

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

## FINANCE AND BUDGET COMMITTEE

Thursday, September 26, 2024, No Sooner Than 10:20 AM

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

Committee Members: Mark Pace, Chair; Kathy Mohr-Almeida, Vice Chair; and Casey Clowes,  
Randy Miller, Paul Rovey, Jack White Jr., and Leslie C. Williams

Call to Order

Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item ..... CHAIR MARK PACE
  - A. Request for approval of the minutes for the meeting of August 22, 2024.
  - B. Request for approval of the Monthly Cash Statement for August 2024 (District and Association).
2. Review of the Financial Results for the Month of August 2024 ..... JEFF WRIGHT
3. Prepaid Commodity Transactions ..... TYLER PERRY  
Request for approval to enter into one or more long-term, prepaid Commodity transactions on or before September 30, 2025(see proposed resolution).
4. Closed Session, Pursuant to A.R.S. §30-805(B), for the Committee 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 Execute a Seven-Year Major Maintenance Parts Agreement with Power System Manufacturing (PSM)..... KEVIN NIELSEN
5. Report on Current Events by the General Manager and Chief Executive Officer and Designees..... JIM PRATT
6. Future Agenda Topics ..... CHAIR MARK PACE

The Committee 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 Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for 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 FINANCE AND BUDGET COMMITTEE MEETING  
IS SCHEDULED FOR THURSDAY, OCTOBER 24, 2024

09/19/2024



MINUTES  
FINANCE AND BUDGET COMMITTEE

**DRAFT**

August 22, 2024

A meeting of the Finance and Budget Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 10:57 a.m. on Thursday, August 22, 2024, 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.

Committee Members present at roll call were M.V. Pace, Chairman; K.L. Mohr-Almeida, Vice Chairman; and R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams.

Committee Member absent at roll call was C. Clowes.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members N.R. Brown, K.J. Johnson, K.H. O'Brien, L.D. Rovey, and S.H. Williams; Council Chairman J.R. Shelton; Council Liaison W.P. Schrader III; Council Members G.E. Geiger, E.L. Gorsegrner, R.S. Kolb, and C. Resch-Geretti; Mmes. I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, L.F. Hobaica, L.A. Meyers, G.A. Mingura, S.A. Perkinson, K.S. Ramaley, J.R. Schuricht, C.M. Sifuentes, and P.L. Syrjala; Messrs. L. Arthanari, J.D. Coggins, J.M. Felty, J.V. Giacalone, B.J. Koch, M.J. O'Connor, B.A. Olsen, J.M. Pratt, T.B. Perry, B.G. Shoemaker, R.R. Taylor, and J.C. Tucker; Murphy Bannerman of Western Resource Advocates (WRA); Leo Bird of Bright Night Power; Diane Brown of Arizona PIRG; Bruce Chapman of Christensen Associates; Pete Ewen of Freeport-McMoRan; Joseph Natoli and Galen Wilson of Goldman Sachs; Amanda Ormond of Western Grid; and Joseph Pace, 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 Finance and Budget Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, August 20, 2024.

Chairman M.V. Pace called the meeting to order.

Consent Agenda

Chairman M.V. Pace requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member P.E. Rovey and seconded by Board Member L.C. Williams, the Committee unanimously approved and adopted the following items on the Consent Agenda:

- A. Minutes of the Finance and Budget Committee meeting on June 20, 2024, as presented.

- B. Approval of the District and Association Monthly Cash Statements for June and July 2024.
- C. Approval of the Association Quarterly Cash Statement for Period Ending July 31, 2024.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member P.E. Rovey's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members M.V. Pace, Chairman; K.L. Mohr-Almeida, Vice Chairman; and R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member C. Clowes	(1)

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

#### Proposed Adjustment to SRP's Fuel and Purchased Power Adjustment Mechanism (FPPAM) Prices

Using a PowerPoint presentation, Brandon G. Shoemaker, SRP Director of Corporate Pricing, stated that the purpose of the presentation was to request approval to increase the FPPAM prices, applicable to all price plans, effective with the November 2024 billing cycle.

Mr. B.G. Shoemaker provided an overview of the FPPAM and the responsibilities of SRP's Management and its Board with respect to the FPPAM. He explained that the FPPAM allows SRP to adapt to moving fuel and purchased power expenses and adjust the FPPAM price outside of the formal pricing process with the intention of typically recovering the appropriate costs in a timely manner.

Mr. B.G. Shoemaker compared actual versus planned retail fuel and purchase power expenses and production for fuel, purchased power, and renewable resources. He provided a comparison of retail fuel and purchased power unit costs and energy mix for Fiscal Years 2020 (FY20), FY25, and FY30. Mr. B.G. Shoemaker reviewed the considerations contributing to the recommendation and compared actual FPPAM balance versus projected balance through FY27 with and without the proposed adjustment.

Mr. B.G. Shoemaker provided a breakdown of the recommended FPPAM adjustment impacts to the different customer classes during summer/summer peak and winter months. He compared the financial impacts with and without the FPPAM adjustment.

Mr. B.G. Shoemaker concluded by requesting approval to increase the FPPAM prices by \$0.0070 per Kilowatt-hour (kWh) in the winter months (November-April) and \$0.0025 per kWh in the summer and summer peak months (May-October) across all customer classes for an overall average annual bill impact of 3.9%, effective with the November 2024 billing cycle.

On a motion duly made by Board Member P.E. Rovey, seconded by Board Member L.C. Williams and carried, the Committee agreed to recommend Board approval, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member P.E. Rovey's motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members M.V. Pace, Chairman; K.L. Mohr-Almeida, Vice Chairman; and R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member C. Clowes	(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.

Council Member G.E. Geiger left the meeting during the presentation.

#### Prepaid Commodity Transactions

Using a PowerPoint presentation, Tyler B Perry, SRP Senior Manager of Energy Supply and Trading, stated that the purpose of the presentation was to provide information regarding prepaid commodity transactions, including opportunities for future transactions.

Mr. T.B. Perry provided an explanation of a prepaid commodity transaction and explained how the financing structure provides SRP access to savings through lower tax-exempt interest rates. He reviewed SRP's prepaid transaction history utilizing Salt Verde Financial Corporation (SVFC) and highlighted three recent gas prepaid transactions executed from 2020 through 2023.

Mr. T.B. Perry discussed opportunities for future transactions including an annual savings example and a total purchased power agreement (PPA) volume projection along with potential transactions from FY25 through FY53. He detailed a PPA based prepaid transaction and concluded with an overview of next steps.

Mr. T.B. Perry responded to questions from the Committee.

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. J.R. Schuricht left the meeting during the presentation.

Review of the Financial Results Through July 2024

Sue Ann Perkinson, SRP Controller and Senior Director of Corporate Accounting Services, referenced the financial handout distributed to the Members relative to the combined highlights of operations of the District and Association for the month of July 2024. Using a PowerPoint presentation, she compared the actual versus budgeted figures for categories such as general fund balance, year-to-date (YTD) combined net revenue (CNR), system sales, and customer accounts. Ms. S.A. Perkinson concluded by reviewing the financial summary and key financial indicators for the month of July 2024 and capital expenditures.

Ms. S.A. Perkinson responded to questions from the Committee.

Copies of the handout distributed and 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. The financial information in the handouts and PowerPoint slides is unaudited and non-GAAP.

Board Member P.E. Rovey; Mmes. K.S. Ramaley and P.L. Syrjala; and Messrs. J.V. Giacalone and T.B. Perry left the meeting during the presentation. Ms. A. Rickard entered the meeting during the presentation.

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

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chairman M.V. Pace asked the Committee if there were any future agenda topics. Board Member R.J. Miller requested all components within the FPPAM and overview of the reasoning for including them in this price recovery mechanism.

There being no further business to come before the Finance and Budget Committee, the meeting adjourned at 12:05 p.m.

