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

WATER COMMITTEE

Tuesday, February 17, 2026, 9:30 AM

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

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

   - Request for approval of the minutes for the meeting of January 15, 2026.

2. 2027 Association Water Budget .....TRAVIS BURNETT

   Informational presentation regarding the Association's proposed Fiscal Year 2027 water function budget, which will include proposed Calendar Year 2027 water pricing. This budget will be included in the District's overall water function budget.

3. SRP-Central Arizona Project (CAP) Interconnection Facility (SCIF) and National Environmental Policy Act ..... JACOB RODRIGUEZ

   Informational presentation regarding an update on the status of the SCIF project, including the status under the National Environmental Policy Act.

4. Tribal Water Rights Settlements and Outreach .....LUCAS SHAW

   Informational presentation regarding an update on tribal water rights settlements and outreach efforts with tribal communities, including Yavapai-Apache Nation, northeast Arizona tribes (Navajo Nation, Hopi Tribe, San Juan Southern Paiute Tribe), White Mountain Apache Tribe, and Tonto Apache Tribe. The Committee may vote to go into 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 legal issues that may arise during the presentation.

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

6. Future Agenda Topics ..... CHAIR PAUL ROVEY

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 WATER COMMITTEE MEETING
IS SCHEDULED FOR TUESDAY, MARCH 10, 2026

MINUTES
WATER COMMITTEE
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

DRAFT

January 15, 2026

A meeting of the Water Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Thursday, January 15, 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. The District and Salt River Valley Water Users' Association (the Association) are collectively known as SRP.

Committee Members present at roll call were P. Rovey, Chair; and K. O'Brien, M. Pace, and J. White Jr.

Committee Members absent at roll call were R. Miller, Vice Chair; and C. Clowes and L. Williams.

Also present were Vice President C. Dobson; Board Members R. Arnett, N. Brown, K. Johnson, and S. Kennedy; Board Member L. Rovey of the Association; Council Chair R. Shelton; Council Vice Chair B. Paceley; Council Liaisons S. Naylor and P. Van Hofwegen; I. Avalos, J. Baran, M. Burger, A. Chabrier, B. Davis, J. Felty, M. Greene, T. Hayes, L. Hobaica, Z. Keller, B. Koch, K. Lee, P. Likens, C. McJunkin, M. Mendonca, L. Meyers, K. Morrison, M. O'Connor, B. Olsen, M. Purnell, C. Sifuentes-Kohlbeck, P. Sigl, and R. Taylor of SRP; and Paul Bergelin of Arizona Municipal Water Users Association (AMWUA).

Chair P. Rovey appointed Board Member R. Arnett to serve as an ex-officio member of the Committee.

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 Water Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, January 13, 2026.

Chair P. Rovey called the meeting to order.

Consent Agenda

Chair P. Rovey requested a motion for Committee approval of the Consent Agenda, in its entirety.

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

- Minutes of the Water Committee meeting on December 11, 2025, as presented.

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

YES:	Board Members P. Rovey, Chair; and R. Arnett, K. O'Brien, M. Pace, and J. White Jr.	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members R. Miller, Vice Chair; and C. Clowes and L. Williams	(3)

Update on Status of Activities at Granite Reef Diversion Dam

Using a PowerPoint presentation, Christa McJunkin, SRP Senior Director of Water Supply and System, stated that the purpose of the presentation was to provide an update on recent activities at Granite Reef Diversion Dam, including completed improvements, proposed next steps for the sand operation, and results from deployment of the new dredge.

C. McJunkin presented a video of the dredging operations and maintenance at Granite Reef Diversion Dam. They said that the Katy Pickrell Dredge operated from 1954 through 2025 and was replaced in 2025 because it couldn't keep up with the amount of silt coming down the rivers, its parts became obsolete, and it became a safety risk for SRP employees to operate due to its aging.

C. McJunkin provided an overview of the new Judge Dredge and new retention basin. They stated that a Request For Interest was issued to find a sand operator. C. McJunkin concluded with a summary of the dredging benefits.

C. McJunkin 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. Rakow entered the meeting during the presentation.

Middle Sycamore Creek Watershed Study

Using a PowerPoint presentation, Zac Keller, SRP Scientist Hydrographic, stated that the purpose of the presentation was to provide information regarding the study of the Middle Sycamore Creek watershed located south of Williams, Arizona.

Z. Keller explained that SRP measures the watershed activities to manage reservoir operations. They explained the reason for the Middle Sycamore Creek watershed study and provided images and a video of the following in regards to the Middle Sycamore Creek watershed study: 1) data needs for streamflow and volume of flow; 2) challenges that led to the motivation for a new flume; 3) new flume installation; 4) transportation of new flume via helicopter; 5) new flume supporting equipment; 6) first flow event, November 10 – 23, 2025; 7) old measurement device vs. new flume; and 8) Christmas day discharge. They stated that the preliminary results of the Middle Sycamore Creek watershed study were presented at the American Geophysical Union in New Orleans, Louisiana in December 2025.

Z. Keller concluded with a summary of future goals and thanked those who contributed to the study. They 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

Z. Keller and M. Mendonca of SRP left the meeting. Board Members R. Miller and S. Williams; Council Member C. Resch-Geretti; and T. Kaschak and V. Kisicki of SRP entered the meeting during the presentation.

