

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

FINANCE AND BUDGET COMMITTEE

Thursday, September 25, 2025, No Sooner Than 10:25 AM

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

Committee Members: Kathy Mohr-Almeida, Chair; Mario Herrera, Vice Chair; and Robert Arnett,
Nicholas Brown, Kevin Johnson, Sandra Kennedy, Larry Rovey, and Stephen 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 KATHY MOHR-ALMEIDA
 - A. Request for approval of the minutes for the meeting of August 21, 2025.
 - B. Request for approval of the Monthly Cash Statement for August 2025 (District and Association).
2. Review of the Financial Results for the Month of August 2025JEREMY FRY
3. Report on Current Events by the General Manager and Chief Executive Officer or Designees.....JIM PRATT
4. Future Agenda Topics CHAIR KATHY MOHR-ALMEIDA

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 23, 2025**

09/18/2025

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

August 21, 2025

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 11:08 a.m. on Thursday, August 21, 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.L. Mohr-Almeida, Chair; M.J. Herrera, Vice Chair; and R.C. Arnett, N.R. Brown, K.J. Johnson, S.D. Kennedy, L.D. Rovey, and S.H. Williams.

Also present were President D. Rousseau; 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 G.E. Geiger; Council Members M.L. Farmer, E.L. Gorseger, M.R. Mulligan, and C. Resch-Geretti; I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, J.M. Felty, J. Fry, L.F. Hobaica, J.W. Hubbard, D.J. Jackson, B.J. Koch, K.J. Lee, M.J. O'Connor, B.A. Olsen, S.A. Perkinson, J.M. Pratt, J.I. Riggs, C.M. Sifuentes-Kohlbeck, R.R. Taylor, and J.C. Tucker of SRP; Autumn Johnson of Tierra Strategy; Ty Sauer of Exus Renewables; and Ben Wostoupal of Apex Clean Energy.

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 19, 2025.

Chair K.L. Mohr-Almeida called the meeting to order.

Consent Agenda

Chair K.L. Mohr-Almeida requested a motion for Committee approval of the Consent Agenda, in its entirety.

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

- A. Minutes of the Finance and Budget Committee meeting on June 24, 2025, as presented.

- B. Approval of the District and Association Monthly Cash Statements for June and July 2025.
- C. Approval of the Association Quarterly Cash Statement for period ending July 31, 2025.

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

YES:	Board Members K.L. Mohr-Almeida, Chair; M.J. Herrera, Vice Chair; and R.C. Arnett, N.R. Brown, K.J. Johnson, S.D. Kennedy, L.D. Rovey, and S.H. Williams	(8)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

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

Council Member M.L. Farmer left the meeting during the agenda item.

Proposed Revenue Bond Sale

Using a PowerPoint presentation, Jon W. Hubbard, SRP Treasurer and Senior Director of Financial Operations and Compliance, stated that the purpose of the presentation was to provide an update regarding a proposed revenue bond sale.

J.W. Hubbard reviewed the need to issue debt and discussed the Fiscal Year 2026 (FY26) cash inflows and outflows, stating that the annual cash shortfall is to be met with a balance of borrowing and pricing actions. They said that Management will seek Board and Council approval during FY26 for issuance of revenue bonds.

J.W. Hubbard discussed the FY26 budgeted capital and provided a breakdown of major projects by segment (generation, distribution, corporate, transmission, water, and customer systems – new meters) with the total FY26 budget being \$1.52 billion. They provided a six-year borrowing outlook through FY31 and explained how borrowing as a share of capital funding is lower over the six-year plan compared to the budget year, FY26.

J.W. Hubbard provided financial metrics and peer comparisons, stating that Standard and Poor's (S&P) and Moody's ratings are AA+ and Aa1, respectively. They explained what rating agencies value and provided a peer financial indicators comparison, FY26 general fund projections, and overall rate peer comparison.

J.W. Hubbard discussed updates regarding interest rates and SRP bond deals since 2015. They introduced the bond sale team, discussed the parameters under consideration, and provided a Board and Council calendar for the upcoming bond sale.

J.W. Hubbard 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.

Review of the Financial Results for the Month of July 2025

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 2025. Using a PowerPoint presentation, they 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. S.A. Perkinson concluded by reviewing the financial summary, key financial indicators, and capital expenditures for the first quarter of FY26.

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.

A. Rickard of SRP 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

Chair K.L. Mohr-Almeida asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Finance and Budget Committee, the meeting adjourned at 11:30 a.m.

John M. Felty
Corporate Secretary



Statement of Cash Received and Disbursed

August 2025

(\$000)

	District	Association	Total Month	Year-to-Date
Funds Balance Beginning of Period	\$ 737,791	\$ 1,337	\$ 739,128	\$ 1,105,562
Cash Receipts:				
Electric Revenues	512,794	---	512,794	1,585,947
Water Revenues	---	840	840	11,526
Electric Customer Deposits	4,432	---	4,432	18,499
Reimbursement on Joint Ownership Projects	13,760	---	13,760	62,857
Construction Contributions and Advances	27,723	---	27,723	151,846
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	40,469	---	40,469	178,238
Sales Tax Collected	39,973	---	39,973	132,108
Other Cash Receipts	10,536	---	10,536	45,522
Total Cash Receipts	649,687	840	650,527	2,186,543
Fund Transfers - Net	(9,914)	9,914	---	---
Cash Disbursements:				
Purchased Power and Fuel	164,444	---	164,444	521,097
Operations and Maintenance	97,849	3,598	101,447	419,943
Employee Payroll and Payroll Taxes	110,152	6,002	116,154	310,202
Purchased Inventory	29,535	---	29,535	120,697
Cash Segregated for -				
Bond Interest	22,697	---	22,697	88,130
Bond Principal	12,732	---	12,732	50,928
Other Debt - Principal Repayment	---	---	---	142,570
Other Debt - Interest Expense	25	---	25	1,346
Capital Expenditures	121,475	---	121,475	548,761
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	---	---	---	128,653
In Lieu and Ad Valorem Taxes	1,052	---	1,052	51,254
Sales Tax Remitted	40,881	---	40,881	119,152
Margin and Collateral Disbursed - Net	3,791	---	3,791	9,655
Miscellaneous Cash Disbursements	1,523	---	1,523	5,818
Total Cash Disbursements	606,156	9,600	615,756	2,518,206
Funds Balance End of Period	\$ 771,408	\$ 2,491	\$ 773,899	\$ 773,899

