

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

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**DISTRICT COUNCIL**  
**Tuesday, June 2, 2026, 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 5, 2026  
..... CHAIR ROCKY SHELTON
2. Council Committee Chairs and Liaisons Reports ..... CHAIR ROCKY SHELTON
3. Discussion and Appointment to Fill a Council Vacancy in Division 7  
..... CHAIR ROCKY SHELTON
4. Upcoming Proposed Revenue Bond Sale..... BRIAN KOCH and JON HUBBARD

Informational presentation regarding an update on the upcoming proposed revenue bond sale.

5. Economic Outlook ..... PAUL BACHMAN

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.

6. Executive Session, Pursuant to A.R.S. §38 431.03 (A)(3) and (A)(4), to Have Discussion or Consultation with Attorneys for Legal Advice Regarding Election Challenge Regarding Lupe Conchas, Jr. Pending in Maricopa County Superior Court, CV2026-016040 Schifferer Vs. Conchas, Jr. and Salt River Project and, Pursuant to A.R.S. §38 431.03 (A)(3), for Legal Advice for a Compensation Issue Regarding Lupe Conchas, Jr. ..... MICHAEL O'CONNOR

7. Report on Current Events by the General Manager and Chief Executive Officer and Designees ..... JIM PRATT
  - A. Power System .....BOBBY OLSEN
  - B. Water Stewardship .....LESLIE MEYERS

8. Reservoir Report / Weather Report .....TIM SKARUPA
9. President's Report..... PRESIDENT CHRIS DOBSON
10. 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 4, 2026**





# **SAFETY MINUTE**

**SRP Council**

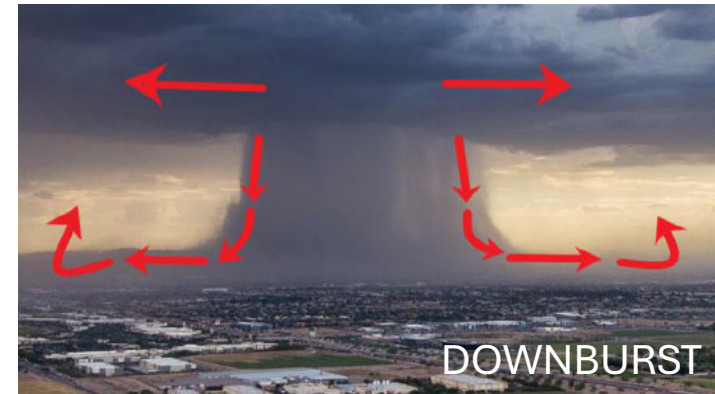
**Sara McCoy**  
**Director, Risk Management**  
**June 2, 2026**



## SAFETY MINUTE: MONSOON SEASON

- Arizona: June 15 to September 30
  - Downbursts
  - Dust storms
  - Thunderstorms
- Prepare before a storm
- Stay indoors, decide not to drive

*Outages or downed lines or poles?  
Call SRP 602-236-8888*





MINUTES OF COUNCIL  
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER  
DISTRICT

**DRAFT**

May 5, 2026

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 5, 2026, 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 R. Shelton called the meeting to order, and Corporate Secretary J. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona  
April 28, 2026

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 5, 2026, 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 28th day of April 2026.

/s/ John R. Shelton  
Council Chair

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

Council Members present at roll call were Council Chair R. Shelton; and J. Augustine, N. Brown, T. Francis, A. Freeman, G. Geiger, E. Gorseger, A. Gullick, R. Gutierrez, A. Hatley, A. Herrera, R. Kolb, D. Lamoreaux, W. Lines, R. Miller, S. Naylor, E. Pedersen, I. Rakow, M. Rakow, C. Resch-Geretti, W. Schrader III, W. Sheely, R. Swier, J. Travise, S. Travise, and P. Van Hofwegen.

Council Members absent at roll call were B. Brooks and C. Leatherwood.

Also present were President C. Dobson; Vice President B. Paceley; Council Member M. Freeman of the Association; Board Liaison M. Herrera; Board Member M. Harlan;

I. Avalos, A. Chabrier, D. Cox, A. Davis, J. Felty, L. Hobaica, J. Hubbard, V. Kisicki, B. Koch, K. Lee, C. McJunkin, K. Morrison, M. O'Connor, B. Olsen, D. Patterson, J. Pratt, C. Sifuentes-Kohlbeck, A. Tanner, and R. Taylor of SRP; retiring Council Members J. Miller, M. Mulligan, and M. Pedersen; the Honorable Christopher Whitten, Judge of the Maricopa County Superior Court; and Diane Aiello, Steve Benton, Yancey Brown, Adrienne Buck, Melissa Galarza, Neal Haddad, Gordon Hunegs, Sherri Johnson, Richard Kahne, Stephanie Kahne, Mark Lewis, Alex Logvin, Melanie Magisos, Richard Miller, Stephen Miller, Michael Perry, and Frank Sotomayor, members 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 Council of the District meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, May 1, 2026.

### Safety Minute

Using a PowerPoint presentation, Denny Cox, SRP Senior Manager of Safety Services, provided a safety minute regarding summer break 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.

### Oaths of Office

Michael O'Connor, SRP Associate General Manager and Chief Legal Executive, stated that the first item of business on the agenda was to administer the Oaths of Office to the newly-elected Council Members. They introduced the Honorable Christopher Whitten, Judge of the Maricopa County Superior Court, who administered the Oaths of Office to the newly-elected Council Members as a body.

D. Cox of SRP left the meeting during the agenda item. The Honorable Christopher Whitten, Judge of the Maricopa County Superior Court, left the meeting.

### Approval of Minutes

On a motion duly made by Council Member P. Van Hofwegen, seconded by Council Member E. Gorseigner and carried, the Council approved the minutes for the meeting of April 14, 2026, as presented.

Corporate Secretary J. Felty polled the Council Members on Council Member P. Van Hofwegen's motion to approve the minutes for the meeting of April 14, 2026. The vote was recorded as follows:

YES:	Council Chair R. Shelton; and Council Members J. Augustine, N. Brown, T. Francis, A. Freeman, G. Geiger, E. Gorseger, A. Gullick, R. Gutierrez, A. Hatley, A. Herrera, R. Kolb, D. Lamoreaux, W. Lines, R. Miller, S. Naylor, E. Pedersen, I. Rakow, M. Rakow, C. Resch-Geretti, W. Schrader III, W. Sheely, R. Swier, J. Travise, S. Travise, and P. Van Hofwegen	(26)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members B. Brooks and C. Leatherwood	(2)

### Election of Council Chair and Vice Chair

President C. Dobson announced that the election of the District Chair and Vice Chair of the Council for Fiscal Year 2027 (FY27) 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 P. Van Hofwegen and seconded by Council Member C. Resch-Geretti, 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 FY27.

Corporate Secretary J. Felty polled the Council Members on Council Member P. Van Hofwegen's motion to approve the nomination of J. Rocky Shelton as District Council Chair. The vote was recorded as follows:

YES:	Council Members J. Augustine, N. Brown, T. Francis, A. Freeman, G. Geiger, E. Gorseger, A. Gullick, R. Gutierrez, A. Hatley, A. Herrera, R. Kolb, D. Lamoreaux, W. Lines, R. Miller, S. Naylor, E. Pedersen, I. Rakow, M. Rakow, C. Resch-Geretti, W. Schrader III, W. Sheely, R. Shelton, R. Swier, J. Travise, S. Travise, and P. Van Hofwegen	(26)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members B. Brooks and C. Leatherwood	(2)

Corporate Secretary J. Felty announced that J. Rocky Shleton was elected to the office of District Council Chair for FY27.

On a motion duly made by Council Member G. Geiger and seconded by Council Member W. Schrader III, Suzanne Naylor was nominated as District Council Vice Chair. With no other nominations being made, by acclamation, Suzanne Naylor was declared elected to the office of District Council Vice Chair for FY27.

Corporate Secretary J. Felty polled the Council Members on Council Member

G. Geiger's motion to approve the nomination of Suzanne Naylor as District Council Vice Chair. The vote was recorded as follows:

YES:	Council Members J. Augustine, N. Brown, T. Francis, A. Freeman, G. Geiger, E. Gorsegner, A. Gullick, R. Gutierrez, A. Hatley, A. Herrera, R. Kolb, D. Lamoreaux, W. Lines, R. Miller, S. Naylor, E. Pedersen, I. Rakow, M. Rakow, C. Resch-Geretti, W. Schrader III, W. Sheely, R. Shelton, R. Swier, J. Travise, S. Travise, and P. Van Hofwegen	(26)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members B. Brooks and C. Leatherwood	(2)

Corporate Secretary J. Felty announced that Suzanne Naylor was elected to the office of District Council Vice Chair for FY27.

R. Shelton assumed the Chair of the meeting.

R. Judd of SRP entered the meeting during the agenda item.

#### Resolutions of Appreciation for Outgoing Council Members

Council Chair R. Shelton stated that Resolutions of Appreciation had been prepared in honor of retiring Council Members Mark Farmer, Jacqueline Miller, Mark Mulligan, Mark Pedersen, Nicholas Vanderwey, and Michael Warren. They read aloud the Resolutions of Appreciation for Mark Farmer, Jacqueline Miller, Mark Mulligan, Mark Pedersen, Nicholas Vanderwey, and Michael Warren.

On a motion duly made by Council Member P. Van Hofwegen, seconded by Council Member A. Herrera and carried, the following resolutions were ordered to be spread upon the minutes of this meeting:

**RESOLUTION OF APPRECIATION**

**Mark Farmer**

**WHEREAS**, Mark Farmer was appointed in April of 2003 to the Councils of the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District (collectively "SRP"), ultimately serving as its Vice Chairman and Chairman; and

**WHEREAS**, Mark served on the Councils until his retirement in May of 2026; and

**WHEREAS**, during his 23 years of dedicated service, Mark served SRP with exceptional ability and integrity and earned the respect and admiration of the entire Board and Council for his personal honesty and sincere devotion to all aspects of his duties; and

**WHEREAS**, Mark has been and is now esteemed by the electors and shareholders of SRP, members of the Board and Council, and management of SRP.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the SRP Councils order this Resolution of Appreciation to be spread upon the minutes of this meeting in recognition of Mark's valued years of service; and

**BE IT FURTHER RESOLVED** that the SRP Councils offer their best wishes for the future to Mark and his family and express the desire that Mark will continue to share in the interests of SRP.

**BY ORDER OF THE SRP COUNCILS** this 5th day of May 2026.

**RESOLUTION OF APPRECIATION**

**Jacqueline Miller**

**WHEREAS**, Jacqueline Miller was appointed in January of 2002 to the Councils of the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District (collectively "SRP"); and

**WHEREAS**, Jacqueline served on the Councils until her retirement in May of 2026; and

**WHEREAS**, during her 24 years of dedicated service, Jacqueline served SRP with exceptional ability and integrity and earned the respect and admiration of the entire Board and Council for her personal honesty and sincere devotion to all aspects of her duties; and

**WHEREAS**, Jacqueline has been and is now esteemed by the electors and shareholders of SRP, members of the Board and Council, and management of SRP.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the SRP Councils order this Resolution of Appreciation to be spread upon the minutes of this meeting in recognition of Jacqueline's valued years of service; and

**BE IT FURTHER RESOLVED** that the SRP Councils offer their best wishes for the future to Jacqueline and her family and express the desire that Jacqueline will continue to share in the interests of SRP.

**BY ORDER OF THE SRP COUNCILS** this 5th day of May 2026.

**RESOLUTION OF APPRECIATION**

**Mark Mulligan**

**WHEREAS**, Mark Mulligan was elected in May of 2022 to the Councils of the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District (collectively "SRP"); and

**WHEREAS**, Mark served on the Councils until his retirement in May of 2026; and

**WHEREAS**, during his 4 years of dedicated service, Mark served SRP with exceptional ability and integrity and earned the respect and admiration of the entire Board and Council for his personal honesty and sincere devotion to all aspects of his duties; and

**WHEREAS**, Mark has been and is now esteemed by the electors and shareholders of SRP, members of the Board and Council, and management of SRP.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the SRP Councils order this Resolution of Appreciation to be spread upon the minutes of this meeting in recognition of Mark's valued years of service; and

**BE IT FURTHER RESOLVED** that the SRP Councils offer their best wishes for the future to Mark and his family and express the desire that Mark will continue to share in the interests of SRP.

**BY ORDER OF THE SRP COUNCILS** this 5th day of May 2026.

**RESOLUTION OF APPRECIATION**

**Mark Pedersen**

**WHEREAS**, Mark Pedersen was appointed in September of 2008 to the Councils of the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District (collectively "SRP"); and

**WHEREAS**, Mark served on the Councils until his retirement in May of 2026; and

**WHEREAS**, during his 18 years of dedicated service, Mark served SRP with exceptional ability and integrity and earned the respect and admiration of the entire Board and Council for his personal honesty and sincere devotion to all aspects of his duties; and

**WHEREAS**, Mark has been and is now esteemed by the electors and shareholders of SRP, members of the Board and Council, and management of SRP.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the SRP Councils order this Resolution of Appreciation to be spread upon the minutes of this meeting in recognition of Mark's valued years of service; and

**BE IT FURTHER RESOLVED** that the SRP Councils offer their best wishes for the future to Mark and his family and express the desire that Mark will continue to share in the interests of SRP.

**BY ORDER OF THE SRP COUNCILS** this 5th day of May 2026

**RESOLUTION OF APPRECIATION**

**Nicholas Vanderwey**

**WHEREAS**, Nicholas Vanderwey was appointed in June of 2011 to the Councils of the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District (collectively "SRP"); and

**WHEREAS**, Nicholas served on the Councils until his retirement in May of 2026; and

**WHEREAS**, during his 15 years of dedicated service, Nicholas served SRP with exceptional ability and integrity and earned the respect and admiration of the entire Board and Council for his personal honesty and sincere devotion to all aspects of his duties; and

**WHEREAS**, Nicholas has been and is now esteemed by the electors and shareholders of SRP, members of the Board and Council, and management of SRP.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the SRP Councils order this Resolution of Appreciation to be spread upon the minutes of this meeting in recognition of Nicholas' valued years of service; and

**BE IT FURTHER RESOLVED** that the SRP Councils offer their best wishes for the future to Nicholas and his family and express the desire that Nicholas will continue to share in the interests of SRP.

**BY ORDER OF THE SRP COUNCILS** this 5th day of May 2026.

**RESOLUTION OF APPRECIATION**

**Michael Warren**

**WHEREAS**, Michael Warren was appointed in October of 2021 to the Councils of the Salt River Valley Water Users’ Association and the Salt River Project Agricultural Improvement and Power District (collectively “SRP”); and

**WHEREAS**, Michael served on the Councils until his retirement in May of 2026; and

**WHEREAS**, during his nearly 5 years of dedicated service, Michael served SRP with exceptional ability and integrity and earned the respect and admiration of the entire Board and Council for his personal honesty and sincere devotion to all aspects of his duties; and

**WHEREAS**, Michael has been and is now esteemed by the electors and shareholders of SRP, members of the Board and Council, and management of SRP.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the SRP Councils order this Resolution of Appreciation to be spread upon the minutes of this meeting in recognition of Michael’s valued years of service; and

**BE IT FURTHER RESOLVED** that the SRP Councils offer their best wishes for the future to Michael and his family and express the desire that Michael will continue to share in the interests of SRP.

**BY ORDER OF THE SRP COUNCILS** this 5th day of May 2026.

Corporate Secretary J. Felty polled the Council Members on Council Member P. Van Hofwegen’s motion to approve the resolutions. The vote was recorded as follows:

- YES: Council Chair R. Shelton; Council Vice Chair S. Naylor; and (26)  
Council Members J. Augustine, N. Brown, T. Francis,  
A. Freeman, G. Geiger, E. Gorsegner, A. Gullick, R. Gutierrez,  
A. Hatley, A. Herrera, R. Kolb, D. Lamoreaux, W. Lines,  
R. Miller, E. Pedersen, I. Rakow, M. Rakow, C. Resch-Geretti,  
W. Schrader III, W. Sheely, R. Swier, J. Travise, S. Travise,  
and P. Van Hofwegen
- NO: None (0)
- ABSTAINED: None (0)
- ABSENT: Council Members B. Brooks and C. Leatherwood (2)

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

#### Council Committee Chairs and Liaisons Reports

Council Chair R. Shelton asked for reports from the Council Committee Chairs and Liaisons to the Standing Board Committees. Council Member M. Rakow reported on discussions held at the Compensation Committee. Council Vice Chair S. Naylor reported on discussions held at the Water Committee. Council Member A. Hatley reported on discussions held at the Facilities and Support Services Committee.

Retiring Council Member J. Miller left during the reports. Council Member C. Leatherwood entered the meeting during the reports.

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

Using a PowerPoint presentation, Jim Pratt, SRP General Manager and Chief Executive Officer, 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.

Council member C. Leatherwood; D. Patterson and A. Tanner of SRP; retiring Council Member M. Pedersen; and Steve Benton, Adrienne Buck, and Gordon Hunegs, members of the public, left the meeting during the report. F. Tune and T. Skarupa of SRP entered the meeting during the report.

#### Status of Power System

Using a PowerPoint presentation, Bobby Olsen, SRP Associate General Manager and Chief Power System Executive, provided an update on SRP's power system. They provided operational updates for April 2026, stating that April's peak demand of 5,555 megawatts (MW) occurred on April 18th, which was 39 MW higher than forecasted, and 338 MW higher than last year's April peak.

B. Olsen provided updates on Criag Unit 1 and FY25 greenhouse gas emissions. They discussed upcoming key projects and decisions.

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 Koch, SRP Associate General Manager and Chief Financial Executive, reviewed financial definitions and the financial summary for

March 2026 and Year-To-Date (YTD). They provided a financial overview of SRP's defining characteristics and key financial levers.

B. Koch discussed the FY27 budget cash inflows and outflows, upcoming bond sale considerations, FY27 forecasted monthly liquidity, and key dates around the bond sale.

Copies of the handout distributed 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.

#### Status of Water Stewardship

Using a PowerPoint presentation, Christa McJunkin, SRP Senior Director of Water Supply and System, provided an update on water stewardship. They stated that SRP has a 2035 community water conservation goal to conserve 5 billion gallons of water through partnerships and highlighted some of the entities that partner with SRP.

C. McJunkin said that since FY21 over 276 million gallons of water have been saved, and discussed the benefits of landscape efficiency, municipal rebate matching, and SRP AZ water - wise kits. They reported that after 43 years at SRP, Charlie Ester will be retiring and thanked them for their contribution to SRP.

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, Tim Skarupa, SRP Senior Manager of Watershed Management, reviewed the cumulative watershed precipitation outlook for Water Year 2026 and precipitation to-date. They discussed the surface runoff and pumping data for April 2026 and YTD.

T. Skarupa 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 April 30, 2026. They provided a seasonal precipitation outlook from May 2026 through July 2026.

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

There was no report by President C. Dobson.

Future Agenda Topics

Council Chair R. Shelton asked the Council if there were any future agenda topics. Council Member C. Resch-Geretti requested that the June Council meeting have an agenda item to fill the vacancy in Council Division 7. Council Member M. Rakow requested a medical benefits update from Human Resources.

There being no further business to come before the Council, the meeting was adjourned at 11:26 a.m.

