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

FINANCE AND BUDGET COMMITTEE

Tuesday, September 22, 2026, No Sooner Than 10:15 AM

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

Committee Members: Mario Herrera, Chair; Casey Clowes, Vice Chair; and Lupe Conchas Thomas Galvin, Sandra Kennedy, Mark Pace, Paul Rovey, 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 MARIO HERRERA

   A. Request for approval of the minutes for the meeting of August 20, 2026.

   B. Request for approval of the Monthly Cash Statement for August 2026 (District and Association).

2. Review of the Financial Results for the Month of August 2026 ....JEREMY FRY

3. Energy Risk Management (ERM) Update .... JAY GUERRERO

   Informational presentation regarding the periodic update on ERM activities. Topics include an overview of commodity prices (natural gas/electricity); a summary of retail natural gas hedging requirements and current hedge levels; current gas transportation under contract and expected incremental needs; the wholesale credit exposure summary; and Board-approved aggregate financial limits and existing financial positions.

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

5. Future Agenda Topics .... CHAIR MARIO HERRERA

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.

THE NEXT FINANCE AND BUDGET COMMITTEE MEETING IS SCHEDULED FOR TUESDAY, OCTOBER 20, 2026

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

August 20, 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 12:51 p.m. on Thursday, August 20, 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 M. Herrera, Chair; C. Clowes, Vice Chair; and S. Kennedy, M. Pace, and P. Rovey.

Committee Members absent at roll call were L. Conchas, T. Galvin, and L. Williams.

Also present were President C. Dobson; Vice President B. Paceley; Board Members M. Harlan, K. Johnson, and L. Rovey; Council Chair R. Shelton; Council Vice Chair S. Naylor; Council Liaisons R. Miller and M. Rakow; Council Members N. Brown, E. Gorsegner, A. Gullick, N. Haddad, and C. Resch Geretti; and I. Avalos, A. Bond-Simpson, M. Burger, A. Chabrier, J. Felty, C. Felix, J. Fry, J. Guerrero, L. Hobaica, J. Hubbard, V. Kisicki, B. Koch, A. Lucas, R. Mueller, M. O'Connor, B. Olsen, J. Pratt, A. Rickard, J. Schuricht, and Z. Thompson of SRP.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Finance and Budget Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, August 18, 2026.

Chair M. Herrera called the meeting to order.

Consent Agenda

Chair M. Herrera 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 S. Kennedy, the Committee unanimously approved and adopted the following items on the Consent Agenda:

A. Minutes of the Finance and Budget Committee meetings on June 18, 2026, as presented.

B. Approval of the District and Association Monthly Cash Statements for June and July 2026.

C. Approval of the Association Quarterly Cash Statement for period ending July 31, 2026.

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 M. Herrera, Chair; C. Clowes, Vice Chair; and S. Kennedy, M. Pace, and P. Rovey	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members L. Conchas, T. Galvin, and L. Williams	(3)

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

Review of the Financial Results Through July 2026

Chair M. Herrera stated this item would be postponed to a future meeting.

Energy Risk Management (ERM) Update

Chair M. Herrera stated this item would be postponed to a future meeting.

Limited Income Assistance Programs

Using a PowerPoint presentation, Zack Thompson, SRP Senior Director of Customer Services, stated that the purpose of the presentation was to provide information regarding the services, programs, and partnerships SRP provides to support SRP's limited income customer base.

Z. Thompson stated that SRP's customer service representatives are available 24/7 by either live chat, conversational interactive voice response (IVR), and email, as well as the self-service My Account and mobile app. They said that customer resource counselors are dedicated to low-income and hardship support for SRP customers.

Z. Thompson concluded with an overview of SRP's financial assistance, energy assistance, the Medical Preparedness Program (MPP), and the Safety Net program. 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.

J. Hubbard and J. Guerrero of SRP left the meeting during the agenda item. Board Members L. Conchas and T. Galvin entered the meeting during the agenda item.

Heat Moratorium Practices

Using a PowerPoint presentation, Z. Thompson stated that the purpose of the presentation was to provide information regarding SRP's credit and disconnect practices for residential customers, including practices during National Weather Service's extreme weather warnings and SRP's summer disconnect moratorium.

Z. Thompson reviewed a customer's billing cycle, a post disconnect outreach timeline, and a customer's monthly average billing journey. They stated that SRP's customer service representatives are available 24/7 by either live chat, conversational IVR, and email, as well as the self-service My Account and mobile app.

Z. Thompson said that customer resource counselors are dedicated to low-income and hardship support for SRP customers. They discussed residential moratorium practices and the various factors used to determine heat moratorium decisions. Z. Thompson concluded with a breakdown of the moratorium communication timeline and end of moratorium preparation.

Z. Thompson responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Members L. Conchas and T. Galvin; Council Vice Chair S. Naylor; and Council Members E. Gorsegner and C. Resch Geretti left the meeting during the agenda item.

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 M. Herrera 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 2:05 p.m.

John Felty
Corporate Secretary

Statement of Cash Received and Disbursed

August 2026

($000)

	District	Association	Total Month	Year-to-Date
Funds Balance Beginning of Period	$ 736,816	$ 1,039	$ 737,855	$ 725,462
Cash Receipts:				
Electric Revenues	548,776	---	548,776	1,672,487
Water Revenues	---	915	915	5,420
Electric Customer Deposits	4,434	---	4,434	20,267
Reimbursement on Joint Ownership Projects	22,219	---	22,219	95,575
Construction Contributions and Advances	35,379	---	35,379	135,250
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	---	---	---	160,162
Sales Tax Collected	45,705	---	45,705	141,875
Margin and Collateral Received - Net	17,664	---	17,664	158,513
Other Cash Receipts	14,851	---	14,851	55,656
Total Cash Receipts	689,028	915	689,943	2,445,205
Fund Transfers - Net	(8,870)	8,870	---	---
Cash Disbursements:				
Purchased Power and Fuel	134,156	---	134,156	515,895
Operations and Maintenance	98,004	2,573	100,577	463,048
Employee Payroll and Payroll Taxes	118,223	7,732	125,955	323,542
Purchased Inventory	34,668	---	34,668	120,314
Cash Segregated for -				
Bond Interest	25,187	---	25,187	88,095
Bond Principal	13,163	---	13,163	65,306
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	4	---	4	539
Capital Expenditures	76,413	---	76,413	365,735
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	250	---	250	151,773
In Lieu and Ad Valorem Taxes	16	---	16	54,286
Sales Tax Remitted	40,100	---	40,100	118,973
Miscellaneous Cash Disbursements	1,535	---	1,535	27,387
Total Cash Disbursements	541,719	10,305	552,024	2,294,893
Funds Balance End of Period	$ 875,255	$ 519	$ 875,774	$ 875,774

