Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. Resolution of Appreciation of Outgoing General Manager and Chief Executive Officer Mike Hummel ........................................ PRESIDENT DAVID ROUSSEAU

2. Customer Utility Panel (CUP) Chair’s Report .......................................................... CUP CHAIRMAN MICHAEL HUTCHINSON

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

   A. Request for approval of the minutes for the meetings of March 28, April 3, and April 6, 2023.

   B. Request for approval to appoint John Coggins, Pam Syrjala, and Craig Larson to serve on Trapper Mining, Inc.’s Board of Directors and its subsidiaries (recommended by the Power Committee on April 20, 2023).

   C. Request for approval of the Monthly Cash Statement for March 2023 (recommended by the Finance and Budget Committee on April 20, 2023).

   D. Request for approval of 13 unmarked vehicles in SRP transportation fleet for Fiscal Year 2024 (FY24) (annually required by Arizona Revised Statutes) (recommended by the Facilities and Support Services Committee on April 20, 2023).

4. Report of the Power Committee Meeting of April 20, 2023 .......................................................... DIRECTOR MARIO HERRERA

Closed Session, pursuant to A.R.S. §30-805(B), for the Board to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to a request for approval of the sale of power to the City of Mesa.
5. **Report of the Finance and Budget Committee Meeting of April 20, 2023** .......................................................... DIRECTOR KEITH WOODS

Request for approval to enter into a two-year service agreement with Gartner, Inc., providing SRP with actionable, objective insight and tools to enhance decision making and enable stronger performance related to SRP’s critical priorities.

6. **Consideration of Comments Received from Active Water Accounts Regarding the 2024 Water Charges and Possible Consideration and Approval of Changes to the Overall District Budget for FY24 to Reflect any Changes in the Water Charges Approved by the Association Board** .................MICHAEL MENDONCA

7. **Report on Current Events by the General Manager and Chief Executive Officer and Designees** ................................................................. MIKE HUMMEL

   A. Power System............................................................... JOHN COGGIN
   B. Finance and Information Services..............................AIDAN McSHEFFREY
   C. Water Resources ....................................................... LESLIE MEYERS

8. **Reservoir Report / Weather Report** ........................................... STEPHEN FLORA

9. **Council Chairman’s Report** ................. COUNCIL CHAIRMAN TYLER FRANCIS

10. **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, JUNE 5, 2023

04/24/2023
SAFETY MINUTE: SECURE THE LOAD
SRP BOARD

SARA MCCOY
DIRECTOR, RISK MANAGEMENT
MAY 1, 2023
SAFETY MINUTE: SECURE THE LOAD

• Tie materials down securely with solid straps or rope.
• Cover loose items like grass or tree clippings with a tarp or netting.
• Keep within vehicle weight limits.
• Don’t keep trash in truck beds.
• Re-check your load often. Loads can shift and settle during a trip.
• Use care when retrieving fallen items.
RESOLUTION OF APPRECIATION
MIKE HUMMEL

WHEREAS, Mike Hummel, upon graduation from the University of Arizona, became an employee at the Salt River Project Agricultural Improvement and Power District (SRP) in June 1982 as a rotating engineer, successfully advanced in his career to hold numerous key leadership positions throughout the entire organization, ultimately in March 2018 becoming the SRP’s General Manager/Chief Executive Officer; and

WHEREAS, during his almost 41 years of service he has been integral to many SRP key operational and strategic successes, such as: the acceleration of the transformation of SRP power generation system; the refinement of the SRP strategic planning process; the commitment to SRP’s stewardship and leadership role related to water in the Southwest; the introduction of a more formalized succession planning process; transparent communication and commitment to all SRP stakeholders including the Board of Directors (Board); and perhaps most importantly, providing world class and unparalleled leadership for SRP during the COVID pandemic between 2020-2022; and

WHEREAS, during his tenure as GM/CEO, Mike fostered a mutually respectful and productive working relationship with the President’s Office, Board and Council and reflected a commitment to the preservation of meaningful SRP self-governance; and

WHEREAS, Mike’s sense of community responsibility is evidenced by his long standing work in the community on boards of organizations such as Teach for America, Boys and Girls Club, University of Arizona Foundation, Arizona Cancer Center and the Greater Phoenix Chamber of Commerce; and

WHEREAS, his dedication to the industry led Mike to be on the Board of the Large Public Power Council, a member of the Board of Trustees of the North American Electric Reliability Corporation, and a Board member of the Electric Power Research Institute; and

WHEREAS, by virtue of his contributions to SRP, the community, and the industry, Mike has earned the respect and appreciation of his fellow employees, SRP customers, the community and this Board.

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Salt River Project Agricultural Improvement and Power District along with the Board of Governors of the Salt River Valley Water Users’ Association hereby order that this Resolution of Appreciation be spread upon the minutes of this meeting in recognition of Mike’s many years of valued service and that a copy of this Resolution be presented to him.

BE IT FURTHER RESOLVED, that the Board wishes Mike and his wife, Sheri, and his family, every success in their future endeavors and expresses its hope that Mike will continue to be a special part of the SRP family.

BY ORDER OF THE BOARD this 1st day of May, 2023.
In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a meeting of the Board of Directors of SRP convened at 10:08 a.m. on Tuesday, March 28, 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.

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

Tempe, Arizona
March 21, 2023

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a meeting of the Board of Directors to be held at no sooner than 9:50 a.m. on Tuesday, March 28, 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 21st day of March 2023.

/s/ David Rousseau
President

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

Also present were District Vice President C.J. Dobson; Association Vice President J.R. Hoopes; Governor L.D. Rovey of the Association; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Member M.L. Farmer; Mmes. K.J. Barr, M.J. Burger, A.P. Chabrier, L.F. Hobaica, L.A. Meyers, G.A. Mingura, S.A. Perkinson, J.C. Peters, J.R. Schuricht, C.M. Sifuentes, and J.L. Tucker; Messrs. T.J. Burnett,
Consent Agenda

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

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

A. 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. 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 resolution)

   iii) FY24 Water Function Budget, including the falling water allocation

The resolution reads as follows:
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 Plants 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.

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


NO: None (0)

ABSTAINED: None (0)

ABSENT: None (0)

Copies of the handout distributed 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

There was no report on current events by Mike Hummel, SRP General Manager and
Chief Executive Officer.

President’s Report/Future Agenda Topics

President D. Rousseau asked the Board if there were any future agenda topics. None were requested.

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

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

April 3, 2023

In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a meeting of the Board of Directors of SRP convened at 9:48 a.m. on Monday, April 3, 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.

