Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. Request for Approval of the Minutes for the Meeting of August 8, 2023
.......................................................................................... CHAIRMAN TYLER FRANCIS

2. Council Committee Chairs and Liaisons Reports ... CHAIRMAN TYLER FRANCIS

3. 2023 SRP Boosters Campaign .................................................. ALAINA FITZPATRICK

4. Economic Outlook ..............................................GEORGE HAMMOND and PAUL BACHMAN

Informational presentation regarding the national and local economic outlook by external speaker and economist, George Hammond, followed by a brief overview of the economic implications of relevance for SRP.

5. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to Provide an Update and to Have Discussion or Consultation with Attorneys for Legal Advice Regarding the Sierra Club’s Appeal of the Certificate of Environmental Compatibility (CEC) Related to SRP’s Coolidge Expansion Project (CEP), Sierra Club v. Arizona Corporation Commission (ACC), Maricopa County Superior Court CV-2023-013467
.......................................................................................... MICHAEL O’CONNOR and ROB TAYLOR

6. Report on Current Events by the General Manager and Chief Executive Officer and Designees .................................................................................................................. JIM PRATT

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

7. Reservoir Report / Weather Report .............................................. TIM SKARUPA

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.
EMERGENCY EVACUATION INSTRUCTIONS

• Report the emergency
  o Life-threatening: 911
  o Non-life threatening: 602-236-5305

• Evacuate
  o Use the nearest exit to outside
  o Don’t use elevators unless mobility impaired

• Go to Evacuation Staging Area immediately
  o Report missing or trapped persons

• Do not re-enter building until authorized
BOARD ROOM EXITS

PAB CAFÉ EXITS
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, August 8, 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
August 1, 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, August 8, 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 1st day of August 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.


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

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Council of the District meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, August 4, 2023.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Risk Management Director, provided a safety minute regarding SRP’s safety culture.

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

Ms. S.C. McCoy left the meeting.

Approval of Minutes

On a motion duly made by Council Member B.E. Paceley, seconded by Council Member P.A. Van Hofwegen and carried, the Council approved the minutes for the meeting of June 6, 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 June 6, 2023. The vote was recorded as follows:


NO: None

ABSTAINED: None

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 T.S. Naylor reported on discussions held at the Power Committee concerning the Coolidge Expansion Project.

Proposed Power Sector Greenhouse Gas Performance Standards

Using a PowerPoint presentation, Kara M. Montalvo, SRP Director of Environmental Services, stated that the purpose of the presentation was to provide information regarding an overview of the Greenhouse Gas (GHG) Performance Standards for existing and new power plants proposed by the U.S. Environmental Protection Agency (EPA).

Ms. K.M. Montalvo reviewed the Clean Air Act (CAA) Standards of Performance and the application of best system of emission reduction (BESR). She provided an overview of the EPA GHG Rule history and the current 2023 EPA proposal that includes New Source Performance Standards (NSPS) and Emission Guidelines for GHG emissions.

Next, Ms. K.M. Montalvo discussed the NSPS and the new gas unit BSER options for units that commence construction after May 2023. She reviewed the Emission Guidelines and the existing coal unit BSER options and existing gas unit BSER options.

Ms. K.M. Montalvo provided an overview of the major topic areas addressed in SRP’s comments that will be submitted to the EPA. She concluded with a discussion of key takeaways and next steps.

Ms. K.M. Montalvo 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.

Director K.B. Woods left the meeting during the presentation. Mr. R.T. Judd entered the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer and Designees

Using a PowerPoint presentation, Jim Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the District.

President D. Rousseau 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 SRP’s power system. He provided a summary of July operations, reported that July 2023 had record heat, and provided a peak hour retail load forecast. Mr. J.D. Coggins provided an update on monsoon storm damage, wildfire impacts, battery performance, storm preparation, and storm response support for Tucson Electric Power. He introduced Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive.

Continuing, Mr. B.A. Olsen discussed the Bring Your Own Thermostat (BYOT) load shed event on July 18th, which resulted in a load reduction of approximately 200 Megawatts (MW). He concluded with an update on new resources in development for 2023 and recent events at the Harquahala Generating Facility.

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 fiscal year through June, and the status of collections through June 2023 within the Fuel and Purchased Power Adjustment Mechanism (FPPAM). He reviewed the preliminary retail energy sales for Fiscal Year 2024 (FY24) and provided a summary of wholesale net revenue for July.

