONS OR CONCERNS ABOUT THE SOC

If you are not certain something is right or if you have a question, please contact:

• Your supervisor or manager,

• Karilee Ramaley, SRP SOC Chief Compliance Officer (602-236-3072),

• SRP SECURELINK: 800-618-2227 (A 24/7 private and anonymous reporting line)
Public Records law

Presentation to District Board Members
Katy A. Heth, Principal Managing Attorney | January 9, 2023
Arizona Public Records Act

- Purpose: Accountability and transparency in government.
- Originally adopted in Arizona in 1901.
- Requires all public officials to make and maintain records “reasonably necessary to provide knowledge of all activities they undertake in the furtherance of their duties.”
A.R.S. § 39-121 Inspection of Public Records

- “Public records and other matters in the custody of any officer shall be open to inspection by any person at all times during office hours.”
- Ambiguous language, broadly construed.
- Includes metadata.
Definitions

● What is a “Public Record”? Documents that are reasonably necessary to provide an accurate accounting of the official activities of public officials and any government funded activities.

● “Officer” defined as “Any person elected or appointed to hold any elective or appointive office of any public body, and any CAO, head, director, superintendent or chairman of any public body.”

● “Public Body” defined as “This state, any county, city, town, school district, political subdivision or tax-supported district in this state. . .”

● SRP’s Position
Public Records Law Cont.

- “Any Person.”
- Does not need to be in writing and does not need to be served.
- No volumetric limitation.
- No subject matter limitation.
- No temporal limitation, can seek records on a going forward basis.
- Requestor’s need, good faith, or purpose are entirely irrelevant to the disclosure.
- Exceptions limited to privacy, confidential by statute and best interests of the state.
Questions?
Thank you!
Current Events

Jim Pratt
Power System Update

John Coggins
Financial Update

Aidan McSheffrey
Combined Net Revenues

November YTD Variance is $95.4
Fuel and Purchased Power Adjustment Mechanism
YTD Through November 2022

1/9/2023, Board Meeting, A. McSheffrey
FY22 Preliminary Retail Energy Sales (GWh)

Sales estimate for December 2022 is 2,211 GWh or 1.0% above budget. Year-end variance is projected to be 0.4% above budget.
December Wholesale Summary

Primary Drivers:
- Above budget wholesale margin
  - Winter weather conditions in Western U.S. drove up electricity and natural gas prices
Bond Sale Update

- New money, tax-exempt deal
- ~$500M:
  ~$350M capital reimbursement
  ~$150M FY23/FY24 capital
- Approval/price early to mid February

Team

Lead Bank: J.P. Morgan
Advisor: pfm
Bond Counsel: CSG
Tax Counsel: Nixon Peabody
Water Resources

Leslie Meyers
Water Infrastructure Finance Authority of Arizona

New Authority

• S.B. 1740 - Enacted July 6, 2022
  o Long Term Water Augmentation Fund
  o The Water Conservation Grant Fund

New Governance

• 18-member board
  o 9 voting members appointed by the Governor and legislative leadership
  o 9 non-voting advisory members
Water Infrastructure Finance Authority of Arizona

New State Funding

• $1 Billion – Long Term Water Augmentation Fund
  o 75% of monies in FY23 – 25 appropriations set aside for development projects that import water from outside of Arizona

December 2020 WIFA Board Resolution

• Staff is directed to provide a written analysis of the IDE proposal and other actions.
• Upon demonstration of satisfaction of the WIFA Executive Committee the IDE Proposal meets the requirements of state law the Chairman is authorized to enter a non-binding term sheet to provide a commitment to purchase, or cause to be purchased, up to 300,000 acre-feet per year in phase one and up to 1,000,000 acre-feet per year in total in subsequent phases.
Possible Projects for WIFA Funding

Existing Bartlett Dam

Modified Bartlett Dam
thank you!
Operating Environment
November 2022

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elec Customers – Nov 2022</td>
<td>1,129,634</td>
<td>1,126,534</td>
<td>3,100</td>
<td>100%</td>
</tr>
<tr>
<td>Elec Customers - April 2022</td>
<td>1,112,684</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elec Customers – Nov 2021</td>
<td>1,108,971</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Sales GWH</td>
<td>1,960.8</td>
<td>2,034.5</td>
<td>(73.7)</td>
<td>96%</td>
</tr>
<tr>
<td>Wholesale Sales GWH</td>
<td>585.8</td>
<td>315.0</td>
<td>270.8</td>
<td>186%</td>
</tr>
<tr>
<td>Total A.F. Water Delivered</td>
<td>42,541</td>
<td>49,000</td>
<td>(6,459)</td>
<td>87%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)

