

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

FINANCE AND BUDGET COMMITTEE Thursday, February 19, 2026, No Sooner Than 10:15 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 January 22, 2026.
 - B. Request for approval of the Monthly Cash Statement for January 2026 (District and Association).
 - C. Request for approval of the Quarterly Cash Statement for Period Ending January 31, 2026 (Association).
2. Revolving Credit Agreement (RCA) Request for Proposals (RFP) Update JASON RIGGS

Informational presentation regarding an update on SRP's RFP seeking financial institutions to enter into RCAs to support SRP's commercial paper program.
3. 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 Update the Terms and Extend the Maturity Date for the Existing RCA with TD Bank and Enter into a New RCA with Royal Bank of Canada..... JASON RIGGS
4. Preliminary Fiscal Year 2027 (FY27) Financial Plan and Operating Budget..... DANIELLE JACKSON

Informational presentation to review the key drivers and preliminary results shaping the FY27 Financial Plan and Operating Budget.
5. Review of the Financial Results for the Month of January 2026..... JEREMY FRY
6. Report on Current Events by the General Manager and Chief Executive Officer or Designees JIM PRATT
7. 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 TUESDAY, MARCH 24, 2026**

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

January 22, 2026

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 10:19 a.m. on Thursday, January 22, 2026, 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. Mohr-Almeida, Chair; M. Herrera, Vice Chair; and R. Arnett, K. Johnson, S. Kennedy, L. Rovey, and S. Williams.

Committee Member absent at roll call was N. Brown.

Also present were President D. Rousseau; Vice President C. Dobson; Board Members C. Casey, R. Miller, K. O'Brien, M. Pace, and J. White Jr.; Council Chair R. Shelton; Council Vice Chair B. Paceley; Council Liaison G. Geiger; Council Member C. Resch-Geretti; I. Avalos, A. Bond-Simpson, M. Burger, A. Chabrier, S. Erickson, J. Felty, J. Fry, L. Hobaica, J. Hubbard, D. Jackson, V. Kisicki, B. Koch, K. Lee, L. Meyers, M. O'Connor, B. Olsen, J. Pratt, M. Purnell, J. Schuricht, B. Shoemaker, P. Sigl, R. Taylor, Z. Thompson, and J. Tucker of SRP; Ian Calkins of Copper State Consulting Group; Donald Erpenbeck and Jack Kraemer of Stantec; Charlie Grant of Prologis; Cathy Kim of Copia Power; Daniela Ramirez of Plus Power; Nick Walden and Katy Wilson of TransAlta Corporation; and Kat Munroe, 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, January 20, 2026.

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

Consent Agenda

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

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

- A. Minutes of the Finance and Budget Committee meeting on December 9, 2025, as presented.

- B. Approval of the District Annual Cash Statement for period ending December 2025.
- C. Approval of the District and Association Monthly Cash Statement for December 2025.

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

YES:	Board Members K. Mohr-Almeida, Chair; M. Herrera, Vice Chair; and R. Arnett, K. Johnson, S. Kennedy, L. Rovey, and S. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N. Brown	(1)

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

Fiscal Year 2027 (FY27) Financial Plan and Operating Budget Initial Assumptions

Using a PowerPoint presentation, Danielle Jackson, SRP Director of Financial Planning and Analysis, stated that the purpose of the presentation was to provide information regarding the initial assumptions shaping the FY27 Financial Plan and Operating Budget. They reviewed a Financial Plan 2027 (FP27) and FY27 Operating Budget timeline from January 2026 through April 30, 2026.

D. Jackson provided an overview of SRP’s FP27 goals and provided a summary of FP27, noting the prudent management of expenses to ensure financial flexibility. They discussed the following: historical retail energy growth and the FP27 forecast; FP27 outlook for retail energy growth and direct costs; retail fuel and purchase power generation; capital spending by segment; price modeling assumptions; borrowing outlook; and six-year total cash inflows and outflows.

D. Jackson compared actual versus FP27 preliminary financial indicators with respect to Combined Net Revenue (CNR), funds available, debt ratio, and debt service coverage ratio. They concluded with a discussion of key takeaways.

D. Jackson 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.

R. Judd of SRP entered the meeting during the presentation.

Overview of the Fuel and Purchased Power Adjustment Mechanism (FPPAM)

Using a PowerPoint presentation, Brandon Shoemaker, SRP Director of Corporate Pricing, stated that the purpose of the presentation was to provide information regarding an overview of SRP's FPPAM.

B. Shoemaker provided an overview of the FPPAM and the administration responsibilities of SRP's Management and Board with respect to the FPPAM. They explained that the FPPAM allows SRP to adapt to moving fuel and purchased power expenses and adjust the FPPAM price outside of a formal pricing process.

B. Shoemaker provided an overview of the FPPAM balance mechanics; the rating agency support of FPPAM; and the history of the Environmental Programs Cost Adjustment Factor (EPCAF). They compared the actual versus preliminary FP27 retail fuel and purchase power generation from FY21 through FY35.

B. Shoemaker provided a breakdown of Power Purchase Agreements (PPAs), including uncertainty and price volatility of signed PPAs as well as a peer comparison for their inclusion in adjusters. They concluded with a summary of the FPPAM.

B. Shoemaker 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.

Charlie Grant of Prologis; Cathy Kim of Copia Power; Jack Kraemer of Stantec; Daniela Ramirez of Plus Power; and Nick Walden of TransAlta Corporation left the meeting during the presentation.

SRP's Price Plan Comparison Display (PPCD)

Using a PowerPoint presentation, Vanessa Kisicki, SRP General Manager and Chief Customer Executive, stated that the purpose of the presentation was to provide information regarding the new PPCD.

V. Kisicki presented background information on the PPCD, stating that it was re-launched on November 1, 2025 and replaced the prior PPCD with a like-for-like solution. They indicated where to access accounts that are eligible. In conclusion, V. Kisicki answered the Board's previous inquiries.

V. Kisicki 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 K. O'Brien; J. Hubbard and P. Sigl of SRP; Donald Erpenbeck of Stantec; Katy Wilson of TransAlta Corporation; and Kat Munroe, a member of the public left the meeting during the presentation.

Review of the Financial Results for the Month of December 2025

Jeremy Fry, SRP Director of Financial Reporting, referenced the financial handout distributed to the Members relative to the combined highlights of operations of the District and Association for the month of December 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. J. Fry concluded by reviewing the financial summary, key financial indicators, and capital expenditures for the month of December 2025.

J. Fry 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.

Ian Calkins of Copper State Consulting Group left the meeting during the presentation.

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

Jim Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chair K. 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 11:48 a.m.

John Felty
Corporate Secretary

**Statement of Cash Received and Disbursed**

January 2026

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Funds Balance Beginning of Period	\$ 738,114	\$ 1,149	\$ 739,263	\$ 1,105,562
Cash Receipts:				
Electric Revenues	280,055	---	280,055	3,554,042
Water Revenues	---	1,593	1,593	31,221
Electric Customer Deposits	4,011	---	4,011	41,220
Reimbursement on Joint Ownership Projects	10,919	---	10,919	150,611
Construction Contributions and Advances	34,752	---	34,752	231,188
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	431,096	---	431,096	798,991
Sales Tax Collected	18,389	---	18,389	256,684
Other Cash Receipts	10,411	---	10,411	113,579
Total Cash Receipts	<u>789,633</u>	<u>1,593</u>	<u>791,226</u>	<u>5,177,536</u>
Fund Transfers - Net	<u>(4,357)</u>	<u>4,357</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	114,926	---	114,926	1,181,118
Operations and Maintenance	197,605	2,350	199,955	1,058,328
Employee Payroll and Payroll Taxes	62,793	4,498	67,291	673,957
Purchased Inventory	25,595	---	25,595	287,940
Cash Segregated for -				
Bond Interest	---	---	---	210,045
Bond Principal	---	---	---	115,019
Other Debt - Principal Repayment	---	---	---	142,570
Other Debt - Interest Expense	158	---	158	2,254
Capital Expenditures	96,792	---	96,792	1,036,133
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	288,953	---	288,953	424,559
In Lieu and Ad Valorem Taxes	19	---	19	106,688
Sales Tax Remitted	21,456	---	21,456	274,426
Margin and Collateral Disbursed - Net	48,692	---	48,692	88,614
Miscellaneous Cash Disbursements	2,590	---	2,590	17,385
Total Cash Disbursements	<u>859,579</u>	<u>6,848</u>	<u>866,427</u>	<u>5,619,036</u>
Funds Balance End of Period	<u>\$ 663,811</u>	<u>\$ 251</u>	<u>\$ 664,062</u>	<u>\$ 664,062</u>

**Cash Position****January 2026**

Composition of Funds Balance	(\$000)		
	<u>District</u>	<u>Association</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 328,076	\$ 251	\$ 328,327
Other Temporary Investments	131,840	---	131,840
Other Non-Current Investments	<u>203,895</u>	<u>---</u>	<u>203,895</u>
General Fund	<u>663,811</u>	<u>251</u>	<u>664,062</u>
Segregated Funds			
Electric System Debt Reserve Fund	80,912	---	80,912
Debt Service Fund	33,774	---	33,774
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	821,792	---	821,792
Post-Retirement Benefits Fund	1,350,036	---	1,350,036
Construction Fund	586,506	---	586,506
RHCP Fund	14,028	---	14,028
HHCP Fund	10,190	---	10,190
SPRHCP Fund	3,566	---	3,566
Four Corners Mine Reclamation Trust	16,792	---	16,792
Other Special Funds	<u>3,183</u>	<u>---</u>	<u>3,183</u>
Total Segregated Funds	<u>\$ 2,920,779</u>	<u>\$ ---</u>	<u>\$ 2,920,779</u>

Revolving Credit Agreement Request for Proposals (RFP) Update

Finance & Budget Committee Meeting
Jason I. Riggs | Director & Asst. Treasurer, Treasury Operations & Compliance

February 19th, 2026

Annual Financing Plan

Ensuring Adequate Liquidity: Renew or Replace Expiring Agreements

Objectives



1. Fund
Capital

2. Refinance
Debt

3. Bolster
Liquidity

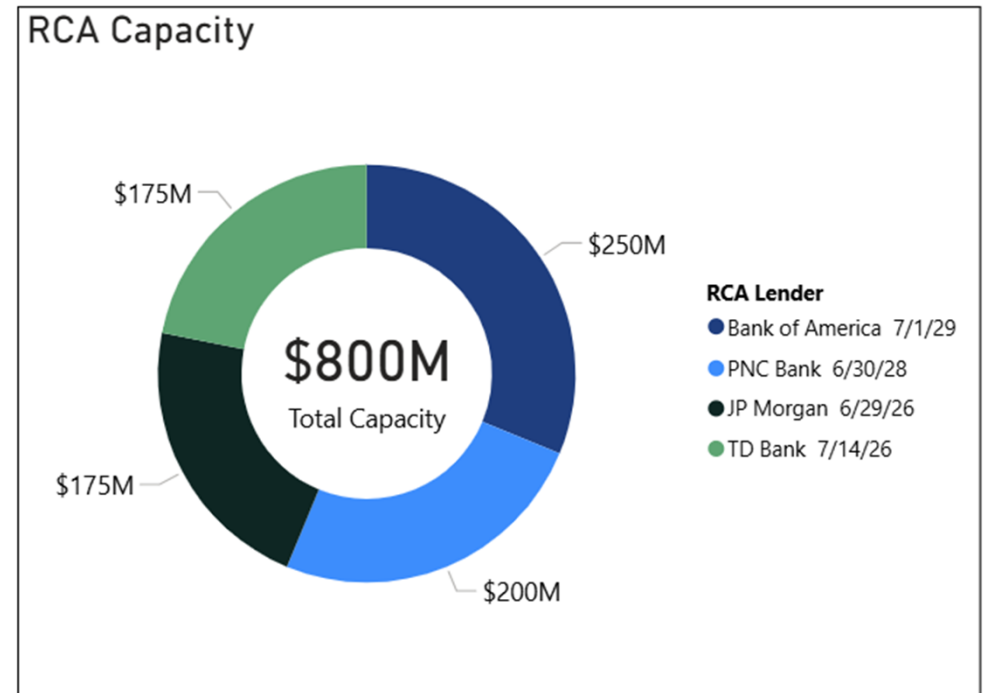
FY27 Action Plan: Treasury will seek approval for the following

1. New revenue bond issuance to support Board-approved capital spending
2. Refinance existing debt as applicable to lower interest cost paid by customers
3. Renew or replace expiring agreements and evaluate program size to support liquidity

Revolving Credit Agreement (RCA) Background

Provides liquidity and risk management

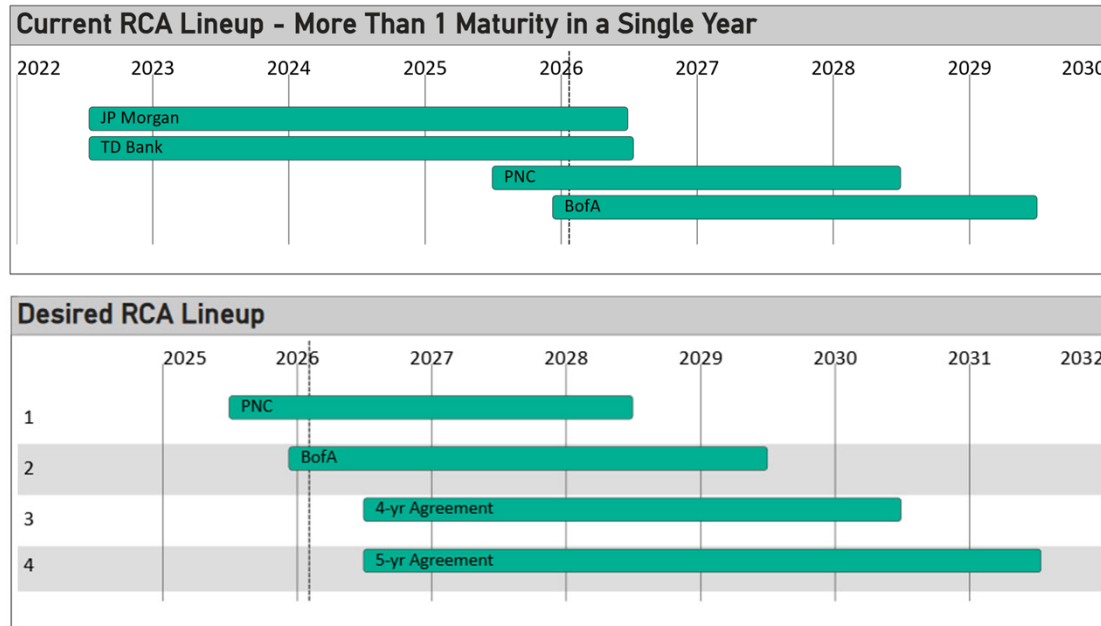
- Board approved \$800M short-term liquidity program
- Current level of \$800M approved in 2021
- RCA Agreements currently provided by four lenders
- Open RFP Published on SRP Procurement Services Website