John M. Felty  
Corporate Secretary



# Statement of Cash Received and Disbursed

August 2024

(\$000)

	District	Association	Total Month	Year-to-Date
Funds Balance Beginning of Period	\$ 666,098	\$ 96	\$ 666,194	\$ 785,829
Cash Receipts:				
Electric Revenues	543,147	---	543,147	1,545,641
Water Revenues	---	887	887	4,392
Electric Customer Deposits	4,380	---	4,380	17,124
Reimbursement on Joint Ownership Projects	21,634	---	21,634	58,506
Construction Contributions and Advances	41,176	---	41,176	148,905
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	---	---	---	119,222
Sales Tax Collected	40,542	---	40,542	131,682
Other Cash Receipts	7,664	---	7,664	40,350
Total Cash Receipts	658,543	887	659,430	2,065,822
Fund Transfers - Net	(6,402)	6,402	---	---
Cash Disbursements:				
Purchased Power and Fuel	144,721	---	144,721	459,258
Operations and Maintenance	94,468	1,671	96,139	388,758
Employee Payroll and Payroll Taxes	81,008	5,225	86,233	277,324
Purchased Inventory	35,854	---	35,854	106,222
Cash Segregated for -				
Bond Interest	19,253	---	19,253	78,246
Bond Principal	9,898	---	9,898	39,592
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	474	---	474	6,574
Capital Expenditures	78,636	---	78,636	363,592
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	---	---	---	119,597
In Lieu and Ad Valorem Taxes	119	---	119	60,125
Sales Tax Remitted	42,442	---	42,442	111,273
Margin and Collateral Disbursed - Net	5,947	---	5,947	20,946
Miscellaneous Cash Disbursements	1,062	---	1,062	15,298
Total Cash Disbursements	513,882	6,896	520,778	2,046,805
Funds Balance End of Period	\$ 804,357	\$ 489	\$ 804,846	\$ 804,846



### Cash Position

**August 2024**

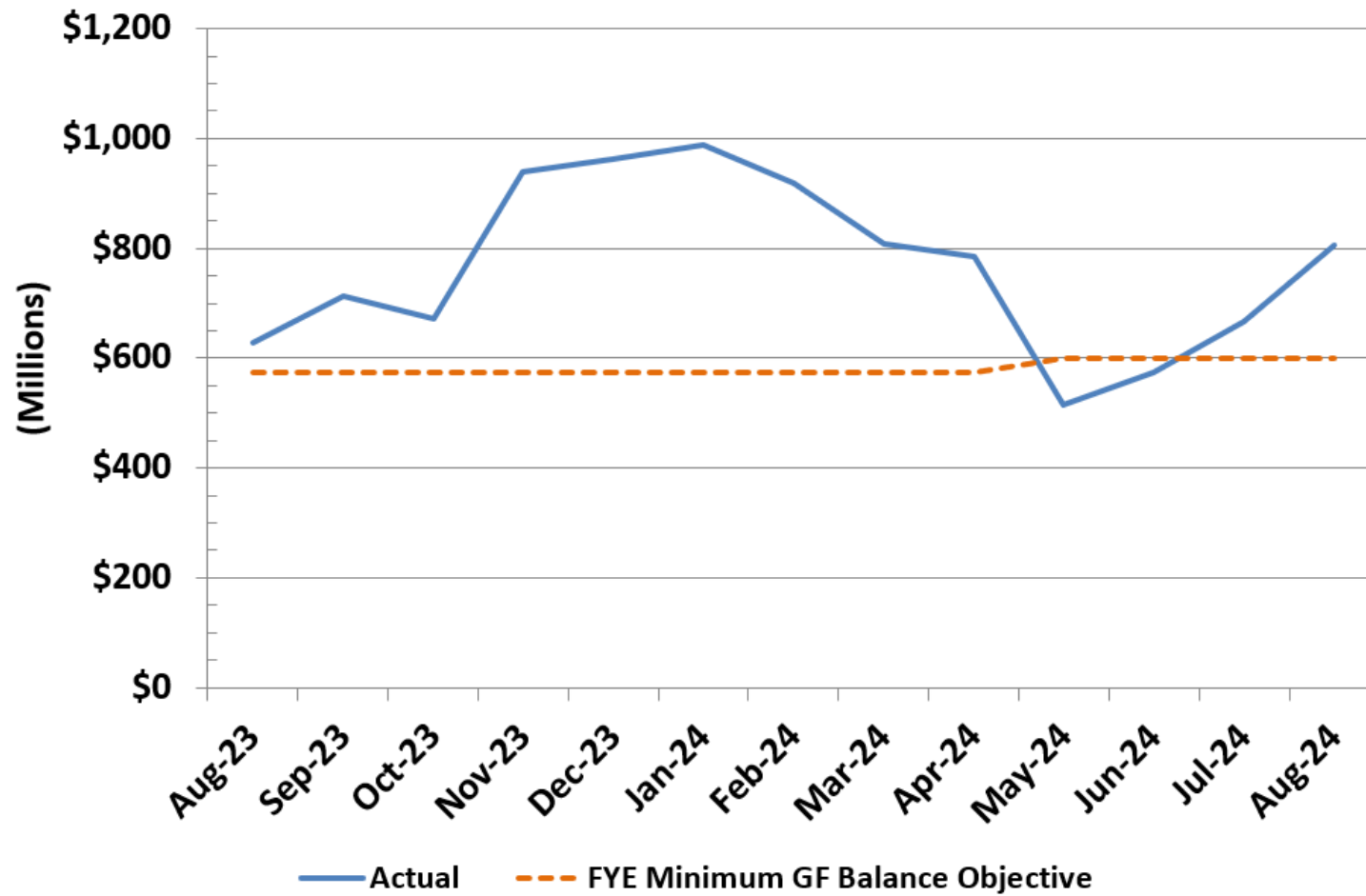
	(\$000)		
	District	Association	Total
Composition of Funds Balance			
Cash and Cash Equivalents	\$ 484,527	\$ 489	\$ 485,016
Other Temporary Investments	130,220	---	130,220
Other Non-Current Investments	189,610	---	189,610
General Fund	804,357	489	804,846
Segregated Funds			
Electric System Debt Reserve Fund	80,612	---	80,612
Debt Service Fund	121,060	---	121,060
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	691,411	---	691,411
Post-Retirement Benefits Fund	1,309,332	---	1,309,332
Construction Fund	15	---	15
RHCP Fund	12,628	---	12,628
HHCP Fund	8,927	---	8,927
SPRHCP Fund	3,635	---	3,635
Four Corners Mine Reclamation Trust	15,599	---	15,599
Other Special Funds	2,182	---	2,182
Total Segregated Funds	\$ 2,245,401	\$ ---	\$ 2,245,401



