Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. Request for Approval of the Minutes for the Meeting of November 8, 2022
   ........................................................................................................ CHAIRMAN TYLER FRANCIS
2. Council Committee Chairs and Liaisons Reports … CHAIRMAN TYLER FRANCIS
3. Informational Presentation Regarding Open Meeting Law Requirements for SRP Elected Officials ........................................................................................................ KEN LEE
4. Informational Presentation Regarding Conflict of Interest Disclosures for SRP Elected Officials ..................................................................................................... KEN LEE
5. Informational Presentation Regarding the Third Party Communication and Social Media Policy for SRP Elected Officials .................................................... KEN LEE
6. Informational Presentation to Provide Board Training Regarding the SRP Standards of Conduct and Written Procedures ................................. KARILEE RAMALEY
7. Informational Presentation Regarding Public Records Act Requirements ................................................................................................................................. KATY HETH
8. 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
9. 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
10. **Report on Current Events by the General Manager and Chief Executive Officer and Designees** .......................................................... KELLY BARR
   A. Power System................................................................. JOHN COGGINS
   B. Finance and Information Services............................... AIDAN McSHEFFREY
   C. Water Resources ....................................................... LESLIE MEYERS


12. **President's Report** .................................................... PRESIDENT DAVID ROUSSEAU

13. **Future Agenda Topics** ................................................ CHAIRMAN TYLER FRANCIS

The Council may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03(A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Council on any of the matters listed on the agenda.

The Council may go into Closed Session, pursuant to A.R.S. §30-805(B), for discussion of records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary’s Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.

THE NEXT COUNCIL MEETING IS SCHEDULED FOR TUESDAY, FEBRUARY 7, 2023
A meeting of the Council of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, November 8, 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.

Council Vice Chairman J.R. Shelton 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 1, 2022

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, November 8, 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 1st day of November 2022.

/s/ Tyler Francis
Council Chairman

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


Council Member absent at roll call was A.S. Hatley.

Also present were District Vice President C.J. Dobson; Council Member M.A. Freeman

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, November 4, 2022.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding safe vehicle stopping distances.

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. Van Hofwegen and carried, the Council approved the minutes for the meeting of October 4, 2022, 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 October 4, 2022. The vote was recorded as follows:


NO: None (0)

ABSTAINED: None (0)

ABSENT: Council Member A.S. Hatley (1)

President D. Rousseau; and Association Vice President J.R. Hoopes entered the meeting.
Council Committee Chairs and Liaisons Reports

Council Vice Chairman J.R. Shelton asked for reports from the Council Committee Chairs and Liaisons to the Standing Board Committees. Council Member B.E. Paceley reported on the National Water Resources Association (NWRA) conference. Council Member G.E. Geiger reported on discussions held at the Facilities and Support Services Committee. Council Member T.S. Naylor reported on discussions held at the Power Committee. Council Member M.L. Farmer reported on discussions held at the Water Committee. Member M.B. Brooks reported on discussions held at the Council By-Laws Committee.

Mr. D.C. Roberts entered the meeting.

Report of the Council By-Laws Committee Meeting of October 17, 2022

Council Member M.B. Brooks reported that the Council By-Laws Committee, on October 17, 2022, agreed to recommend Council approval regarding the requirement for physical appearance at meetings for per diem payment. He stated that in 2020, the Council, due to the COVID-19 Pandemic, pursuant to a resolution, made a temporary exception to the “physical attendance” requirement and allowed per diem payments for virtual attendance. Council Member M.B. Brooks said that the Council By-Laws Committee discussed the following three options for consideration: 1) Retain the physical attendance requirement for per diem payment and repeal the temporary suspension; 2) Retain the physical attendance requirement for per diem payment but allow a limited number of virtual meetings with per diem payment; and 3) Allow virtual attendance for per diem payment. He reported that after discussion of the options, the Committee had agreed to recommend approval to retain the physical attendance requirement for per diem payment and repeal the temporary suspension.

After further discussion of the options for consideration, a motion was duly made by Council Member M.B. Brooks, seconded by Council Member J.W. Lines and carried, to grant approval to retain the physical attendance requirement for per diem payment and repeal the temporary suspension, as recommended by the Council By-Laws Committee.


NO: Council Chairman T.M. Francis, A.A. Freeman, A.M. Herrera, R.S. Kolb, M.A. Lewis, M.R. Mulligan, I.M. Rakow, M.G. Rakow, and M.A. Warren (9)

ABSTAINED: None (0)

ABSENT: Council Member A.S. Hatley (1)
Elected Official Email Addresses

Using a PowerPoint presentation, Michael J. O’Connor, SRP Associate General Manager and Chief Legal Executive, stated that the purpose of the presentation was to provide information regarding the availability of email addresses for SRP elected officials and the appropriate uses of such email addresses. He reported that beginning in November 2022, each elected official will be provided an email address, and he discussed the appropriate use of email addresses for elected officials.

