SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT COUNCIL MEETING NOTICE AND AGENDA

DISTRICT COUNCIL
Tuesday, October 3, 2023, 9:30 AM
SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ  85288

Call to Order
Invocation
Pledge of Allegiance
Roll Call
Safety Minute

1. Memorial Resolution for Association Vice President John Hoopes ................................................................. CHAIRMAN TYLER FRANCIS
2. Request for Approval of the Minutes for the Meeting of September 12, 2023 ................................................................. CHAIRMAN TYLER FRANCIS
3. Council Committee Chairs and Liaisons Reports … CHAIRMAN TYLER FRANCIS
4. Update on Upcoming Proposed Revenue Bond Sale .............................................................................. BRIAN KOCH and JASON RIGGS

Informational presentation to provide an update regarding the upcoming proposed revenue bond sale, including a discussion on the need for the sale and potential parameters approval process.

5. 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. Customer Operations .......................................................................................................................... RUDY NAVARRO
   D. Water Resources ................................................................................................................................. LESLIE MEYERS
7. President’s Report .............................................................................................................................. PRESIDENT DAVID ROUSSEAU
8. Future Agenda Topics ............................................................................................................................ CHAIRMAN TYLER FRANCIS

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

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

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

THE NEXT COUNCIL MEETING IS SCHEDULED FOR TUESDAY, NOVEMBER 7, 2023

09/26/2023
SAFETY MINUTE: HEARING LOSS PREVENTION
SRP COUNCIL

SARA MCCOY
DIRECTOR, RISK MANAGEMENT
OCTOBER 3, 2023
HEARING CONSERVATION

• Hazard
  o Effects of noise: temporary or permanent hearing loss
  o Increased noise exposure leads to increased hearing loss over time

• Hearing Loss Symptoms
  o Tinnitus – ringing, humming, buzzing sounds in ear
  o Difficulty hearing conversations or in noisy areas

• Prevention
  o Avoid or minimize noise exposure
  o Replace or modify noisy equipment
  o Wear hearing protection: ear plugs, canal caps, ear muffs
HEARING LOSS PREVENTION: KNOW THE HAZARD

Extended exposure above 85 dB can cause permanent hearing loss

Soft
30 dB
Whisper

Moderate
50 dB
Floor Fan

40 dB
Quiet Library

60 dB
Conversation

Loud
70 dB
Traffic

80 dB
Alarm Clock

Very Loud
90 dB
Power Tools

110 dB
Sporting Events

120 dB
Concerts

Painful
130 dB
Ambulance

140 dB
Guns

140 dB
Fireworks

Extended exposure above 85 dB can cause permanent hearing loss.
MEMORIAL RESOLUTION

John R. Hoopes

WHEREAS, John R. Hoopes, a loyal and respected servant of the Salt River Project ("SRP") and

WHEREAS, John was elected in 1997 to the Council, ultimately serving as its Chairman, and was elected in May 2010 as the Vice President of the Board.

WHEREAS, during his 26 years of dedicated service, John performed his duties in an exemplary manner and to the highest professional standards, and

WHEREAS, by virtue of his personal integrity and unfailing devotion to duty, John earned the respect and admiration of management, the electors and shareholders of SRP, and the members of the SRP Boards and Councils;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that this Memorial in tribute to John R. Hoopes be spread upon the minutes of this meeting as an expression of the Council's highest regard for John and sorrow at his passing, and

BE IT FURTHER RESOLVED, that a copy of this Memorial be presented to the family of John R. Hoopes.

BY ORDER OF THE SRP COUNCILS this 3rd day of October 2023.
Costa Rica with 60 family members. Among them are her daughter, Benefits Intern Samantha Vickery, here ziplining at Kualoa Ranch.

Nicholas Waters, Electronics Technician Ireland. The die-hard Notre Dame fans attended the Notre Dame vs. Navy college football game in Dublin.

Nick Zehring, Data Science Lead, Data, Analytics and Automation, and his wife, Maggie, toured Scotland and

Madison and Emilia, to the Zapotec ruins, which date back to around 500 B.C.

Maria Naff, Manager, Integrated Systems Planning & Support, and her husband, Joe, took their daughters,

On a trip to New York City with her husband

Squamish, British Columbia, Canada, area

spent eight days mountain biking in the

Distribution Substation Maintenance West,

Adrienne Begaye, Electrician Apprentice,

astronauts to the moon.