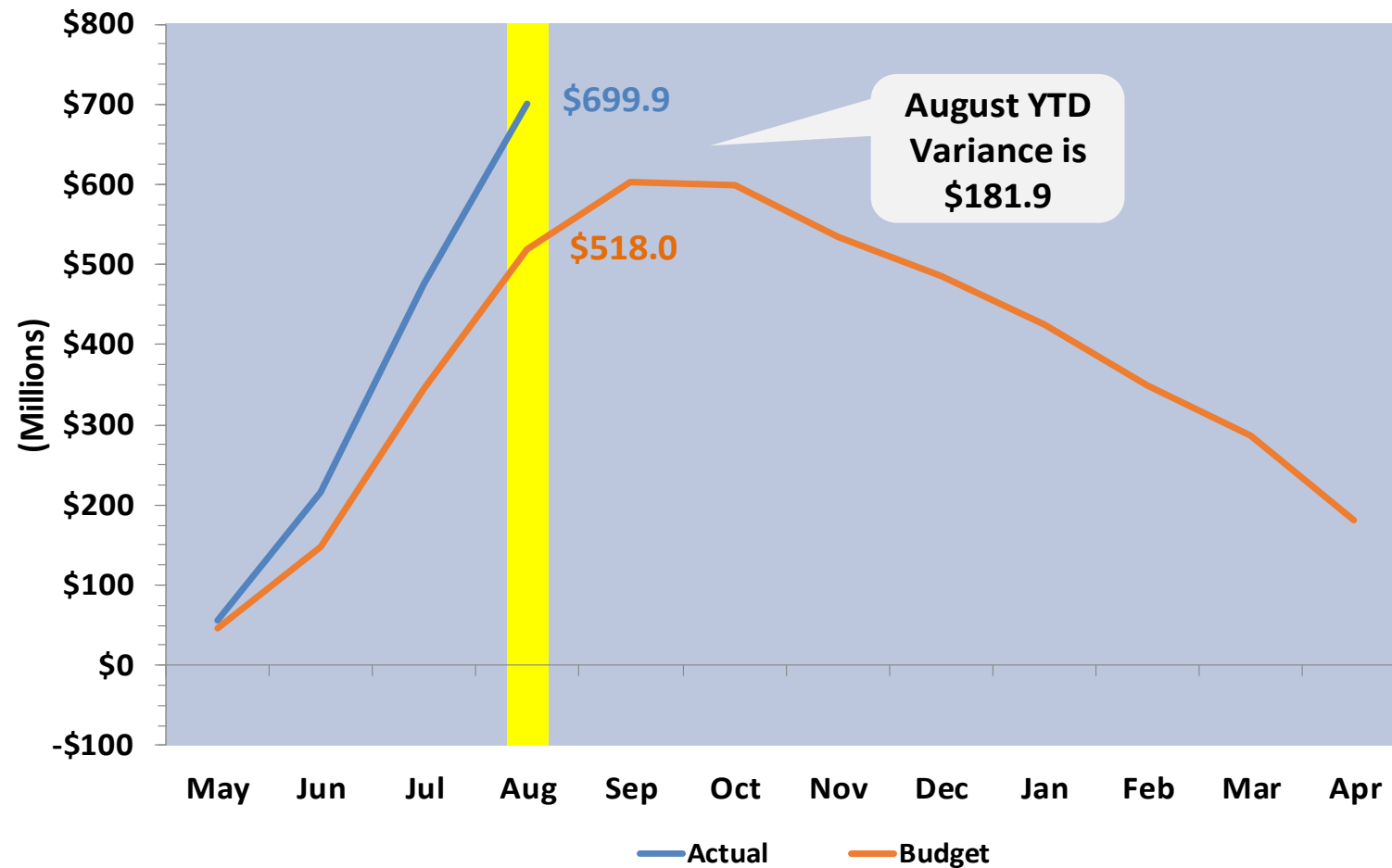
# **Monthly Financial Report August 2024**

