Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. Service Awards ...................................................... CHAIRMAN TYLER FRANCIS
   A. Mark Farmer – 20 Years
   B. Mark Pedersen – 15 Years

2. Request for Approval of the Minutes for the Meetings of February 7 and February 16, 2023 .................. CHAIRMAN TYLER FRANCIS

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

4. 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.

5. Economic Outlook .................................................................. ALAN MAGUIRE and PAUL BACHMAN
   Informational presentation regarding the national and local economic outlook by external speaker and economist, Alan Maguire, followed by a brief overview of the economic implications of relevance for SRP.

6. Report on Current Events by the General Manager and Chief Executive Officer and Designees ................................................................. MIKE HUMMEL
   A. Power System ................................................................. JOHN COGGINS
   B. Finance and Information Services ................................. AIDAN McSHEFFREY
   C. Water Resources ............................................................... LESLIE MEYERS


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

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

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

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

SARA MCCOY
DIRECTOR, RISK MANAGEMENT
MARCH 7, 2023
SAFETY MINUTE: CARBON MONOXIDE

Install carbon monoxide alarms inside your home, garage, and RV.

- Never burn charcoal indoors
- Never heat your house with your oven
- Never use a generator inside your house
- Never leave your car running in a garage

On average, 430 Americans die from unintentional carbon monoxide poisoning each year (per CDC).

<table>
<thead>
<tr>
<th>Experiencing symptoms?</th>
<th>Leave the area - call 911.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weakness</td>
</tr>
<tr>
<td></td>
<td>Dizziness</td>
</tr>
<tr>
<td></td>
<td>Nausea or vomiting</td>
</tr>
<tr>
<td></td>
<td>Shortness of breath</td>
</tr>
<tr>
<td></td>
<td>Confusion</td>
</tr>
<tr>
<td></td>
<td>Blurred vision</td>
</tr>
<tr>
<td></td>
<td>Loss of consciousness</td>
</tr>
</tbody>
</table>
COUNCIL SERVICE ANNIVERSARIES

- Mark Farmer – 20 years
- Mark Pedersen – 15 years
A meeting of the Council of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, February 7, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines. The District and Salt River Valley Water Users’ Association (the Association) are collectively known as SRP.

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

Tempe, Arizona
January 31, 2023

NOTICE OF COUNCIL MEETING

A meeting of the Council of the Salt River Project Agricultural Improvement and Power District (the District) is hereby called to convene at 9:30 a.m. on Tuesday, February 7, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. The purpose of the meeting is to discuss, consider, or make decisions on the matters listed on the agenda.

WITNESS my hand this 31st day of January 2023.

/s/ Tyler Francis
Council Chairman

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


Council Members absent at roll call were M.A. Lewis, M.R. Mulligan, I.M. Rakow, and W.W. Sheely.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary’s Office had posted a notice and agenda of the Council of the District meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, February 3, 2023.

Safety Minute

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

Copies of the handout provided 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.

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 D.B. Lamoreaux and carried, the Council approved the minutes for the meeting of January 10, 2023, as presented.

Corporate Secretary J.M. Felty polled the Council Members on Council Member B.E. Paceley’s motion to approve the minutes for the meeting of January 10, 2023. The vote was recorded as follows:


NO: None (0)

ABSTAINED: None (0)


Council Member M.A. Freeman of the Association entered the meeting.
Council Committee Chairs and Liaisons Reports

Council Chairman T.M. Francis asked for reports from the Council Committee Chairs and Liaisons to the Standing Board Committees. Council Member M.L. Farmer reported on discussions held at the Water Committee. Council Member B.E. Paceley reported on educational opportunities and Work Study Sessions. Council Member R.W. Swier reported on discussions held at the Facilities and Support Services Committee. Council Member T.S. Naylor reported on discussions held at the Power Committee.

SRP Customer Research

Due to time, Council Chairman T.M. Francis postponed the agenda item regarding an informational presentation on three ongoing customer research tracking studies, their purpose, their use, and the key insights gained from them.

President D. Rousseau; and Association Vice President J.R. Hoopes entered the meeting.

SRP Well System and Aquifer Management

Using a PowerPoint presentation, Sharon S. Morris, SRP Manager of Aquifer Management and Data Analytics, stated that the purpose of the presentation was to provide information regarding the SRP well system infrastructure, aquifer management, storage and recovery, and meeting present and future challenges for SRP shareholders and regional partners.

Ms. S.S. Morris provided a map of SRP’s wells and recharge facilities and stated that 270 wells are active with an age range from 1919 to 2023. She reviewed groundwater pumping data from 1980 to 2020 associated with drought protection.

Ms. S.S. Morris discussed the need for certain wells to be replaced due to aging wellfield, poor water quality, and land development; and she stated that new wells result in system enhancement, strategic partnerships, and power generation. She broke down the design, construction, and installation of new water wells with the use of diagrams.

Ms. S.S. Morris provided images of maintenance and assessment tools used to determine the condition and reliability of wells. She highlighted the cost savings benefits and improved efficiencies between SRP and municipalities with respect to SRP/City Connect Wells.