John Felty  
Corporate Secretary



# 2026 Series Bond Sale

June 2, 2026 | SRP Council Meeting

Brian Koch | Associate General Manager & Chief Financial Executive

Jon Hubbard | Treasurer & Senior Director, Financial Operations & Compliance

# Agenda

- Historical Perspective on Prior Tax-Exempt Revenue Bond Sales
- Need to Address FY27 Cash Shortfall
- Options Considered to Address Budgeted Cash Shortfall
- Recommended Path: Issue Tax-Exempt Revenue Bonds
- Tax-Exempt Revenue Bond Considerations and Timing
- Opportunity to Refinance Existing Tax-Exempt Revenue Bonds
- Use of Proceeds from Proposed Tax-Exempt Revenue Bond Sale
- Market Update
- Proposed Transaction

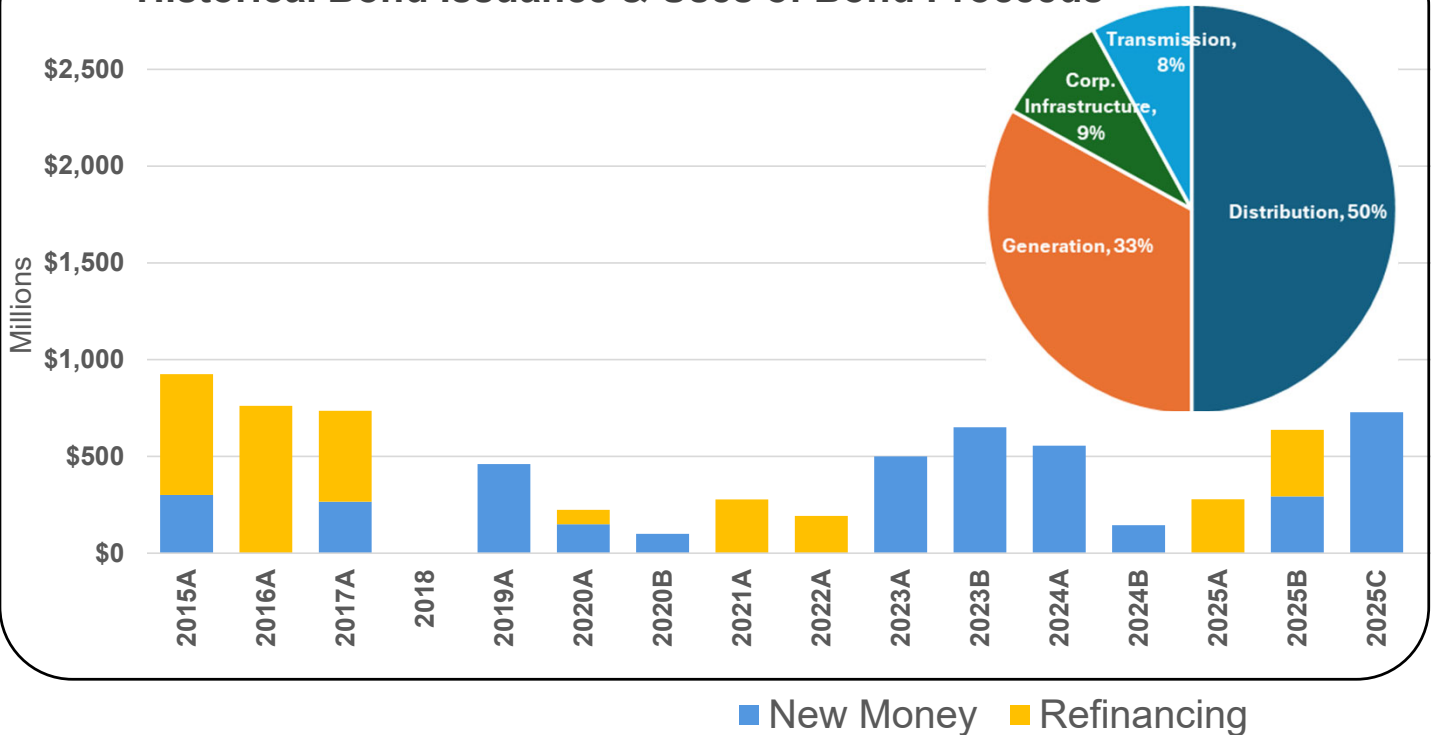
# Historical Perspective on Prior Tax-Exempt Revenue Bond Sales

# Historical Perspective & FP27 Outlook

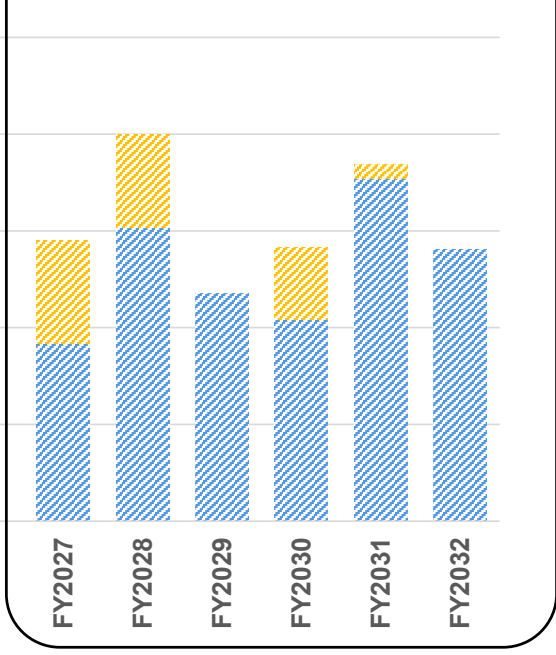
Effective Rate on Bond Portfolio = 3.97% | Total Long-Term Debt \$6.6 Billion

ACC Bonding Authority Balance  
 New Money - \$5.8B  
 Refinancing - \$11.2B

### Historical Bond Issuance & Uses of Bond Proceeds

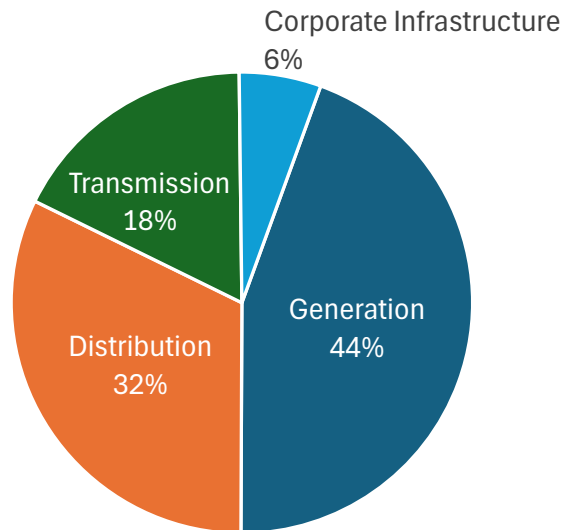


### FP27 Bond Issuance



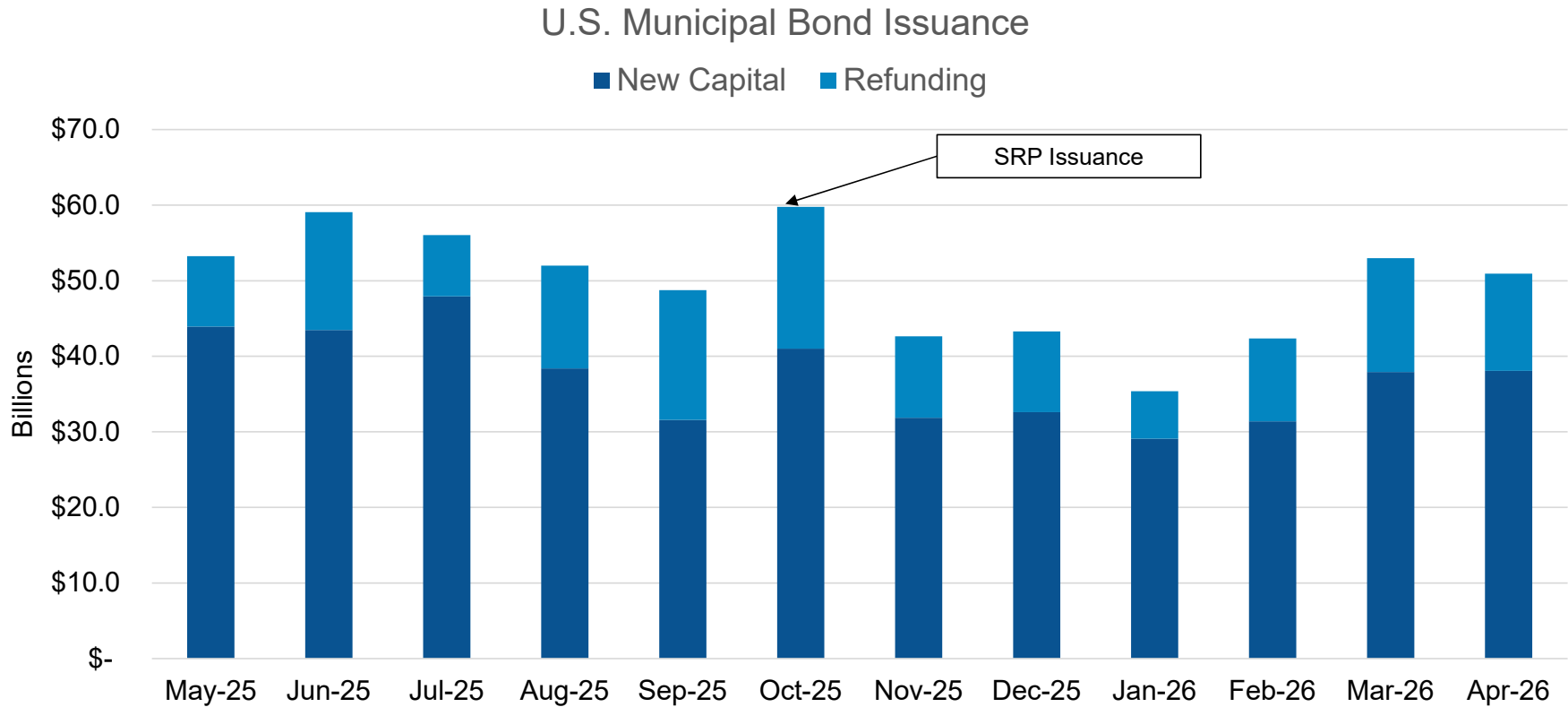
# Use of 2025C Bond Proceeds

- Board & Council Parameter approval allowed for flexibility that led to favorable execution
- Sale executed on 10/14/25 (closed 11/4/2025) with \$778M in proceeds
- Proceeds allocated to capital projects approved in FY26 budget



Project	\$Millions	Project	\$Millions
Coolidge Expansion Project	\$119.0	Agua Fria Capital Projects	\$9.3
Distribution Substation New Business	80.0	Santan Capital Projects	9.2
SRP Pumped Storage	54.1	Commercial New Business	5.8
Palo Verde Capital Projects	52.1	Distribution Station Relaying	5.8
Transmission Stations Additions/Upgrades	46.5	Distribution - Customer Improvements	5.4
Distribution Underground Cable Replacement	31.4	Palo Verde Transmission Sys Improvements	4.6
Customer Modernization IT Upgrade	31.0	PAC Digital Transformation Project	4.5
Gila River Capital Projects	28.6	Southeast Power Link	4.2
Mesquite Capital Projects	26.2	Transmission Station Relaying	4.1
Distribution Transformers	23.9	Copper Crossing Research & Energy Center	4.1
Kyrene Capital Projects	20.1	Rogers System Improvements	2.9
Distribution Stations Additions/Upgrades	18.4	Rudd System Improvements	2.6
Transmission Pole Asset Management	17.3	Browning Bank T2A 500/230kV Xfrmr Addtn	2.5
Transmission Substation Maintenance	17.0	Distribution Facilities	2.2
Distribution Residential & Commercial Services	16.3	HSOC Multi-Site Buildout	2.1
Coolidge Plant Improvement	15.7	Red Hawk 230kv Project	2.1
New Meters	13.7	Transmission Facilities	2.0
Transmission Line Additions	12.3	South Mountain Transmission	1.8
Distribution - System Replacements	11.9	Distribution & Generation SCADA	1.8
Distribution Station Capital Maintenance	11.6	Energy Management System Upgrades	1.7
Transmission Substation New Business	11.5	High-Tech Interconnect Project (HIP)	1.6
Distribution Wood Pole Asset Management Project	10.9	Palo Verde-Pinal Central Betterments	1.4
Distribution Residential New Business	10.7	Transmission SCADA	1.1
Desert Basin Capital Projects	10.2		
Distribution Lines - System Plan	9.6		

# Timing of Last Bond Sale



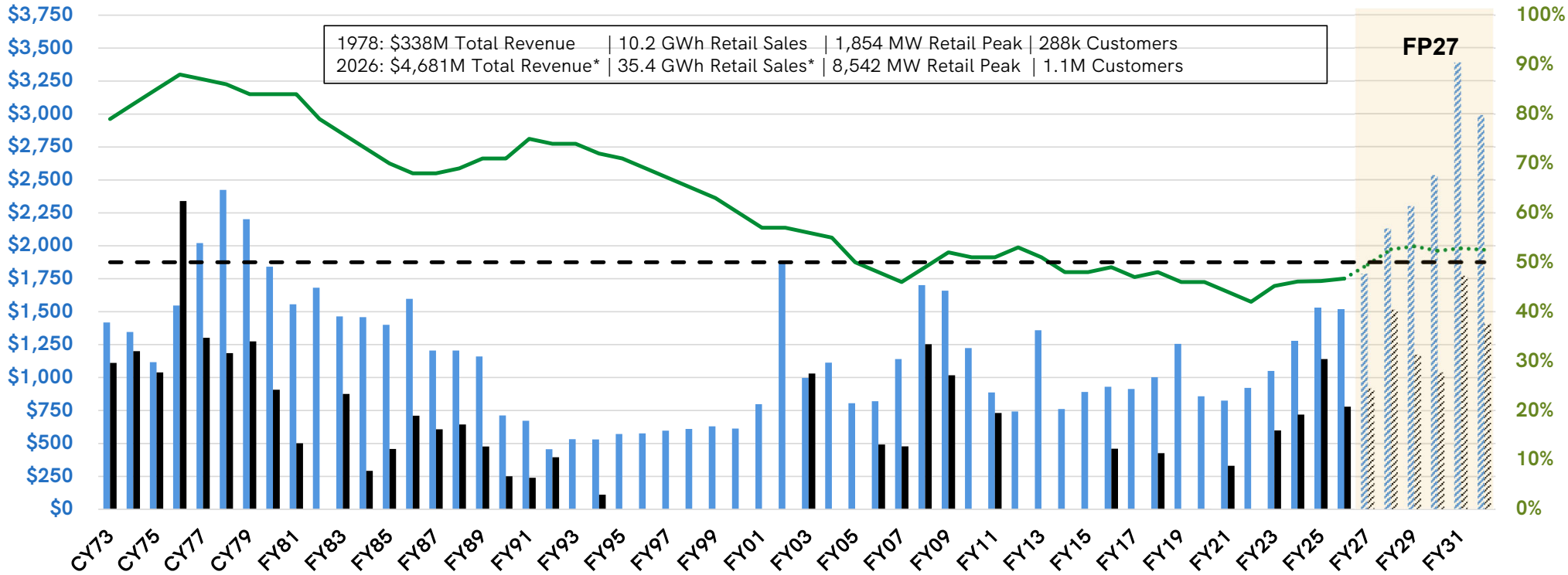
Source: SIFMA, U.S. Municipal Bond Issuance Statistics

# Capital Expenditures (Inflation Adjusted) & Debt Ratio

Projecting level of capital expenditures higher than 1970s when adjusted for inflation

■ Inflation Adjusted CapX   ■ Inflation Adjusted Debt   — Debt Ratio %   - - 50% Debt Ratio

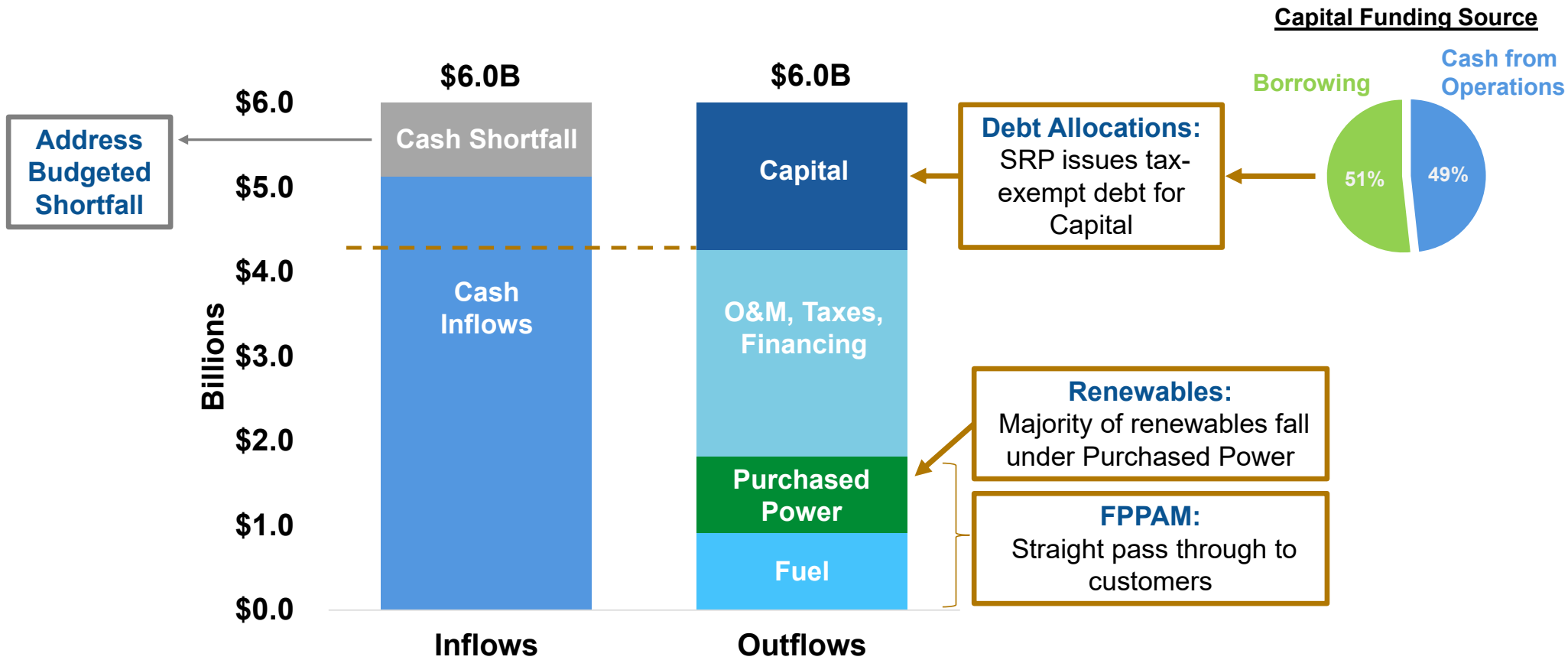
1978: \$338M Total Revenue	10.2 GWh Retail Sales	1,854 MW Retail Peak	288k Customers
2026: \$4,681M Total Revenue*	35.4 GWh Retail Sales*	8,542 MW Retail Peak	1.1M Customers



\*Projected as of 5/29/26

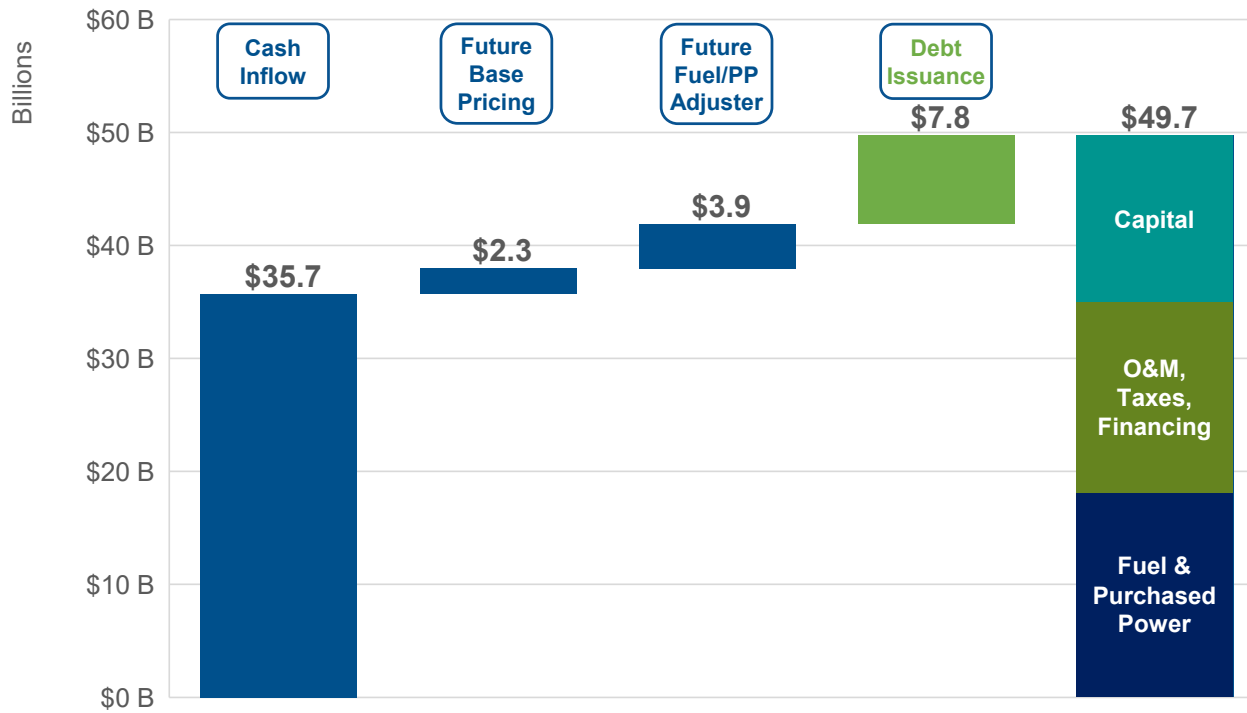
# **Need to Address FY27 Cash Shortfall**