Finance & Budget Committee Meeting  
Jeffrey A. Wright | September 26, 2024

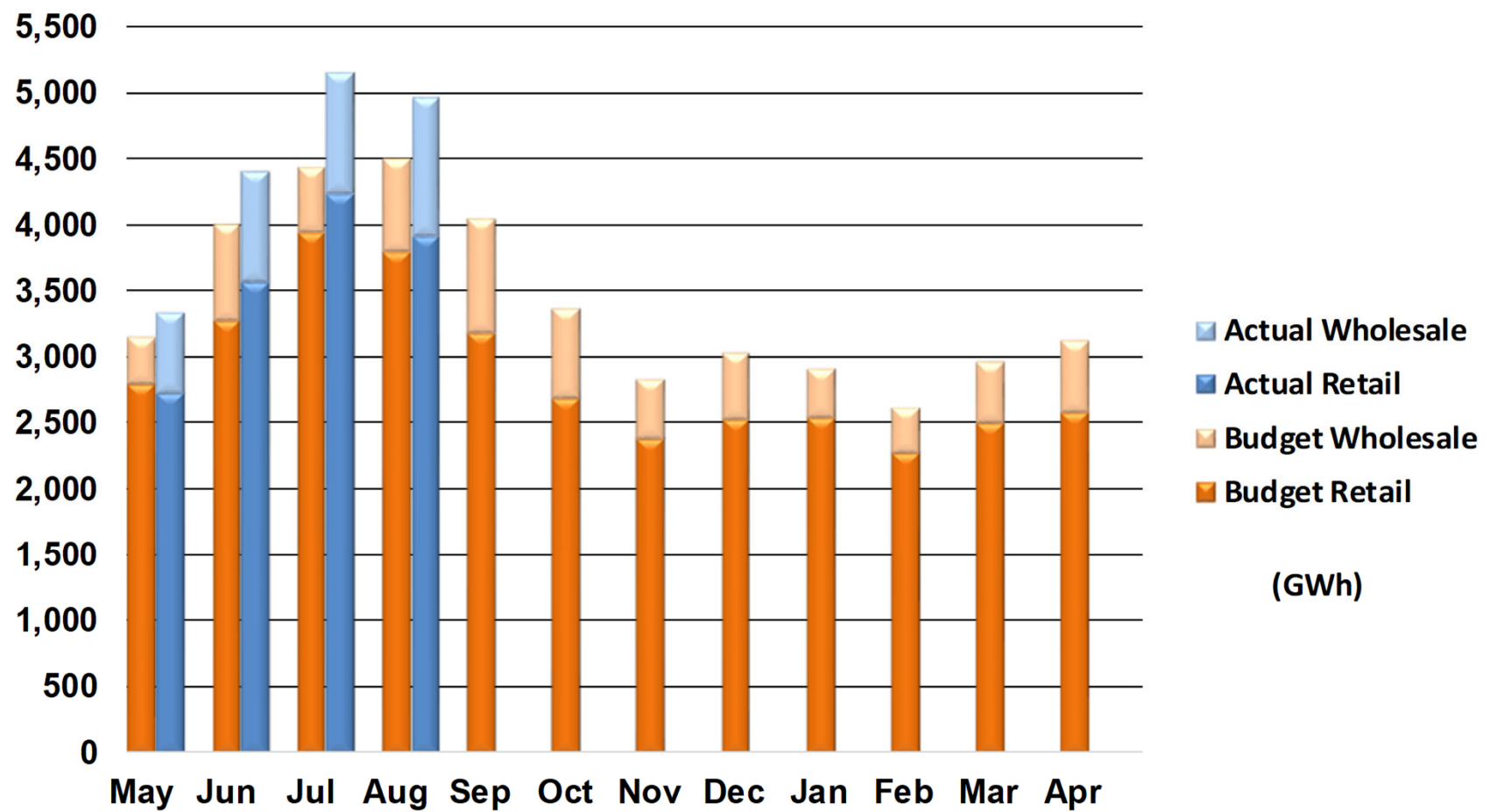
# General Fund Balance



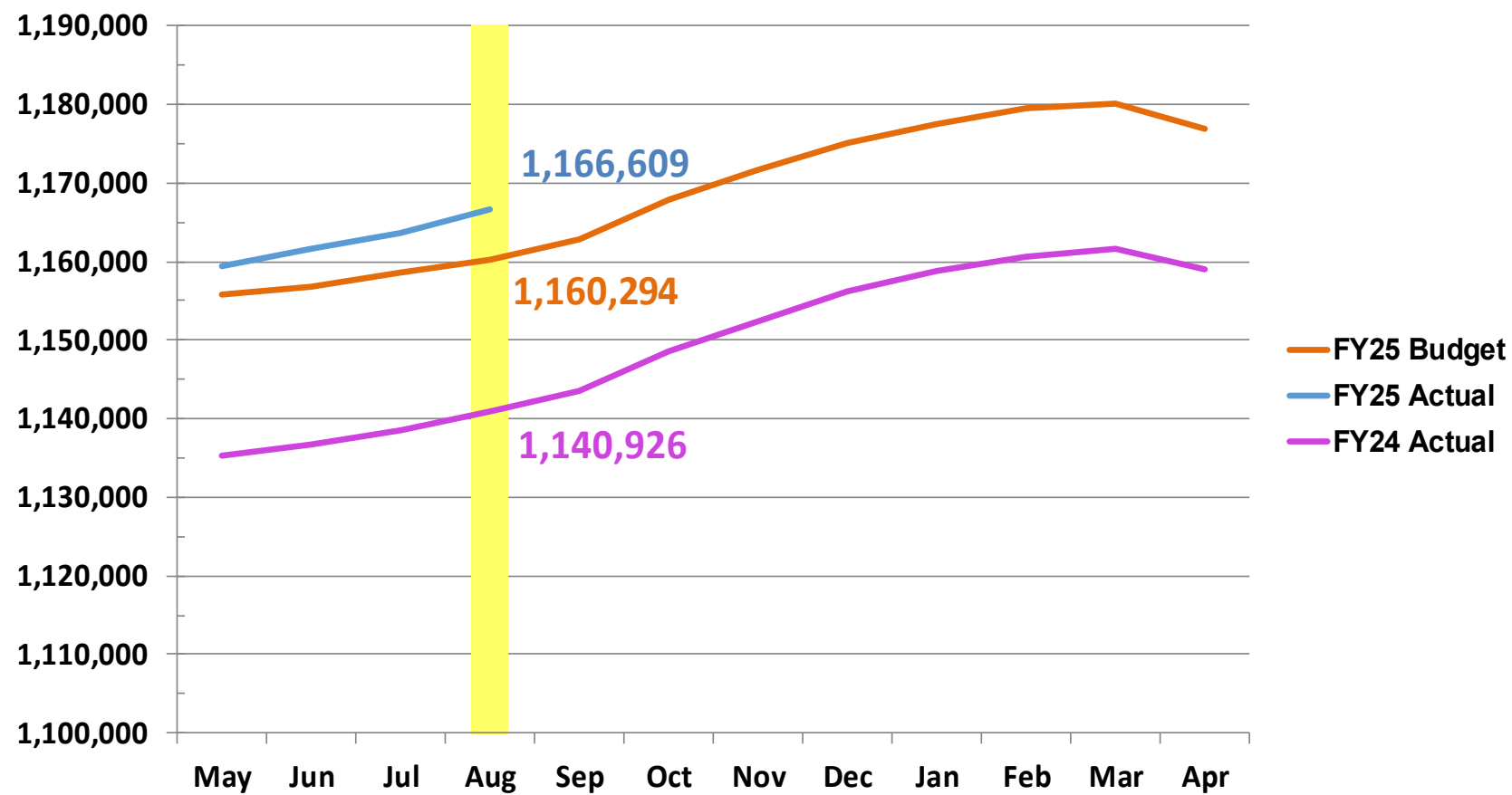
# YTD Combined Net Revenue



# System Sales



# Customer Accounts



# Financial Summary - August 2024

(Thousands)	Actual	Budget	Variance
Operating Revenues	\$ 568,391	\$ 534,389	\$ 34,002
Operating Expenses			
Fuel	152,267	167,611	(15,344)
O&M	113,499	117,352	(3,853)
Depr & Tax	66,727	68,139	(1,412)
Total Operating Expenses	332,493	353,102	(20,609)
Net Financing Costs	14,120	14,341	(221)
Other, Net	2,545	6,108	(3,563)
Combined Net Revenues	\$ 224,323	\$ 173,054	\$ 51,269

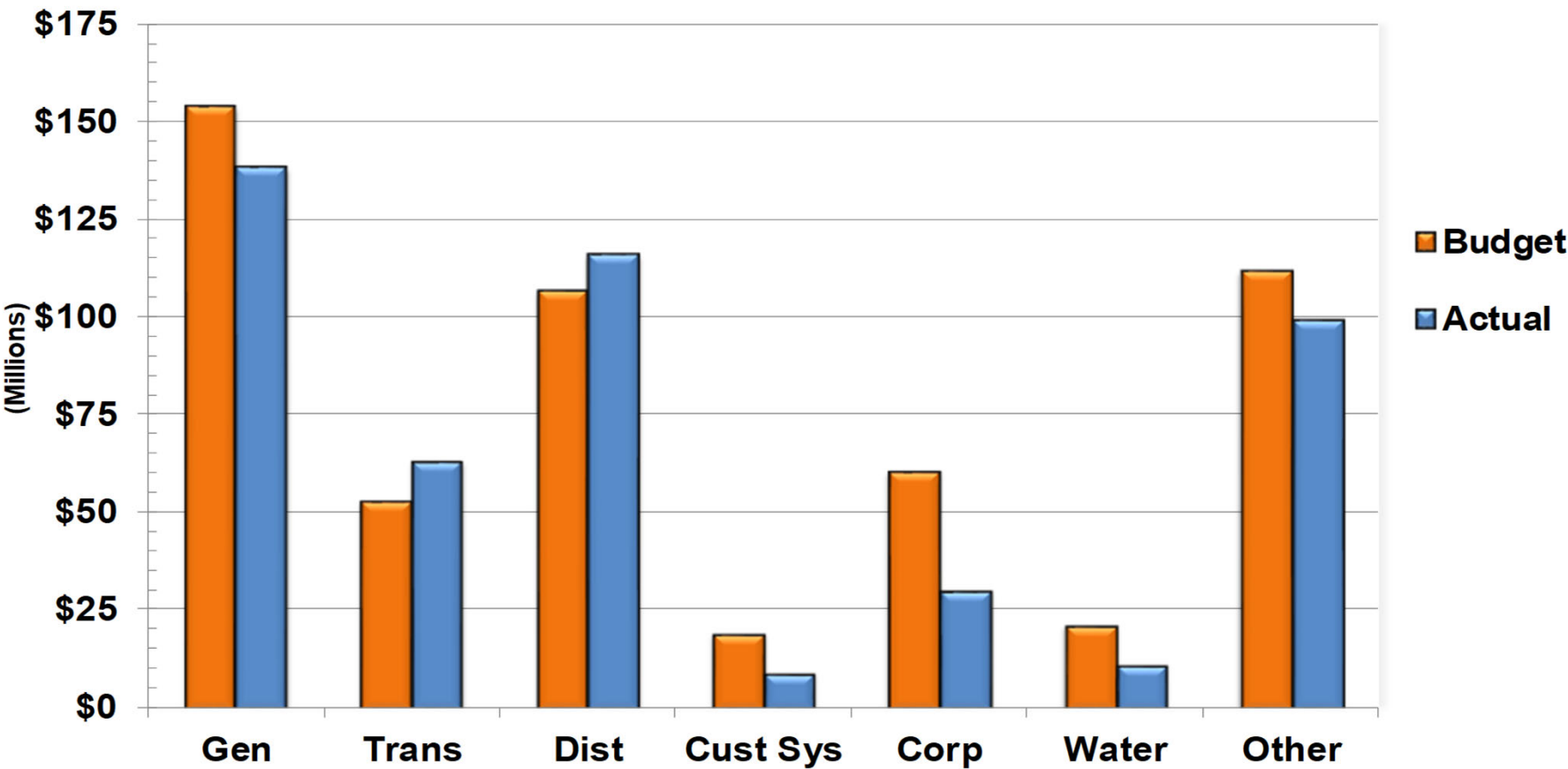


# Key Financial Indicators - YTD August 2024

(Thousands)	Actual	Budget	Variance
Funds Available	\$851,754	\$671,089	\$180,665
Debt Service Coverage	8.45	6.92	1.53
Debt Ratio*	46.6	47.4	(0.8)
Capital Expenditures	\$465,738	\$525,429	\$ (59,691)

