

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

FINANCE AND BUDGET COMMITTEE

Tuesday, March 24, 2026, No Sooner Than 9:50 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 February 19, 2026.
 - B. Request for approval of the Monthly Cash Statement for February 2026 (District and Association).
2. Proposed Fiscal Year 2027 (FY27) Financial Plan and Operating Budget Questions and Answers DANIELLE JACKSON

Informational presentation regarding Management’s response to questions and comments from the Committee about the proposed FY27 Financial Plan and Operating Budget.
3. Review of the Financial Results for the Month of February 2026JEREMY FRY
4. Report on Current Events by the General Manager and Chief Executive Officer or DesigneesJIM PRATT
5. 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, MARCH 26, 2026

03/17/2026

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

February 19, 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 10:54 a.m. on Thursday, February 19, 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; and R. Arnett, N. Brown, K. Johnson, L. Rovey, and S. Williams.

Committee Members absent at roll call were M. Herrera, Vice Chair; and S. Kennedy.

Also present were President D. Rousseau; Vice President C. Dobson; Board Members C. Clowes, R. Miller, K. O'Brien, M. Pace, P. Rovey, J. White Jr., and L. Williams; Council Chair R. Shelton; Council Vice Chair B. Pacey; Council Liaison G. Geiger; Council Members M. Farmer, E. Gorseger, A. Hatley, R. Kolb, and M. Pedersen; I. Avalos, M. Burger, A. Chabrier, J. Felty, S. Glover, L. Hobaica, J. Hubbard, D. Jackson, V. Kisicki, B. Koch, K. Lee, L. Meyers, N. Mullins, M. O'Connor, B. Olsen, D. Patterson, J. Pratt, M. Purnell, J. Riggs, C. Sifuentes-Kohlbeck, A. Tapia, R. Taylor, and J. Tucker of SRP; Ian Calkins of Copper State Consulting Group; David Droz of Exus Renewables North America; Hunter Holman of Interwest Energy Alliance; Beck Mayberry of Cypress Creek Renewable; Daniel Severson of RWE Clean Energy LLC (RWE); and Zach Walker of Aypa Power.

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, February 17, 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 K. Johnson 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 January 22, 2026, as presented.
- B. Approval of the District and Association Monthly Cash Statement for January 2026.
- C. Approval of the Association Quarterly Cash Statement for Period Ending January 31, 2026.

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

YES:	Board Members K. Mohr-Almeida, Chair; and R. Arnett, N. Brown, K. Johnson, L. Rovey, and S. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members M. Herrera, Vice Chair; and S. Kennedy	(2)

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

Revolving Credit Agreement (RCA) Request for Proposals (RFP) Update

Using a PowerPoint presentation, Jason Riggs, SRP Director and Assistant Treasurer of Treasury Operations and Compliance, stated that the purpose of the presentation was to provide information regarding an update on SRP's RFP seeking financial institutions to enter into RCAs to support SRP's commercial paper program.

J. Riggs reviewed the annual financing plan and noted the following objectives: 1) funding capital; 2) refinancing debt; and 3) bolstering liquidity. They provided background information on RCA and stated that it provides liquidity and risk management. J. Riggs discussed RCA maturities, RFP, and concluded with a breakdown of steps for a bank selection.

J. Riggs 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

Council Members M. Farmer and M. Pedersen; and Hunter Holman of Interwest Energy Alliance; Daniel Severson of RWE; and Zach Walker of Aypa Power left the meeting during the presentation.

Closed Session: Existing RCA with TD Bank and
New RCA with Royal Bank of Canada

Chair K. Mohr-Almeida, called for a closed session for the Finance and Budget Committee at 11:03 a.m., 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.

D. Patterson and A. Tapia of SRP; Ian Calkins of Copper State Consulting Group; David Droz of Exus Renewables North America; and Beck Mayberry of Cypress Creek Renewable left the meeting.

The Committee reconvened into open session at 11:10 a.m. with the following Members and others present: President D. Rousseau; Vice President C. Dobson; Board Members R. Arnett, N. Brown, C. Clowes, K. Johnson, R. Miller, K. Mohr-Almeida, K. O'Brien, M. Pace, L. Rovey, P. Rovey, J. White Jr., L. Williams, and S. Williams; Council Chair R. Shelton; Council Vice Chair B. Pacey; Council Liaison G. Geiger; Council Members E. Gorseger, A. Hatley, and R. Kolb; and I. Avalos, M. Burger, A. Chabrier, J. Felty, L. Hobaica, J. Hubbard, D. Jackson, V. Kisicki, B. Koch, K. Lee, L. Meyers, N. Mullins, M. O'Connor, B. Olsen, J. Pratt, M. Purnell, J. Riggs, C. Sifuentes-Kohlbeck, R. Taylor, and J. Tucker of SRP.

D. Patterson and A. Tapia of SRP; Ian Calkins of Copper State Consulting Group; David Droz of Exus Renewables North America; and Beck Mayberry of Cypress Creek Renewable reentered the meeting.

Preliminary Fiscal Year 2027 (FY27) Financial Plan and Operating Budget

Using a PowerPoint presentation, Danielle Jackson, SRP Director of Financial Planning and Analysis, stated that the purpose of the presentation was to provide information to review the key drivers and preliminary results shaping the FY27 Financial Plan and Operating Budget. They reviewed a Financial Plan 2027 (FP27) and FY27 Operating Budget timeline from February 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; direct costs per customer account; retail fuel and purchased power generation and storage output; capital spending by segment; historical rate adjustments; Fuel and Purchased Power Adjustment Mechanism (FPPAM) balance; price modeling assumptions; borrowing outlook; and six-year total cash inflows and outflows.

D. Jackson compared actual versus FP26 and FP27 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.

A. Bond-Simpson, C. Burke, S. Erickson, J. Fry, D. Kovochich, J. Leavitt, S. Scherer, and M. Tracy of SRP entered the meeting during the presentation.

Review of the Financial Results for the Month of January 2026

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 January 2026. Using a PowerPoint presentation, they presented liquidity funds balance and compared the actual versus budgeted figures for categories such as year-to-date (YTD) CNR, system sales, and customer accounts. J. Fry concluded by reviewing the financial summary, key financial indicators, and capital expenditures for the month of January 2026.

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.

J. Hubbard, J. Riggs, and A. Tapia of SRP left the meeting during the presentation. C. Felix and A. Rickard of SRP entered 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 11:38 a.m.

