

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

AUDIT COMMITTEE

Tuesday, August 19, 2025, No Sooner Than 10:55 AM

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

Committee Members: Jack White Jr., Chair; Casey Clowes, Vice Chair; and Randy Miller, Krista O'Brien, Mark Pace, Paul Rovey, 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 JACK WHITE JR.

- Request for approval of the minutes for the meeting of June 17, 2025.

2. Corporate Audit Services – Audit Committee Self-Assessment REUBEN JUDD

Informational presentation regarding the initiation of the Audit Committee self-assessment, including an introduction of the assessment and instructions to complete the survey.

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

4. Future Agenda Topics CHAIR JACK WHITE JR.

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 AUDIT COMMITTEE MEETING IS
SCHEDULED FOR TUESDAY, SEPTEMBER 23, 2025

08/12/2025

MINUTES
AUDIT COMMITTEE

DRAFT

June 17, 2025

A meeting of the Audit 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 10:42 a.m. on Tuesday, June 17, 2025, from the Hoopes Board Conference 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 K.J. Johnson, District Vice Chair; L.D. Rovey, Association Vice Chair; and R.C. Arnett, M.J. Herrera, S.D. Kennedy, K.H. O'Brien, and S.H. Williams.

Committee Member absent at roll call was N.R. Brown, Chair.

Also present were Vice President C.J. Dobson; Board Members P.E. Rovey and J.M. White Jr; Council Chair J.R. Shelton; Council Vice Chair B.E. Paceley; Council Liaison A.A. Freeman; Council Members M.L. Farmer, E.L. Gorsegrner, M.C. Pedersen, M.G. Rakow, and C. Resch-Geretti; I.R. Avalos, J. Broadbent, J.D. Coggins, T. Cooper, A.C. Davis, J. Evancevich, M. Feder, J.M. Felty, S.M. Glover, L.F. Hobaica, J.W. Hubbard, R.T. Judd, V.P. Kisicki, B.J. Koch, S.J. Lopez, P.A. Manganaro, M. Mateski, L.A. Meyers, G.A. Mingura, N.J. Mullins, J.M. Pratt, J. Radke, J.I. Riggs, J.R. Schuricht, C.M. Sifuentes-Kohlbeck, R.R. Taylor, and D.W. Tennis of SRP; Austin George and Eric Guin of Ernst & Young, LLC (EY, LLC); and Sasha Hupka of The Arizona Republic.

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 Audit Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, June 13, 2025.

District Vice Chair K.J. Johnson called the meeting to order.

Consent Agenda

District Vice Chair K.J. Johnson requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M.J. Herrera and seconded by Board Member R.C. Arnett, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Audit Committee meeting on March 13, 2025, as presented.

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

YES:	Board Members K.J. Johnson, District Vice Chair; L.D. Rovey, Association Vice Chair; and R.C. Arnett, M.J. Herrera, S.D. Kennedy, K.H. O'Brien, and S.H. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N.R. Brown, Chair	(1)

Corporate Audit Services (CAS) Quarterly Review and Annual Summary

Using a PowerPoint presentation, Reuben T. Judd, SRP Corporate Auditor, stated that the purpose of the presentation was to review the audit activity for the three months ending April 30, 2025, and provide the annual summary for Fiscal Year 2025 (FY25). They introduced Marcus Feder, SRP Director and Assistant Corporate Auditor.

Continuing, M. Feder reviewed the status of the FY25 Audit Plan and fourth quarter completed or in-progress audit reports. They provided an overview of the electronic fund transfers (EFT) audit. M. Feder introduced Jennifer Radke, SRP Senior Principal Auditor.

Next, J. Radke detailed the key risk areas, audit approach, and recommendations going forward in regards to the EFT audit.

R.T. Judd concluded with a review of The Institute of Internal Auditors (IIA) Quality Services 2025 Standards for internal audit governance and an overview of the annual summary.

M. Feder, R.T. Judd, and J. Radke 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.

Board Member S.D. Kennedy left the meeting during the presentation.

Request for Approval of the Proposed FY26 Audit Plan

Using a PowerPoint presentation, R.T. Judd stated that the purpose of the presentation was to request approval of the proposed FY26 Audit Plan. They provided an overview along with a timeline of the audit planning process from February to June 2025, and a description of the audit planning funnel. R.T. Judd introduced Tom Cooper, SRP Senior Director of Future System Assets and Strategy.