Cash Position

August 2025

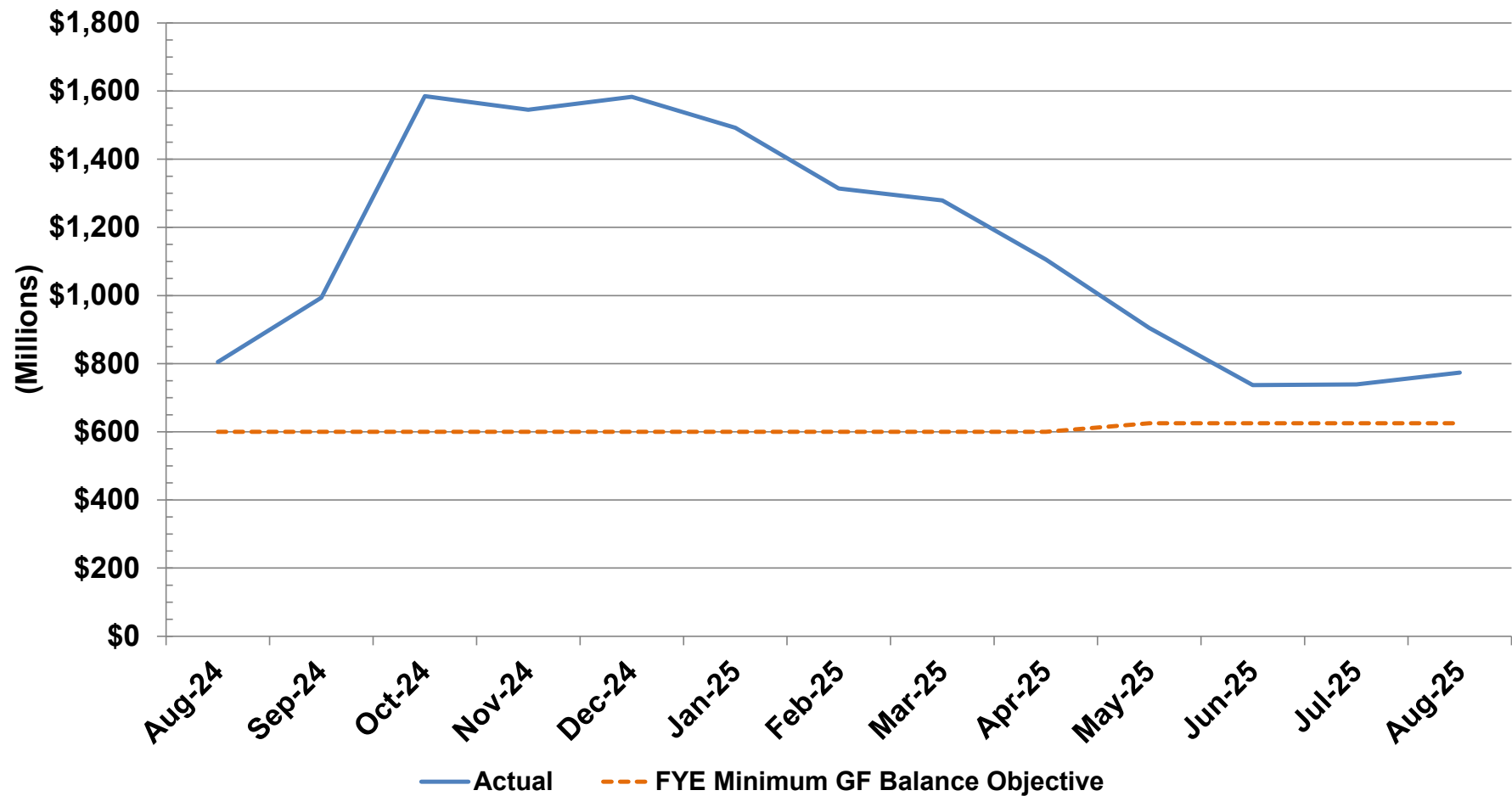
Composition of Funds Balance	(\$000)		
	District	Association	Total
Cash and Cash Equivalents	\$ 405,958	\$ 2,491	\$ 408,449
Other Temporary Investments	136,070	---	136,070
Other Non-Current Investments	229,380	---	229,380
General Fund	771,408	2,491	773,899
Segregated Funds			
Electric System Debt Reserve Fund	80,694	---	80,694
Debt Service Fund	136,471	---	136,471
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	759,653	---	759,653
Post-Retirement Benefits Fund	1,411,471	---	1,411,471
Construction Fund	18,033	---	18,033
RHCP Fund	13,348	---	13,348
HHCP Fund	9,596	---	9,596
SPRHCP Fund	3,686	---	3,686
Four Corners Mine Reclamation Trust	16,297	---	16,297
Other Special Funds	2,703	---	2,703
Total Segregated Funds	\$ 2,451,952	\$ ---	\$ 2,451,952