Continuing, Mr. A.J. McSheffrey reviewed natural gas price changes over time in the San Juan Basin and Permian Basin. He concluded with a discussion regarding key recommendations and hedging program enhancements based on KPMG’s audit review.

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 Water Resources

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources Executive, provided an update on water resources.

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

Mr. B.M. Svoma entered the meeting during the presentation.
Reservoir and Weather Report

Using a PowerPoint presentation, Bo M. Svoma, SRP Senior Meteorologist, reviewed the cumulative watershed precipitation outlook from October 2022 to September 2023 and watershed precipitation for Monsoon season 2023-to-date. 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 August 1, 2023. Mr. B.M. Svoma discussed the surface runoff and pumping data for July 2023 and year-to-date.

Continuing, Mr. B.M. Svoma provided a review of Lake Powell inflow from April 2023 through July 2023. He concluded by providing a seven-day precipitation forecast and a review of the seasonal percent of normal precipitation and temperature from September 2023 through November 2023.

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

President’s Report

There was no report by President D. Rousseau.

Future Agenda Topics

Council Chairman T.M. Francis asked the Council if there were any future agenda topics. Council Member M.G. Rakow requested a tour of Coolidge and the town of Randolph. Council Member M.B. Brooks requested that a By-Laws Committee meeting be scheduled. Council Member P.A. Van Hofwegen requested a presentation on the history of water and municipalities.

There being no further business to come before the Council, the meeting was adjourned at 11:48 a.m.

John M. Felty
Corporate Secretary
2023 SRP Boosters Campaign

Summary

• Theme: Power of Pledges
• Dates: Monday, September 25 through Friday, October 20 (four weeks)
• Pledge goal: $1,700,000
• Premier Luncheon: September 20
• Agency spotlight event: PAB October 5 and October 10
• Participation goal has been removed to be more inclusive
2023 SRP Boosters Campaign
2023 SRP Boosters Campaign

Path to success

- Strong presentations to the company that include an ask to pledge
- Great marketing and communications
- Motivated and informed coordinators
- Implementation of new coordinator application
- Executive and management support
- A persistent and creative Board – everyone owns the goal
2023 SRP Boosters Campaign

Risks

• Inflation
• Change of agency selection
• Limited attention (work changes, etc.)
2023 SRP Booster Campaign

Potential

• Pledging continues to increase each year
• Retirees now eligible to participate
• Increased events
  • Two agency events at PAB
  • Additional events hosted at Valley-wide service centers and power plants
thank you!
Key Topics

► Phoenix inflation is still outpacing the U.S.
► Phoenix housing affordability remains very low
► Phoenix jobs are back on their pre-pandemic trend
  ► With low unemployment and rapidly rising wages
► Baseline U.S. forecast calls for a ‘soft landing’
  ► With no U.S. recession
► Long-term, Arizona far outpaces U.S. growth, with Phoenix leading the way
Phoenix Inflation Is Outpacing the U.S.

All-Items CPIU, Over the Year

<table>
<thead>
<tr>
<th></th>
<th>June 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>3.0%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

09/12/2023 District and Association Council, G. Hammond
It’s Not Because of Commodities Inflation

Commodities CPIU, Over the Year

Percent

19 20 21 22 23

Phoenix MSA

U.S.

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>U.S.</td>
<td>-1.2%</td>
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<tr>
<td>Phoenix</td>
<td>-1.4%</td>
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</table>
Global Supply Chains Matter For Goods Inflation

New York Federal Reserve Global Supply Chain Pressure Index

Measured by global transportation costs (sea shipping and air transport) and supply-chain indicators (delivery times, backlogs, and more).

https://www.newyorkfed.org/research/policy/gscpi/#/interactive

09/12/2023 District and Association Council, G. Hammond
Phoenix Shelter Inflation Far Above U.S.

Shelter CPIU, Over the Year

<table>
<thead>
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<th>June 2023</th>
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<tbody>
<tr>
<td>U.S.</td>
<td>7.8%</td>
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<tr>
<td>Phoenix</td>
<td>12.1%</td>
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</table>

09/12/2023 District and Association Council, G. Hammond
House Prices Have Stabilized

Phoenix and Tucson

Median House Price

<table>
<thead>
<tr>
<th></th>
<th>Tucson</th>
<th>Phoenix</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2022</td>
<td>$368,875</td>
<td>$485,000</td>
</tr>
<tr>
<td>July 2023</td>
<td>$380,000</td>
<td>$466,332</td>
</tr>
</tbody>
</table>

%change 3.0% -3.8%

Phoenix median sales price is down 8.6% from May 2022 peak. Tucson median sales price is up 2.7% from June 2022 peak.
Housing Affordability Trends

NAHB-Wells Fargo

The share of homes sold that are affordable to a family making the median income.