John Felty
Corporate Secretary

**Statement of Cash Received and Disbursed**

February 2026

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Funds Balance Beginning of Period	\$ 663,811	\$ 251	\$ 664,062	\$ 1,105,562
Cash Receipts:				
Electric Revenues	270,620	---	270,620	3,824,662
Water Revenues	---	1,302	1,302	32,523
Electric Customer Deposits	3,888	---	3,888	45,108
Reimbursement on Joint Ownership Projects	17,235	---	17,235	167,846
Construction Contributions and Advances	7,129	---	7,129	238,317
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	480,054	---	480,054	1,279,045
Sales Tax Collected	17,735	---	17,735	274,419
Other Cash Receipts	23,273	---	23,273	136,852
Total Cash Receipts	<u>819,934</u>	<u>1,302</u>	<u>821,236</u>	<u>5,998,772</u>
Fund Transfers - Net	<u>(5,979)</u>	<u>5,979</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	97,924	---	97,924	1,279,042
Operations and Maintenance	94,152	2,751	96,903	1,155,231
Employee Payroll and Payroll Taxes	62,355	4,184	66,539	740,496
Purchased Inventory	26,771	---	26,771	314,711
Cash Segregated for -				
Bond Interest	25,800	---	25,800	235,845
Bond Principal	18,765	---	18,765	133,784
Other Debt - Principal Repayment	---	---	---	142,570
Other Debt - Interest Expense	---	---	---	2,254
Capital Expenditures	72,948	---	72,948	1,109,081
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	---	---	---	424,559
In Lieu and Ad Valorem Taxes	255	---	255	106,943
Sales Tax Remitted	19,161	---	19,161	293,587
Margin and Collateral Disbursed - Net	40,266	---	40,266	128,880
Miscellaneous Cash Disbursements	1,171	---	1,171	18,556
Total Cash Disbursements	<u>459,568</u>	<u>6,935</u>	<u>466,503</u>	<u>6,085,539</u>
Funds Balance End of Period	<u>\$ 1,018,198</u>	<u>\$ 597</u>	<u>\$ 1,018,795</u>	<u>\$ 1,018,795</u>

**Cash Position**

February 2026

Composition of Funds Balance	(\$000)		
	District	Association	Total
Cash and Cash Equivalents	\$ 682,374	\$ 597	\$ 682,971
Other Temporary Investments	136,840	---	136,840
Other Non-Current Investments	198,984	---	198,984
General Fund	1,018,198	597	1,018,795
Segregated Funds			
Electric System Debt Reserve Fund	80,706	---	80,706
Debt Service Fund	78,338	---	78,338
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	837,884	---	837,884
Post-Retirement Benefits Fund	1,450,905	---	1,450,905
Construction Fund	108,301	---	108,301
RHCP Fund	14,392	---	14,392
HHCP Fund	10,455	---	10,455
SPRHCP Fund	3,658	---	3,658
Four Corners Mine Reclamation Trust	16,810	---	16,810
Other Special Funds	3,184	---	3,184
Total Segregated Funds	\$ 2,604,633	\$ ---	\$ 2,604,633

FY27 Proposed Operating Budget Q&A

Finance and Budget Committee

Danielle Jackson

March 24, 2026

FY27 Operating Budget Summary

- Reflects all budgeted revenues and expenditures for May 1, 2026 – April 30, 2027
- Includes FPPAM proposal to temporarily reduce summer price levels by 3.0%
- Includes funding necessary to support corporate goals and objectives
- Provides transparency to Board, customers and stakeholders
- Data presented in both a financial and organizational view
- Preserves financial strength and flexibility to ensure continued affordability

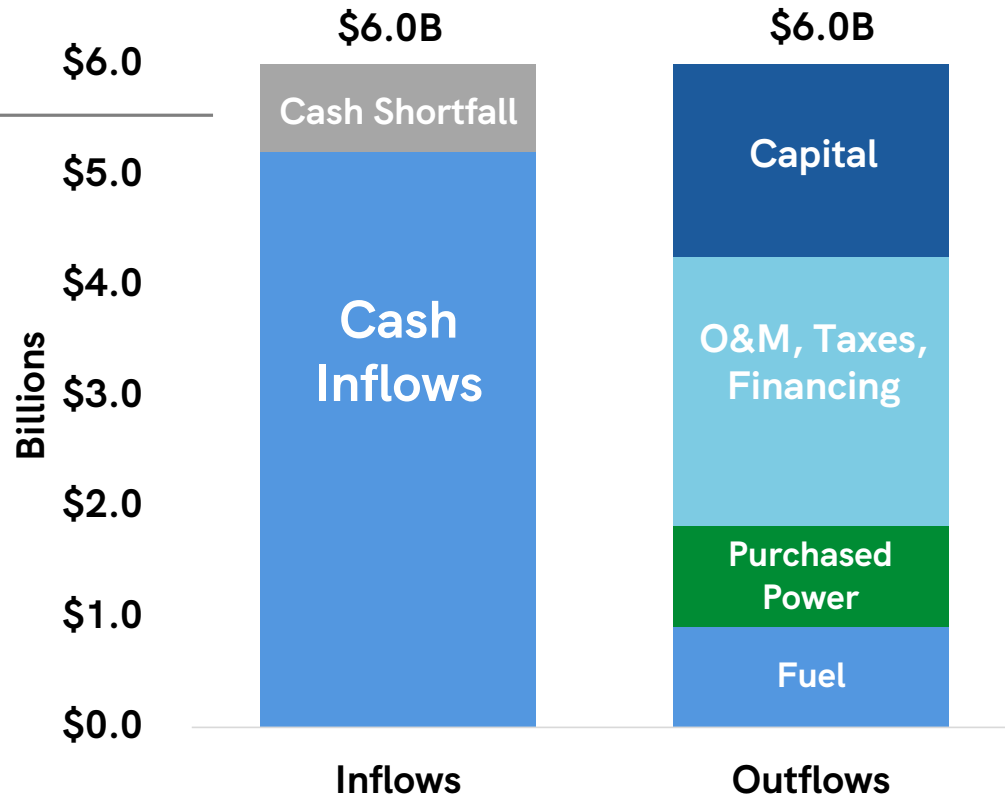
FY26 vs. FY27 Comparison Summary

Metric	FY26	Recommendation:		Summary of Metric
		FY27 w/o FPPAM Proposal	FY27 w/ FPPAM Proposal	
Combined Net Revenues	\$201M	\$80M	\$2M	Revenues minus expenses
Funds Available	\$706M	\$626M	\$548M	Revenues minus cash expenses
Debt Ratio*	47.9%	49.0%	49.5%	Percentage of assets funded by debt
Debt Issuance	\$810M	\$839M	\$919M	Projected borrowing needs
General Fund Target	\$625M	\$650M	\$650M	Year-end cash balance
Days Cash	41	40	40	Days of expenses General Fund can cover

*The debt ratio includes planned revenue bonds.