Cash Position

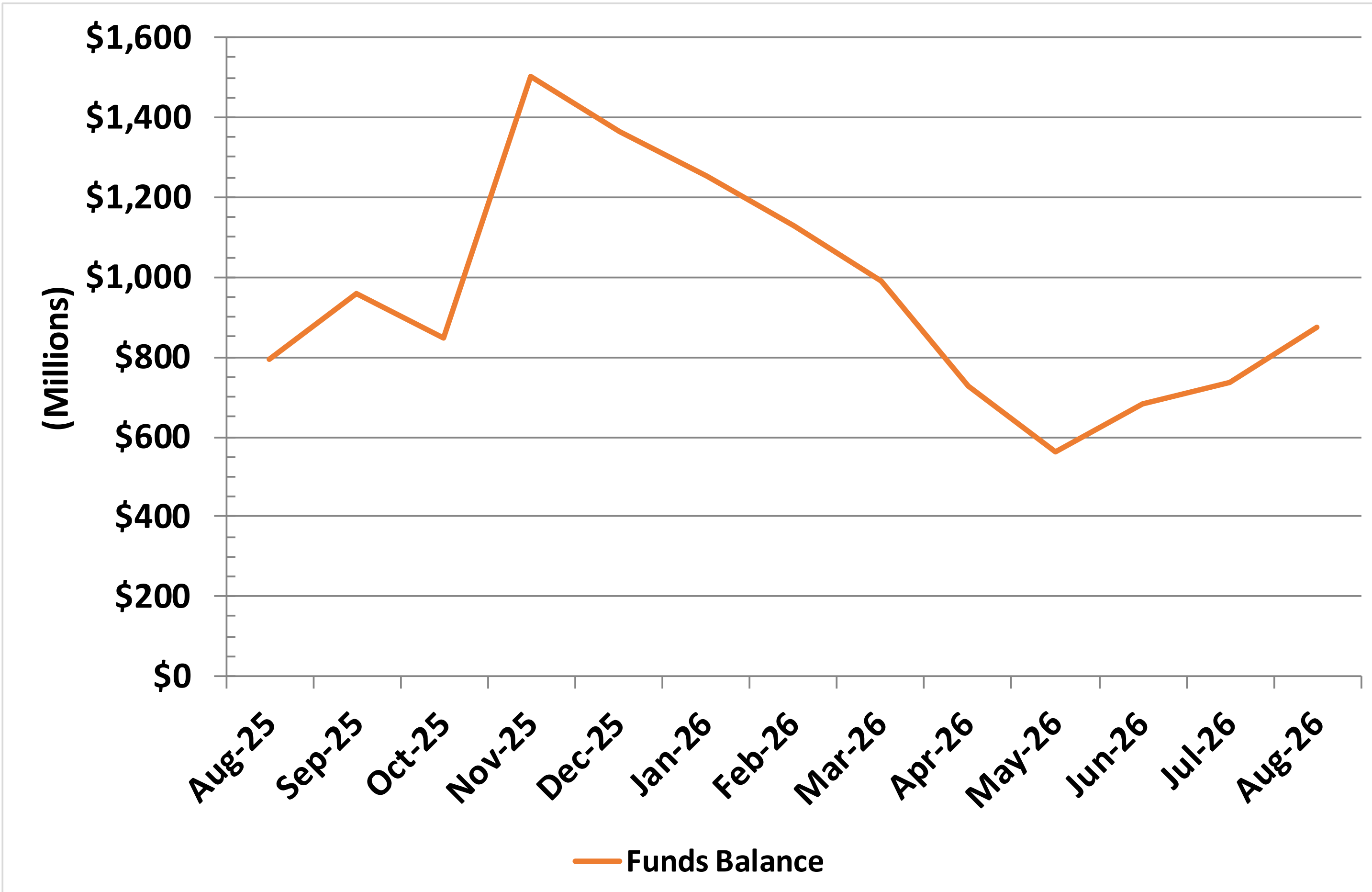
August 2026

	($000)		
	District	Association	Total
Composition of Funds Balance			
Cash and Cash Equivalents	$ 567,615	$ 519	$ 568,134
Other Temporary Investments	140,445	---	140,445
Other Non-Current Investments	167,195	---	167,195
General Fund	875,255	519	875,774
Segregated Funds			
Electric System Debt Reserve Fund	80,708	---	80,708
Debt Service Fund	157,318	---	157,318
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	881,587	---	881,587
Post-Retirement Benefits Fund	1,509,941	---	1,509,941
Construction Fund	---	---	---
RHCP Fund	14,552	---	14,552
HHCP Fund	10,721	---	10,721
SPRHCP Fund	3,653	---	3,653
Four Corners Mine Reclamation Trust	17,782	---	17,782
Other Special Funds	3,889	---	3,889
Total Segregated Funds	$ 2,680,151	$ ---	$ 2,680,151