Executive Session: West Van Buren Water Quality Assurance Revolving Fund (WQARF) Site

Chair P. Rovey requested a motion to enter into 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 and to give instructions on 1) pending litigation, Gallagher & Kennedy, P.A. v. City of Phoenix, et al., Case No. 23-15938, 2:16-cv-04447, and 2) legal issues and potential settlement/remedy for the West Van Buren WQARF site to avoid additional litigation.

On a motion duly made by Board Member M. Pace, seconded by Board Member J. White Jr. and carried, the Water Committee convened into executive session at 10:24 a.m.

Corporate Secretary J. Felty polled the Committee Members on Board Member M. Pace's motion to enter into executive session. The vote was recorded as follows:

YES:	Board Members P. Rovey, Chair; R. Miller, Vice Chair; and R. Arnett, K. O'Brien, M. Pace, and J. White Jr.	(6)

NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members C. Clowes and L. Williams	(2)

J. Baran, B. Davis, T. Hayes, T. Kaschak, and K. Morrison of SRP; and Paul Bergelin of AMWUA left the meeting.

The Committee reconvened into open session at 10:48 a.m., with the following members and others present were Vice President C. Dobson; Board Members R. Arnett, N. Brown, K. Johnson, S. Kennedy, R. Miller, K. O'Brien, M. Pace, P. Rovey, J. White Jr., and S. Williams; Board Member L. Rovey of the Association; Council Chair R. Shelton; Council Vice Chair B. Paceley; Council Liaisons S. Naylor and P. Van Hofwegen; Council Members M. Farmer, M. Rakow, and C. Resch-Geretti; and I. Avalos, M. Burger, A. Chabrier, J. Felty, M. Greene, L. Hobaica, V. Kisicki, B. Koch, K. Lee, P. Likens, C. McJunkin, L. Meyers, M. O'Connor, B. Olsen, M. Purnell, C. Sifuentes-Kohlbeck, P. Sigl, and R. Taylor of SRP.

Paul Bergelin of AMWUA entered the meeting.

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

Leslie Meyers, SRP Associate General Manager and Chief Water Resources and Services Executive, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chair P. Rovey asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Water Committee, the meeting adjourned at 10:50 a.m.

John Felty
Corporate Secretary

FISCAL YEAR 2027 ASSOCIATION WATER BUDGET

Water Committee

February 17, 2026

Travis Burnett, Manager, Water Finance

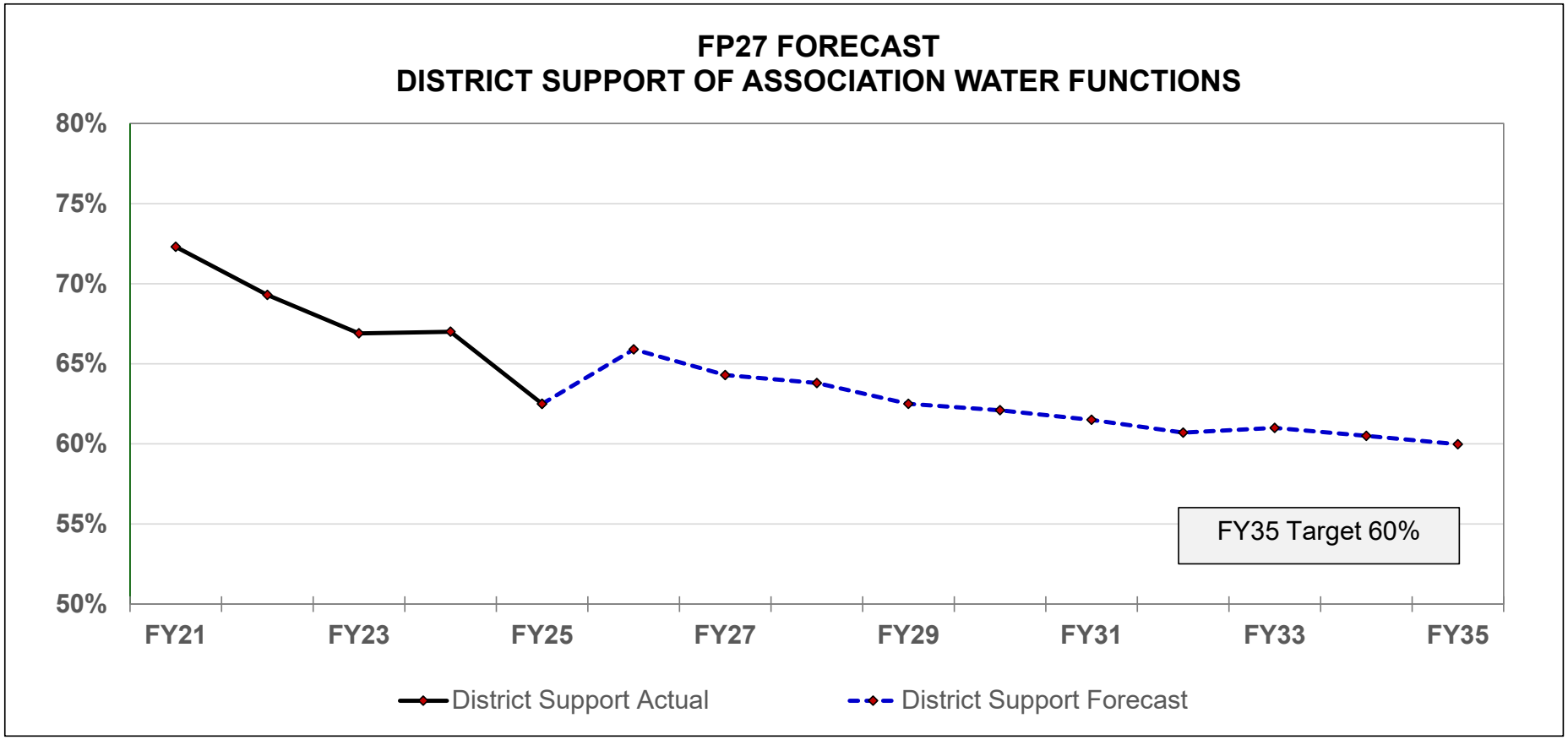
Agenda

- ✓ Proposed FY27 Association O&M budget
- ✓ Proposed 2027 water pricing for water types and administrative fees for Association members