# FY27 Cash Inflows & Outflows

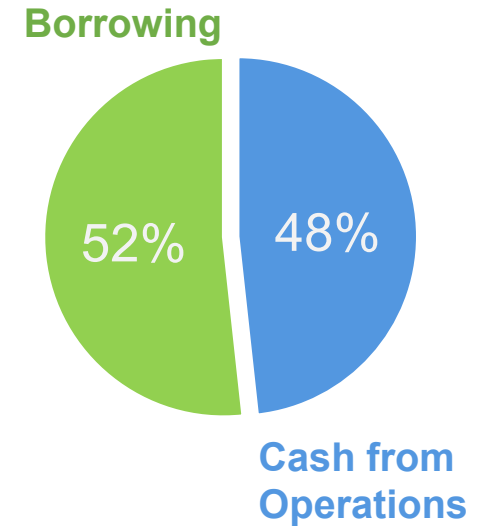


# Six-Year Projected Financing Plan

## Total Cash Flows and Capital Funding Source



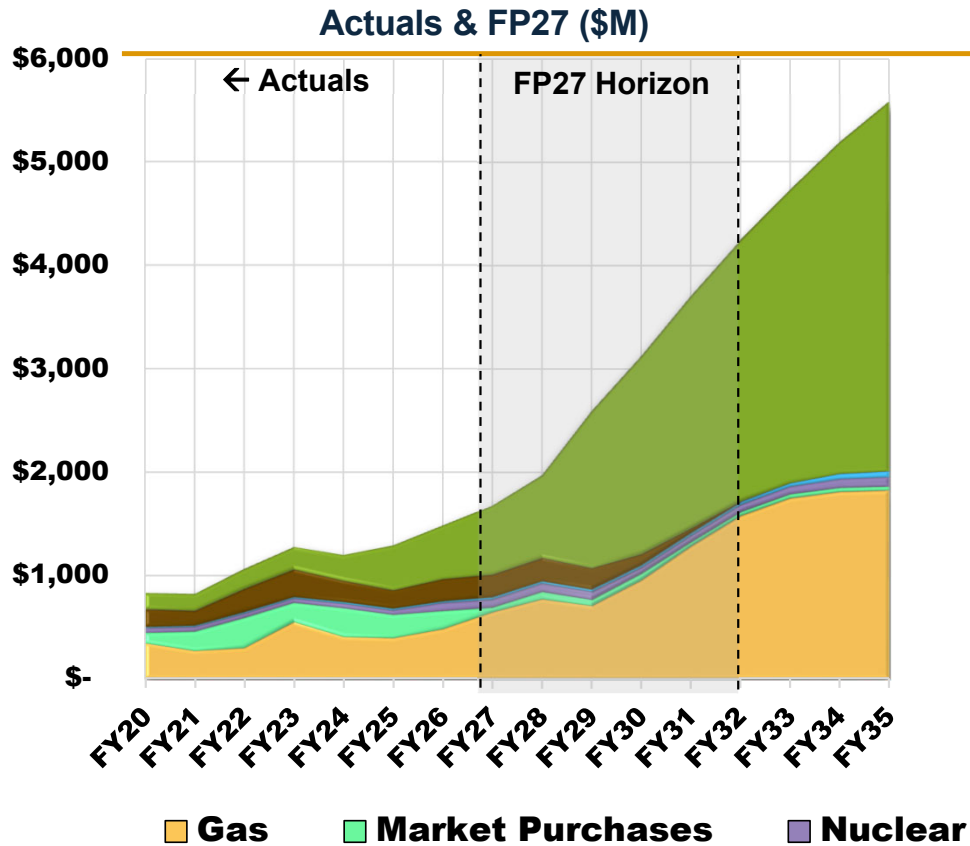
### Capital Funding Source \$15B Capital



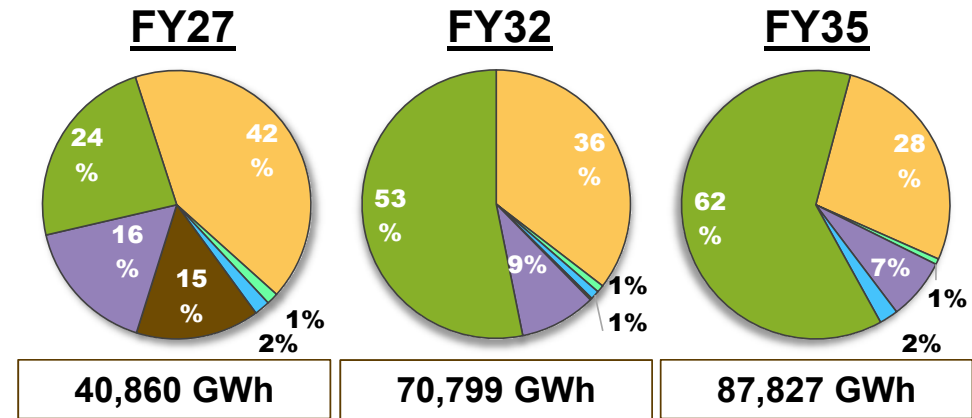
✓ Funding strategy balances affordability with long-term credit strength

# Energy Transition Costs

Retail FPPAM expense climbs from \$1.7B to \$4.2B by FY32; Renewables & Storage drive growth

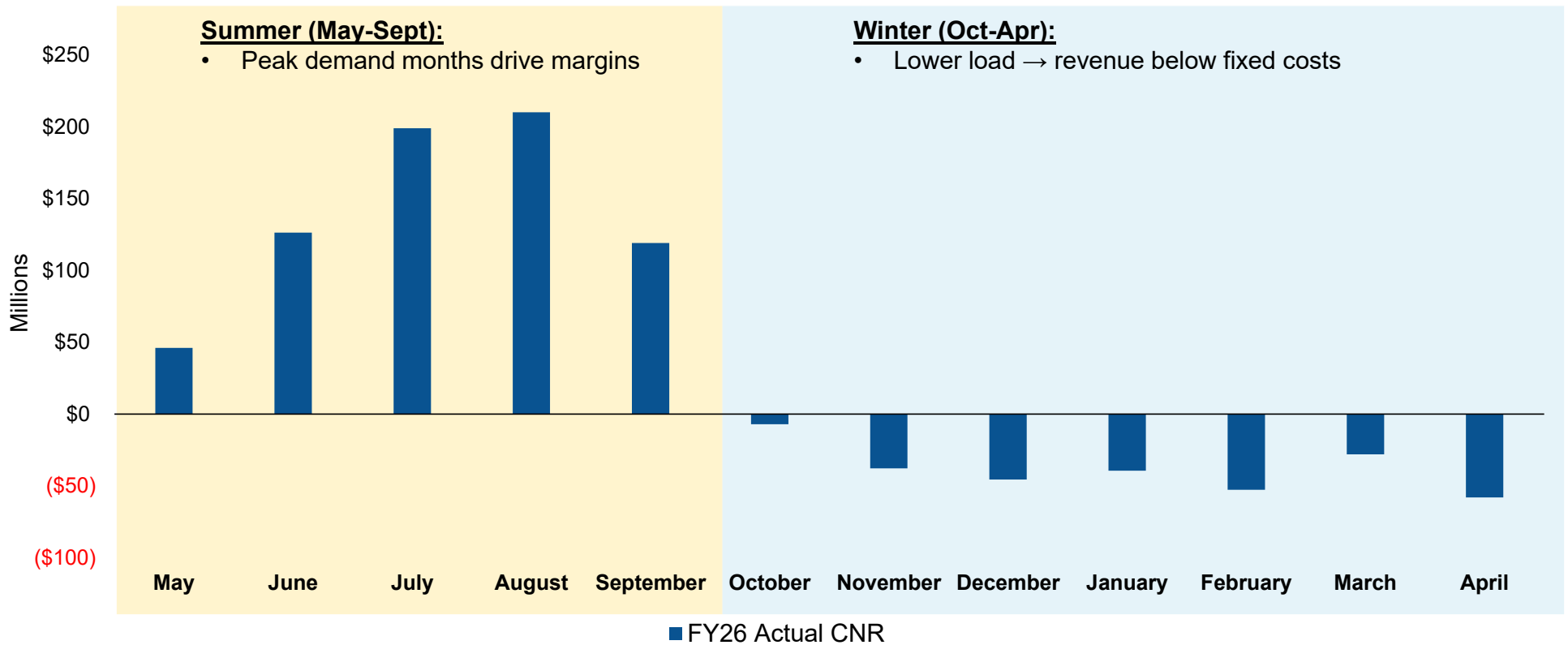


### Retail Energy & Supply Mix



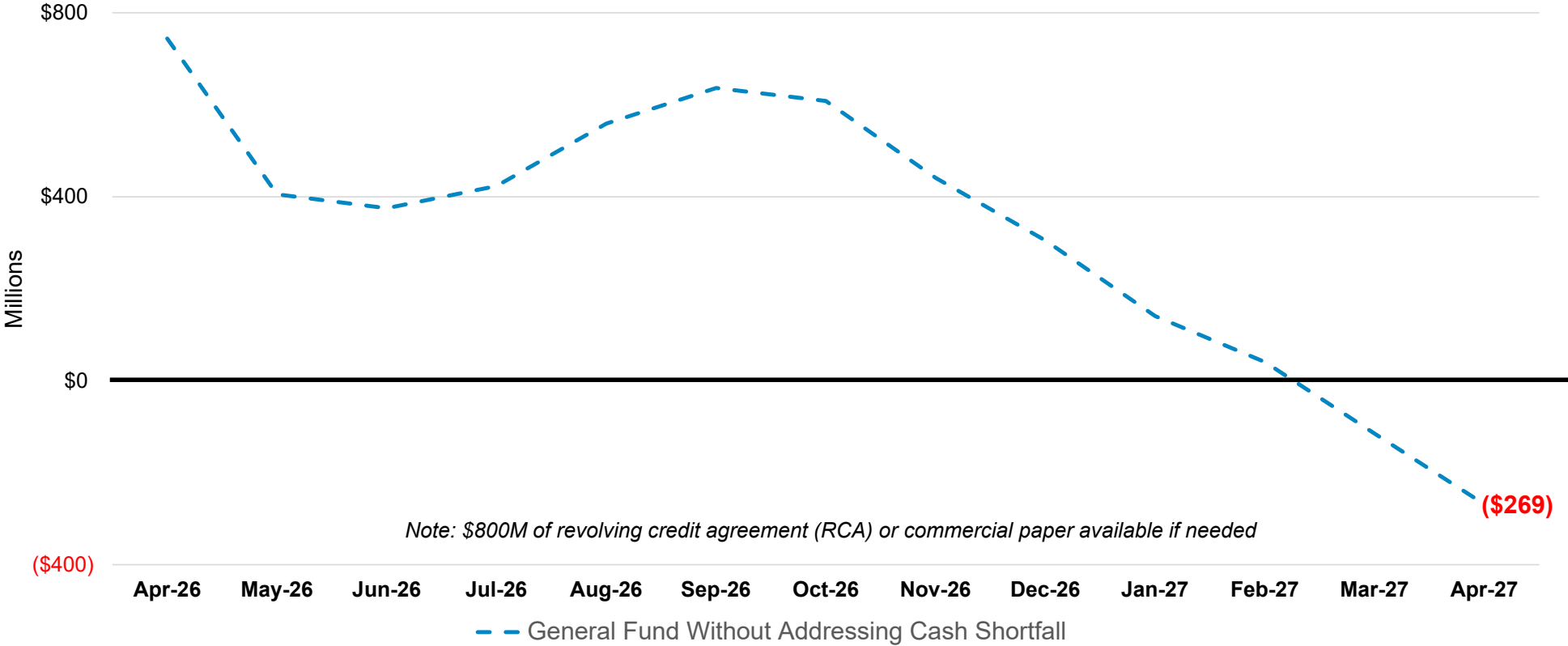
# Seasonal Combined Net Revenue (CNR) Patterns

Budgeted winter losses (Oct-Apr) are offset by summer performance (May-Sept)



*Note: Monthly variability is an expected feature of the budget; full-year CNR remains positive*

# FY27 Forecasted Monthly Liquidity Without Action



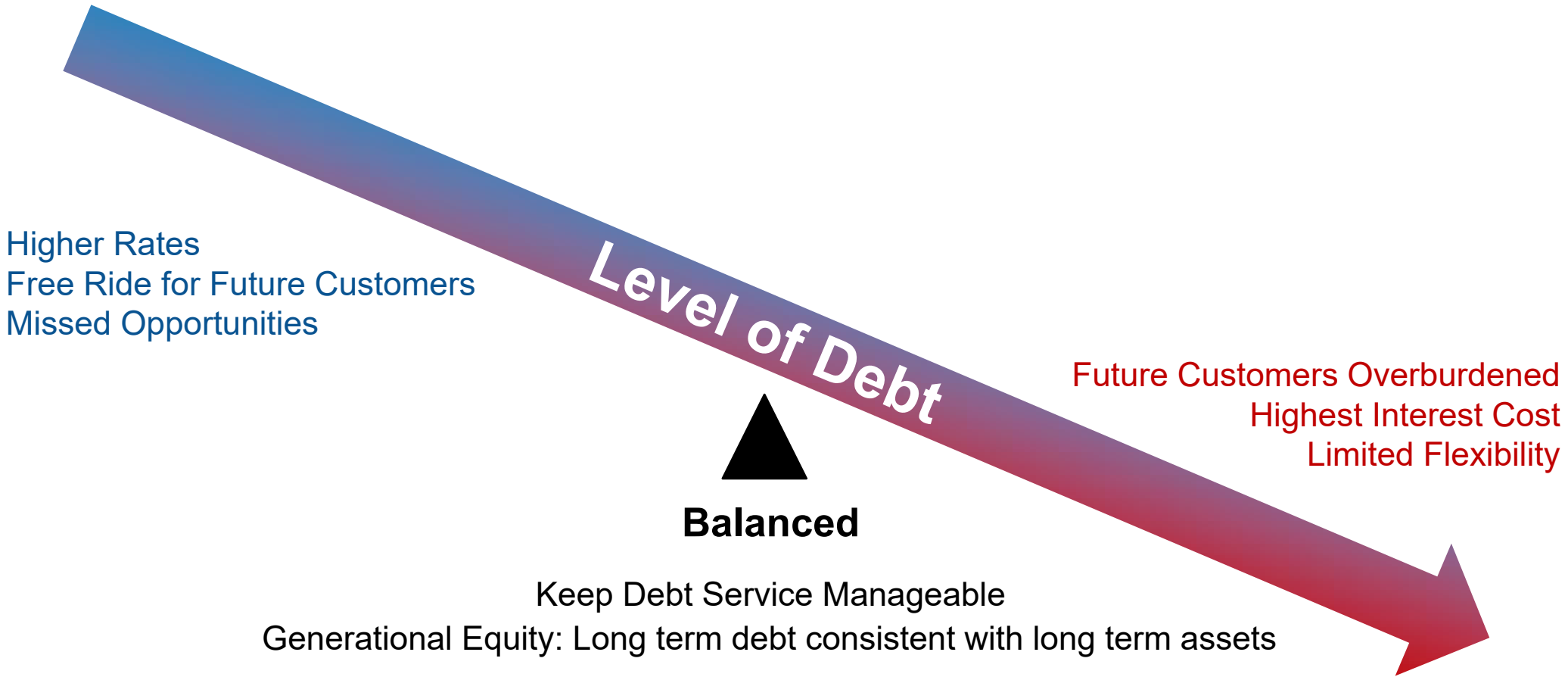
# **Options Considered to Address Budgeted Cash Shortfall**

# Options Considered for Meeting Budgeted Cash Shortfall

- **Issue tax-exempt revenue bonds**
  - Cheapest approach for our customers
  - Consistent with approach SRP has utilized for 50+ years – Matches long term capital investments with long term fixed debt
  - Consistent with plan outlined in FY27 Budget approved by SRP Board in March
  - Balances generational customer equity, consistent with Board approved Pricing Principle of equity
- **Utilize \$800M of Revolving Credit Agreements (RCA)/Commercial Paper (CP)**
  - Higher cost to customers and introduces variable rate volatility with need to eventually issue debt to pay off CP
  - Emergency fund depleted - Liquidity risk as RCA would be fully utilized (e.g. removes risk management protection for unforeseen/catastrophic events)
  - General Fund would drop below year end target of \$650M
- **Bridge financing or other short-term loans were not seriously considered (higher cost than CP). Additional debt still requires Board and Council approval. Need to eventually issue debt to pay off bridge loan.**
- **Rate increase for customers was not seriously considered given it would entail ~21% increase for full year or ~55% for winter**