Monthly Financial Report
August 2026

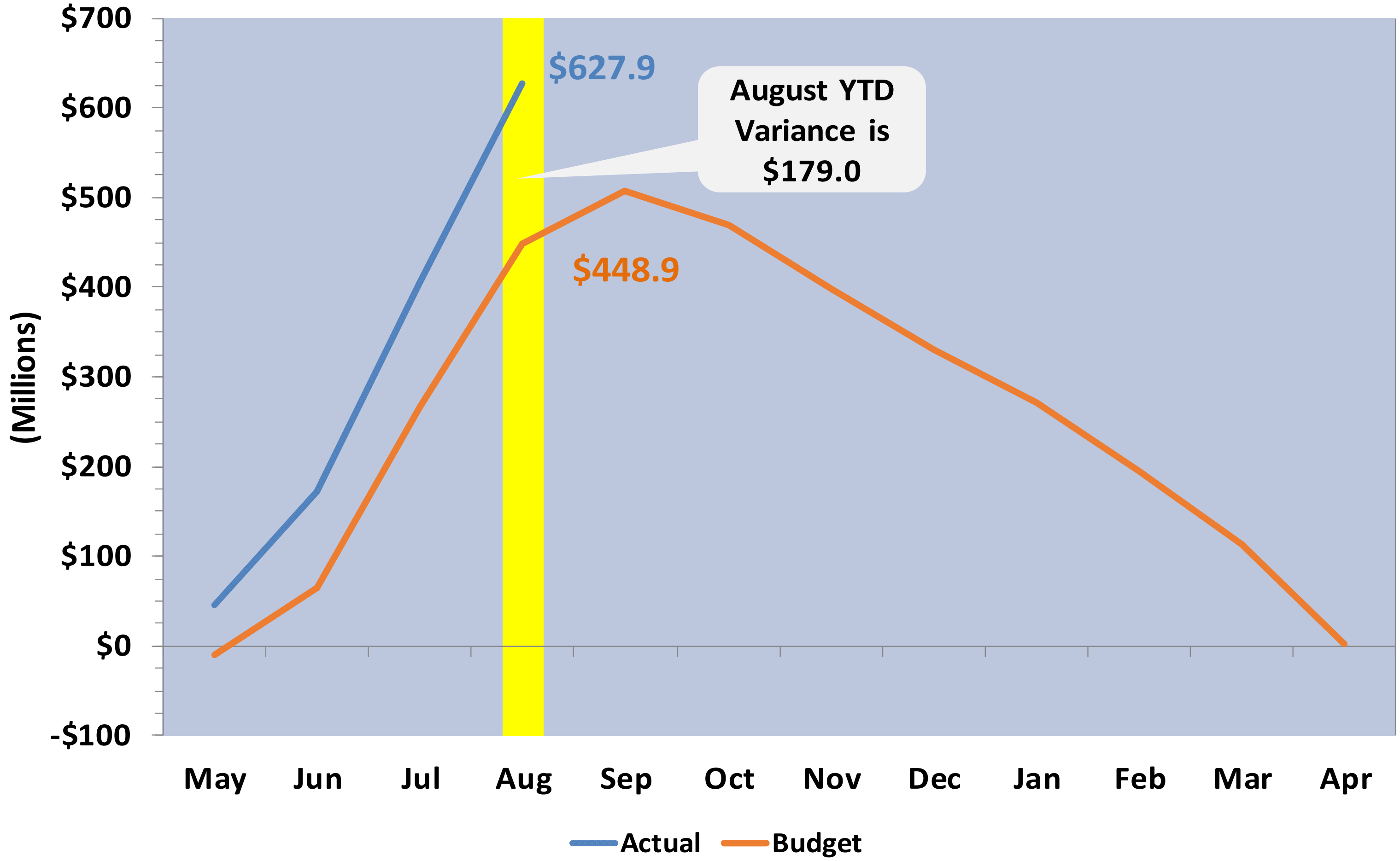
Finance & Budget Committee Meeting
Jeremy T. Fry | 09/22/2026