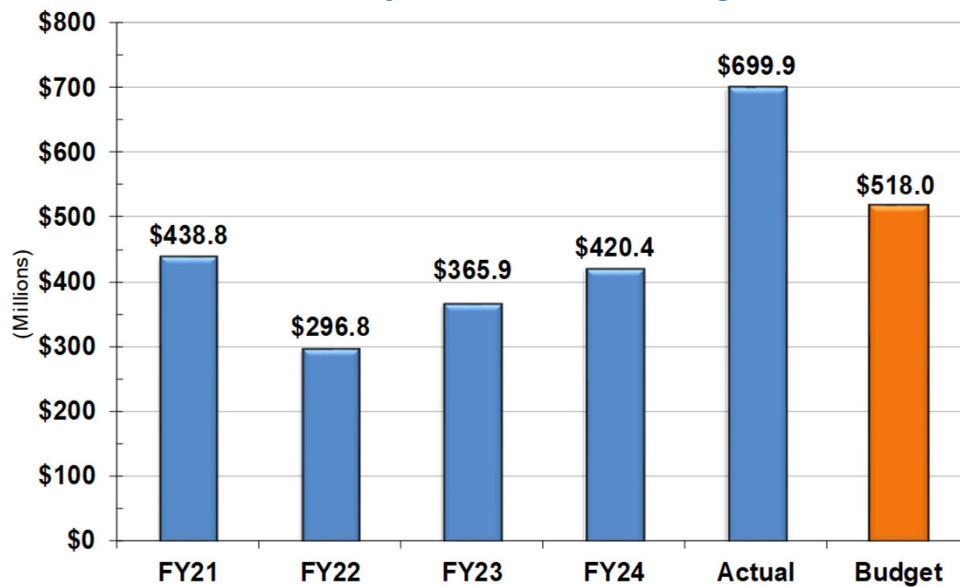
**\*Debt Ratio represents Projected Actual compared to Annual Budget**

# Capital Expenditures - YTD August 2024





## CNR without Fair Value Adjustments - YTD August 2024

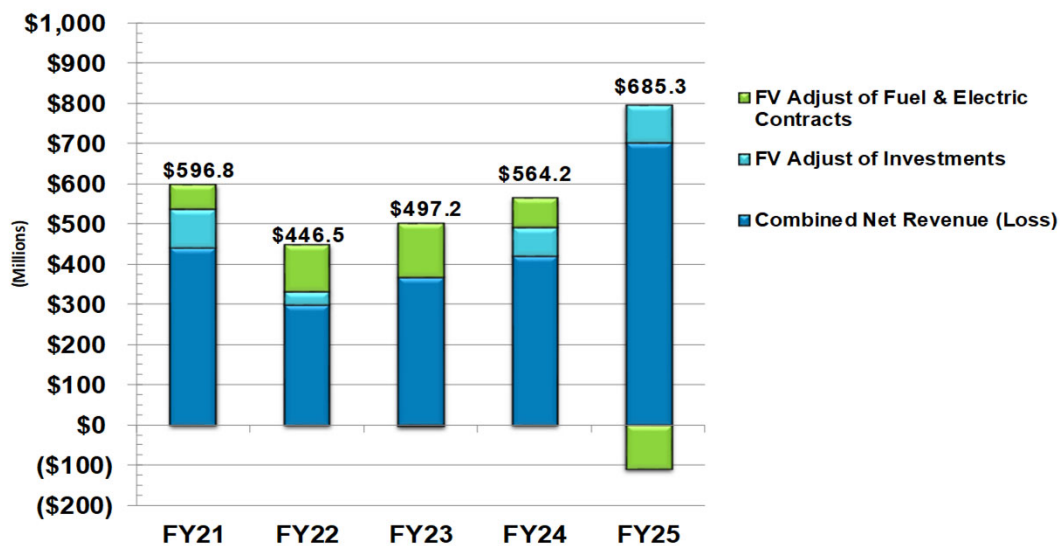


09/26/2024 Finance & Budget Committee Meeting, J.A. Wright

(Non-GAAP, Unaudited) 1

1

## CNR with Fair Value Adjustments - YTD August 2024

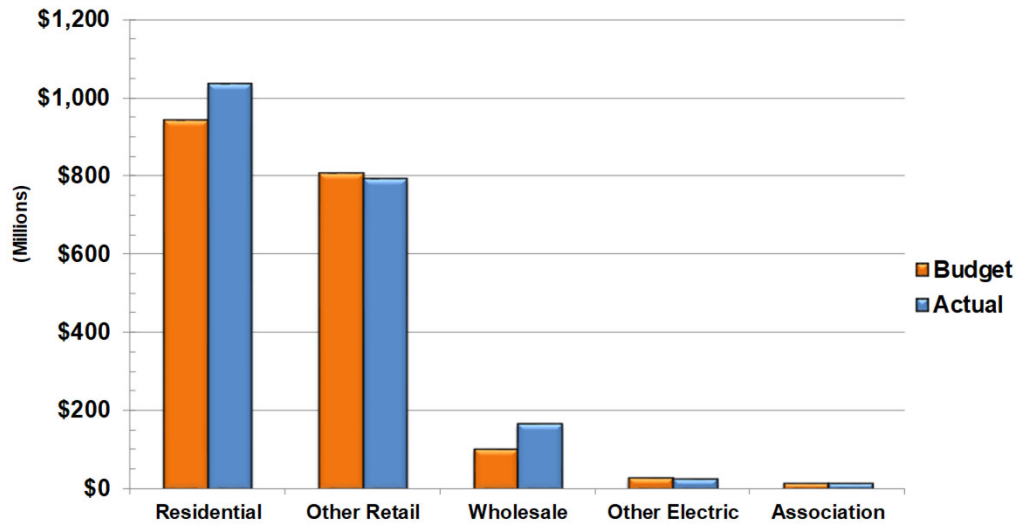


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## Combined Operating Revenues - YTD August 2024

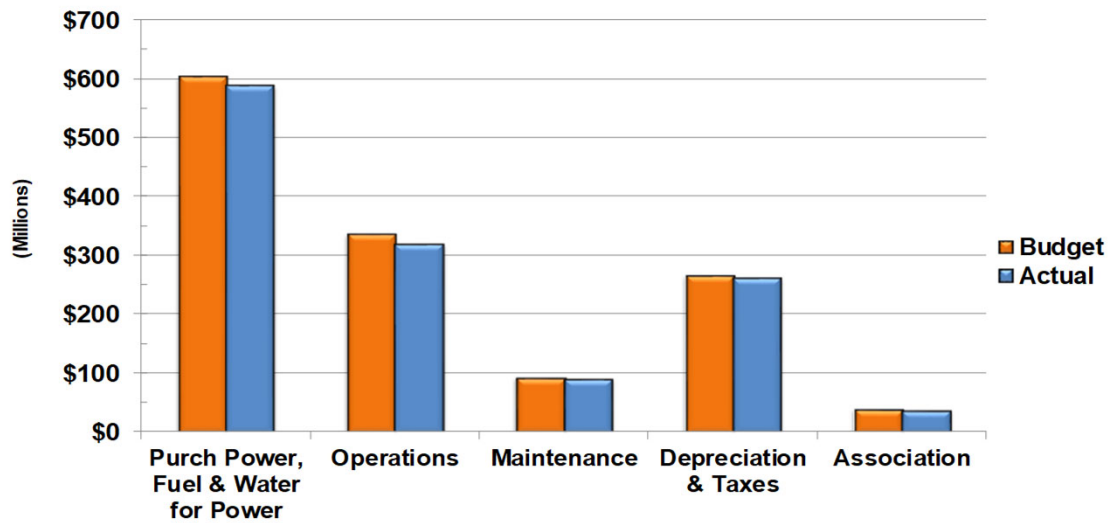


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## Combined Expenses - YTD August 2024