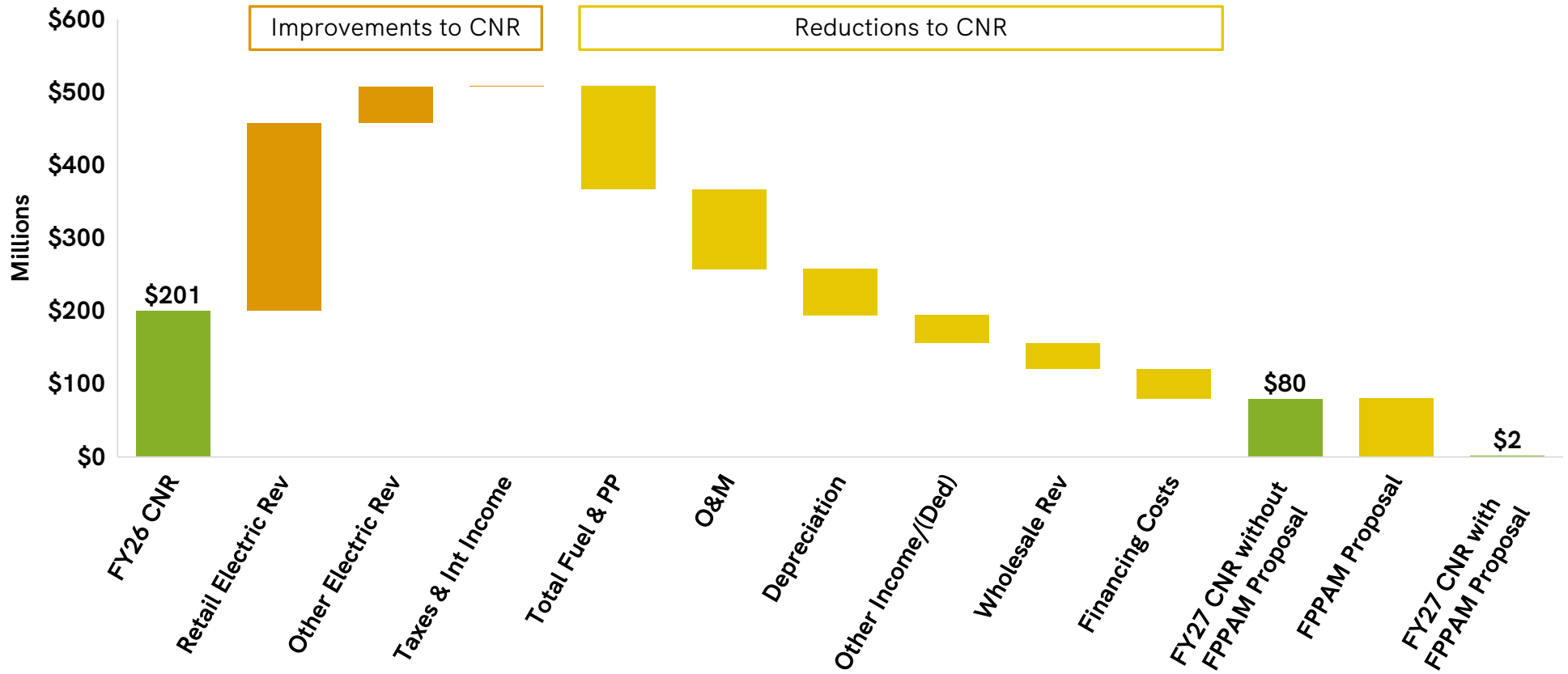
FY27 Cash Inflows & Outflows

Address Cash Shortfall:
Treasury will seek Board and Council approval during FY27 for issuance of revenue bonds



Combined Net Revenues

FY27 CNR lower than FY26 due to increased expenses and potential FPPAM decrease



Details found in the Supporting Details section, pages 35-53

Workforce: Table of Organization (T.O.)

No increases due to reprioritizing resources

	FY26 Workforce		Transfers	New Positions	FY27 Workforce
	Regular	Provisionals			Regular
President & Staff	40	0	0	0	40
General Manager	4	0	2	0	6
Public Affairs & Corporate Services	525	1	35	0	561
Community, Communication & Marketing	158	0	0	0	158
Financial & Information Services	605	0	137	0	742
Power System	1,669	0	(67)	0	1,602
Customer Operations	1,797	4	153	0	1,954
Law, Land & Security	190	0	(24)	0	166
Water Stewardship	420	0	2	0	422
Corporate Planning & Strategy	228	0	(228)	0	0
Human Resources (includes PERA)	168	0	0	0	168
Managed Development Program	230	0	(1)	0	229
Total Allocated	6,034	5	9	0	6,048
Unallocated	30	0	(9)	0	21
Total	6,064	5	0	0	6,069
	6,069				

Details found in the Workforce section, pages 127-129

Responses to Questions

| Responses to Emailed Questions

Question: For the budget book page 47- can the bullets under electric depreciation be broken down financially?

Electric Depreciation \$760,111,000

The \$62.7 million increase in Electric Depreciation expense is due to several contributing items including:

- Plant expansion at Coolidge and betterments at existing generating stations including Palo Verde, Coronado, Four Corners, Coolidge, Kyrene, Agua Fria, and Santan.
- Plant additions of Bonnybrooke and Copper Crossing solar projects.
- Increases for transmission and distribution assets for items including conduit, conductor, poles, line transformer, services, and substations due to system growth.

Answer: Below is the financial breakout of the bullet points. This financial breakout represents the primary drivers for the increase in annual depreciation from the FY26 approved budget to the FY27 proposed budget:

- \$22M - Coolidge Plant Expansion & Betterments
- \$4M - Palo Verde
- \$4M - Coronado
- \$9M - Four Corners
- \$9M - Kyrene, Agua Fria, Santan
- \$4M - Bonnybrooke (Acquisition of Solar Project)
- \$2M - Copper Crossing Solar Project
- \$11M - Transmission & Distribution Assets

| Responses to Emailed Questions

Question: For page 61 can we get a breakdown of what “& staff” means for President & Staff

President & Staff

The Office of President & Staff is comprised of three areas: the President’s Office, the Corporate Secretary’s Office, and Corporate Audit Services. Each area works with management to establish policies and procedures to further the business affairs of SRP.

President & Staff \$646,000

The President & Staff budget includes the operating costs for the President, Vice President, and direct staff. There was no change to the budget.

Answer: The Office of President & Staff is comprised of three areas: the President’s Office (President & Staff), the Corporate Secretary’s Office, and Corporate Audit Services.

Each area works with management to establish policies and procedures to further the business affairs of SRP.

- President’s Office (President & Staff): 3 T.O. including President, Vice President, and Executive Coordinator
- Corporate Secretary's Office: 18 T.O. including Corporate Secretary, Assistant Corporate Secretary, Manager, Supervisor, (6) Analysts, and (8) Technicians
- Corporate Audit Services: 19 T.O. including Corporate Auditor, Assistant Corporate Auditor, (2) Senior Managers, (13) Auditors, and (2) Technicians

| Responses to Emailed Questions

Question: Page 82 can you breakdown the two types of purchased power into separate numbers.

Answer: The two types of purchased power are broken down below and can also be found on page 42 along with additional information on page 43.

\$912,541,000 Purchased Power

\$505,873,000: Purchased Power Energy

\$406,668,000: Purchased Power Demand

Responses to Emailed Questions

Question: 156 describe “future resources” line item.

FP27 (Millions)	FY27	FY28	FY29	FY30	FY31	FY32	6-year
Marigold Energy Center	\$117.6	\$84.4	\$127.5	\$109.6	\$657.5	\$255.5	\$1,352.1
Third Party Developer Transmission Network Upgrades	63.8	80.1	117.5	57.0	63.0	-	381.4
Future, Non-Committed Natural Gas	-	-	-	-	41.3	37.2	78.5
Long Duration Energy Storage Pilot	<u>3.8</u>	=	=	=	=	=	<u>3.8</u>
Future Resources	\$185.2	\$164.5	\$245.0	\$166.6	\$761.8	\$292.7	\$1,815.8

Answer: The Future Resources line item includes funding to develop and implement future resources. This line item is part of Resource Management’s Capital with further information on page 123.

For FP27, this line item includes projected capital costs for substation, interconnection, and shared network upgrade costs for Marigold Energy Center, which is comprised of solar, battery energy storage, and natural gas generation. Development of Marigold Energy Center is anticipated to be phased with solar and storage targeted to be online in FY29, and natural gas to be online targeting FY33.

Further, it includes costs for third-party developer transmission network upgrades that are critical for ensuring timely integration of new resources and alignment with operational needs. Also included is funding for the site preparation and interconnection infrastructure for the Long Duration Energy Storage Pilot, which assumes a 20 MW project with a targeted online date of April 2028. These projects advance SRP’s system strategies representing investments in renewable energy and storage and firm capacity balancing affordability, reliability, and sustainability.