<table>
<thead>
<tr>
<th></th>
<th>Phx</th>
<th>Tus</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019Q4</td>
<td>64.9</td>
<td>71.2</td>
<td>63.2</td>
</tr>
<tr>
<td>2020Q4</td>
<td>65.7</td>
<td>74.2</td>
<td>63.3</td>
</tr>
<tr>
<td>2021Q4</td>
<td>44.5</td>
<td>58.0</td>
<td>54.2</td>
</tr>
<tr>
<td>2022Q4</td>
<td>18.3</td>
<td>35.0</td>
<td>38.1</td>
</tr>
<tr>
<td>2023Q1</td>
<td>34.3</td>
<td>46.8</td>
<td>45.6</td>
</tr>
<tr>
<td>2023Q2</td>
<td>30.1</td>
<td>38.6</td>
<td>40.5</td>
</tr>
</tbody>
</table>
Housing Affordability

NAHB-Wells Fargo

<table>
<thead>
<tr>
<th>City</th>
<th>2019Q4</th>
<th>2023Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>11.3</td>
<td>3.2</td>
</tr>
<tr>
<td>San Francisco</td>
<td>12.3</td>
<td>7.0</td>
</tr>
<tr>
<td>San Jose</td>
<td>20.6</td>
<td>9.0</td>
</tr>
<tr>
<td>Seattle</td>
<td>44.3</td>
<td>22.1</td>
</tr>
<tr>
<td>U.S.</td>
<td>63.2</td>
<td>40.5</td>
</tr>
</tbody>
</table>

09/12/2023 District and Association Council, G. Hammond
Phoenix Housing Permits

Seasonally Adjusted Annual Rates

Annual

Permits

0 10,000 20,000 30,000 40,000 50,000 60,000 70,000

Single Family

Multi-Family

Monthly

Permits

70 75 80 85 90 95 00 05 10 15 20

Single Family

Multi Family

09/12/2023 District and Association Council, G. Hammond
Phoenix Jobs Are Back on Pre-Pandemic Trend

Forecast Completed First Quarter 2020

- Continue average
- 2015-19 growth rate
- Forecast
- Actual

Thousands

09/12/2023 District and Association Council, G. Hammond
Phoenix MSA Jobs by Industry

Change from February 2020 to July 2023
Thousands, Seasonally Adjusted

- Trade, Transportation, and Utilities: 38.3
- Priv. Educational and Health Services: 32.1
- Professional and Business Services: 24.8
- Construction: 19.6
- Financial Activities: 13.8
- Manufacturing: 11.7
- Leisure and Hospitality: 8.8
- Government: 5.2
- Information: 0.9
- Natural Resources and Mining: -0.0
- Other Services: -0.5

09/12/2023 District and Association Council, G. Hammond
Employment Cost Index

Total Private-Sector Compensation for U.S. and Phoenix MSA

Year-Over-Year Percent Change

<table>
<thead>
<tr>
<th></th>
<th>Phoenix</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021Q1</td>
<td>3.6</td>
<td>2.8</td>
</tr>
<tr>
<td>2021Q2</td>
<td>3.7</td>
<td>3.1</td>
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<tr>
<td>2021Q3</td>
<td>4.6</td>
<td>4.1</td>
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<tr>
<td>2021Q4</td>
<td>4.9</td>
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<tr>
<td>2022Q1</td>
<td>5.5</td>
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<td>2022Q2</td>
<td>5.5</td>
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<tr>
<td>2022Q3</td>
<td>5.5</td>
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<td>2022Q4</td>
<td>4.4</td>
<td>5.1</td>
</tr>
<tr>
<td>2023Q1</td>
<td>4.6</td>
<td>4.8</td>
</tr>
<tr>
<td>2023Q2</td>
<td>3.9</td>
<td>4.5</td>
</tr>
</tbody>
</table>


09/12/2023 District and Association Council, G. Hammond
Phoenix MSA And U.S. Job Growth

