

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

DISTRICT COUNCIL

Tuesday, June 3, 2025, 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. Request for Approval of the Minutes for the Meeting of May 6, 2025
..... CHAIR ROCKY SHELTON
2. Council Committee Chairs and Liaisons Reports CHAIR ROCKY SHELTON
3. Economic Outlook.....PAUL BACHMAN;
and KRISTEN STEPHENSON,
GREATER PHOENIX ECONOMIC COUNCIL (GPEC)

Informational presentation regarding the national and local economic outlook with a focus on the labor market, consumer spending, inflation, business investment/economic development pipeline, and near-term economic forecasts.

4. Fiscal Year 2026 (FY26) Financial Plan DANIELLE JACKSON

Informational presentation regarding the FY26 Financial Plan and future requests for approval to issue debt.

5. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT
 - A. Power System JOHN COGGINS
 - B. Water Stewardship LESLIE MEYERS
6. Reservoir Report / Weather Report JAMES WALTER
7. President's ReportPRESIDENT DAVID ROUSSEAU
8. Future Agenda Topics CHAIR ROCKY SHELTON

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, AUGUST 5, 2025**

05/27/2025

SAFETY MINUTE: TRAVEL SAFETY SRP COUNCIL

**SARA MCCOY
DIRECTOR, RISK MANAGEMENT
JUNE 3, 2025**



Delivering water and power™

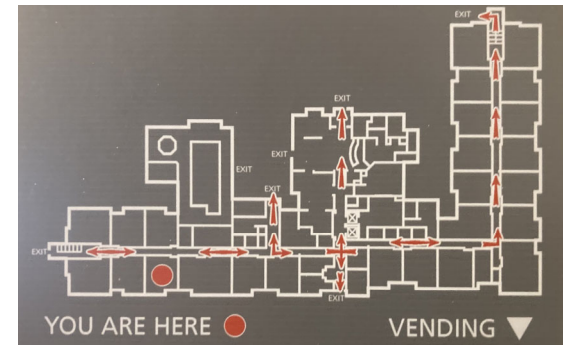
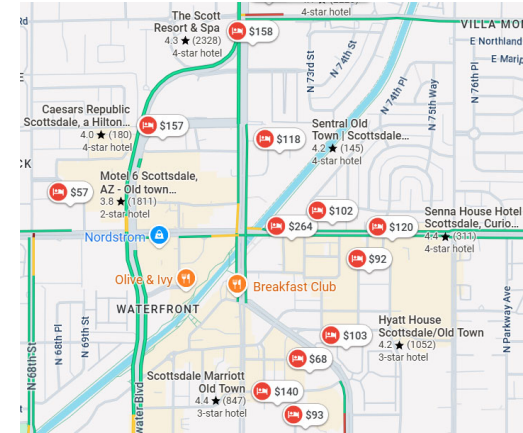
SAFETY MINUTE: TRAVEL SAFETY

Plan in advance

- Learn about the area
- Choose safe locations for activities/lodging
- Consider health precautions
- Check the weather forecast
- Pack for emergencies
- Create itinerary with locations and contacts

During the trip

- Know travel routes
- Be aware of surroundings
- Travel with others, walk with purpose and confidence
- Do location safety checks, know emergency exit plan





MINUTES OF COUNCIL
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER
DISTRICT

DRAFT

May 6, 2025

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, May 6, 2025, 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 Chair J.R. Shelton called the meeting to order, and Corporate Secretary J.M. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona
April 29, 2025

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, May 6, 2025, 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 29th day of April 2025.

/s/ John R. Shelton
Council Chair

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

Council Members present at roll call were Council Chair J.R. Shelton; Council Vice Chair T.M. Francis; and M.B. Brooks, M.L. Farmer, A.A. Freeman, G.E. Geiger, E.L. Gorsegrner, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, C.M. Leatherwood, J.W. Lines, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Paceley, M.C. Pedersen, I.M. Rakow, M.G. Rakow, C. Resch-Geretti, W.W. Sheely, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren.

Council Members absent at roll call were J.R. Augustine, W.P. Schrader Jr., and W.P. Schrader III.

Also present were Vice President C.J. Dobson; Board Liaison M.J. Herrera; I.R. Avalos, A.P. Chabrier, A.C. Davis, J.M. Felty, S.P. Flora, L.F. Hobaica, R.T. Judd, B.J. Koch, K.J. Lee, S.C. McCoy, C.M. McJunkin, G.A. Mingura, M.J. O'Connor, B.A. Olsen, D.D. Patterson, and C.M. Sifuentes-Kohlbeck of SRP.

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, May 2, 2025.

Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding home electrical safety.

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.

Approval of Minutes

On a motion duly made by Council Member P.A. Van Hofwegen, seconded by Council Member R.W. Swier and carried, the Council approved the minutes for the meeting of April 8, 2025, as presented.

Corporate Secretary J.M. Felty polled the Council Members on Council Member P.A. Van Hofwegen's motion to approve the minutes for the meeting of April 8, 2025. The vote was recorded as follows:

YES:	Council Chair J.R. Shelton; Council Vice Chair T.M. Francis; and Council Members, M.B. Brooks, M.L. Farmer, A.A. Freeman, G.E. Geiger, E.L. Gorseger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, C.M. Leatherwood, J.W. Lines, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Paceley, M.C. Pedersen, I.M. Rakow, M.G. Rakow, C. Resch-Geretti, W.W. Sheely, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren	(26)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members J.R. Augustine, W.P. Schrader Jr., and W.P. Schrader III	(3)

Election of Council Chair and Vice Chair

Vice President C.J. Dobson announced that the election of the District Chair and Vice Chair of the Council for Fiscal Year 2026 (FY26) was in order. They called for nominations for the office of District Chair and Vice Chair of the Council.

On a motion duly made by Council Member T.M. Francis and seconded by Council Member N.J. Vanderwey, J. Rocky Shelton was nominated as District Council Chair. With no other nominations being made, by acclamation, J. Rocky Shelton was declared elected to the office of District Council Chair for FY26.

Corporate Secretary J.M. Felty polled the Council Members on Council Member T.M. Francis' motion to approve the nomination of J. Rocky Shelton as District Council Chair. The vote was recorded as follows:

YES:	Council Members M.B. Brooks, M.L. Farmer, T.M. Francis A.A. Freeman, G.E. Geiger, E.L. Gorseger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, C.M. Leatherwood, J.W. Lines, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Paceley, M.C. Pedersen, I.M. Rakow, M.G. Rakow, C. Resch-Geretti, W.W. Sheely, J.R. Shelton, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren	(26)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members J.R. Augustine, W.P. Schrader Jr., and W.P. Schrader III	(3)

On a motion duly made by Council Member T.M. Francis and seconded by Council Member P.A. Van Hofwegen, Barry E. Paceley was nominated as District Council Vice Chair. With no other nominations being made, by acclamation, Barry E. Paceley was declared elected to the office of District Council Vice Chair for FY26.

Corporate Secretary J.M. Felty polled the Council Members on Council Member T.M. Francis' motion to approve the nomination of Barry E. Paceley as District Council Vice Chair. The vote was recorded as follows:

YES:	Council Members M.B. Brooks, M.L. Farmer, T.M. Francis A.A. Freeman, G.E. Geiger, E.L. Gorseger, A.S. Hatley, A.M. Herrera, R.S. Kolb, D.B. Lamoreaux, C.M. Leatherwood, J.W. Lines, J.L. Miller, M.R. Mulligan, T.S. Naylor, B.E. Paceley, M.C. Pedersen, I.M. Rakow, M.G. Rakow, C. Resch-Geretti, W.W. Sheely, J.R. Shelton, R.W. Swier, N.J. Vanderwey, P.A. Van Hofwegen, and M.A. Warren	(26)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members J.R. Augustine, W.P. Schrader Jr., and W.P. Schrader III	(3)

Corporate Secretary J.M. Felty announced that Barry E. Paceley was elected to the office of District Council Vice Chair for FY26.

J. Rocky Shelton assumed the Chair of the meeting.

Council Committee Chairs and Liaisons Reports

Council Chair J.R. Shelton asked for reports from the Council Committee Chairs and Liaisons to the Standing Board Committees. Council Member M.C. Pedersen reported on discussions held at the Water Committee. Council Member M.G. Rakow reported on discussions held at the Compensation Committee. Council Member G.E. Geiger reported on discussions held at the Power Committee. Council Member R.W. Swier reported on discussions held at the Finance and Budget Committee. Council Member M.R. Mulligan reported on discussions held at the SRP Integrated System Plan (ISP) Advisory Group meeting. Council Member J.W. Lines reported on discussions held at the Facilities and Support Services Committee. Council Member J.L. Miller reported on discussions held at the Customer Utility Panel (CUP). Council Vice Chair B.E. Paceley reported on discussions held at the Council Education Committee, Work Study Session, and Granite Reef tour. Council Member N.J. Vanderwey reported on discussions held at the Bylaws Committee.

J.D. Coggins of SRP entered the meeting during the reports.

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

Michael J. O'Connor, SRP Associate General Manager and Chief Legal Executive, reported on a variety of federal, state, and local topics of interest to the District.

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

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. They provided operational updates for April 2025, stating that April's peak demand of 5,217 megawatts (MW) occurred on April 11th, which was 691 MW lower than forecasted.

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, Brian J. Koch, SRP Associate General Manager and Chief Financial Executive, reviewed the financial summary through March 2025 and fiscal year-to-date.

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.

Status of Water Stewardship

Using a PowerPoint presentation, Christa M. McJunkin, SRP Senior Director of Water Supply and System, provided an update on water stewardship. They provided an update regarding the Water Infrastructure Finance Authority (WIFA).

C.M. McJunkin reviewed WIFA's mission, statement of need, and statement of purpose. They reviewed the long-term augmentation fund competitive project development process and concluded with a discussion of current and next steps.

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 Planning, Strategy, and Sustainability

Using a PowerPoint presentation, Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive, provided an update on corporate planning and strategy. They provided an update regarding the Light Up Navajo initiative and the Navajo Tribal Utility Authority (NTUA).

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.

Reservoir and Weather Report

Using a PowerPoint presentation, Stephen P. Flora, SRP Senior Hydrologist, reviewed the cumulative watershed precipitation outlook to-date for Water Year 2025 (October 2024 – June 2025) and April precipitation totals. They provided an overview of streamflow forecast from January 1, 2025 to May 31, 2025.

S.P. Flora discussed the surface runoff and pumping data for April 2025 and year-to-date. They 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 May 1, 2025.

S.P. Flora provided a May precipitation outlook and a review of the seasonal monsoon weather outlook from July 2025 through September 2025.

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.

President's Report

Vice President C.J. Dobson reported on Alaina Chabrier's group and the work they are doing to bring awareness for pool safety in the summer.

Future Agenda Topics

Council Chair J.R. Shelton asked the Council if there were any future agenda topics. Council Member M.G. Rakow requested information on the upcoming SRP election.

There being no further business to come before the Council, the meeting was adjourned at 11:10 a.m.

John M. Felty
Corporate Secretary

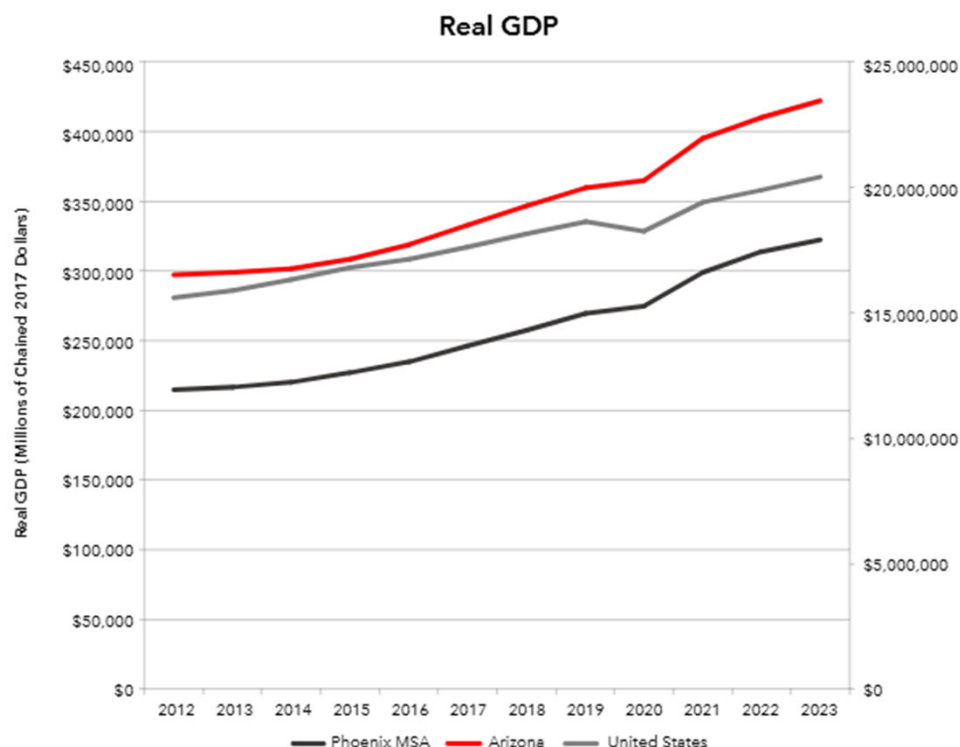
Economic Outlook

District and Association Council Meeting

Kristen Stephenson and Paul Bachman | June 3, 2025

National, State & Greater Phoenix Economy

- ⊕ Greater Phoenix real GDP in 2023 was \$322.79 billion, expanding by 2.9% over the previous year
- ⊕ Arizona real GDP grew 3.0% from 2022 to 2023
- ⊕ U.S. real GDP grew 2.7% from 2022 to 2023
- ⊕ Most recent estimates of GDP indicate a slowing economic outlook, with a -0.3% annual growth rate in Q1 2025 nationally, a contrast to the 2.4% increase in Q4 2024.



Source: Bureau of Economic Analysis, April 2025



Wage Growth



In Greater Phoenix and Arizona, overall real personal income grew slower than the national average from 2022 to 2023



The percentage growth in real per capita personal income from 2022 to 2023 in Greater Phoenix was modestly lower than the national average

Source: Bureau of Economic Analysis January 2025

Real Personal Income (millions of constant 2017 dollars)

	2022	2023	% Growth
Greater Phoenix	261,076	265,177	1.6%
Arizona	374,593	381,769	1.9%
United States	19,013,960	19,404,132	2.1%

Real Per Capita Personal Income (constant 2017 dollars)

	2022	2023	% Growth
Greater Phoenix	51,998	52,302	0.6%
Arizona	50,856	51,373	1.0%
United States	57,052	57,937	1.6%





Photo Credit: Visit Phoenix

ECONOMIC ACTIVITY

Inflation and Prices (National)

- ⊕ Inflation reflects the annual percentage change in the cost to an average consumer of acquiring a standard market basket of goods and services. The inflation rate presented below is the year-over-year percentage change which is a measure of the average monthly change in the overall price for goods and services paid by urban consumers
- ⊕ The most recent inflation rate was 2.3%, 0.1 percentage points lower than the month of March

Inflation Rates - U.S.



Source: Bureau of Labor Statistics, May 2025, not seasonally adjusted.