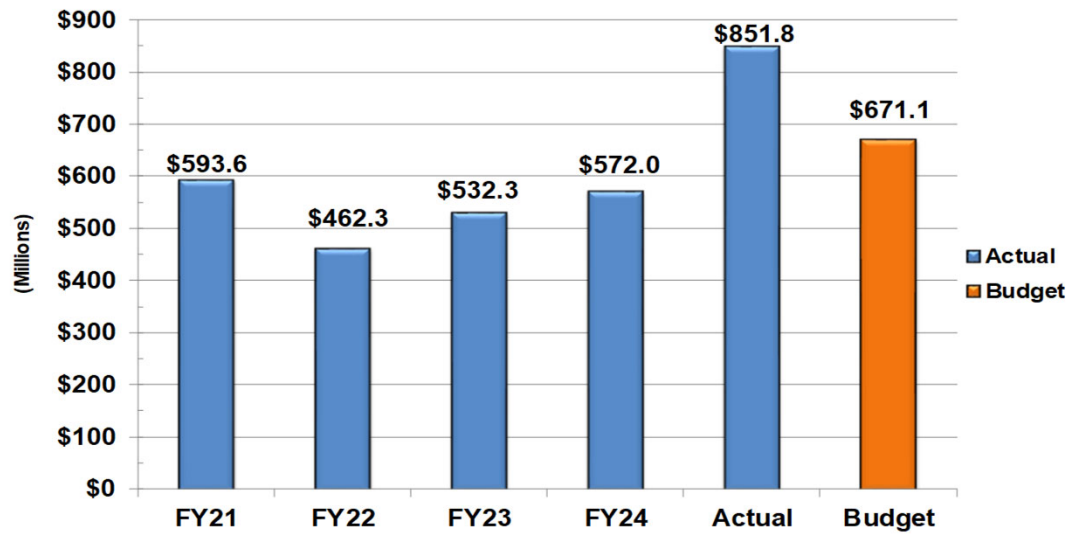


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(Non-GAAP, Unaudited) 4

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## Funds Available - YTD August 2024

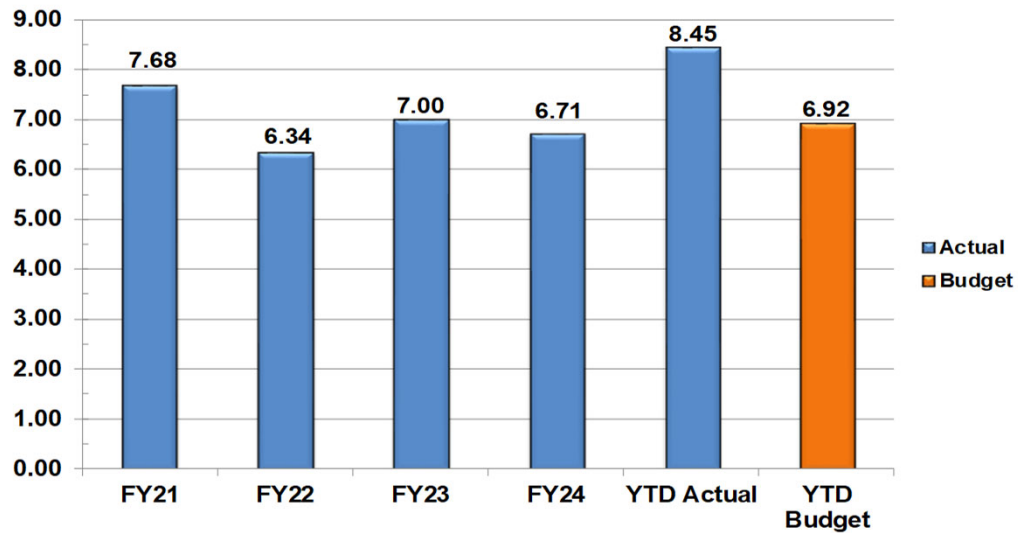


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(Non-GAAP, Unaudited) 5

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## Debt Service Coverage - YTD August 2024



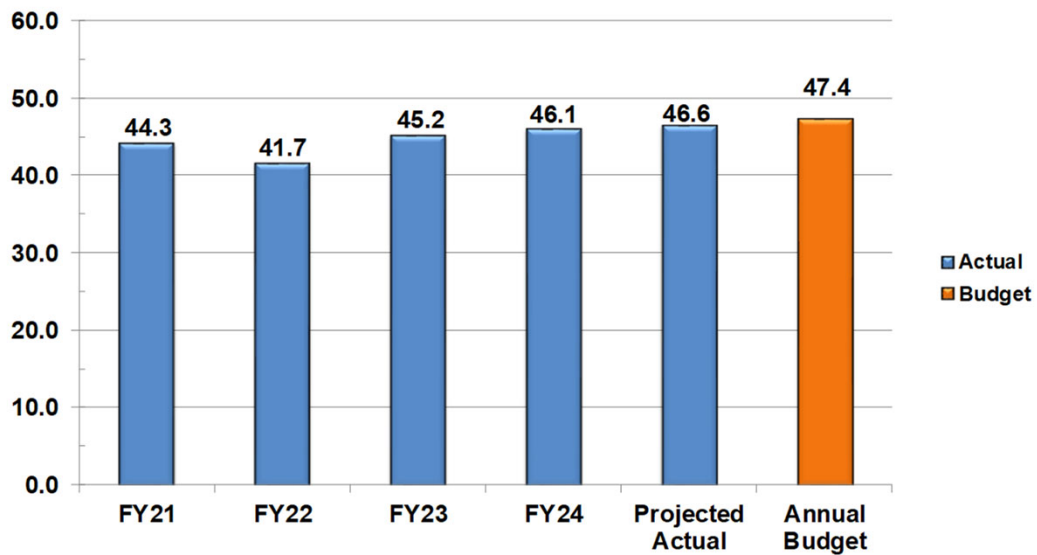
Note: Debt Service Coverage Ratio on Total Debt

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(Non-GAAP, Unaudited) 6

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## Debt Ratio - YTD August 2024



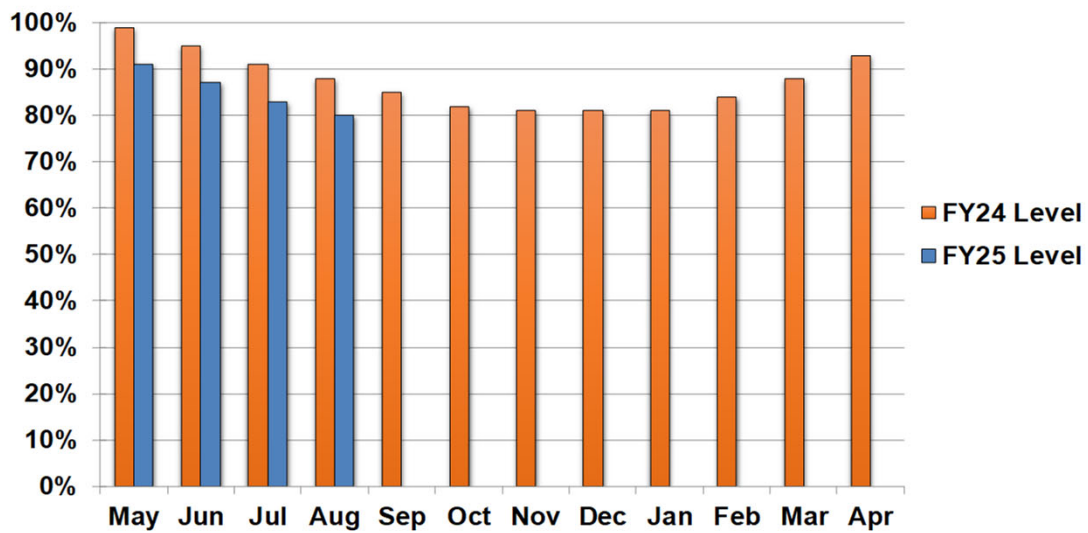
Note: Prior Years and Budget are Fiscal Year-End Ratios

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(Non-GAAP, Unaudited) 7

7

## Water Storage Levels



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(Non-GAAP, Unaudited) 8

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# Prepaid Commodity Transaction

Tyler Perry

Finance and Budget Committee | September 26, 2024

# Purpose

Follow up from the informational presentations made at the April and August Finance & Budget Committee meetings to seek Board approval for SRP to enter into one or more prepaid commodity transactions to realize savings for retail customers.