Revolving Credit Agreement Maturities & RFP

Maintain \$800M Short Term Liquidity Program

- Ladder Maturities: Reduce liquidity risk with only one agreement expiring per year
- Targeting 4-year & 5-year Agreements



Bank Selection

Fair and Systematic Process

**Step 1.
Survey Market**

Open RFP

**Work with Financial
Advisor PFM**

**12 Banks Requested
RFP Packet**

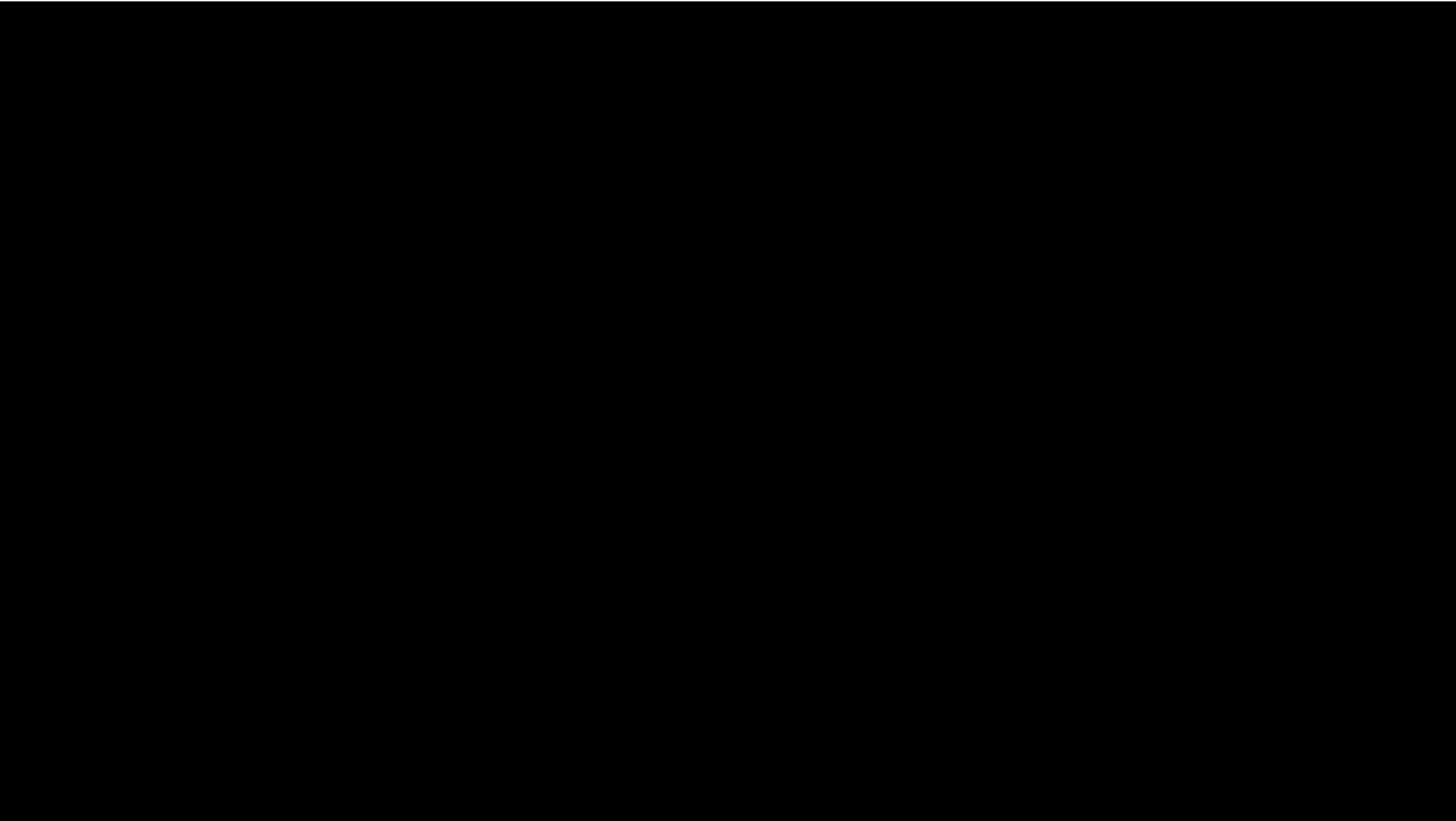
**Step 2.
Review and Analyze
Responses**

**8 Banks Responded
to RFP**

**Step 3.
Criteria Analysis**
Ability to Perform
Fees
Terms

**Step 4.
Recommendation**

thank you!



FP27 Financial Plan

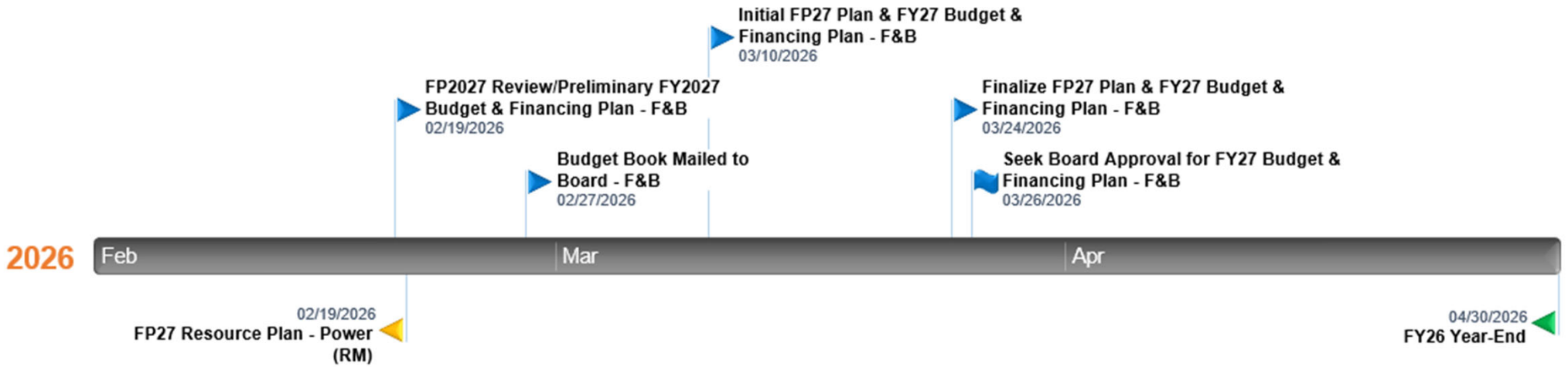
Finance and Budget Committee

Danielle Jackson

February 19, 2026

FP27 Financial Plan & FY27 Operating Budget

FP&A will return in March with final financial plan and operating budget results



FP27 Goals

Continue maintaining financial health and flexibility



2035 Corporate Affordability Goal: Maintain a strong yet flexible financial position as measured by SRP's key financial indicators and credit ratings

FP27 Goals:

- Ensure plan keeps metrics consistent with AA+/Aa1 ratings
- Prudently manage controllable O&M expenses below pace of sales growth
 - Manage growth in employee workforce
- Optimize capital costs to ensure SRP meets growth projections while maintaining reliability
- Balance cost management, borrowing, and pricing adjustments
- Keep pricing adjustments below pace of electric inflation
 - As measured by the aggregate change in electric rates across the nation

FP27 Summary

Prudent management of expenses ensuring financial flexibility



Higher peak demand forecast

- FY32 Peak: 12,197 MW
- 9.6% annual energy growth



Prudent management of controllable expenses

- Minimize impact of higher costs of electrical infrastructure
- Maintain controllable O&M growth below pace of sales
- Requires base price adjustments in line with FP26



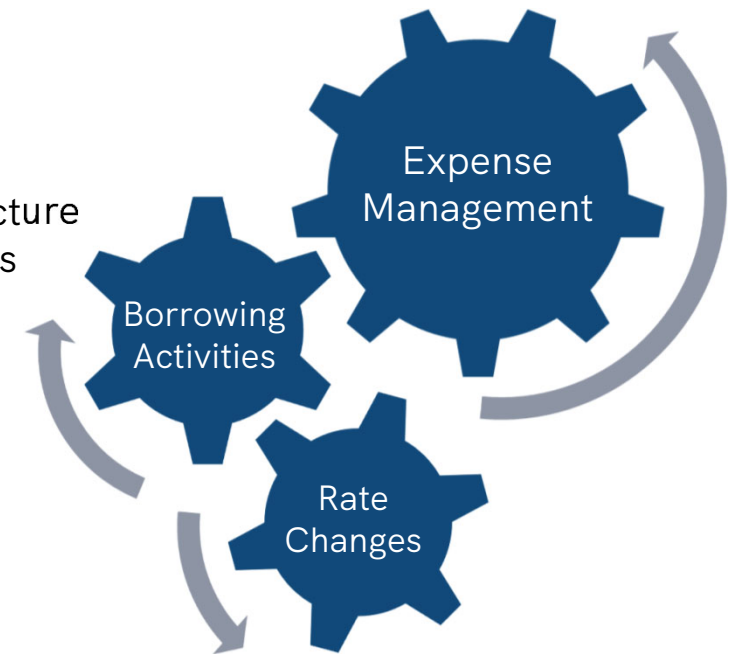
Higher retail fuel and purchased power expense

- Increases to \$4.2B annually by FY32
- Requires 24% FPPAM adjustments



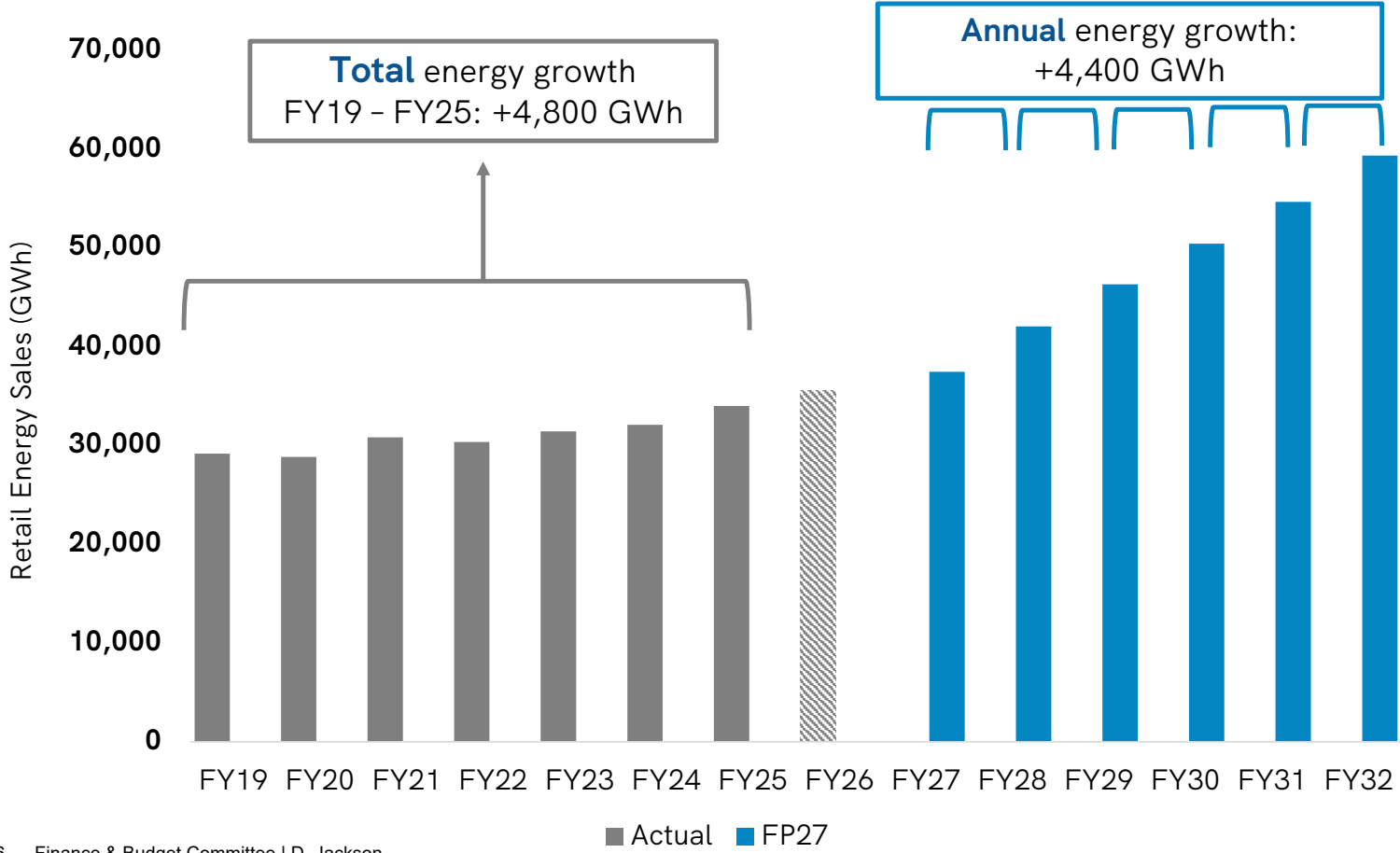
Capital Investments Increase

- \$15B capital plan
- Requires \$7.8B debt issuance



Historical Retail Energy Growth Plus FP27 Forecast

Annual growth in line with historical total growth from FY19 to FY25

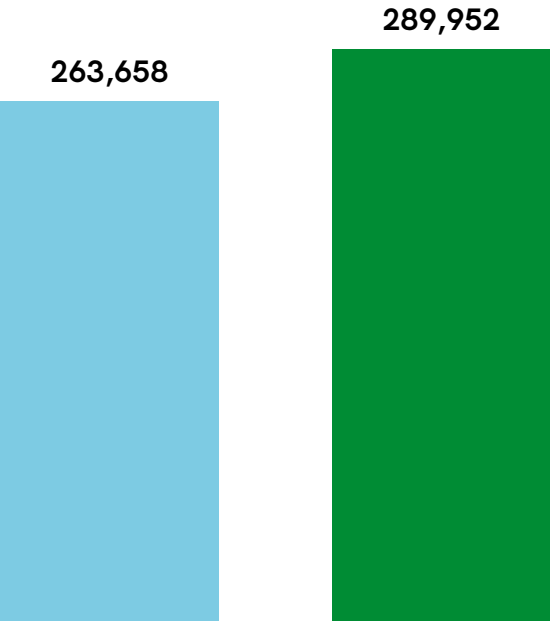


FP27 Outlook (Retail Energy Growth & Direct Costs)