FY27 Operating Budget

Requesting Approval of FY27 Operating Budget on 3/26/2026 including:

- Multi-Year Contracts
- FY27 Water Function Budget including the Falling Water Allocation

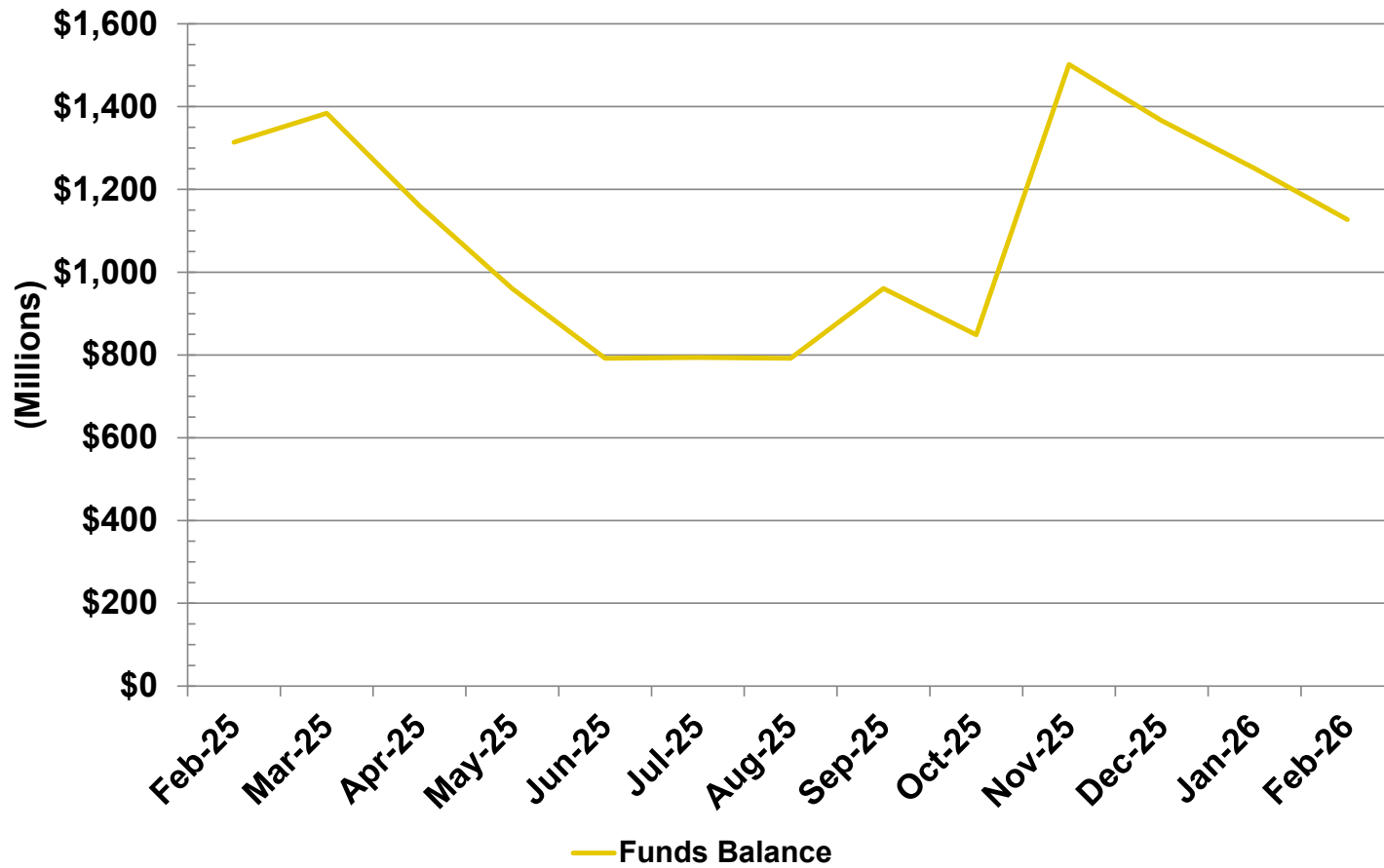
thank you!