Composite Business Confidence (Manufacturing)

- ⊕ The Composite Business Confidence is an indicator for business tendencies, based on surveys measuring developments in production, orders and stocks of finished goods in the manufacturing sector. The indicator is exhibited as the percentage of net balances.
- ⊕ The net balances were at -2.6 in April, indicating slight pessimism towards economic activity in the future

Composite Business Confidence



The Composite Business Confidence (CBC) for the manufacturing sector has replaced the Business Confidence Index (BCI) which used to measure the overall perception of businesses on the economy. The percentage of net balances quantifies the overall sentiment or trend among respondents; A negative net balance indicates that more respondents are experiencing or expecting declines rather than improvements in the economy while a net balance of zero means that the percentage of positive and negative responses are equal, indicating a neutral outlook. Source: OECD, April 2025



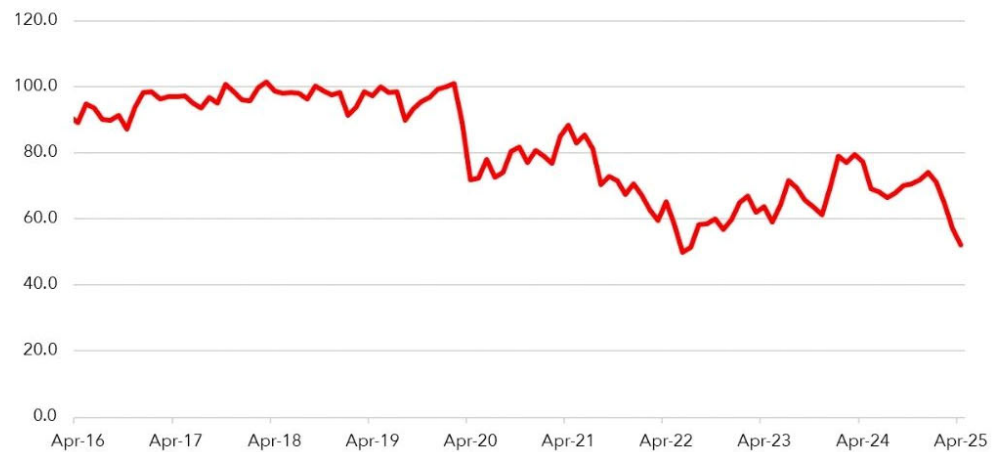


HOUSEHOLDS

Consumer Sentiment (National)

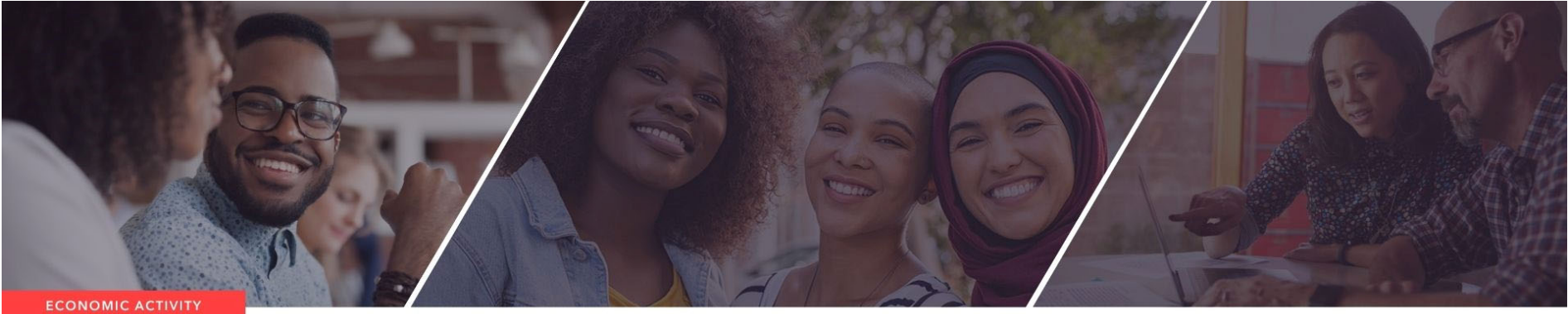
Consumer sentiment remains at or near its lowest level in the past decade.
The Index decreased from 57 in March to 52.2 in April

Consumer Sentiment



Source: University of Michigan, May 2025

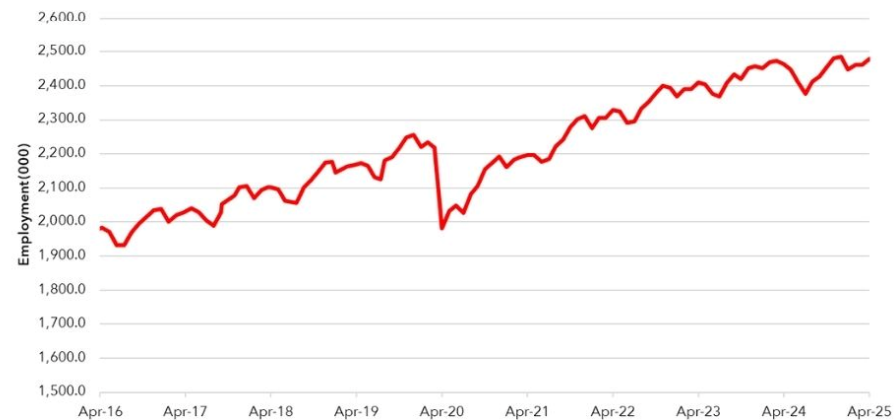




Greater Phoenix Employment

- ⊕ Greater Phoenix's pre-COVID peak was in December 2019 at 2,255,700 jobs
- ⊕ Jobs have increased by 18,200 compared to March, and rose by 15,100 year over year
- ⊕ Current total nonfarm payroll employment is 2,478,300 jobs; unemployment rate is 3.1%

Greater Phoenix Job Growth



Source AZ Office of Economic Opportunity Labor Statistics, May 2025, not seasonally adjusted, preliminary numbers



Current Makeup of Industry

- ⊕ The largest industries in Greater Phoenix are professional and business services and healthcare and social assistance
- ⊕ There has been significant growth in the healthcare and social assistance sector following the 2008 recession. Conversely, construction is experiencing very slow but gradual growth while there is a decline in retail trade as a share of total employment

Current Employment Diversity



Source: AZ Office of Economic Opportunity Labor Statistics, May 2025, not seasonally adjusted, preliminary numbers





Job Forecast



Greater Phoenix job growth is projected to be 1.97% from 2025 to 2026

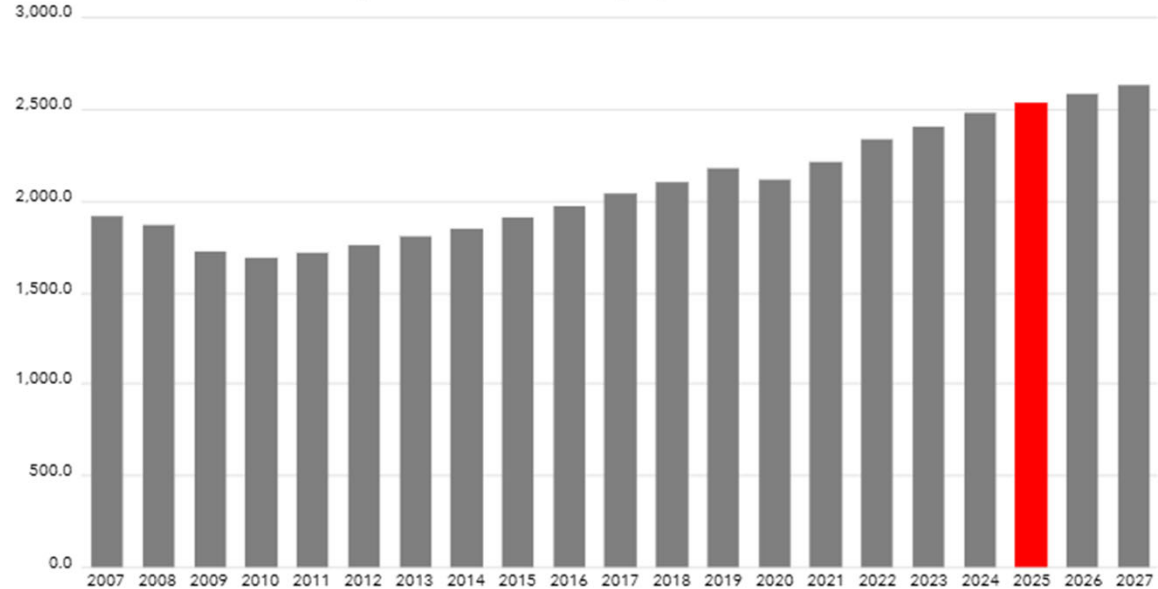


Arizona job growth is projected to be 2.08% from 2025 to 2026



Greater Phoenix recovered all job loss caused by COVID-19 in 2021

Projected Non Farm Employment Growth



Source: University of Arizona Economic and Business Research Center, December 2024

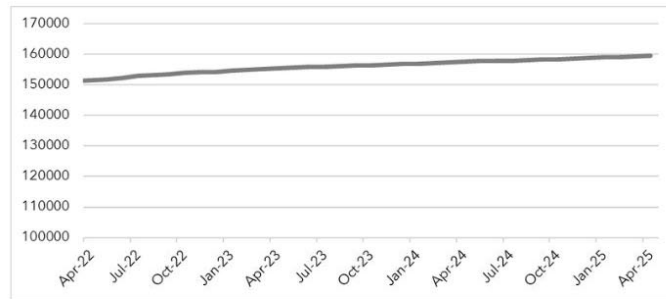


Regional Comparisons: Labor force



Presently, Greater Phoenix and the state exhibit a lower unemployment rate compared to the United States. Employment rates follow a consistent trend at the metro, state and national level

U.S. Nonfarm Employment (000)

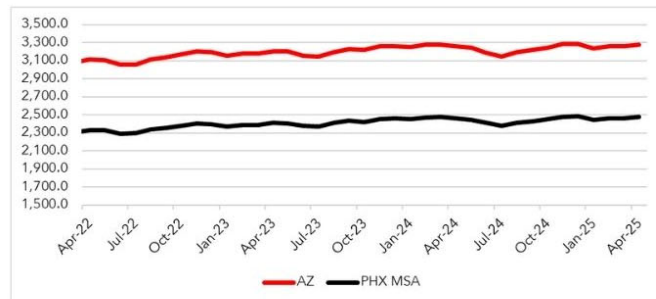


Unemployment Rates

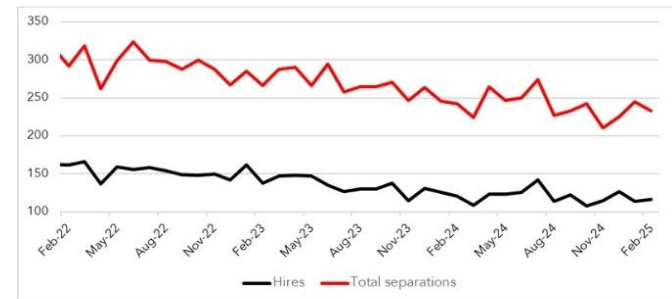


Among the February separations in Arizona, 71,000 were quits and 36,000 were layoffs and discharges compared to January's 77,000 quits and 39,000 layoffs and discharges

Local & State Nonfarm Employment (000)



Arizona Hires & Total Separations (000)



Source: AZ Office of Economic Opportunity Labor Statistics, May 2025, not seasonally adjusted, preliminary numbers. All US Data- BLS, May 2025, seasonally adjusted. Hires and separations, BLS, May 2025, seasonally adjusted.



Cost of Living Comparison for Select Markets

The overall cost of living in Greater Phoenix is 7.2% above the national average.

Region	100% Composite Index	14.67% Grocery Items	29.97% Housing	8.75% Utilities	10.75% Transportation	4.59% Healthcare	33.27% Misc. Goods and Services
Houston TX	94.7	98.3	81.2	91.0	94.6	103.0	104.3
Albuquerque NM	95.0	97.8	88.7	83.8	87.7	107.0	102.7
Austin TX	96.6	95.8	102.5	98.9	98.0	97.6	90.9
Dallas TX	100.8	98.7	90.8	120.8	90.0	107.9	107.3
Phoenix AZ	107.2	103.3	116.6	109.3	100.2	89.6	105.2
Denver CO	108.8	100.9	122.1	88.9	101.0	110.4	108.6
Salt Lake City UT	109.5	98.6	129.7	101.7	113.4	89.8	100.9
Portland OR	115.3	103.9	145.1	89.2	121.3	110.4	100.8
Arlington VA	133.8	110.5	206.1	92.6	107.0	116.3	105.3
Seattle WA	144.0	107.5	212.0	101.4	126.7	127.7	121.9
San Diego CA	146.5	111.7	213.2	149.5	136.2	104.0	114.2
Boston MA	146.9	104.5	226.0	146.1	109.5	130.1	113.6
Los Angeles CA	148.7	109.3	233.1	104.7	126.8	99.3	120.6
San Francisco CA	162.7	122.2	252.0	158.8	133.8	130.4	120.3
New York (Manhattan) NY	229.9	117.0	499.7	112.5	124.6	150.2	128.8

Source: C2ER Cost of Living Index 2024 Q3





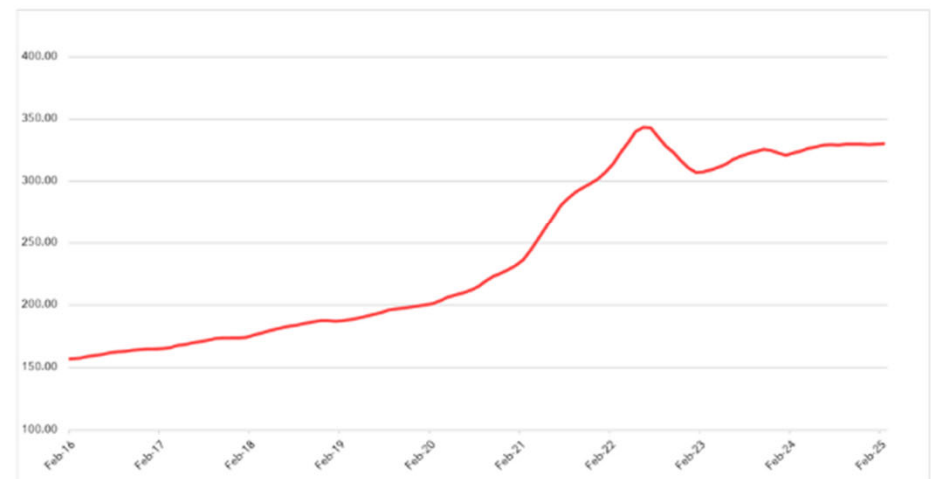
HOUSING SECTOR

Housing Prices

- ⊕ Home prices in Greater Phoenix increased for over a decade with the month of June 2022 recording the highest index at 343.56 with an annual percentage change of 26.55%
- ⊕ There has been an uptick in home prices since February 2023. The YoY change is at 2.32% for the month of February

*An index value of 100 equals the home price in January 2000.
Source: S&P/Case-Shiller Home Price Index, April 2025, Not Seasonally adjusted

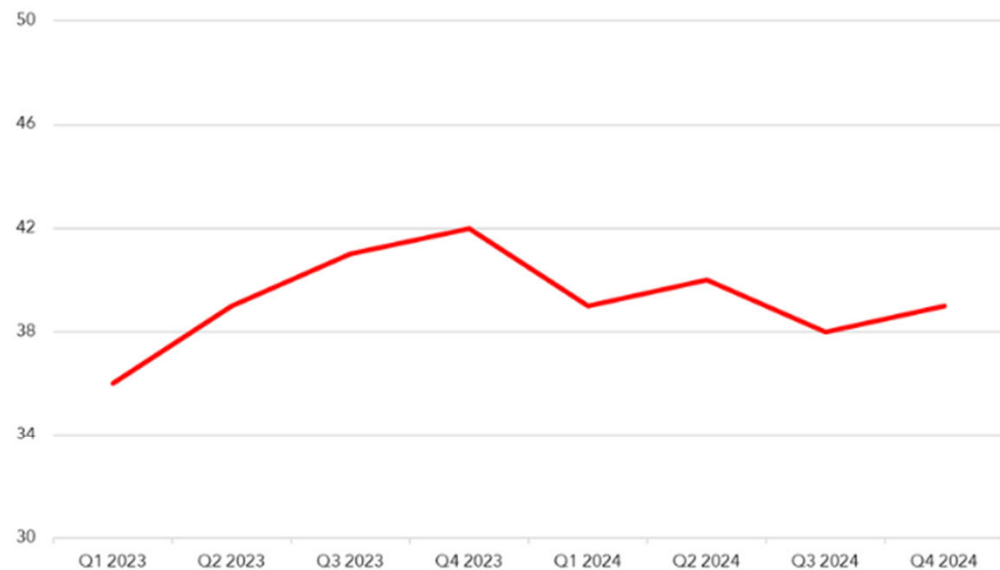
Greater Phoenix Home Price Index



Housing Costs

- ⊕ This index shows the portion of a typical family's income needed to make a mortgage payment on a median-priced home
- ⊕ The Q4 2024 reading for the Phoenix MSA indicates that 39% of a typical median family's income of \$101,300, was needed, to make a mortgage payment on a median-priced new single-family home of \$476,400
- ⊕ Nationally, 38% of a typical family's median income of \$97,800 was needed to make a mortgage payment on a median-priced new single-family home of \$419,200

Cost of Housing Index



The cost of Housing Index (CHI) has replaced the Housing Opportunity Index (HOI) which showed the share of homes sold that would have been affordable to a household earning the local median income, based on the standard mortgage underwriting criteria Source: National Association of Home Builders, March 2025





FY25 Quick Overview

Prospect Stats



Numbers as of April 30.