Prudent management results in controllable expenses growing at a slower pace than energy sales

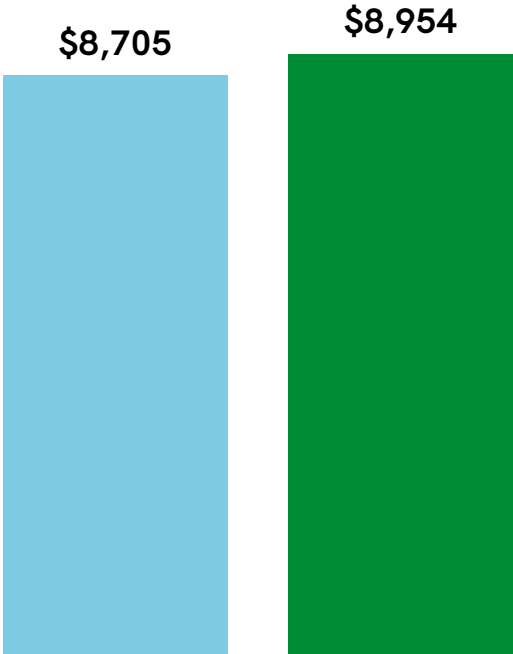
Retail Energy (GWh)

26,294 GWh: 10.0%



Direct Costs* (\$M)

\$249M: 2.9%

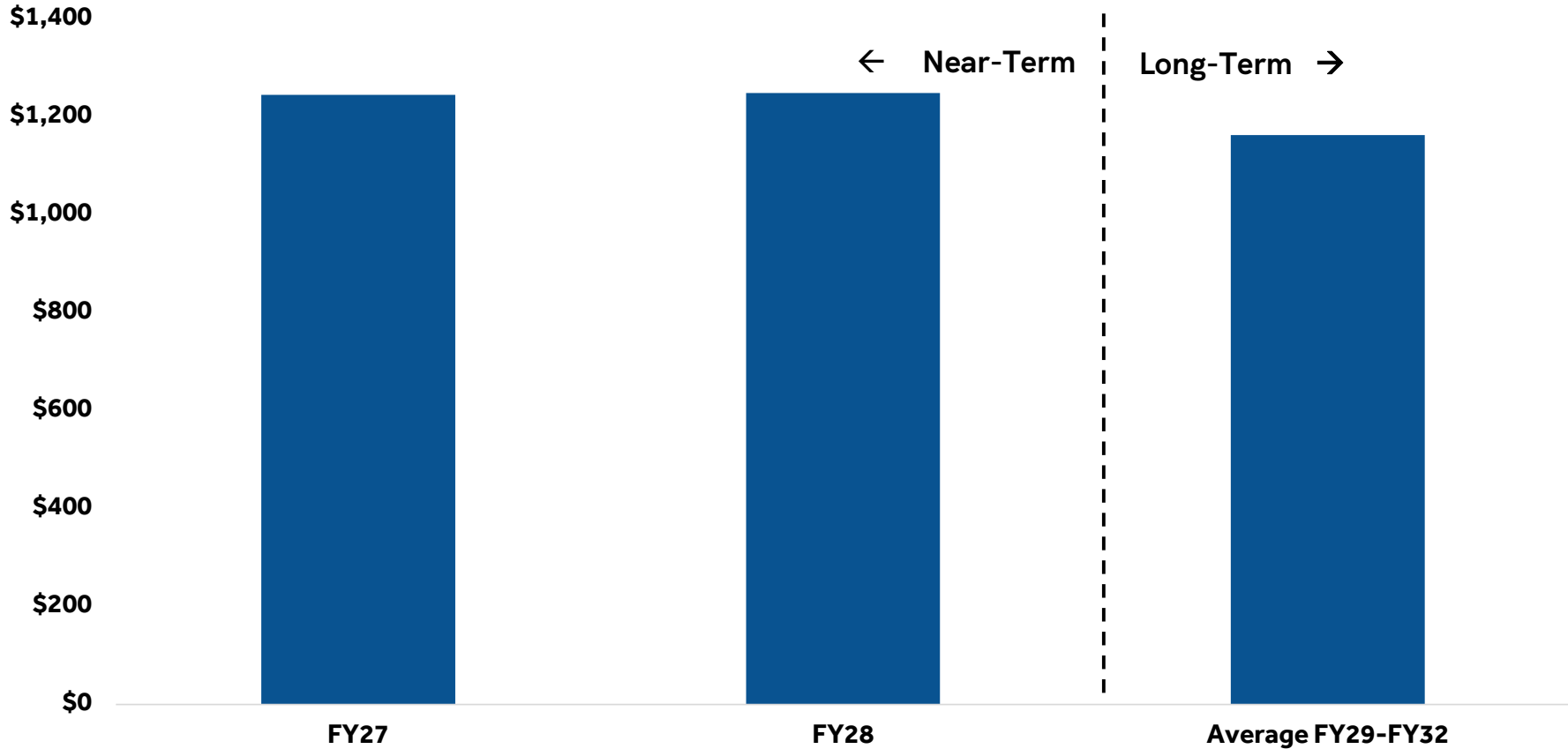


■ FP26 (FY26-31) ■ FP27 (FY27-32)

* FP26 labor has been revised for inflation to report in FP27 dollars

Direct Costs \$ per Customer Account

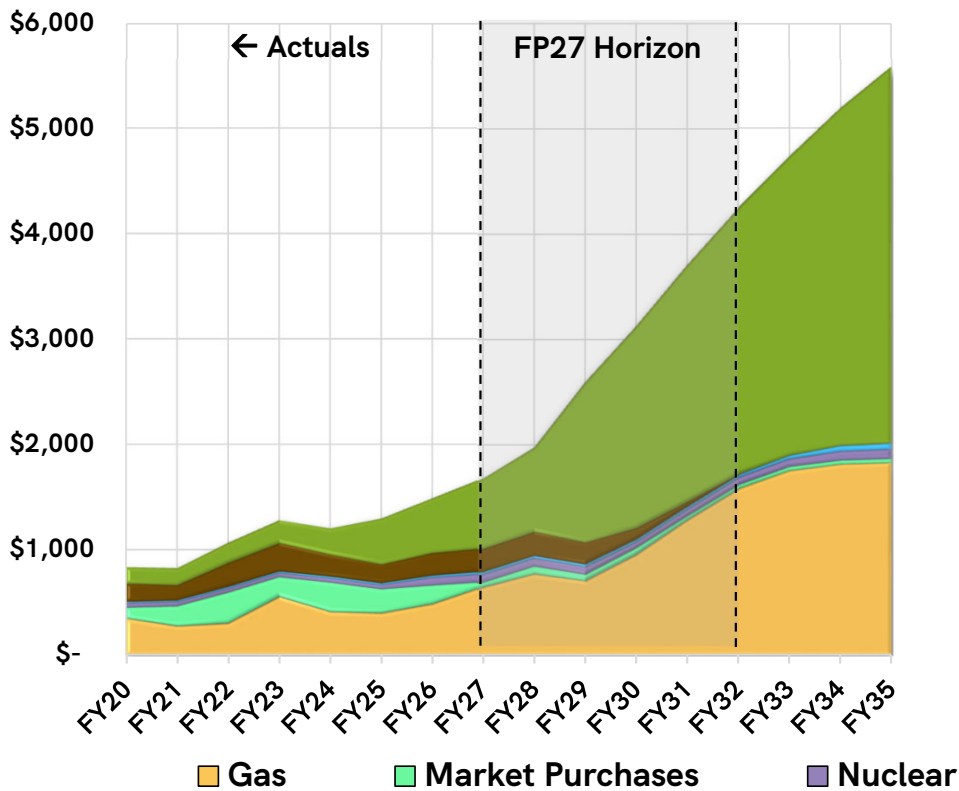
Controllable expenses decline in the outer years on a per Customer Account basis



Retail Fuel & Purchased Power Generation

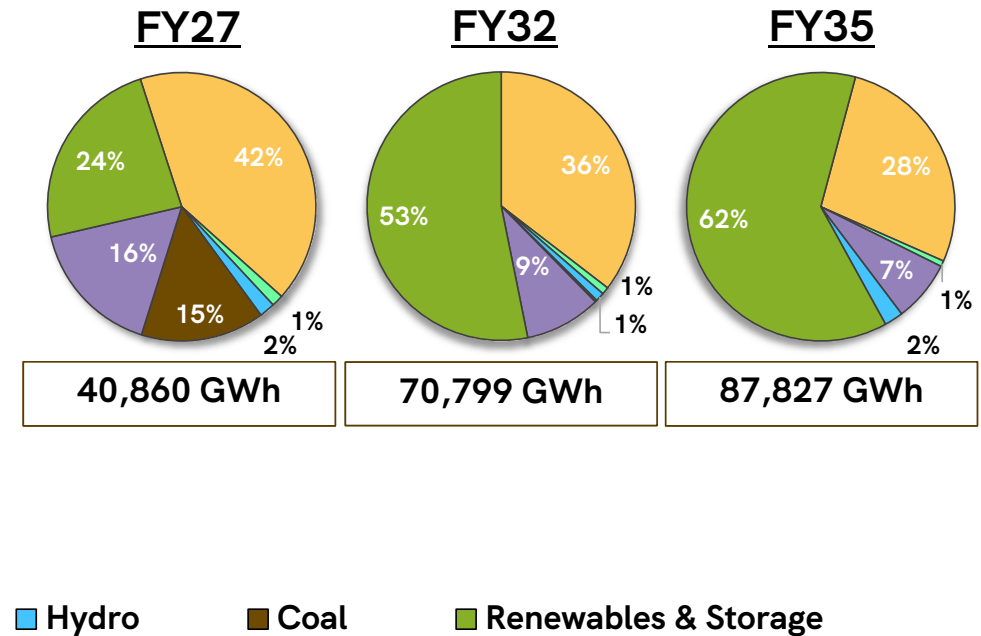
Retail expense climbs from \$1.7B to \$4.2B by FY32, Gas, Solar, Battery, & Solar + Battery drive growth

Actuals & FP27 (\$M)



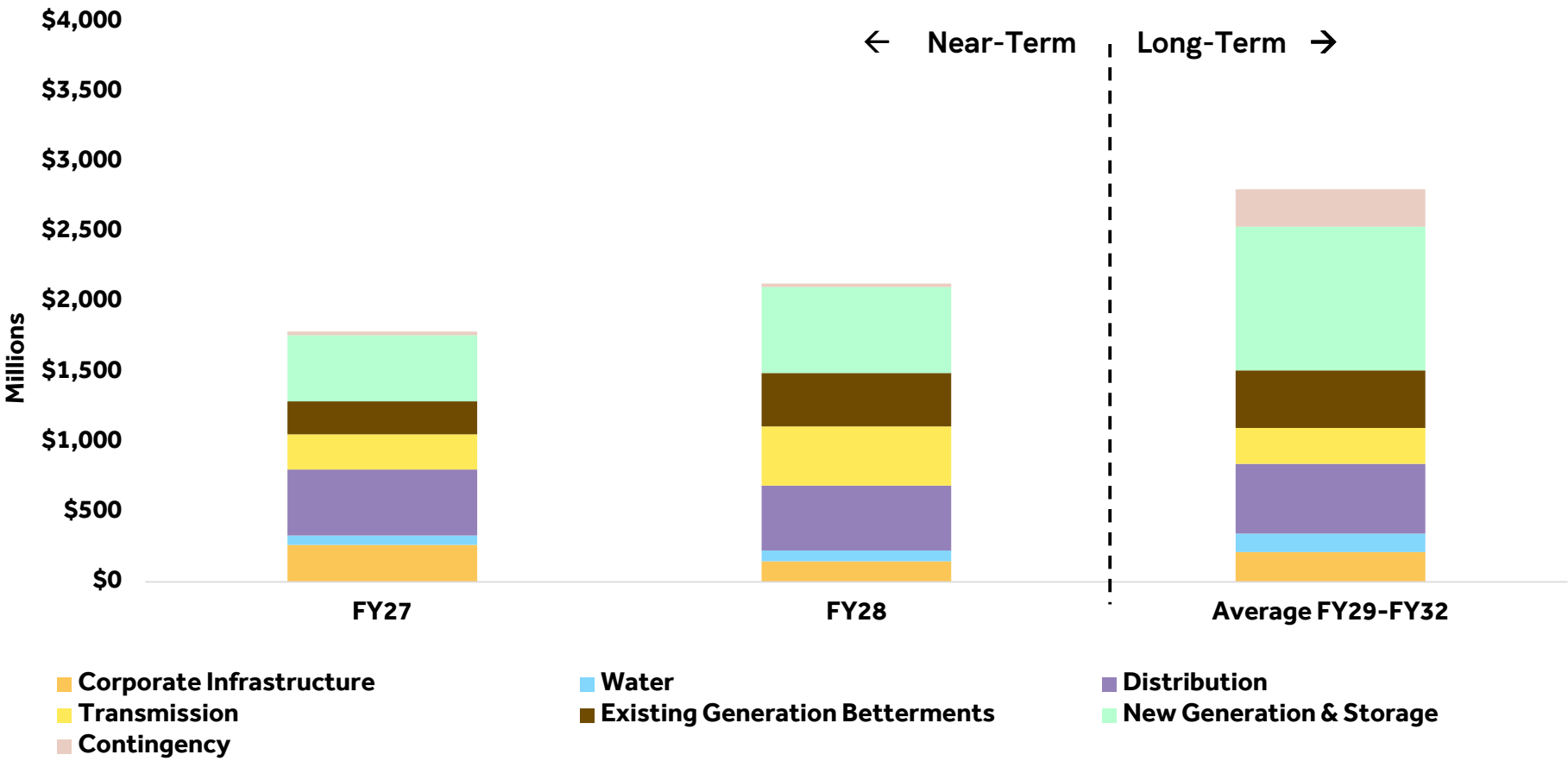
02/19/2026 Finance & Budget Committee | D. Jackson