Third Quarter 2023

Percent

Phoenix
U.S.
Phoenix MSA Net Migration and Natural Increase

Third Quarter 2023

Net Migration

Natural Increase

Persons

120,000
100,000
80,000
60,000
40,000
20,000
0
-20,000
-40,000


09/12/2023 District and Association Council, G. Hammond
# Gross Migration Flows to Arizona

**Public Use Microdata Sample, ACS 2017-2021**

<table>
<thead>
<tr>
<th>State</th>
<th>Flow to Arizona</th>
<th>Flow to Phoenix MSA</th>
<th>Flow to Tucson MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>63,409</td>
<td>39,659</td>
<td>8,078</td>
</tr>
<tr>
<td>Washington</td>
<td>18,503</td>
<td>12,946</td>
<td>2,446</td>
</tr>
<tr>
<td>Texas</td>
<td>14,976</td>
<td>9,980</td>
<td>2,381</td>
</tr>
<tr>
<td>Colorado</td>
<td>13,035</td>
<td>9,281</td>
<td>1,840</td>
</tr>
<tr>
<td>Illinois</td>
<td>11,772</td>
<td>7,817</td>
<td>1,495</td>
</tr>
<tr>
<td>Oregon</td>
<td>9,158</td>
<td>5,993</td>
<td>1,431</td>
</tr>
<tr>
<td>Florida</td>
<td>8,166</td>
<td>5,839</td>
<td>1,077</td>
</tr>
<tr>
<td>Minnesota</td>
<td>8,105</td>
<td>5,418</td>
<td>988</td>
</tr>
<tr>
<td>New York</td>
<td>7,064</td>
<td>5,355</td>
<td>822</td>
</tr>
<tr>
<td>Utah</td>
<td>6,923</td>
<td>4,759</td>
<td>820</td>
</tr>
</tbody>
</table>

Source: author's calculations, ipums.org, ACS Five-Year 2017-2021, Public Use Microdata Sample
Phoenix Per Capita Personal Income Gap

Annual Data

09/12/2023 District and Association Council, G. Hammond
Four-Year College Attainment Rates

Working-Age Residents, ACS, 2021
Key Takeaways

► Inflation is decelerating but still has a long way to go
► Housing affordability has improved modestly
  ► But remains far below pre-pandemic levels
► Phoenix jobs are back on trend
  ► And the labor market remains very tight
► The baseline forecast calls for growth to continue
► In the long run, Phoenix is forecast to far outpace U.S. growth
  ► But education attainment and water sustainability are important risks
Economic Outlook and SRP

Robust Local Economy with Risks

- Local economic trends indicate continued vigorous load growth
- Tight labor market creates opportunity for higher living standards for some of our residential customers, but the benefits could be spread unevenly across our customer base
- Housing affordability, education levels, and infrastructure pose challenges
thank you!
Council Report
Council Meeting
September 11, 2023
Current Events

Jim Pratt
Power System Update

John Coggins
Summer Peak Retail Load

July 18: 8163 MW
August 28: 8053 MW
Operational Updates – August 2023

• Daily record heat continued – 52 days at 110+ degrees
• Assets performed well overall
• No major unplanned outages
  • Agua Fria Unit 3 remains on outage
• Reliability indicators remain on track
• August 17\textsuperscript{th} Energy Emergency Alert (EEA 1)
• August 19\textsuperscript{th} vehicle accident, 7200 customers on outage
• August 31\textsuperscript{st} monsoon storm event
August 31st Monsoon Storm
August 31st Monsoon Storm cont’d
Parlett Substation – Cracked Cable Issue
Navajo Generating Station Decommissioning

Before the Decommissioning

After the Decommissioning
Safety Recognition

Kyrene Generating Station

Substation Design, Construction & Maintenance
Financial Update
Aidan McSheffrey
Combined Net Revenues

July YTD Variance is $40.1

$272.2

$232.1
## Financial Summary

### July 2023

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Revenues</td>
<td>$565.5</td>
<td>$494.2</td>
<td>$71.3</td>
<td>114%</td>
</tr>
<tr>
<td>Combined Expenses</td>
<td>$398.6</td>
<td>$367.4</td>
<td>$31.2</td>
<td>108%</td>
</tr>
<tr>
<td>Comb Net Revs (Loss)</td>
<td>$166.9</td>
<td>$126.8</td>
<td>$40.1</td>
<td>132%</td>
</tr>
<tr>
<td>Funds Available</td>
<td>$212.0</td>
<td>$162.4</td>
<td>$49.6</td>
<td>131%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$87.7</td>
<td>$109.4</td>
<td>($21.7)</td>
<td>80%</td>
</tr>
</tbody>
</table>
Fuel and Purchased Power Adjustment Mechanism
Fiscal YTD Through July 2023