34
Companies Located in FY25



\$3.1B
in Capital Investment



3,991
Jobs Created in the Region



\$97,349
Avg. High-Wage Salary

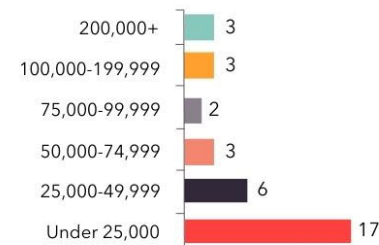


FY25 Prospects by Type and Operation

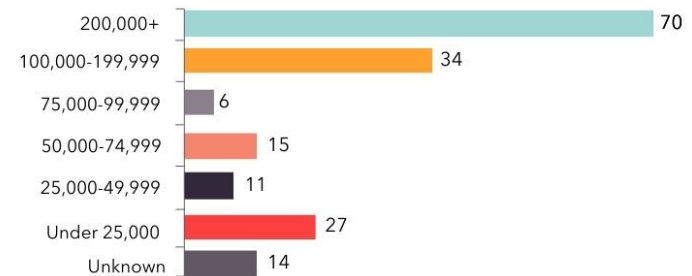
Operation Type Highlights

- 87** Light Manufacturing
- 39** Advanced/High Tech Manufacturing
- 28** Warehouse/Distribution
- 19** Advanced Administrative/Back Office
- 8** Data Centers
- 15** Heavy Manufacturing
- 9** Headquarters Office
- 3** R&D

Office Prospects (34)



Industrial Prospects (177)



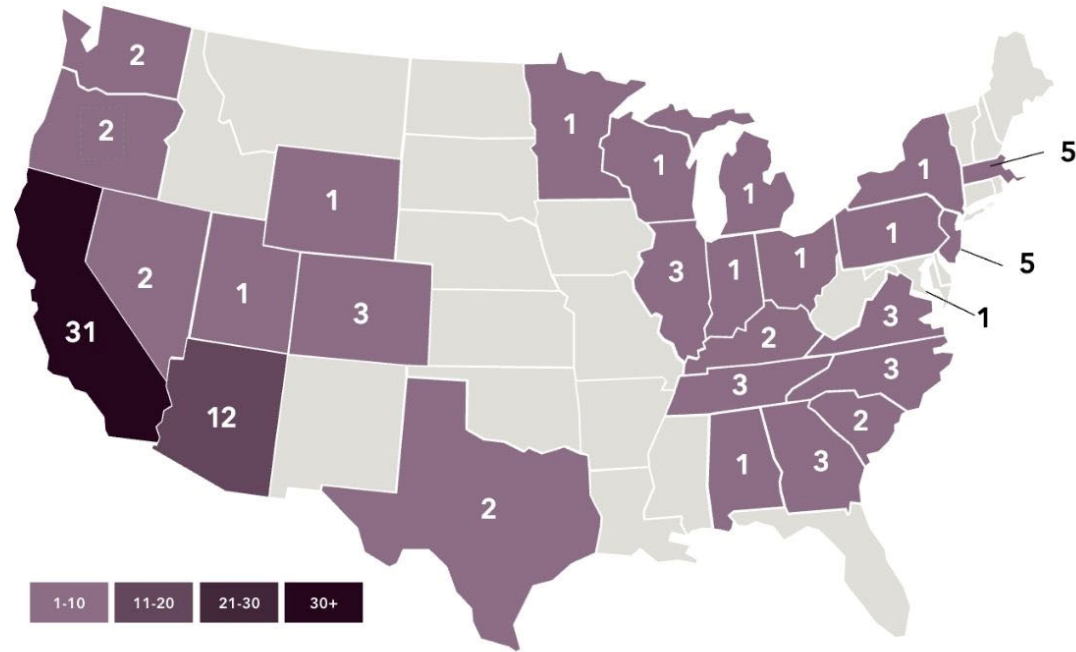
Numbers as of April 30



FY25 Prospects by HQ Location

- 15% of prospects are from California
- 28% of prospects are international including from:
 - Taiwan
 - Japan
 - Germany
 - Netherlands
 - South Korea
 - Ireland
 - United Kingdom
 - Canada

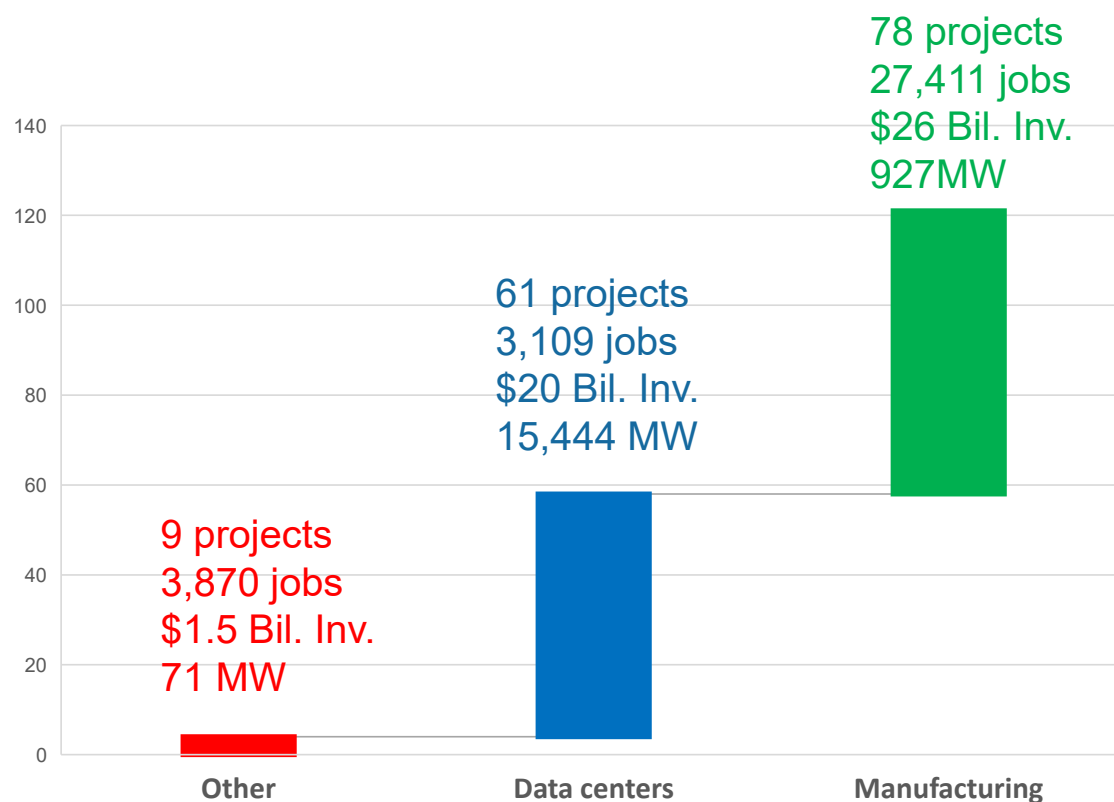
International	60
Unknown	57
Grand Total	211



Numbers as of April 30.



SRP's Robust Economic Development Pipeline



Pipeline Total Potential

- Jobs: 34,390
- Investment: \$48 billion
- 3,976 MW is the peak load for large customers in the 2035 load forecast

Note: Economic development pipeline represents prospective projects in SRP's service territory

Q3 Announced Business Activity

Employer	# of Jobs	City	Service Area	Industry
JoAnn	(374)	Statewide	Statewide	Retail
Meyer Berger	(355)	Goodyear	SRP	Solar Energy
Berger Logistics	(121)	Phoenix	APS	Logistics
TSMC	3,000	Phoenix	APS	Semiconductor
Mayo Clinic	3,500	Phoenix	APS	Health Care
Wedgewood	250	Chandler	SRP	Health Care

Economic Outlook and SRP

Uncertainty Will Impact Local Economy



- The tariffs will raise costs for all our customer classes, straining their finances
- Lower confidence measures may prompt customers to reduce spending and investment, chilling growth
- Some economic development projects have paused, leading to longer timelines
- Paused projects and slower growth would lead to slower electricity demand in the short term

thank you!



FP26 Financial Plan

District Council

Danielle Jackson

June 3, 2025

Financial Goals & Objectives

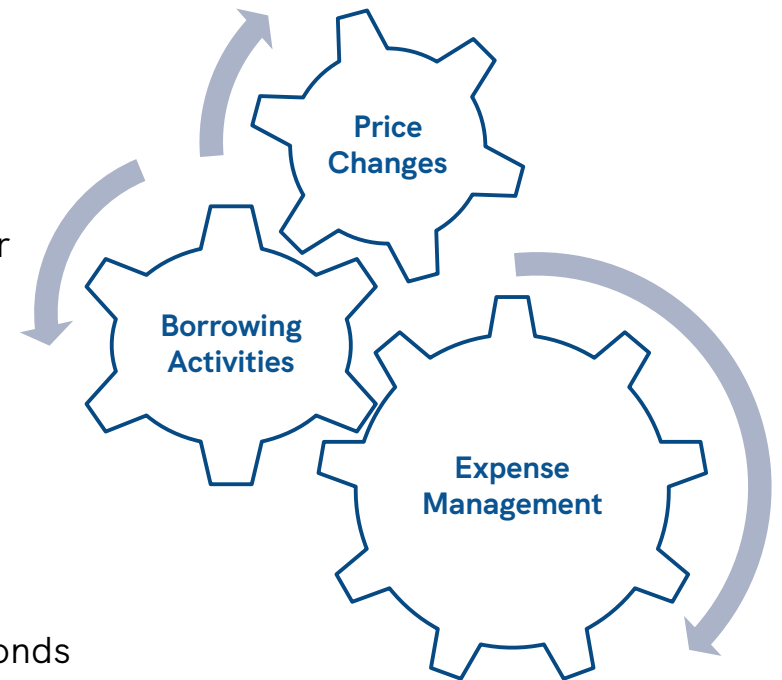
2035 Goals & Targets

Maintain strong yet flexible financial position

- Retail electric prices among lowest quartile in southwest
- Credit rating in top quartile as compared to other large public power utilities

FY25 Objectives

- ✓ Achieve direct cost per customer account at or below budget
- ✓ Seek Board approval of an updated FPPAM rate
- ✓ Receive authorization from the ACC for SRP to issue new revenue bonds
- ✓ Complete a public price process to evaluate and propose updates to SRP's base electric prices



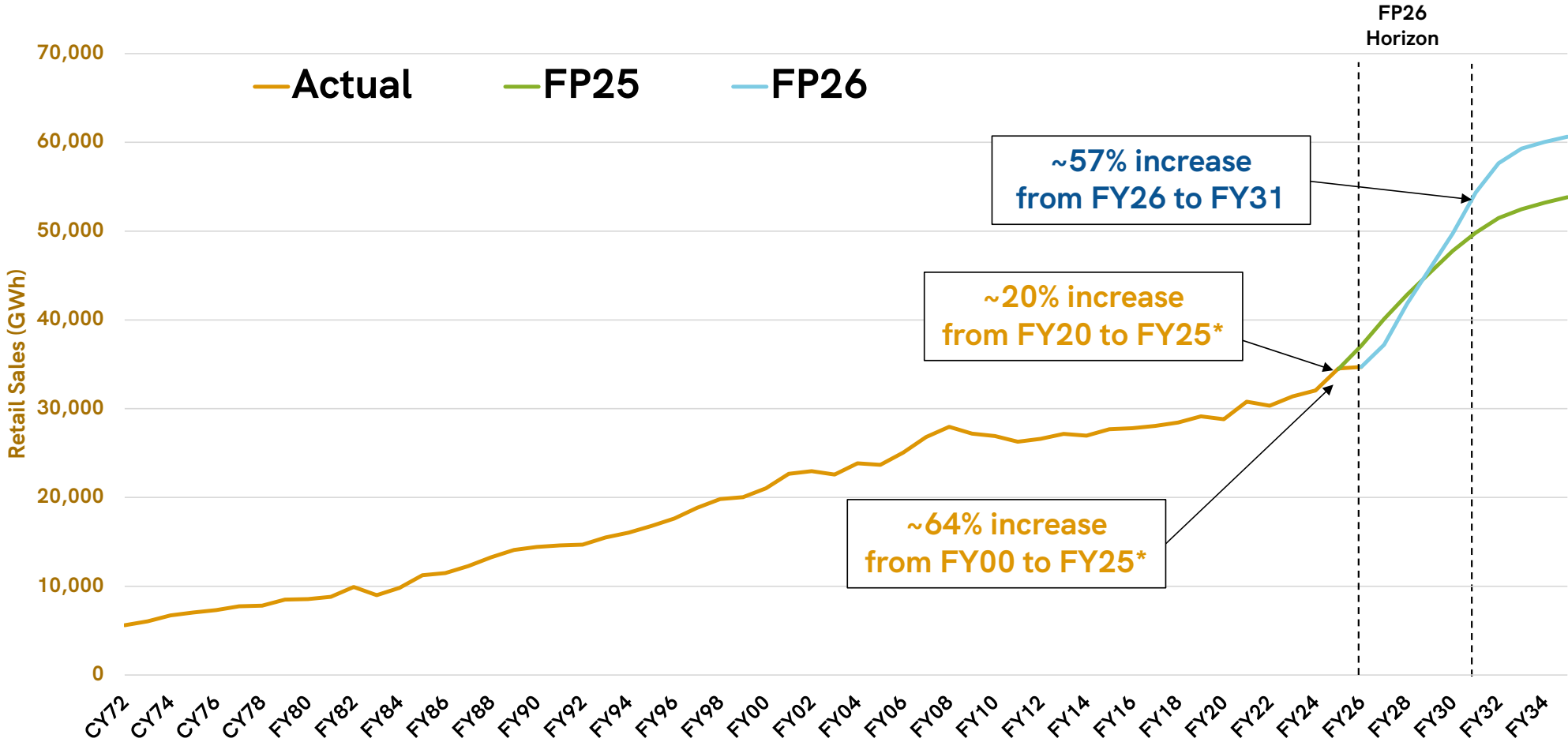
Current Outlook

Forecasted sales growth, coupled with generation transition, has significant financial implications