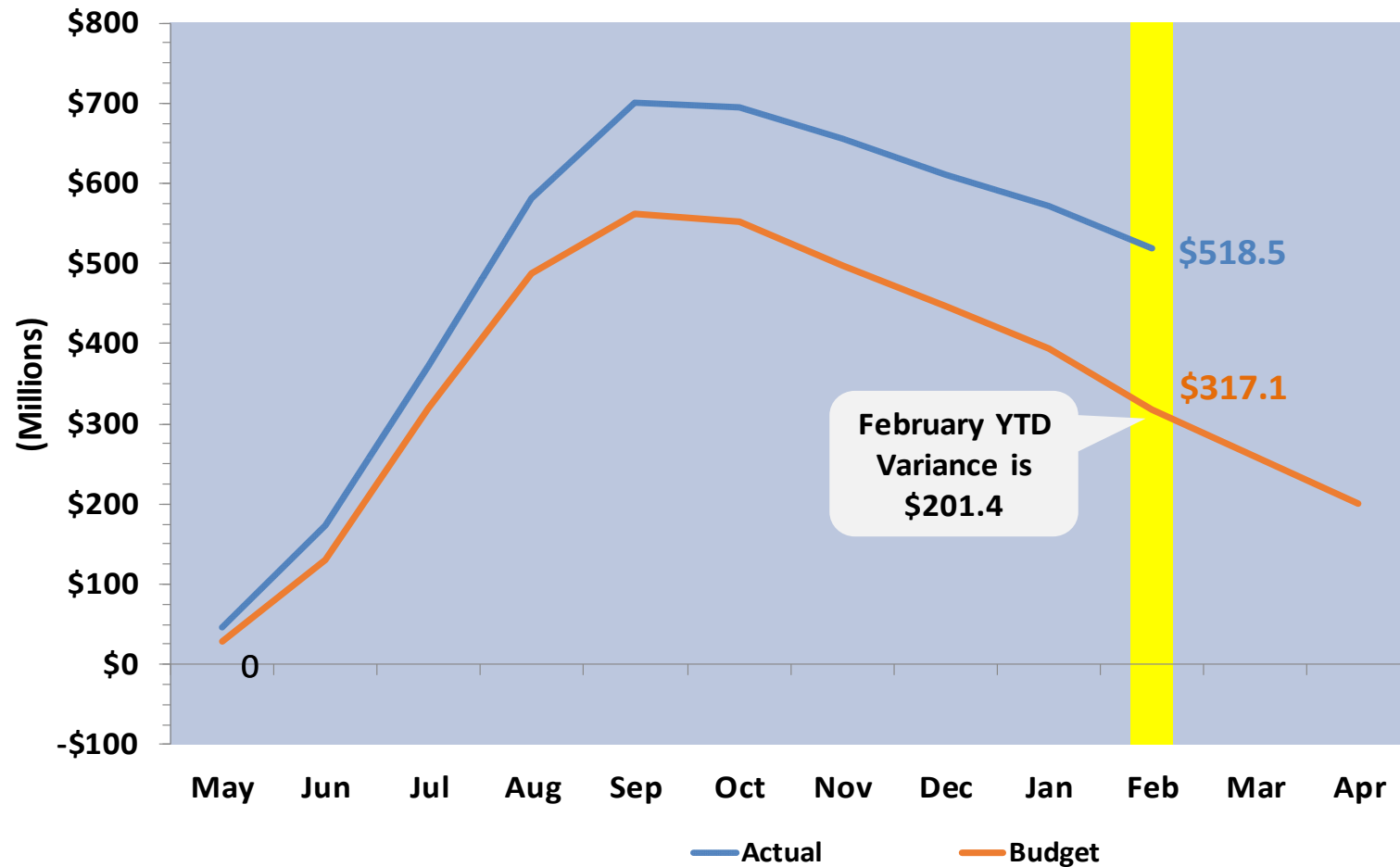
Monthly Financial Report February 2026

Finance & Budget Committee Meeting
Jeremy T. Fry | March 24, 2026

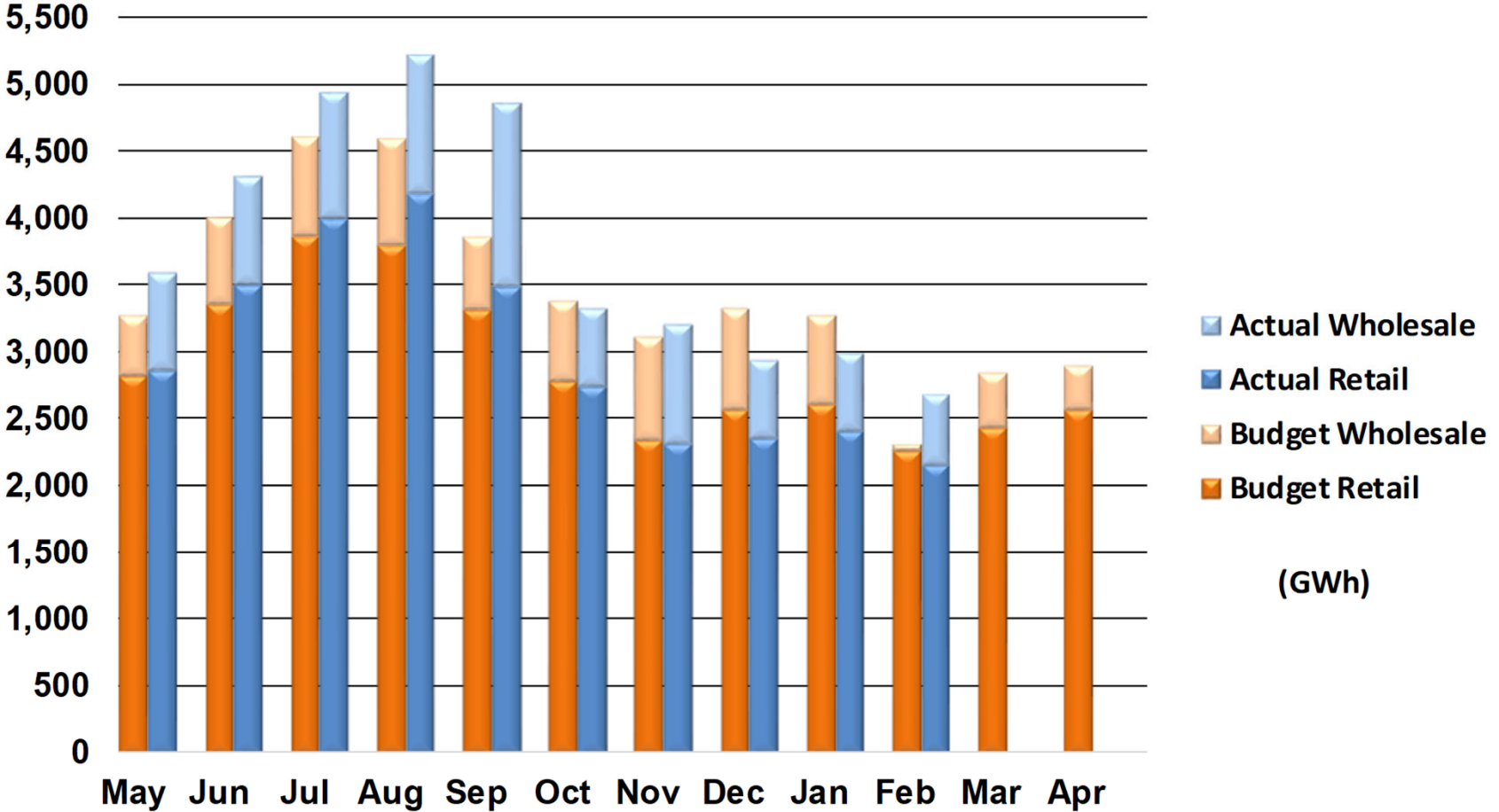
Liquidity



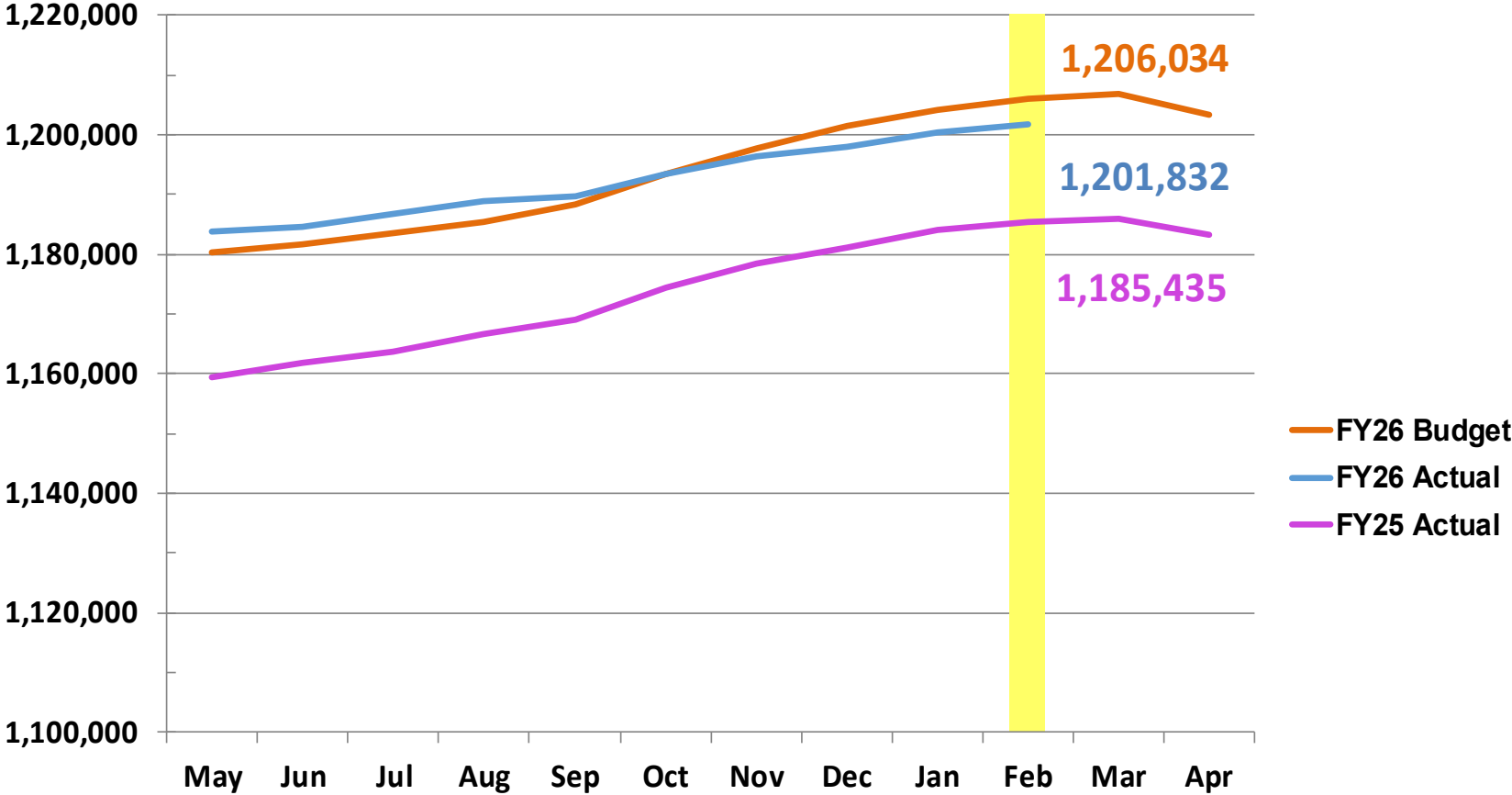
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary - February 2026