# Leverage: An Issue of Balance

SRP's historical debt ratio demonstrates a healthy balance of debt

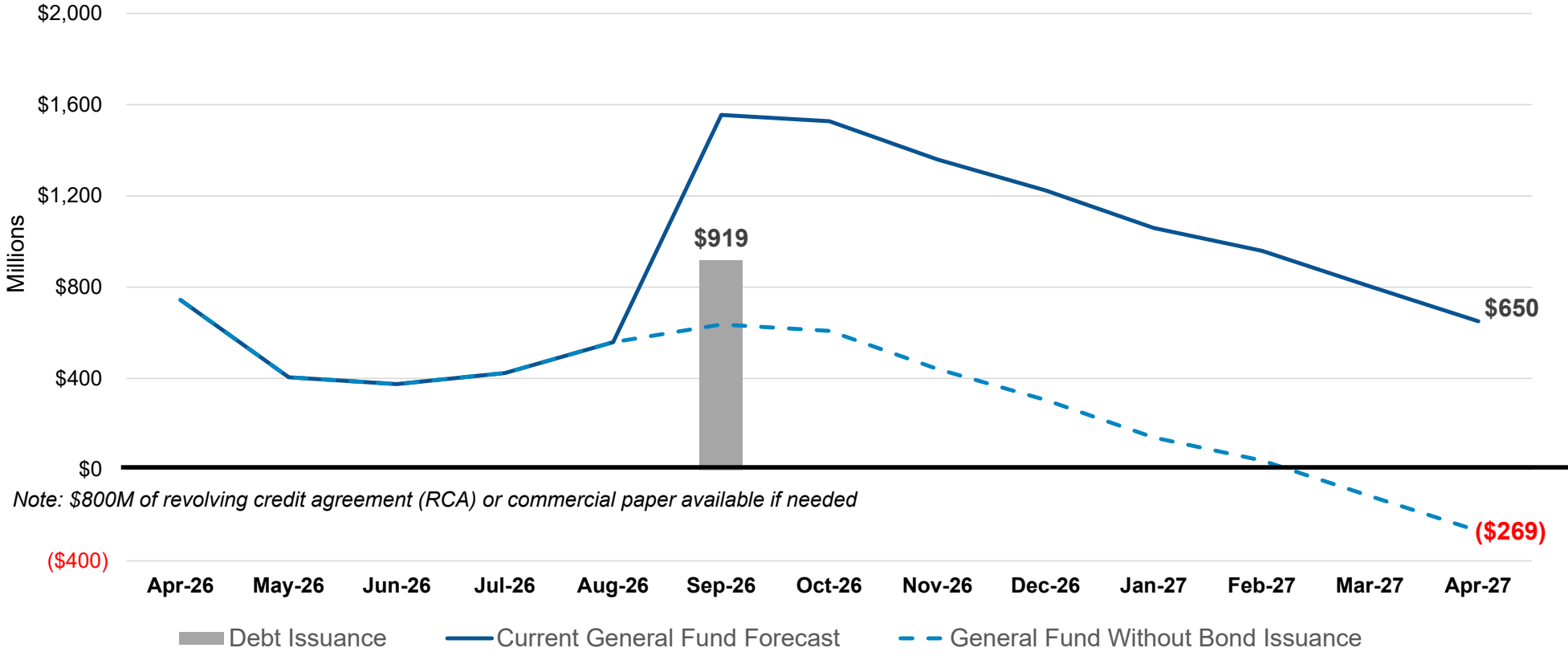


**Recommended Path:  
Issue Tax-Exempt  
Revenue Bonds**

# New Tax-Exempt Revenue Bond Objectives

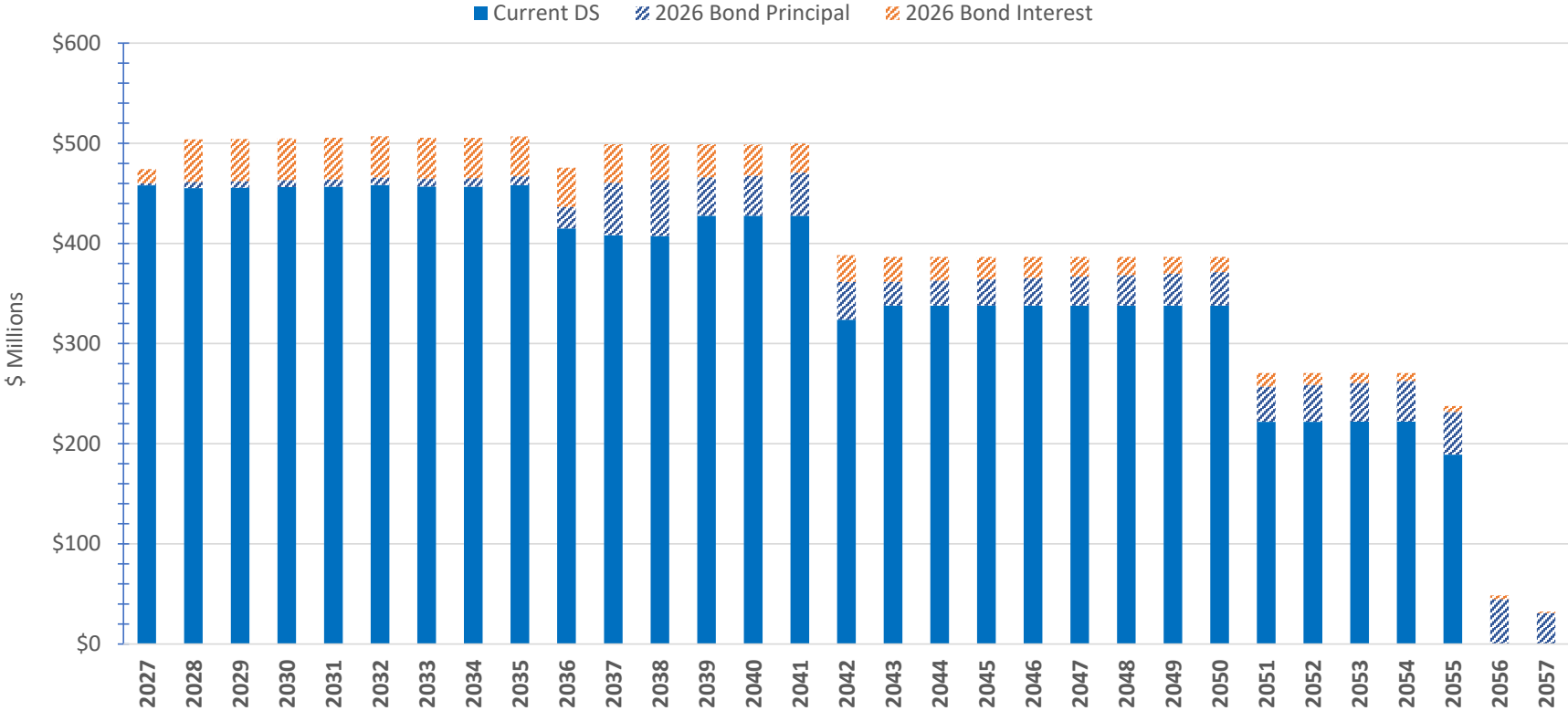
- Target amount needed to address cash shortfall and achieve year-end general fund goal
- Aim to issue debt at most advantageous time in market
- Optimize transaction structure to attract investors
- Consider green bond structure to attract additional new investors
- Maximize opportunity to refinance existing debt
- Utilize strongest underwriters to execute transaction
- Manage fees consistent with prior transactions
- Levelized debt structure to ensure generational customer equity

# FY27 Forecasted Monthly Liquidity



# Projected Debt Service (DS) Structure and Cost\*

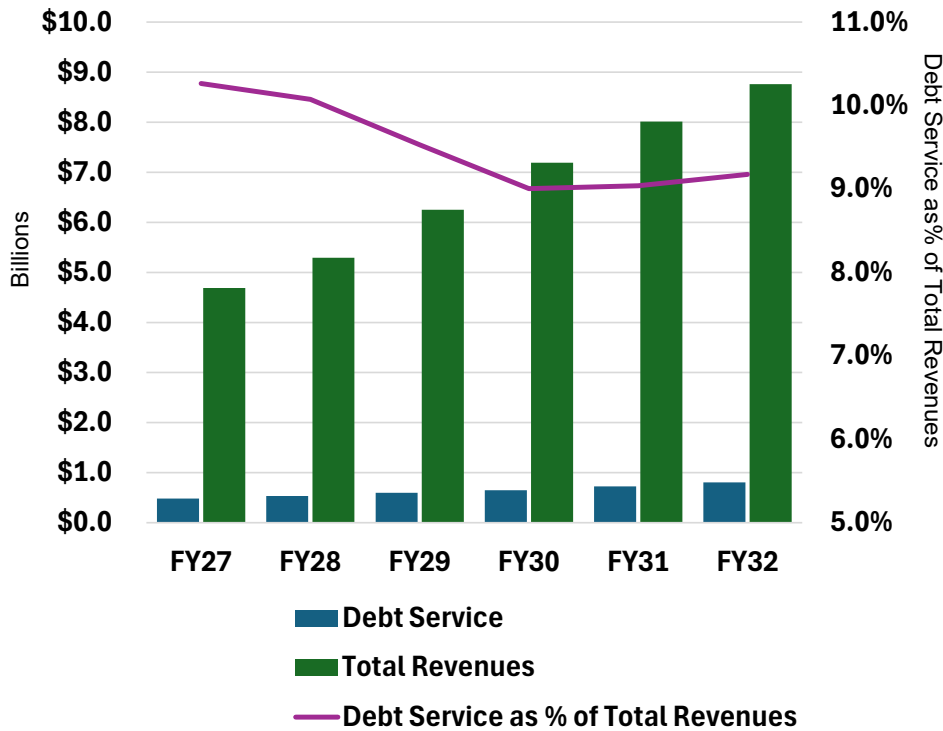
## Balance Overall Interest Cost with Near-term Financial Impact



\*Preliminary, subject to market conditions

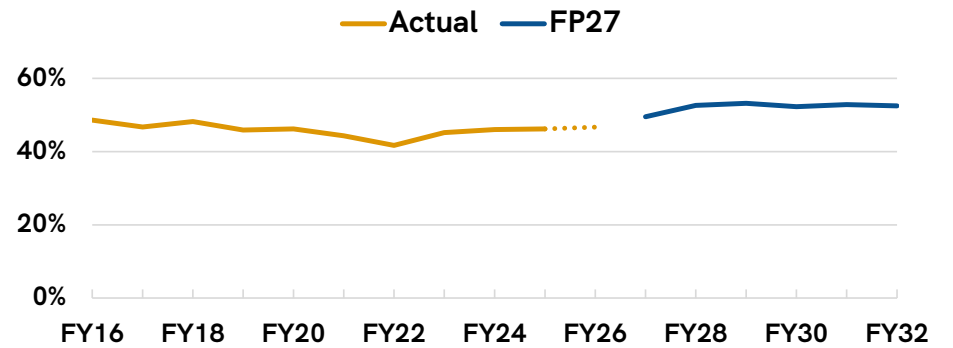
# Rising Revenues Preserve Financial Strength

## FP27 Debt Service & Revenues



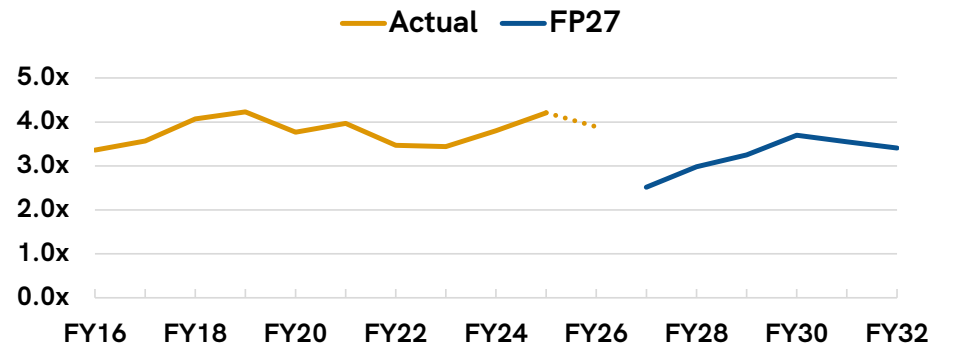
## Debt Ratio

Percentage of long-life assets paid for with debt



## Debt Service Coverage Ratio

Ratio of net cash inflows versus annual principal and interest payments

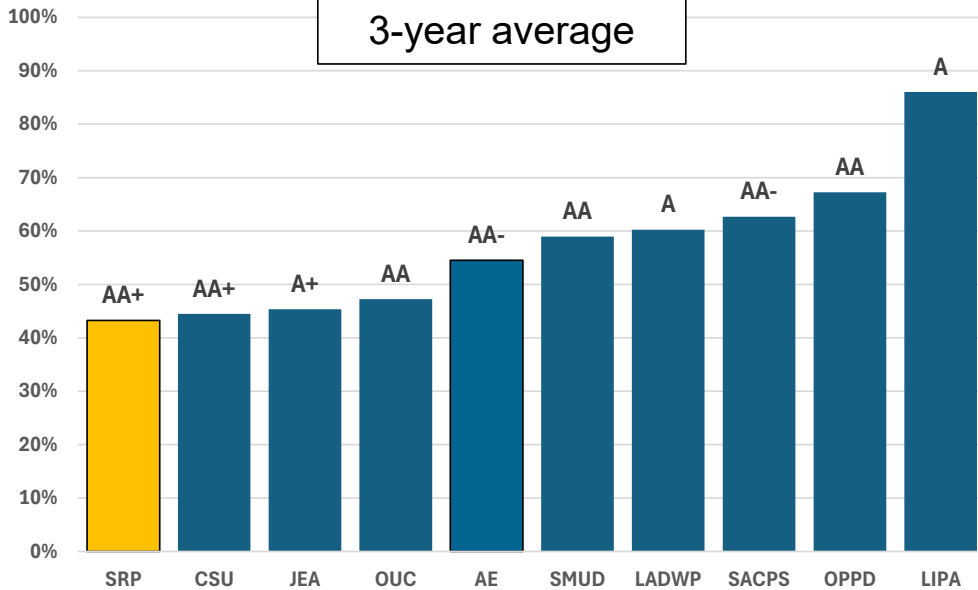


# Peer Financial Indicators Comparison

## Debt Ratio (DR)

Percentage of long-life assets paid for with debt

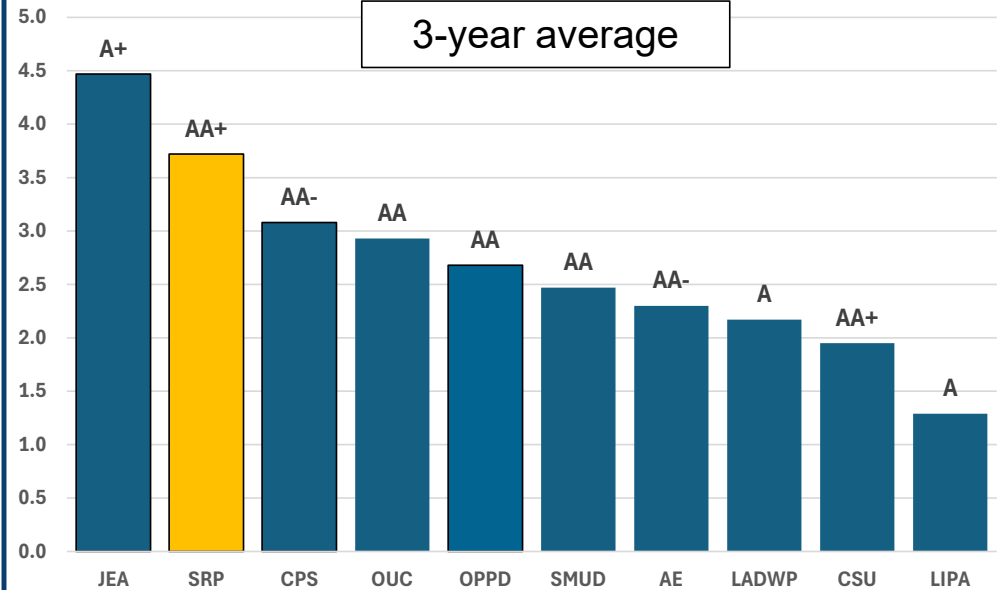
3-year average



## Debt Service Coverage Ratio (DSCR)

Number of times net cash inflows can cover annual interest and principal payments on debt

3-year average



Utility	Acronym
Austin Energy, TX	<b>AE</b>
Colorado Springs Utilities, CO	<b>CSU</b>
Jacksonville Electric Authority, FL	<b>JEA</b>
Los Angeles Dept of Water & Power, CA	<b>LADWP</b>
Long Island Power Authority, NY	<b>LIPA</b>

Utility	Acronym
Orlando Utilities Commission, FL	<b>OUC</b>
Omaha Public Power District, NE	<b>OPPD</b>
Sacramento Municipal Utility District, CA	<b>SMUD</b>
Salt River Project, AZ	<b>SRP</b>
San Antonio, TX Combined Utility Enterprise	<b>SACPS</b>

# **Tax-Exempt Revenue Bond Considerations and Timing**

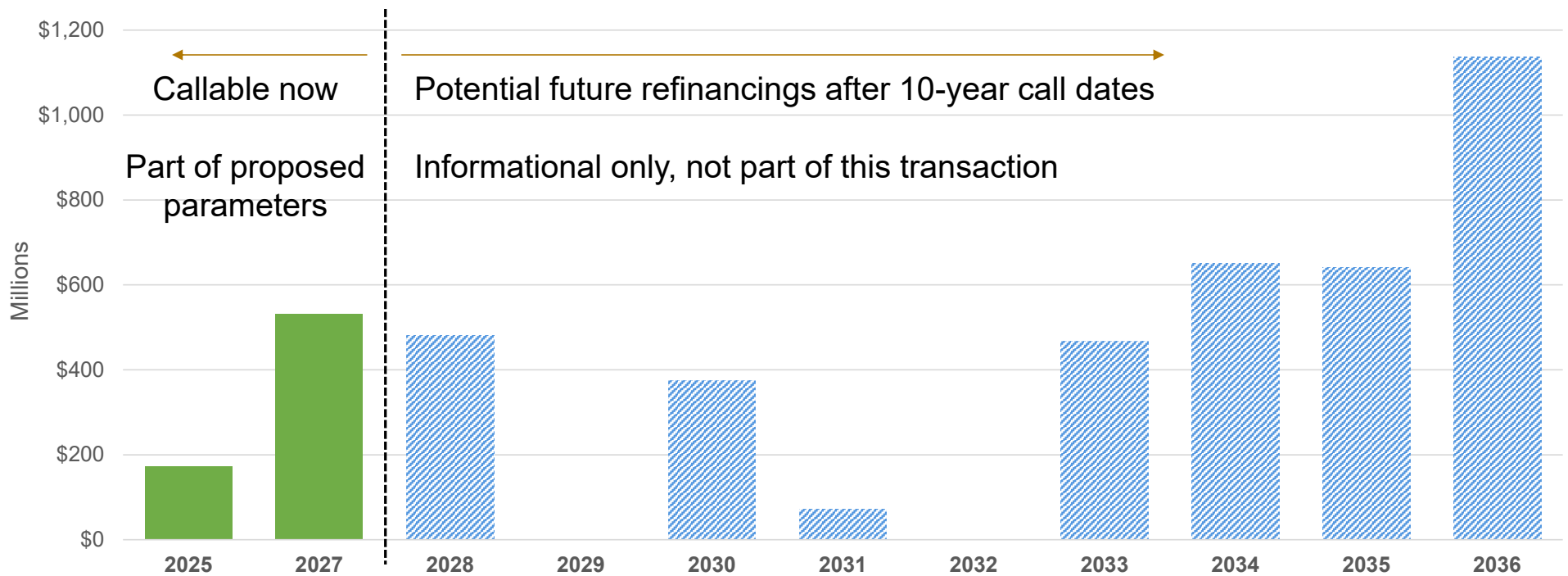
# Considerations for Timing on Issuing Bonds

- General Fund starts to decline after September with projection to drop to near zero by February
- New Board and Council members took office in May; limited time to ramp up
- No July Board or Council meeting
- August/September tend to be lighter months in bond market (fewer competing deals)
- October tends to be a heavier month (more competing deals)
- Late October/November could see volatility due to mid-term elections
- Late November/December are typically more challenging timeframe to issue debt due to holidays
- First half of any month tends to be better for bond issuance than second half of month due to investor fund flows – generally advantageous to issue during first 15 days of month

# **Opportunity to Refinance Existing Tax-Exempt Revenue Bonds**

# Refinancing Opportunity by Fiscal Year

- Refinancing eligible:
  - \$531M of 2016 bonds (currently advantageous to refinance)
  - \$172M of 2015 bonds (not currently advantageous to refinance due to 3.0% coupons)



# **Use of Proceeds from Proposed Tax-Exempt Revenue Bond Sale**

# Eligible Capital Projects for IRS Tax-Exempt Allocations

Projects Listed Are Approved by SRP Board in FY27 Budget

<b>\$ Millions</b>					
<b>Distribution</b>	<b>30%</b>	<b>\$393M</b>	<b>Transmission</b>	<b>19%</b>	<b>\$241M</b>
				<b>Generation</b>	<b>30%</b>
				<b>\$385M</b>	
Distribution Stations Additions/Upgrades	\$66.8	Transmission Additions & Expansion	\$148.0	SRP Pumped Storage	\$178.1
Distribution Transformers	54.9	Palo Verde-Pinal Central Betterments	26.6	Future Resources (Marigold Energy Center)	123.5
Underground Cable Replacement	53.2	Palo Verde Transmission Sys Improvements	17.1	Palo Verde Capital Projects	83.7
Residential & Commercial Services	35.9	Transmission Substation Maintenance	16.9		
Distribution Lines - System Plan	30.5	Transmission Pole Asset Management	10.5	<b>Corporate Infrastructure</b>	<b>21%</b>
Distribution Station Capital Maintenance	30.2	Rudd System Improvements	5.8	Customer Modernization IT Upgrade	\$107.6
Residential New Business	29.7	Transmission Station Relaying	4.4	New Meters	57.1
Distribution - System Replacements	21.4	Mead-Phoenix Improvements	2.8	IT Hardware & Software	49.2
Wood Pole Asset Management Project	18.3	Energy Management System Upgrades	2.1	Transportation Services: Fleet Transportation	27.4
Commercial New Business	16.4	Supervisory Control & Data Acquisition (SCADA)	1.1	Crosscut Modernization	25.3
Distribution - Customer Improvements	10.8	Substation Communication Network Upgrade	1.0	Security Equipment	6.0
Distribution Station Relaying	9.2	Rogers System Improvements	0.8	POB Modernization	2.2
PAC Digital Transformation Project	4.7	Substation Multiplex-JMUX Project	0.4		
Advanced Distribution Management System	4.4				
Supervisory Control & Data Acquisition (SCADA)	3.6				
Cap. Controller Lifecycle Replacement	1.4				
Electric System Upgrades to Standards	0.7				
Dist. Stations Power Quality Monitors	0.5				
High Security Operations Center (HSOC)	0.5				
Paging System Replacement	0.2				

# Green Bonds Overview

## Pros

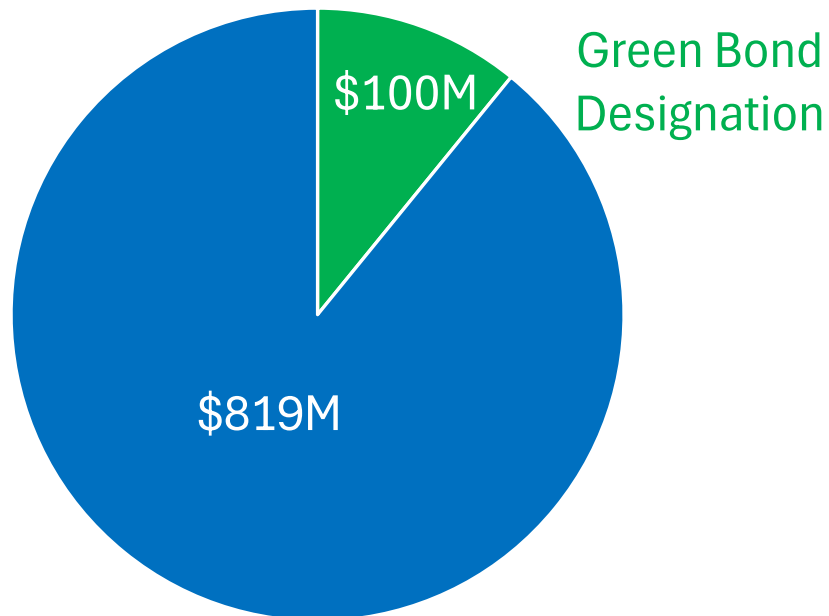
- If structured properly, shouldn't hinder the transaction
- **Marketability**
  - Potentially makes bonds more attractive for Separately Managed Accounts (SMAs) - (but they won't pay more for them)
  - Investors are already aware of our sustainability goals and objectives (Official Statement, Roadshows and Investor 1:1 discussions)
  - Green bonds largely finance Transmission and Distribution
    - Make grid more resilient/enables more renewables
- **Possibly draws in new investors**
  - International or ESG/Green bond funds