Liquidity

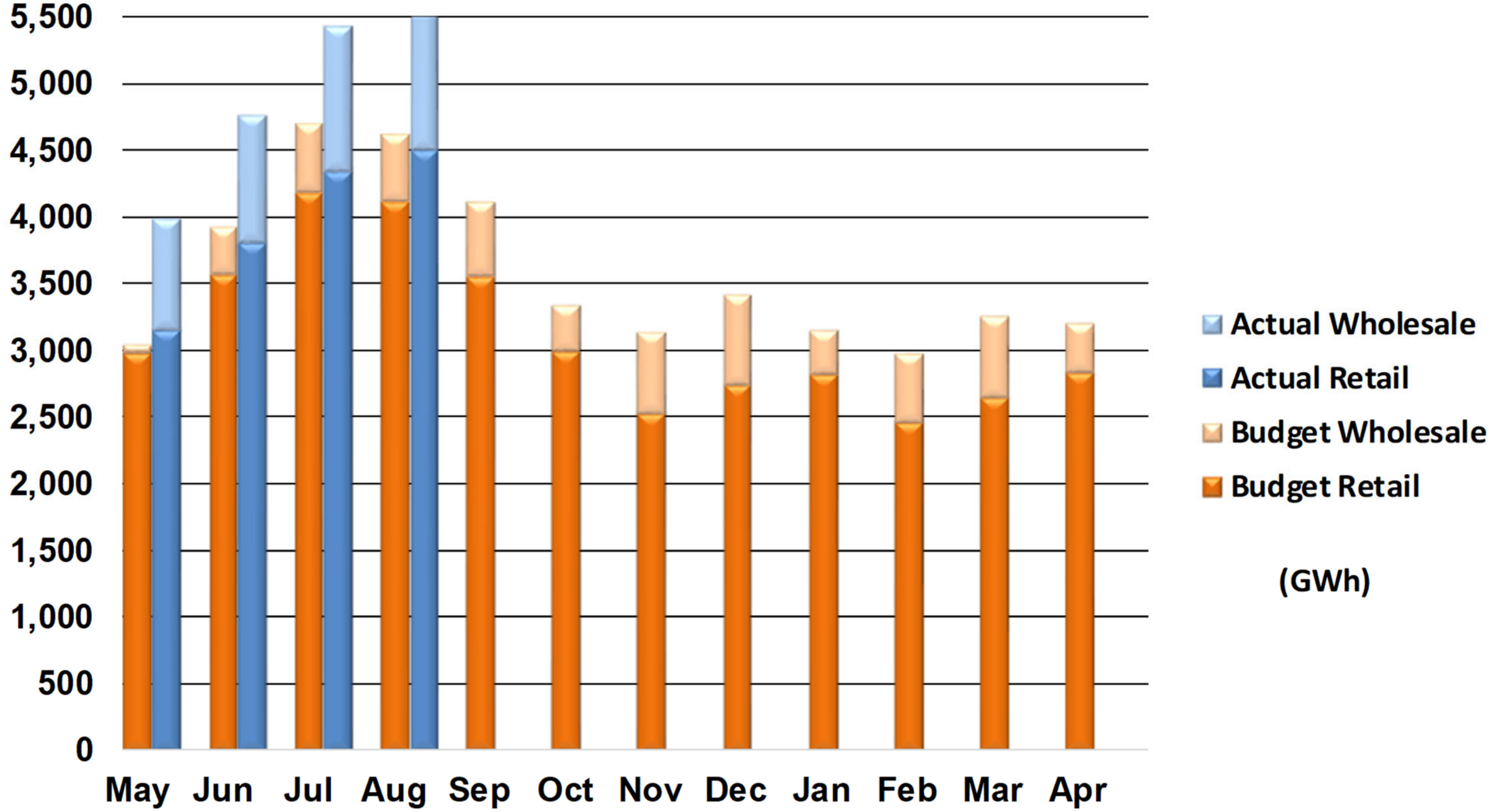


(Non-GAAP, Unaudited)

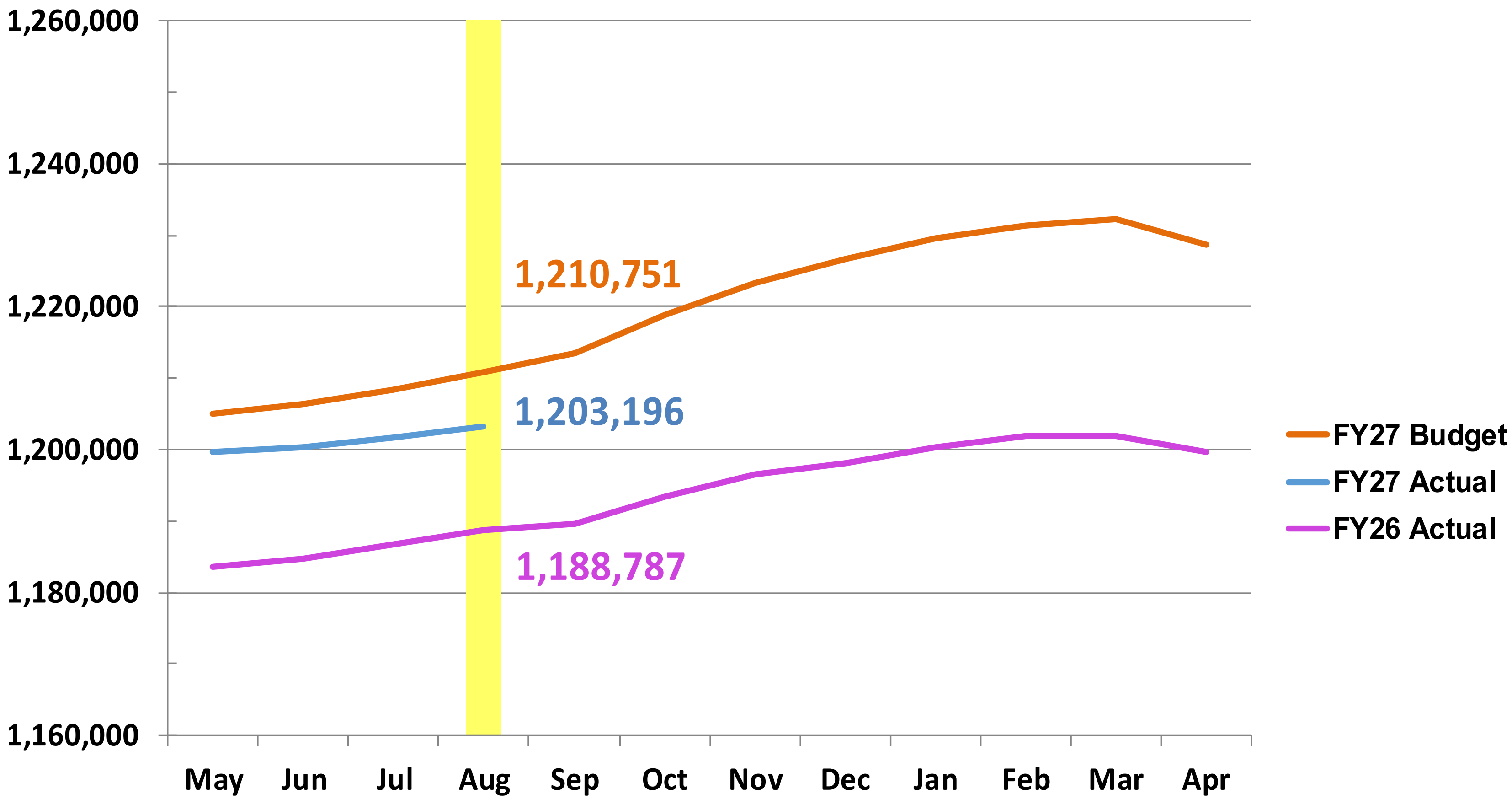
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary - August 2026