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

Tempe, Arizona
March 27, 2023

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a meeting of the Board of Directors to be held no sooner than 9:35 a.m. on Monday, April 3, 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 27th day of March 2023.

/s/ David Rousseau
President

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

Board Members present at roll call were President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, 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.

Board Member absent at roll call was Director R.J. Miller.
Also present were District Vice President C.J. Dobson; Association Vice President J.R. Hoopes; Governor L.D. Rovey of the Association; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Member M.R. Mulligan; Mmes. M.J. Burger, A.P. Chabrier, L.F. Hobaica, S.C. McCoy, L.A. Meyers, G.A. Mingura, J.R. Schuricht, and C.M. Sifuentes; Messrs. J.D. Coggins, G.R. Cook, J.M. Felty, M. Hummel, A.J. McSheffrey, M.J. O’Connor, J.S. Overstreet, J.M. Pratt, G. Saint Paul, P.B. Sigl, and R.R. Taylor; Tammi Watson of Central Arizona Project (CAP); and Steve Neil, a member of the public.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary’s Office had posted a notice and agenda of the meeting of the Board of Directors at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, March 31, 2023.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding a secured workplace at SRP.

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.

Introduction of Newly Appointed General Manager and Chief Executive Officer (GM/CEO)

President D. Rousseau introduced Jim M. Pratt as the newly appointed General Manager and Chief Executive Officer upon Mike Hummel’s retirement on May 5, 2023.

Mr. G.R. Cook left the meeting. Stacey Champion, Ana Gorla, Zoe Grace, Hardin Laurel, Alice Stambaugh, and Karl Stambaugh of Sierra Club entered the meeting.

Consent Agenda

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

On a motion duly made by Director S.H. Williams and seconded by Director M.V. Pace, the Board unanimously approved and adopted the following items on the Consent Agenda:

A. Approval of the minutes for the meeting of March 6, 2023

B. Approval of the Monthly Cash Statement for February 2023 (recommended by the Finance and Budget Committee on March 21, 2023)
C. Approval of the recommendation of the President for the compensation of the GM/CEO (recommended by the Compensation Committee on April 3, 2023)

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


NO: None (0)

ABSTAINED: None (0)

ABSENT: Director R.J. Miller (1)

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

Mr. J.S. Overstreet; Tammi Watson of Central Arizona Project (CAP); Stacey Champion, Ana Gorla, Zoe Grace, Hardin Laurel, Alice Stambaugh, and Karl Stambaugh of Sierra Club; and Steve Neil, a member of the public, left the meeting.

Report of the Power Committee Meeting of March 21, 2023

Closed Session

At 9:58 a.m., President D. Rousseau called for a closed session of the Board of Directors, pursuant to A.R.S. §30-805(B), for the Board to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to a request for approval to modify the terms under which SRP may enter into 1) an amendment of an existing 400 Megawatt (MW) Solar Power Purchase Agreement and 2) enter into a new Power Purchase Agreement for 394 MW of solar energy.

Tammi Watson of Central Arizona Project (CAP); Stacey Champion, Ana Gorla, Zoe Grace, Hardin Laurel, Alice Stambaugh, and Karl Stambaugh of Sierra Club; and Steve Neil, a member of the public, entered the meeting.

Customer Utility Panel (CUP) Area 7 Membership

Using a PowerPoint presentation, Rob R. Taylor, SRP Associate General Manager and Chief Public Affairs Executive, stated that the purpose of the presentation was to request approval of the SRP CUP Area 7 membership. He provided an overview of the CUP and stated that the CUP communicates and reports quarterly with the District Board.

Mr. R.R. Taylor reminded the Board that there are seven areas of CUP representation with two CUP Members from each area. He provided an overview of CUP Area 7 and reported that one of the two seats was currently vacant due to a resignation. Mr. R.R. Taylor provided a background on a new nominee for CUP Area 7 and concluded by recommending that the Board approve Mr. Jay Schlum as a CUP Member to fill the vacancy in CUP Area 7.

On a motion duly made by Director L.C. Williams, seconded by Director K.J. Johnson and carried, the Board granted approval of the SRP CUP Area 7 membership, as presented.

Corporate Secretary J.M. Felty polled the Directors via teleconference on Director L.C. Williams’ motion for approval. The vote was recorded as follows:


NO: None

ABSTAINED: None

ABSENT: Director R.J. Miller

(1)

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

Ms. E.J. Roelfs entered the meeting during the presentation.

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. K.J. Barr entered the meeting during the presentation.

**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 March operations and stated that there was a peak demand of 3,970 Megawatts (MW) on March 2, 2023. Mr. J.D. Coggins provided an update on the Copper Crossing Energy and Research Center Phase 1, Coronado Generating Station (CGS) Selective Catalytic Reduction for Unit 1, and Navajo Generating Station (NGS) decommissioning.

Mr. J.D. Coggins discussed the future of solar and energy storage at SRP and concluded with an overview of SRP’s operational readiness.

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

**Status of 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 February, and the status of collections through February 2023 within the Fuel and Purchased Power Adjustment Mechanism (FPPAM). He reviewed the preliminary retail energy sales for Fiscal Year 2023 (FY23) and provided a summary of wholesale net revenue for March.

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.

Messrs. C.E. Ester and S.P. Flora entered the meeting during the presentation.
Reservoir and Weather Report

Using a PowerPoint presentation, Stephen P. Flora, SRP Senior Hydrologist, provided images of the March storm inflows and reservoir releases and reviewed the cumulative watershed precipitation outlook from October 2022 to June 2023 and watershed precipitation for March 2023. He discussed the reservoir inflows and March runoff response and provided images of the C.C. Cragin Watershed and Reservoir on March 2, 2023 and March 15, 2023.


Mr. S.P. Flora provided an overview of Roosevelt Lake flood control space operations and detailed the Verde and Salt watershed snowpack as of March 30, 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 March 31, 2023.

Mr. S.P. Flora reviewed the surface runoff and pumping data for March 2023 and year-to-date and the Colorado River Basin snowpack as of March 30, 2023. He provided a seven-day precipitation forecast and concluded with a review of the seasonal percent of normal precipitation from April 2023 through June 2023.

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

Council Chairman’s Report

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

President’s Report/Future Agenda Topics

President D. Rousseau asked the Board if there were any future agenda topics. None were requested.

There being no further business to come before the Board, the meeting was adjourned at 11:18 a.m.

John M. Felty
Corporate Secretary
MINUTES
BOARD OF DIRECTORS
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT
DRAFT
April 6, 2023

In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a meeting of the Board of Directors of SRP convened at 9:30 a.m. on Thursday, April 6, 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.