Ms. S.S. Morris provided aerials of the New River Agua Fria River Underground Storage Project (NAUSP) and the Granite Reef Underground Storage Project (GRUSP) and stated that NAUSP is a collaborative partnership among Chandler, Glendale, Peoria, Avondale, and SRP. She said that GRUSP is a collaborative partnership among Phoenix, Mesa, Chandler, Gilbert, Tempe, Scottsdale, and SRP. Ms. S.S. Morris
provided acre-feet storage statuses for GRUSP, NAUSP, and SRP’s Groundwater Savings Facility (GSF) from their inceptions to date.

Ms. S.S. Morris reviewed data from 1985 to 2020 with respect to recovery agreements participating in underground water storage and recovery, along with system optimization and planning data. She concluded with a discussion regarding the following challenges and opportunities: prolonged drought, increasing demand for pumping capacity, infrastructure and land availability, and water quality.

Ms. S.S. Morris 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.

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. C.M. McJunkin left the meeting during the report.

**Status of Power System**

Using a PowerPoint presentation, John D. Coggins, SRP Associate General Manager and Chief Power System Executive, provided an update on the SRP’s power system. He provided a summary of January operations and stated that there was a peak demand of 4,573 MW on January 24, 2023. Mr. J.D. Coggins provided an update on the Pattern Energy SunZia Project, including the interconnection project at Pinal Central Substation.

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

Using a PowerPoint presentation, Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive, reviewed the combined net revenue (CNR) for the fiscal year-to-date; the financial highlights for the month of December, and the status of collections through December 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 January.

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

Status of Water Resources

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources Executive, provided an update on water resources. She provided an overview of the Santa Rosa Canal and the settlement agreement terms for the funding for decoupling wells and the staged decoupling of the Pinal County irrigation district wells from the Santa Rosa Canal.

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

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

Reservoir and Weather Report

Using a PowerPoint presentation, Stephen P. Flora, SRP Senior Hydrologist, reviewed the total January storm precipitation from January 1, 2023 to January 25, 2023 and discussed the cumulative watershed precipitation outlook from October 2022 to June 2023. He discussed the reservoir inflows and January runoff response and provided images of the Tonto Creek streamflow on January 17, 2023 and of the Verde watershed snowpack on January 27, 2023.

Continuing, Mr. S.P. Flora detailed the Verde and Salt watershed snowpack as of February 1, 2023 and provided a streamflow forecast for Water Year 2023 for January 1, 2023 through May 31, 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 February 1, 2023. Mr. S.P. Flora reviewed the surface runoff and pumping data for January 2023 and provided a groundwater pumping summary for 2023.

Mr. S.P. Flora provided an overview of the Colorado River Basin snowpack as of February 1, 2023. He provided a seven-day precipitation forecast and concluded with a review of the eight to fourteen-day percent of normal precipitation from February 10,
2023 through February 16, 2023 and seasonal percent of normal precipitation from February 2023 through April 2023.

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

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

President’s Report

President D. Rousseau reported on the SRP Super Bowl sponsorships providing support for local businesses.

Future Agenda Topics

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

There being no further business to come before the Council, the meeting was adjourned at 11:58 p.m.

John M. Felty
Corporate Secretary
MINUTES OF COUNCIL  
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT  
DRAFT  
February 16, 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 Thursday, February 16, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines. The District and Salt River Valley Water Users’ Association (the Association) are collectively known as SRP.

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

Tempe, Arizona  
February 9, 2023

NOTICE OF COUNCIL MEETING

A meeting of the Council of the Salt River Project Agricultural Improvement and Power District (the District) is hereby called to convene at 9:30 a.m. on Thursday, February 16, 2023, from the Board Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. The purpose of the meeting is to consider the approval of a resolution approving the private sale by the District and ratifying and confirming the issuance and sale of Salt River Project Electric System Revenue Bonds, 2023 Series A, pursuant to Title 48, Chapter 17, Article 7 of the Arizona Revised Statutes.

WITNESS my hand this 9th day of February 2023.

/s/ Tyler Francis  
Council Chairman


Council Members absent at roll call were J.R. Augustine, M.A. Lewis, and W.W. Sheely.

Also present were President D. Rousseau; District Vice President C.J. Dobson; Council Member M.A. Freeman of the Association; Board Liaison M.J. Herrera; Directors
President D. Rousseau announced that the purpose of the meeting was to review and take action on the issuance and sale of $500,000,000 in par value of Salt River Project Electric System Revenue Bonds, 2023 Series A. He stated that the Board and Council had been called together to hear details of the proposed sale from SRP Management, financial advisor, lead banker, and bond counsel.

President D. Rousseau stated that upon completion of the presentations, the Board would take action on the "RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF $500,000,000 IN PAR VALUE SALT RIVER PROJECT ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES A OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, AND PROVIDING FOR THE FORM, DETAILS AND TERMS THEREOF", and the Board meeting would be adjourned.

President D. Rousseau stated that Council Chairman T.M. Francis would continue the Council meeting and seek action on the "RESOLUTION OF THE COUNCIL APPROVING THE PRIVATE SALE BY THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AND RATIFYING AND CONFIRMING TERMS AND CONDITIONS OF $500,000,000 IN PAR VALUE SALT RIVER PROJECT ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES A."