Matthew Lincoln, Senior Application Administrator, went on a five-week, 8,700-mile

cruise. They're pictured here in front of

Dawn Jurgensmeier, Manager, Distribution Performance, and her husband, Erik Jurgensmeier, Computer

features of the PAB Canyon.

From paragliding around Iceland to relaxing by the beach, you shared

share their 2023 vacation getaways

What is the new art exhibit going up in the SRP Heritage Center?

Ask a Historian

We couldn't include all of them here, but don't worry — you can see all your

2035 Corporate Goals

How your work helps SRP achieve its long-term goals

2035YOUR TIE TO

SRP's

customers and communities today and in the future.

How you contribute to SRP's

2035 Corporate Goals

helping us move toward achieving our 2035 goals. View previous features

How your work helps SRP achieve its long-term goals

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How your work helps SRP achieve its long-term goals
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, September 12, 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
September 5, 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, September 12, 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 5th day of September 2023.

/s/ Tyler Francis
Council Chairman

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


Council Members absent at roll call were R.S. Kolb, C.M. Leatherwood, B.E. Paceley, I.M. Rakow, W.P. Schrader Jr., W.W. Sheely, and N.J. Vanderwey.

Also present were President D. Rousseau; District Vice President C.J. Dobson; Council

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, September 8, 2023.

Safety Minute

Using a PowerPoint presentation, Denny L. Cox, SRP Manager of Safety Services, provided a safety minute regarding emergency evacuation instructions for the SRP Public Administration Building.

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

Mr. D.L. Cox left the meeting.

Approval of Minutes

On a motion duly made by Council Vice Chairman J.R. Shelton, seconded by Council Member J.L. Miller and carried, the Council approved the minutes for the meeting of August 8, 2023, as presented.

Corporate Secretary J.M. Felty polled the Council Members on Council Vice Chairman J.R. Shelton's motion to approve the minutes for the meeting of August 8, 2023. The vote was recorded as follows:


NO: None (0)

ABSTAINED: None (0)

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 G.E. Geiger reported on discussions held at the Water Committee. Council Member M.B. Brooks discussed an upcoming By-Laws Committee meeting to be scheduled. Council Member M.L. Farmer reported on discussions held at the Compensation Committee. Council Member P.A. Van Hofwegen reported on discussions held at the Finance and Budget Committee.

Council Member R.S. Kolb entered the meeting during the reports.

2023 SRP Boosters Campaign

Using a PowerPoint presentation, Alaina J. Fitzpatrick, SRP Manager of Facility Development and SRP Employee Boosters Association President, discussed the 2022 Annual Fundraising Campaign success for SRP Employee Boosters and the 2023 campaign goals. She provided a video regarding employee participants in the Boosters program.

Ms. A.J. Fitzpatrick 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.

Mmes. A.J. Fitzpatrick and D.D. Olaya left the meeting. Council Member I.M. Rakow; and Mr. P.B. Sigl entered the meeting during the presentation.

Economic Outlook

Using a PowerPoint presentation, Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive, stated that the purpose of the presentation was to provide information regarding the national and local economic outlook and a brief overview of the economic implications relevant to SRP. He introduced George Hammond, Ph.D. Director of the Economic and Business Research Center in the Eller College of Management at UArizona. Mr. G. Hammond reviewed the overall performance of the national and local economies detailing the following: Phoenix area inflation; Phoenix area housing affordability; Phoenix labor market; baseline U.S. forecast calls for a soft landing without a U.S. recession; and Arizona’s lead in national economic growth.

Continuing, Paul R. Bachman, SRP Senior Corporate Economist, detailed the economic implications for SRP. He said that the local economic trends indicate continued vigorous load growth. Mr. P.R. Bachman explained that the tight labor market creates opportunity for higher living standards for some of SRP’s residential customers, but the benefits could be spread unevenly across our customer base. He concluded with an
overview of the challenges posed by housing affordability, education levels, and infrastructure.

Messrs. P.R. Bachman and G. Hammond 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.

Ms. K.M. Libby; Messrs. P.R. Bachman, T. Cooper, and P.B. Sigl; and George Hammond of UArizona left the meeting.

Executive Session: SRP v. ACC

Council Chairman T.M. Francis requested a motion to enter into executive session of the District Council, 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.

On a motion duly made by Council Member P.A. Van Hofwegen, seconded by Council Member M.G. Rakow and carried, the District Council convened into executive session at 11:00 a.m.