President D. Rousseau called the meeting to order, and Assistant Corporate Secretary L.F. Hobaica entered into the minutes the order for the meeting, as follows:

Tempe, Arizona
March 30, 2023

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a meeting of the Board of Directors to be held at 9:30 a.m. on Thursday, April 6, 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 30th day of March 2023.

/s/ David Rousseau
President

Board Members present at roll call were President D. Rousseau; and Directors R.C. Arnett, M.J. Herrera, K.J. Johnson, K.L. Mohr-Almeida, M.V. Pace, P.E. Rovey, L.C. Williams, and K.B. Woods.

Board Members absent at roll call was Directors N.R. Brown, A.G. McAfee, R.J. Miller, K.H. O’Brien, J.M. White Jr., and S.H. Williams.

Also present were Association Vice President J.R. Hoopes; Governor L.D. Rovey of the Association; Mmes. M.J. Burger and L.F. Hobaica; and Messrs. G.A. DeLizio, M. Hummel, B.J. Koch, K.J. Lee, A.J. McSheffrey, M.J. O’Connor, and A.S. Peterson.
In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the meeting of the Board of Directors at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, April 4, 2023.

Mr. R.T. Judd entered the meeting.

Board Interviews and Selection of Buy-Through Board Consultant

Using a PowerPoint presentation, Brian J. Koch, SRP Treasurer and Senior Director of Financial Services, stated that the purpose of the agenda item was to interview potential consultants and request approval to engage a consultant to advise the Board in its review of SRP’s proposed Buy-Through offering. He provided a schedule for the interviews of the following consultants: PA Consulting Group, Concentric Energy Advisors, and Christensen Associates Energy Consulting.

Copies of the handouts 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.

District Vice President C.J. Dobson; and Natalie Accardo and Amparo Nieto of PA Consulting Group entered the meeting.

PA Consulting Group

Mr. B.J. Koch introduced Natalie Accardo and Amparo Nieto of PA Consulting Group. Using a PowerPoint presentation, Ms. A. Nieto provided an overview of the SRP’s development of a Buy-Through program.

Continuing, Ms. N. Accardo provided a summary of PA Consulting Group, noting that PA Consulting Group is a group of global energy experts working across the investor and utility value chain including the following: investor-owned utilities, municipal utilities, public utility commissions and boards of directors, independent renewable firms, and independent system operators. She explained PA Consulting Group’s understanding of SRP’s development of a Buy-Through program.

Ms. A. Nieto provided an overview of the qualifications and experience of PA Consulting Group and an overview of PA Consulting Group’s proposed workplan and timeline.

Mmes. N. Accardo and A. Nieto responded to questions from the Board.

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

Natalie Accardo and Amparo Nieto of PA Consulting Group left the meeting. Michael
Kagan of Concentric Energy Advisors entered the meeting.

**Concentric Energy Advisors**

Mr. B.J. Koch introduced Michael Kagan of Concentric Energy Advisors. Using a PowerPoint presentation, Mr. M. Kagan provided an overview of the qualifications and experience of Concentric Energy Advisors, noting extensive experience in the following: utility policy, regulatory, and rate design; wholesale markets; retail markets; and broad North American market and policy environments. He highlighted Concentric Energy Advisors’ project tasks and subject matter experts.

Mr. M. Kagan responded to questions from the Board.

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

Michael Kagan of Concentric Energy Advisors left the meeting. Bruce Chapman of Christensen Associates Energy Consulting entered the meeting.

**Christensen Associates Energy Consulting**

Mr. B.J. Koch introduced Bruce Chapman of Christensen Associates Energy Consulting. Using a PowerPoint presentation, Mr. B. Chapman provided an overview of the qualifications and experience of Christensen Associates Energy Consulting, highlighting the project tasks and capabilities. He summarized the Buy-Through program issues and reviewed Christensen Associates Energy Consulting’s timeline to conduct the review of SRP’s Buy-Through proposal.

Mr. B. Chapman responded to questions from the Board.

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

Bruce Chapman of Christensen Associates left the meeting.

Discussion was held regarding the qualifications and experience of PA Consulting Group, Concentric Energy Advisors, and Christensen Associates Energy Consulting. Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive, offered feedback on each of the consultants and answered questions from the Board.

Following discussion, a motion was duly made by Director K.B. Woods and seconded by Director M.J. Herrera to engage Christensen Associates Energy Consulting as the Board’s consultant to advise the Board in its review of SRP’s proposed Buy-Through offering.
Assistant Corporate Secretary L.F. Hobaica polled the Committee Members on Board Member K.B. Woods’ motion to engage Christensen Associates Energy Consulting as the Board’s consultant to advise the Board in its review of SRP’s proposed Buy-Through offering. The vote was recorded as follows:

YES: President D. Rousseau; and Directors R.C. Arnett, M.J. Herrera, K.J. Johnson, K.L. Mohr-Almeida, M.V. Pace, P.E. Rovey, L.C. Williams, and K.B. Woods (9)

NO: None (0)

ABSTAINED: None (0)


There being no further business to come before the Board, the meeting was adjourned at 11:22 a.m.

Lora F. Hobaica
Assistant Corporate Secretary
## Statement of Cash Received and Disbursed