[Chart showing actual and planned values from April 2023 to April 2024]
FY24 Preliminary Retail Energy Sales (GWh)

Sales estimate for August 2023 is 3,876 GWh, or 8.3% above budget. Year-end variance is projected to be 1.7% above budget.
**August Wholesale Summary**

**Wholesale Net Revenue**
- **Budget**: $9.8M
- **Estimate**: $20.2M

**Primary Drivers:**
- Above budget bilateral wholesale margin
  - Mid-month heat wave in West
- Above budget volume
FY24 Bond Sale

- New money deal
- FY24 Approved Budget: $655M +/-
- Approval/price forecast: Nov 2023

Team

Lead Bank: TBD...
Advisor: pfm
Bond Counsel: CSG Law
Tax Counsel: Nixon Peabody
Water Stewardship

Leslie Meyers
Arizona Governor’s Water Policy Council Update
Council Focus Areas & Objectives

Review and make recommendations for changes to Assured Water Supply policies – legislatively, administratively, or by executive action—to address the challenges revealed by Assured Water Supply modeling projections, while continuing to:

• Strengthen the integrity of the Assured Water Supply program,
• Protect consumers and aquifers, and
• Ensure future growth is not reliant on mined groundwater.

Develop recommendations for a water management framework to assist rural Arizona communities to manage their groundwater resources.

**Deadline:** December 2023
AWS Committee Recap

June 27 Committee Meeting
• Issue, task, objective & principles
• Structure, process & timeline
• Initial concepts & discussion:
  • Wildcat and build to rent
  • Commingling
  • Infrastructure
• Identification of additional concepts

July 13 Subcommittee Meeting
• Discussed several concepts:
  • Commingling
  • Future Infrastructure
  • “Hybrid” designation concept
  • “Nested” designation concept
  • Incentivizing development on ag land
  • Retiring grandfathered rights

August 15 Committee Meeting
• Discussed three concepts:
  • Build to rent developments
  • “Wildcat” developments
  • Retiring grandfathered rights
Rural GW Committee Recap

June 29 Committee Meeting
• Summary of recent groundwater management concepts
• Reviewed “starting point” proposal
• Formed subcommittee

July 11 Subcommittee Meeting
• Began discussion on several concepts:
  • Identify priority groundwater basins
  • Statewide measuring and monitoring
  • Groundwater management framework
  • Immediate mitigation options for priority areas
  • Begin evaluation process for regulatory overlays
  • Infrastructure
Rural GW Committee Recap

August 9 Subcommittee Meeting
- Reviewed current groundwater basin data
- Narrowed concept discussions to two focus areas:
  - Measuring and reporting
  - Framework for managing rural groundwater

August 17 Committee Meeting
- Summary of subcommittee meeting discussions
- Began reviewing LGSA framework
Governor's Water Policy Council

Upcoming Meetings & Next Steps

- Committees will meet at least once a month through December 2023, continuing to build out the working concepts for each committee.
- Dates for the next two committee meetings and the next Council meeting:
  - Assured Water Supply Committee
    - Tuesday, September 12, 2023, 10:00 am – 12:00 pm
  - Rural Groundwater Committee
    - Thursday, September 14, 2023, 10:00 am – 12:00 pm
  - Governor’s Water Policy Council (tentative)
    - Friday, October 27, 2023, 1:00 – 3:00 pm
Grand Canalscape
## Operating Environment
### July 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 – July 2023</td>
<td>1,138,603</td>
<td>1,132,383</td>
<td>6,220</td>
<td>101%</td>
</tr>
<tr>
<td>Elec Customers - April 2023</td>
<td>1,135,989</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elec Customers – July 2022</td>
<td>1,113,583</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Sales GWH</td>
<td>4,093.5</td>
<td>3,653.7</td>
<td>439.8</td>
<td>112%</td>
</tr>
<tr>
<td>Wholesale Sales GWH</td>
<td>582.1</td>
<td>348.4</td>
<td>233.7</td>
<td>167%</td>
</tr>
<tr>
<td>Total A.F. Water Delivered</td>
<td>90,873</td>
<td>106,000</td>
<td>(15,127)</td>
<td>86%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)