Corporate Secretary J.M. Felty polled the Council Members on Council Member P.A. Van Hofwegen’s motion to enter into executive session. The vote was recorded as follows:


NO: None (0)

ABSTAINED: None (0)


The Council convened into open session at 11:16 a.m. with the following Members and others present: President D. Rousseau; District Vice President C.J. Dobson; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Members J.R. Augustine, M.B. Brooks, M.L. Farmer, A.A. Freeman, G.E. Geiger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, M.A. Lewis, J.W. Lines, J.L. Miller,
Mr. P.B. Sigl entered the meeting.

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

Using a PowerPoint presentation, Jim M. Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the District. Patrick B. Sigl, SRP Principal Managing Attorney, provided an update on the following agreements approved by the Board on September 11, 2023: the Temporary Standpipe Well Agreement between EPCOR and SRP and the Amended and Restated Agreement for upstream exchange of Central Arizona Project water and other matters between EPCOR and SRP. Michael J. O’Connor, SRP Associate General Manager and Chief Legal Executive, provided an update on Jennings, Strouss & Salmon closing and the transfer of SRP legal documents in their files.

Council Chairman T.M. Francis; Council Members M.B. Brooks, A.A. Freeman, A.S. Hatley, A.M. Herrera, M.A. Lewis, W.P. Schrader III, R.W. Swier; Council Member M.A. Freeman of the Association; and Board Liaison M.J. Herrera left the meeting during the report.

Council Vice Chairman J.R. Shelton assumed the chair.

**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 an overview of the summer peak load and a summary of August operations. Mr. J.D. Coggins provided an update on Monsoon storm damage from August 31, 2023, a cracked cable housing issue at Parlett Substation, and the status of the Navajo Generating Station decommissioning. He reported that Kyrene Generating Station received a safety recognition from the Voluntary Protection Program for substation design, construction, and maintenance.

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

Using a PowerPoint presentation, Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive, reviewed the combined net revenue (CNR) for the fiscal year-to-date, the financial highlights for the month of July, and the status of collections through July 2023 within the Fuel and Purchased Power Adjustment Mechanism (FPPAM). He reviewed the preliminary retail energy sales for FY24 and provided a summary of wholesale net revenue for August. Mr. A.J. McSheffrey concluded with a review of SRP’s planned FY24 bond sale and new money deal.

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

Status of Water Resources

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources Executive, provided an update on water resources. She provided an update on the Arizona Governor’s Water Policy Council, including its focus areas and objectives, Assured Water Supply Committee and Rural Groundwater Management Committee meeting recaps, and upcoming meetings. She concluded with an update on the Grand Canalscape project and an update on the Roosevelt flood control modification process.

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. T.E. Skarupa entered the meeting.

Reservoir and Weather Report

Using a PowerPoint presentation, Tim E. Skarupa, SRP Manager of Watershed Management, reviewed the cumulative watershed precipitation outlook from October 2022 to September 2023; rainfall for Monsoon Season 2023-to-date; and the average daily Monsoon Season temperature from 2019 to 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 September 1, 2023. Mr. T.E. Skarupa discussed the surface runoff and pumping data for August 2023 and year-to-date.

Continuing, Mr. T.E. Skarupa 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 outlook from October 2023 through December 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 Vice Chairman J.R. Shelton asked the Council if there were any future agenda topics. None were requested.

There being no further business to come before the Council, the meeting was adjourned at 12:26 p.m.

John M. Felty
Corporate Secretary
Revenue Bond Sale:
SRP 2023 Series B

SRP Council Meeting
Brian J. Koch & Jason I. Riggs
October 3, 2023
Projected Capital Spend by Segment: FY24 and FP24

**Capital by Segment**

**FY24 $1.4B**
- Support $108M
- Corporate $154M
- Customer Systems $80M
- Distribution $367M
- Transmission $255M
- Generation $414M

**Capital by Segment**

**2024-2029 $8.1B**
- Support $855M
- Corporate $768M
- Customer Systems $450M
- Distribution $2,072M
- Transmission $633M
- Generation $3,320M