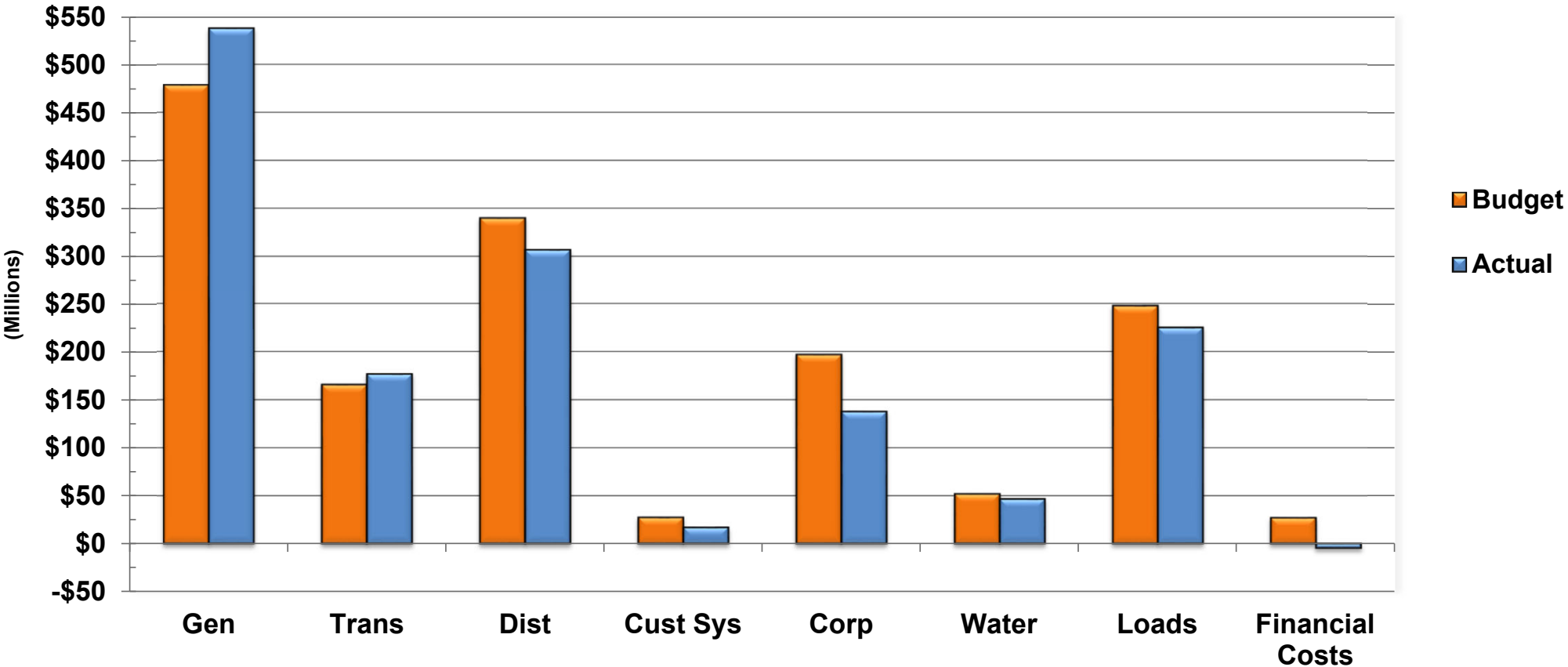
(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating Revenues	\$ 267,622	\$ 257,188	\$ 10,434
Operating Expenses			
Fuel	111,731	114,360	(2,629)
O&M	123,392	131,132	(7,740)
Depr & Tax	74,445	75,055	(610)
Total Operating Expenses	309,568	320,547	(10,979)
Net Financing Costs	19,396	17,960	1,436
Other, Net	8,639	5,394	3,245
Combined Net Revenues	<u>\$ (52,703)</u>	<u>\$ (75,925)</u>	<u>\$ 23,222</u>

Key Financial Indicators - YTD February 2026

(Thousands)	Actual	Budget	Variance
Funds Available	\$ 1,002,744	\$ 739,181	\$ 263,563
Total Debt Service Coverage Ratio	4.10	3.58	0.52
Debt Ratio*	46.8	47.9	(1.1)
Capital Expenditures	\$ 1,441,842	\$ 1,534,472	\$ (92,630)

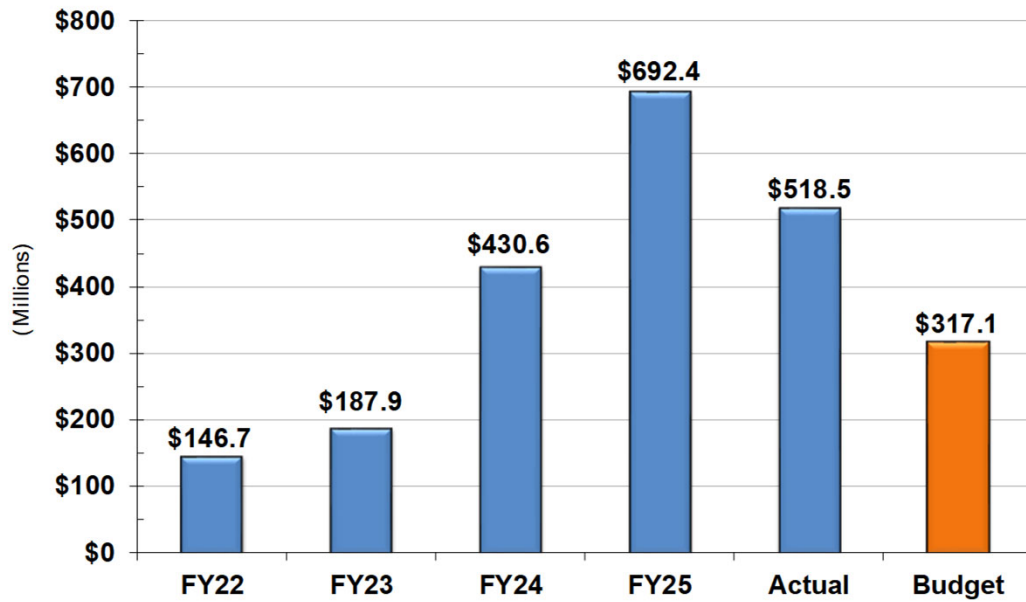
***Debt Ratio represents Projected Actual compared to Annual Budget**