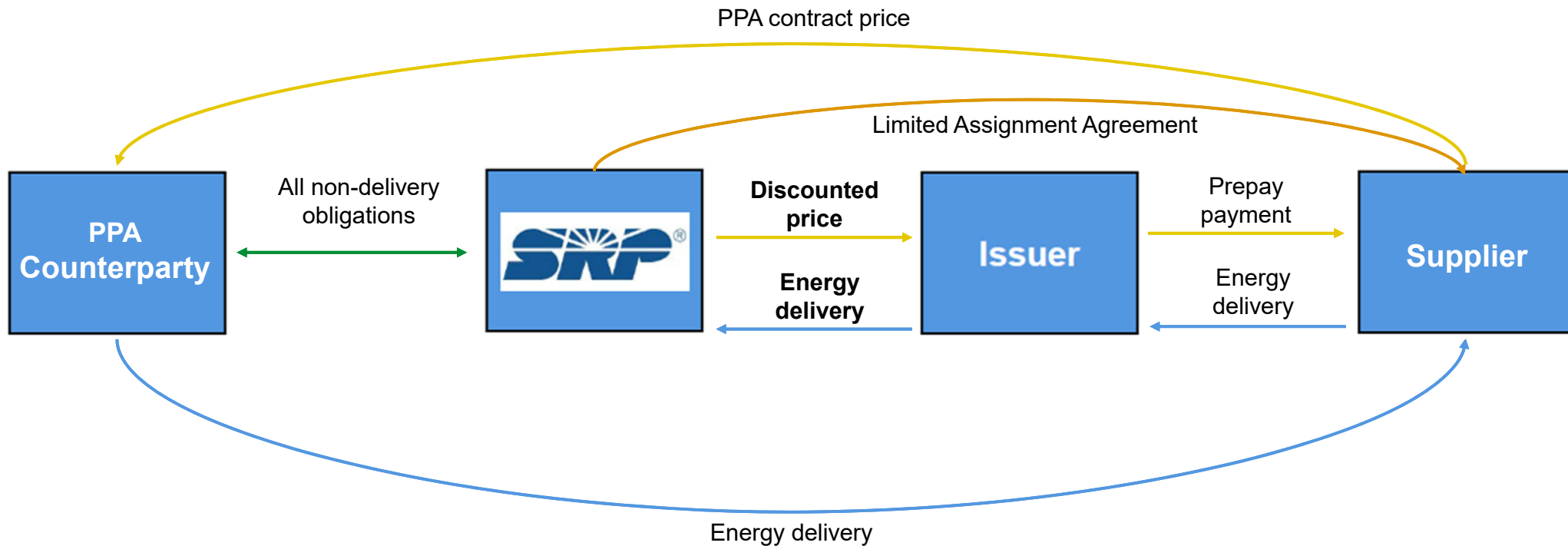
# What is a Prepaid Commodity Transaction

- Financing structure that provides SRP access to savings through lower tax-exempt interest rates.
- SRP is not responsible to repay the debt (only required to pay for commodities received). It does not impact the balance sheet or credit metrics.
- Per IRS regulations, prepaid commodities must be consumed by retail customers.
- Prepays complement, and do not affect or alter, SRP's Resource Plan.
- Prepaid transactions provide the ability to switch commodities (i.e. energy to gas)

# Energy Based Prepays

- Assign current or future PPA contracts to source energy
  - SRP retains operational flexibility to switch to natural gas or utilize market-based energy
- Model and analyze current PPA contracts for best fit
  - Generation profiles and forecasts
  - Cash flows
- Agreements
  - Commodity supply agreement
  - Limited assignment agreement
  - Payment agreement
- Select supplier, issuer, and funds recipient
- Prepared to move when market savings meet minimums

# Prepaid Transaction Details: PPA Based



# Estimated Annual Savings Example

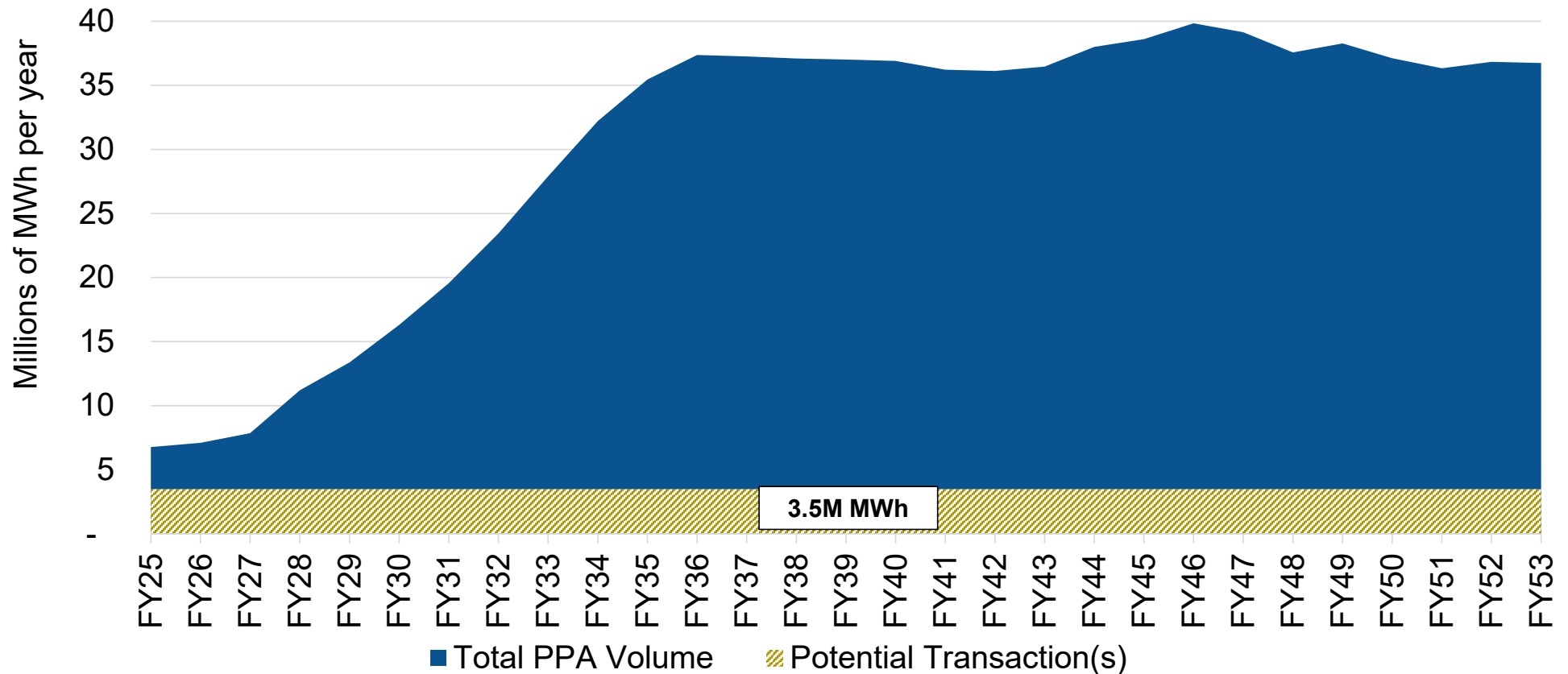
## \$75M Annual PPA Spend

### Illustrative Example

		Discount Rate	Annual Savings	Total Period Savings
Initial Period	7 Years	7% (estimated)	\$5.25M	\$36.75M
Subsequent Periods	23 Years	4% (minimum)	\$3M	\$69M
				<b>\$105.75M</b>

# Volume: Initial Potential Transactions

Target a small slice of the overall PPA forecasted volume



# Parameter Constraints

- Execution timing
  - Prior to September 30, 2025
- Volume
  - One or more transactions not to exceed a total of 3.5M MWh annually (or, if applicable, the equivalent amount of natural gas)
- Savings
  - Minimum discount of 4%
  - Minimum savings of \$2M annually per transaction
- Term
  - Not to exceed 30 years



## Prepaid Transaction Next Steps

- If recommended by the Committee, seek full Board approval
- Select a supplier/investment bank partner
- Begin Limited Assignment Agreement discussions with current PPA developers
- Select a debt issuer
- Prepare and negotiate necessary agreements
- Monitor market-based savings rates

# Approval Request

Request that the Committee recommend that the Board authorize the President, Vice President, General Manager & Chief Executive Officer, Associate General Manager & Chief Planning, Strategy and Sustainability Executive, or Associate General Manager & Chief Financial Executive, to execute:

(a) One or more long-term, prepaid commodity transactions (each, a “Transaction”), each entered into on or before September 30, 2025, subject to the following conditions and limitations, as further set forth in the proposed form of resolution provided to the Board for adoption:

- 1) Total prepaid energy volumes under all Transactions may not exceed 3.5 million MWh per calendar year (or, if applicable, the equivalent amount of natural gas);
- 2) No Transaction may have a term longer than 30 years; and
- 3) Any Transaction must provide a minimum discount of at least 4% of the annual notional value of the underlying PPA(s) (or equivalent discount for natural gas or market-based energy) and an estimated minimum savings of \$2M per calendar year per Transaction; and

(b) In furtherance of the Transactions, one or more assignment and assumption agreements with respect to selected PPAs.