President D. Rousseau asked Brian J. Koch, SRP Treasurer and Senior Director of Financial Services, to proceed. Using a PowerPoint presentation, Mr. B.J. Koch provided introductory remarks on the 2023 Series A bond sale. He said that the transaction is a new money transaction; it is tax-exempt issuance deal, consistent with prior SRP bond deals; SRP targeted $500,000,000 in par value; and if approved, the proceeds will be applied to SRP’s Board approved capital budget – $350,000,000 capital reimbursement and $150,000,000 Fiscal Year 2023 (FY23) and FY24 capital.
Mr. B.J. Koch provided a list of the transaction participants of the 2023 Series A bond sale. He reviewed the outstanding debt service after the 2023 Series A bond sale and the sources and uses of funds from the sale. Mr. B.J. Koch provided a graph depicting the forecasted general fund and construction fund, stating that the bond issuance will help achieve SRP’s corporate objectives.

Mr. B.J. Koch responded to questions from the Board and Council.

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

President D. Rousseau asked Isaac Sine, Managing Director of JP Morgan, the District’s lead bank for the bond sale, to proceed.

Using a PowerPoint presentation, Mr. I. Sine reviewed the pricing and marketing schedule leading up to the sale and provided an overview of the transaction, including the following: the final structure of the 2023 Series A bond sale, the economic and deal calendar, summary of investor orders, and relevant concurrent tax-exempt transactions. He stated that despite the recent increase in rates, the 10 and 30-Year municipal market data (MMD) are still below their 30-year average; and the SRP 2023 Series A bond sale offering received strong investor participation.

Mr. I. Sine offered his recommendation for approval of the sale and responded to questions from the Board and Council.

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

President D. Rousseau asked Mike Mace, Managing Director of PFM, the District’s financial advisor for the bond sale, to proceed.

Using a PowerPoint presentation, Mr. M. Mace detailed the 2023 Series A bond sale. He provided a comprehensive overview of the prevailing market conditions. Mr. M. Mace highlighted that the strong marketing and disclosure efforts have successfully communicated the creditworthiness of SRP to investors. Furthermore, he said that the well-structured bond offering aligns with SRP’s objectives, providing a high probability of success with flexibility to adapt to any adverse market conditions. Mr. M. Mace explained that the diligent underwriter selection process has resulted in a competitive and cost-effective option, ensuring accurate advice in a challenging market. He concluded by stating that SRP’s performance on all comparison metrics has been robust, further bolstering confidence in proceeding with the bond sale.

Mr. M. Mace offered his recommendation for approval of the sale and responded to questions from the Board and Council.
Copies of the PowerPoint slides used in the presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

President D. Rousseau asked Tricia Gasparine of Chiesa Shahinian & Giantomasi PC, the District's bond counsel for the bond sale, to proceed.

Ms. T. Gasparine discussed the proposed resolutions, purchase contracts, and authorizations required. She stated that all legal requirements had been met and recommended approval of the sale.

Ms. T. Gasparine responded to questions from the Board and Council.

President D. Rousseau asked Mr. B.J. Koch to proceed with the recommendation. Using a PowerPoint presentation, Mr. B.J. Koch recommended that the Board of Directors adopt a resolution authorizing the issuance and sale of $500,000,000 in par value of Salt River Project Electric System Revenue Bonds, 2023 Series A of the District, and providing for the form, details and terms thereof; and that the District Council adopt a resolution approving the private sale by the District and ratifying and confirming terms and conditions of $500,000,000 in par value of Salt River Project Electric System Revenue Bonds, 2023 Series A.

Mr. B.J. Koch provided a summary of underwriting expenses and issuance expenses. Mike Hummel, SRP General Manager and Chief Executive Officer, provided an overview of SRP’s 2035 sustainability goal related to decarbonization. He reiterated that SRP remains on track to exceed the Board established carbon intensity goals and that SRP’s carbon intensity is trending towards the retail total target.

Mr. B.J. Koch responded to questions from the Board and Council.

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

There being no further questions, President D. Rousseau asked for a motion by the Board of Directors to adopt the proposed form of resolution authorizing the issuance and sale of $500,000,000 in par value of Salt River Project Electric System Revenue Bonds, 2023 Series A of the District, and providing for the form, details and terms thereof. A motion was duly made by Director R.C. Arnett, seconded by Director M.J. Herrera and carried.

Corporate Secretary J.M. Felty polled the Directors on Director R.C. Arnett's motion to adopt the resolution. The vote was recorded as follows:
YES: President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, (14)
    M.J. Herrera, K.J. Johnson, A.G. McAfee, K.L. Mohr-Almeida,
    K.H. O’Brien, M.V. Pace, P.E. Rovey, J.M. White Jr.,
    L.C. Williams, S.H. Williams, and K.B. Woods
NO: Director R.J. Miller (1)
ABSTAINED: None (0)
ABSENT: None (0)

President D. Rousseau declared the Board resolution adopted and the Board meeting
was adjourned at 10:14 a.m.

Council Chairman T.M. Francis continued the Council meeting. He announced that the
Board of Directors had approved and adopted its RESOLUTION AUTHORIZING THE
ISSUANCE AND SALE OF $500,000,000 IN PAR VALUE SALT RIVER PROJECT
ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES A OF THE SALT RIVER
PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, AND
PROVIDING FOR THE FORM, DETAILS AND TERMS THEREOF. Council Chairman
T.M. Francis stated that the Council was now asked to consider its approval and
ratification of the terms and conditions of the bond issuance as approved by the Board
of Directors.