FP26 Outlook

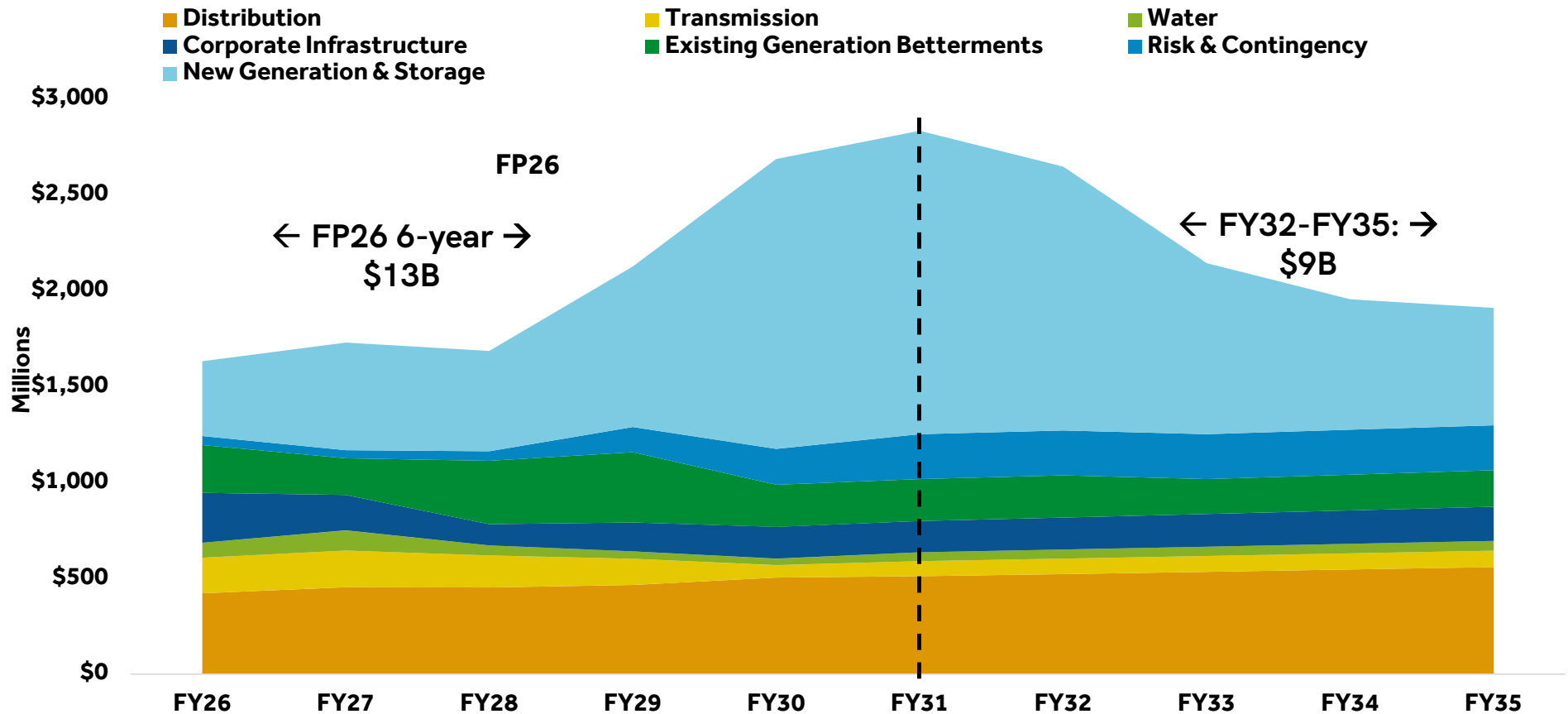
- Strong sales forecast
 - 9.4% annual growth (FP26)
 - Moderate sales early on; sales growth over time
- Higher spending levels to fund generation transition and corporate objectives
 - ~\$13B in total capital over FP26
 - ~\$6B in projected debt
 - Additional workforce
 - Pricing in line with inflation
- Need for balance and flexibility
 - Expense Mgmt | Pricing | Borrowing
 - Sustainability | Affordability | Reliability

Historical Retail Sales Plus FP26 Forecast



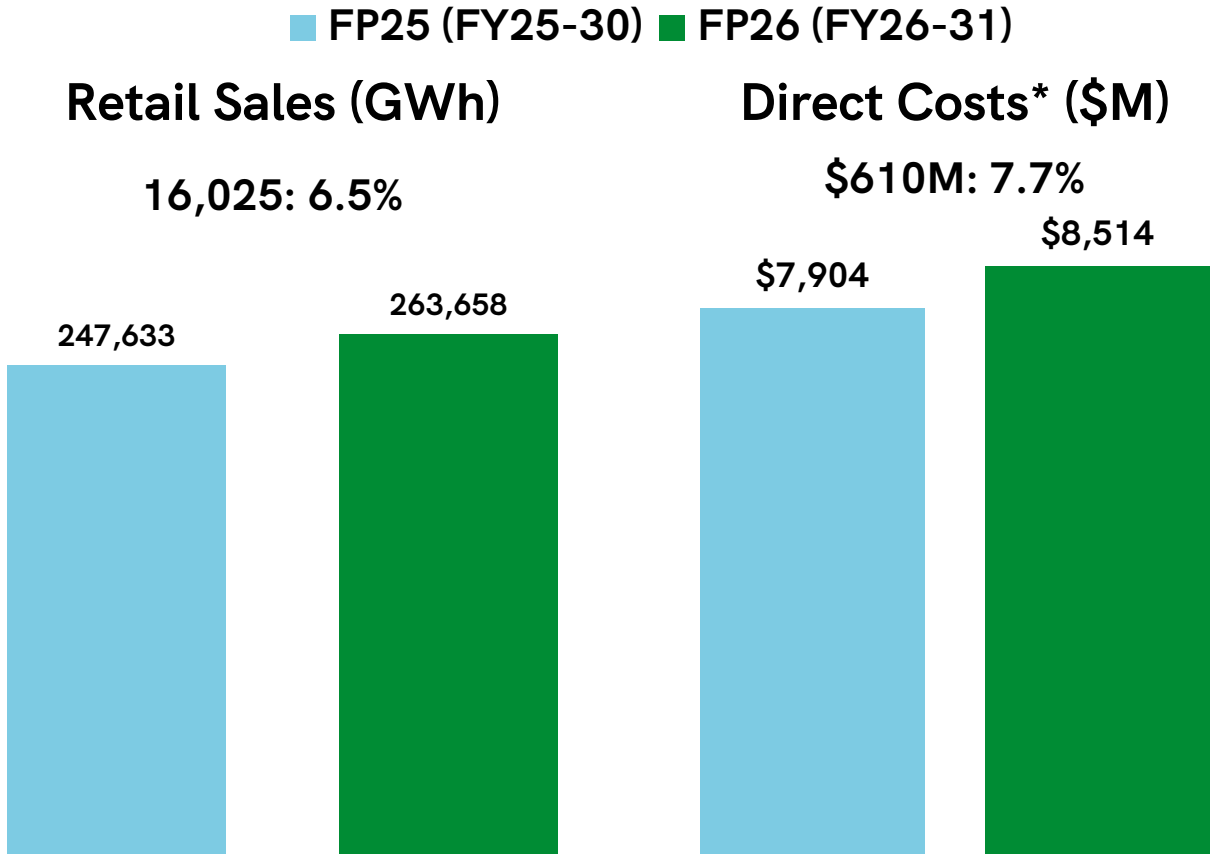
Capital Spending by Segment (\$M) – 10 Year View

Capital spend driven by increases across all segments



FP26 Outlook (Retail Sales & Direct Costs)

Higher sales forecast corresponds to roughly equivalent increase in forecasted direct costs

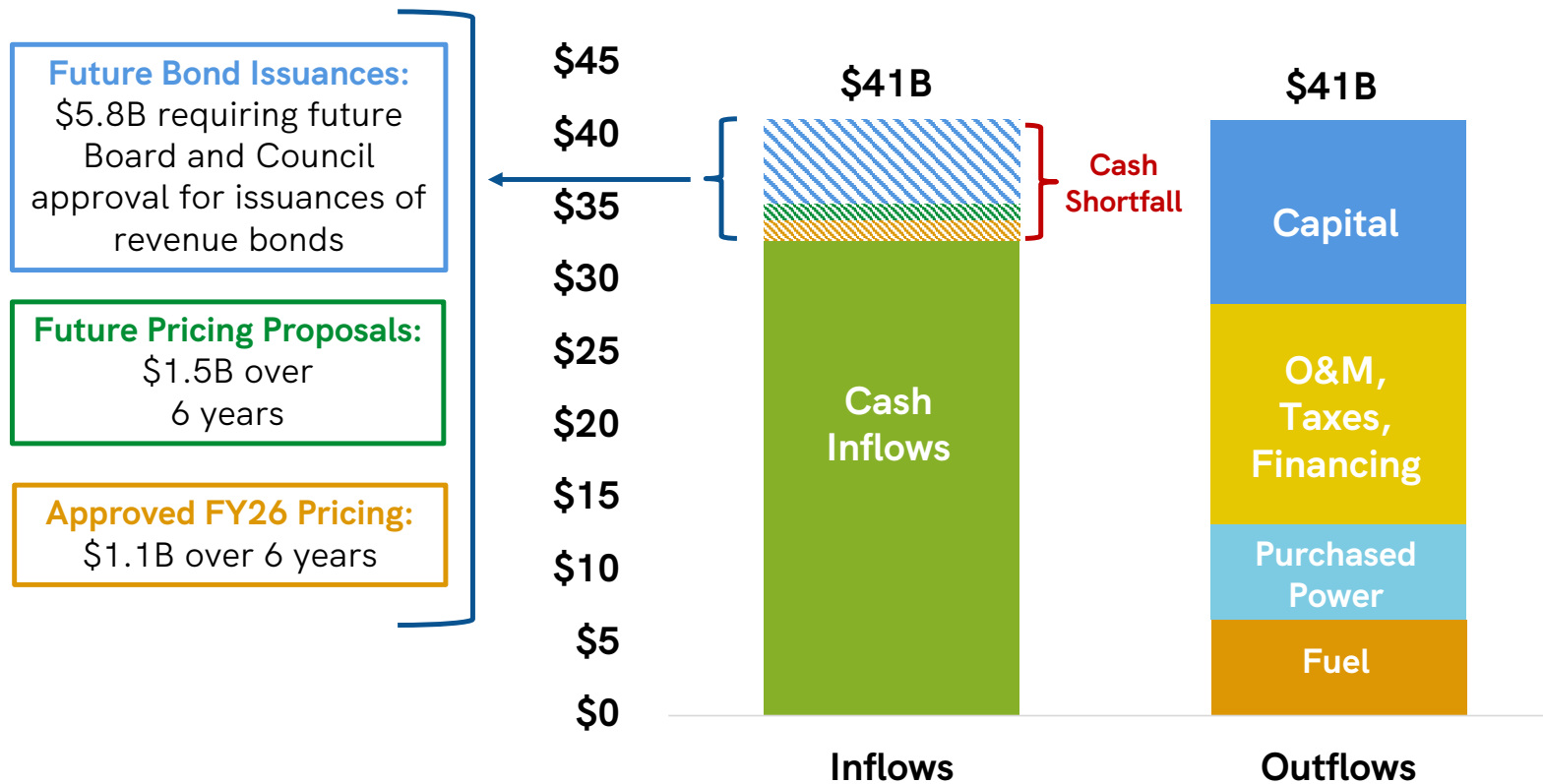


* FP25 labor has been revised for inflation to report in FP26 dollars

6-Year Total Cash Inflows and Outflows (\$B)

To meet objectives, SRP will need to carefully balance expense management, borrowing & price changes

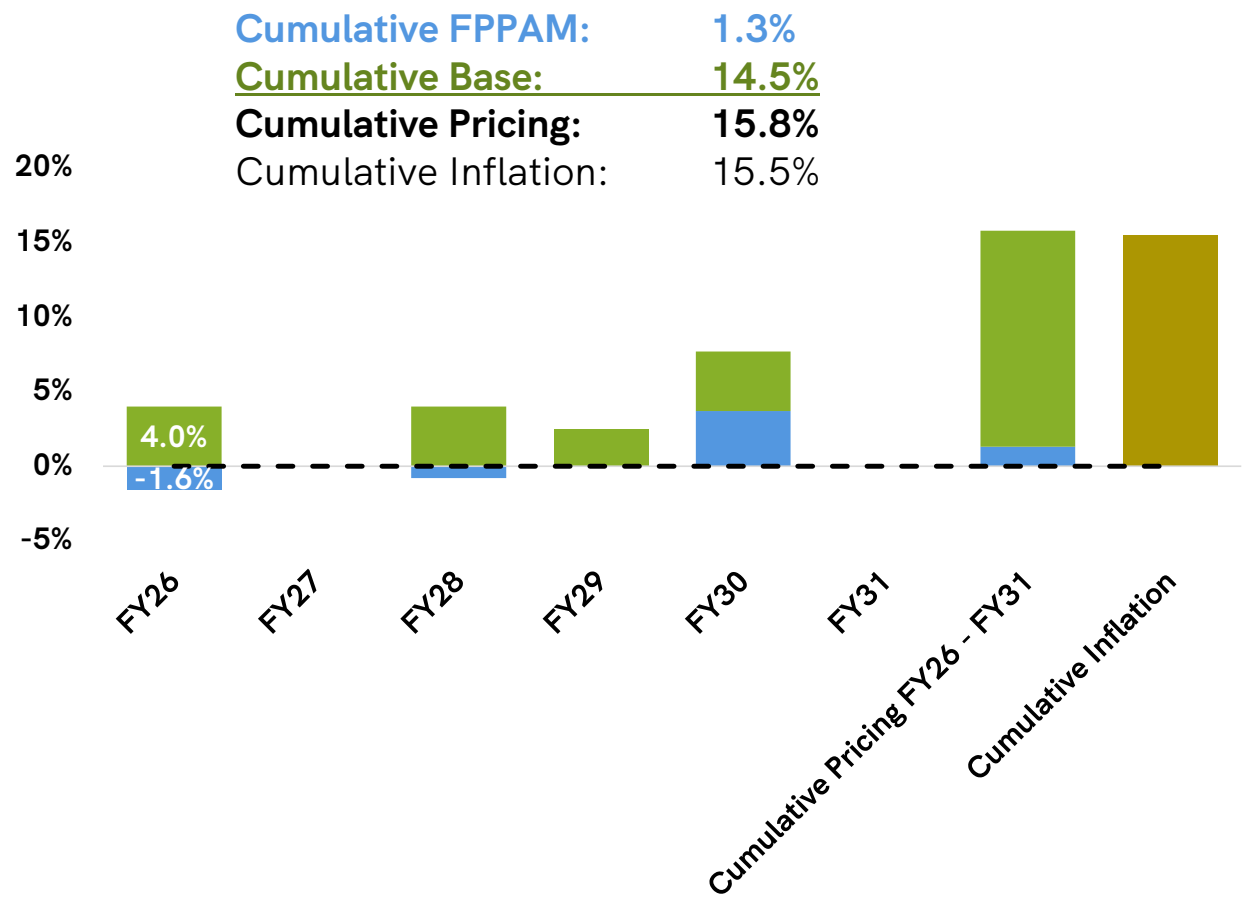
FP26 (FY26-31)