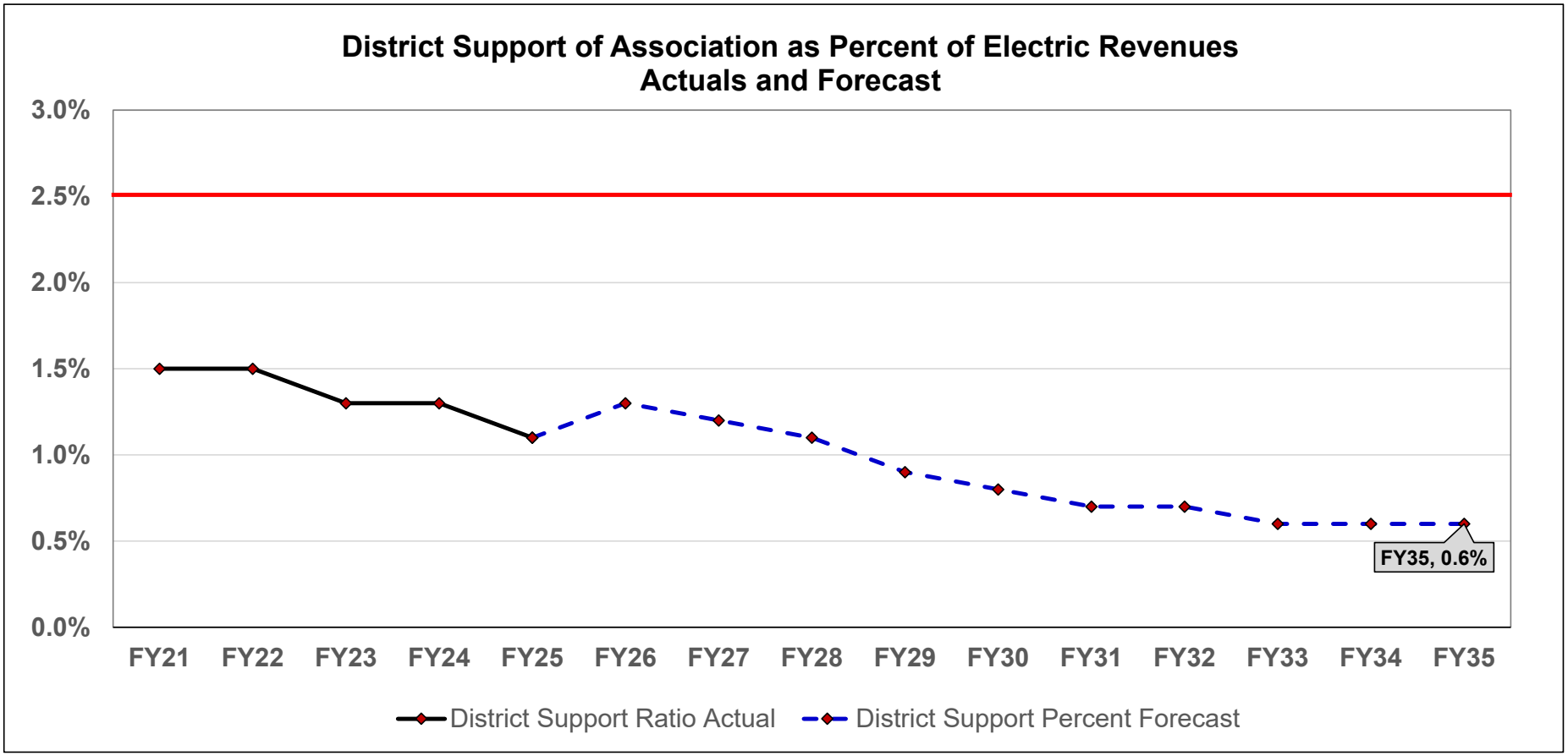
Approved 2035 Water Support Goal

- ✓ By 2035, 60% of the Irrigation & Drainage O&M expenses will be met from electric revenues
- ✓ Total amount of financial support to water system O&M will not exceed 2.5% of total electric revenues

District Support FY35 Forecast



District Support As Percent Of Electric Revenues



Association Budget Items

The Association includes the Operation & Maintenance of the Irrigation & Drainage system as determined by the 1949 contract.

- ✓ **Association Budget:**
  - Revenues from water services for shareholders, including city agents, and falling water.
  - Expenses for O&M of the Irrigation & Drainage system for shareholders.
- ✓ **District Budget:**
  - Expenses for capital additions and replacements to the Irrigation & Drainage system.
  - Expenses for reservoir operations, watershed monitoring, water rights protection, water policy engagement, water conservation support, forest restoration, recharge projects, interconnection facilities, etc.
  - Revenues and expenses from services to non-shareholders such as recharge project leases, well leases, wheeling water services, etc.