On a motion duly made by Council Member C.M. Leatherwood, seconded by Council
Member P.A. Van Hofwegen and carried, the Council adopted the following resolution,
the form of which appeared before the Council Members:

RESOLUTION OF THE COUNCIL APPROVING THE PRIVATE SALE
BY THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT
AND POWER DISTRICT AND RATIFYING AND CONFIRMING TERMS
AND CONDITIONS OF $500,000,000 SALT RIVER PROJECT
ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES A

WHEREAS, The Board of Directors (the “Board”) of the Salt River
Project Agricultural Improvement and Power District (the “District”), by
resolution entitled “Supplemental Resolution Dated September 10, 2001
Authorizing an Amended and Restated Resolution Concerning Revenue
Bonds,” which became effective January 11, 2003, as amended and
supplemented, has created and established an issue of Salt River Project
Electric System Revenue Bonds (the “Bonds”), which Bonds may be
authorized from time to time pursuant to Series Resolutions; and

WHEREAS, the Board adopted on this date its “RESOLUTION
AUTHORIZING THE ISSUANCE AND SALE OF $500,000,000 SALT
RIVER PROJECT ELECTRIC SYSTEM REVENUE BONDS, 2023 SERIES
A OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT
AND POWER DISTRICT, AND PROVIDING FOR THE FORM, DETAILS
AND TERMS THEREOF” (the “2023 Bond Resolution”) (the form of which
is attached hereto as Exhibit A), that, among other things, fixes the form, terms and conditions of the 2023 Series A Bonds, authorizes the issuance of the 2023 Series A Bonds and the private sale of the 2023 Series A Bonds to purchasers represented by and including J.P. Morgan Securities LLC, BofA Securities, Inc., Goldman, Sachs & Co., LLC, Morgan Stanley & Co. LLC and TD Securities LLC (hereinafter collectively referred to as the “2023 Purchasers”) pursuant to the terms and conditions of a Purchase Contract, dated February 16, 2023, by and among the District and the 2023 Purchasers (the “2023 Purchase Contract”) (the form of which is attached hereto as Exhibit B); and

WHEREAS, pursuant to the requirements of Title 48, Chapter 17, Article 7, of the Arizona Revised Statutes, no bonds may be issued by the District unless the Council, by resolution adopted by an affirmative vote of a majority of its members, ratifies and confirms the amount of the bonds authorized to be issued by the Board and, if the Board determines to sell bonds at private sale, such sale shall be subject to prior approval by a majority of the members of the Council;

NOW, THEREFORE, BE IT RESOLVED, by the members of the Council of the Salt River Project Agricultural Improvement and Power District as follows:

(i) The maturities, redemption provisions and other terms and conditions of the 2023 Series A Bonds, as contained in the 2023 Bond Resolution, are hereby ratified, confirmed and approved.

(ii) The private sale of $500,000,000 2023 Series A Bonds to the 2023 Purchasers, pursuant to the 2023 Bond Resolution and the 2023 Purchase Contract at an aggregate purchase price of $554,716,214.37, calculated as follows: $500,000,000.00 aggregate principal amount of 2023 Series A Bonds, plus $55,676,785.55 Original Issue Premium, and less Underwriters' Discount in the amount of $960,571.18, is hereby ratified, confirmed and approved.

(iii) This resolution shall take effect immediately.

Corporate Secretary J.M. Felty polled the Council Members on Council Member C.M. Leatherwood’s motion to adopt the resolution. The vote was recorded as follows:

Council Chairman T.M. Francis declared the Council resolution adopted.

Copies of the resolution and exhibits 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

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

There being no further business to come before the Council, the meeting was adjourned at 10:27 a.m.

John M. Felty
Corporate Secretary
Ways SRP Measures the Voice of the Customer

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

- 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 Intents and Purposes

**J.D. POWER**
- Industry Benchmark
- Track CX metrics
- Understand broad and specific CX drivers

**CP**
- EPIC metric measurement
- Understand broad CX drivers
- Track CX metrics
- Advance indicator of JDP

**BCX**
- Real-time CX measurement
- Understand customer behavior’s impact on CX
- Understand program participation impact on CX
## Study Use Recommendations

<table>
<thead>
<tr>
<th>J.D. POWER</th>
<th>CP</th>
<th>BCX</th>
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</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

Overall Customer Satisfaction Index – 2022 West Large

<table>
<thead>
<tr>
<th>Utility</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRP</td>
<td>796</td>
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<tr>
<td>SMUD</td>
<td>764</td>
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<tr>
<td>Rocky Mountain Power</td>
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<tr>
<td>Portland General Electric</td>
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<tr>
<td>NV Energy</td>
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<td>Puget Sound Energy</td>
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<td>APS</td>
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<tr>
<td>Pacific Power</td>
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<tr>
<td>Xcel Energy-West</td>
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<tr>
<td>Southern California Edison</td>
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</tr>
<tr>
<td>L. A. Dept. of Water &amp; Power</td>
<td>717</td>
</tr>
<tr>
<td>West Large</td>
<td>717</td>
</tr>
<tr>
<td>San Diego Gas &amp; Electric</td>
<td>691</td>
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<tr>
<td>Pacific Gas and Electric</td>
<td>659</td>
</tr>
</tbody>
</table>
SRP again ranked first in the West Large in 2022 while ratings in the segment were flat or declining.