Monthly Financial Report

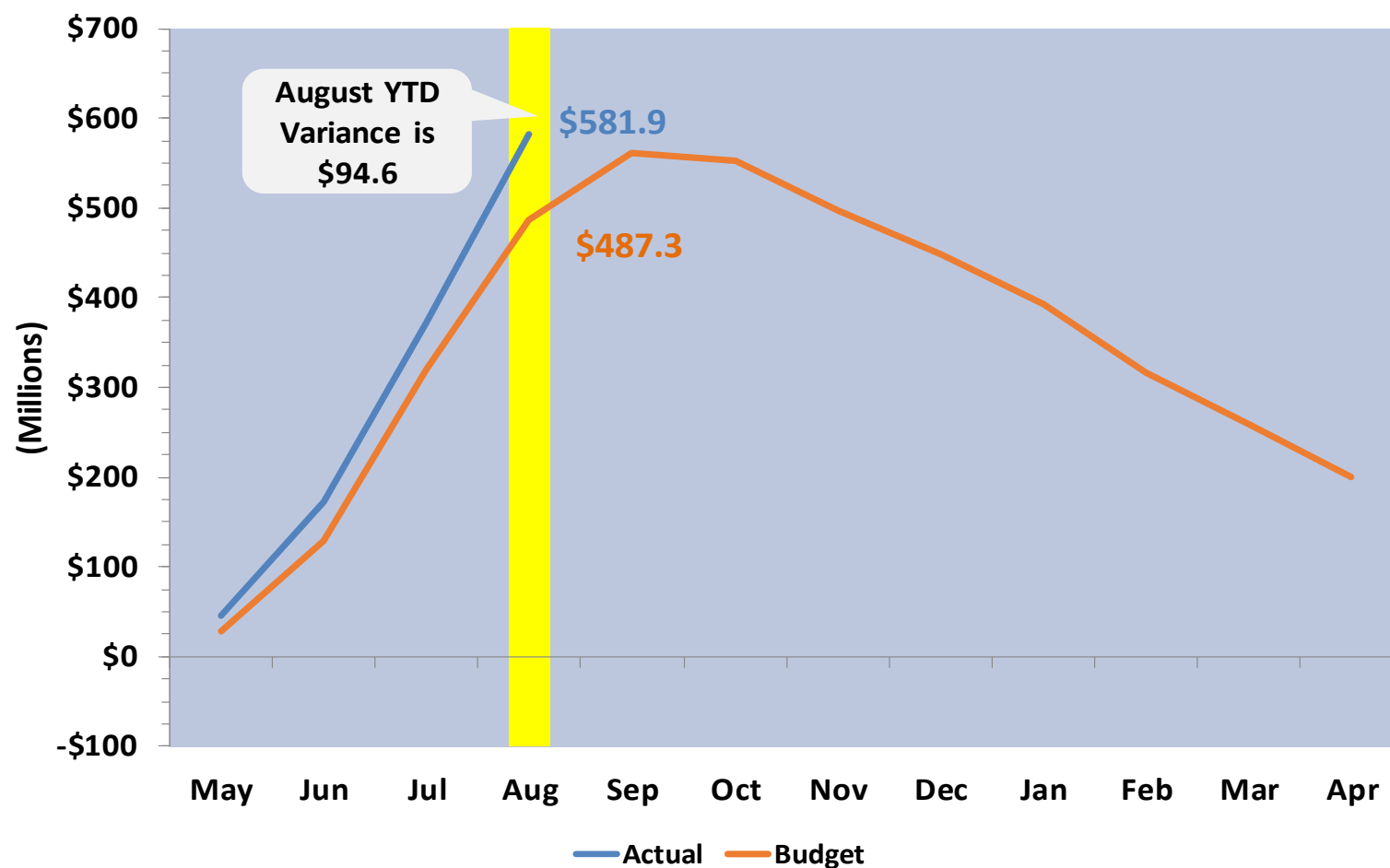
August 2025

Finance & Budget Committee Meeting
Jeremy T. Fry | September 25, 2025