Draft Statement of Revenues and Expenses
Association Budget

	FY26 Budget (000)	FY27 Proposed (000)
Operating Revenues		
Stored and Developed	12,625	13,374
Additional Deliveries	2,407	2,654
Water Delivery Revenue	2,026	2,101
Other Service Revenues	4,748	6,966
Falling Water	7,177	6,726
Total Operating Revenues	28,983	31,821
Operating Expense		
Operations & Maintenance	82,610	81,477
Power for Pumping	5,268	9,754
Total Operating Expense	87,878	91,231
Net Operating Revenues (Loss)	(58,895)	(59,410)
Other Income (Deductions) Net	2,872	2,163
Net Revenues (Loss)	(56,023)	(57,247)

Association Water Delivery Types

Basic Stored & Developed	Member lands are entitled to an annual base allocation of stored and developed water that equals 2 acre-feet per acre.
Normal Flow	Water delivered to lands with rights to the unregulated flows of the Salt and Verde rivers as established in the 1910 Kent Decree; quantity varies based on right.
Additional Stored & Developed	Water delivered to member lands annually as the 3rd acre-foot per acre of stored and developed water.
Pumped Right Water	Water delivered to eligible member lands with rights to pumped water under programs established in 1929 and 1948; pumped right water service is limited to 2 acre-feet per acre/year.
Additional Subdivision Water	Water delivered to subdivision member lands with rights to additional pumped water.
Supplemental Supply Program	Water delivered to member lands as additional pumped right water.

Proposed Price Recommendation for Water Delivery Types for CY2027

Per Acre Foot Prices	2026 Approved		2027 Proposed	
	% Increase	Rates	% Increase	Rates
Basic Stored & Developed [1]	6.3%	$26.76	5.0%	$28.08
Normal Flow	3.0%	$18.45	3.0%	$19.00
Additional Stored and Developed	3.0%	$18.45	3.0%	$19.00
Pump Right Water	6.3%	$63.77	5.0%	$66.92
Additional Subdivision Water	6.3%	$63.77	5.0%	$66.92
Supplemental Supply Program	6.3%	$63.77	5.0%	$66.92

[1] Basic Stored & Developed are provided in 2 Acre Feet per Acre increments

Association Water Delivery Administrative Fees

Water Delivery Fee	Fee covers the cost of servicing active accounts and includes record keeping of water orders, water charges, and scheduling of subdivision accounts.
City Contracts Fee	Fee is specific to the management of inactive accounts that have been closed and “cut to the city” under the SRP-City water delivery and use agreements; customer entitlement water is then delivered through the city water system; a customer can elect to reactivate their account and receive direct deliveries.

Proposed Administrative Fee Recommendation for CY2027

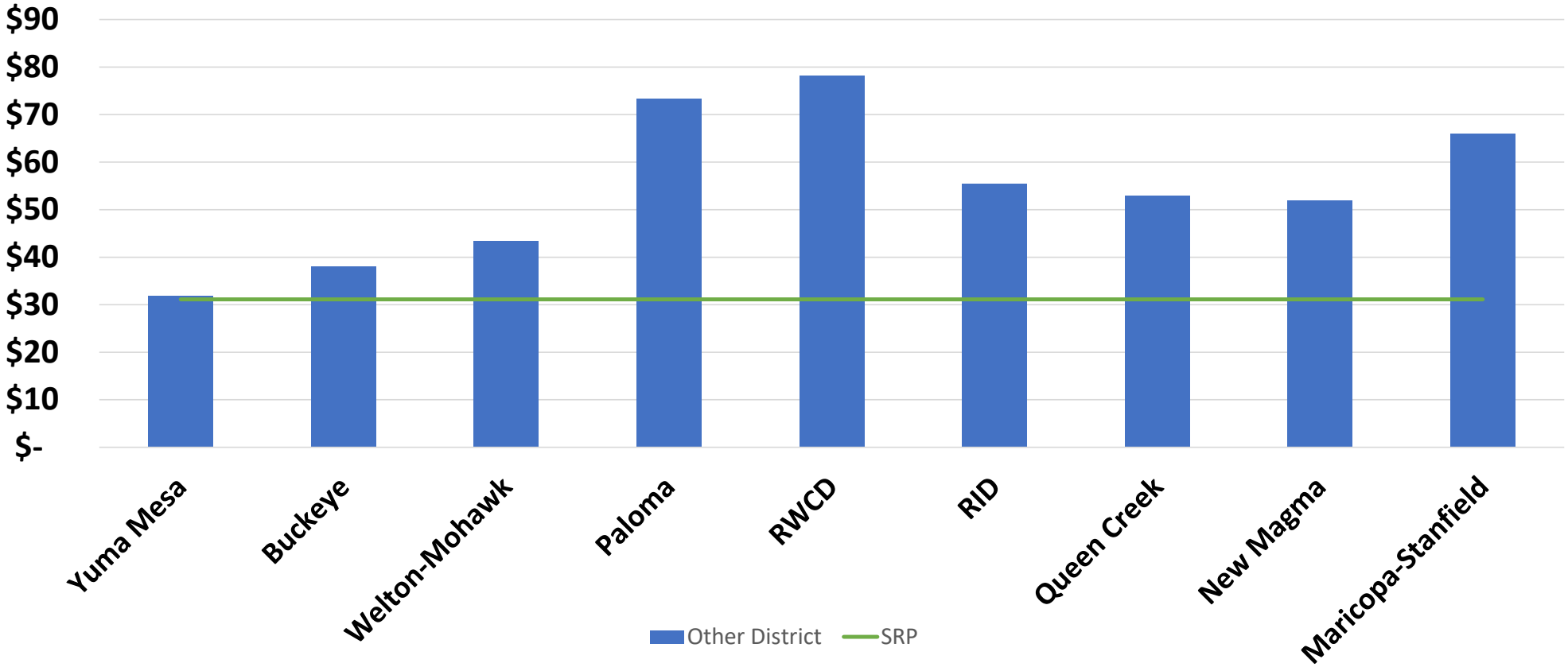
	2026	2027	% Increase
Water Delivery Fee [1]			
Per Account	$93.87	$97.34	3.7%
Per Acre	$0.45	$0.47	4.4%
City Contracts Fee [2]	$6.11	$6.34	3.7%