Retail Energy Mix



Capital Spending

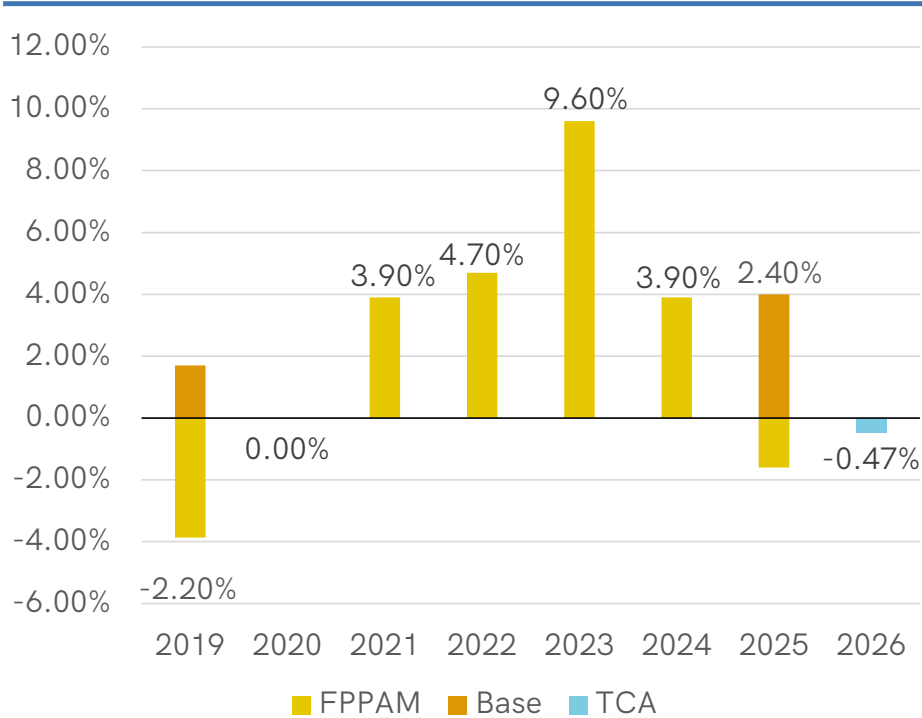
New generation spending in outer years reflects current growth projections



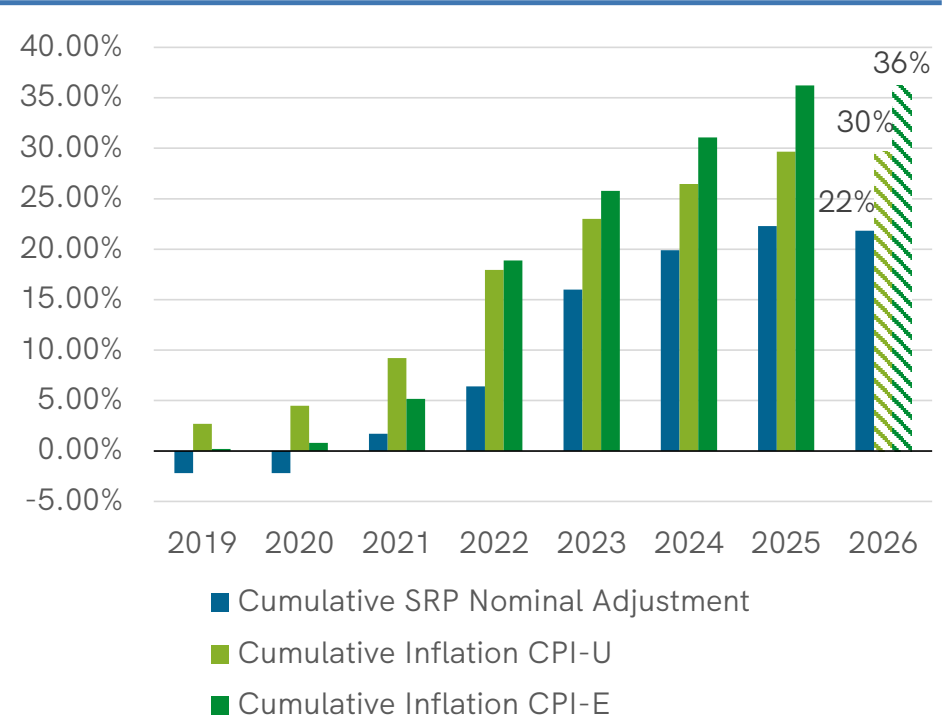
Historical Rate Adjustments

Nominal increases since last two base price processes

Nominal Rate Adjustments



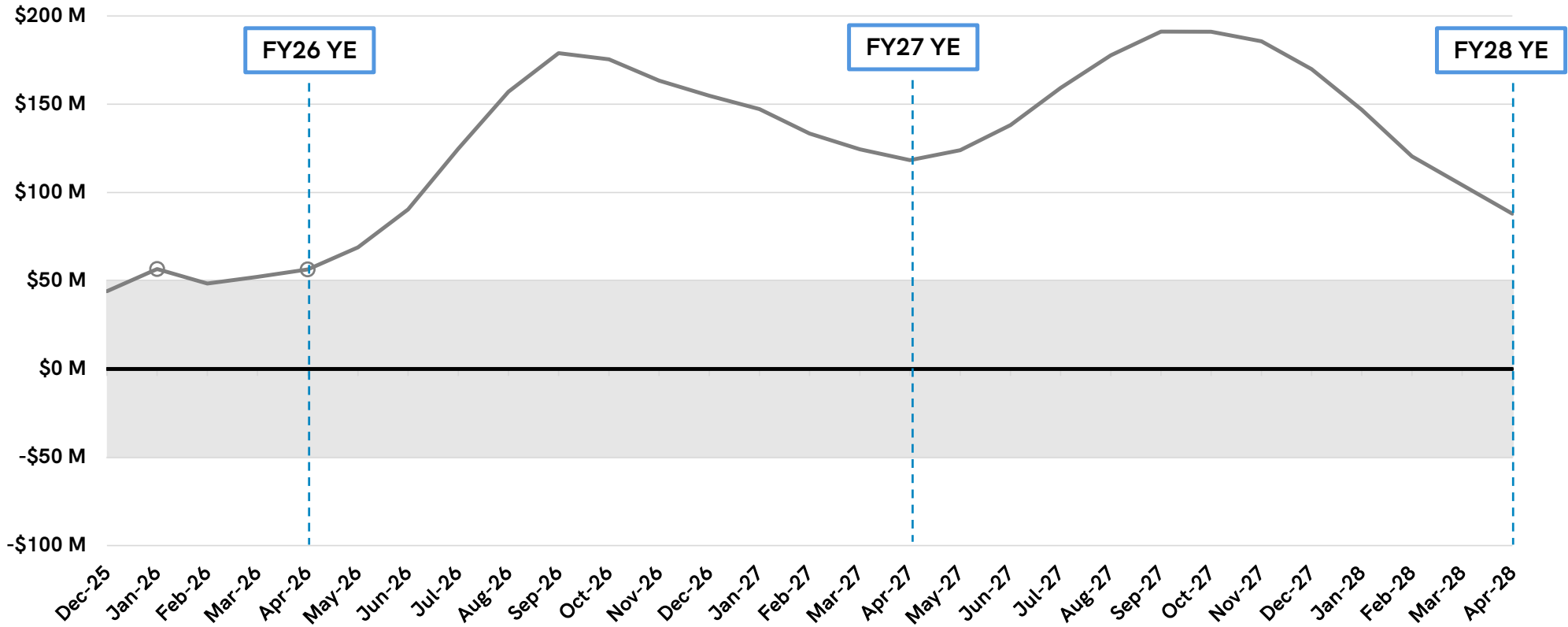
Cumulative Inflation vs. Rate Adjustments



Explanatory Note: % adjustments shown are net; assumed no inflation in 2026
Source: Data from Federal Reserve Economic Data (FRED) updated as of August 2025

FPPAM Balance

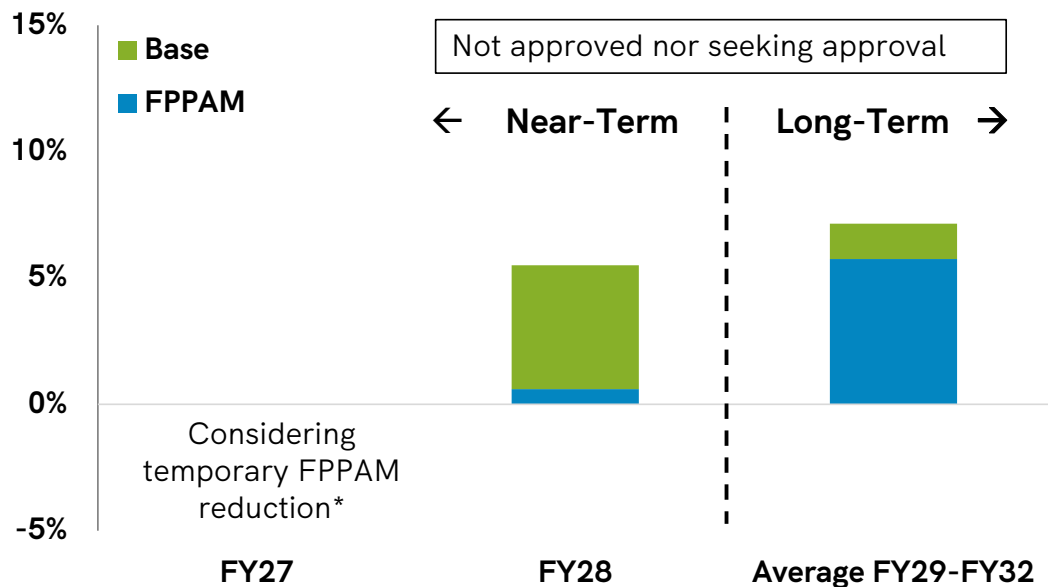
FPPAM is above the deadband as of January month-end actuals



Price Modeling Assumptions

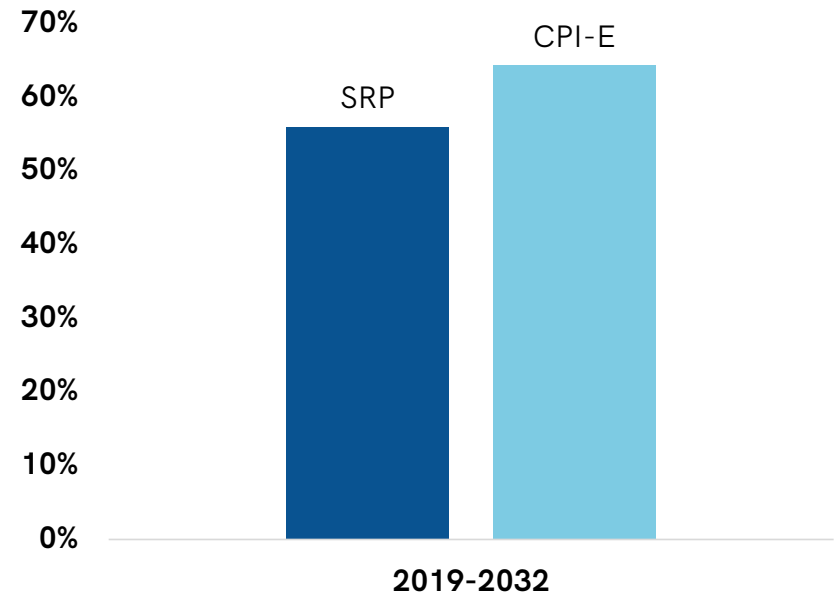
Long-term price adjustments higher due to fuel and purchased power yet still below electric inflation

FP27: Near-Term vs Long-Term



*SRP management will conduct a study of transmission costs/revenues in the fall, and will propose any recommended changes to the Transmission Cost Adjustment in winter time period.