Overall Customer Satisfaction Index 2022

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<tr>
<th>Utility</th>
<th>2022 Score</th>
<th>Diff. from 2021</th>
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<tbody>
<tr>
<td>SRP</td>
<td>796</td>
<td>-10</td>
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<tr>
<td>SMUD</td>
<td>764</td>
<td>-16</td>
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<tr>
<td>Rocky Mountain Power</td>
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<td>Portland General Power</td>
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<td>APS</td>
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<td>7</td>
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<tr>
<td>Pacific Power</td>
<td>740</td>
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<tr>
<td>Xcel Energy-West</td>
<td>725</td>
<td>-23</td>
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<tr>
<td>Southern California</td>
<td>722</td>
<td>-22</td>
</tr>
<tr>
<td>L. A. Dept. of Water &amp; Power</td>
<td>717</td>
<td>-13</td>
</tr>
<tr>
<td>West Large</td>
<td>717</td>
<td>-17</td>
</tr>
<tr>
<td>San Diego Gas &amp; Electric</td>
<td>691</td>
<td>-39</td>
</tr>
<tr>
<td>Pacific Gas and Electric</td>
<td>659</td>
<td>-20</td>
</tr>
</tbody>
</table>

Index based on 100 – 1000 point score

▲▼ Significantly different than other utilities/SRP (graph) or significantly different from 2021 (table) at a 95% confidence level
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

West Large region rank

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Ranking in the nation

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>700</td>
<td>709</td>
<td>730</td>
<td>738</td>
<td>730</td>
<td>775</td>
<td>782</td>
<td>790</td>
<td>806</td>
<td>806</td>
<td>796</td>
</tr>
</tbody>
</table>

Index based on 100 – 1000 point score

▲▼ Significantly different from current wave at a 95% confidence level

03/07/2023  District and Association Council, E. Gould
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

▲▼ Significantly different from current wave at a 95% confidence level
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
  - Agriculture/Other Urban
  - Municipalities
Experience as a customer

Value

% rating 10/9 on 10-point scale

FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 YTD

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 Q3

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

Positive Top 2 Box Ratings

Survey Date

03/07/2023 District and Association Council, E. Gould
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
- Development new programs and services
thank you!
Economic Outlook
Current & Coming Conditions

• Overview of Pandemic / Lockdowns & Reopening
• Inflation – Levels and Causes
• Consumer Confidence
• US Economy
  • Employment
  • Forecast
  • Construction Outlook
• Arizona Outlook
• Regional Outlook
• Pertinent Observations
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Economic Outlook
Total US Employment 2020 – 2022

Peak to Trough to Now

Over Two and a Half Years To Re-Fill EXISTING Jobs

Source: Bureau of Labor Statistics, TMC

3/07/2023 District and Association Council A. Maguire
Economic Outlook
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# Economic Outlook

## US Inflation

**February 14 Report (Y/Y)**

<table>
<thead>
<tr>
<th>Category</th>
<th>January 2022</th>
<th>January 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12 Months through January 2022:</strong></td>
<td>6.4%</td>
<td>7.5%</td>
</tr>
<tr>
<td><strong>Gasoline:</strong></td>
<td>1.5%</td>
<td>40.0%</td>
</tr>
<tr>
<td><strong>Utility Gas (NG):</strong></td>
<td>26.7%</td>
<td>23.9%</td>
</tr>
<tr>
<td><strong>Fuel Oil:</strong></td>
<td>27.7%</td>
<td>46.5%</td>
</tr>
<tr>
<td><strong>Food at Home:</strong></td>
<td>10.1%</td>
<td>7.4%</td>
</tr>
<tr>
<td><strong>Meat, Poultry, Fish, Eggs:</strong></td>
<td>8.1%</td>
<td>12.2%</td>
</tr>
<tr>
<td><strong>Used Cars:</strong></td>
<td>-11.6%</td>
<td>40.5%</td>
</tr>
</tbody>
</table>

**INFLATION IS HERE -- STILL!**
Economic Outlook
US Inflation
January 12 Report (Y/Y)

- Gasoline:
- Utility Gas (NG):
- Fuel Oil:
- Food at Home:
- Meat, Poultry, Fish, Eggs:
- Used Cars:

INFLATION IS HERE -- STILL!

3/07/2023 District and Association Council A. Maguire
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Economic Outlook
US Consumer Confidence
January 2023

• **Overall** 107.1
  
  DOWN from 109.0 in December

• **Present Situation** 150.9
  
  UP from 147.4 in December

• **Expectations** 77.8
  
  DOWN from 83.4 in December

Source: The Conference Board
Economic Outlook
US Consumer Confidence
January 2023

• **Present Situation**
  
  Business Conditions: 20.2% “Good” 19.2% “Bad”

  Jobs: 48.2% “Plentiful” 11.3% “Hard to Get”

• **Expectations (6 months ahead)**

  Business Conditions: 18.6% “Improve” 21.6% “Worsen”

  Jobs: 17.9% “More Available” 20.1% “Fewer”

  Income: 17.2% “Increase” 13.4% “Decrease”

Source: The Conference Board
Economic Outlook

US Consumer Confidence

December 2022

Source: The Conference Board
Economic Outlook

US Consumer Confidence

December 2022

Present Situation and Expectations Index

Index, 1985 = 100

Note: Collapse in “Expectations” in 2021 - 22

Source: The Conference Board
Economic Outlook
US Consumer Confidence
December 2022

Note: “Expectations” exceed “Present” in Recovery in 2009 - 10

Source: The Conference Board
Economic Outlook
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Economic Outlook
US Employment
January 2023

- Nonfarm Payroll  UP  517,000 (Unempl. Rate 3.4%)
- Total Private Sector  UP  443,000
- Manufacturing  UP  19,000
- Construction  UP  25,000
- Leisure & Hospitality  UP  128,000

US Economy still Building Employment!