[1] Direct Delivery for Active Accounts
Formula for calculation is set by Association By-Laws
[2] Admin fee per parcel for inactive accounts.

What Does This Mean?
Cost Per Acre Foot Examples

Customer Examples	2026	2027	Increase	Percent
Large Agricultural Accounts	$30.09	$31.48	$1.39	4.6%
Small Account 10 Acres	$31.70	$33.20	$1.50	4.7%
1 Acre Subdivision Accounts	$60.20	$62.95	$2.75	4.6%
2 Acre Water Balance Accounts	$39.79	$41.43	$1.64	4.1%
All Cities	$35.80	$37.46	$1.66	4.6%

Price Per AF Comparison to Other Districts as of 2026



Based on 100 Acres & 5 AF per Acre

QUESTIONS?

Association Members

Association Members hold water rights to water stored and developed from the Reclamation Project and provide revenue to the Association for:

1. The delivery of such water based on water type, *and*
2. Administrative fees for such delivery service

SRP ASSOCIATION BUDGET ITEMS

Other Service Revenues	Revenue from third parties for services such as city shareholder fees, lost hydropower opportunities, and licensing fees for use of canals.
Falling Water	Revenue from District for use of shareholder water to generate hydropower from Salt River Project facilities.
Power for Pumping	Cost of energy required to operate pumps for water withdrawal and distribution; cost impacted by electricity costs, pump efficiency, operational hours, and maintenance.
Other Income (Deductions) Net	Cost of Association portion of post retirement benefits; net changes are driven by market discount rates.

Reference Slide #7

SHAREHOLDER WATER PRICING PRINCIPLES

- ✓ Equity

  Ensure that prices for water and services for shareholders are applied in a fair manner consistent with their legal rights and the District's obligation relating to water;

- ✓ Cost Relation

  Establish prices that are in relation to costs consistent with the By-Laws and the legal obligations between the District and the Association;

SHAREHOLDER WATER PRICING PRINCIPLES (CONT.)

- ✓ Gradualism

  Implement prices for water and services to shareholders that are predictable, and smooth the impacts of highly variable expense and revenue factors;

- ✓ Sufficiency

  Recover sufficient costs, as determined by the Board of Directors, consistent with the District's legal obligations to support the operations and maintenance of the SRP Irrigation and Drainage System

SRP - CAP Interconnection Facility (SCIF) Project

February 17, 2026

Water Committee

Jacob Rodriguez

Sr. Manager Water System Projects

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SCIF Overview

- Project Updates
- Federal Funding
- CAP Stakeholder Meetings
- NEPA Process
- Budget

SCIF Project Updates

- Design
  - Geotechnical Investigation
  - Development of 60% Design & Specifications
- Pre-Construction
  - Procurement of Long Lead Equipment
- Pre-NEPA
  - Development of Draft Notice of Intent
  - Water Quality Modeling & Stakeholder Meetings

SCIF Federal Funding

- Planning and Construction
  - Total projected project cost: $252 million
- Financial Assistance Agreement
  - $154 million obligated through Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program
- Project Funding
  - Finalize ownership capacity, Bureau of Reclamation seeking capacity in SCIF
  - Conservation of Colorado River water by Project Participants
  - Remaining project cost shared by non-federal SCIF participants

CAP Stakeholder Meetings

- Meeting 1 (January 14, 2026): Stakeholder Process Kickoff and Briefing on SCIF Project Background, CAP System Use Agreement and Water Quality Guidance Document Review
- Meeting 2 (January 29, 2026): Briefing on Salt/Verde Water Quality at SCIF and CAP System Wide Water Quality Modeling of SCIF Operations
- Meeting 3 (February 11, 2026): Roundtable for Stakeholder Input on SCIF Project and Water Quality
- Meeting 4 (TBD): Briefing on SCIF Alternatives and SRP/NEPA Next Steps

SCIF NEPA Process

Environmental Milestones

Notice of Intent (NOI)

- NOI anticipated to be published in the Federal Register Summer 2026
- Official EIS 2-year 'clock' begins

Public Scoping

- 30-day public scoping period begins
- Scoping Letters concurrent with NOI
- 4 Public Scoping Meetings Planned

Draft Environmental Impact Statement (EIS)