Historical + FP27

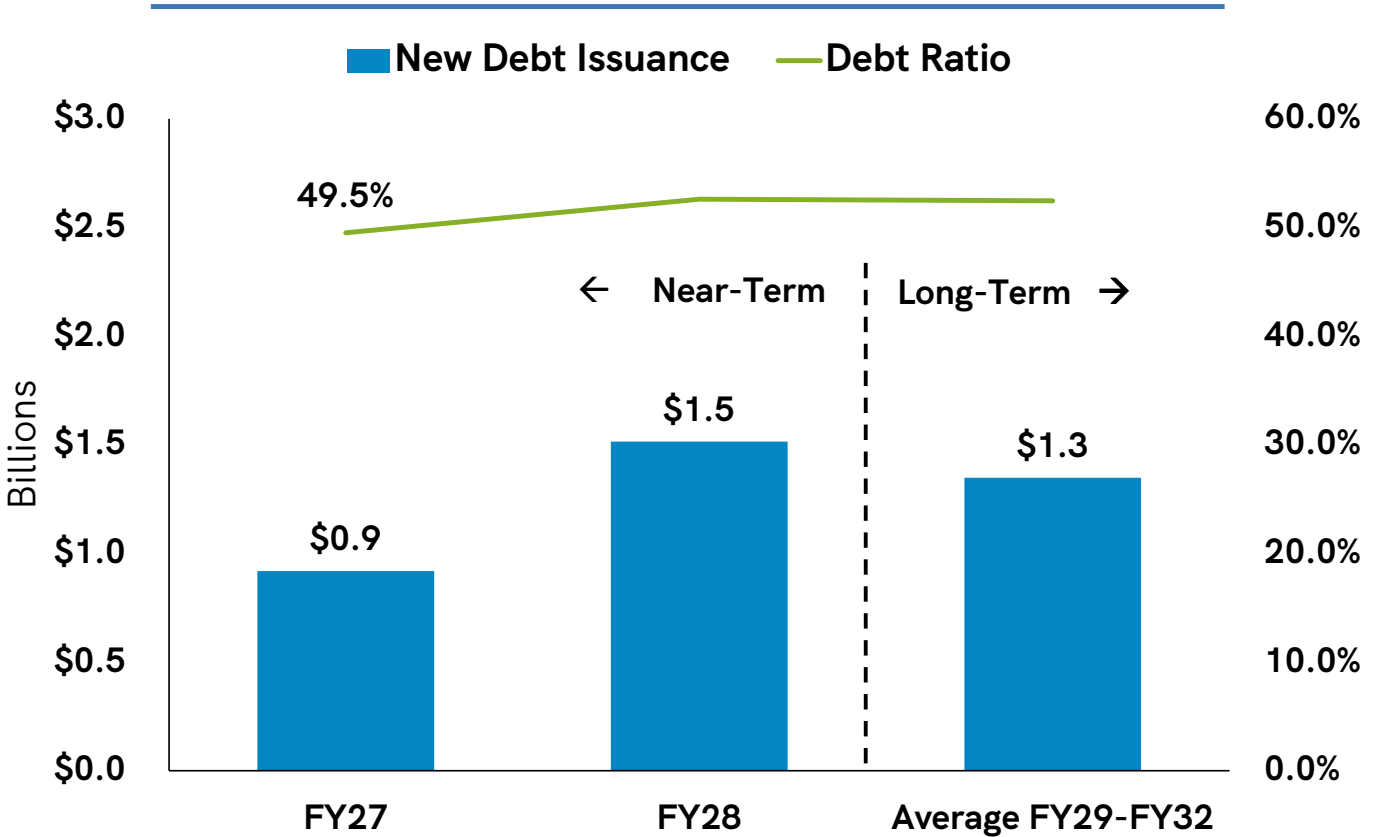


Source: Federal Reserve Economic Data Consumer Price Index – Electricity (CPI-E) as of Aug '25

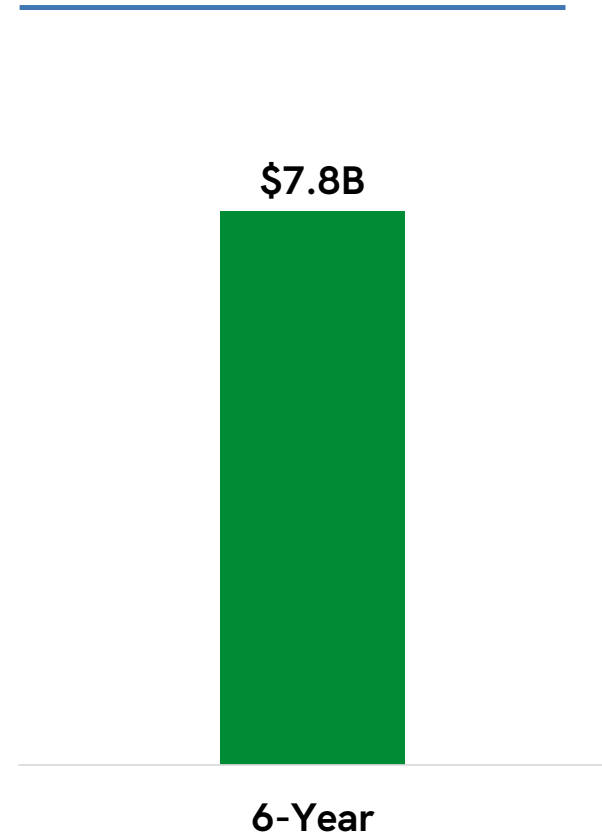
Borrowing Outlook

Debt issuances expected annually; debt ratio consistent with AA+/Aa1 ratings

New Debt Issuance & Debt Ratio



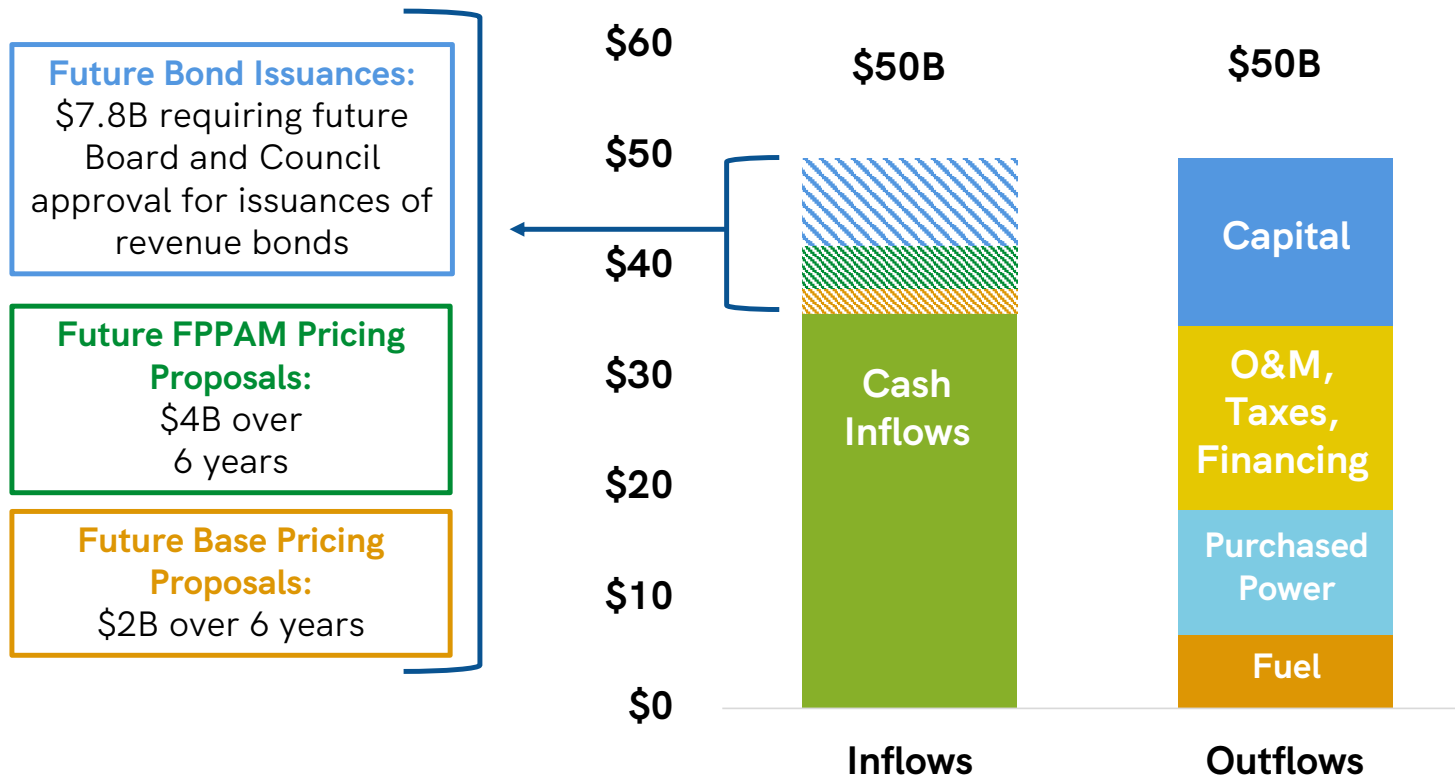
New Debt Issuance



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

After management of controllable expenses, shortfall met with balance of borrowing and pricing adjustments

FP27 (FY27-32)

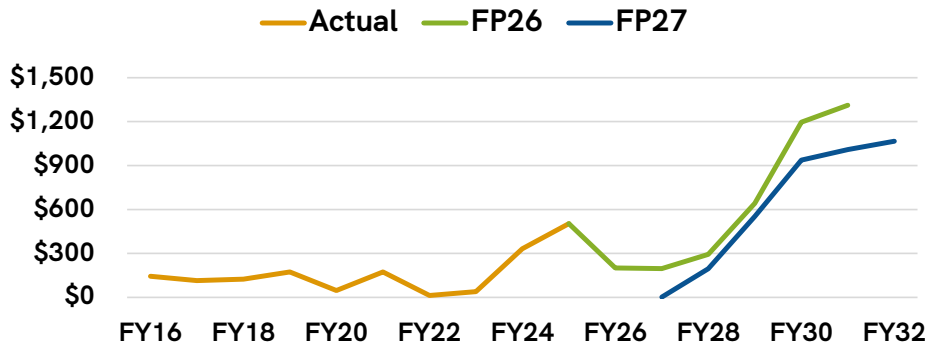


FP27 Financial Indicators

Financial indicators preserve financial strength & flexibility and are consistent with current AA+/Aa1 ratings

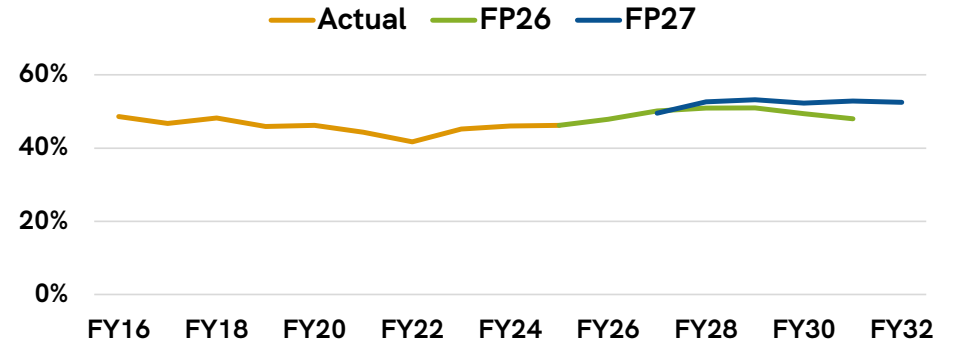
Combined Net Revenues (\$M)

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



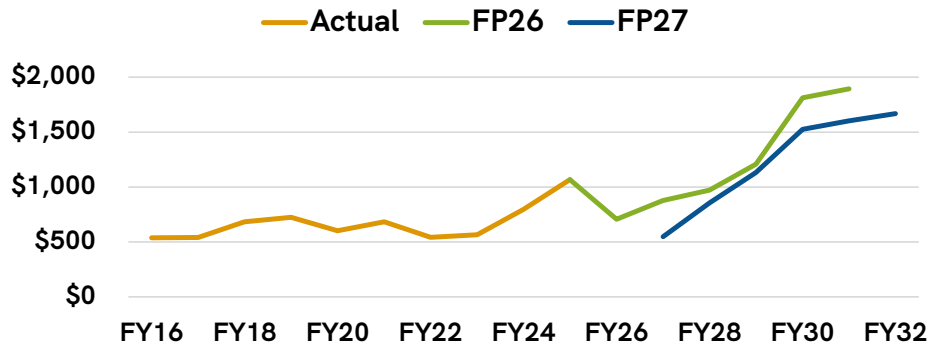
Debt Ratio

Percentage of long-life assets paid for with debt



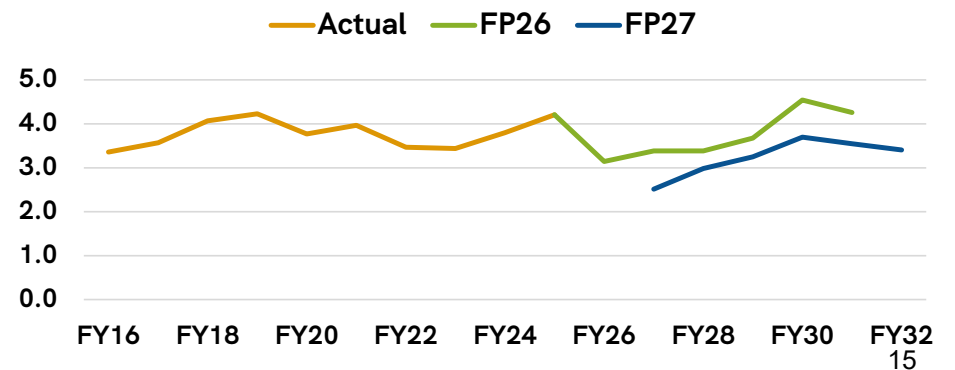
Funds Available (\$M)

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



Key Takeaways

FP27 plan on track to achieve financial goals while preparing for significant growth

Plan achieves financial goals

- Maintains healthy financial metrics and current AA+/Aa1 ratings
- Balances expense management, borrowing, and pricing

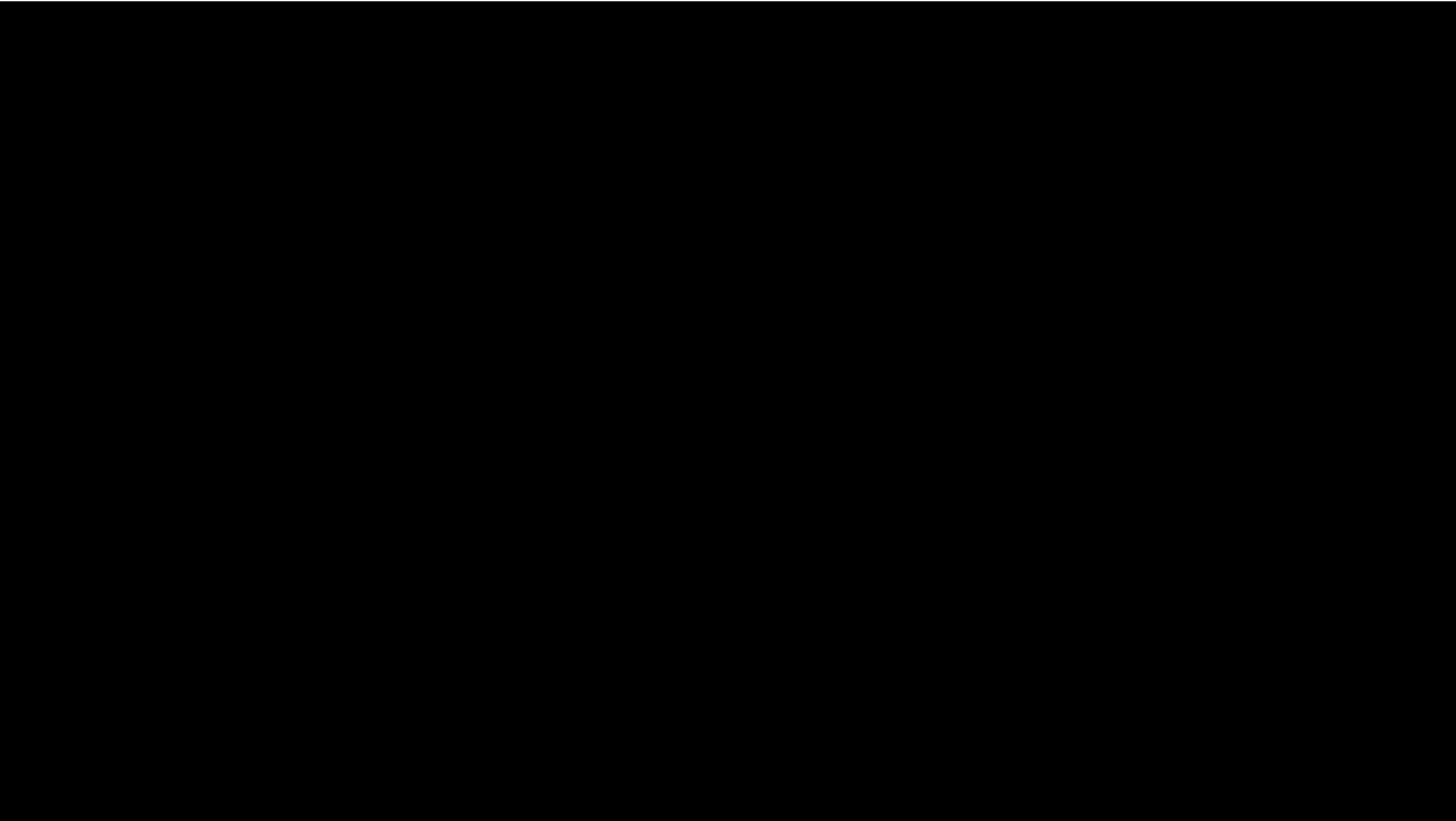
Finalize FY27 Operating Budget

- Finalize FY27 Operating Budget
- Finalize & Mail Budget Book Narrative

Final Financial Plan & Request for Budget Approval

- Early March - FP27 Financial Plan & FY27 Operating Budget
- Late March - Request for FY27 Budget Approval