Source: Bureau of Labor Statistics, TMC
Economic Outlook

US Outlook

- Atlanta Federal Reserve – GDPNow Model – Q1 2023 +0.7% Real Growth
  - *First look at 2023*
- Federal Reserve’s Policy: CONTINUE RATE INCREASES until Inflation Slows
- US Households Still in Good Condition
- Mortgage Defaults Still Low
- Employers still have “For Hire” signs up

*US Economy still “Surprising Resilient”*
Economic Outlook

US Outlook

- Consumers Increasingly Wary of Recession / Possibly Job Losses
  - *Accumulated Savings being Drawn Down*
  - *Impact of Inflation on Household Spending – Food & Gas*
- Federal Reserve Resilience is Critical
  - *MUST Raise and SUSTAIN Higher Rates*
  - *Risks of Balance Sheet Reductions*
- Recession Risk Continues – “The Receding Recession”
- International Drag on Global Economic Activity
Economic Outlook
Current & Coming Conditions

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• **Regional Outlook**
• **Pertinent Observations**
Economic Outlook
Arizona Employment
2020 – 2022

January 2020

April 2020

April 2021

Only ONE YEAR To Re-Fill EXISTING Jobs

Source: Bureau of Labor Statistics, TMC
Economic Outlook

Arizona Outlook

• Job Growth in Arizona Slowing by Historical Standards
  • Recent Years (skip 2020) – 3 to 4%
  • Near Term – 2023 & 2024 – 1.5 to 2.5%
    • 2022 -- # 20 Nationally (Traditionally Top 5%)
• Still Younger Population – More 25 to 35 than 55 to 65 Year Olds
• Population Growth Slows before / during Recession
• Housing Affordability has Changed – Advantage to Disadvantage
  AZ Economy is still Resilient!
Economic Outlook

Blue Chip Economic Forecast  Arizona
January Update

<table>
<thead>
<tr>
<th>2023</th>
<th>Direction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income</td>
<td>4.4%</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>4.0%</td>
</tr>
<tr>
<td>Wage &amp; Salary Employ.</td>
<td>2.4%</td>
</tr>
<tr>
<td>Population Growth</td>
<td>1.5%</td>
</tr>
<tr>
<td>Single Family Permits</td>
<td>-5.7</td>
</tr>
</tbody>
</table>

3/07/2023 District and Association Council A. Maguire
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Economic Outlook
Regional Outlook

• Maricopa strongest Region in Arizona
  • Strongest In-Migration
  • Best Workforce Overall
  • But, Housing Affordability Challenge
• Population Growth Slows before / during Recession
• Strengthening Competition from Texas, Florida

AZ Economy is still Resilient!
### Economic Outlook

**Blue Chip Economic Forecast**  Metro Phoenix

2023 Direction

- **Personal Income** 4.7% ➡️
- **Retail Sales** 4.8% ➡️
- **Wage & Salary Employ.** 3.0% ➡️
- **Population Growth** 2.2% ➡️
- **Manufacturing Employment** 3.0% ➡️
Economic Outlook

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Economic Outlook

Pertinent Observations

*The Bad News*

- Extreme (Excessive) Federal Stimulus is Running Off
- **Inflation** Looks to be Here to Stay
  - Much is (Bad) Policy Driven – Excess Regulation + Spending
- Federal Reserve was Behind the Curve
  - Powell has been Persistent – Expect More Hikes AND Higher Continuing Rates!
- Recession Expectations Keep Receding – ’22 then ‘23 ... ‘24??

*STOP SPENDING FEDERAL MONEY!!!*
Economic Outlook
Pertinent Observations
The Good News

- Extremely Strong Coming into Pandemic
- Job Creation Continues – January Report: 517,000*
- Job Openings Still Very Strong By Historical Standards
- Potential Federal Government Gridlock – YEA!!!
- Fed Chair Powell Seems Determined – Hopefully!

BUT, RISK SEEMS TO BE LESSENING! Maybe!!
Economic Outlook
Pertinent Observations
Fed Funds Rate 1970 -- Present

Normal!