## Financial Summary
### July 2023

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Revenues</td>
<td>$565.5</td>
<td>$494.2</td>
<td>$71.3</td>
<td>114%</td>
</tr>
<tr>
<td>Combined Expenses</td>
<td>$398.6</td>
<td>$367.4</td>
<td>$31.2</td>
<td>108%</td>
</tr>
<tr>
<td>Comb Net Revs (Loss)</td>
<td>$166.9</td>
<td>$126.8</td>
<td>$40.1</td>
<td>132%</td>
</tr>
<tr>
<td>Funds Available</td>
<td>$212.0</td>
<td>$162.4</td>
<td>$49.6</td>
<td>131%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$87.7</td>
<td>$109.4</td>
<td>($21.7)</td>
<td>80%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)
Debt Ratio
July 2023

(Non-GAAP, Unaudited)

Debt Service Coverage Ratio
July 2023

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

September Council Meeting

September 12, 2023

Tim Skarupa
Cumulative Watershed Precipitation:
Water Year (Oct 2022 - Sep 2023)

Wettest fall-winter-spring since 2005 (before that 1993)

18.92" (123% of Normal)
Monsoon 2023 Rainfall to Date

Total Monsoon Rainfall to Date (Sep. 04, 2023)

- Verde: 2.65 (56% of Normal)
- Salt: 2.13 (42% of Normal)
- Combined: 2.39 (47% of Normal)
North American Monsoon

All-Time Record Hot Summer
Phoenix, Arizona

Mean Daily Average Temperature

<table>
<thead>
<tr>
<th></th>
<th>Temperature</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>97.0°</td>
<td>2023</td>
</tr>
<tr>
<td>2</td>
<td>96.7°</td>
<td>2020</td>
</tr>
<tr>
<td>3</td>
<td>95.1°</td>
<td>2015</td>
</tr>
<tr>
<td>4</td>
<td>95.1°</td>
<td>2013</td>
</tr>
<tr>
<td>5</td>
<td>94.9°</td>
<td>2019</td>
</tr>
</tbody>
</table>

Phoenix Sky Harbor Airport
Records date back to 1895

Climatological Summer defined as June | July | August

Summer = June-August
SRP Reservoir System Status

September 1, 2023

**Current Storage:**

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>1,815,389</td>
</tr>
<tr>
<td>Verde</td>
<td>195,377</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,010,766</strong></td>
</tr>
</tbody>
</table>

9/12/2023, Council Meeting, T Skarupa
Central Arizona Reservoir Status

September 1, 2023

Total SRP Storage: 2,010,766 af (88%)
Total Central Arizona Storage: 2,994,442 af (74%)
August 2023

Surface Runoff

- Actual
  - Verde: 5,000
  - Salt: 10,000
- 30-Yr Median
  - Verde: 20,000
  - Salt: 30,000
- Planned
  - Verde: 35,000
  - Salt: 40,000

Pumping

- Actual
  - WSRV: 10,000
  - ESRV: 15,000
- Planned
  - WSRV: 0
  - ESRV: 5,000
Year to Date 2023

Surface Runoff

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

Pumping

- Actual: WSRV, ESRV
- Planned: WSRV, ESRV

9/12/2023, Council Meeting, T Skarupa
April-July Lake Powell Inflow

Colorado - Lake Powell, Glen Cyn Dam, At (GLDA3)
Period: Apr-Jul, Observed Volume: 10600 kaf (166% Average, 173% Median)
ESP is Unregulated and No Precipitation Forecast Included

2023/08/01:
Average: 6390
Median: 6130
Observed
Accumulation: 10600
Observed Total: 10600

CBRFC
Unregulated Inflow into Lake Powell (April – July)
10,600,000 AF (166% of average)
Colorado River System
Reservoir Status

Total System Contents – 44% or 25.616 MAF
(Total system contents last year 33% or 19.803 MAF)

September 1, 2023
7-day Precipitation Forecast

168-Hour Day 1-7 QPF
Valid 00Z Fri Sep 08 2023
Thru 00Z Fri Sep 15 2023
Issued: 2212Z Thu Sep 07 2023
Forecaster: WPC
DOC/NOAA/NWS/NCEP/WPC
Oct.-Dec. 2023 Seasonal Outlook

Seasonal Precipitation Outlook

Valid: Oct-Nov-Dec 2023
Issued: August 17, 2023

Map showing the probability of precipitation categories across the United States, with colors indicating different chances of being above, below, or equal to normal.
thank you!