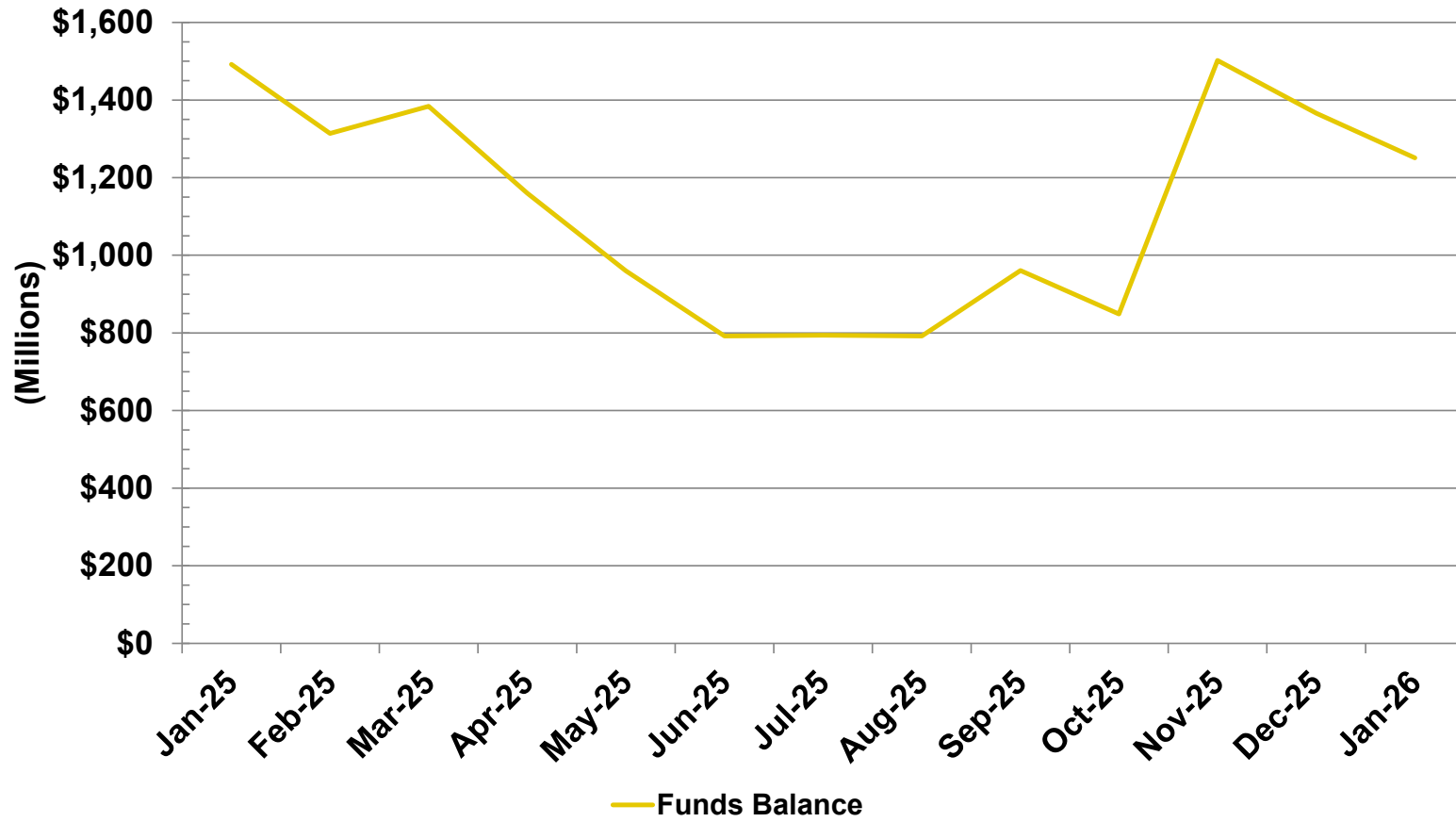
thank you!