Continued SRP Growth Will Require More Financing

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<thead>
<tr>
<th>FY</th>
<th>New Debt Issuance ($M)</th>
<th>Debt Ratio</th>
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<tbody>
<tr>
<td>FY24</td>
<td>$665</td>
<td>47.5%</td>
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<tr>
<td>FY25</td>
<td>$409</td>
<td>46.8%</td>
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<tr>
<td>FY26</td>
<td>$258</td>
<td>44.9%</td>
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<tr>
<td>FY27</td>
<td>$490</td>
<td>43.9%</td>
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<tr>
<td>FY28</td>
<td>$587</td>
<td>43.7%</td>
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<tr>
<td>FY29</td>
<td>$982</td>
<td>44.6%</td>
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310/3/2023 Council Meeting: SRP Bond Sale Update, B.J. Koch & J.I. Riggs
# Bond Sale Resolution Process Change

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<tr>
<th>Under Current Resolution Process</th>
<th>Under Parameters Resolution Process</th>
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<tr>
<td>Advise B&amp;C of Bond Sale, Review Market Conditions</td>
<td>Advise B&amp;C of Bond Sale, Review Market Conditions and Preliminary Parameters</td>
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<tr>
<td>Lead Banker Selection</td>
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<tr>
<td>Engage Rating Agencies</td>
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<tr>
<td>Update Preliminary Official Statement (POS) and Other Financing Documents</td>
<td>Update B&amp;C + Parameters Approval Vote</td>
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<tr>
<td>Finalize POS, Investor Presentation and Other Financing Documents</td>
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<th>Predetermined Pricing Day</th>
<th>Target Pricing Day/Week</th>
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<tr>
<td>Special B&amp;C Meeting to Review and Approve Final Pricing (Next Day)</td>
<td>Bond Purchase Agreement signed after pricing within parameters (Same Day)</td>
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<tr>
<td>Bond Purchase Agreement Signed if Vote Passes (Next Day)</td>
<td>Bonds Released to Investors* (Same Day)</td>
</tr>
<tr>
<td>Bonds Released to Investors* (Next Day)</td>
<td>Update B&amp;C on Bond Sale Results</td>
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</table>

*Bonds cannot be released until a vote of approval is obtained and the Bond Purchase Agreement is signed and delivered*
### Business Reasons For Parameters Process Approval

1. **Allows for robust and less time-sensitive discussion**
   - Adds Board & Council meetings/discussions *prior* to bond sale

2. **Creates pricing day flexibility to mitigate market risks**
   - Currently "lock" in a pricing day, little flexibility to adjust

3. **Provides certainty for investors and SRP**
   - Avoids investors assigning a risk premium for approval uncertainty
   - Bond Purchase Agreement signed day of pricing rather than day after
## The Parameters

<table>
<thead>
<tr>
<th></th>
<th>Par Amount</th>
<th>True Interest Cost</th>
<th>Final Maturity</th>
<th>Redemption Price</th>
<th>Underwriter’s Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Not to exceed “$”</strong></td>
<td><strong>Not to exceed “%”</strong></td>
<td><strong>Not greater than “40 years”</strong></td>
<td><strong>Not to exceed “%”</strong></td>
<td><strong>Not to exceed “$1.50 per $1,000 of bonds issued”</strong></td>
</tr>
<tr>
<td></td>
<td>Represents the amount of principal to be paid at maturity</td>
<td>Overall rate of interest to be paid over the life of the bonds</td>
<td>Final maturity of the entire bond series cannot exceed 40 years</td>
<td>Price at which securities will be redeemed, if called</td>
<td>Compensation to Underwriters for services rendered</td>
</tr>
<tr>
<td></td>
<td>Referred to as “face amount” of a security</td>
<td></td>
<td></td>
<td>Generally, at or above Par</td>
<td>Also referred to as <em>Underwriter’s Discount / Fee</em></td>
</tr>
</tbody>
</table>

Majority of Public Power Issuers Have Evolved to Using Parameters Resolutions

Investor-Owned Utilities Also Delegate Execution to Management
Takeaways

• Board and Council approval is required
• Supportive of investor relations and optimizing investor demand for bonds
• Avoids risk of “locking in” a pricing day as well as conducting a bond offering and pricing, but then failing to execute and deliver bonds
• Financial flexibility is gained, helping SRP meet its strategic financial objectives
• Management will execute deal within 45 days of approval
Illustrative Board & Council Calendar Under Parameters Approach