## Cons

- **No financial advantage/disadvantage**
  - Per banks and financial advisor
  - Small cost for green certification
- **Not financing renewables directly**
  - PPAs
  - Self build tax credit haircut
- **Reduced flexibility in bond structure**
  - Don't want to compete against yourself
  - Add complexity to project allocations
- **"Greenwashing"**
  - Credibility – not everyone agrees on what is green

# Green Bond Designation Discussion

## \$919M Total Bond Issuance



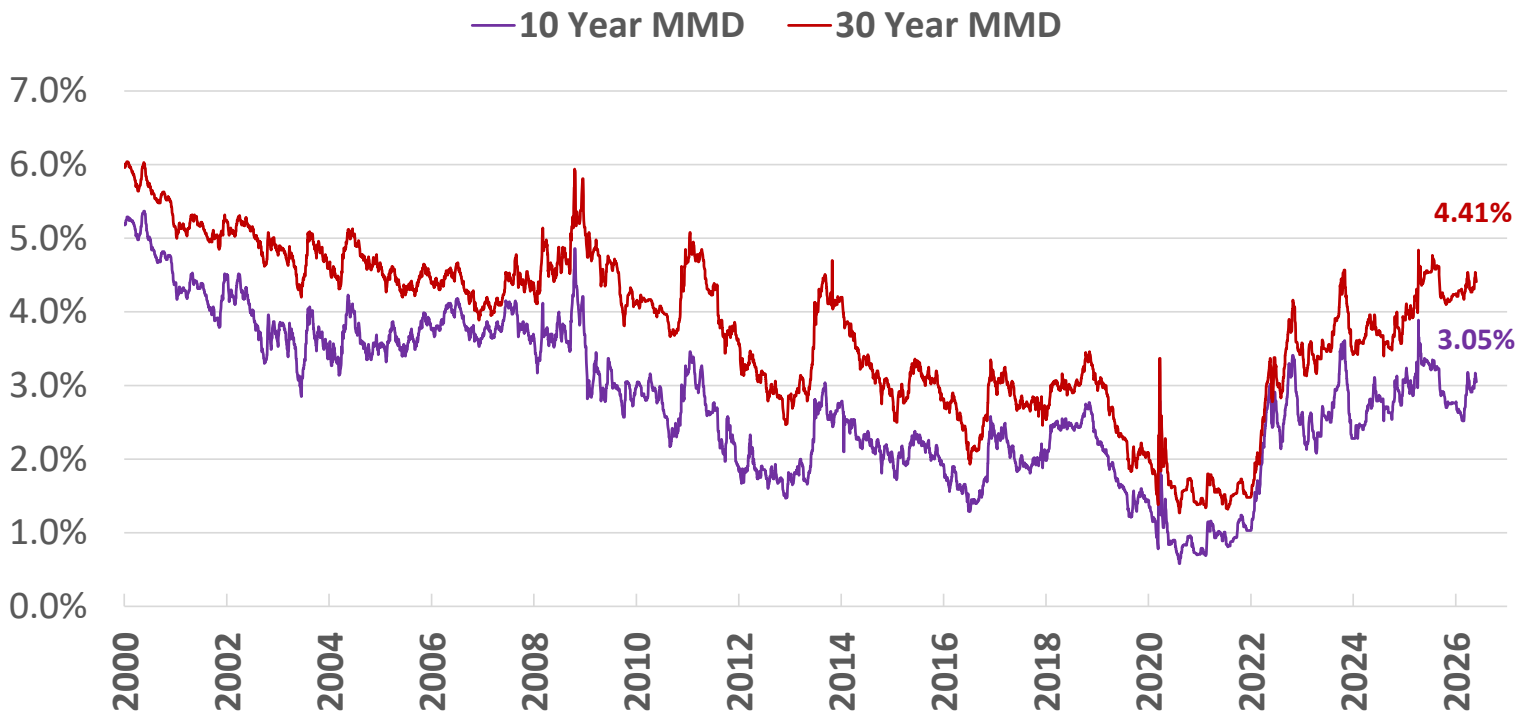
- Designate up to \$100 million of the bond sale as green bonds
- Would utilize a second party verifier
- Consider designating Pumped Hydro, Palo Verde and New Meter projects

# Market Update

# Interest Rates & SRP Bond Deals

## AAA MMD (Municipal Market Data Yield Curve)\*

Effective Rate on Bond Portfolio = 3.97% | Total Long-Term Debt \$6.6 Billion



Series	Rate
2015A	3.94%
2016A	3.42%
2017A	2.98%
2019A	3.00%
2020A/20B/21A	2.23%
2022A	2.06%
2023A	4.23%
2023B	4.77%
2024AB	4.14%
2025A	4.26%
2025B	3.12%
2025C	4.71%

\*Rates through 5/27/2026

# Proposed Transaction

# Bond Sale Team

• Banking Team:	<b>BofA Securities, Inc.</b> <b>J.P. Morgan Securities LLC</b> <b>Goldman Sachs &amp; Co. LLC</b> <b>Morgan Stanley &amp; Co. LLC</b> <b>RBC (Royal Bank of Canada)</b>
• Underwriter’s Counsel:	<b>James Normile, <i>Katten Muchin Rosenman LLP</i></b>
• Financial Advisor:	<b>Michael Mace, <i>PFM Financial Advisors LLC</i></b>
• Bond Counsel:	<b>Tricia Gasparine, <i>Chiesa Shahinian &amp; Giantomasi PC</i></b>
• Tax Counsel:	<b>Mitch Rapaport, <i>Nixon Peabody</i></b>
• Arizona Counsel:	<b>Bill Clarke/Raj Gangadean, <i>Spencer Fane</i></b>

# Proposed Parameters for Transaction

SRP requests approval of parameters from Board & Council for each bond sale

1	2	3	4	5	6
Par Amount	True Interest Cost	Final Maturity	Call Option	Underwriter's Fee	Pricing Execution
<ul style="list-style-type: none"> <li>• New money not to exceed <b>\$919M</b> in par value</li> <li>• Up to \$100M of which to be designated as "Green" if there is investor interest</li> <li>• <b>Refinancing not to exceed \$703M</b> in par value</li> <li>• Refinancing includes \$531M of 2016A bonds and \$172M of 2015A bonds</li> </ul>	<ul style="list-style-type: none"> <li>• New money not to exceed <b>6.0%</b></li> <li>• <b>Refinancing not to exceed 5.0% for 2016A and 3.0% for 2015A</b></li> <li>• Refinancing requires NPV savings to execute</li> </ul>	<ul style="list-style-type: none"> <li>• No greater than <b>40 years</b></li> <li>• <b>Refunding maturities: No greater than 1.2x duration of bonds refinanced</b></li> </ul>	<ul style="list-style-type: none"> <li>• Not to exceed <b>100%</b></li> <li>• <b>10.5-year call option</b></li> <li>• SRP has the right to refinance any time after 10 years</li> <li>• Applies to bonds with final maturity of more than 10 years</li> </ul>	<ul style="list-style-type: none"> <li>• Not to exceed <b>\$2.00 per \$1,000</b> of bonds issued</li> <li>• Compensation to Underwriters for services rendered</li> <li>• Also referred to as Underwriter's Discount / Fee</li> </ul>	<ul style="list-style-type: none"> <li>• Execute final pricing before <b>12/31/2026</b></li> </ul>

# Proposed Board & Council Calendar

Date	Detail
June 1st	Board Meeting
June 2nd	Council Meeting
June 18th	Board & Council Approval Request
July/August	Finalize investor materials following year-end audit, conduct outreach to investors, obtain credit ratings
Target Execution	Target execution of Bond Sale/Sign Bond Purchase Agreement no later than 12/31/2026
Board & Council Meetings after Sale	Review Bond Sale Results

**thank you!**



# Economic Outlook

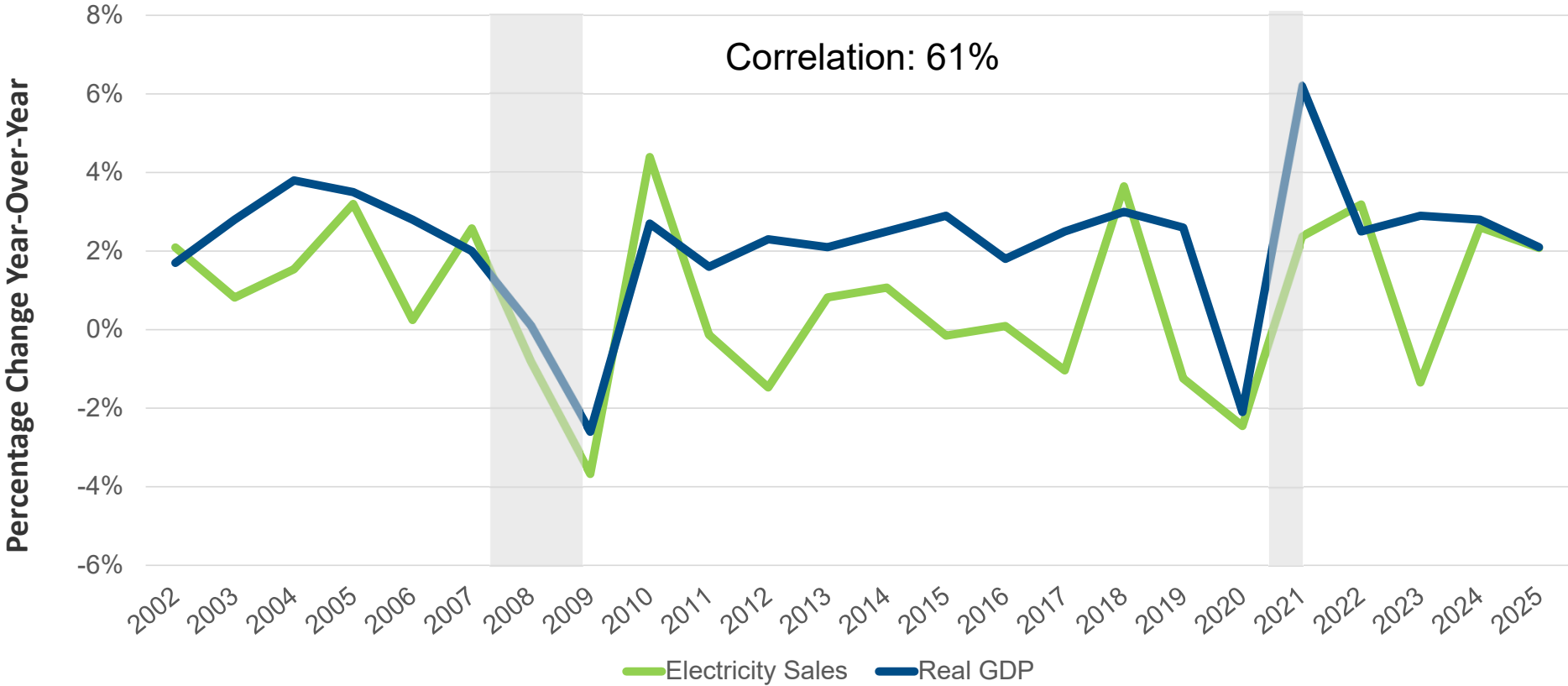
District and Association Council Meeting

Paul Bachman | June 2, 2026

# Today's Topics

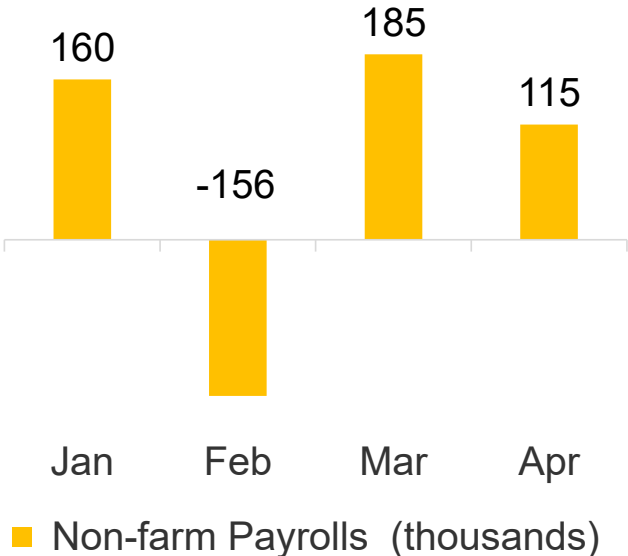
- Trends and outlook for:
  - U.S. economy
  - Arizona and Phoenix
  - SRP's service territory