Not Normal!
Economic Outlook
Pertinent Observations
30 Year Fixed Rate Mortgage 1970 -- Present
Economic Outlook

Pertinent Observations

Takeaways

- Calendar 2023: First Half will remain Strong
- Calendar 2023: Second Half **May** Weaken
  
  *Recession is NOT Certain – Nor is Depth or Length!*

- Europe and Asia Still Drag on US Economy
- Continuing Strong Job Market – But Slowing (???)
- But, Labor – **Quantity** & Quality will Remain Long-Term Challenge
Economic Outlook
Pertinent Observations
Takeaways

• US Business is Resilient and Expanding
• Arizona Remains A Leading State for Business and Quality of Life

*Recession is NOT Certain – Arizona Likely Better Off than US*

• Arizona / Metro Phoenix Enjoys Vibrant Economic Opportunity
• But, Labor – Quantity & Quality will Remain Long-Term Challenge
• Better Here than US Generally, Better US than Anywhere Else!
Economic Outlook & SRP

Possible Recession or Slowcession...
- Recession, low existing mortgage rates slow population & residential growth
- Full economic development pipeline will support/stabilize commercial and industrial growth in the short-term

Disinflation (easing Inflation)
- Less pressure on SRP’s costs and supply chains, but labor/service costs remain high
- Better for our customers and communities
- Housing shortage is easing but remains a longer-term challenge
Economic Outlook & SRP

Interest rates: higher for longer
- SRP Bond rates
  - Portfolio transition
  - Refinancing of bonds
- SRP’s Credit rating & tax-exempt status keep our rates low!!!

Phoenix economy is “strongest in Arizona”
- Diversified economy, no longer housing and construction
- CHIPS Act, IRA spending supports growth
- The SRP service territory will weather a downturn/slowdown better than others
Economic Outlook
Current & Coming Conditions

Alan E. Maguire
March 2023
thank you!
Council Report
Council Meeting
March 7, 2023
Current Events

Mike Hummel
Power System Update

John Coggins
February Operations Summary

- **Customer peak demand: 4333MW**
  - Occurred on February 16 with 39-degree temperature
  - 92 MW higher than forecast
- **Overall, power system assets performed well**
- **Maintenance outage season continues**
Southwest Power Pool – Markets + Phase 1
Initial Participants
Southwest Power Pool – Markets + Phase 1 Initial Participants Resource Mix

- 48% Hydro
- 21% Natural Gas
- 14% Nuclear
- 7% Coal
- 4% Wind
- 3% Solar
- 3% Other

Source: EIA
East Valley Horse Mesa Dam Valve Monument

- Originally installed in 1927.
- Units 1, 2, 3 Turbine Shut Off Valves (TSV) were no longer repairable.
- The power house was built around the valves with no provision for replacement.
- On June 16th, 2020, Units 1, 2, 3 were returned to service for summer run.

44,000 pounds
84 inches in diameter
The Future of Solar + Energy Storage at SRP

**December 2025**
3373 MW
Total IBR

**June 2023**
1429 MW
Total IBR

MW of Inverter Based Resources (IBR)

- Distribution Solar
- Bulk Solar
- Solar + Storage
- Storage

FY22 | FY23 | FY24 | FY25 | FY26
## Operational Readiness

<table>
<thead>
<tr>
<th>Fully Leverage New Resource Capabilities</th>
<th>Economic Dispatch with Solar + Storage</th>
<th>Risk Adjusted Reserve Requirements</th>
<th>Advanced Forecasting Tools</th>
<th>Software &amp; Situational Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Enable visibility and physical dispatch (Bolster Testing)¹</td>
<td>4 Establish IBR dispatch governance¹</td>
<td>5 Develop and implement flex reserves capacity¹</td>
<td>6 Advanced solar forecasting tools¹</td>
<td>8 IBR data, communications and displays¹</td>
</tr>
<tr>
<td>2 Add dispatch flexibility to IBR PPAs¹</td>
<td>13 PCI/Aurora economic dispatch improvements²</td>
<td>15 System variability analysis²</td>
<td>7 Solar forecast integration¹</td>
<td>9 Intra-hour solar variability¹</td>
</tr>
<tr>
<td>3 IBR value stream analysis¹</td>
<td>14 Fleet ramping capability analysis²</td>
<td>16 CAISO load forecasting improvements³</td>
<td>17 Control room IBR video wall²</td>
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<tr>
<td>10 TGO renewables desk evaluation³</td>
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</tr>
<tr>
<td>11 TGO/DOC software &amp; dispatch coordination³</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Inverter technical standards &amp; integration &amp; relay settings²</td>
<td></td>
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</tr>
</tbody>
</table>

³ Indicates a phase 3 activity.
Financial Update
Aidan McSheffrey
Combined Net Revenues

January YTD Variance is $66.6

$247.0

$180.4
## January Financial Summary

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% of Budget</th>
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</thead>
<tbody>
<tr>
<td>Combined Revenues</td>
<td>$284.8</td>
<td>$214.2</td>
<td>$70.6</td>
<td>133%</td>
</tr>
<tr>
<td>Combined Expenses</td>
<td>$393.1</td>
<td>$274.2</td>
<td>$118.9</td>
<td>143%</td>
</tr>
<tr>
<td>Comb Net Revs (Loss)</td>
<td>($108.3)</td>
<td>($60.0)</td>
<td>($48.3)</td>
<td>180%</td>
</tr>
<tr>
<td>Funds Available</td>
<td>($46.5)</td>
<td>($17.6)</td>
<td>($28.9)</td>
<td>265%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$110.7</td>
<td>$128.5</td>
<td>($17.8)</td>
<td>86%</td>
</tr>
</tbody>
</table>
Fuel and Purchased Power Adjustment Mechanism
YTD Through January 2023
FY22 Preliminary Retail Energy Sales (GWh)

Sales estimate for February 2023 is 1,952 GWh or 1.0% below budget. Year-end variance is projected to be 0.5% above budget.
February Wholesale Summary

Primary Drivers:

- Month-end cold snap in Western U.S. drove higher regional demand
- SRP had excess capacity to sell at higher than budgeted wholesale margins
FPPAM Collection Balance

FP24 FPPAM: 17.4%
Board Approved: 4.7%
Proposed FPPAM: 12.7%
SRP and APS Average Price

Cents per kWh

<table>
<thead>
<tr>
<th></th>
<th>SRP Current</th>
<th>APS Prior</th>
<th>APS PSA 3/1/23</th>
<th>SRP 11/1/23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.51</td>
<td>12.52</td>
<td>13.67</td>
<td>10.98</td>
</tr>
</tbody>
</table>

Source: SRP: Dept. of Energy EIA-826 Reports for 12 months ending October 31, 2022
APS: Dept. of Energy EIA-826 Reports for 12 months ending November 30, 2022
SRP and APS Fuel and Purchased Power Adjustor Activity

Cents per kWh

- APS PSA Increase 3/1/23: 1.15
- SRP 11/1/23 FPPAM Increase: 0.47
Water Resources

Leslie Meyers
Operating Environment
January 2023

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Elec Customers – Jan 2023</td>
<td>1,135,586</td>
<td>1,132,053</td>
<td>3,533</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 – Jan 2022</td>
<td>1,114,391</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Sales GWH</td>
<td>2,238.4</td>
<td>2,185.6</td>
<td>52.8</td>
<td>102%</td>
</tr>
<tr>
<td>Wholesale Sales GWH</td>
<td>487.3</td>
<td>348.9</td>
<td>138.4</td>
<td>140%</td>
</tr>
<tr>
<td>Total A.F. Water Delivered</td>
<td>21,170</td>
<td>31,000</td>
<td>(9,830)</td>
<td>68%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)

Financial Summary
January 2023

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</tr>
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</table>

(Non-GAAP, Unaudited)
Debt Ratio
January 2023

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

Debt Service Coverage Ratio
January 2023

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

March Council Meeting
March 7, 2023

Tim Skarupa
Reservoir Inflows – February runoff response

February Reservoir Inflow:

- February Runoff was 175,000 AF (244% of median)
- Salt River observed significant runoff up to a peak near 12,500 cfs. Tonto Creek observed increases up to 7,000 cfs.
- Verde River increased up to 3,000 cfs in February.
- Total SRP reservoir inflow for January 1 - February 28 is well above median at about 523,000 AF (358% of median).
Cragin Watershed - Jones Crossing Flowtography

December 11, 2022
Jones Crossing Flowtography Staff gage

March 2, 2023
Snow completed covering staff gage
Verde Watershed Snowpack – February 28, 2023

'Weather chaos' brings enough snow to fill Verde River reservoirs, ease drought conditions

Arizona Republic Article published March 1, 2023, following SRP Snow Survey to Happy Jack SNOTEL 49” depth, 13.3 SWE

A snowpack to remember is piling up in the Arizona high country (azcentral.com)
Watershed Snowpack – March 2, 2023

Highest Verde snowpack (SWE) in last 30 years
March 1 Streamflow Forecast

For Jan 1 – May 31, 2023

Salt - 651,000 AF
Tonto – 144,000 AF
Verde - 405,000 AF

Total ~ 1,200,000 AF (265% of median)

Last year actual – 217,000 AF

Reservoir Projections:

Roosevelt – 100% by May

Verde System -100% by Mid-March with potential spill up to 100,000 AF
Planned Reservoir Releases – March 2023

March 2, 2023 @00:01
Started no charge, Reservoir Release
Granite Reef increased release up to 500 cfs due
to Verde Reservoir spill in preparation for
snowmelt exceeding capacity of Verde storage

Over the next week
Bartlett Dam releases (and spill at Granite Reef Dam) will gradually increase up to 3,500 cfs as warming begins snowmelt (potential up to 7,000 cfs if snowmelt runoff is higher than projected)

March Outlook
Weather Forecast still uncertain but favorable for above normal precipitation in 8-14 days. Warm storms with existing snowpack could result in higher releases.

March 2, 2023
Granite Reef Release ~500 cfs
SRP Reservoir System Status

March 2, 2023

Current Storage:

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>1,718,700</td>
</tr>
<tr>
<td>Verde</td>
<td>228,704</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,947,404</strong></td>
</tr>
</tbody>
</table>
Central Arizona Reservoir Status

March 2, 2023

Total SRP Storage: 1,947,404 af (85%)
Total Central Arizona Storage: 2,902,216 af (72%)
Year to Date 2023

*PROP total 2023 Groundwater will be reduced in March to minimum pumping with reduced GSF*
Colorado River System
Reservoir Status

Total System Contents – 32% or 18.936 MAF
(Total system contents last year 36% or 21.453 MAF)

March 2, 2023
Colorado River Basin Snowpack (SWE) – March 2, 2023

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

7,500,000 AF (117% of average)
7-day Precipitation Forecast

8-14 Day Precipitation Outlook
Valid: March 10 - 16, 2023
Issued: March 2, 2023

3/7/2023, Council Meeting, T. Skarupa
Seasonal Precipitation Outlook

Valid: Mar-Apr-May 2023
Issued: February 16, 2023

Map showing the probability of above, equal, and below normal precipitation across the United States, with specific regions shaded in various colors to indicate the likelihood of each condition.
thank you!