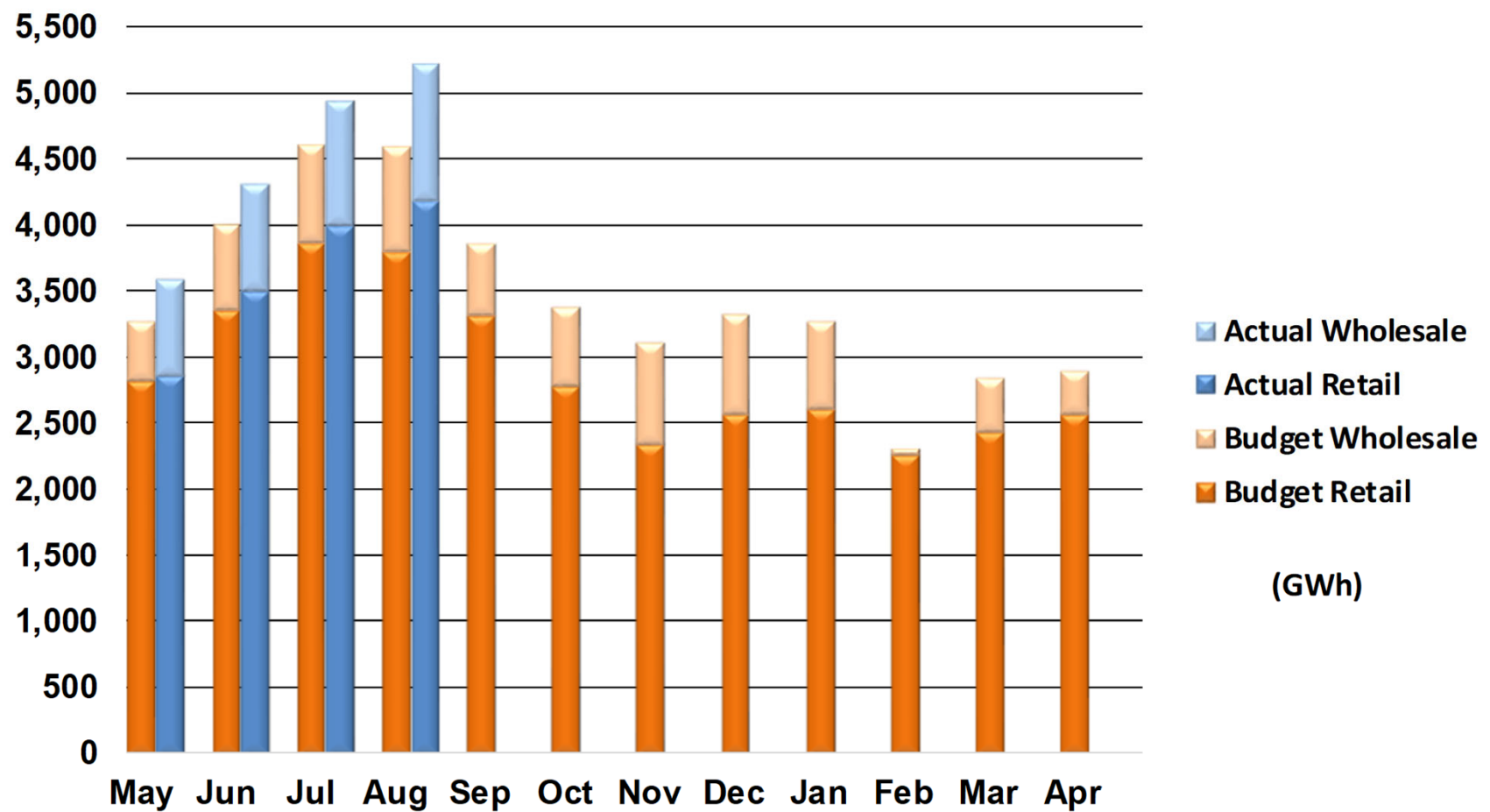
General Fund Balance



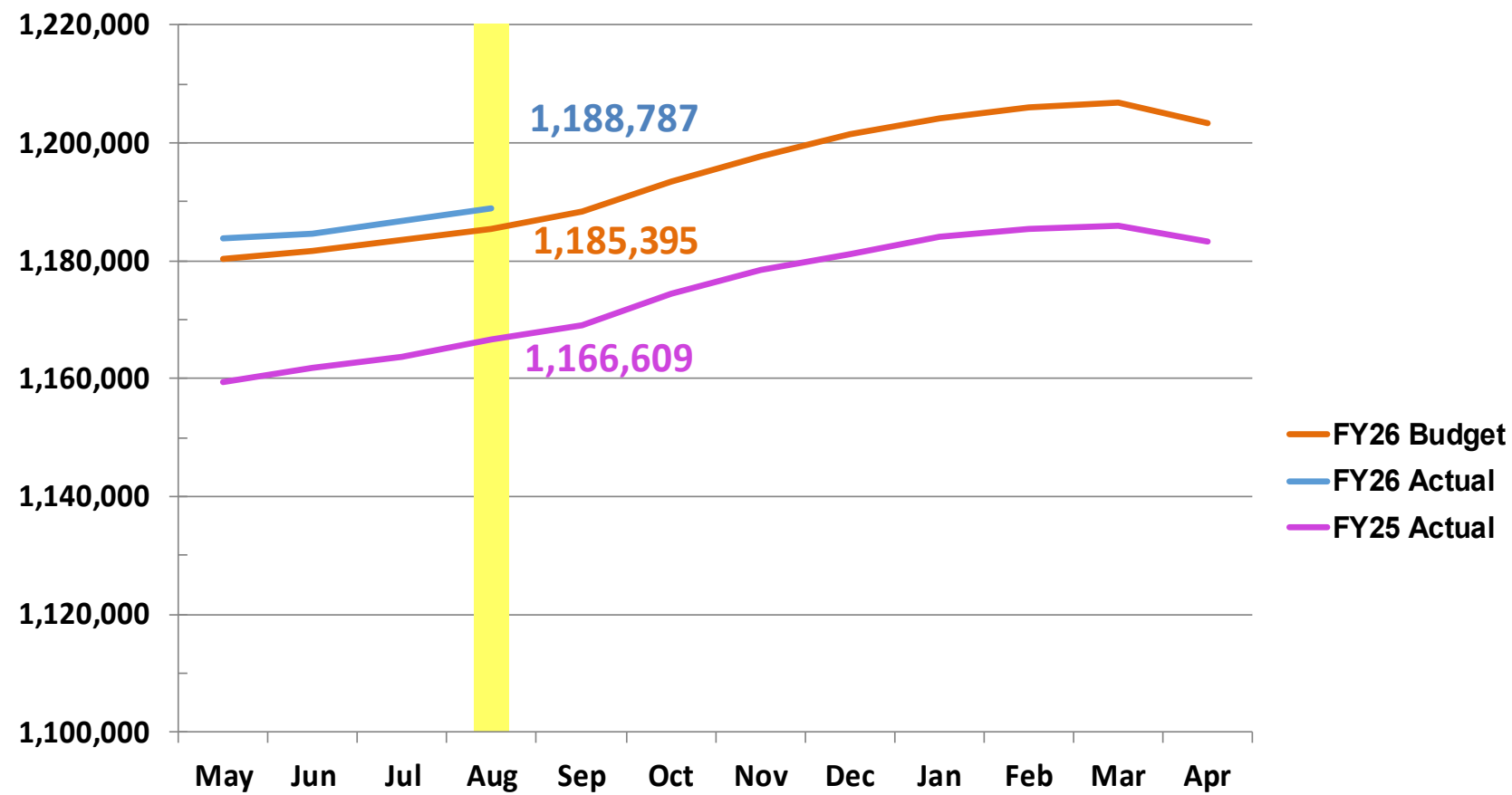
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary - August 2025