### March 2023

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<th>District</th>
<th>Association</th>
<th>Total Month</th>
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<td>Reimbursement on Joint Ownership Projects</td>
<td>12,324</td>
<td>---</td>
<td>12,324</td>
<td>95,734</td>
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<tr>
<td>Construction Contributions and Advances</td>
<td>20,635</td>
<td>---</td>
<td>20,635</td>
<td>292,651</td>
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<tr>
<td>Proceeds from Bond Sales</td>
<td>---</td>
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<tr>
<td>Proceeds from Other Borrowings</td>
<td>---</td>
<td>---</td>
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<tr>
<td>Transfers from Segregated Funds</td>
<td>468,685</td>
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<td>468,685</td>
<td>761,640</td>
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<tr>
<td>Sales Tax Collected</td>
<td>13,957</td>
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<td>13,957</td>
<td>232,268</td>
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<tr>
<td>Other Cash Receipts</td>
<td>7,362</td>
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<td>7,362</td>
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<td><strong>Total Cash Receipts</strong></td>
<td>760,503</td>
<td>2,793</td>
<td>763,296</td>
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<td><strong>Fund Transfers - Net</strong></td>
<td>(2,782)</td>
<td>2,782</td>
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<tr>
<td><strong>Cash Disbursements:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Purchased Power and Fuel</td>
<td>113,703</td>
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<td>113,703</td>
<td>1,364,778</td>
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<td>Operations and Maintenance</td>
<td>171,515</td>
<td>2,470</td>
<td>173,985</td>
<td>989,453</td>
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<td>Employee Payroll and Payroll Taxes</td>
<td>46,039</td>
<td>2,891</td>
<td>48,930</td>
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<td>Purchased Inventory</td>
<td>31,245</td>
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<td>31,245</td>
<td>240,575</td>
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<tr>
<td>Cash Segregated for -</td>
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<tr>
<td>Bond Interest</td>
<td>14,935</td>
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<td>14,935</td>
<td>167,715</td>
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<td>Bond Principal</td>
<td>9,494</td>
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<td>9,494</td>
<td>101,062</td>
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<td>Other Debt - Principal Repayment</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>3,500</td>
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<tr>
<td>Other Debt - Interest Expense</td>
<td>1,691</td>
<td>---</td>
<td>1,691</td>
<td>11,463</td>
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<td>Capital Expenditures</td>
<td>107,757</td>
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<td>107,757</td>
<td>774,721</td>
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<td>Advances on Joint Ownership Projects</td>
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<td>---</td>
<td>---</td>
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<td>Transfers to Segregated Funds</td>
<td>375</td>
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<td>375</td>
<td>292,060</td>
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<tr>
<td>In Lieu and Ad Valorem Taxes</td>
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<td>---</td>
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<td>121,275</td>
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<td>Sales Tax Remitted</td>
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<td>20,324</td>
<td>284,772</td>
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<td>Margin and Collateral Disbursed - Net</td>
<td>(7,887)</td>
<td>---</td>
<td>(7,887)</td>
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<td>Miscellaneous Cash Disbursements</td>
<td>1,052</td>
<td>---</td>
<td>1,052</td>
<td>23,617</td>
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<tr>
<td><strong>Total Cash Disbursements</strong></td>
<td>510,243</td>
<td>5,361</td>
<td>515,604</td>
<td>5,246,365</td>
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<td><strong>Fund Balance End of Period</strong></td>
<td>$738,383</td>
<td>$1,313</td>
<td>$739,696</td>
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### Cash Position

**March 2023**

<table>
<thead>
<tr>
<th></th>
<th>District</th>
<th>Association</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Composition of Funds Balance</strong></td>
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<tr>
<td>Cash and Cash Equivalents</td>
<td>$324,289</td>
<td>$1,313</td>
<td>$325,602</td>
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<td>Other Temporary Investments</td>
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<td>Other Non-Current Investments</td>
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<td>General Fund</td>
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<td>739,696</td>
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<table>
<thead>
<tr>
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<th>Total</th>
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<tbody>
<tr>
<td>Segregated Funds</td>
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<tr>
<td>Electric System Debt Reserve Fund</td>
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<td>Debt Service Fund</td>
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<td>Rate Stabilization Fund</td>
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<tr>
<td>Nuclear Decommissioning Fund</td>
<td>561,269</td>
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<td>561,269</td>
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<tr>
<td>Post-Retirement Benefits Fund</td>
<td>1,064,555</td>
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<td>1,064,555</td>
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<td>Construction Fund</td>
<td>86,031</td>
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<tr>
<td>RHCP Fund</td>
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<tr>
<td>HHCP Fund</td>
<td>7,842</td>
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<tr>
<td>SPRHCP Fund</td>
<td>3,425</td>
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<tr>
<td>Four Corners Mine Reclamation Trust</td>
<td>12,100</td>
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<tr>
<td>Other Special Funds</td>
<td>974</td>
<td>---</td>
<td>974</td>
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<tr>
<td>Total Segregated Funds</td>
<td>$1,905,481</td>
<td>---</td>
<td>$1,905,481</td>
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</tbody>
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Comment Review of Calendar
Year 2024 Schedule of Water Charges

Michael Mendonca | May 1, 2023
District and Association Board
Review of Notifications and Written Comments

- 25,001 active accounts received written notification
- 10 cities received notification
- 0 customer comments sent to Corporate Secretary’s Office
Questions?
TO: Board and Council

FROM: Mike Hummel, General Manager & CEO

DATE: April 03, 2023

SUBJECT: My Tenure

When I accepted the position of General Manager & Chief Executive Officer five years ago, my first activity was to document the eight primary objectives that I set for SRP and myself during my tenure. We have accomplished those goals and a summary of some of that performance is highlighted in this document. I attribute the incredible success not to just my office, but the GM Staff, our employees, the President’s Office, and our Governing Bodies.

While these were specific goals, it is important to recognize that our core performance was outstanding during this time as well. For example,

- SRP was awarded the JD Power Top Awards for both Residential and Business Customer Service in each and every one of the last five years
- Our electric system reliability was in the top decile in the country and our water reliability exceeded our objectives
- We continued to be recognized throughout the Valley for our efforts in community service, volunteerism, and leadership
- Our financial achievements, as will be described below, met or exceeded all targets
- We completed the implementation of the risk-based Cyber Security Program, stood up the Cyber Security Department, and managed the initiative to be the leader in cyber security management among public power in the country
From a workforce perspective, we successfully implemented a top-tier, cloud-based technology to consolidate several different legacy human resource systems into one platform. This effort created a more positive experience for employees by housing end-to-end processes under one umbrella, including onboarding, employee workspace, timekeeping, and payroll functions.

SRP played a leading role along with a broad coalition of chambers, unions, consumer advocates and community leaders to support the Governor signing the Energy Reliability Bill that repeals the defunct 1998 Deregulation Statute and restores the existing integrated utility model, which protects consumers from predatory marketing and ensures a system that provides for investments in grid reliability.

It is also extraordinary that these achievements were accomplished during an unprecedented global pandemic. In a period of just two weeks, two-thirds of our employees transitioned to 100% remote work. SRP transitioned all of our processes, from phone centers to transmission operating centers, to remote work. It was an incredible accomplishment by service teams such as Facilities, HR, IT, Cyber Security, Communications and others. It was also a testament to our employees that a third of them continued to show up, work with each other, work with the public, and follow new processes in a time where we had very little understanding of the scope of the pandemic. Regrettfully, employees, co-workers, friends and family members were lost during this period. SRP Leadership increased levels of communication through remote town halls, videos, newsletters, and personal phone calls to support and encourage employees. We also worked with agencies to administer our own vaccine program in which we vaccinated thousands of employees and family members. This year we had to begin to unwind the remote work and have a fully functional hybrid work environment in place.
Develop a relationship with the Board, Council, and President’s Office that is based on trust, respect and a shared vision of SRP’s long-term strategies.