Price Modeling Assumptions

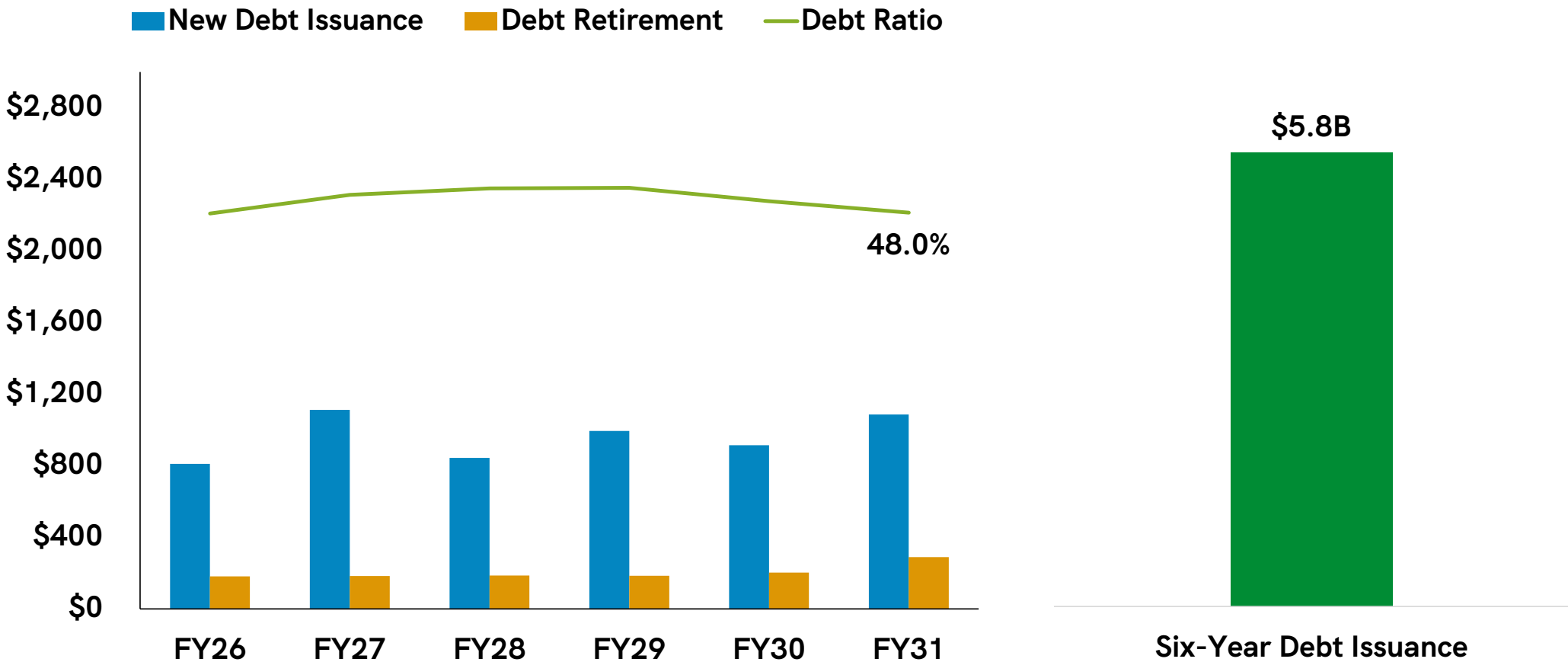
Projected pricing adjustments in line with inflation over 6-year horizon

- FY26 reflects approved pricing
- Cumulative projected pricing in line with cumulative inflation



Borrowing Outlook (\$M)

Management of SRP’s three financial levers preserves SRP’s financial strength

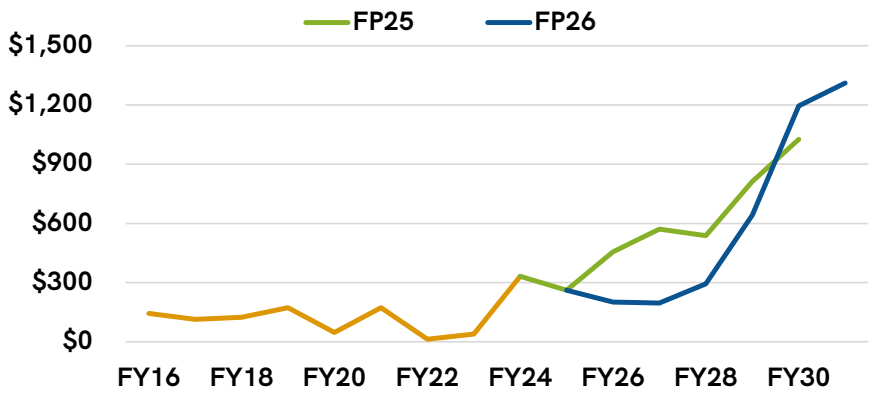


Financial Indicators

Financial Indicators preserve financial strength and flexibility

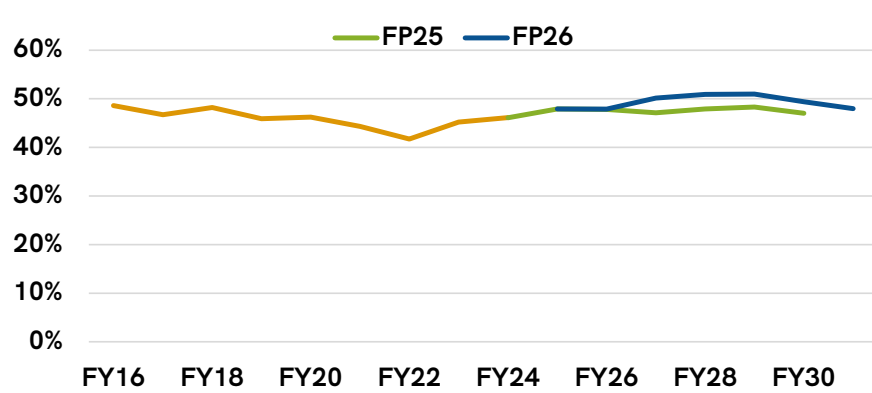
Combined Net Revenues (\$M)

SRP's "bottom line"; similar to Net Income



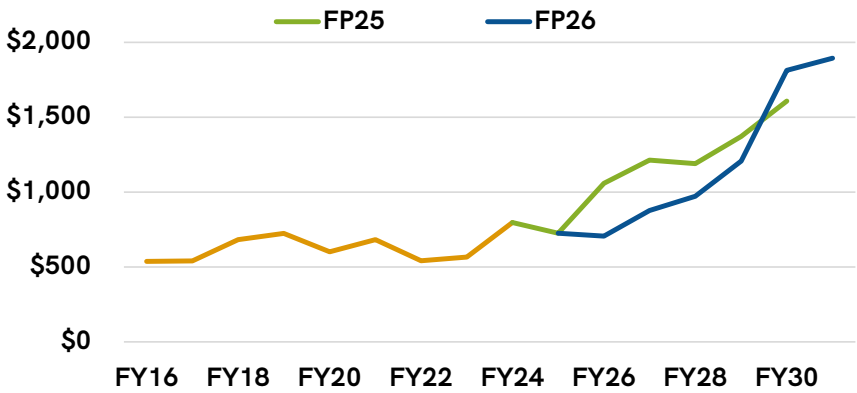
Debt Ratio

Percentage of long-life assets paid for with debt



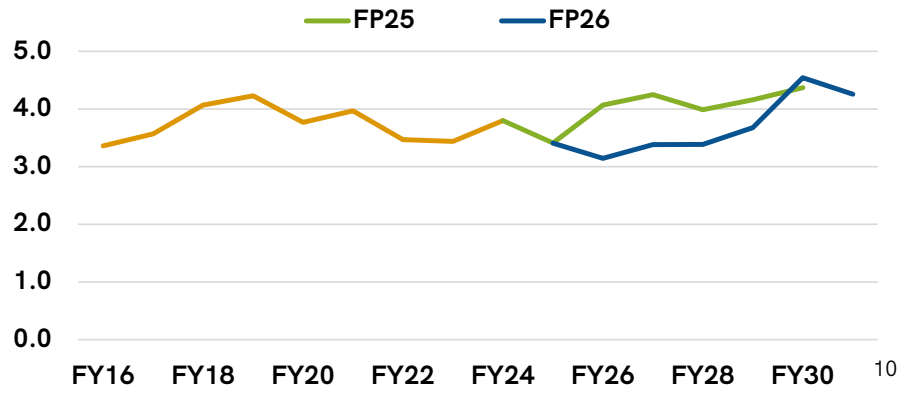
Funds Available (\$M)

Cash generated from the business to pay for capital expenditures



Debt Service Coverage Ratio

Ratio of net cash inflows versus annual principal and interest payments

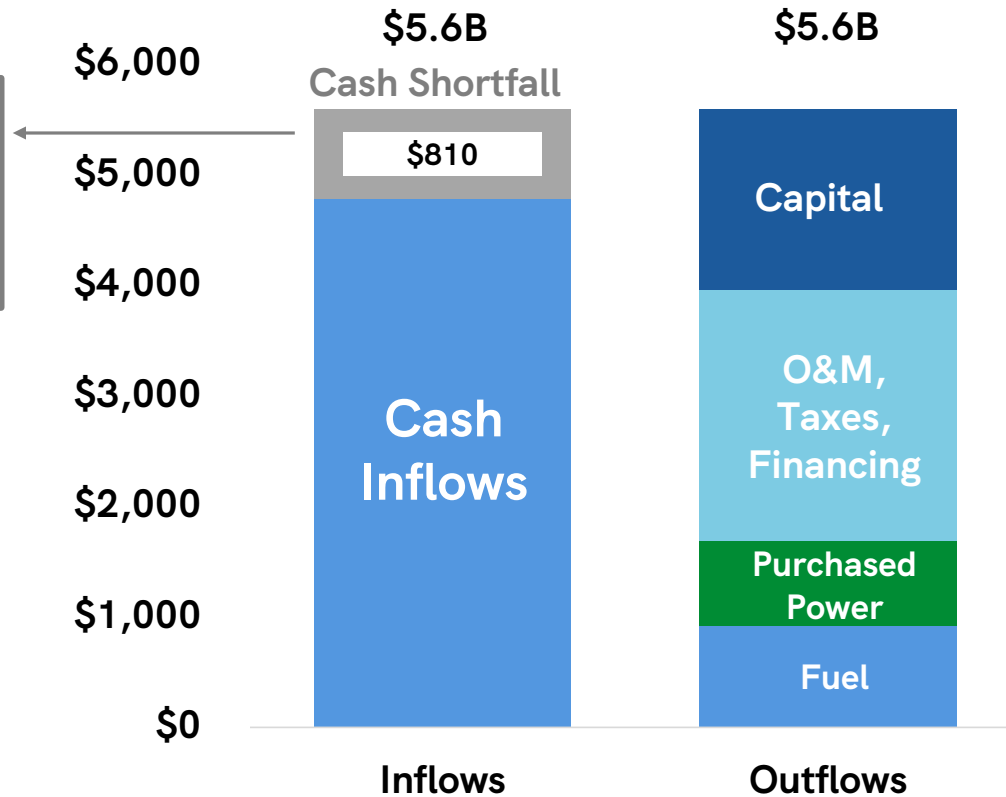


FY26 Cash Inflows & Outflows

Cash shortfall will be met with borrowing activities

Address Cash Shortfall:

Treasury will seek Board and Council approval during FY26 for issuance of revenue bonds



Next Steps

- Monitor cash/liquidity over summer months, with monthly updates to Board & Council
- Return to Board & Council in early fall with updated timeframe for issuing debt

thank you!





Council Report – Current Events

Council Meeting

June 3, 2025



Current Events

Jim Pratt



Power System Update – Current Events

John Coggins

Water Stewardship

Leslie Meyers

New Partnerships in FY25

MOUs:

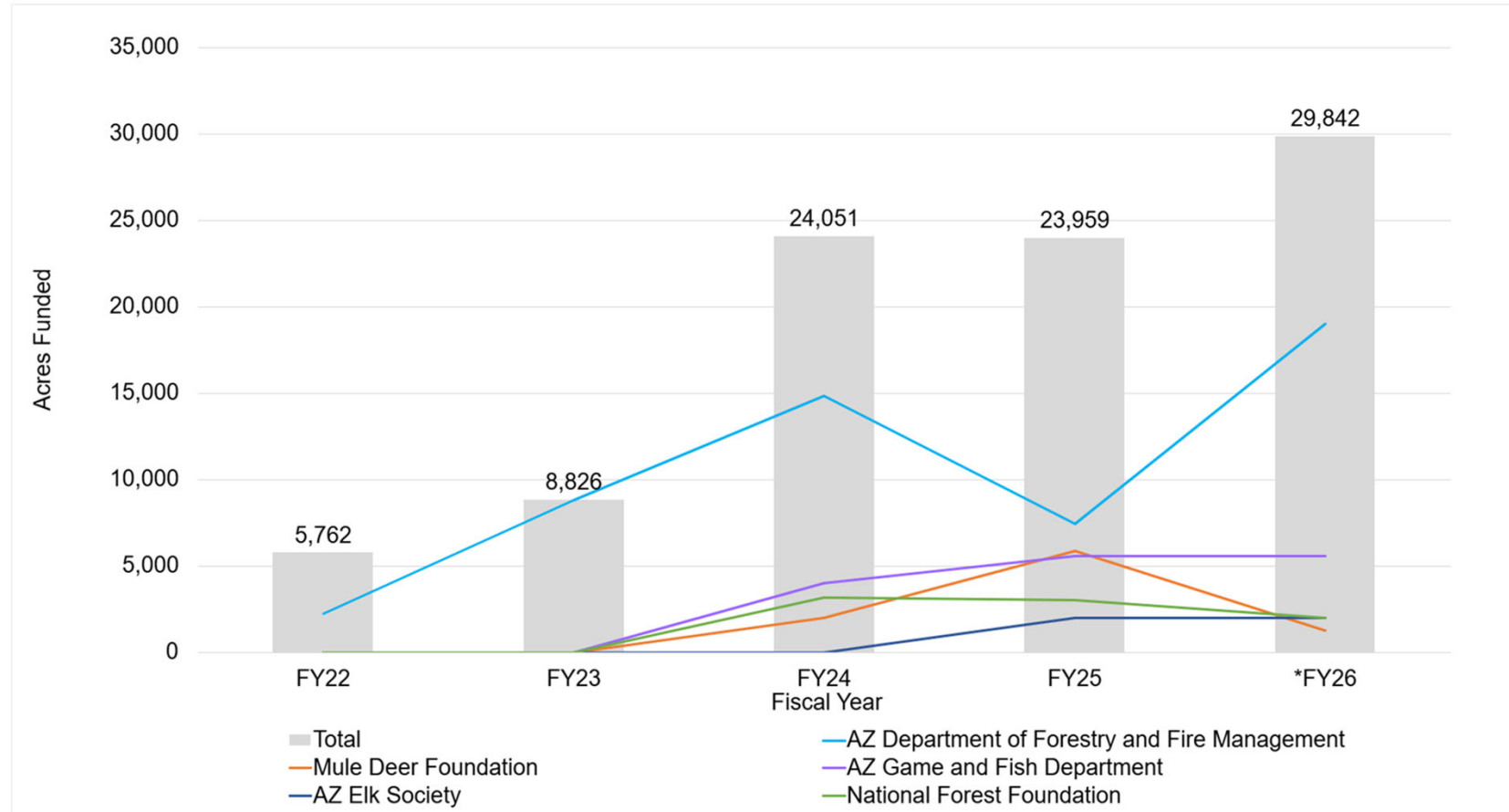
- 5-year MOU with Arizona Elk Society to collaboratively fund & implement forest thinning projects