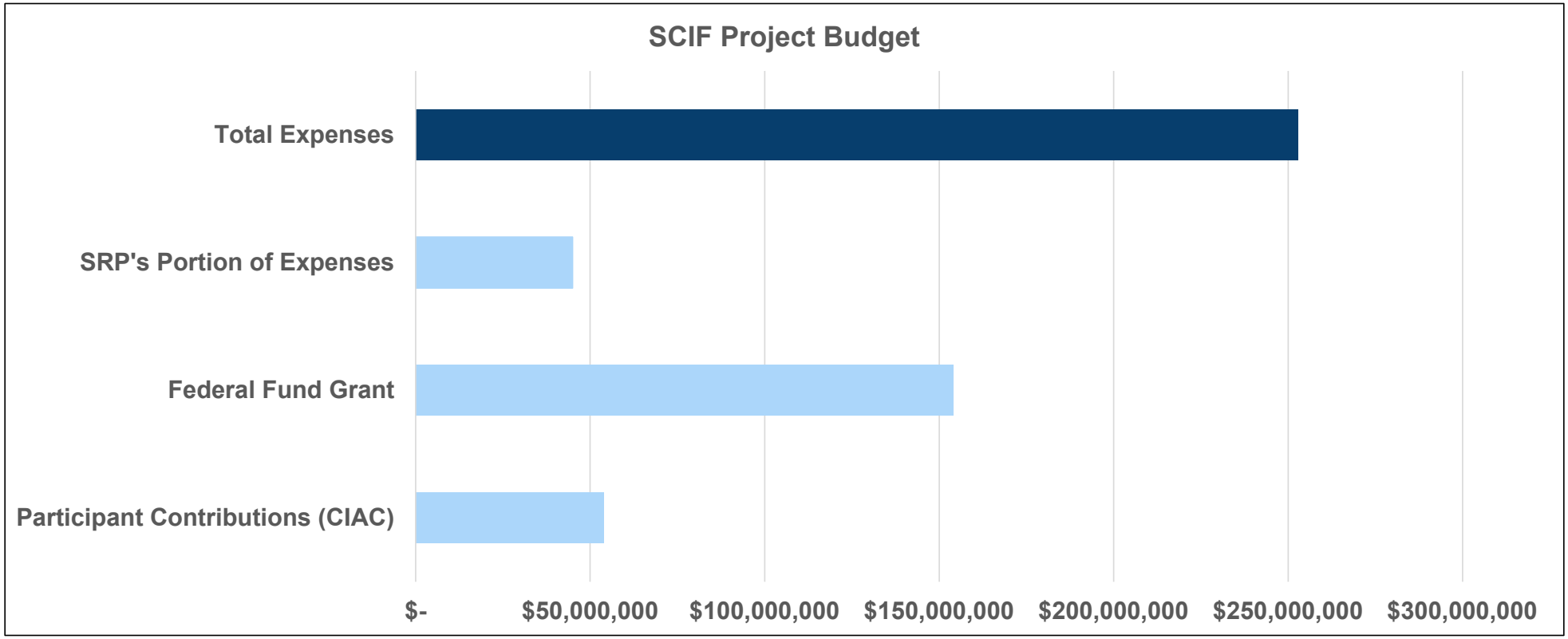
- SRP working with our consultant to provide a comprehensive evaluation of the potential environmental effects of proposed project

Draft EIS Notice of Availability

- Draft EIS available for 45-day public review and comment
  Anticipated Summer 2027

Final EIS & Record of Decision
Anticipated Summer 2028

SCIF Budget


SCIF Project Budget
Total Expenses
SRP's Portion of Expenses
Federal Fund Grant
Participant Contributions (CIAC)
$-
$50,000,000
$100,000,000
$150,000,000
$200,000,000
$250,000,000
$300,000,000