This has been a key objective and I am very proud of what we have built. A certain tension between a governing board and management is expected and appropriate, but I feel that we have established a level of trust and communication between SRP Elected Officials and the entire GM Staff. We were able to reduce or eliminate prior communication challenges, establish work/study sessions to create an environment for learning and discussion of SRP issues without conflict, establish a strategic planning committee to participate in longer term discussions of SRP strategy and ensure alignment, review and update board charters, and create a consistent direction and position between Staff and the President’s Office. I believe that this relationship now becomes the foundation for even greater long-term strategic alliance between management and our governing bodies.

Re-establish SRP in the community as a partner and leader in the future of the valley. Be visible and active in engagements that benefit SRP Customers, Shareholders, and our community. Be active and fill leadership positions in community and industry organizations.

We have been thoughtful in our approach to our community and industry engagement throughout the entire SRP Executive Leadership, including the President and Vice Presidents, leading and participating in community and economic development organizations. There are far too many engagements to list for the entire organization, but I personally took this objective very seriously. Below are the organizations that I am involved with and the positions I have held during my tenure as an AGM and CEO

- Electric Power Research Institute, Board Member, Chair Audit Committee
- Electric Power Research Institute Research Advisory Committee
- Greater Phoenix Leadership, Board Member, Vice Chairman, Chairman Water Task Force
- Greater Phoenix Chamber, Chairman of the Board
- Arizona Science Center, Board Member
- Rocky Mountain Electric League, Board Member
• Trapper Mine Board of Directors, Chairman of the Board
• Electric Subsector Security Council, Member, Chairman Strategic Action Committee
• Nuclear Electric Insurance Limited, Board Member, Audit and Finance Committee
• Teach For America, Board of Directors
• Large Public Power Council, Board Member, Steering / Executive Committee
• Valley of the Sun United Way, Co-Chairman CEO Advisory Circle
• NERC Electricity Information Sharing and Analysis Center (E-ISAC) Co Chairman, Member Advisory Committee
• University of Arizona Foundation, Board of Trustees
• University of Arizona College of Engineering Advisory Council

I would also include the re-establishment of SRP as a water leader in the state and the region. SRP’s participation in the Drought Contingency Plan and the initiation of three projects (Bartlett Dam Expansion, Roosevelt Flood Control, and the CAP Interchange Facility) demonstrate real and tangible water leadership that will benefit this region for years to come.

Position SRP as not only the utility that is focused on reliability and cost, but also as a clean and sustainable energy and water provider. Provide clear direction for employees as to our energy goals. Speak as a leader for an affordable, reliable, and sustainable future.

The establishment of our 2035 Sustainability Goals provided the path for both describing the future of our sustainability goals and providing a path to achieve the aggressive targets. These goals were developed with very broad stakeholder engagement and enjoyed support by the SRP Board, Customers, NGOs, and academia. As an industry leader, we articulated not just carbon goals, but a broad suite of goals that included water, waste stream management, supply chain, and employee engagement. We communicated this direction to the board, council, employees and public stakeholders. We did more than just talk about the future; however, we also have taken steps to make it happen while ensuring the reliability and affordability of the
system. Examples of that include:

- Completed the Coal Fleet Transition Plan
- Closure of Navajo Generating Station, the largest coal-fired power plant in the western United States. Secured replacement power, hedged the natural gas to support the replacement of Navajo, managed the community transition efforts, and relocated all employees at Navajo to other SRP Sites at SRP. Facilitated the Kayenta Solar Plant
- Purchasing additional ownership of Palo Verde Nuclear Generating Station to increase our carbon free baseload generation by 114MW
- Increased utility scale solar generation by a factor of 20 from 100MW in 2017 to 2000MW under contract now and operational before 2025
- Increased utility scale battery 20MW in 2017 to 1700 MW under contract now and operational before 2025
- Completed the purchase of Coolidge Generating Station
- Completed the purchase of Gila River Generating Station
- Completed the planning, design and construction of the high voltage transmission projects Southeast Power Link and High Tec Interconnection Project
- Design and construction of an innovative and unique split SCR at Coronado Generating Station that will preserve 800MW of capacity and reduce carbon generation by 50%
- Joined CAISO’s (California Independent System Operator) Energy Imbalance Market in 2020 which continues to produce savings to our customers and has positioned SRP technologically and culturally for the changing energy market environment in the West
- Active participation and advancement of SRP’s principles in the development of future energy market offerings from CAISO and SPP (Southwest Power Pool), which have the potential to fundamentally alter the energy landscape for the foreseeable future
- Joined the Western Resource Adequacy Program in 2023 which provides robust analytical support for how resources are counted appropriately and consistently throughout the West, additionally allowing for the sharing of resources in times of need with other member utilities
• Enhanced the Sustainable Energy Offering (SEO) suite of programs. All customers with annual usage up to 750MWh are given the option to offset all or a portion of their energy usage with Arizona-based utility-scale solar. In the near future, all customer segments, regardless of annual usage, will be given this option.

Establish long-term goals for SRP and communicate regularly to employees and the elected officials about those long-term goals. Give employees full visibility as to our future and the reason for that direction. Provide a long-term view.

One of the core principles we established as a leadership team was to evolve SRP into a strategically driven organization. We have always had goals and objectives but had not taken the step of establishing long and intermediate goals and communicating those goals to all stakeholders. I am proud of the evolution we have made to develop a long-term vision and set metrics along that journey. Some of the deliverables include:

• Implementation of the 2035 Strategic Goals. These are long-term goals that identify where we want to be well into the future given what we know today. The goals are reviewed annually and modified as necessary as current conditions change.

• Incorporation of the 2035 Sustainability Goals as a part of the Strategic Goals to ensure alignment and elevate those goals to the corporate level.

• Creation of the Strategic Planning Committee of the Board to review these goals, provide direction, and ultimately recommend the adoption of these goals by the Board of Directors.

• Evolution of the Integrated Resource Plan to an industry-leading Integrated System Plan. This plan not only includes generation resources, but prepares SRP for a rapidly changing power system and evolving customer needs by maintaining best in class customer satisfaction.

• Establishing six-year plans which provide for continuity between the long-term plans and annual goals and objectives. Six-year plans are developed by directors and senior directors, reviewed with financial planning and presented to executive leadership for adoption.
• Communication Plans have been developed and executed for each of these plans to keep employees up to date
• Routine town halls and video chats with all employees to communicate our long-term direction and answer questions

Re-establish SRP as a leader in the water community. Seek solutions that benefit Arizona and the Southwest as well as SRP Shareholders.