# U.S. Real GDP and Electricity Sales

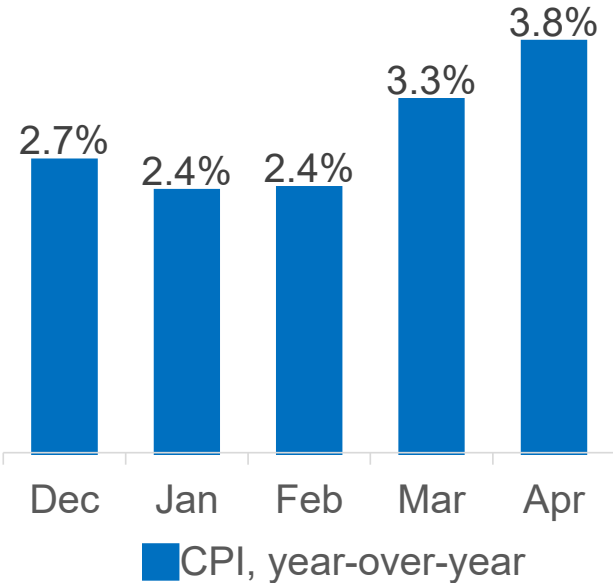


# U.S. Employment, Inflation, and Investment

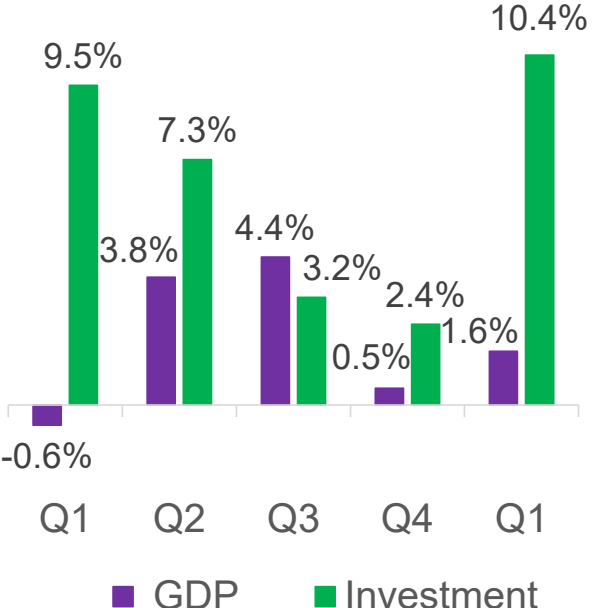
Employment

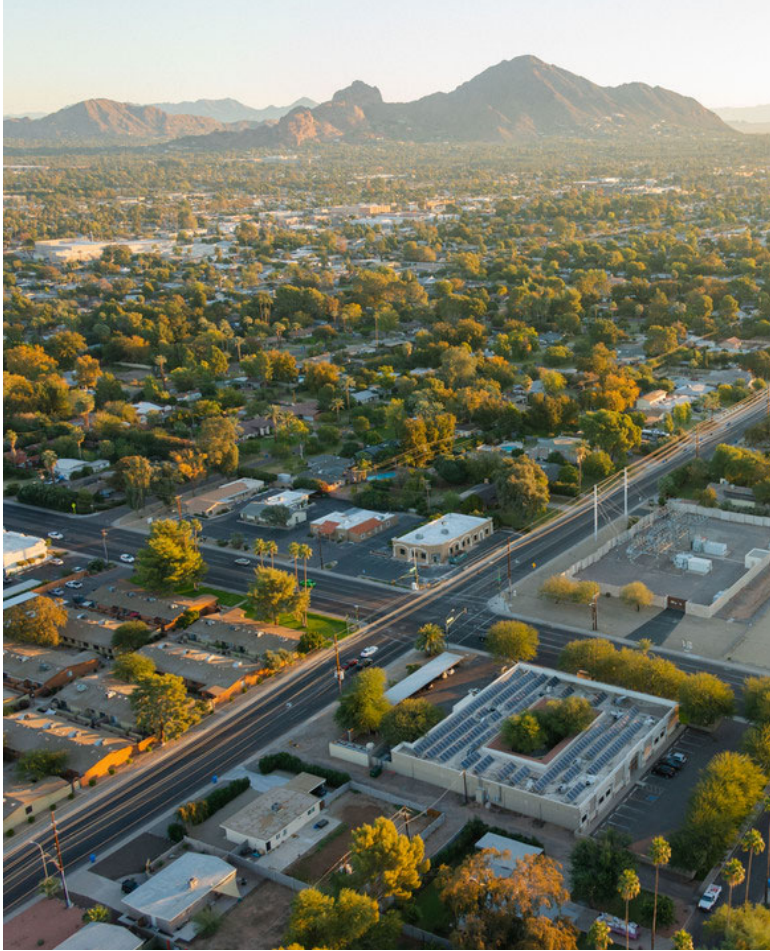


Inflation



GDP, Investment

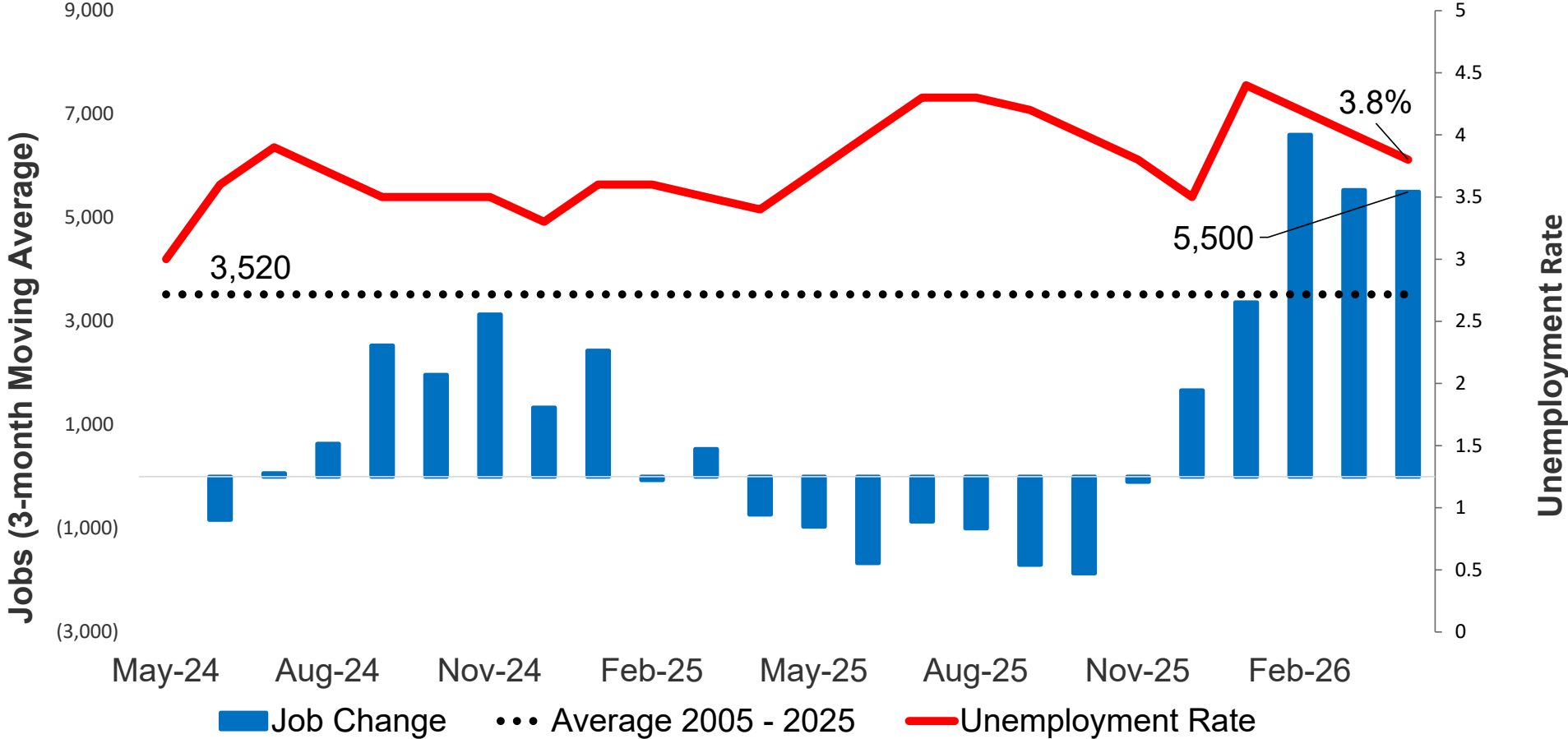




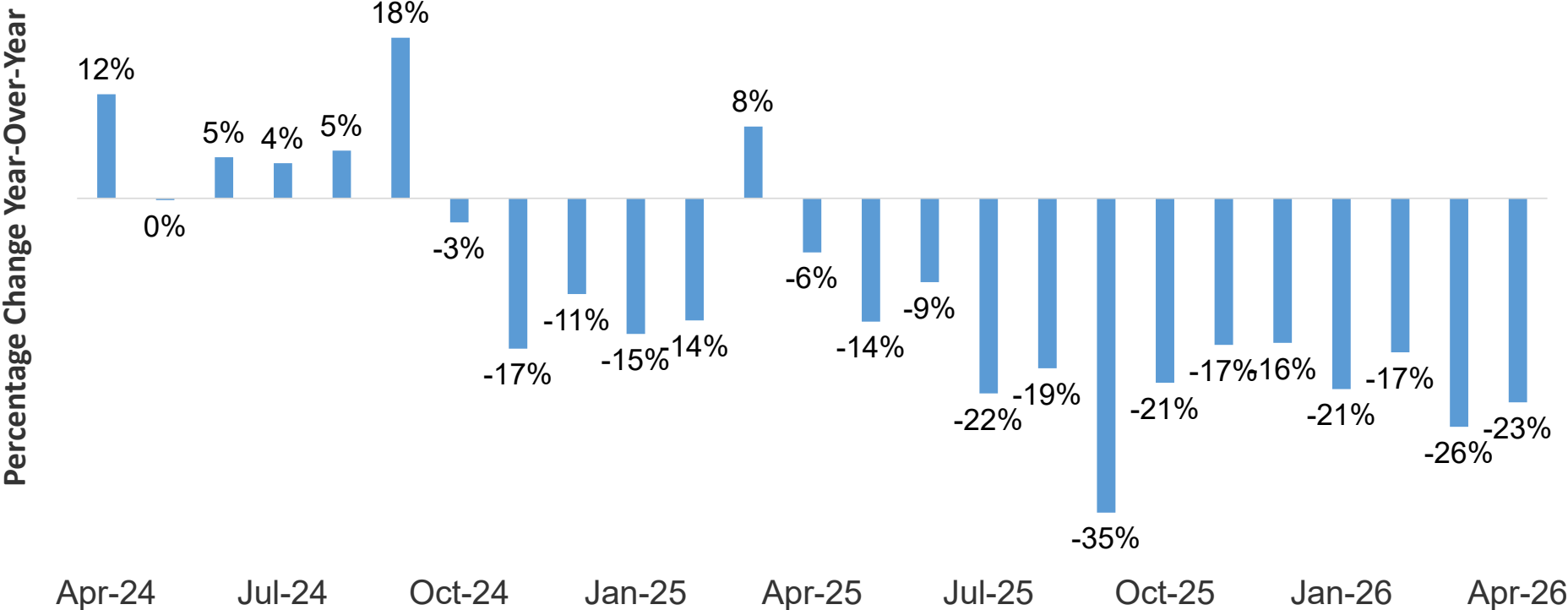
# Arizona and Phoenix

- Job growth is increasing and broadening to more industries
- Inflation is accelerating due to soaring energy prices
- Phoenix consumers are pessimistic, but spending

# Faster Phoenix Area Job Growth



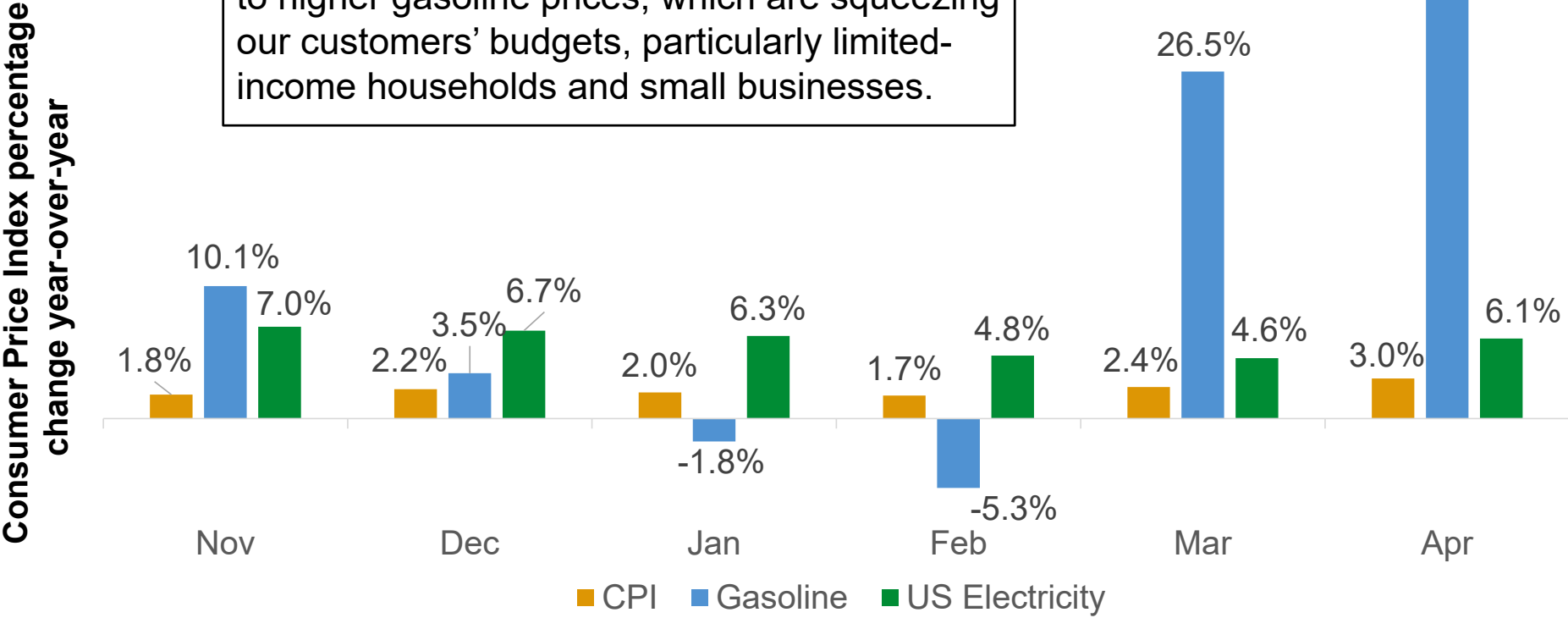
# New AZ Unemployment Insurance Claims



Source: AZ Office of Economic Opportunity

# Phoenix Area Inflation Will Head Higher

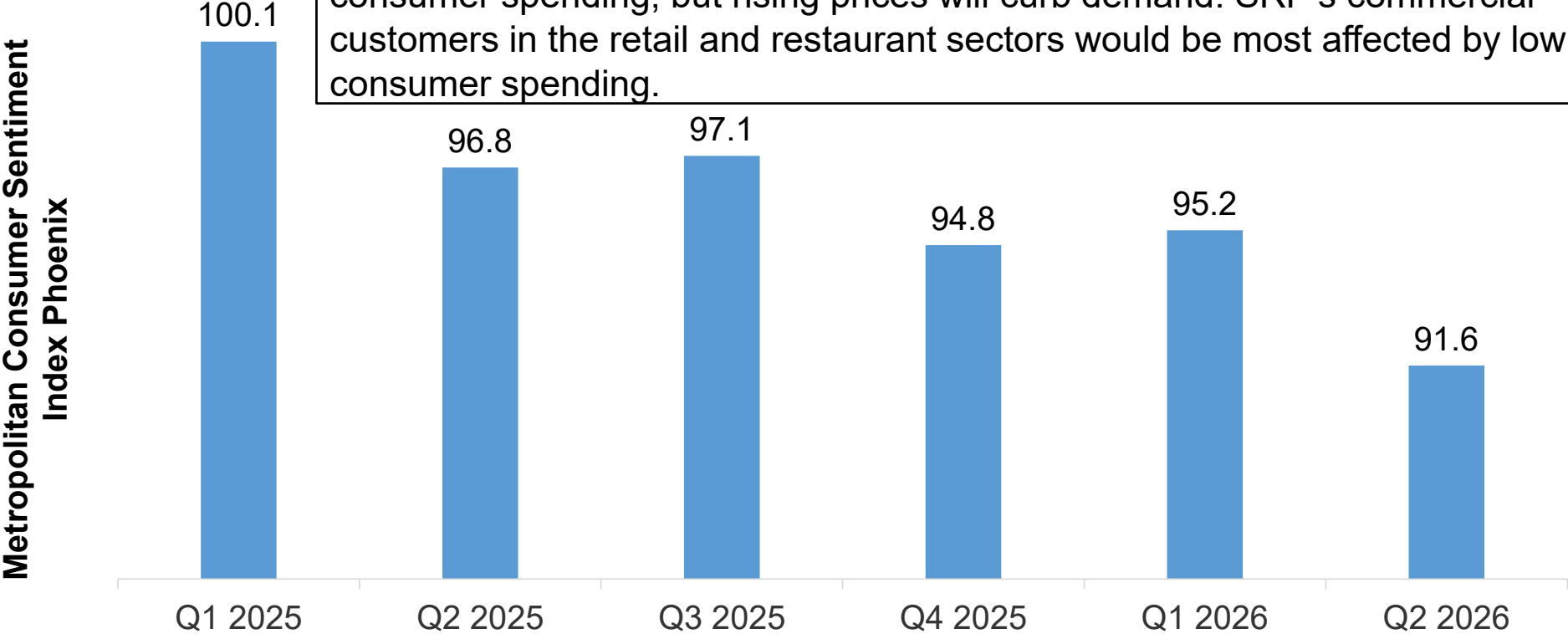
Takeaway: Local cost pressures are rising due to higher gasoline prices, which are squeezing our customers' budgets, particularly limited-income households and small businesses.



Source: U of A Economic and Business Research Center. BLS

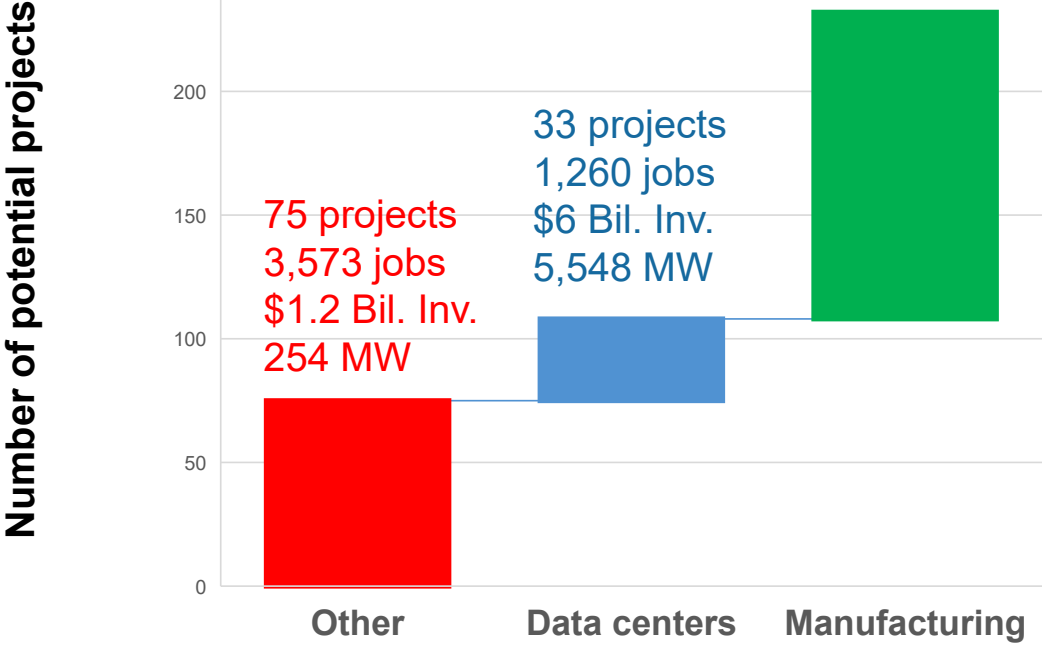
# Phoenix Consumer Sentiment Index

Takeaway: Lower consumer sentiment has yet to translate into slower consumer spending, but rising prices will curb demand. SRP's commercial customers in the retail and restaurant sectors would be most affected by low consumer spending.



Source: American City Business Journals, Morning Consult.

# SRP's Potential Economic Development Pipeline



## Pipeline Potential:

- Jobs: 46,447
- Investment: \$42 billion
- 5,937 MW is the peak load for large customers in the 2035 load forecast
- An increase of 36 projects since March

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

# Top Three Announced Job Gains and Losses

Employer	# of Jobs	City	Service Area	Industry
Sodexo	(489)	Phoenix	SRP	Food Service
Republic National	(211)	Phoenix	SRP	Distributor
The Tendit Group	(143)	Phoenix	APS	Facility Services
Burlington	1,000s	Buckeye	APS	Retail
Costco	250	Salt River - Pima	SRP	Retail
Syenta	200	Tempe	SRP	Semiconductor

Source: U of A Forecasting Project, Arizona Job Connection

# Economic Outlook Summary

- The U.S. economy faces policy uncertainties that could impact inflation and growth this year.
- The labor market has rebounded so far this year, but higher prices will limit consumers' spending power.
- Amid uncertainty, growth in SRP's service territory is driven by the economic development pipeline

**thank you!**



An aerial photograph of a large dam and reservoir situated in a deep, rugged canyon. The canyon walls are composed of layered, reddish-brown rock formations. The reservoir is a deep blue color, and the dam is a long, curved structure across the middle of the canyon. The sky is a clear, light blue.

# Council Report – Current Events

Council Meeting

June 2, 2026

# Current Events

Jim Pratt

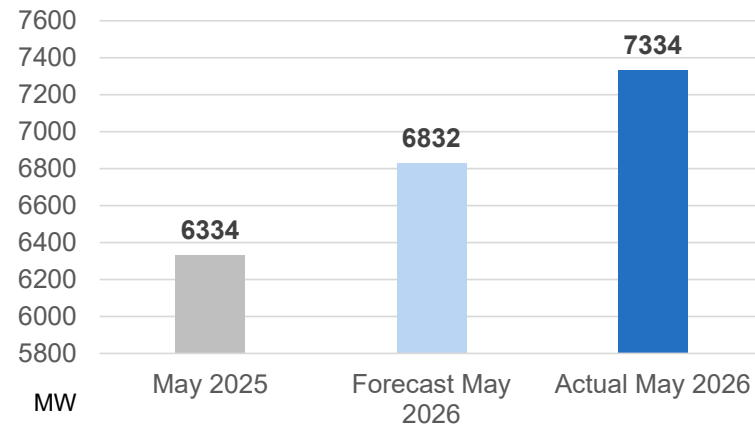


# Power System Update – Current Events

Bobby Olsen

# OPERATIONAL UPDATES - MAY

May  
Peak Demand  
**7334 MW**



- Occurred on May 11th with 106° temperature
- 502 MW higher than forecasted peak
- 1000 MW higher than last year's May peak

# OPEN ACCESS TRANSMISSION TARIFF (OATT)

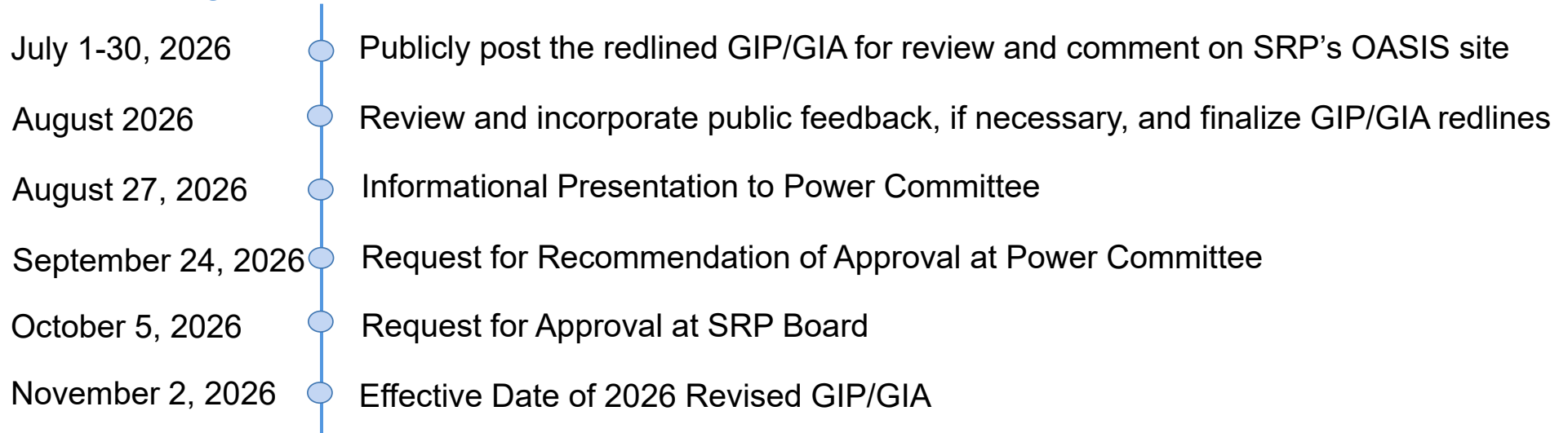
- Tariff establishes the rules and processes for interconnections to SRP's transmission system
- As non-FERC jurisdictional entity, SRP's Board approves the OATT and associated procedures
- Tariff is posted and public information regarding transmission operations is available on SRP's Open Access Same-time Information System (OASIS) system
  - Website provides real-time information and is key source of information for current and prospective transmission customers including:
    - Available transmission capacity, transmission business practices, transmission planning guidelines, and other transmission related information
  - When necessary, SRP posts proposed revisions to the OATT and solicits public comment through the OASIS system
  - [www.oasis.oati.com/srp/index.html](http://www.oasis.oati.com/srp/index.html)

# **GENERATOR INTERCONNECTION PROCEDURE (GIP) UPDATE**

- Revised in 2023 to reflect guidance from FERC Order 2023 intended to improve speed from Request for Service to receipt of System Impact Studies using “clusters” of projects
- SRP has initiated three Generator Interconnection Clusters (24-26), each initiated with 17 projects
- System Impact Studies completed within one year of each Cluster opening compared to three to five years before revisions

# GENERATOR INTERCONNECTION PROCEDURE (GIP) REVISION TIMELINE

Based on interconnection customer feedback and SRP's experience administering the GIP, Management intends to propose revisions to the GIP

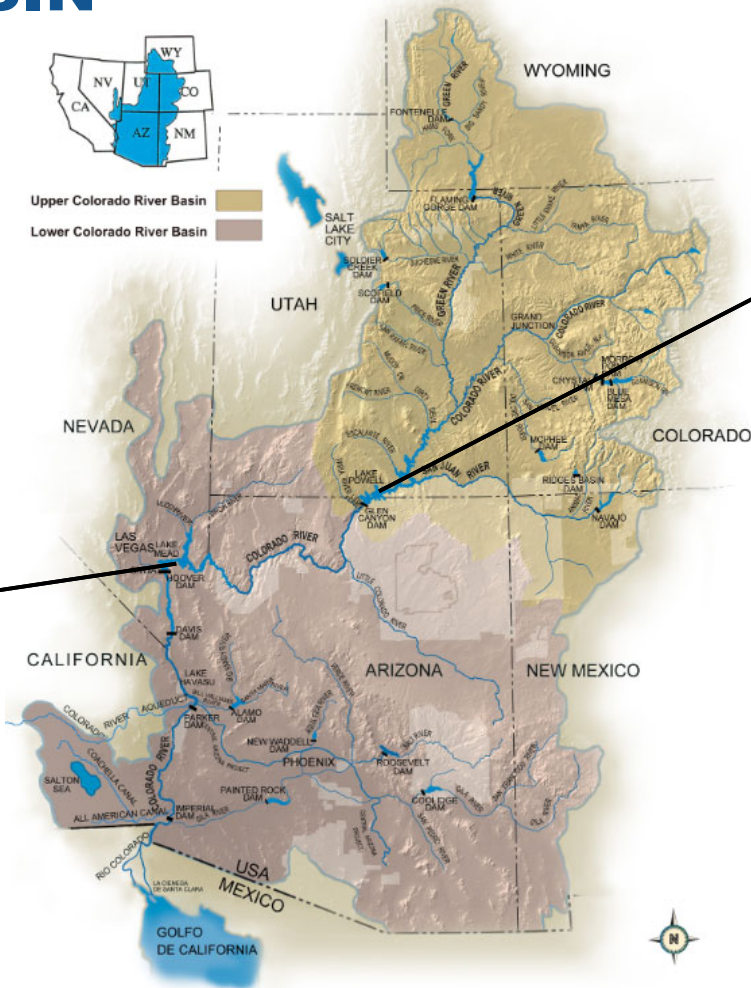


Planned timeline is structured to ensure revisions can be implemented prior to the start of the 2027 Generator Interconnection Cluster deadline