THANK YOU

Tribal Water Rights Settlements & Outreach Update

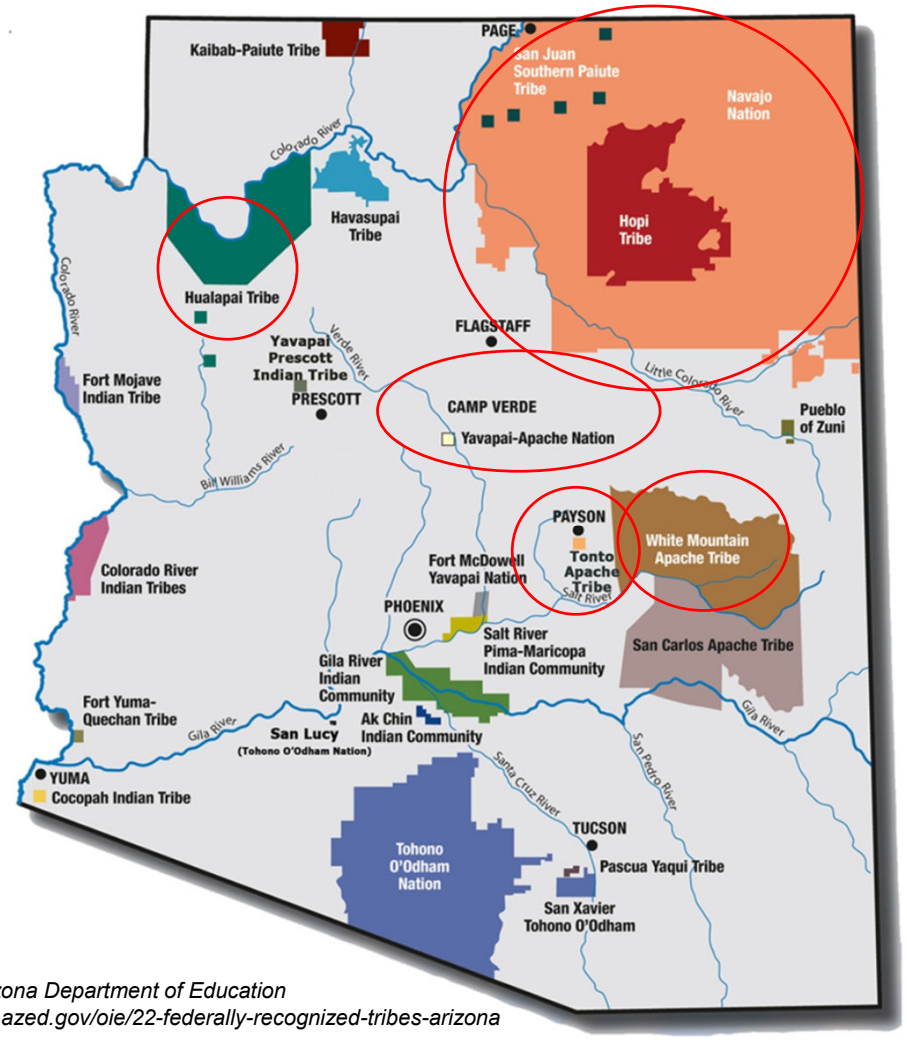
February 17, 2026

Water Committee Meeting

Lucas Shaw

Agenda

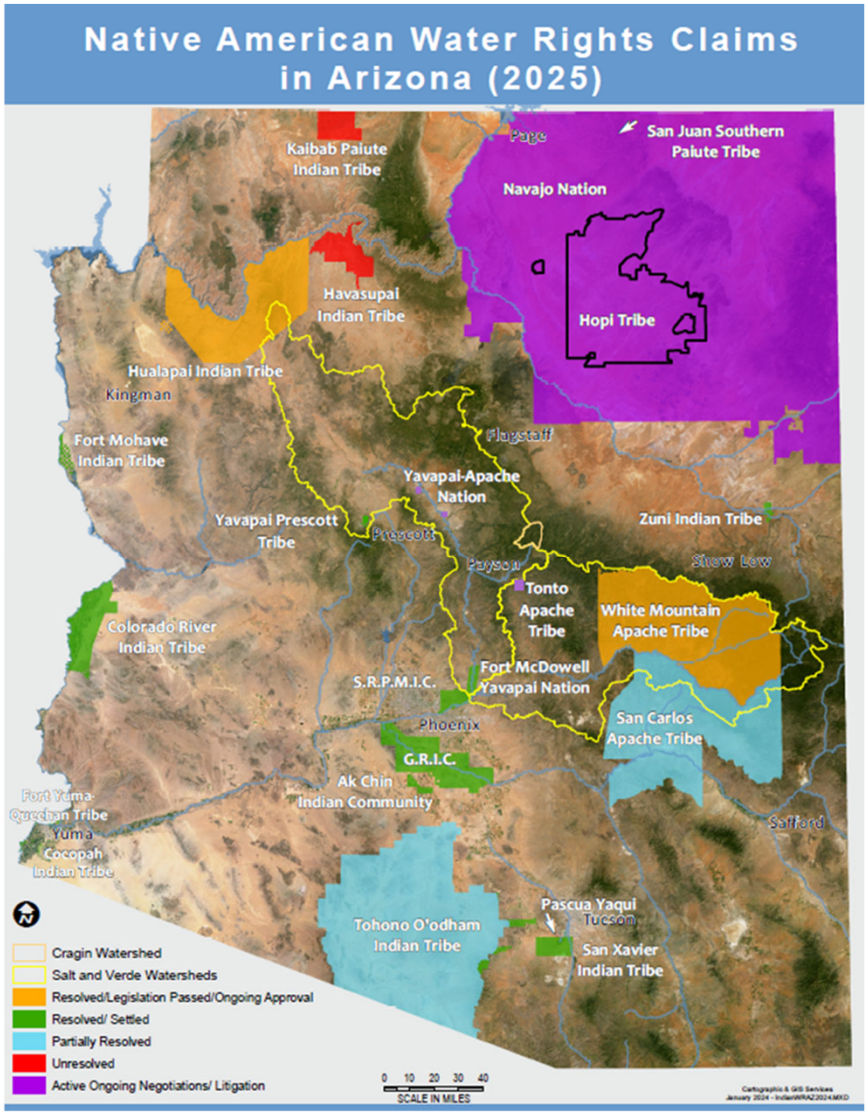
- Background
- Yavapai-Apache Nation
- Northeast Arizona tribes (Navajo Nation, Hopi Tribe, San Juan Southern Paiute Tribe)
- White Mountain Apache Tribe
- Tonto Apache Tribe
- Hualapai Tribe



Source: Arizona Department of Education
https://www.azed.gov/oie/22-federally-recognized-tribes-arizona