• Established and secured unanimous board approval for a water support commitment from the district to the association and a long-term water pricing philosophy
• For the first time ever, SRP leased a portion of its well capacity to recover long term storage credits for a city. This has been expanded to multiple cities, providing cost savings to SRP Customers and allow municipalities to recover necessary water, furthering SRP’s Leadership in the water community
• Developed and implemented an assisted irrigation delivery district program to facilitate easier development of irrigation water delivery districts to serve our shareholders
• Provided expertise during Drought Contingency Plan (DCP) and contributed 50,000 acre-feet of water through an exchange with CAP to support the total amounts of mitigation needed to effectuate agreements with Arizona water users to reduce consumptive use of Colorado River Water
• SRP reached an agreement with the Roosevelt Irrigation District to extend the 1921 Agreement. The 2020 Supplement includes the United States as a party to the agreement and sets forth clear requirements with respect to how much water RID can pump from wells within the SRRD for agricultural irrigation purposes only and prescribes a plan for termination as well as additional provisions for SRP to work with RID in assisting in the management of water supplies for the west Valley
• Advanced water rights settlements with several tribal communities including the passage of important federal legislation and continued settlement negotiations
• Despite continuing drought conditions, the SRP Reservoir System, in conjunction with groundwater supplies, has provided a full 3.3 af/ac allocation and storage levels are well above early drought year levels. In fact, this spring, the SRP Reservoir System is expected to reach 100% full
• Built coalition of local water users to fund and support the federal feasibility study of options to Modify Bartlett Dam and expand water storage capacity on the Verde River by up to 350,000 acre-feet
• Built coalition of local water users to fund and support revisions to the flood control space operating rules at Roosevelt Dam to improve the ability to use of flood waters from the Salt River
• Built coalition of local water users to fund and support construction of a facility capable of pumping water from SRP’s water system into the CAP Canal, thereby facilitating water exchanges and overall greater use of water resources in and around SRP’s service area
• Executed two long-term, large-scale memorandums of understanding with the U.S. Forest Service and State of Arizona to implement 86,000 acres of forest thinning projects over the next 10 years

Evolve a workforce that is representative of the communities that we serve. Consider diversity, equity and inclusion as a core value at SRP in all our processes.
• SRP’s Diversity, Equity and Inclusion (DEI) vision is to fully apply the power of diversity, inclusion and belonging to build a more equitable and sustainable future for our customers, employees and community. We work towards achieving this vision by consistently introducing, communicating and measuring initiatives and strategies that integrate DEI into our business practices and culture
• Issued two DEI Annual Reports (August 2021 and November 2022) which help SRP communicate progress on key DEI objectives, increase transparency and clarity and communicate the evolution of DEI at SRP by highlighting DEI learning, workforce
practices and metrics development thus creating greater transparency and accountability

- Implemented GROW, INCLUDE and VOICE DEI Learning Initiatives to ensure SRP Leaders and Employees develop tools to adopt a growth mindset, build inclusive teams and speak up more frequently and productively. In addition to other positive impacts on the SRP culture, these initiatives have contributed to high favorability scores on metrics such as employee belonging

- Normalized the practice of utilizing diverse hiring panels to help mitigate bias in hiring, reinforce objective evaluation of candidates and to bring diverse perspectives and insights into one of the most critical steps in the hiring process, the interview

- Improved the overall gender, racial and ethnic diversity of GM Staff to better reflect SRP’s Customers, Communities and Employees. Among the benefits of greater diversity in senior leadership is improved decision making as a result of more diverse perspectives and experiences

- In August 2021 SRP was designated as a City of Tempe as an Equal Pay Business Partner thus recognizing SRP’s commitment to ensuring equity in pay for its workforce. This designation was achieved by completing an internal pay analysis based on designation criteria.

Maintain Exceptionally strong financial performance.

- In an effort to bolster liquidity levels to provide additional funding to cover cash expenditures, and to enhance risk management protections in a changing environment, successfully achieved corporate objective to grow the year-end general fund by at least $25M on an annual basis. Specifically, SRP increased the General Fund balance from $444 million at the end of FY18 to $766 million at the end of FY22, and $870M as of 3/1/2023

Page 9 | 11
• To help fund SRP Board-approved capital expenditures, and to take advantage of historically low interest rates, successfully executed four different new money bond issuances totaling more than $1.2 billion in par value. In addition, SRP refinanced existing debt on four different occasions to lower borrowing costs for customers.

• Standard & Poor’s (S&P) upgraded SRP’s credit rating from AA to AA+ in FY20 (October 2019). With this upgrade from S&P, SRP received the highest ratings among Large Public Power Council entities with both an Aa1 rating from Moody’s Investors Service and an AA+ rating from S&P.

• Drove down the Debt Ratio from 48.2% at the end of FY18 to 41.7% at the end of FY22 (forecasted to finish at 45.2% for FY23, given recent bond deal).

Know when to leave and have a robust succession plan in place

During my five-year tenure, I have established a comprehensive succession planning strategy and process to ensure leadership continuity and mitigate talent risk at SRP. This deliberate and annual approach for identifying and developing talent has evolved into a strong talent pipeline of 150+ AGM, Sr. Director and Director successors. In alignment with our 2035 Workforce Goal of “attracting and maintaining a diverse and flexible workforce,” our succession pipeline at the AGM/Sr Director level exceeds 75% of our FY23 succession scorecard diversity goal – ensuring our leaders of the future will reflect the communities we serve.

Finally, the succession strategy includes a robust executive talent development plan designed to close requisite development gaps and ready individuals to fill future roles through learning and growth options such as SRP’s new Leadership Development Program, formal coaching, exposure to Board/Council and stretch assignments.
I am honored to have had the opportunity to lead SRP over the past five years. I appreciate the support that my staff and I have received from our elected officials during that time. SRP is very well prepared for the challenges ahead and we have the right people in place to address those challenges.