<table>
<thead>
<tr>
<th>Date</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>September</strong> Board &amp; Council</td>
<td><em>Initial Update/Info – Aidan</em></td>
</tr>
<tr>
<td><strong>October</strong> Board &amp; Council (regular meeting)</td>
<td>Informational Update on Bond Sale</td>
</tr>
<tr>
<td><strong>Oct/Nov</strong> Board &amp; Council (special meeting)</td>
<td><strong>Parameters Approval</strong></td>
</tr>
<tr>
<td><strong>November/December</strong></td>
<td>Execute Bond Sale/Sign BPA</td>
</tr>
<tr>
<td><strong>December</strong> Board &amp; <strong>January</strong> Council</td>
<td>Review Bond Sale</td>
</tr>
</tbody>
</table>
Bond Sale Team

Lead Bank: Morgan Stanley
Syndicate: J.P. Morgan, BofA Securities, TD, Goldman Sachs

Advisor: pfm

Bond Counsel: CSG Law
Tax Counsel: Nixon Peabody
Current Events

Jim Pratt
Power System Update

John Coggins
Operational Updates – September 2023

• Customer peak demand: 7394 MW
  • Occurred on September 9th with 112-degree temperature
  • 277 MW higher than forecast

• Assets performed well overall

• No major unplanned outages
  • Agua Fria Unit 3 remains on outage – ETR 11/20

• September 12\textsuperscript{th} Monsoon causing 43,000 customer outages
September 12th Monsoon Storm
September 12th Monsoon Storm cont’d
# CGS Split SCR (Selective Catalytic Reduction) for Unit 1

<table>
<thead>
<tr>
<th>Schedule Status</th>
<th>On Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned Date</td>
<td>January 31, 2025</td>
</tr>
<tr>
<td>Current Forecast</td>
<td>January 31, 2025</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget Status</th>
<th>Over Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Budget</td>
<td>$50M</td>
</tr>
<tr>
<td>Current Forecast</td>
<td>$77.7M</td>
</tr>
<tr>
<td>Issues</td>
<td>Construction cost increase based on final contractor bids impacted by inflation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risks</th>
<th>Recent Accomplishments</th>
<th>Upcoming Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Chain Shortages</td>
<td>Foundations complete, steel erection initiated Crane pad for 600-ton crane complete</td>
<td>Start-up and Commissioning Plan</td>
</tr>
<tr>
<td>Weather Related Delays</td>
<td>Receiving shipments of new duct sections Assembling truss sections</td>
<td>Continue steel erection and truss installs start in November</td>
</tr>
</tbody>
</table>
Parlett Substation (Intel) – Time Lapse
Climb and Shake
Financial Update

Aidan McSheffrey
Combined Net Revenues

August YTD Variance is $89.5
## Financial Summary
### August 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>$543.1</td>
<td>$475.1</td>
<td>$68.0</td>
<td>114%</td>
</tr>
<tr>
<td>Combined Expenses</td>
<td>$394.9</td>
<td>$376.3</td>
<td>$18.6</td>
<td>105%</td>
</tr>
<tr>
<td>Comb Net Revs (Loss)</td>
<td>$148.2</td>
<td>$98.8</td>
<td>$49.4</td>
<td>150%</td>
</tr>
<tr>
<td>Funds Available</td>
<td>$184.6</td>
<td>$134.7</td>
<td>$49.9</td>
<td>137%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$122.3</td>
<td>$99.6</td>
<td>$22.7</td>
<td>123%</td>
</tr>
</tbody>
</table>
Fuel and Purchased Power Adjustment Mechanism
Fiscal YTD Through August 2023
FY24 Preliminary Retail Energy Sales (GWh)

Sales estimate for September 2023 is 3,011 GWh, or 1.7% above budget. Year-end variance is projected to be 1.9% above budget.
August Wholesale Summary

Primary Drivers:

- Below budget wholesale margins
  - Lower than budgeted electricity prices
Customer Update

Rudy Navarro
Summer 2023 Heat Moratorium

- SRP’s practice has been to suspend disconnects for non-payment during heat advisory events as declared by the National Weather Service.
- There were 55 days the temperature exceeded 110 F.
- Started the moratorium on June 30th and ended on September 20th.
- Our continuing goal is to work with our customers through our “Here to Help” campaign.
Summer 2023 Heat Moratorium

Overall Statistics

- **$37M** Total Debt
  - Started at $12M
- **42,110** M-Power Customers *Eligible* for Self-Disconnect
  - Staggered Response
  - 31,278 M-Power Customers Self-Disconnected
- **6,550** Credit Customers *Eligible* for Disconnect
  - All placed on payment arrangements
Debt Segment Comparison