Capital Expenditures - YTD February 2026





CNR without Fair Value Adjustments - YTD February 2026

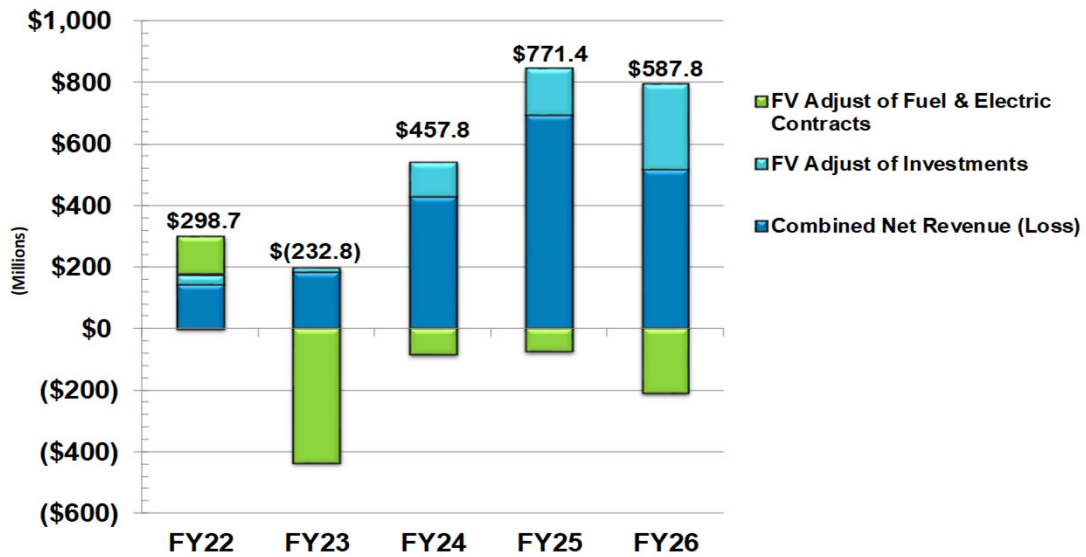


03/24/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 1

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CNR with Fair Value Adjustments - YTD February 2026

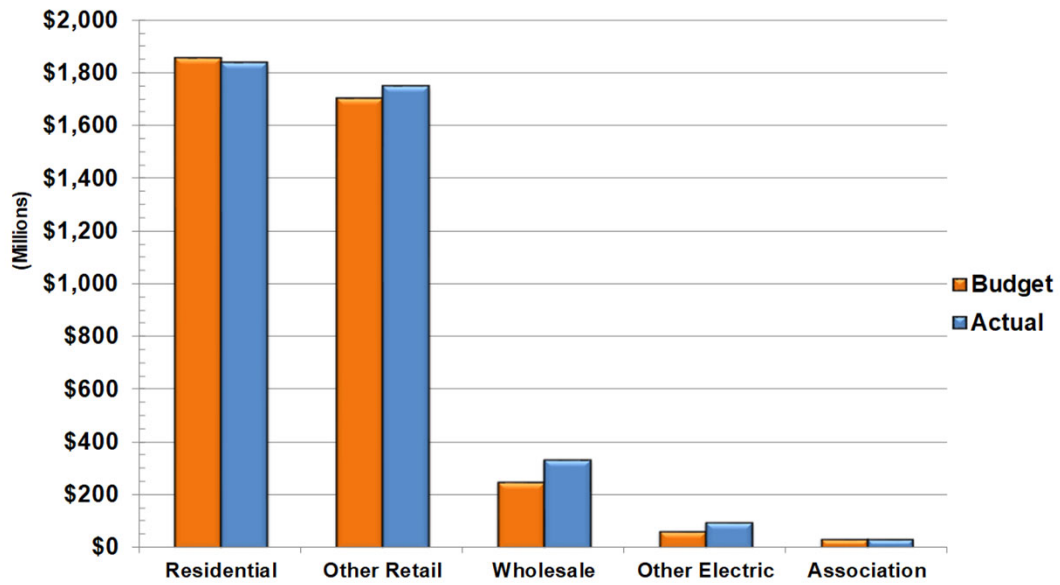


03/24/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 2

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Combined Operating Revenues - YTD February 2026

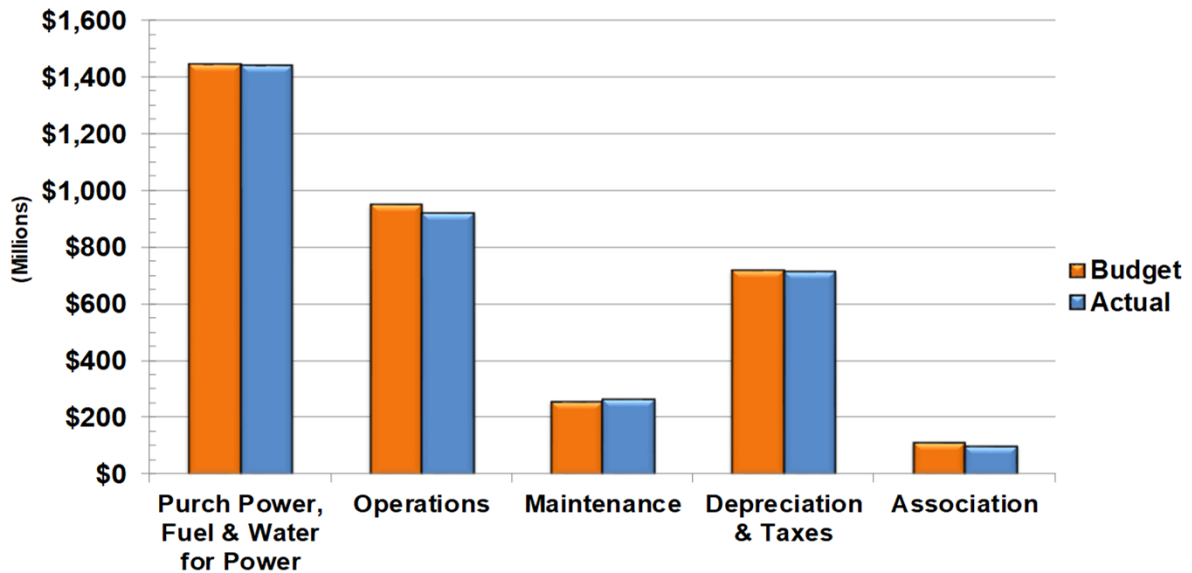


03/24/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 3

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Combined Expenses - YTD February 2026

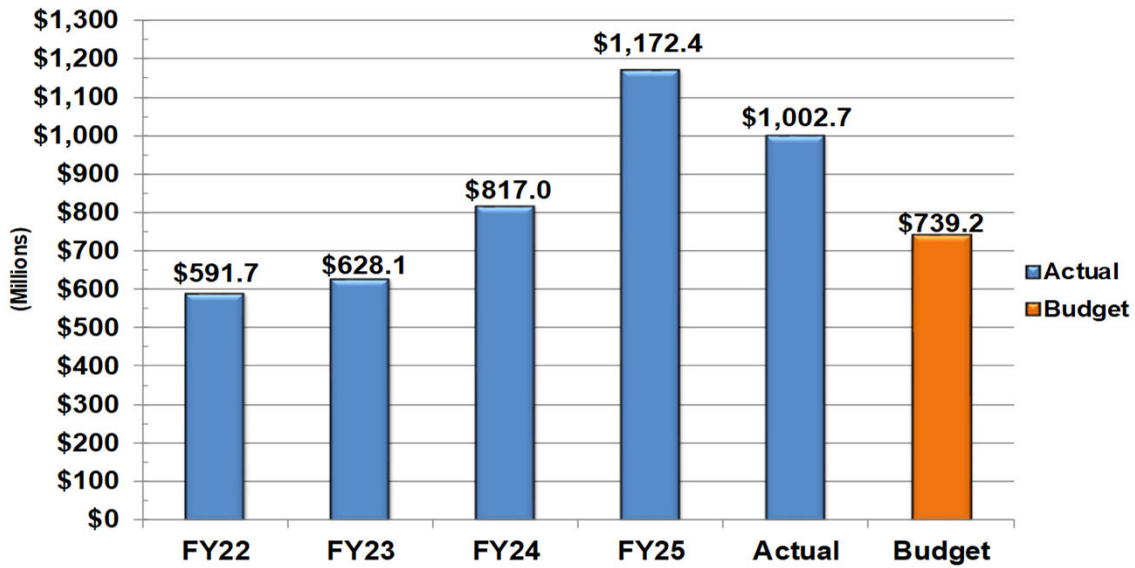


03/24/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 4

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Funds Available - YTD February 2026