**thank you!**



**RESOLUTION OF THE SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT AUTHORIZING THE PURCHASE OF  
ENERGY AND/OR NATURAL GAS UNDER ONE OR MORE PREPAID  
TRANSACTIONS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF  
ONE OR MORE COMMODITY SUPPLY CONTRACTS AND ASSIGNMENT  
AGREEMENTS RELATING TO SAID PURCHASES**

**WHEREAS**, Salt River Project Agricultural Improvement and Power District (the "District") has an ongoing need for power supplies to serve its growing customer base; and

**WHEREAS**, one or more entities (each, an "Issuer") (i) will acquire, obtain financing, and manage secure and economically priced supplies of electric energy and/or natural gas (the "Commodities") for sale to municipalities and other governmental entities, and (ii) has planned to acquire those long-term Commodity supplies from certain supplier(s) (each, a "Supplier") on a prepaid discount basis, using the proceeds of certain tax-exempt bonds issued by the Issuer (the "Bonds"); and

**WHEREAS**, Issuer has caused or will cause to be prepared one or more Commodity Supply Contracts (each, a "Commodity Supply Contract"), providing for the purchase of Commodities by the District from Issuer, and Issuer will pledge its interests in the Commodity Supply Contract(s) to support its obligations with respect to the Bonds; and

**WHEREAS**, the District will pay for the Commodities delivered pursuant to a Commodity Supply Contract only if and as such Commodity is delivered and will have no responsibility or liability with respect to any debt service on any Bonds; and

**WHEREAS**, the District previously entered into power purchase agreements (each, a "PPA") with third party developers (each, a "Developer") of renewable energy facilities (each, a "Facility") pursuant to which the District purchases the electric energy ("Energy") generated by those Facilities (the "Renewable Energy"); and

**WHEREAS**, the District has an opportunity to pay discounted prices for the Renewable Energy by entering into a limited assignment and assumption agreement with the Supplier and Developer(s) with respect to one or more PPAs (an "Assignment Agreement") under which (i) the District will assign, and the Supplier will assume, the District's rights to take delivery of, and the District's obligation to pay for, the Renewable Energy under the applicable PPA, (ii) Supplier will cause the Renewable Energy to be delivered to Issuer, and (iii)

Issuer will sell and deliver the Renewable Energy to the District, under the Commodity Supply Contract, at a discount relative to the annual notional value that would have been originally paid by the District on a calendar year basis pursuant to the underlying PPA (the "Original Energy Price"); and

**WHEREAS**, the District will have the right, at its discretion and in order to maintain operational flexibility, to switch to discounted market-based Energy or natural gas purchases under each Commodity Supply Contract; and

**WHEREAS**, pursuant to Arizona Revised Statutes, § 48-2301 et seq. (the "Act"), the Board of Directors of the District (the "Board") may enter into, execute, acknowledge, deliver and perform all contracts or agreements that it finds are in the best interest of the District to carry out or accomplish any of the purposes under the Act; and

**WHEREAS**, the Board has determined that it is desirable and in the best financial interest of the District that the District purchase the Commodities from Issuer under the terms of one or more Commodity Supply Contracts, each entered into on or before September 30, 2025, providing in the aggregate for the purchase of no more than 3.5 million MWh/calendar year (or, if applicable, the equivalent amount of natural gas), each for a term not exceeding 30 years, and each providing a minimum discount of at least four percent (4%) to the Original Energy Price (or, if applicable, an equivalent discount per MMBtu with respect to the purchase of natural gas or an equivalent discount per megawatt hour with respect to the purchase of market-based Energy), with each providing a minimum estimated savings of \$2 million/calendar year (collectively, the "Purchase Criteria"); and

**WHEREAS**, the Board has determined that, to facilitate the Commodity Supply Contracts, it is desirable and in the best financial interest of the District that the District enter into one or more Assignment Agreements; and

**WHEREAS**, the Board desires to authorize the proper officers of the District to take all necessary steps to finalize and enter into (i) Commodity Supply Contracts meeting the Purchase Criteria, and otherwise under terms and conditions approved by an Authorized Officer (as hereinafter defined) ("Qualifying Commodity Contracts"), and (ii) Assignment Agreements related to the Qualifying Commodity Contracts, each with respect to a PPA selected by an Authorized Officer, for a term not exceeding that of the applicable Qualifying Commodity Contract, and otherwise under terms and conditions approved by an Authorized Officer ("Selected Assignment Agreements").

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AS FOLLOWS:**

**SECTION 1. Authorization of Transaction.** The Board hereby finds and determines that it is desirable and in the best interest of the District and is in furtherance of one or more purposes authorized or permitted under the Act, to enter into one or more Qualifying Commodity Contracts and Selected Assignment Agreements. The Board hereby authorizes and approves the purchase of the Commodities and the consummation of all transactions contemplated by any Qualifying Commodity Contract, and the assignment of the PPAs that are the subject of the Selected Assignment Agreements.

**SECTION 2. Execution of Documents.** The President, Vice President, General Manager & Chief Executive Officer, Associate General Manager & Chief Planning, Strategy and Sustainability Executive, and Associate General Manager & Chief Financial Executive (each, an "Authorized Officer") are, and each of them hereby is, authorized to execute and deliver the Qualifying Commodity Contracts and Selected Assignment Agreements (each in such form as may be approved by the Authorized Officer(s)), and all documents, certificates and any other deliverables related thereto, with such changes, additions, and deletions as are approved by such Authorized Officer executing the same (said execution being conclusive proof of approval of the Qualifying Commodity Contract, Selected Assignment Agreements, and other documents). The Secretary and the Assistant Secretary of the District are each hereby authorized to cause the seal of the District to be affixed to such documents and to attest the same as necessary.

**SECTION 3. Authority of Officers.** Each Authorized Officer, and other employees of the District directed by an Authorized Officer are, and each of them hereby is, authorized to: execute such certificates, documents, and other instruments, and take any other actions reasonably required or desirable to complete the transactions contemplated by any Qualifying Commodity Contract and Selected Assignment Agreement, including, but not limited to, (i) cooperating with any Issuer and the underwriters of the Bonds, and their agents and representatives (collectively, the "Issuer Representatives"), (ii) providing the Issuer Representatives with information relating to the District as is necessary for use in the preparation and distribution of any preliminary or final official statement or other disclosure document used in connection with the sale of the Bonds, and (iii) delivering any necessary tax certificates or documentation necessary to evidence the District's compliance with any tax or continuing disclosure requirements arising as a result of the District's execution of a Qualifying Commodity Contract or Selected Assignment Agreement; and to take such actions consistent with this Resolution, and to do such other acts and things, as may be necessary or advisable in connection with the purchase of the Commodities under any Qualifying Commodity Contract and the assignment of

any PPA under a Selected Assignment Agreement.

**SECTION 4. Amendments.** Following the execution of any Qualifying Commodity Contract or Selected Assignment Agreement, each Authorized Officer, and other officers and employees of the District directed by an Authorized Officer are, and each of them hereby is, authorized to execute any amendments thereto that do not materially modify the terms thereof.

**SECTION 5. Effective Date.** This Resolution shall take effect immediately.