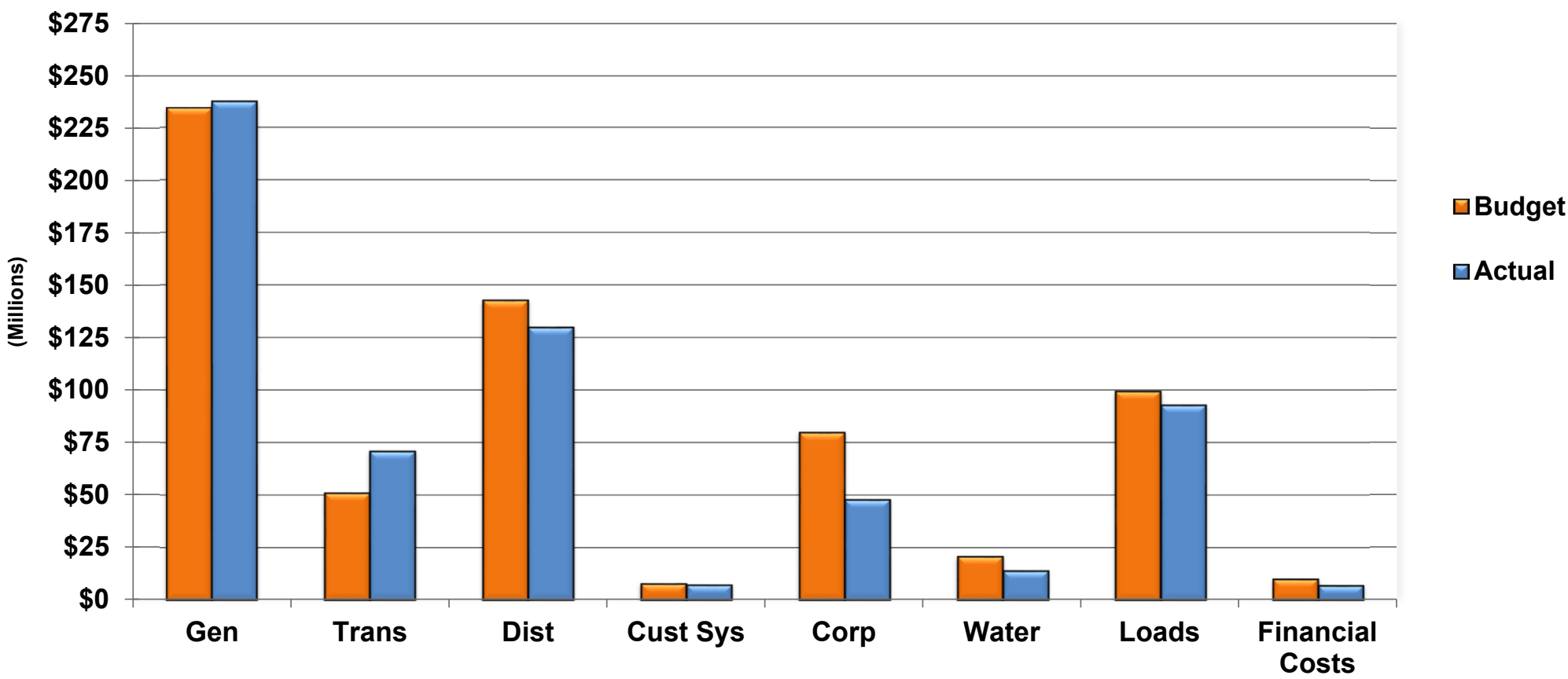
(Thousands)	Actual	Budget	Variance
Operating Revenues	\$ 604,936	\$ 544,170	\$ 60,766
Operating Expenses			
Fuel	187,721	168,225	19,496
O&M	130,273	124,698	5,575
Depr & Tax	71,821	72,924	(1,103)
Total Operating Expenses	389,815	365,847	23,968
Net Financing Costs	15,983	15,756	227
Other, Net	11,065	5,659	5,406
Combined Net Revenues	\$ 210,203	\$ 168,226	\$ 41,977

Key Financial Indicators - YTD August 2025

(Thousands)	Actual	Budget	Variance
Funds Available	\$ 751,778	\$ 656,504	\$ 95,274
Total Debt Service Coverage Ratio	6.68	6.38	0.30
Debt Ratio*	47.0	47.9	(0.9)
Capital Expenditures	\$ 606,037	\$ 645,053	\$ (39,016)