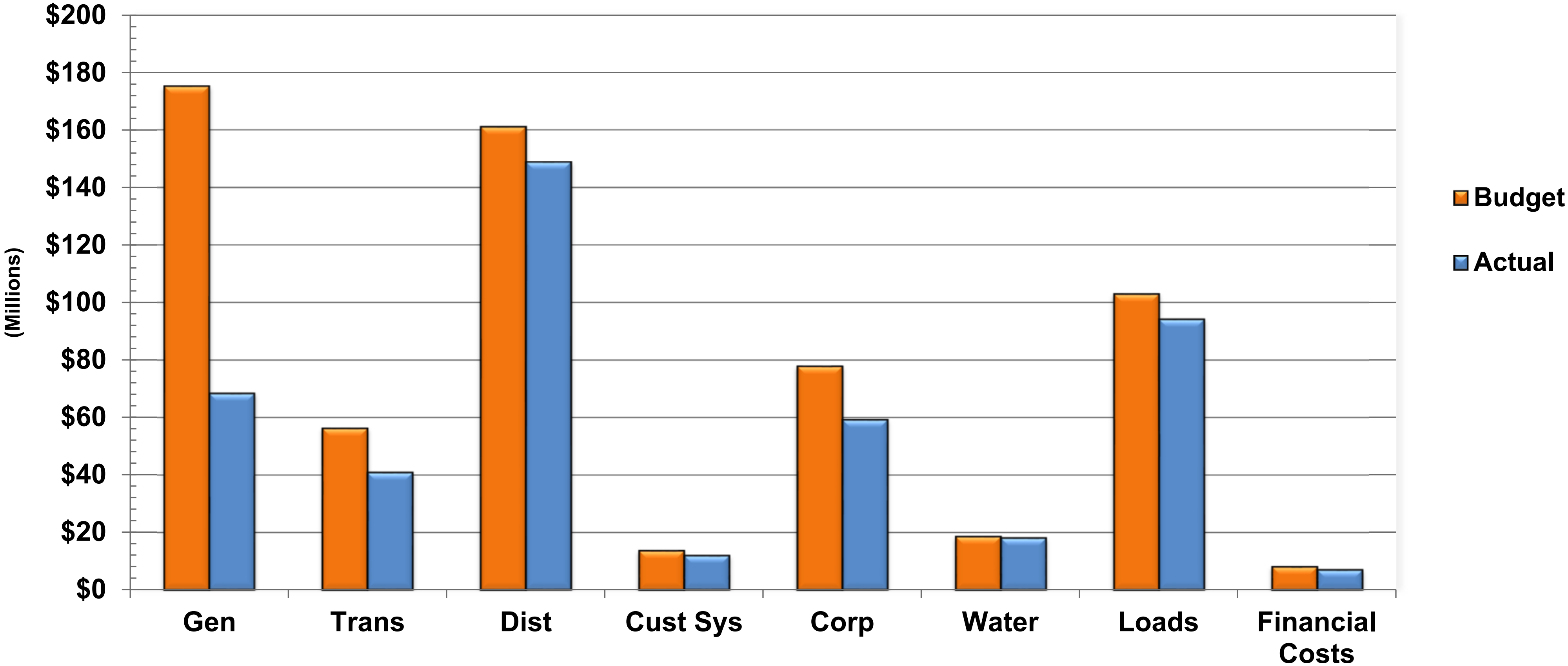
(Thousands)	Actual	Budget	Variance
Operating Revenues	$ 707,415	$ 577,591	$ 129,824
Operating Expenses			
Fuel	255,321	173,896	81,425
O&M	143,729	127,939	15,790
Depr & Tax	76,673	78,373	(1,700)
Total Operating Expenses	475,723	380,208	95,515
Net Financing Costs	18,251	18,626	(375)
Other, Net	9,506	3,664	5,842
Combined Net Revenues	$ 222,947	$ 182,421	$ 40,526

Key Financial Indicators - YTD August 2026

(Thousands)	Actual	Budget	Variance
Funds Available	$ 964,759	$ 631,926	$ 332,833
Total Debt Service Coverage Ratio	7.69	5.53	2.16
Debt Ratio*	48.3	49.5	(1.2)
Capital Expenditures	$ 448,254	$ 613,940	$ (165,686)

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

Capital Expenditures - YTD August 2026



thank you!

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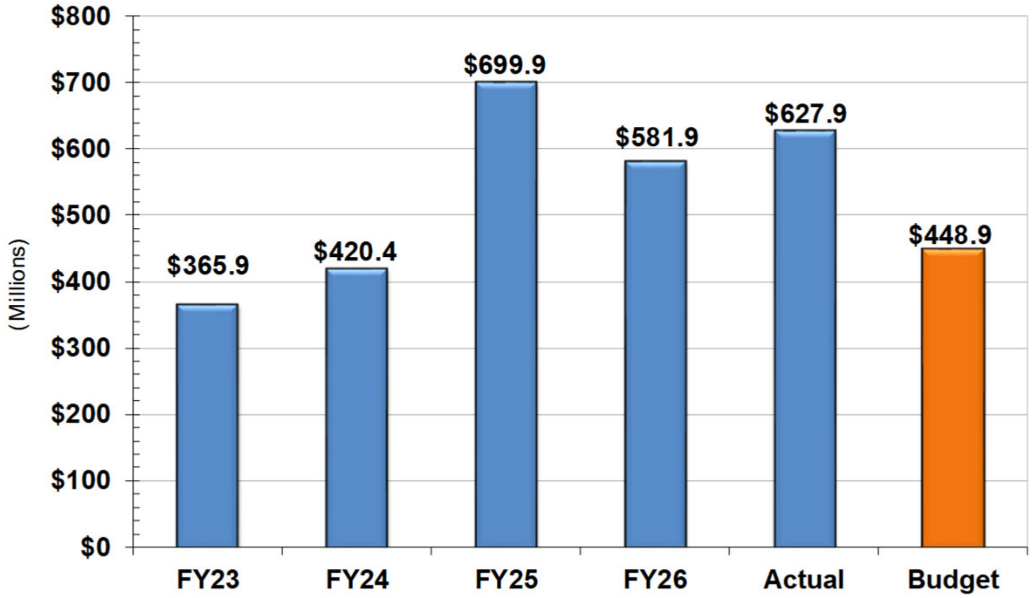
CNR without Fair Value Adjustments - YTD August 2026