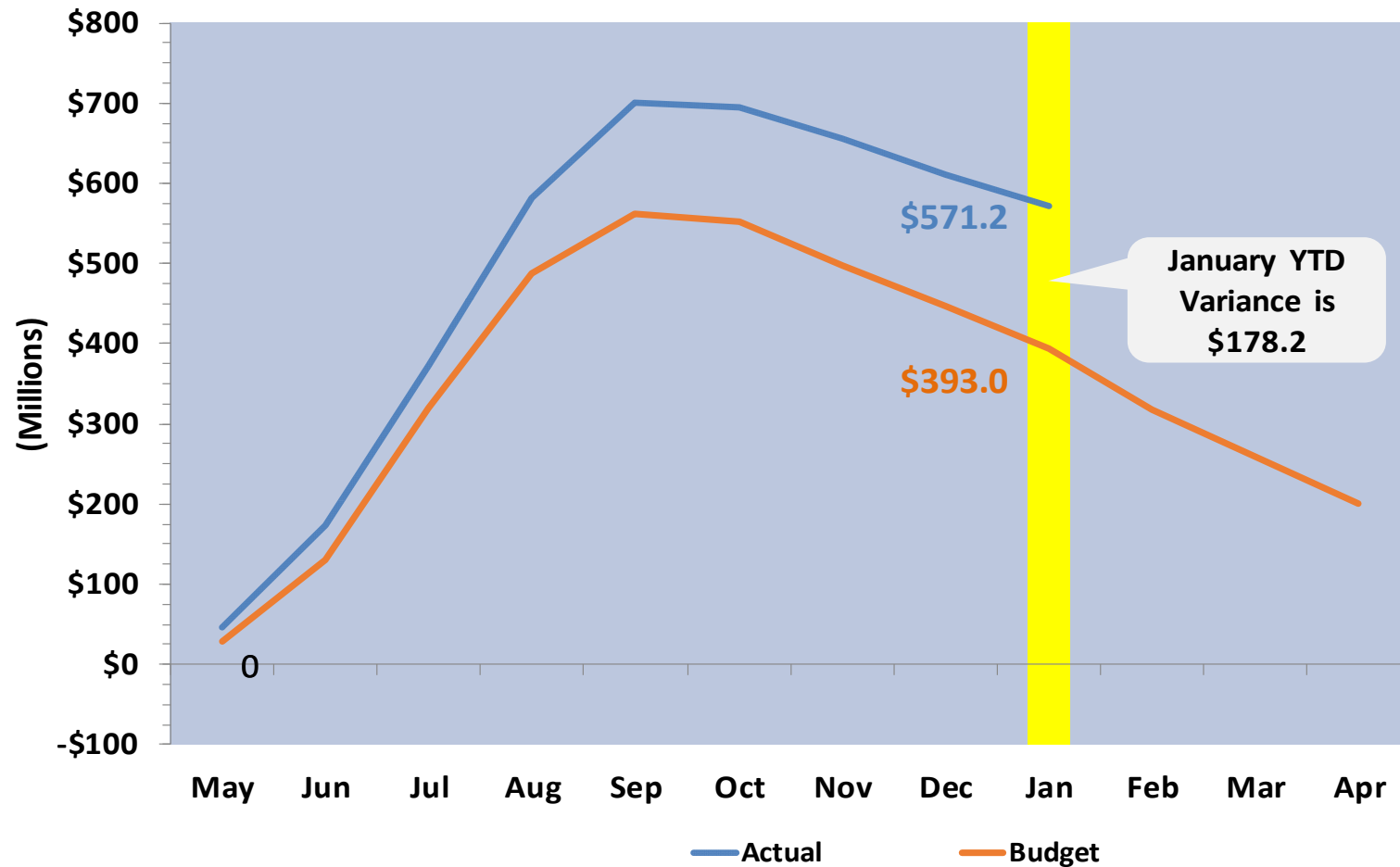
Monthly Financial Report January 2026

Finance & Budget Committee Meeting
Jeremy T. Fry | February 19, 2026

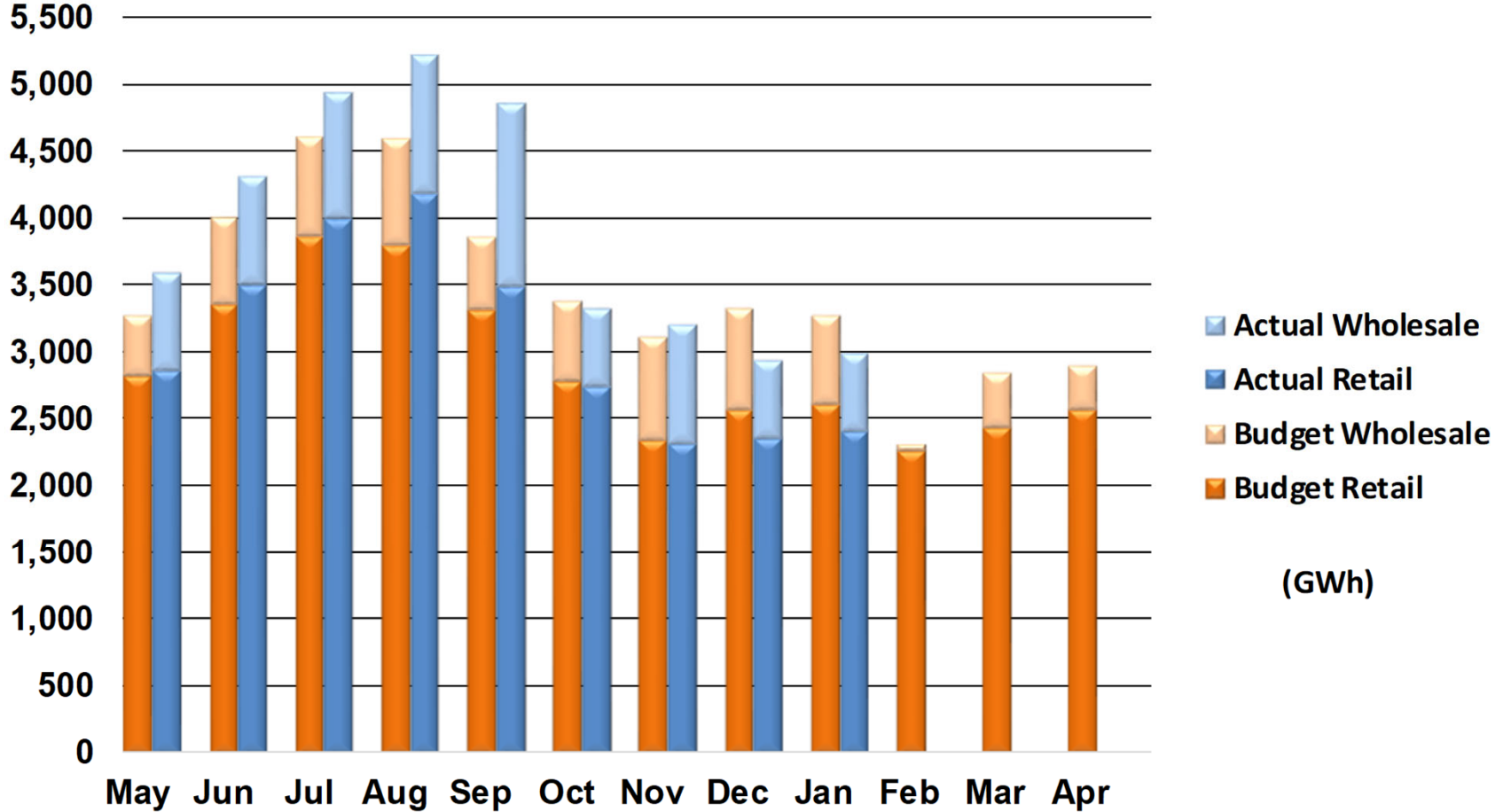
Liquidity



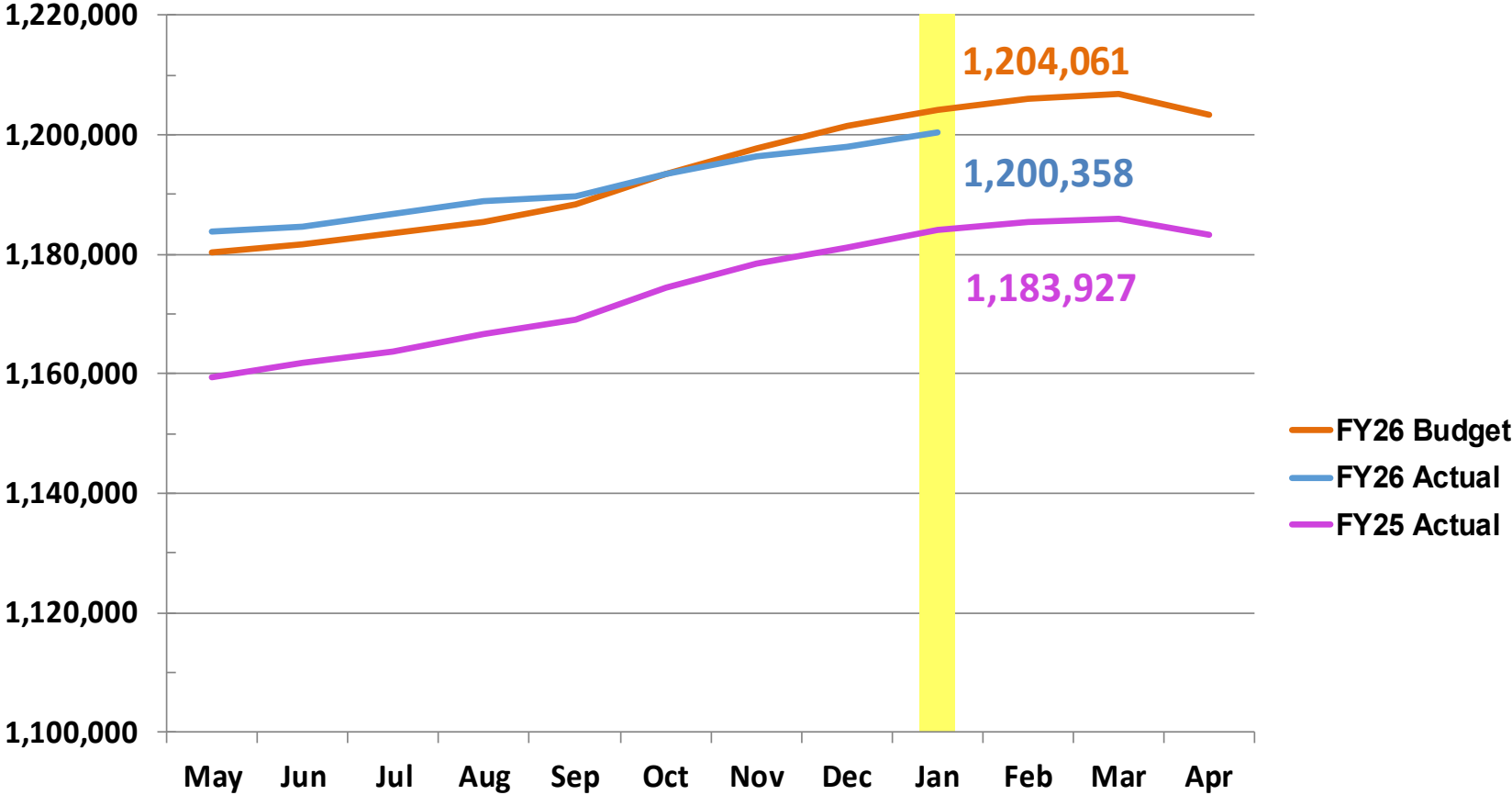
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary - January 2026

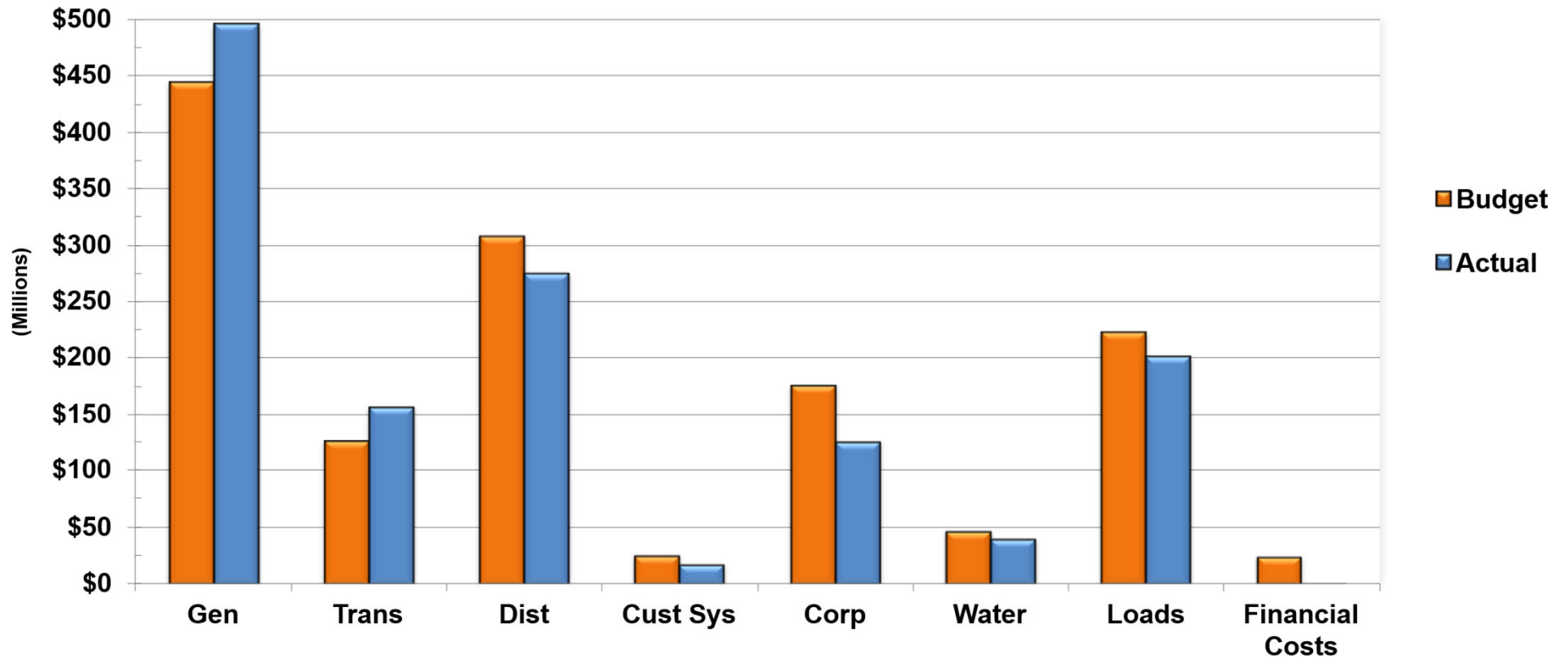
(Thousands)	Actual	Budget	Variance
Operating Revenues	\$ 293,135	\$ 319,935	\$ (26,800)
Operating Expenses			
Fuel	116,447	152,358	(35,911)
O&M	127,169	135,299	(8,130)
Depr & Tax	76,157	75,508	649
Total Operating Expenses	319,773	363,165	(43,392)
Net Financing Costs	19,384	18,303	1,081
Other, Net	6,541	7,036	(495)
Combined Net Revenues	\$ (39,481)	\$ (54,497)	\$ 15,016

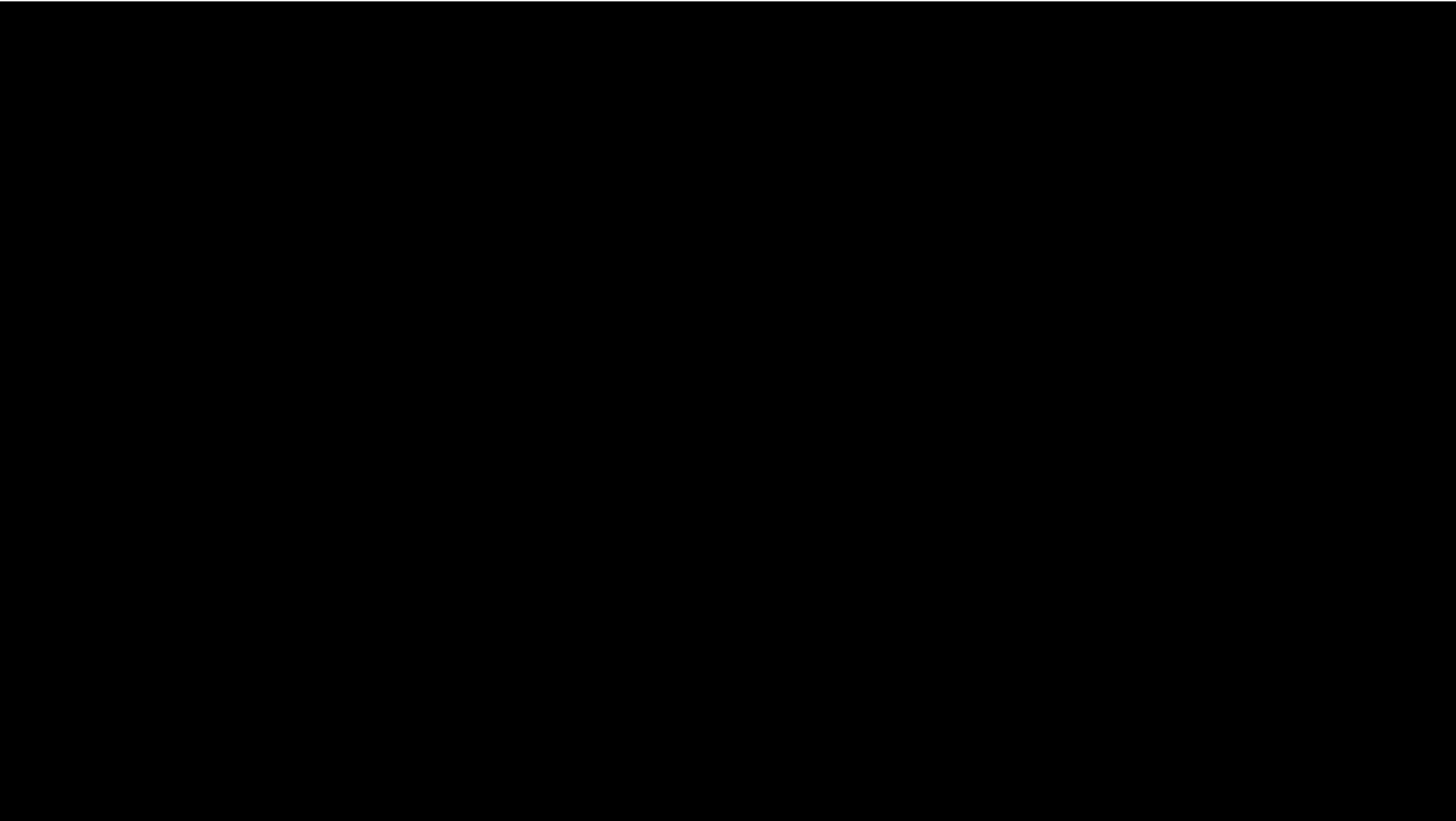
Key Financial Indicators - YTD January 2026

(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Funds Available	\$ 984,258	\$ 772,617	\$ 211,641
Total Debt Service Coverage Ratio	4.37	3.95	0.42
Debt Ratio*	46.9	47.9	(1.0)
Capital Expenditures	\$ 1,303,426	\$ 1,371,631	\$ (68,205)

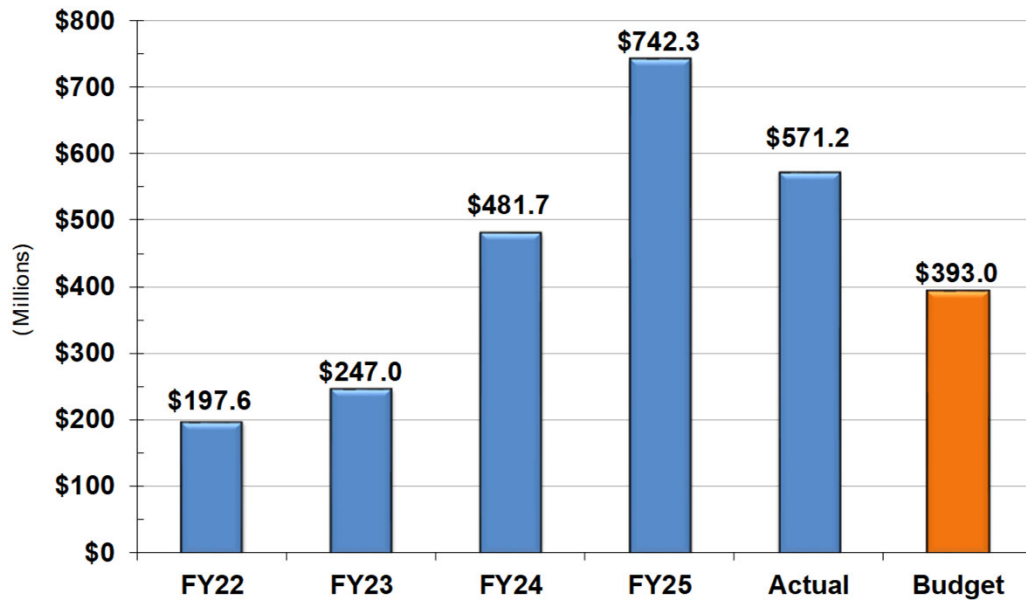
***Debt Ratio represents Projected Actual compared to Annual Budget**