Corporate Partners:

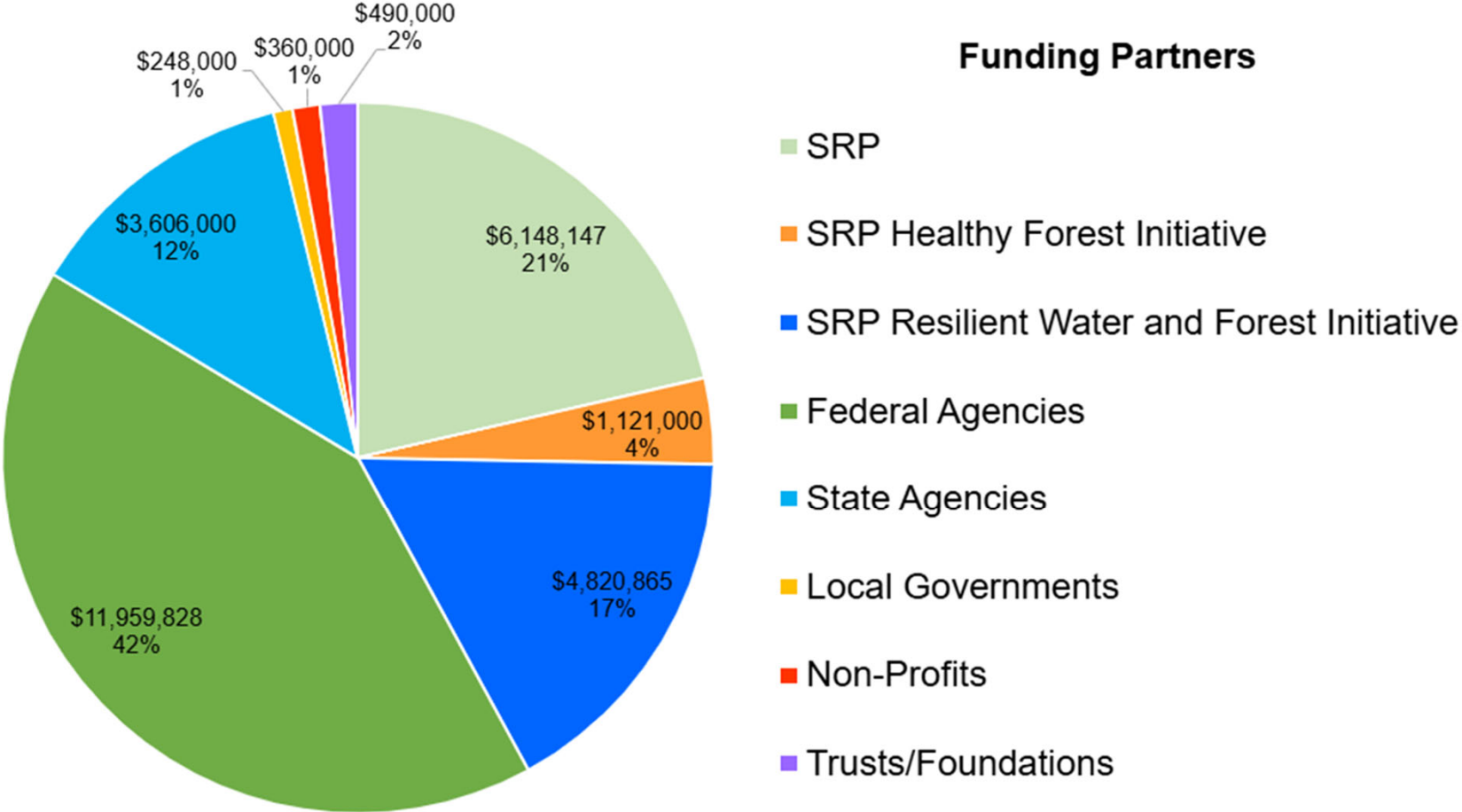
- Swire-Coca Cola & The Coca Cola Company donated \$192,500 to 1 project

Acres Funded

- Total acres that SRP has directly invested in from FY22-FY25 and projections for FY26 by implementation partner



Funding Breakdown – Cumulative FY22-FY25



Wildfire Resilience Utility Workgroup

- Formed in 2024 to support utilities incorporating wildfire resilience and forest health partnerships into wildfire mitigation plans as a best management practice
- SRP hosted the 1st in person meeting in January 2025
- Workgroup meets monthly & is being promoted at conferences across the U.S.
- Members:
 - Utilities:
 - Idaho Power, Liberty Utilities, PG&E, NV Energy, Salt River Project
 - Non-profits:
 - National Forest Foundation, Blue Forest



thank you!



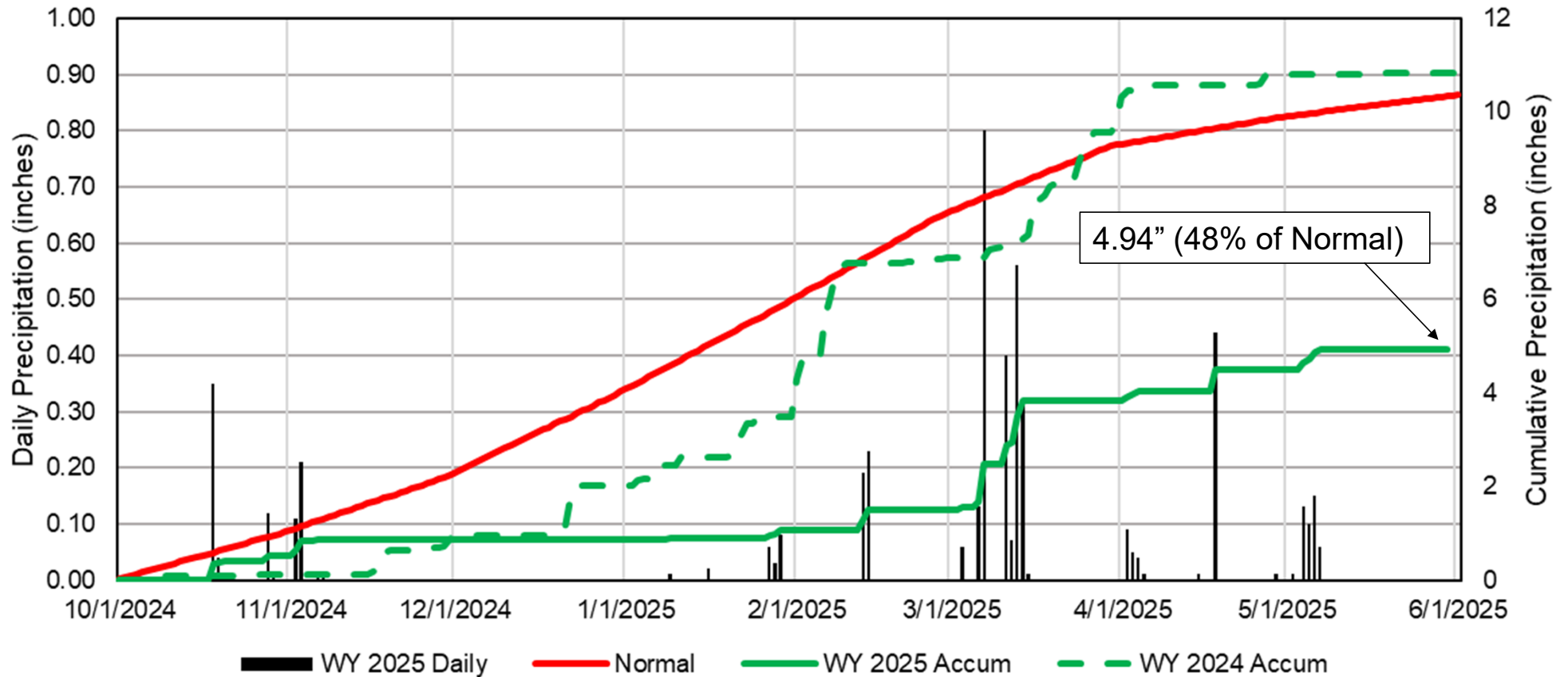
Water Supply and Weather Report

June Council Meeting

June 3, 2025

James Walter

Cumulative Watershed Precipitation: Fall-Winter-Spring (WY 2025)



Watershed Precipitation

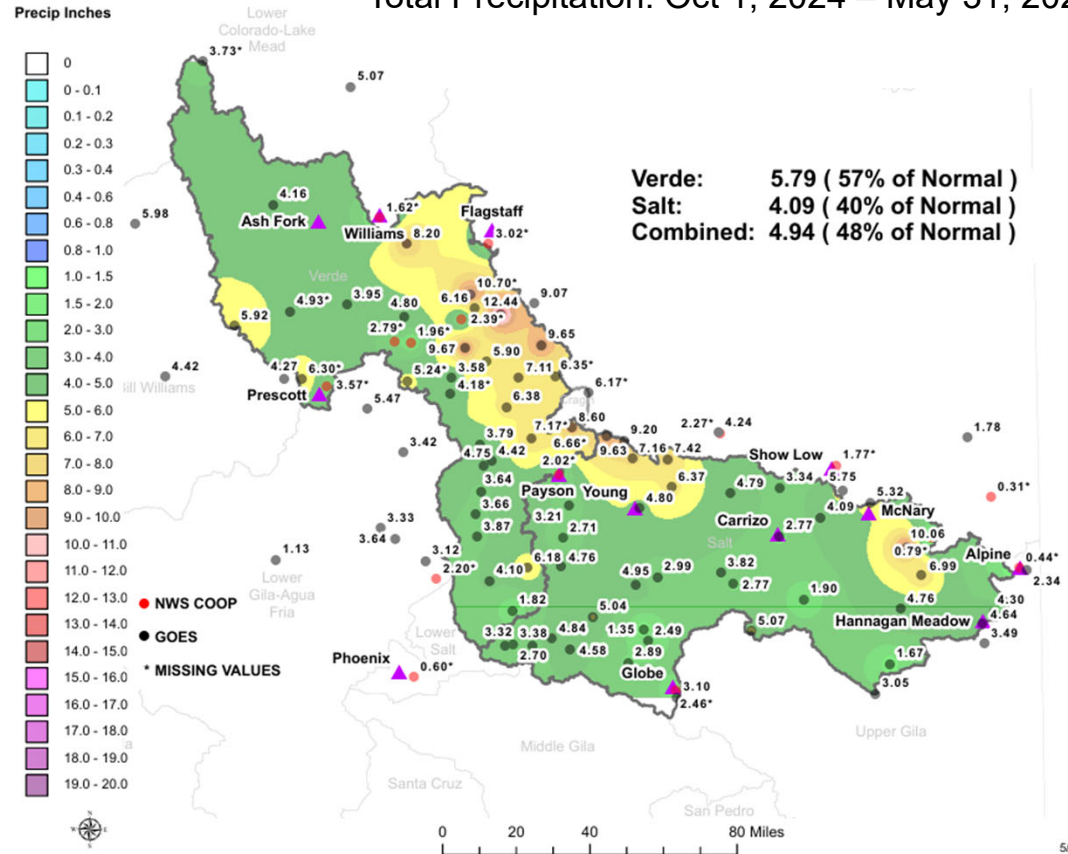
Spring Precipitation Totals

Total Mar 2025 = 2.35"
(156% of normal)

Total Apr 2025 = 0.65"
(108% of normal)

Total May 2025 = 0.45"
(100% of normal)

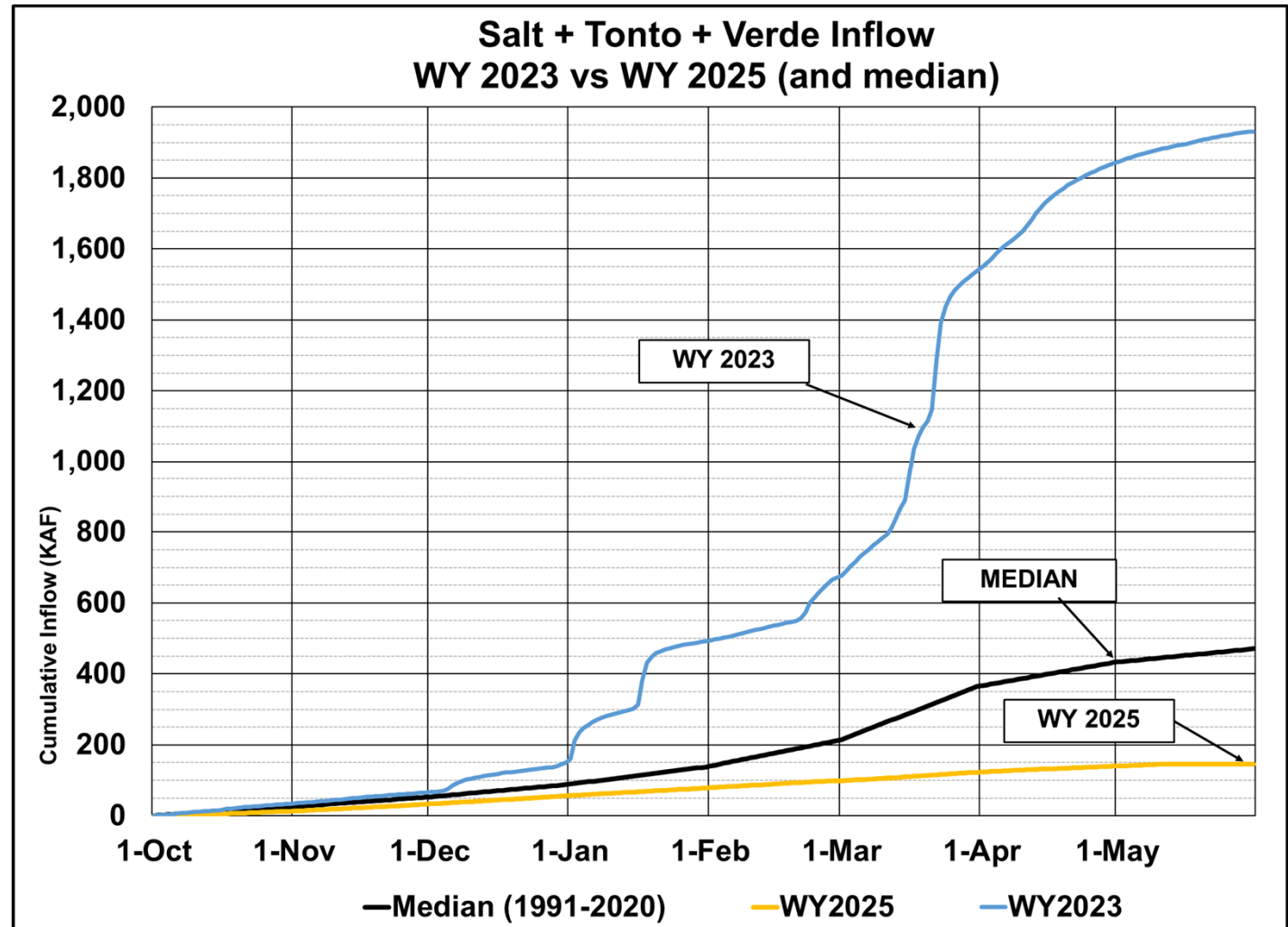
Total Precipitation: Oct 1, 2024 – May 31, 2025