Sincerely,

Michael Hummel
Current Events

Mike Hummel
Power System Update

John Coggins
April Operations Summary

- Customer peak demand: 4758 MW
  - Occurred on April 11 with 96-degree temperature
  - 88 MW lower than forecast
- Overall, power system assets performed well
- Maintenance outage season is coming to an end
- Safety incident update
Field Area Network (FAN) Communications System

• **Scope:**
  - Secure and reliable wireless connectivity to sensing and control devices existing beyond the reach of SRP’s fiber-optic network

• **Cost:** $41M
FAN Network Coverage Area
FAN - Typical Equipment Installations

1. Outdoor communication tower setup
2. A close-up view of a communication box
3. A row of large equipment units
4. A utility pole with a structure attached
5. A control box in an outdoor setting

5/1/2023 Board Meeting, J. Coggins
High-Tech Interconnect Project (HIP) To Serve Customer Intel

- **Scope:**
  - Parlett 230/34/12 kV Substation
  - Henshaw-Parlett 230 kV Line (double)
    - OH w/ 69kV Underbuild (2.7 miles)
    - UG on Intel’s Property (0.5 mile)
  - Parlett-Schrader 230 kV Line
    - UG Single-Circuit 230 kV (4.3 miles)

- **Projected Cost:** $246M (unloaded)
  - Partially offset by Intel

5/1/2023 Board Meeting, J. Coggins

230kV Risers on Intel’s Campus
HIP Project - Parlett Substation Rendering
HIP Project - Parlett Substation Current Status
HIP Project - Transformer Delivery
HIP Project – 230kV UG Transmission Duct Bank
HIP Project – 230kV UG Transmission Vault
Financial Update

Aidan McSheffrey
Combined Net Revenues

March YTD Variance is $80.2

$132.7

$52.5
# March Financial Summary

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<td>Combined Expenses</td>
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<td>Comb Net Revs (Loss)</td>
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<td>Capital Expenditures</td>
<td>$172.7</td>
<td>$118.7</td>
<td>$54.0</td>
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Fuel and Purchased Power Adjustment Mechanism
YTD Through March 2023
FY23 Preliminary Retail Energy Sales (GWh)

Sales estimate for April 2023 is 2,181 GWh, or 0.6% above budget. Year-end variance is projected to be 0.3% above budget.
April Wholesale Summary

Primary Drivers:
- Above budget wholesale margins
  - Below budget gas prices
  - Above budget wholesale sales prices
- Above budget wholesale sales volumes
  - Lower than anticipated retail load first half of the month
  - High demand in the Western U.S.
Water Resources

Leslie Meyers
What is the Draft SEIS and why is it needed?

- 2-4 MAF of additional conservation needed
- $4B in federal funding for voluntary efforts
- Modify operations to avoid system crash
All Alternatives

• Existing agreements continue
• Equalization and Upper Elevation Balancing Tiers based on 2007 Interim Guidelines
• DCP contributions based on August 24-Month Study
• Glen Canyon Dam operated from 3 of 4 river outlet works below 3490’
• Allocation to Mexico governed by Minute 323 to 1944 Treaty
No Action Alternative

Continuing current operations of Lake Powell and Lake Mead in extreme low-runoff scenarios would create the potential for water levels in one or both reservoirs to decline to dead pool, thereby preventing operation of Glen Canyon Dam or Hoover Dam, or both, to provide water supplies in the Basin. In such reasonably foreseeable circumstances, the No Action Alternative would not meet the purpose of and need for the federal action because it would not “ensure that Glen Canyon Dam continues to operate under its intended design” and would not “protect Hoover Dam operations, system integrity, and public health and safety.
Both Action Alternatives

- Total shortages and DCP contributions limited to 2.083 maf
- Protect elevation 3500 in Lake Powell
- Models releases between 6.0 maf and 8.23 maf from Lake Powell when it is below 3,575 feet, with potentially lower releases to preserve an elevation of 3,500 feet
- Model progressively larger Lower Basin reductions as Lake Mead’s elevation declines and models larger Lower Basin reductions in 2025–2026 as compared with 2024.
  - Mid Elevation Release Tier and Lower Elevation balancing Tier are combined (Lower Elevation Release Tier)
    - If January 1 Powell elevation predicted to be below elevation 3,575 feet, initial annual release would be set at 6.0 maf
    - Adjust based on April end of year projection for Powell
  - New Protection Level
    - If Powell elevation is below 3,500 feet in any month, reduce releases
- Secretary reserves the right for “operations that are prudent or necessary for safety of dams, public health and safety….”
Action Alternative 1

• Reductions are based on the concept of **priority**.

• Priority refers the distribution of Colorado River water in the Lower Division States of Arizona, California, and Nevada as subject to laws, judicial rulings and decrees, contracts, interstate compacts, and operating criteria, known as the “**Law of the River**,” which apportion available water between the states and establish certain priorities in use.

• If Lake Mead’s is projected to be below an elevation of 1,000 feet, based on the January 1 projection or a mid-year review, additional reductions may be needed to protect the minimum power pool (elevation 950 feet) and to reduce the risk of declining to dead pool (elevation 895 feet).
Supply to Arizona: Alternative 1 (2025/26)

Supply Available

- CAP Deliveries
- CAP Losses
- On-River (CU)

Compiled from: Draft SEIS for Near-term Colorado River Operations, Appendix D
Action Alternative 2

- Reductions distributed in the same **percentage** across all Lower Basin water users - pro rata
- Based on 2021 consumptive use
- **Percent example**: if the additional shortage amount is 1 maf, the percentage of additional shortage volume is calculated by dividing 1 maf by 7.5 maf, which equals 13 percent
- Includes a potential 500 kaf of DROA release from the Upper Basin
- Coordinated Reservoir Operations - same as Action Alternative 1
Supply to Arizona: Alternative 2 (2025/26)

Supply Available (acre-feet X 1000)

- 1,090': CAP Deliveries (700), On-River (CU) (390)
- 1,075': CAP Deliveries (675), On-River (CU) (425)
- 1,050': CAP Deliveries (650), On-River (CU) (450)
- 1,045': CAP Deliveries (645), On-River (CU) (455)
- 1,040': CAP Deliveries (640), On-River (CU) (460)
- 1,035': CAP Deliveries (635), On-River (CU) (465)
- 1,030': CAP Deliveries (630), On-River (CU) (470)
- 1,025': CAP Deliveries (625), On-River (CU) (475)
- 1,000': CAP Deliveries (600), On-River (CU) (400)
- 975': CAP Deliveries (575), On-River (CU) (325)
- 950': CAP Deliveries (550), On-River (CU) (350)

Compiled from: Draft SEIS for Near-term Colorado River Operations, Appendix D
Other Considerations

- **Hydropower**: Did not specifically consider alternatives to prioritize hydropower, but the alternatives contemplate protection of critical reservoir levels.

- **Evaporation and System Loss**: No alternative explicitly includes ESL but do have similar shortage amounts to the proposals received implemented at different elevations and timing compared with the six Basin States proposal.