Financial Summary
November 2022

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Revenues</td>
<td>$245.7</td>
<td>$201.6</td>
<td>$44.1</td>
<td>122%</td>
</tr>
<tr>
<td>Combined Expenses</td>
<td>$303.8</td>
<td>$267.9</td>
<td>$35.9</td>
<td>113%</td>
</tr>
<tr>
<td>Comb Net Revs (Loss)</td>
<td>($58.1)</td>
<td>($66.3)</td>
<td>$8.2</td>
<td>88%</td>
</tr>
<tr>
<td>Funds Available</td>
<td>($16.7)</td>
<td>($24.1)</td>
<td>$7.4</td>
<td>70%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$116.1</td>
<td>$128.0</td>
<td>($11.9)</td>
<td>91%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)
Debt Ratio
November 2022

Debt Service Coverage Ratio
November 2022

Note: Prior Years and Budget are Fiscal Year-End Ratios
(Non-GAAP, Unaudited)

Note: Debt Service Coverage Ratio on Total Debt
(Non-GAAP, Unaudited)
Holiday Storm Totals

Total Precipitation: Dec. 27, 2022-Jan. 3, 2023

Verde: 3.17 (720% of Normal)
Salt: 2.67 (556% of Normal)
Combined: 2.92 (608% of Normal)
Cumulative Watershed Precipitation: Fall-Winter-Spring (WY 2023)

7.15” (170% of Normal)
Current Snowpack: 10”-36” above 6,500’ on both the Salt and Verde

Bar-M (6,390’ on the Verde)

11:00 AM Dec 28, 2022

4:00 PM Jan 1, 2023

10:00 AM Jan 4, 2023
Tonto Creek - Streamflow Response

4:00 PM Jan 1, 2023 – 200 cfs

7:30 AM Jan 2, 2023 – 6,000 cfs
Salt, Tonto, Verde Streamflow (January 2023)

**Jan 2 Peak Flows**

- Salt - 25,000 cfs
- Tonto - 16,000 cfs
- Verde - 12,000 cfs

**Total SRP Reservoir Inflow**

- Jan 1 to 5 (18:00), 2023: 103,000 AF
- Jan 1 – May 31, 2018: 100,013 AF
Water Year 2023 Streamflow Forecast

Jan 1 Streamflow Forecast

For Jan 1 – May 31, 2023

Salt - 365,000 AF
Tonto - 75,000 AF
Verde - 285,000 AF

Total - 725,000 AF
SRP Reservoir System Status

January 1, 2023

Current Storage:

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>1,387,232</td>
</tr>
<tr>
<td>Verde</td>
<td>111,624</td>
</tr>
<tr>
<td>Total</td>
<td>1,498,856</td>
</tr>
</tbody>
</table>

Note: January 4, 2023 - Total SRP Storage = 1,572,467 (Salt 72% and Verde 46%)
Central Arizona Reservoir Status

January 1, 2023

Note: Jan 4, 2023 storage
Total SRP Storage – 69%
C.C. Cragin – 42%
San Carlos – 28%

Total SRP Storage: 1,498,856 af (65%)
Total Central Arizona Storage: 2,265,768 af (56%)
Year to Date 2022

Surface Runoff

- Actual
  - Verde
  - Salt
- 30-Yr Median
  - Verde
  - Salt
- Planned
  - Verde
  - Salt

Pumping

- Actual
  - WSRV
  - ESRV
- Planned
  - WSRV
  - ESRV
Colorado River System Reservoir Status

Total System Contents – 32% or 19.041 MAF
(Total system contents last year 37% or 22.096 MAF)

January 1, 2023
Colorado River Basin Snowpack (SWE) – January 5, 2023

01/05/2023 Percent Median: 136% (9.3 / 6.9)
Percent Seasonal Median: 59% (9.3 / 15.8)
3 Day Accum Rate: 0.1 in/day

Created 01/05, 20:21 GMT
NOAA/CBRFC, 2023
7-day Precipitation Forecast
8-14 Day Precipitation Outlook

Valid: January 13 - 19, 2023
Issued: January 5, 2023
thank you!