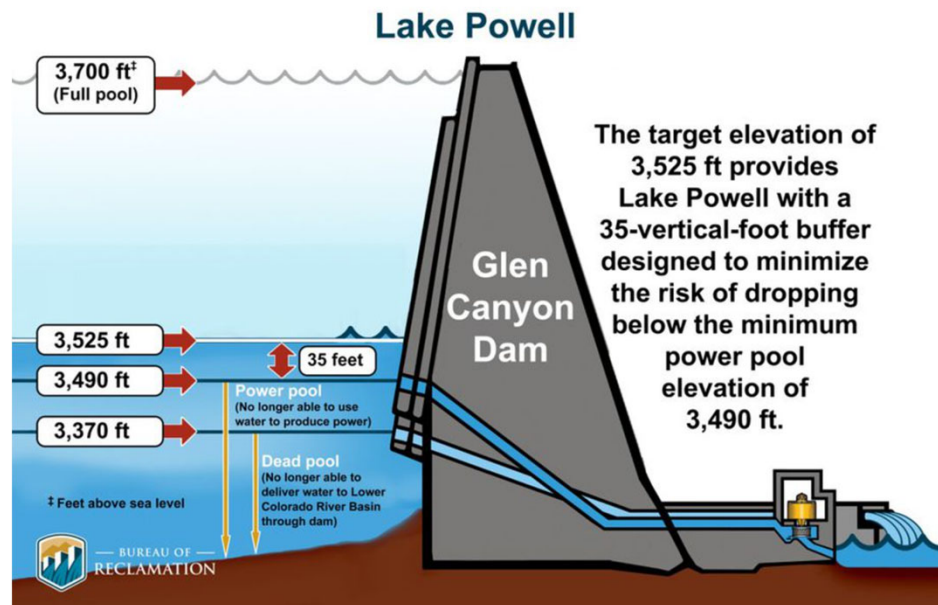
# Water Stewardship

Leslie Meyers

# COLORADO RIVER BASIN



# LAKE MEAD AND LAKE POWELL OPERATING ELEVATIONS



# **IMPACTS OF LOW RESERVOIR ELEVATIONS AT LAKE MEAD AND LAKE POWELL**

- Water Supply
- Hydropower
- Recreation
- Economic
- Others

**thank you!**



# Water Supply and Weather Report

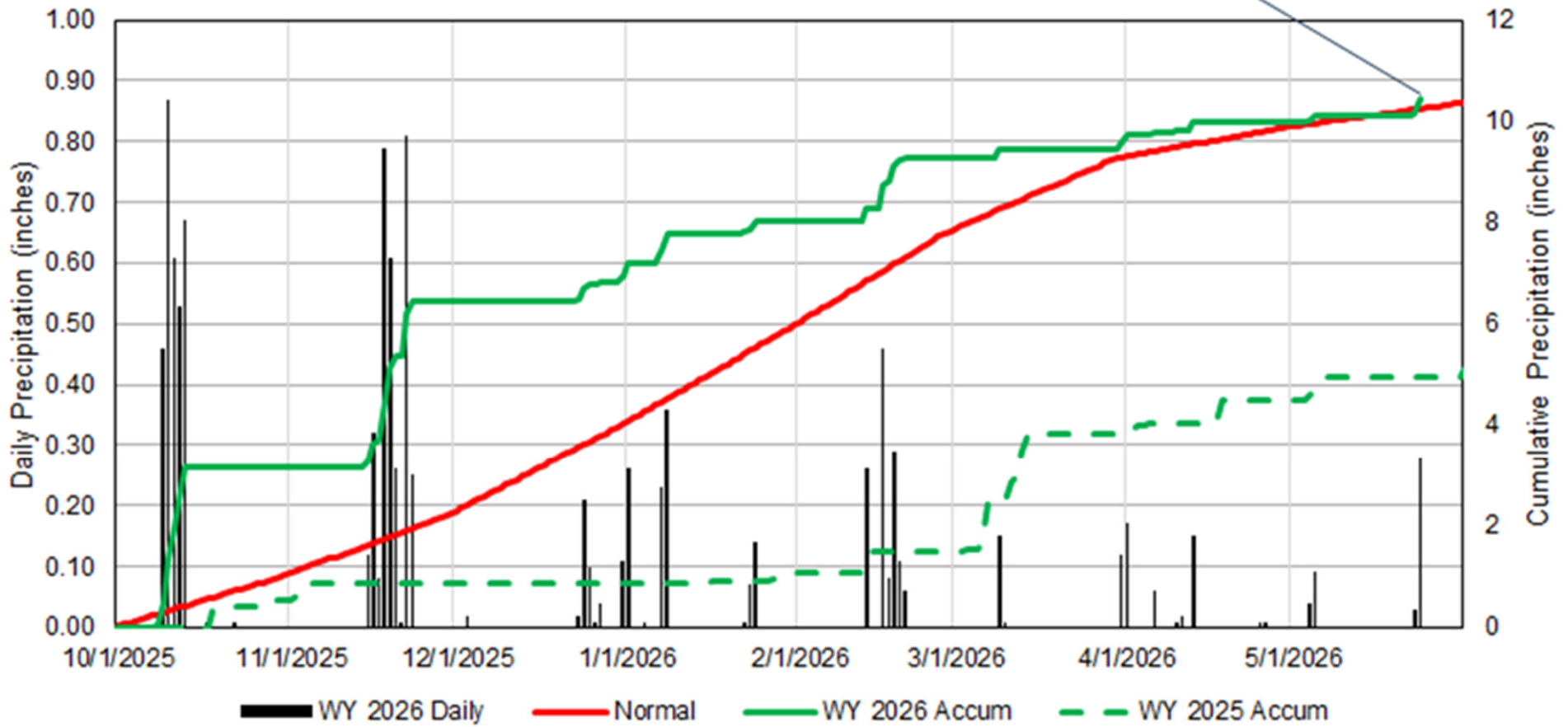
June Council Meeting

June 2, 2026

Tim Skarupa

# Cumulative Watershed Precipitation: Fall-Winter-Spring (WY 2026)

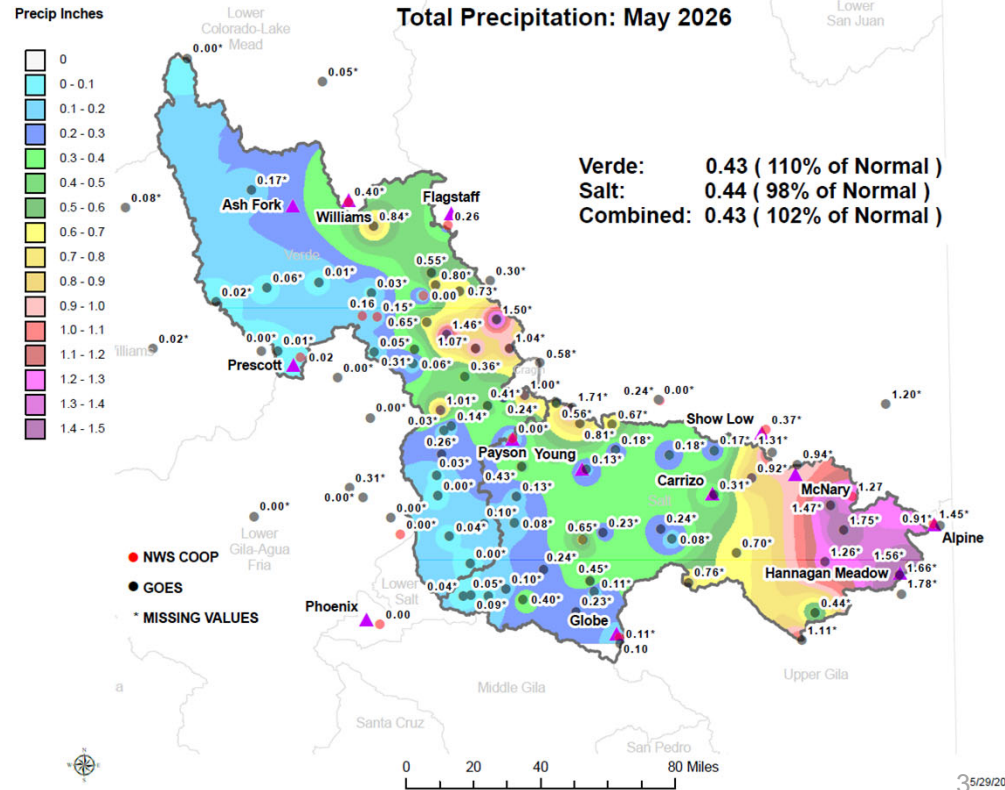
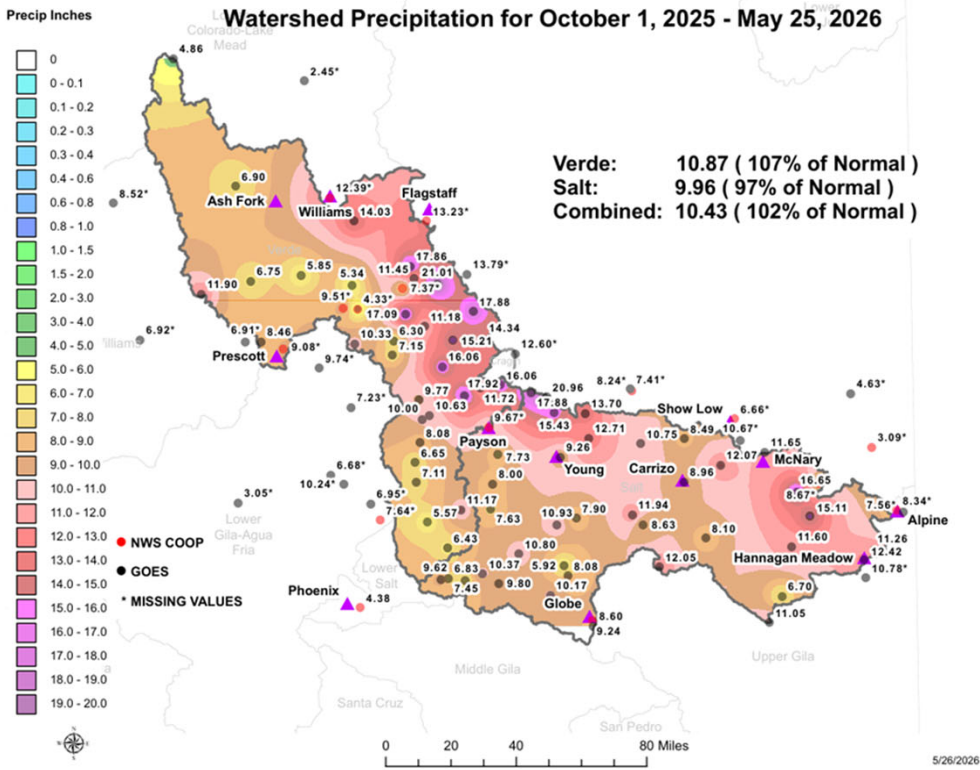
10.43" (102% of normal)



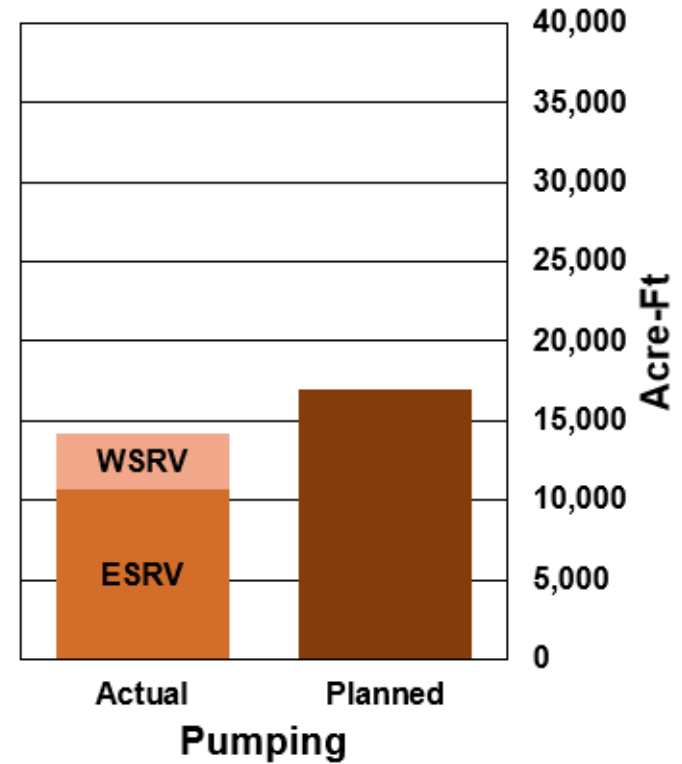
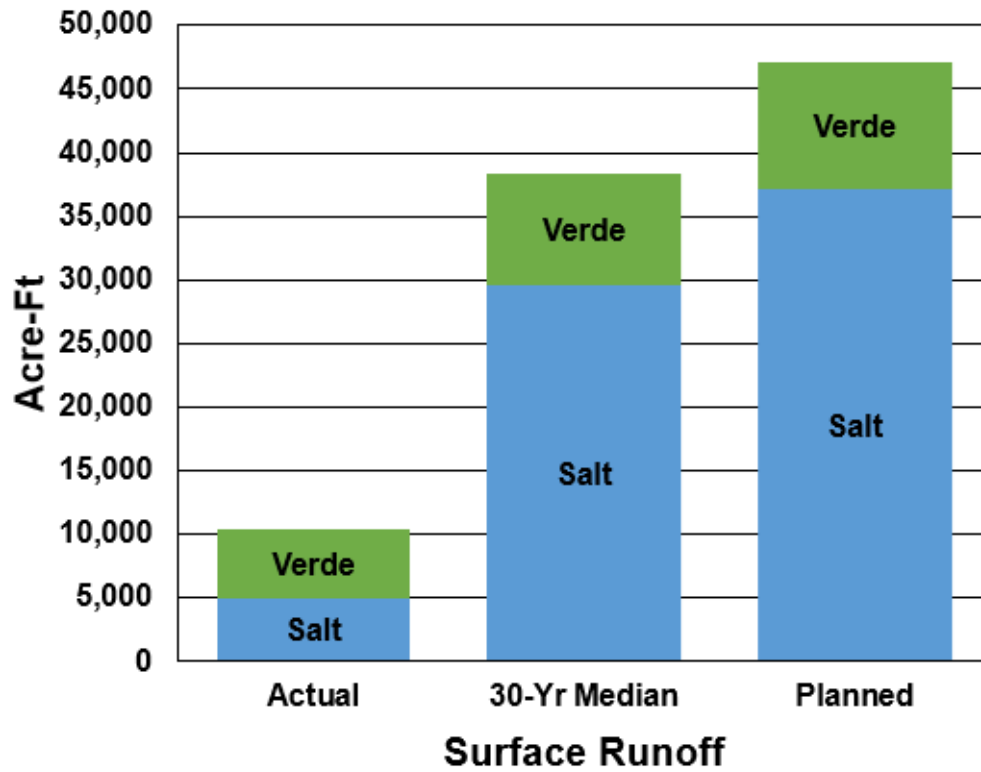
# Precipitation to Date

## Water Year 2026

## May 2026



# May 2026

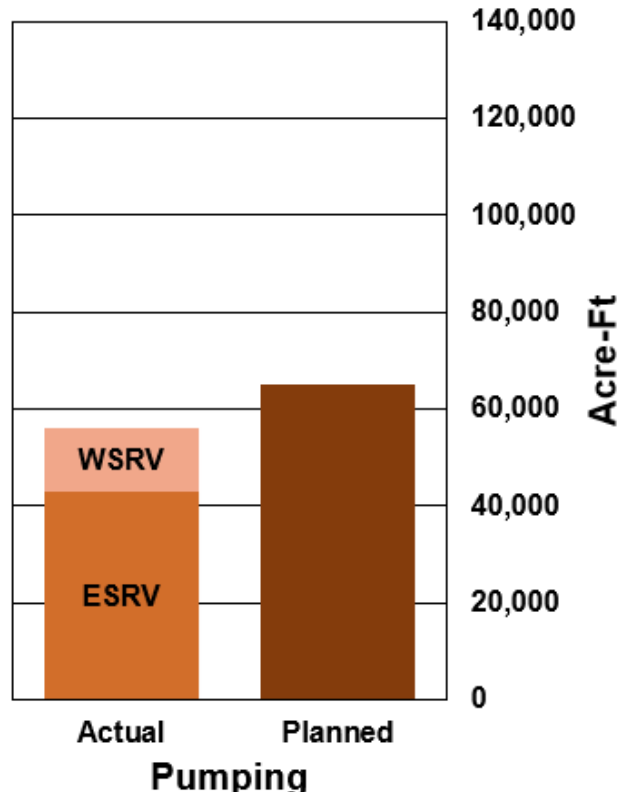
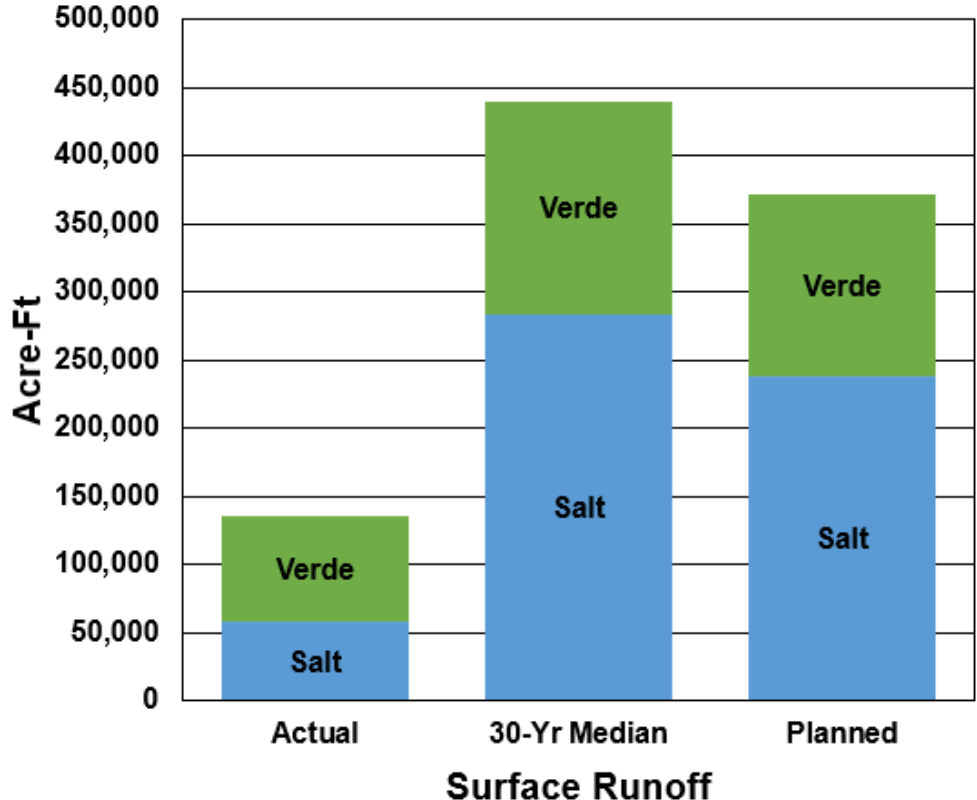


\*Total Salt, Tonto, Verde runoff in May 2026 was 10,426 AF (27% of median)

\*\*Total physical pumping in May 2026 was 14,244 AF (17,000 AF planned).