- **Tribal Water Rights**: Reclamation is consulting with Tribes regarding the proposed changes to the 2007 Interim Guidelines, including those Tribes with water rights and water delivery contracts.

- **MSCP**: Assessed impacts based on alternatives throughout.
What are the next steps

• Draft Supplemental EIS posted in the Federal Register April 14, 2023
  • Four virtual public meetings
• Comments due May 30, 2023
• Final SEIS Summer 2023
• August 24-Month Study – sets the shortage tier
• Glen Canyon Dam and Upper Basin – 2024 operations begin October 1, 2023
• Hoover Dam and Lower Basin – 2024 operations begin January 1, 2024
• Post 2026 guideline process is separate, but has also started
thank you!
Operating Environment
March 2023

<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 – Mar 2023</td>
<td>1,139,101</td>
<td>1,132,735</td>
<td>6,366</td>
<td>101%</td>
</tr>
<tr>
<td>Elec Customers - April 2022</td>
<td>1,112,684</td>
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<tr>
<td>Elec Customers – Mar 2022</td>
<td>1,116,452</td>
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<td></td>
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</tr>
<tr>
<td>System Sales GWH</td>
<td>2,038.8</td>
<td>2,095.3</td>
<td>(56.5)</td>
<td>97%</td>
</tr>
<tr>
<td>Wholesale Sales GWH</td>
<td>635.8</td>
<td>233.1</td>
<td>402.7</td>
<td>273%</td>
</tr>
<tr>
<td>Total A.F. Water Delivered</td>
<td>43,173</td>
<td>47,000</td>
<td>(3,827)</td>
<td>92%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)

Financial Summary
March 2023

<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>$240.3</td>
<td>$197.0</td>
<td>$43.3</td>
<td>122%</td>
</tr>
<tr>
<td>Combined Expenses</td>
<td>$295.5</td>
<td>$261.2</td>
<td>$34.3</td>
<td>113%</td>
</tr>
<tr>
<td>Comb Net Revs (Loss)</td>
<td>($55.2)</td>
<td>($64.2)</td>
<td>$9.0</td>
<td>86%</td>
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<tr>
<td>Funds Available</td>
<td>($14.0)</td>
<td>($21.7)</td>
<td>$7.7</td>
<td>65%</td>
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<tr>
<td>Capital Expenditures</td>
<td>$172.7</td>
<td>$118.7</td>
<td>$54.0</td>
<td>145%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)
Debt Ratio
March 2023

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

Debt Service Coverage Ratio
March 2023

(Non-GAAP, Unaudited)
Water Supply and Weather Report

May Board Meeting

May 1, 2023

Stephen Flora
*wettest fall-winter-spring since 2005 (before that 1993)*
Watershed Precipitation – WY 2023 to Date

Total Precipitation: Oct. 1, 2022 - Apr. 26, 2023

Verde: 16.61 (174% of Normal)
Salt: 15.30 (160% of Normal)
Combined: 15.96 (162% of Normal)
C.C. Cragin Watershed and Reservoir

Cragin is at 100% capacity and has spilled approximately 25,000 AF since March 16
**Reservoir Inflows – April snowmelt runoff response**

**April Reservoir Inflow:**

- April Runoff of 286,240 AF (423% of median) as of 4/27.
- Salt River observed peak snowmelt runoff near 5,000 cfs.
- Verde River observed peak snowmelt runoff near 4,000 cfs.
- Total SRP reservoir inflow for January 1 - March 27 is well above median at about 1,687,000 AF* (411% of median).

*10th highest January to April inflow on record (highest since 2005, before that 1993)
April 1 Streamflow Forecast

For Jan 1 – May 31, 2023

Salt - 819,000 AF
Tonto – 249,000 AF
Verde - 754,000 AF

Total ~ 1,822,000 AF (402% of median)

Last year actual – 217,000 AF

Reservoir Projections:

Roosevelt ~99% by May 31
Verde System ~95% by May 31
Roosevelt Lake FCS Operations

Peek Elevation – 2155.05’ on 3/29

Entered FCS late on 3/22
Exited FCS on 4/11
Re-enter FCS on 4/21

5/1/2023, Board Meeting, S. Flora
• Only a small amount of snow remaining in White Mountains (Salt) and isolated higher locations in the Verde watershed

• Small amount of spill expected to continue until mid-May at which time inflows are expected to be near or below demand.

Reservoir Spill into Salt River

Total Spill Over Granite Reef Dam
Runoff Year 2023

Total Spill* = 706,165 AF
Verde Spill = 393,775 AF
Salt Spill = 306,773 AF
(January 1- April 26, 2023)

*Total Spill includes Verde, Salt, and local spill over Granite Reef Dam
Flows downstream along the Gila River downstream

- Gila River below Painted Rock Dam - 3/22
  4/27 ~3,500 cfs
- Gila River below Estrella Parkway - 3/14
- Gila River Near Dateland – 4/12
  4/27 ~2,100 cfs
- Releases into Salt River began 3/2
- Flows near Wellton As of 4/27
SRP Reservoir System Status

April 27, 2023

**Current Storage:**

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>1,993,490</td>
</tr>
<tr>
<td>Verde</td>
<td>281,676</td>
</tr>
<tr>
<td>Total</td>
<td>2,275,166</td>
</tr>
</tbody>
</table>

5/1/2023, Board Meeting, S. Flora
Central Arizona Reservoir Status

April 27, 2023

*Painted Rock Dam is currently 8% (184,000AF) with 3,600 cfs release

Total SRP Storage: 2,275,166 af (99%)
Total Central Arizona Storage: 3,531,710 af (87%)
PROP total 2023 Groundwater was reduced to minimum pumping (75,000 AF total GW use) with reduced GSF (1,000 AF). Mix was adjusted to 3.2 af/ac Surface Water and 0.1 af/ac Groundwater.
Colorado River System
Reservoir Status

Total System Contents – 33% or 19.551 MAF
(Total system contents last year 34% or 20.480 MAF)

April 27, 2023
Colorado River Basin Snowpack (SWE) – April 28, 2023

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

11,100,000 AF (174% of average)
7-day Precipitation Forecast

8-14 Day Temperature Outlook
Valid: May 5 - 11, 2023
Issued: April 27, 2023

8-14 Day Precipitation Outlook
Valid: May 5 - 11, 2023
Issued: April 27, 2023

5/1/2023, Board Meeting, S. Flora
May-July 2023 Seasonal Outlook

Lag from wet winter (e.g., high soil moisture, deep western snowpack, and cold Gulf of California waters) favors a late start to monsoon season.
thank you!