09/22/2026 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 1

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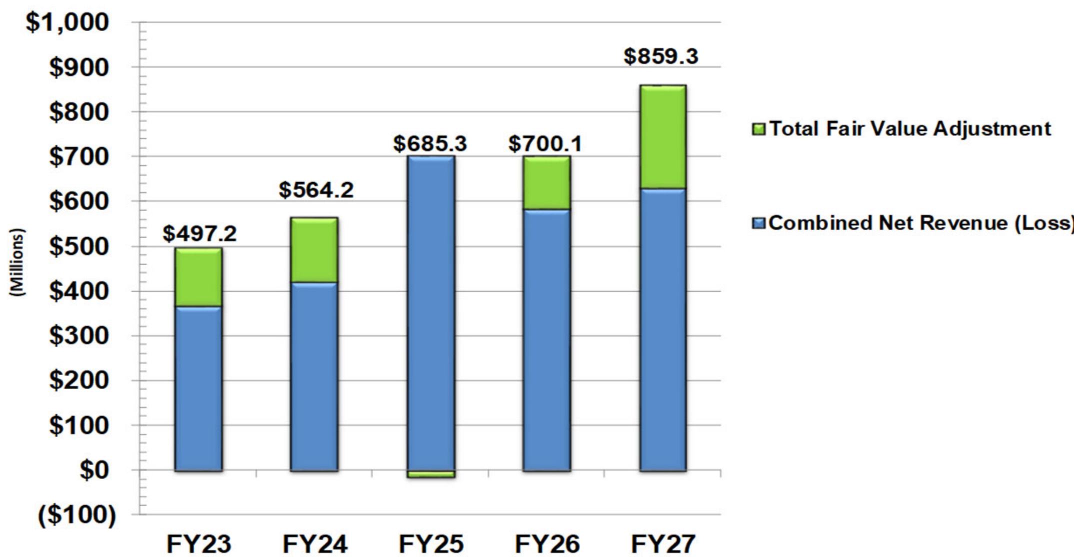
CNR with Fair Value Adjustments - YTD August 2026



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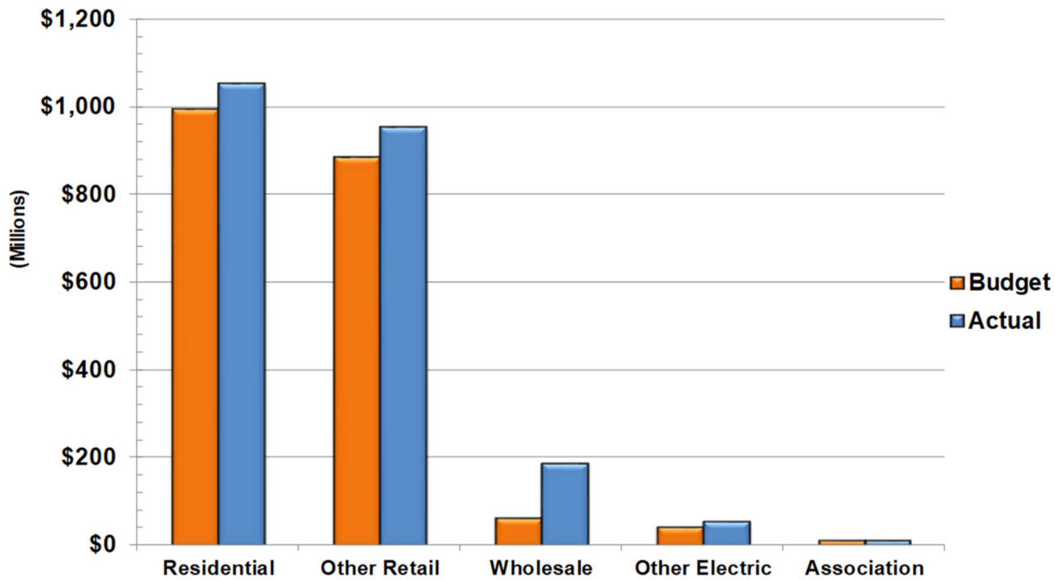
Combined Operating Revenues - YTD August 2026



09/22/2026 Finance & Budget Committee Meeting, J. T. Fry

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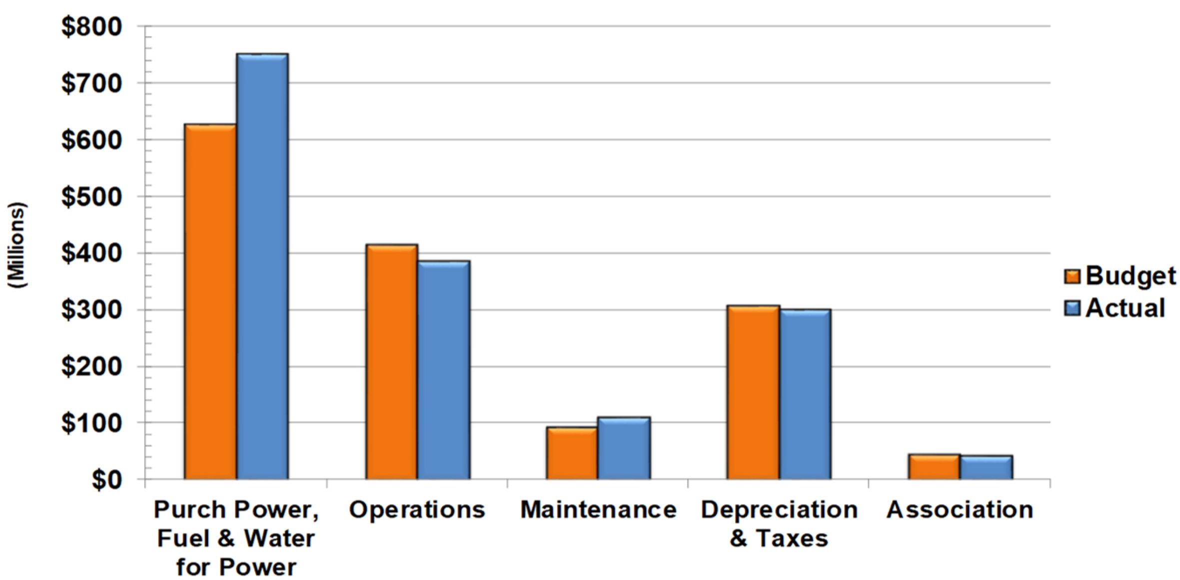
Combined Expenses - YTD August 2026