Continuing, T. Cooper listed the priority strategic risks and the owner(s) assigned to each area of risk as follows: 1) climate risk; 2) fuel disruption; 3) critical talent; 4) large

customer load growth; 5) transmission availability; 6) carbon transition; 7) cyber security; and 8) third-party risks.

Next, R.T. Judd presented an overview of FY26 risk areas. They explained that the proposed FY26 audit plan will include the following: 1) risk-based audits – 110 audits; 2) CAS strategic plan and related initiatives; 3) performance metrics; and 4) the resource plan and budget – approved by the Board on March 27, 2025.

R.T. Judd compared the FY25 audit plan to the proposed FY26 audit plan. They introduced John Evancevich, SRP Senior Manager of Audit Projects.

Following, J. Evancevich detailed the compliance audits and contract and joint venture audits. They introduced Kristin M. Golubchik, SRP Senior Manager of Audit Projects.

Continuing, K.M. Golubchik detailed the financial and operational audits. They introduced M. Feder. M. Feder detailed the information technology audits and new systems information technology audits.

R.T. Judd presented the SRP internal audit team. They concluded by requesting approval of the CAS FY26 Audit Plan, as presented.

T. Copper, K.M. Golubchik, J. Evancevich, M. Feder, and R.T. Judd responded to questions from the Committee.

On a motion duly made by Board Member M.J. Herrera seconded by Board Member R.C. Arnett and carried the Committee agreed to recommend Board approval, as presented.

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

YES:	Board Members K.J. Johnson, District Vice Chair; L.D. Rovey, Association Vice Chair; and R.C. Arnett, M.J. Herrera, K.H. O'Brien, and S.H. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members N.R. Brown, Chair; and S.D. Kennedy	(2)

Copies of the handout 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.

Review of Paid Vouchers for Fiscal Year Quarter Ended April 30, 2025 for the District and Association

David W. Tennis, SRP Manager of Treasury Operations and Compliance, presented the paid vouchers for the fiscal year quarter ending April 30, 2025.

D.W. Tennis responded to questions from the Committee.

District Vice Chair K.J. Johnson asked if the Committee would like to make a motion to go into Executive Session to review the paid vouchers exempt by law from public inspection for the fiscal year quarter ending April 30, 2025. There was no motion to go into Executive Session.

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

Review of Purchase Orders, Contracts, and Revisions Equal to or Greater than \$1,000,000

Jaren Broadbent, SRP Director of Purchasing Services, reviewed the Report of Purchase Orders and Revisions Over \$1,000,000 issued for the period February 1, 2025 through April 30, 2025 under authority granted by the Board on September 9, 2019.

J. Broadbent responded to questions from the Committee.

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

Board Member K.H. O'Brien; and J. Evancevich of SRP left the meeting during the report.

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

Jim M. Pratt, SRP General Manager & Chief Executive Officer, and Rob R. Taylor, SRP Associate General Manager and Chief Public Affairs and Corporate Services Executive, provided a general update on current events.

J. Broadbent, S.J. Lopez, P.A. Manganaro, J.I. Riggs, and D.W. Tennis of SRP left the meeting during the report. Board Member K.H. O'Brien entered the meeting during the report.

Future Agenda Topics

District Vice Chair K.J. Johnson asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Audit Committee, the meeting adjourned at 11:55 a.m.

Lora F. Hobaica
Assistant Corporate Secretary



Audit Committee Self-Assessment

**SRP AUDIT COMMITTEE
CORPORATE AUDIT SERVICES
AUGUST 19, 2025**

OVERVIEW

- **AREAS ASSESSED**
- **ASSESSMENT PROCESS**
- **RESULTS TO BE PRESENTED**
 - **SEPTEMBER AUDIT COMMITTEE**

FY 2024 AUDIT COMMITTEE SELF-ASSESSMENT

LAST ASSESSMENT CONDUCTED FEBRUARY 2024 13 AREAS ASSESSED

- **Purpose:** Charter, Role, Expectations, Reporting
- **Composition:** Membership and Independence
- **Operation:** Organization, Activities, Resources, Meetings, Agendas, Relationships
- **Implementation:** Periodic Self-Assessments: Audit Committee; Internal and External Audit Performance

FY 2024 AUDIT COMMITTEE SELF-ASSESSMENT

ASSESSMENT PROCESS

- Self-Assessment Provided (Handout)
 - Self-Addressed Envelope Provided
- Audit Committee Members Complete
 - Return by August 31
- Results Presented at September Audit Committee Meeting