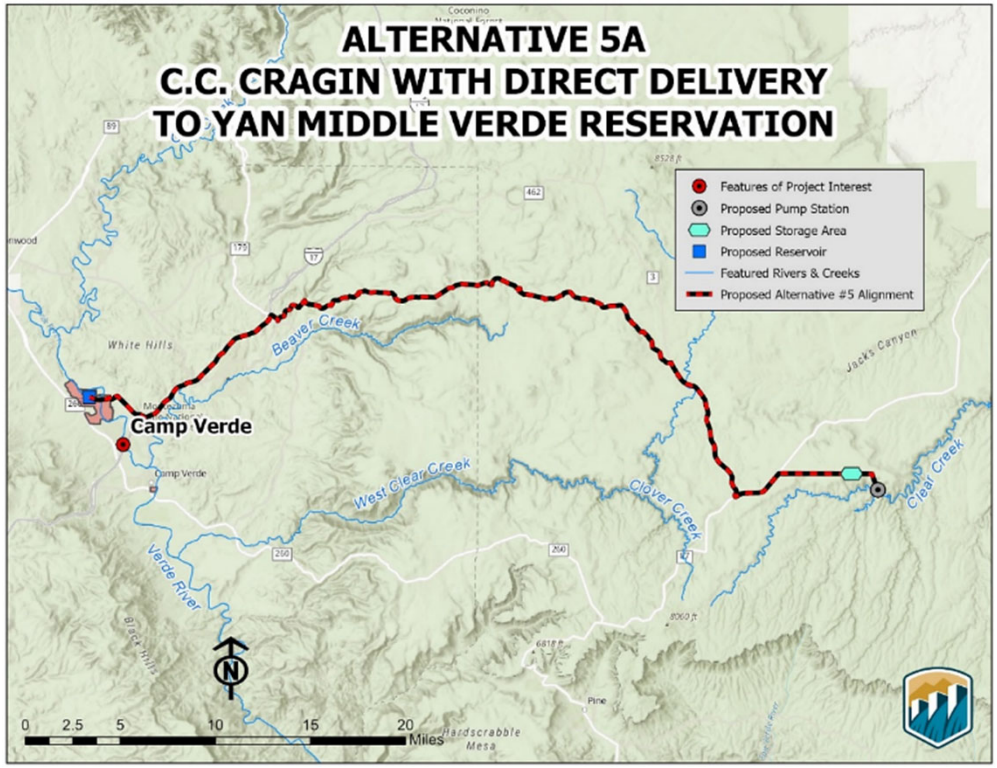
Background

- SRP's legacy of tribal water rights settlements
- 22 Federally recognized tribes
- 14 tribes have water rights settlements
- 4 tribes have decreed Colorado River rights
- SRP is party to 9 settlements



Yavapai-Apache Nation

- 2024 Water Rights Settlement Agreement
- SRP approved in 2024
- Water Budget: 5,991 AF
- Water Sources: historic uses, Cragin Reservoir
- SRP – City of Cottonwood Agreement (2026)
- Legislation introduced (2024, 2025)



Northeast Arizona Indian Water Rights Settlement
(Navajo Nation, Hopi Tribe, San Juan Southern Paiute Tribe)

- 2024 Water Rights Settlement Agreement
- Water Sources: Mainstem Colorado River, groundwater, Little Colorado River tributary water
- 39 different parties
- Legislation introduced (2024, 2025)
- Congressional hearings anticipated Spring 2026

White Mountain Apache Tribe

- 2010 White Mountain Apache Tribe Water Rights Quantification Agreement
- Authorized federal funding for Miner Flat Dam & water distribution system
- Federal Appropriations
- SRP-WMAT Leadership meeting (July 2025)
  - Gauge Cooperation
  - Forest Restoration
  - Water Conservation
  - Water Rights Agreement
  - STEM Initiative

Miner Flat Dam (concept drawing)

SRP-WMAT STEM Outreach

Tonto Apache Tribe

- Payson, AZ
- 500 AF water budget
- C.C. Cragin Reservoir, CAP Water

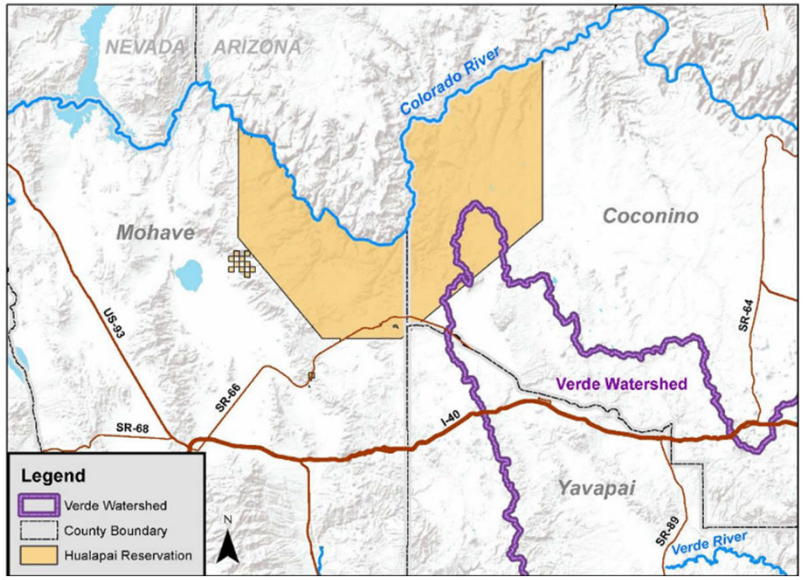
- Town of Payson is water provider
- Negotiations ongoing

C.C. Cragin Reservoir – SRP Facilities

Tonto Apache Tribe – Payson, AZ

Hualapai Tribe

- SRP approved and executed settlement agreement in 2019
- Hualapai Tribe Water Rights Settlement Act of 2022 enacted January 5, 2023
- Fund based settlement included $317M
- 4,000 AFY of NIA priority CAP Water; tribe may acquire lower basin CO River water
- Seeking appropriations for $317 M
- Enforceability date prior to April 15, 2029



thank you!