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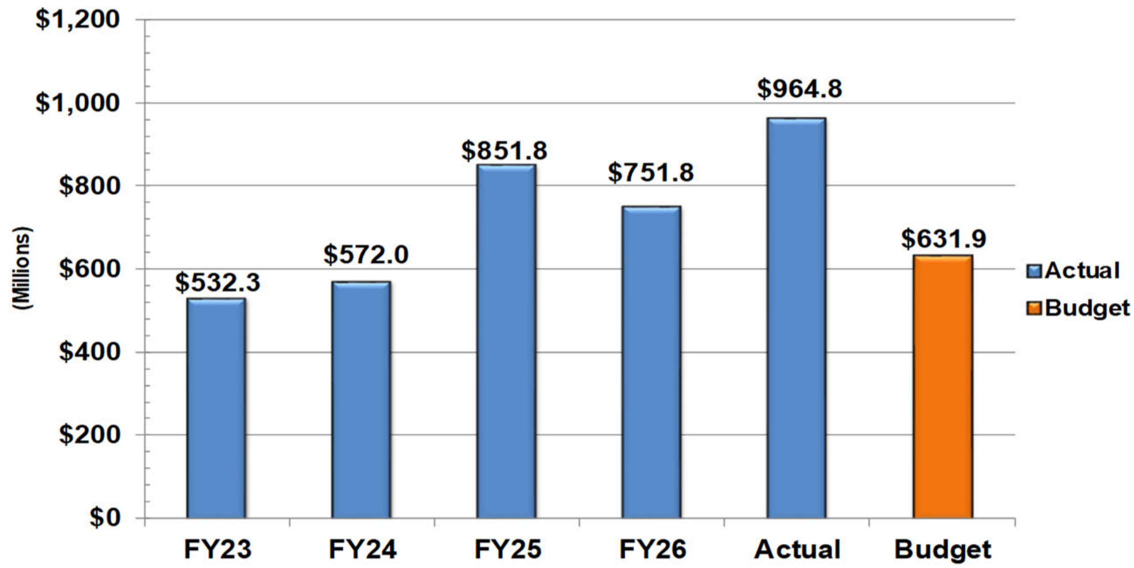
Funds Available - YTD August 2026



09/22/2026 Finance & Budget Committee Meeting, J. T. Fry

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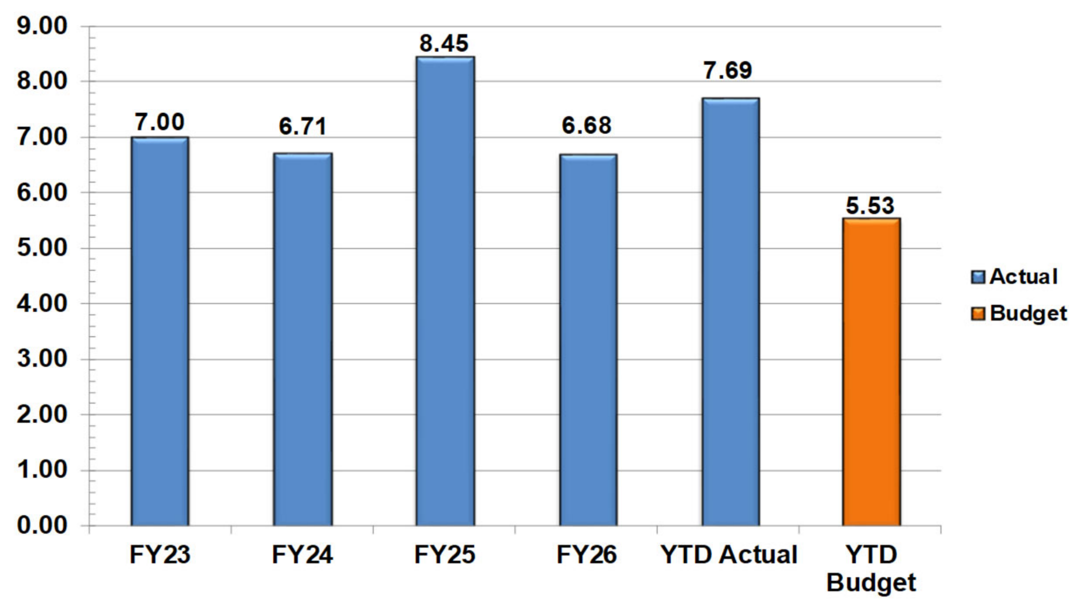
Total Debt Service Coverage Ratio - YTD August 2026