June 2023
- 85.5%  
  $10.4M (Non-EPP)
- 14.5%  
  $1.7M (EPP)

September 2023
- 67.3%  
  $25M (Non-EPP)
- 32.7%  
  $12M (EPP)
Debt Segment Comparison

**June 2023**

- Residential: 79.9% ($9.7M)
- Commercial: 20.1% ($2.4M)

**September 2023**

- Residential: 89.7% ($33M)
- Commercial: 10.3% ($4M)
Debt Segment Comparison

June 2023
- Credit: 82.7% ($10M)
- M-Power: 17.3% ($2.1M)

September 2023
- Credit: 55.3% ($20.5M)
- M-Power: 44.7% ($16.5M)
Heat Moratorium – Next Steps

- **Customer Approach**
  - Payment Arrangements (Credit Customers)
    - 31,315 System Generated Payment Arrangements entered on 9/19
  - Paydown Accounts (M-Power Customers)
    - 42,110 Individual Debt Balances Transferred to Paydown
  - Community Partnerships

- **Next Steps**
  - Data Analytics – effects of this moratorium on customer classes
  - Governor’s Office – Heat Emergency Issuance
  - On-going discussions with Agency Partners
  - Determine if we should modify our heat moratorium approach
Water Stewardship

Leslie Meyers
GRUSP Update – Potential Delivery Channel Improvements
March 23rd, 2023

GRUSP Delivery Channel Breach Peak
(34,000 cfs)
March 23rd, 2023
34,000 cfs
March 27th, 2023
6,000 cfs
### Operating Environment
#### August 2023

<table>
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<tbody>
<tr>
<td>Elec Customers – August 2023</td>
<td>1,140,926</td>
<td>1,134,166</td>
<td>6,760</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 – August 2022</td>
<td>1,117,698</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Sales GWH</td>
<td>3,890.8</td>
<td>3,579.5</td>
<td>311.3</td>
<td>109%</td>
</tr>
<tr>
<td>Wholesale Sales GWH</td>
<td>806.8</td>
<td>408.2</td>
<td>398.6</td>
<td>198%</td>
</tr>
<tr>
<td>Total A.F. Water Delivered</td>
<td>96,746</td>
<td>93,000</td>
<td>3,746</td>
<td>104%</td>
</tr>
</tbody>
</table>

(Non-GAAP, Unaudited)

### Financial Summary
#### August 2023

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</table>

(Non-GAAP, Unaudited)
Debt Ratio
August 2023

Debt Service Coverage Ratio
August 2023

Note: Prior Years and Budget are Fiscal Year-End Ratios

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

October Council Meeting
October 3, 2023
Tim Skarupa
Wettest fall-winter-spring since 2005 (before that 1993)
Monsoon 2023 Rainfall to Date

Second Driest on Record (Driest = 2020 at 1.97”)

Monsoon 2023 Total Rainfall as of September 29, 2023

- Verde: 3.30 (55% of Normal)
- Salt: 3.61 (58% of Normal)
- Combined: 3.46 (55% of Normal)

10/3/2023, Council Meeting, T Skarupa
SRP Reservoir System Status

September 28, 2023

**Current Storage:**

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>1,773,136</td>
</tr>
<tr>
<td>Verde</td>
<td>181,272</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,954,408</strong></td>
</tr>
</tbody>
</table>

10/3/2023, Council Meeting, T Skarupa
Central Arizona Reservoir Status

September 28, 2023

Total SRP Storage: 1,954,408 af (85%)
Total Central Arizona Storage: 2,904,171 af (72%)
Year to Date 2023

Surface Runoff

- Actual
- 30-Yr Median
- Planned

Pumping

- Actual
- Planned

Acre-Ft

Verde
Salt

WSRV
ESRV
Colorado River System
Reservoir Status

Total System Contents – 44% or 25.346 MAF
(Total system contents last year 33% or 19.803 MAF)

September 28, 2023

Lake Powell
- 38%
- 8.793 MAF
- 3573.61 ft

Lake Mead
- 34%
- 8.912 MAF
- 1066.35 ft

Fontenelle
- 86%

Flaming Gorge
- 89%

Blue Mesa
- 77%

Navajo
- 70%

UTAH

WYOMING

COLORADO

NEVADA

CALIFORNIA

ARIZONA

NEW MEXICO

3573.61 ft
thank you!