Mr. M.J. O’Connor stated that elected officials should always include an SRP approved disclaimer on email, noting that the communication is sent as an individual member of the elected body and that the content does not represent the views of the elected body or SRP. He provided examples of disclaimers. Continuing, Mr. M.J. O’Connor discussed inappropriate use of email addresses for elected officials and provided an overview of the Arizona Open Meeting Law in relation to emails. He concluded with a discussion of the Public Records Law and stated that if an elected official discusses SRP business, it is potentially subject to a public record request, subpoenas, and legal holds.

Mr. M.J. O’Connor 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, Mike Hummel, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the District. He provided a video of the "Light Up Navajo" electrification project led by the American Public Power Association (APPA) and Navajo Tribal Utility Authority (NTUA). Rob R. Taylor, SRP Associate General Manager and Chief Public Affairs Executive, provided a political and election update.

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.

Council Member M.R. Mulligan left the meeting.

Status of Power System

Using a PowerPoint presentation, John D. Coggins, SRP Associate General Manager and Chief Power System Executive, provided a summary of October operations. He stated that there was a peak demand of 5,528 Megawatts (MW) on October 3, 2022. He provided an update on the Abel-Pfister-Ball (APB) 230-Kilovolt (kV) Transmission Project.
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, Brian J. Koch, SRP Treasurer and Senior Director of Financial Services, reviewed the combined net revenue (CNR) for the fiscal year-to-date, the financial highlights for the month of September, and the status of collections through September 2022 within the Fuel and Purchased Power Adjustment Mechanism. He reviewed the preliminary retail energy sales for Fiscal Year 2023 (FY23) and provided a summary of wholesale net revenue for October. Mr. B.J. Koch concluded with a review of SRP’s recent bond refunding and new money deals.

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. B.M. Svoma entered the meeting during the presentation.

**Reservoir and Weather Report**

Using a PowerPoint presentation, Bo M. Svoma, SRP Senior Meteorologist, 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 November 1, 2022. Mr. B.M. Svoma reviewed the surface runoff and pumping data for October 2022 and year-to-date. He concluded with a review of the monthly and seasonal percent of normal precipitation from December 2022 through February 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.

**President’s Report**

President D. Rousseau reported on upcoming General Manager and Chief Executive Officer succession planning and selection process.
Future Agenda Topics

Council Vice Chairman J.R. Shelton asked the Council if there were any future agenda topics. None were requested.

There being no further business to come before the Council, the meeting was adjourned at 11:42 a.m.

John M. Felty
Corporate Secretary
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 Council business
  • Propose or take legal action
  • Deliberate on Council 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

• Council 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?
Third Party Communication and Social Media Policy

Kenneth J. Lee | January 10, 2023
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:
  • Council 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:
  - Council 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 Council seat:

- (Elected Official Name) is a Salt River Project Council 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 District Council or Association Council, 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 requested by the public
• Do not use any inappropriate language, pictures, memes, etc.
• Be aware of Open Meeting Law issues
Questions?
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 AND TRANSMISSION FUNCTIONS

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 Council Members
Katy A. Heth, Principal Managing Attorney | January 10, 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
Kelly Barr
Power System Update

John Coggins
Financial Update

Aidan McSheffrey
Combined Net Revenues

November YTD Variance is $95.4

 Actual | Budget
 May   | $0  | $0  
 Jun   | $100| $100 |
 Jul   | $200| $200 |
 Aug   | $300| $300 |
 Sep   | $395.9| $300.5 |
 Oct   | $400| $400 |
 Nov   | $500| $500 |
 Dec   | $500| $500 |
 Jan   | $500| $500 |
 Feb   | $500| $500 |
 Mar   | $500| $500 |
 Apr   | $500| $500 |
## November Financial Summary

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
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<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>
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<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>
Fuel and Purchased Power Adjustment Mechanism
YTD Through November 2022
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

<table>
<thead>
<tr>
<th>Wholesale Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget $10.3M</td>
</tr>
<tr>
<td>Estimate $39.9M</td>
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</table>
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 law
- 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
  - 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>
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<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></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

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

Debt Service Coverage Ratio
November 2022

Note: Debt Service Coverage Ratio on Total Debt
(Non-GAAP, Unaudited)
Water Supply and Weather Report

January Council Meeting

January 10, 2023

Charlie Ester
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)
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 8, 2023
125,000 AF
Jan 1 – May 31, 2018
100,013 AF
Water Year 2023 Streamflow Forecast

**WY 2023 Streamflow**
Oct 1 – Jan 8 = 277,325 AF

**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 9, 2023

Current Storage:

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>1,462,349</td>
</tr>
<tr>
<td>Verde</td>
<td>143,302</td>
</tr>
<tr>
<td>Total</td>
<td>1,605,651</td>
</tr>
</tbody>
</table>
Central Arizona Reservoir Status

January 9, 2023

Total SRP Storage: 1,605,651 af (70%)
Total Central Arizona Storage: 2,404,626 af (59%)
Year to Date 2022

Surface Runoff

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

Pumping

- Actual: WSRV
- Planned: ESRV

1/10/2023, Council Meeting, C. Ester
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
thank you!