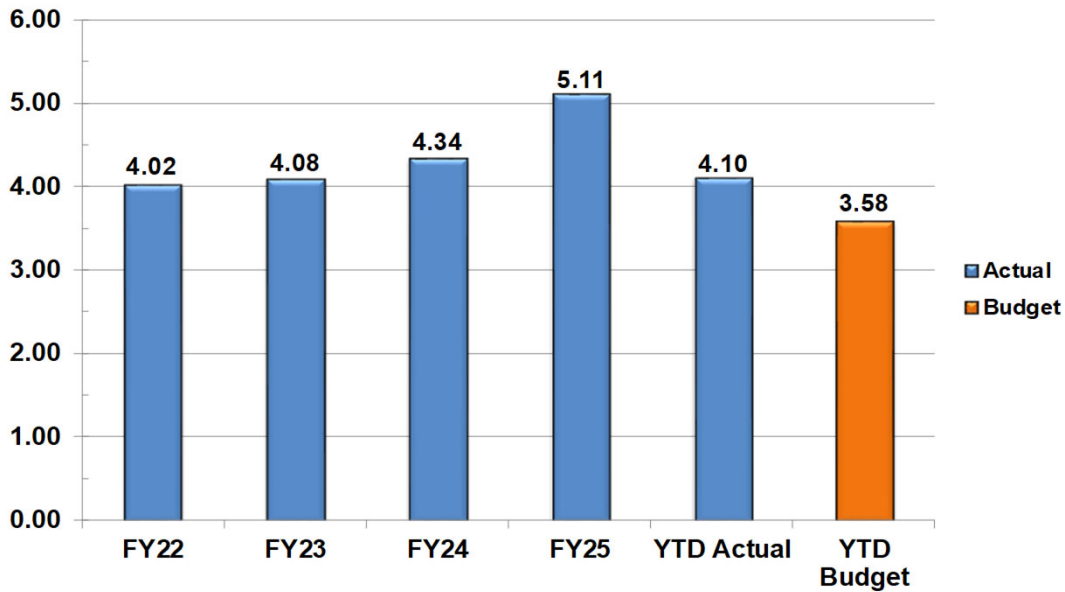


03/24/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 5

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Total Debt Service Coverage Ratio - YTD February 2026

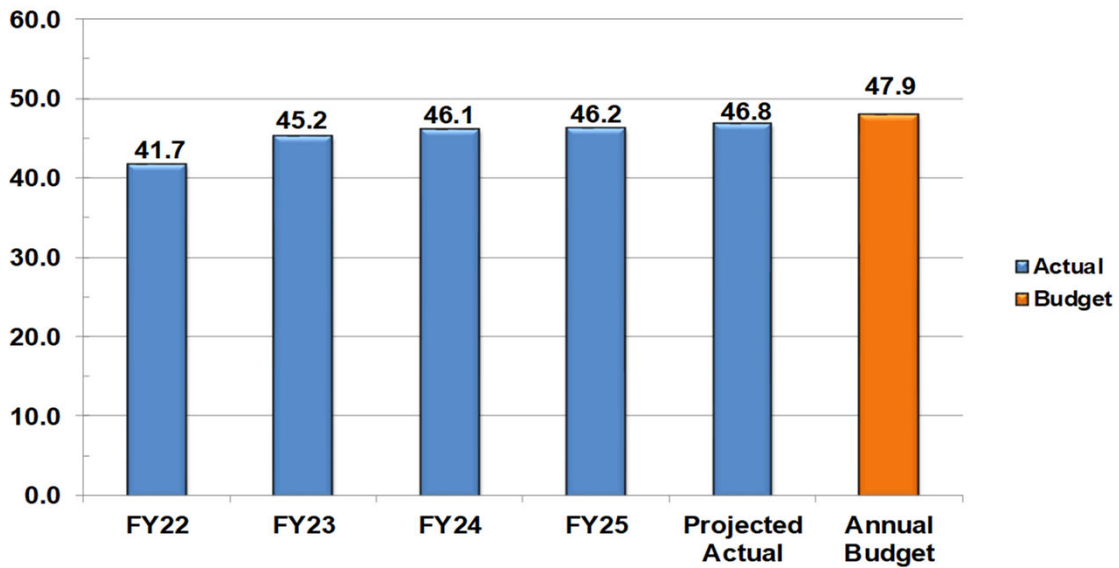


03/24/2026 Board Meeting, J. T. Fry

(Non-GAAP, Unaudited) 6

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Debt Ratio - YTD February 2026



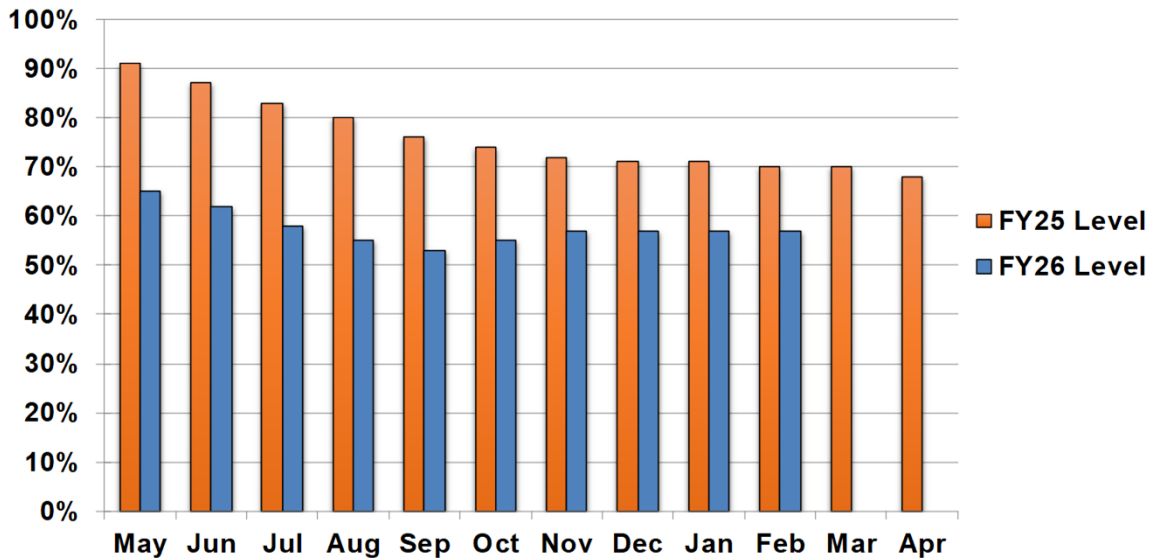
Note: Prior Years and Budget are Fiscal Year-End Ratios

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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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