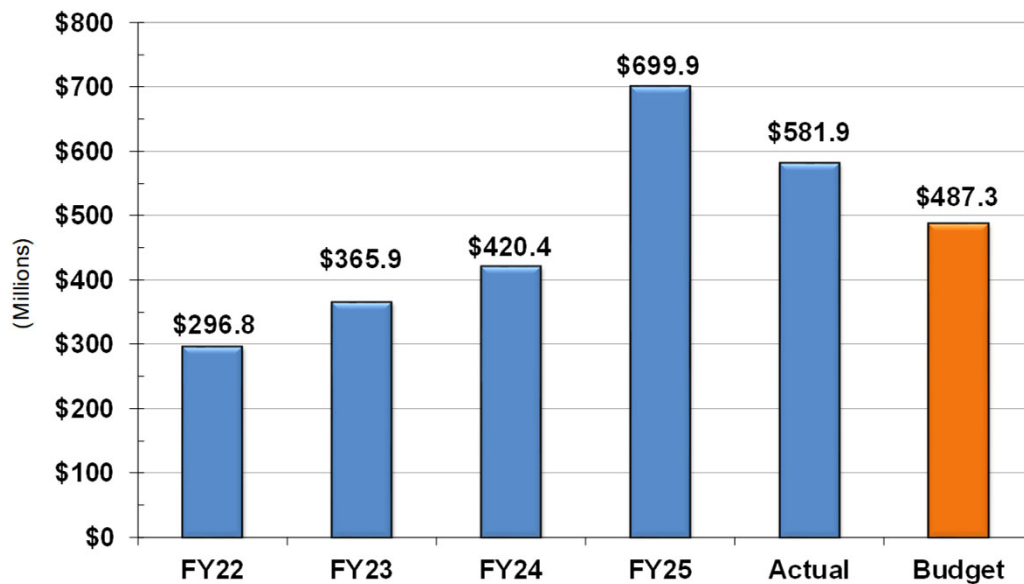
*Debt Ratio represents Projected Actual compared to Annual Budget

Capital Expenditures - YTD August 2025





CNR without Fair Value Adjustments - YTD August 2025

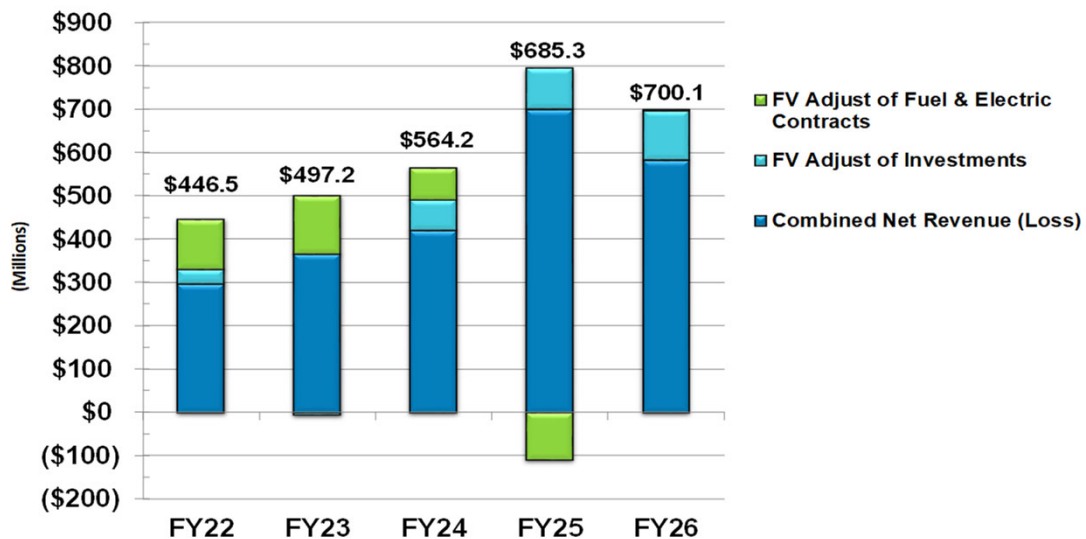


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(Non-GAAP, Unaudited) 1

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CNR with Fair Value Adjustments - YTD August 2025

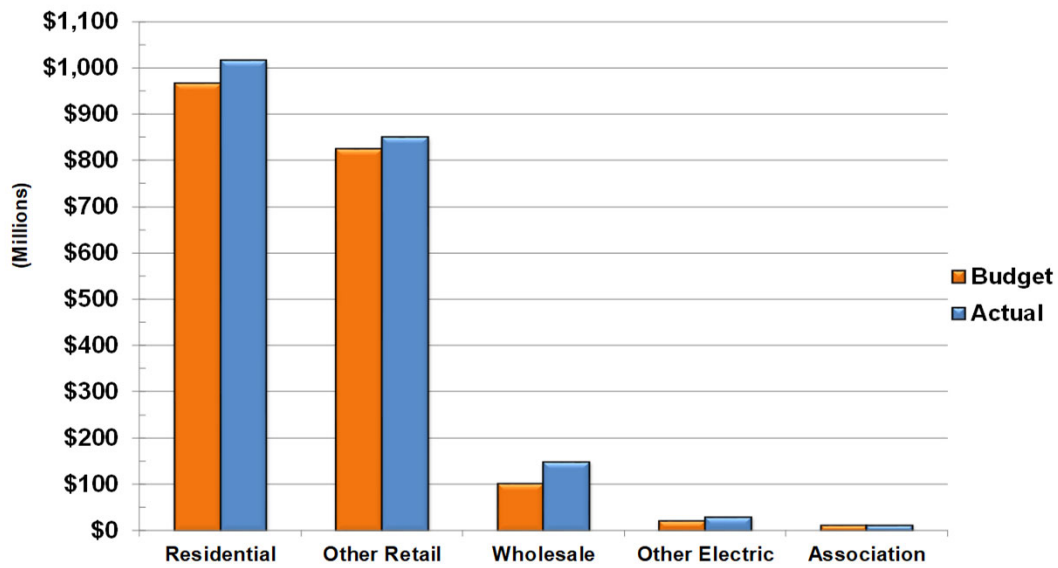


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Combined Operating Revenues - YTD August 2025

