

# SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT BOARD MEETING NOTICE AND AGENDA

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## SPECIAL BOARD OF DIRECTORS

Tuesday, March 28, 2023, No Sooner Than 9:50 AM

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

Call to Order  
Roll Call

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 to increase the SRP's Fuel and Purchase Power Adjustment Mechanism (FPPAM) prices by an additional \$0.0053 per kilowatt-hour (kWh) above the already approved increase of \$0.0047 per kWh, effective with the November 2023 billing cycle. The increase would be applicable to all seasons for all price plans (recommended by the Finance and Budget Committee on March 21, 2023).
  - B. Request for approval of the Operating Budget for Fiscal Year 2024 (FY24) (recommended by the Finance and Budget Committee on March 28, 2023), including:
    - i. Multi-year contracts identified in the FY24 Operating Budget
    - ii. Depreciable lives and cost of removal regulatory liability (see proposed resolution)
    - iii. FY24 Water Function Budget, including the falling water allocation
2. Report on Current Events by the General Manager and Chief Executive Officer and Designees ..... MIKE HUMMEL
3. 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, APRIL 3, 2023

03/21/2023



**RESOLUTION APPROVING ESTABLISHMENT OF A REGULATORY LIABILITY  
FOR THE ESTIMATED FUTURE COST OF REMOVAL**

**WHEREAS**, the Salt River Project Agricultural Improvement and Power District (the “District”) has previously incorporated the actual cost of removal in the depreciation life rate and recorded the depreciation expense and actual Cost of Removal incurred as Accumulated Depreciation; and

**WHEREAS**, the Depreciation Study completed in Fiscal Year 2022 recommends the identification of a separate depreciation rate for the estimated Cost of Removal. For purposes of this Resolution, “Cost of Removal” is defined as costs related to the removal or decommissioning of Utility Plant that are not required to be accounted in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 410, *Asset Retirement Obligations* (“ASC 410”);

**WHEREAS**, as a regulated entity, under FASB ASC 980, *Regulated Operations*, the District may establish a separate Regulatory Liability for the Cost of Removal as amounts related to future Cost of Removal are collected in customer rates over the lives of the assets.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Salt River Project Agricultural Improvement and Power District hereby approves and directs that amounts collected in depreciation rates specific to estimated future Cost of Removal shall be accounted for as a Regulatory Liability beginning in Fiscal Year 2024.