Capital Expenditures - YTD January 2026





CNR without Fair Value Adjustments - YTD January 2026

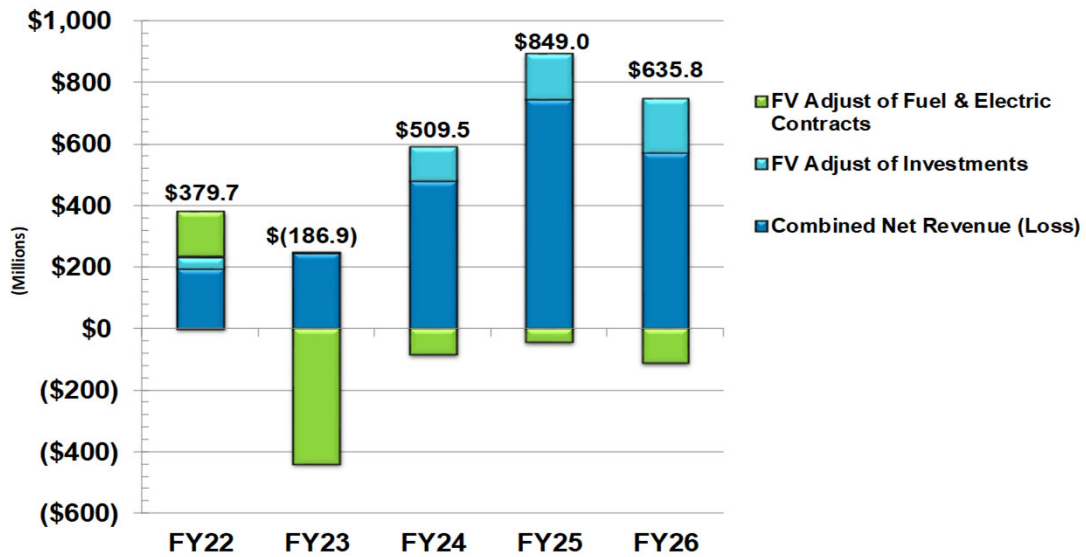


02/19/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 1

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CNR with Fair Value Adjustments - YTD January 2026

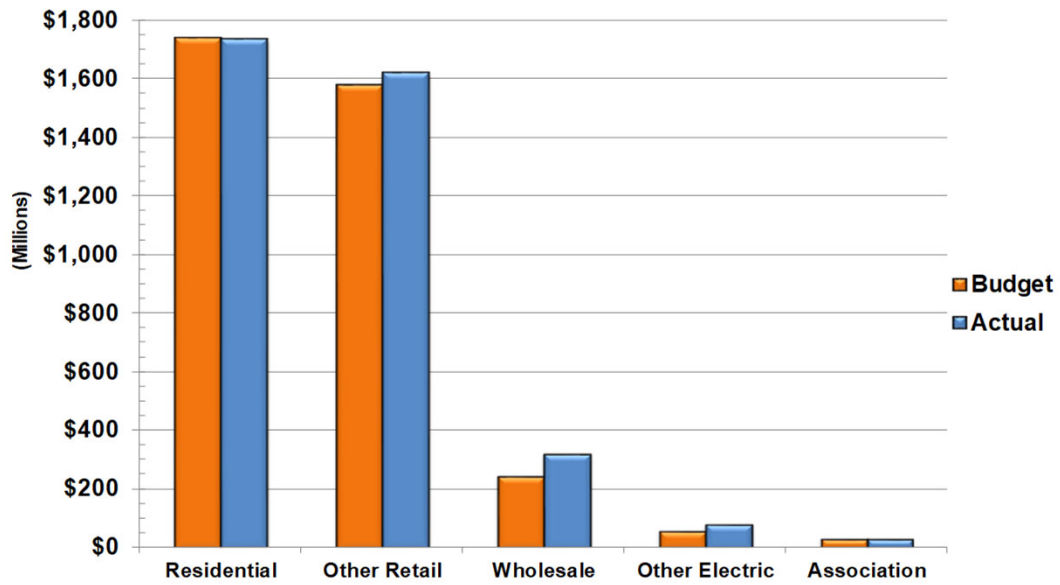


02/19/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 2

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Combined Operating Revenues - YTD January 2026

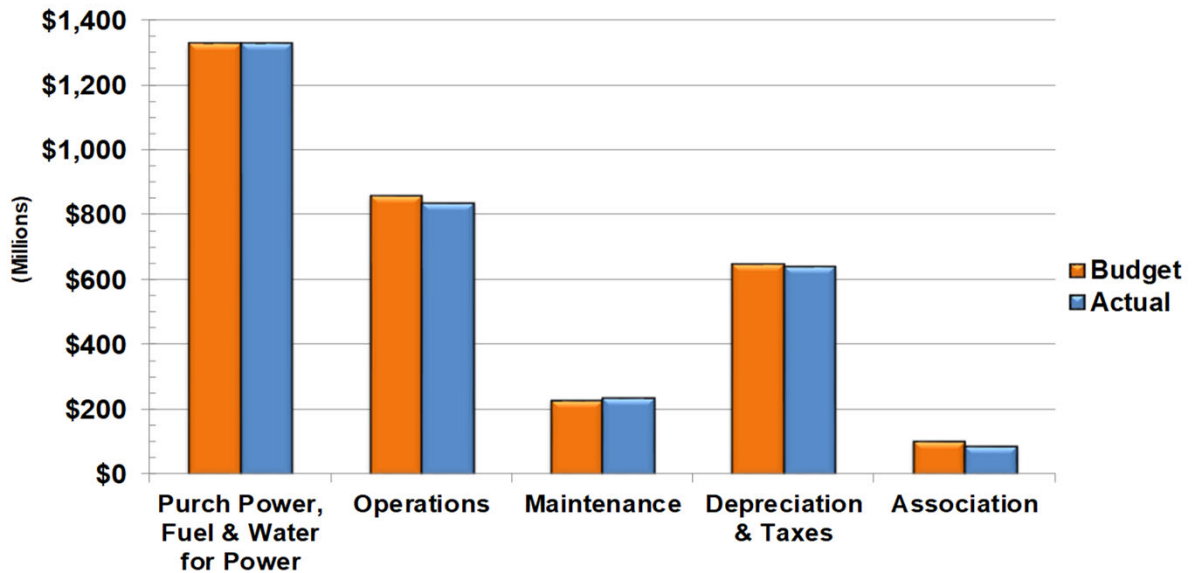


02/19/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 3

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Combined Expenses - YTD January 2026

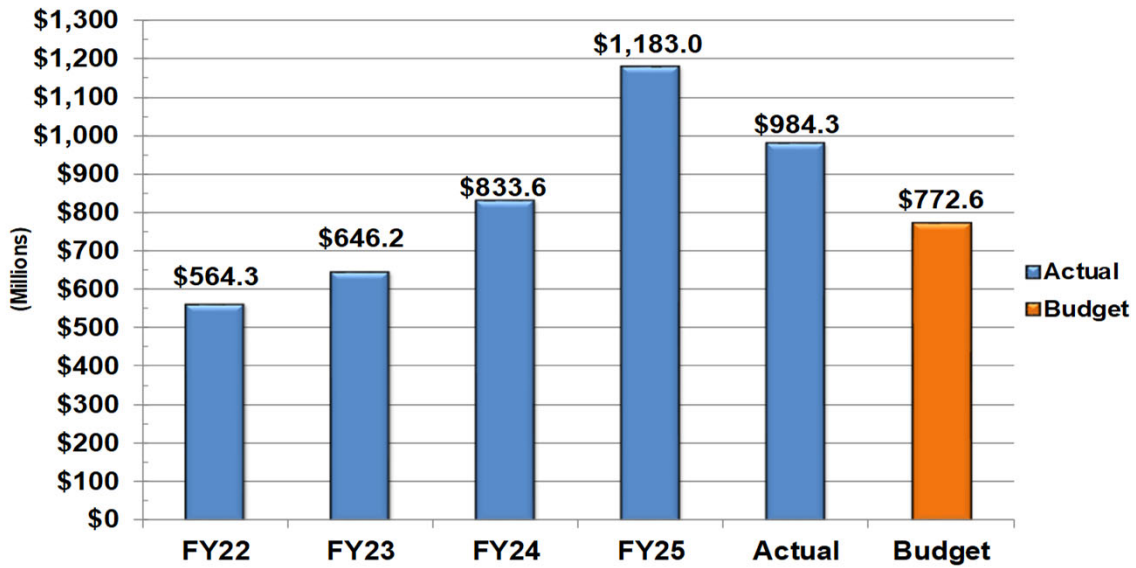


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(Non-GAAP, Unaudited) 4

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Funds Available - YTD January 2026

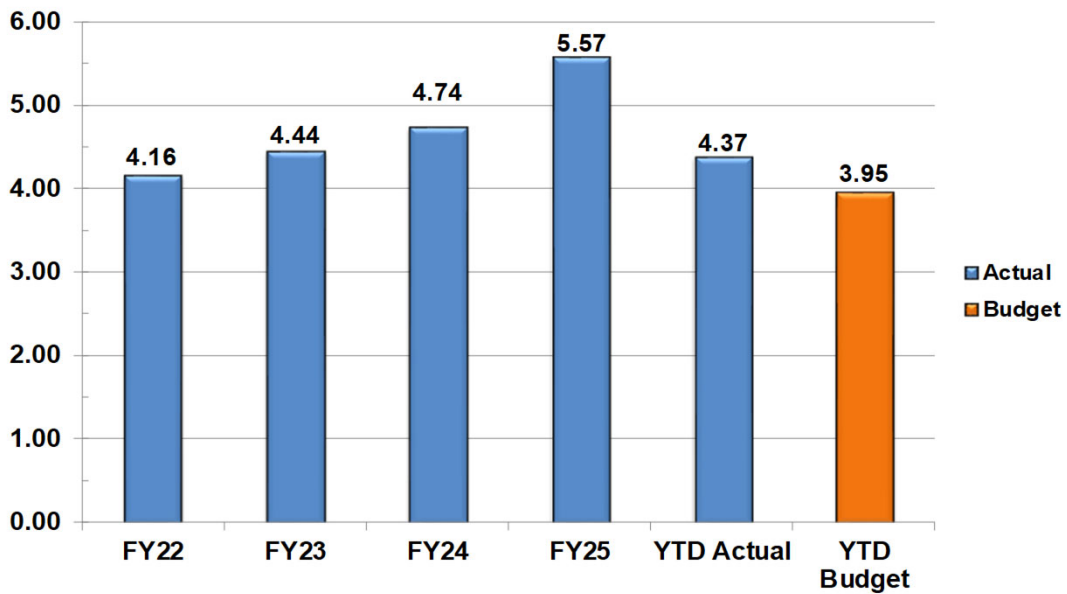


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(Non-GAAP, Unaudited) 5

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Total Debt Service Coverage Ratio - YTD January 2026

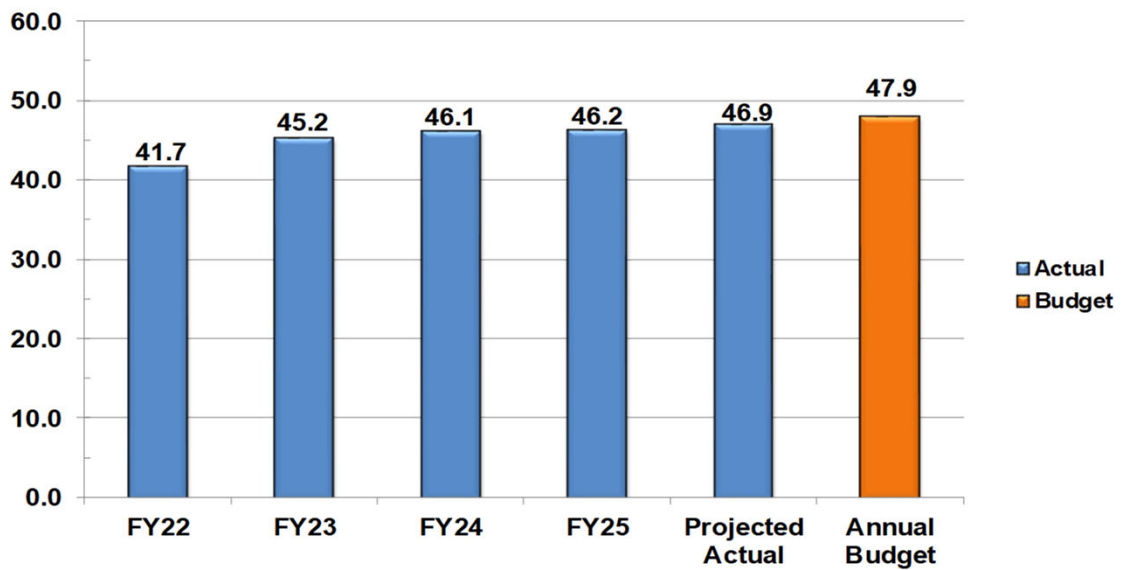


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(Non-GAAP, Unaudited) 6

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Debt Ratio - YTD January 2026



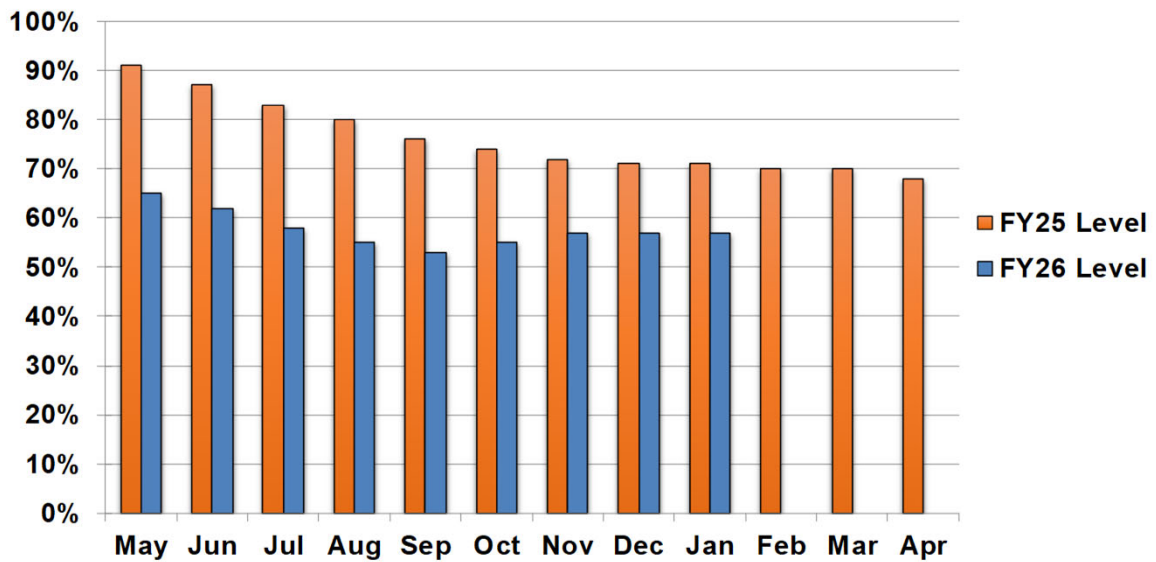
Note: Prior Years and Budget are Fiscal Year-End Ratios

02/19/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 7

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Water Storage Levels



02/19/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 8

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