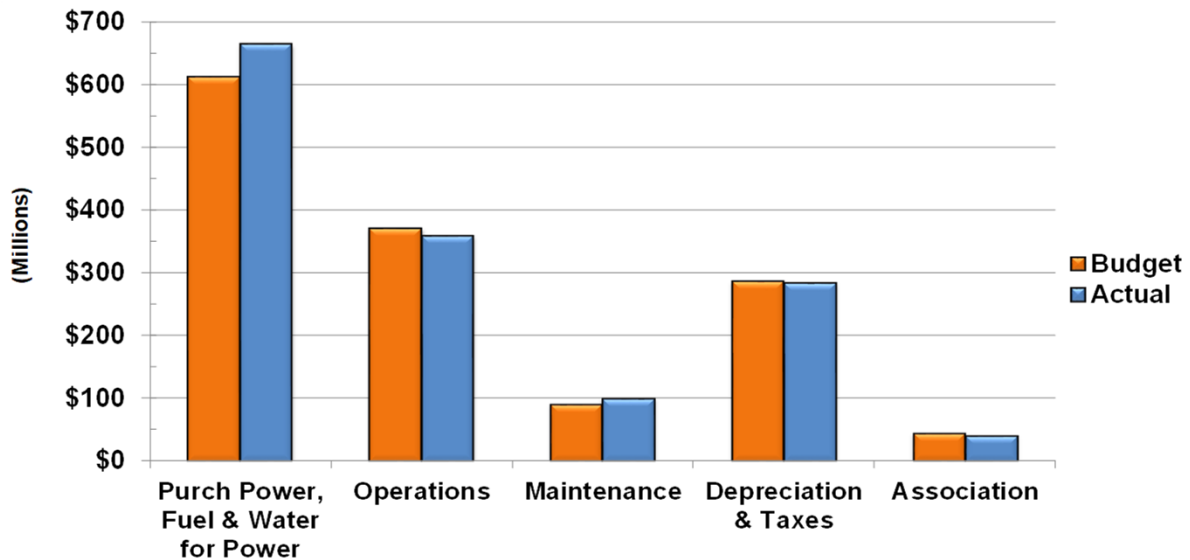


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Combined Expenses - YTD August 2025

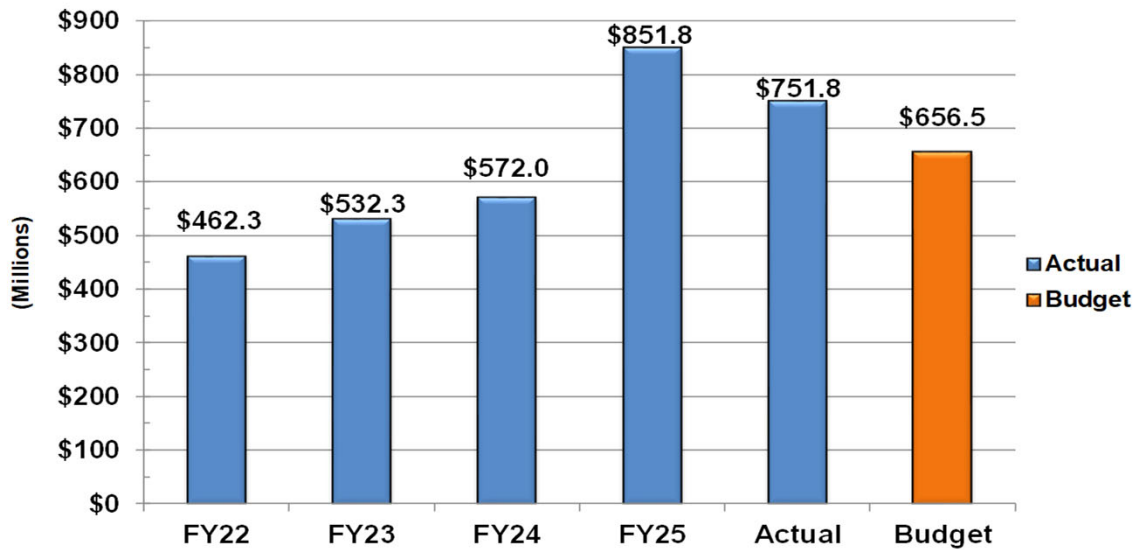


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Funds Available - YTD August 2025