QUESTIONS



SRP Audit Committee Self-Assessment

When completed, please return to: Lora Hobaica, SRP Corporate Secretary's Office Mail Stop: PAB215 PO Box 52025 Phoenix, Arizona 85072-2025	Please rank each item as follows: <table style="width: 100%; border-collapse: collapse;"> <tr><td style="border: 1px solid black; text-align: center;">5 – Very Strong</td></tr> <tr><td style="border: 1px solid black; text-align: center;">4 – Strong</td></tr> <tr><td style="border: 1px solid black; text-align: center;">3 – Satisfactory</td></tr> <tr><td style="border: 1px solid black; text-align: center;">2 – Adequate But Needs Improvement</td></tr> <tr><td style="border: 1px solid black; text-align: center;">1 – Significant Improvement Needed</td></tr> </table>	5 – Very Strong	4 – Strong	3 – Satisfactory	2 – Adequate But Needs Improvement	1 – Significant Improvement Needed
5 – Very Strong						
4 – Strong						
3 – Satisfactory						
2 – Adequate But Needs Improvement						
1 – Significant Improvement Needed						

COMMITTEE PURPOSE	RANK (5 TO 1)
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 15%;">Charter:</div> <div style="width: 60%;">Committee direction is set by a clear, company-specific charter approved by the full board, understood by all committee members, and used to guide committee activities.</div> <div style="width: 20%; text-align: center;">_____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 15%;">Role:</div> <div style="width: 60%;">“Listen and Act.” Committee members listen empathetically, with the ability and courage to also challenge and act where necessary.</div> <div style="width: 20%; text-align: center;">_____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 15%;">Expectations:</div> <div style="width: 60%;">Committee expectations are clearly discussed with and understood by management, auditors, and other advisors.</div> <div style="width: 20%; text-align: center;">_____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 15%;">Reporting:</div> <div style="width: 60%;">Meaningful, timely, focused reports are provided to the board, and are understood by all.</div> <div style="width: 20%; text-align: center;">_____</div> </div> <div style="margin-top: 20px;"> Comments and Opportunities for Improvement (include name with comments): <hr style="border: 0.5px solid black;"/> <hr style="border: 0.5px solid black;"/> </div>	

COMMITTEE COMPOSITION	RANK (5 TO 1)
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 15%;">Membership:</div> <div style="width: 60%;">A mix of financial and other relevant topics are present to address a range of issues and risks. A strong, yet not dominant chair with strong leadership skills and a knowledge of relevant matters.</div> <div style="width: 20%; text-align: center;">_____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 15%;">Independence:</div> <div style="width: 60%;">Members are independent in mindset, bringing consistent, objective insight into all aspects of monitoring and oversight activities.</div> <div style="width: 20%; text-align: center;">_____</div> </div> <div style="margin-top: 20px;"> Comments and Opportunities for Improvement (include name with comments): <hr style="border: 0.5px solid black;"/> <hr style="border: 0.5px solid black;"/> </div>	

SRP Audit Committee Self-Assessment

COMMITTEE OPERATION		RANK (5 TO 1)
Organization:	Overall organizational effectiveness, with coordinated basic elements such as charter, membership, and implementation.	_____
Activities:	An annual committee plan, carefully tailored by the committee to the specific environment, with input from auditors, management, and the board.	_____
Resources:	The right information is received at the right time, focused on performance measures and important current and potential business and financial risks. Regular committee and/or committee chair contact with the President and/or Secretariat for coordination with senior management, internal auditors, and external auditors.	_____
Meetings:	Effective management of committee member and meeting time. Effective, balanced use of quality pre-read materials, and meeting dialogue, with time focused on relevant matters.	_____
Agendas:	Highly focused meeting agendas responsive to the committee charter. Specifically, financial reporting, monitoring of risk management (risk identification and control), and the audit function.	_____
Relationships:	Supportive and trusting yet inquisitive relationships with management, auditors, and other advisors. The tone for teamwork and effective communications is set by the committee.	_____
Comments and Opportunities for Improvement (include name with comments):		

COMMITTEE IMPLEMENTATION		RANK (5 TO 1)
Assessment:	Periodic self-assessment of the above elements, as well as periodic assessment of internal and external audit performance as appropriate.	_____
Comments and Opportunities for Improvement (include name with comments):		