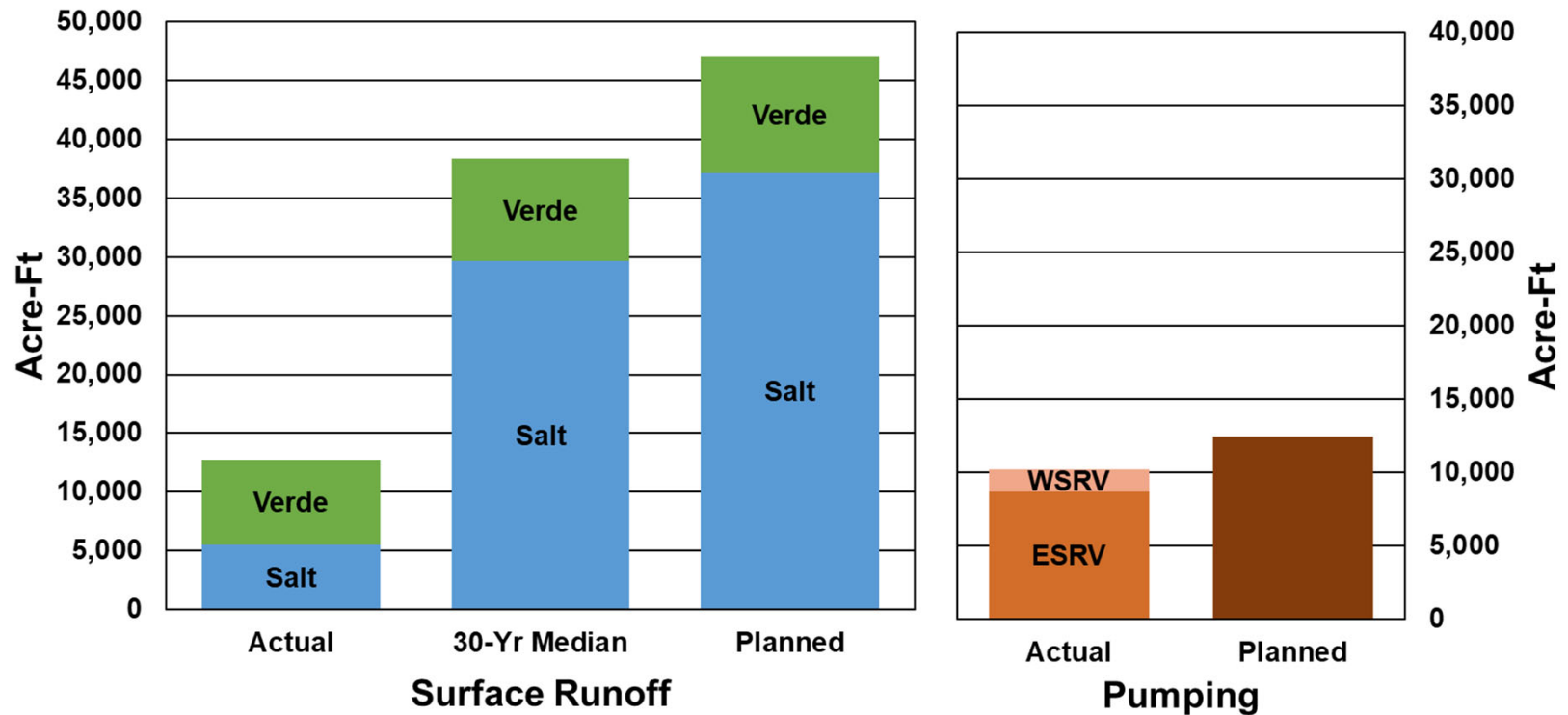
Winter 2025 Reservoir Inflows

Jan 1 – May 31 Inflow
Approximately 97,000 AF
(21% of median)

Record low Winter inflow
(100,000 AF – 2018)



May 2025

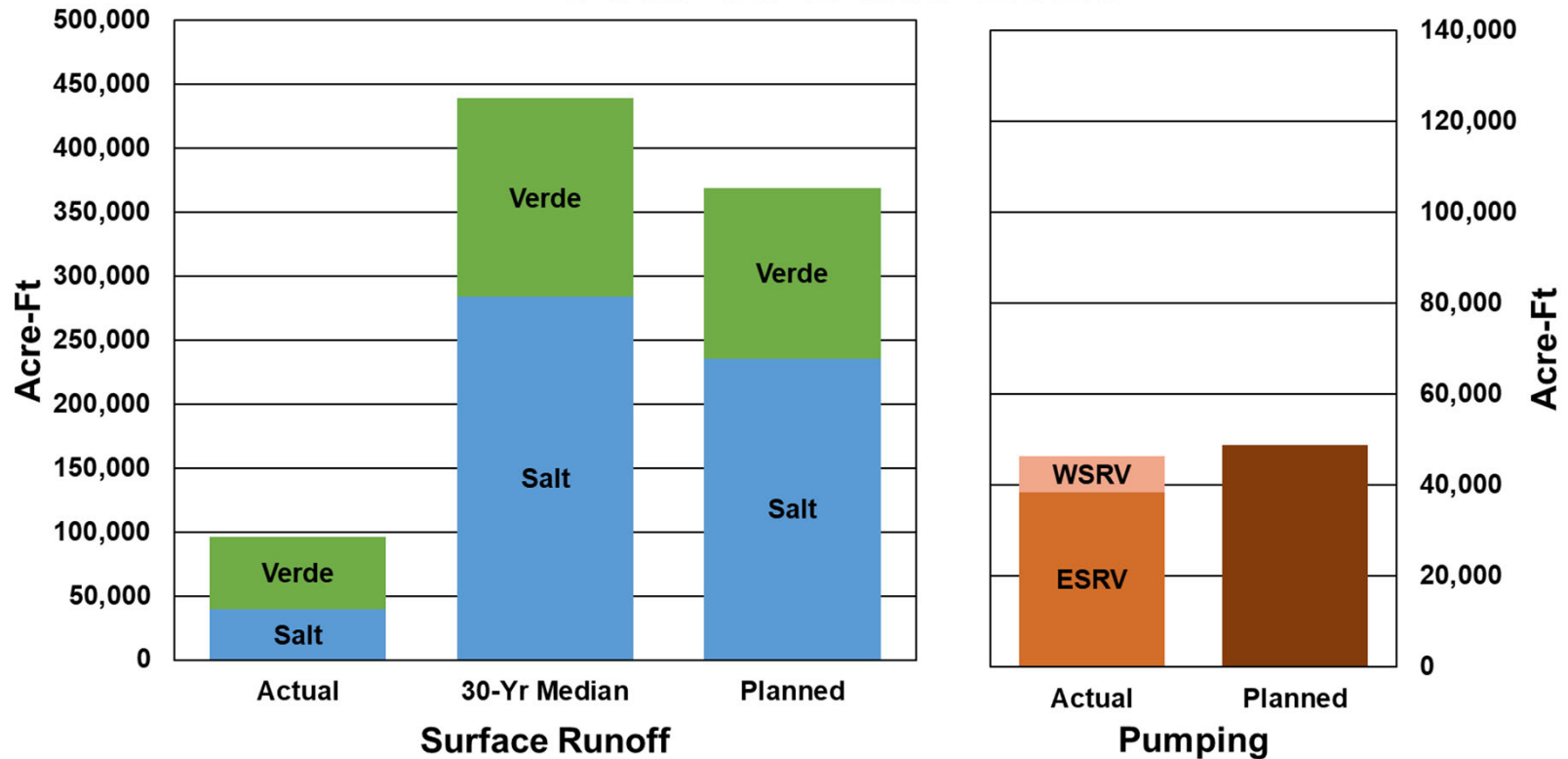


*Total Salt, Tonto, Verde runoff in May 2025 was 12,771 AF (33% of median, 3rd lowest on record)

**May 2025 runoff along the Salt River (5,410 AF, 19% of median) was the lowest on record

***Total physical pumping in May 2025 is 5,625 AF plus an additional 4,550 GSF for total Groundwater use.

Year to Date 2025



* January through May 2025 YTD runoff along Salt River (and Salt/Tonto/Verde combined = 96,315, 21% of median) is a record low (back to 1913)

**2025 Total Groundwater Use (Pumping) PROP target was increased from 100,000 AF to 150,000 AF. Mix adjusted to 2.3 SW / 1.0 GW.

***Total physical pumping YTD 2025 is 38,090 AF plus an additional 8,150 GSF that goes toward total Groundwater use.

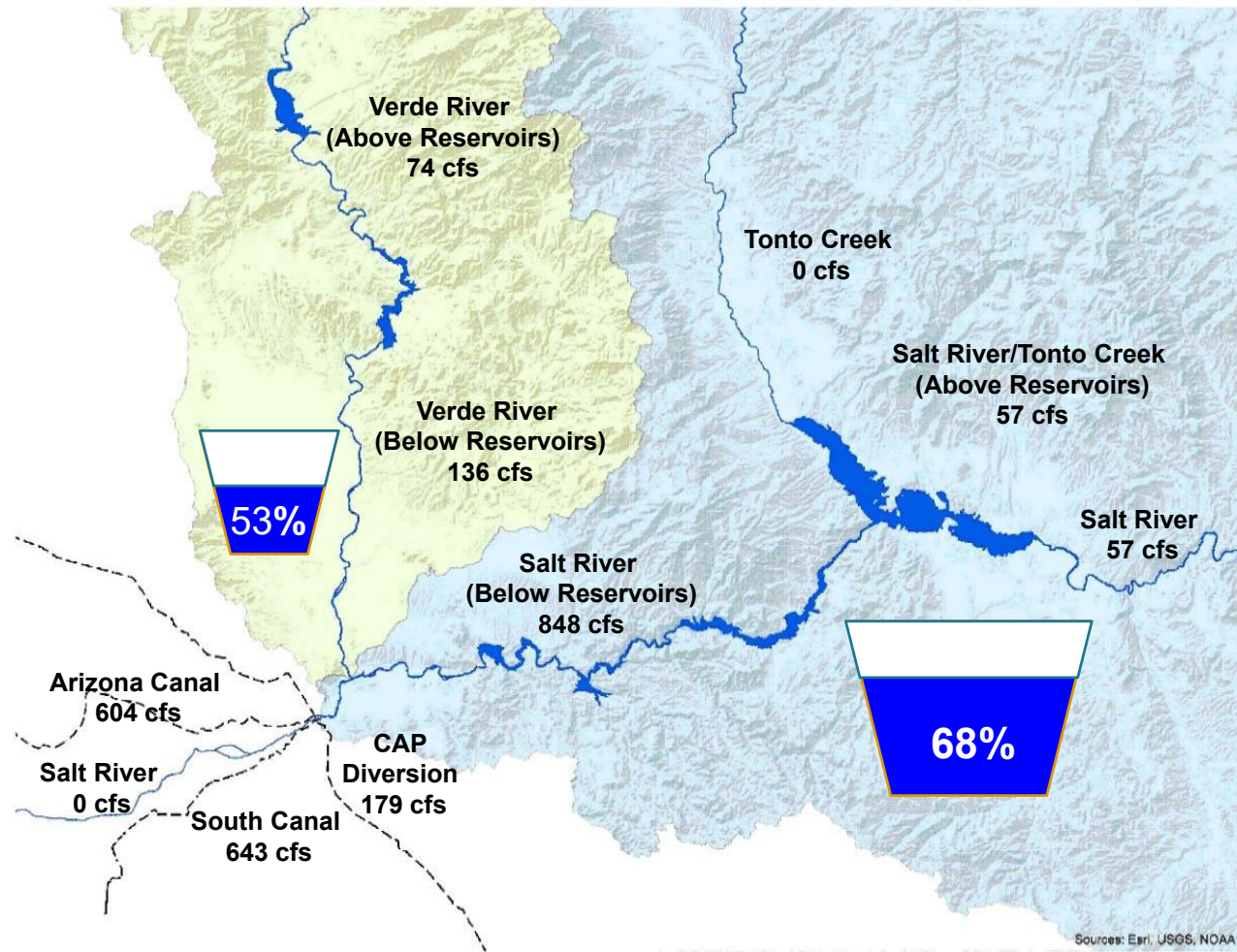
SRP Reservoir System Status

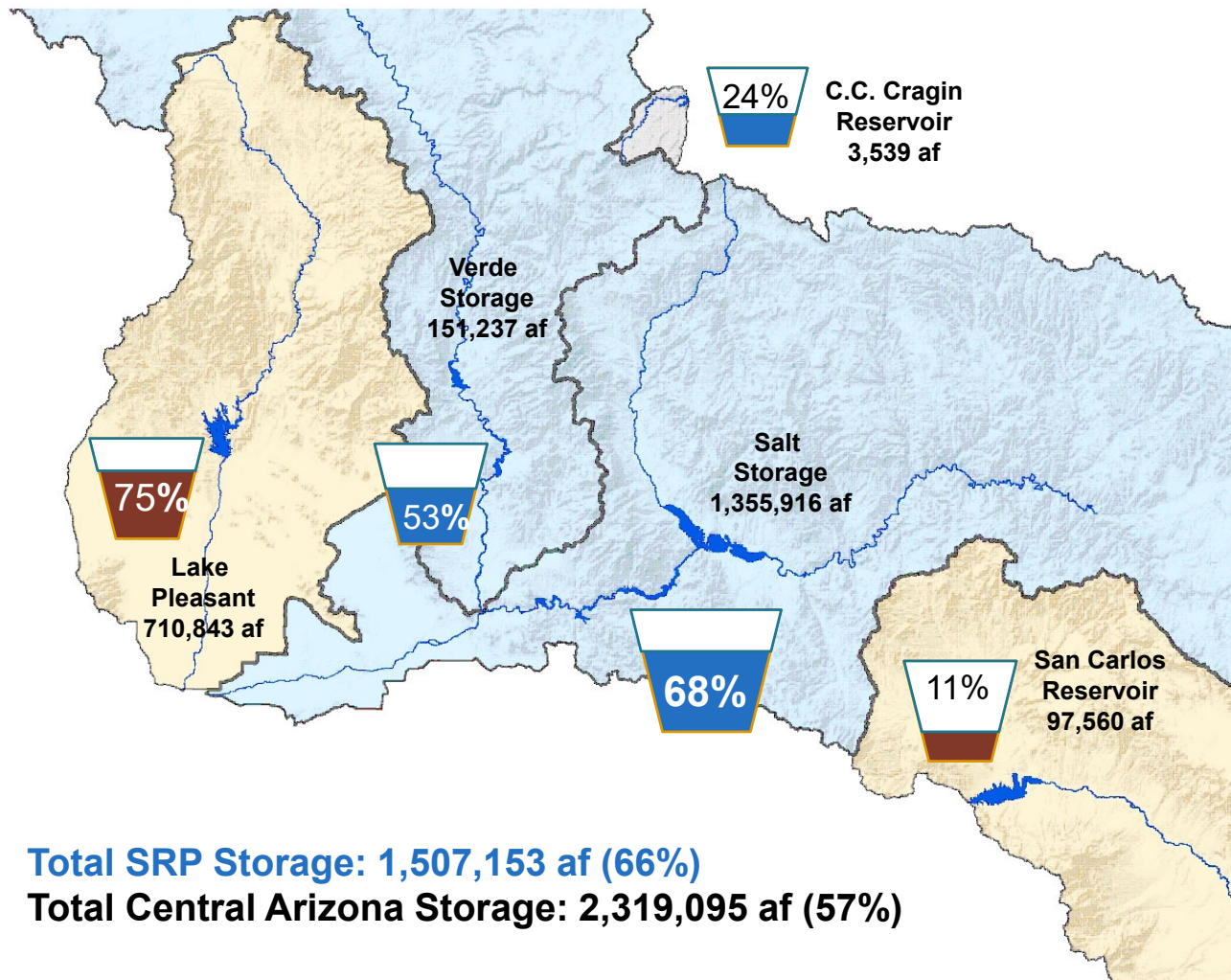
May 29, 2025

Current Storage:

Salt	1,355,916 AF
Verde	151,237 AF
<hr/>	
Total	1,507,153 AF

Total Storage: 66%





Colorado River System Reservoir Status

Total System Contents 40% or 23.290 MAF

(Total system contents last year 42% or 24.632 MAF)

May 29, 2025

Lake Powell
Forecasted Inflow

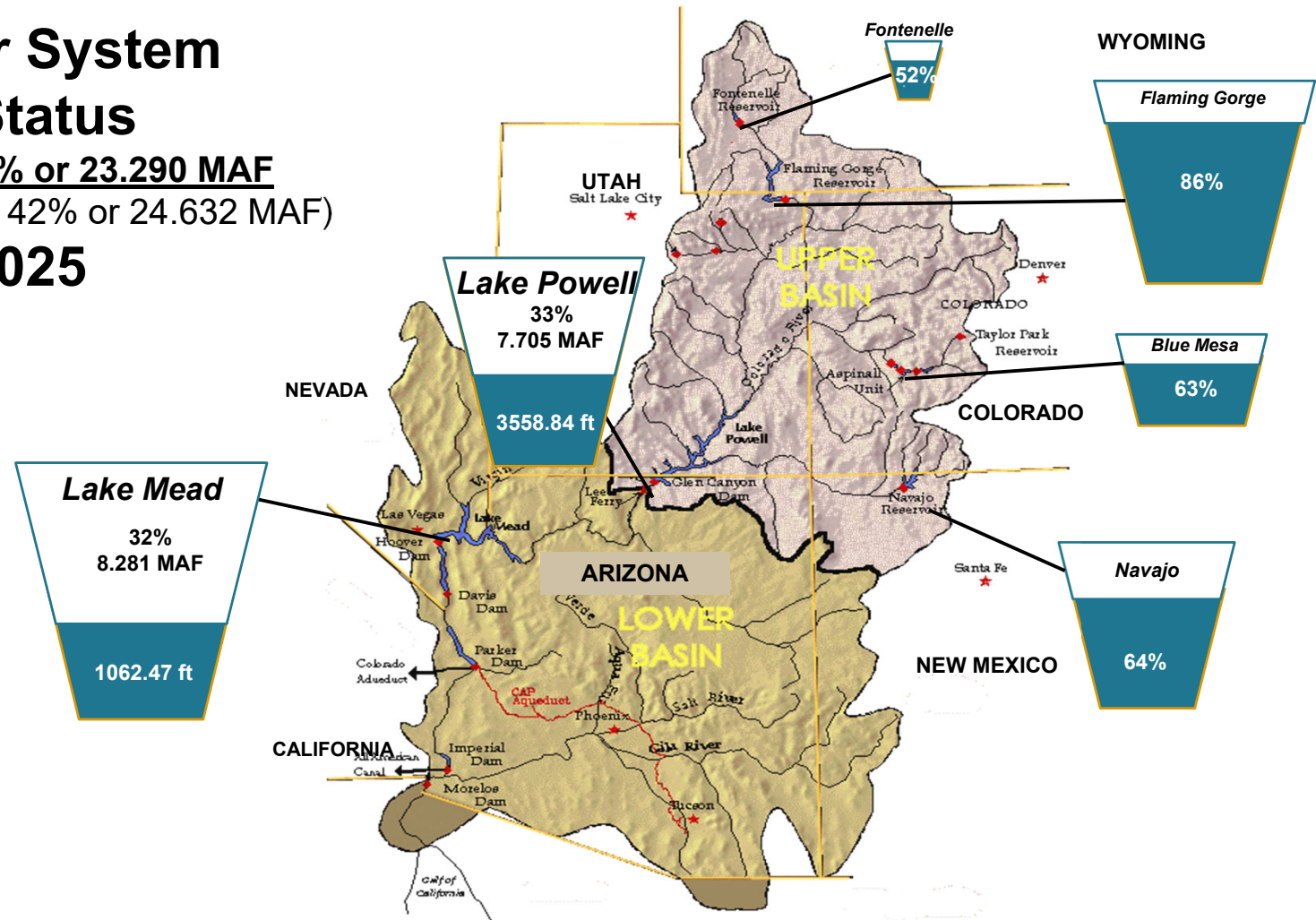
April 1 – July 31

Official May 1st Forecast

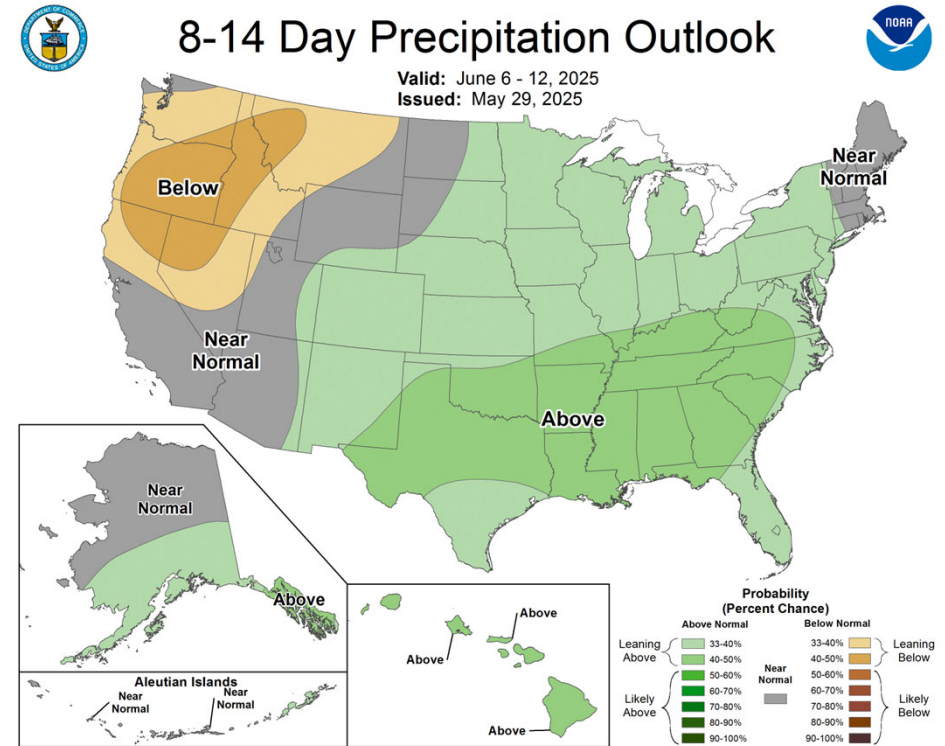
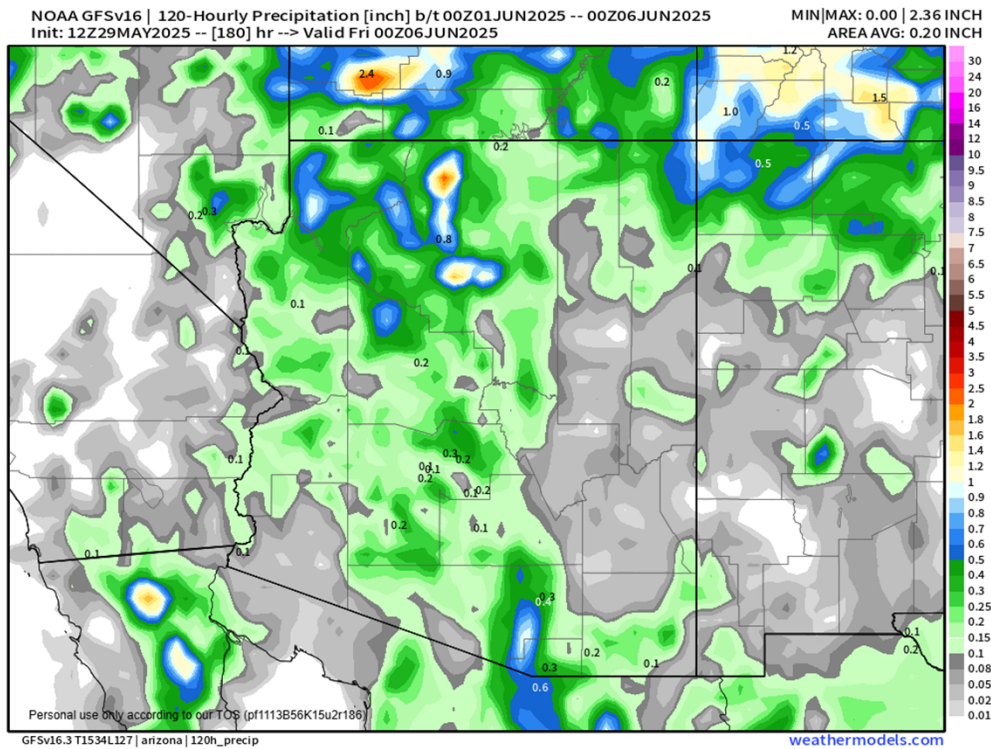
3,500,000 AF
(57% of median)

May 29th Forecast Guidance

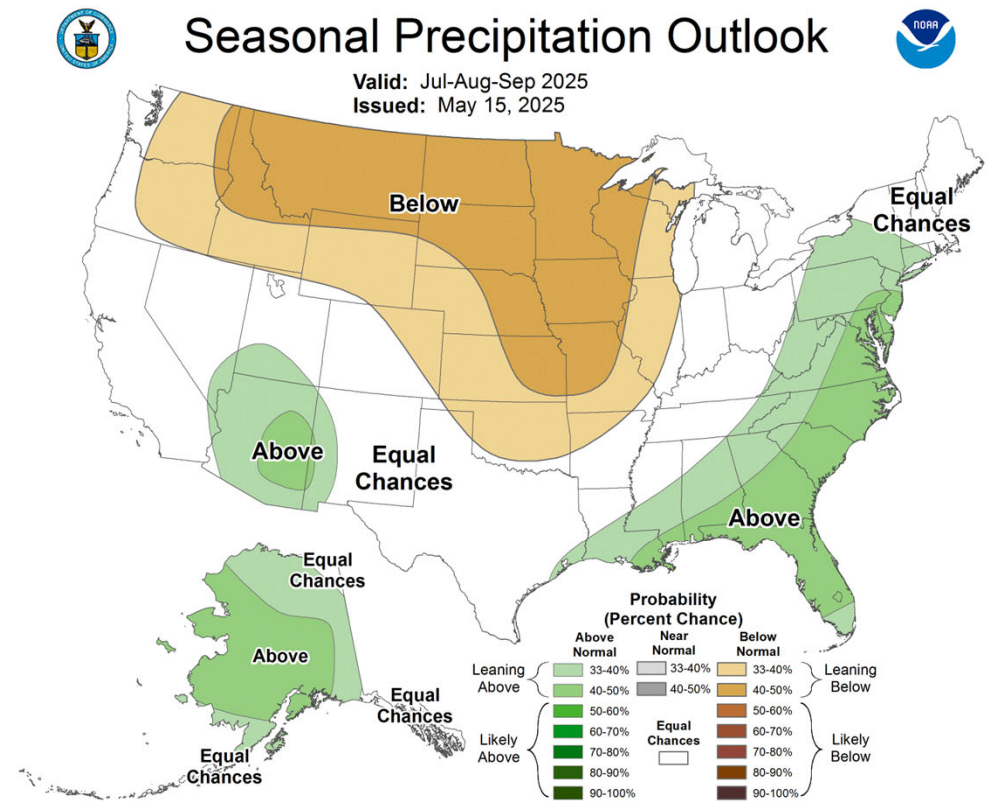
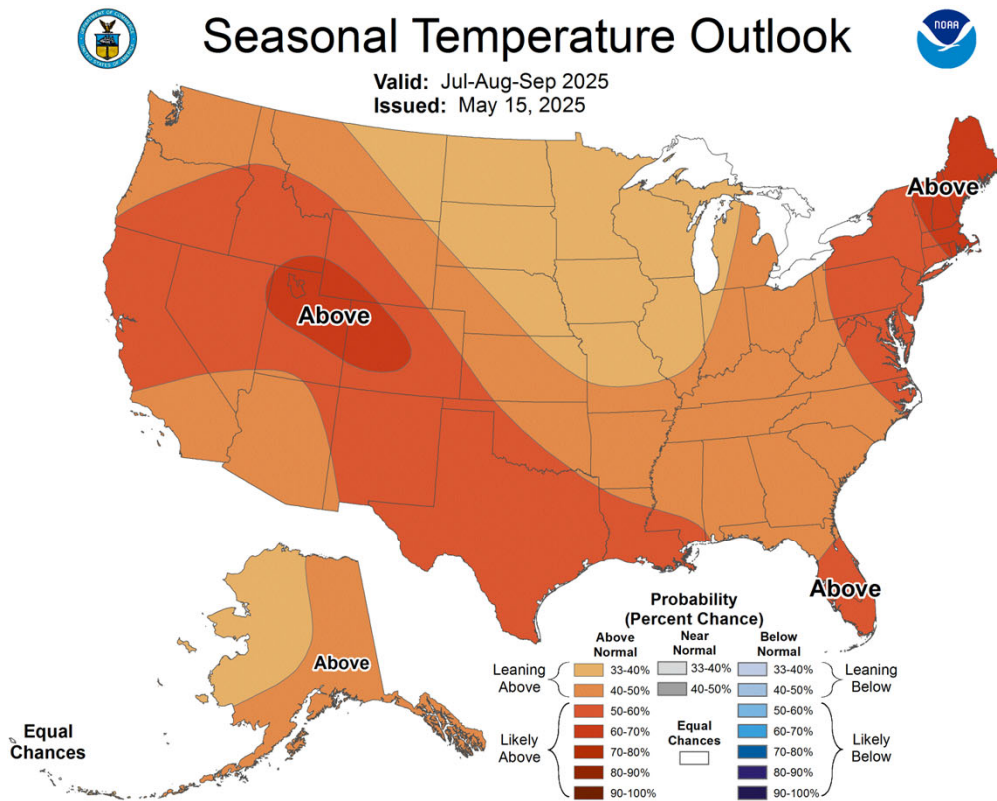
3,000,000 AF
(49% of median)



June Precipitation Outlook



July - September Seasonal (Monsoon) Weather Outlook



thank you!