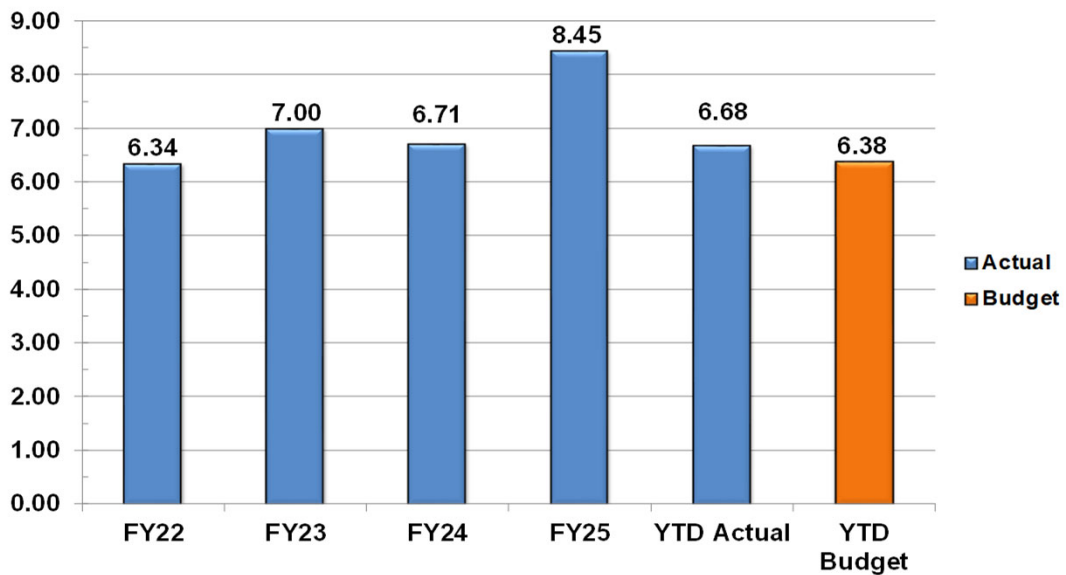


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(Non-GAAP, Unaudited) 5

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Total Debt Service Coverage Ratio - YTD August 2025

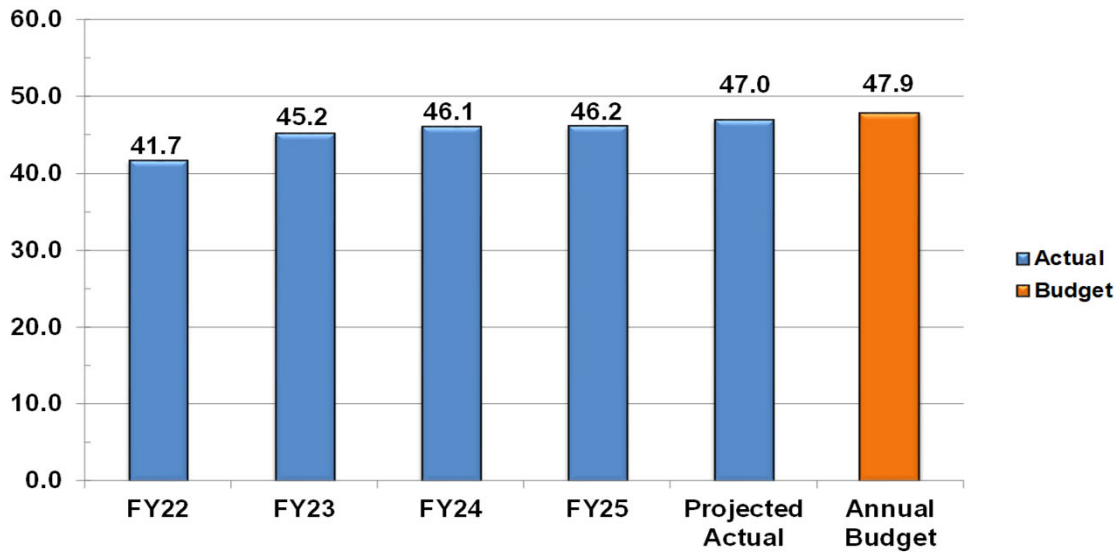


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(Non-GAAP, Unaudited) 6

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Debt Ratio - YTD August 2025



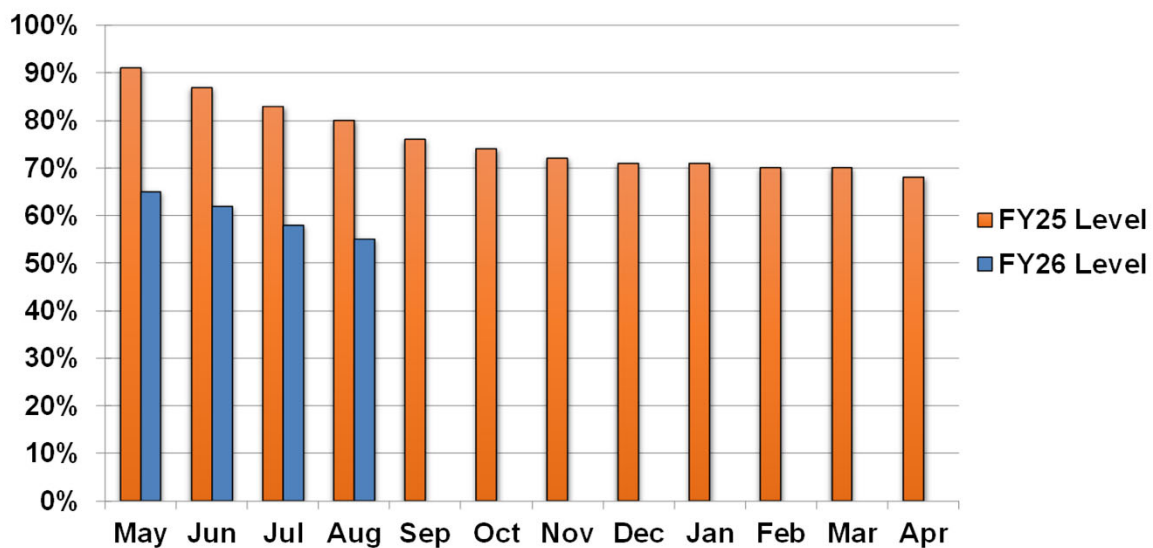
Note: Prior Years and Budget are Fiscal Year-End Ratios

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(Non-GAAP, Unaudited) 7

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Water Storage Levels



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(Non-GAAP, Unaudited) 8

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