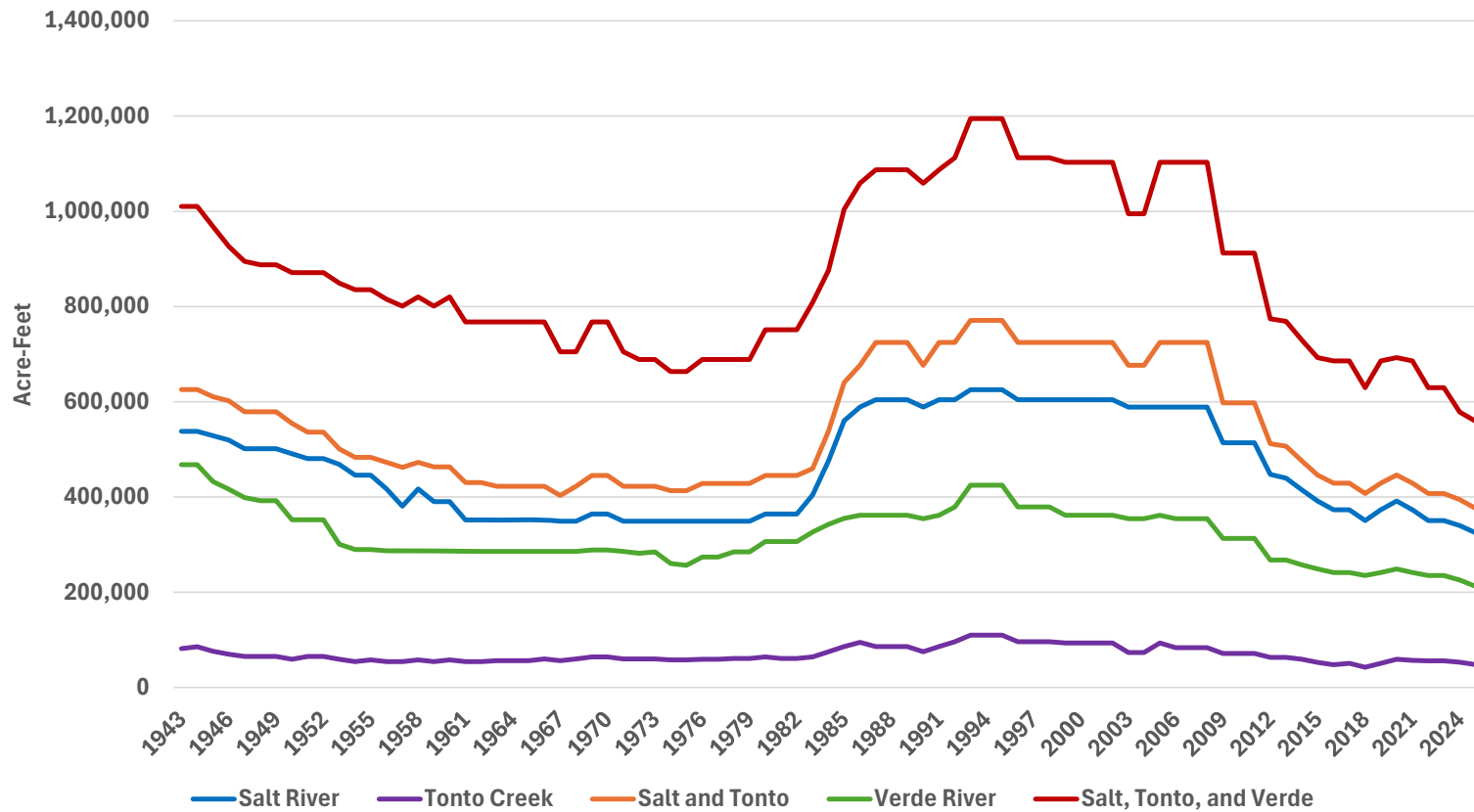
\*\*\*Total Surface Water Delivery for May 2026 was 39,803 AF (62,000 AF planned)

# Year to Date 2026



\*Total Salt, Tonto, Verde runoff in 2026 is 146,184 AF (32% of median)  
 \*\*Total physical pumping in 2026 is AF is 56,067 AF (65,000 AF planned). Total GW planned for 2026 is 225,000 AF.  
 \*\*\*Total Surface Water Delivery for 2026 is 180,833 AF (192,000 AF planned)

## 30-year (Water Year) Median Inflows for the Salt River, Tonto Creek, and Verde River



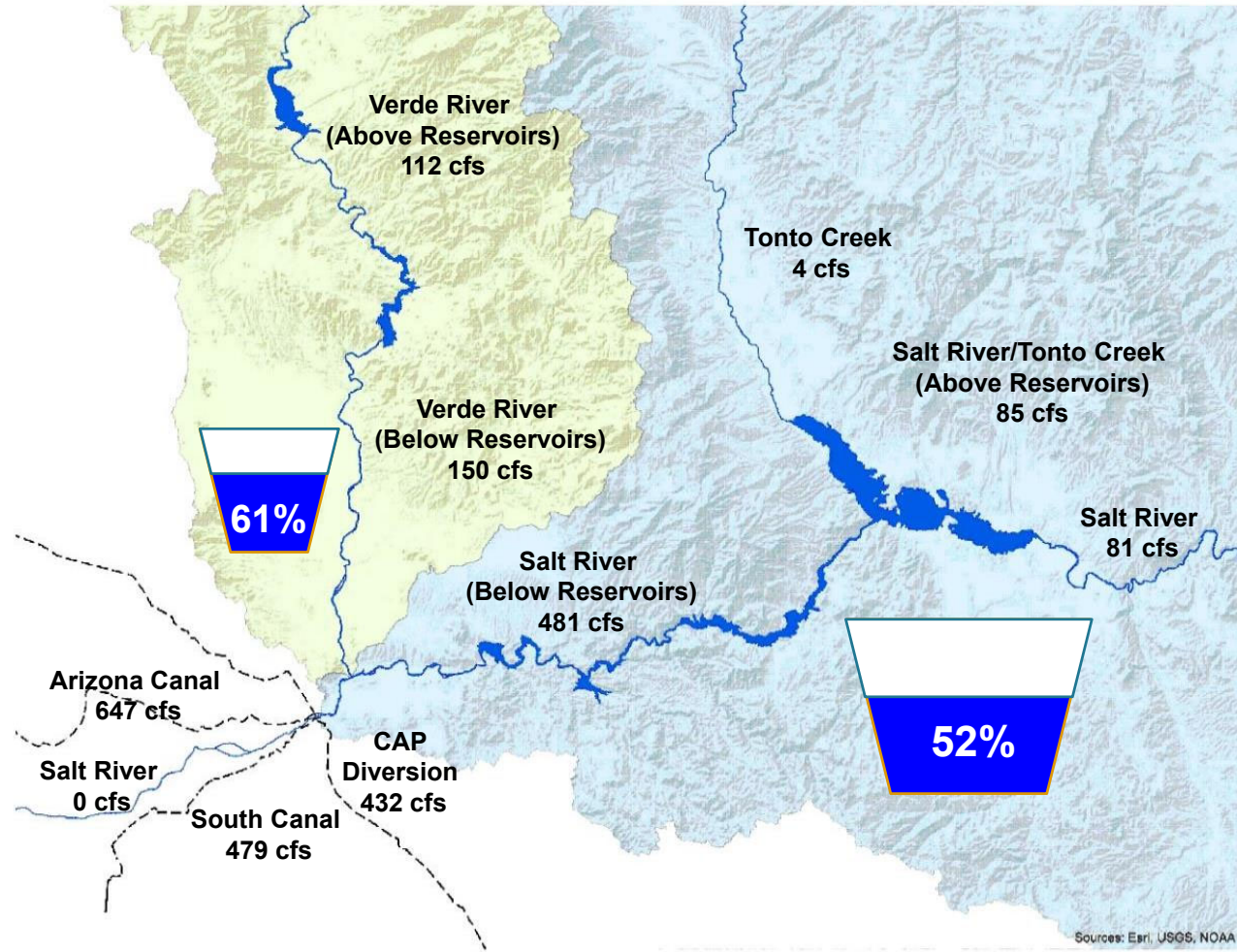
# SRP Reservoir System Status

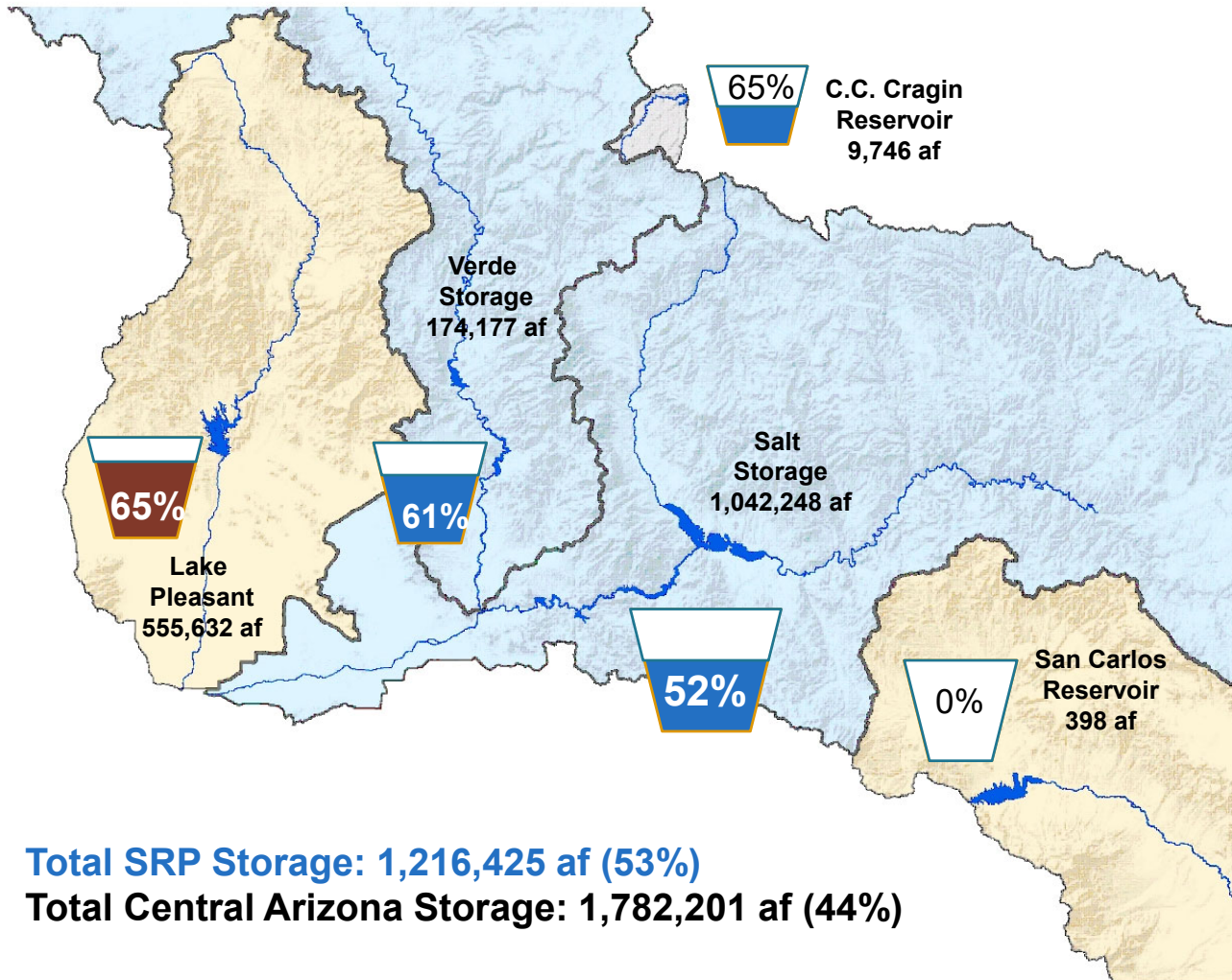
May 28, 2026

## Current Storage:

Salt	1,042,248 AF
Verde	174,177 AF
<hr/>	
<b>Total</b>	<b>1,216,425 AF</b>

**Total Storage: 53%**





# Central Arizona Reservoir Status

May 28, 2026

**Total SRP Storage: 1,216,425 af (53%)**  
**Total Central Arizona Storage: 1,782,201 af (44%)**

# Colorado River System Reservoir Status

**Total System Contents 35% or 20.253 MAF**

(Total system contents last year 40% or 23.289 MAF)

**May 28, 2026**

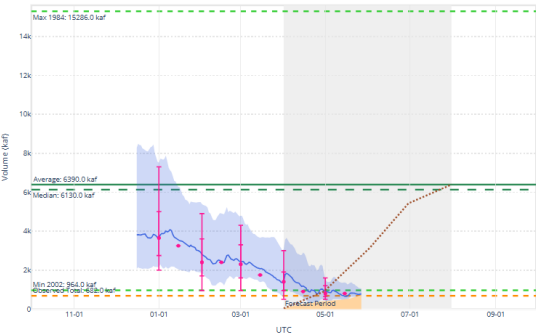
2026 Water Supply Forecast - Colorado - Lake Powell, Glen Cyn Dam, At (GLDAs)

ESP is Unregulated and No Precipitation Forecast Included

Official 50% Fcst (2026-05-15): 800 kaf (13% Avg, 13% Med), (0% of Yrs Below Fcst, 63 Highest Flow / 62 Tot Yrs)

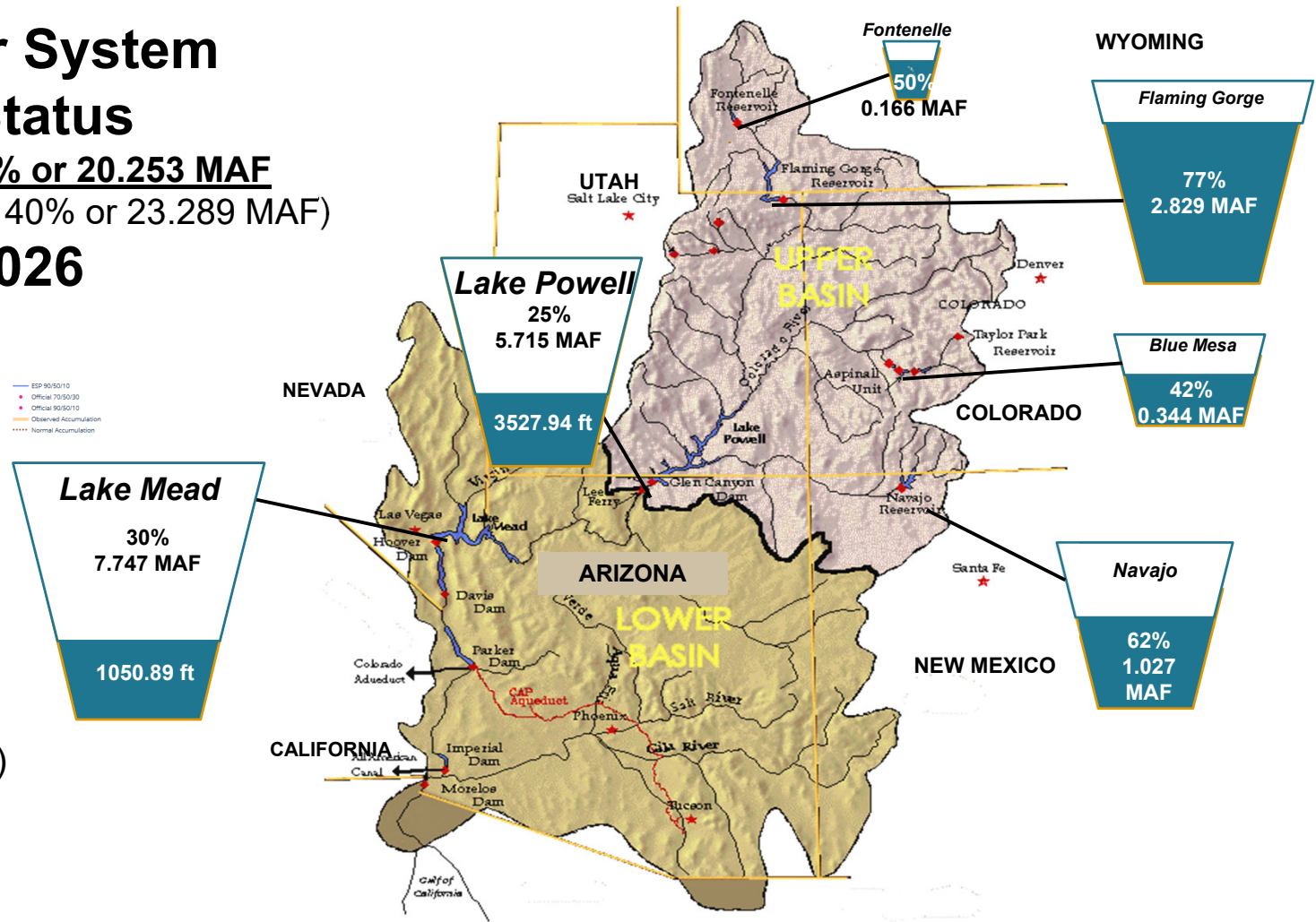
ESP 50% Fcst (2026-05-27): 782 kaf (12% Avg, 13% Med), (0% of Yrs Below Fcst, 63 Highest Flow / 62 Tot Yrs)

Observed Volume: 682 kaf (11% Average, 11% Median)



Lake Powell Unregulated Inflow  
ESP Off 50% Forecast (May 15)  
April 1 – July 31, 2026

**0.800 MAF (13% of median)**



# June-August Seasonal Outlook

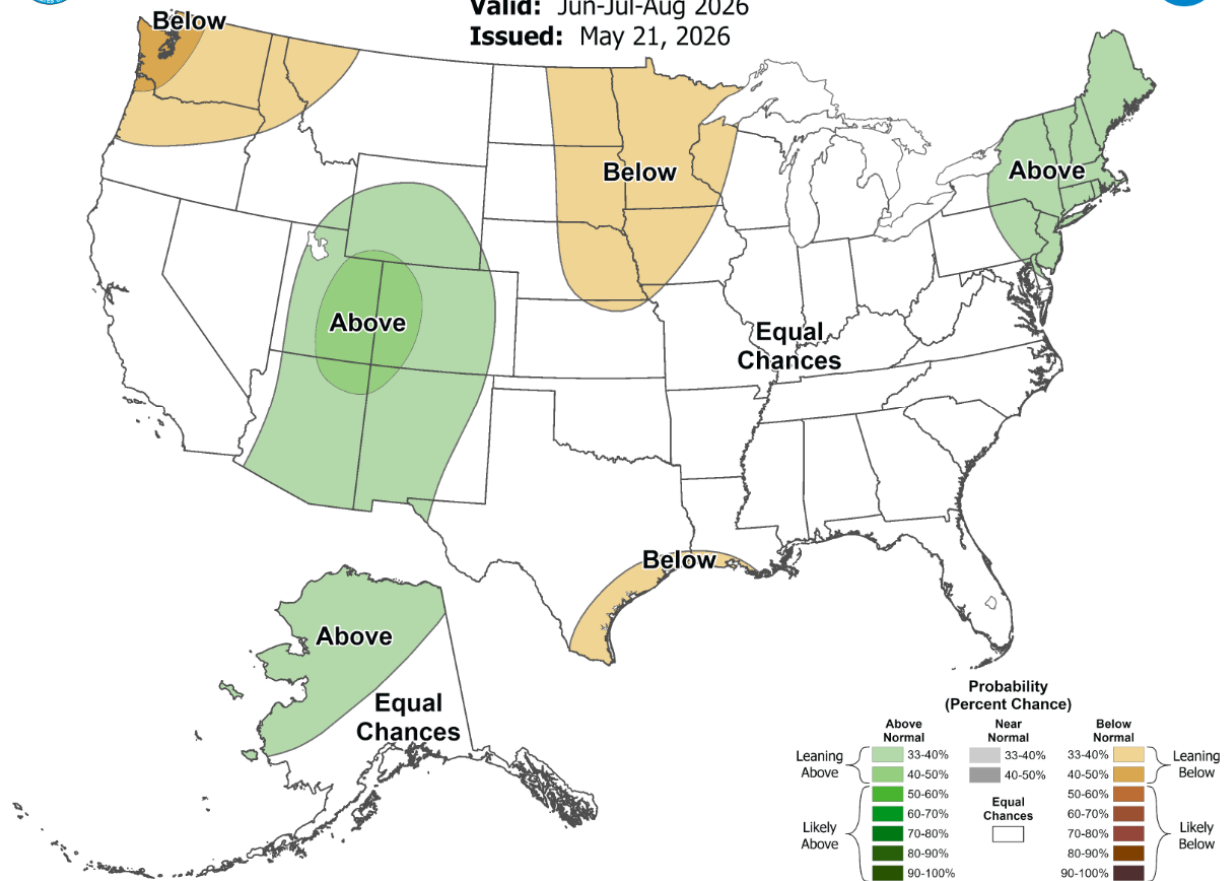


## Seasonal Precipitation Outlook



Valid: Jun-Jul-Aug 2026

Issued: May 21, 2026



**thank you!**