09/22/2026 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 6

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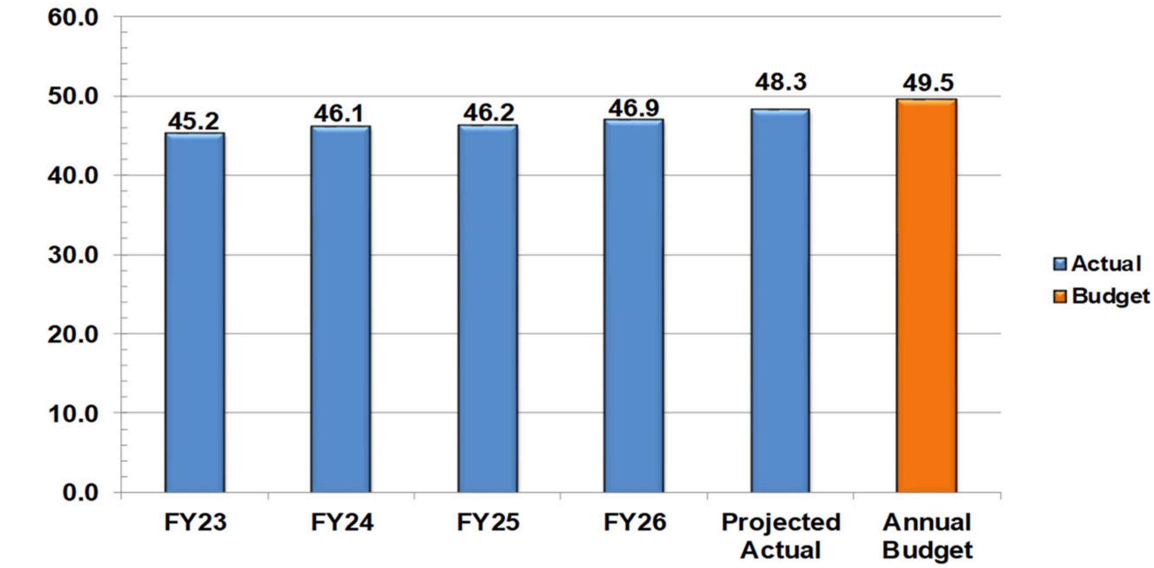
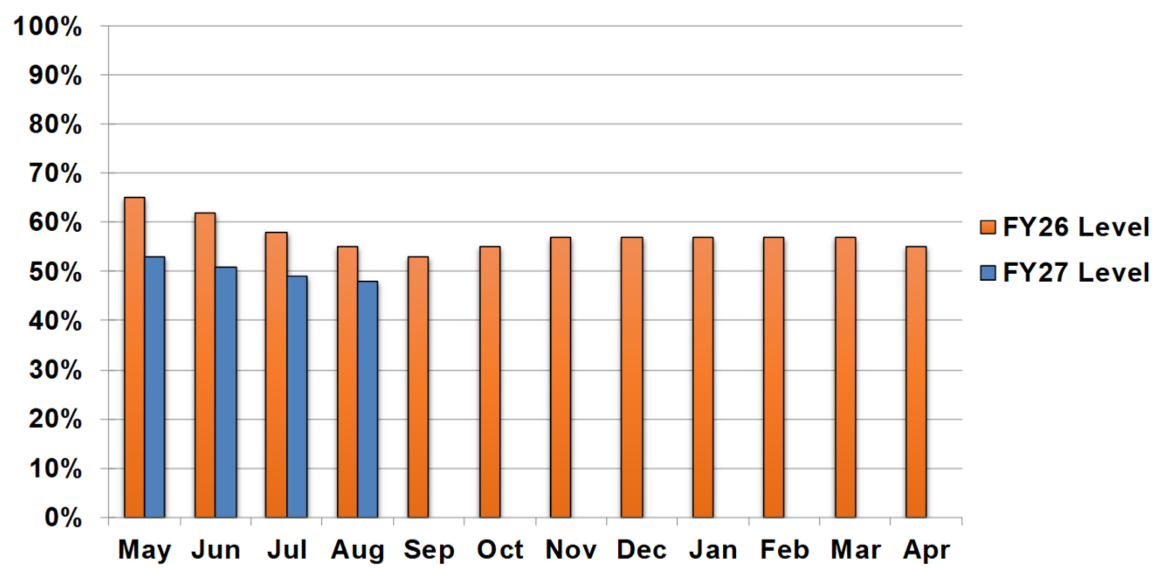
Debt Ratio - YTD August 2026



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

Water Storage Levels



Delivering water and power®

Notes to the Financial Summary – YTD through August 2026

Total Liquidity at the end of August was approximately $876 million.

YTD CNR $179 million above budget. Primary Drivers for the above budget results include:

- Higher-than-expected local and regional temperatures.
- Lower-than-expected fuel and purchase power prices.

System Sales

- Total sales volume for the month of August was 31% above budget
  - The strong result is largely due to above normal temperatures resulting in above forecasted demand.

Total Customer Accounts at the end of August were 1,203,196, reflecting an increase of 14,409 accounts, or 1.2% year-over-year increase.

Operating Revenues for the month of August were $129.8 million above budget, with retail revenues at $49 million above budget.

Total Operating Expense for the month of August was $95.5 million above budget. Numerous drivers contribute to this variance with the most notable items summarized as follows:

- Fuel and Purchased Power were $81.4 million above budget primarily due to higher production and market purchases.

- Operations & Maintenance is $15.7 million above budget. Some of the larger variances that make up this total include:
  - Administrative & General expenses at $2.6 million above budget. The above budget variance is due to various minor above budget variances along with office expense at $1.7M above budget
  - Nuclear Operations were $1.2 million above budget.
  - Valley Maintenance was $5.0 million above budget, variances include prior year maintenance work deferred to FY27 at Gila River $3.2 million, and unexpected labor costs at Kyrene & Coolidge due to a forced outage and timing of material purchases $1.2 million.
  - Distribution Maintenance was $3.1 million above budget, due to mischarges to O&M that should have been charged to capital.

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Notes to the Financial Summary – YTD through August 2026 (Continued)

- Nuclear Maintenance is $2.6 million above budget due to labor timing, which is expected to diminish over the next several months.

- Depreciation & Tax expense was $1.7 million below budget primarily due to the following:
  - Timing differences between actual system generated cost of removal expense and budget at Hayden, Craig and CGS. This timing variance is expected to diminish and be at budget by the end of the year $0.8 million.
  - Payroll Tax expense was $0.9 million below budget.

Net Financing costs were close to budget.

Other, Net was $5.8 million above budget primarily due to the following:

- Rental Income was $1.3 million above budget primarily driven by timing and invoicing associated with PPC.
- Trapper Mine was $1.3 million above budget due to higher-than-budgeted tons of coal sold resulting in higher revenue.
- Settlement reimbursement of $1.0 million from a damage claim for faulty wire purchases. Offset by:
- Post Retirement Medical Benefits were $1.3 million above budget due to actuarial rates.

The August Combined Net Revenue was $40.5 million above budget and included Wholesale Net Revenue, which was $5.2 million above budget.

YTD Capital Expenditures totaled $448 million, which is $165.6 million below budget. Larger variances grouped by category are listed below.

Generation $106.8 million below budget primarily due to:

- SRP Pumped Storage which was $60.4 million below budget primarily due to delayed awards for the main civil contractor and equipment contracts.
- Future Resources was $21.1 million below budget due to transmission studies in support of future generation deferred to later in the year and delayed Long Duration Energy Storage excavation work.
- Coolidge Expansion Project was $12.6 million below budget due to cash flow timing of ProEnergy Service payments.

Notes to the Financial Summary – YTD through August 2026 (Continued)

- Generation Right of Way at $8.9 million below budget due to delayed acquisitions to future months.

Transmission was $15.5 million below budget. Some of the larger variances include:

- Transmission Substation New Business was $9.0 million below budget, primarily due to delayed start of several projects.
- Palo Verde-Pinal Central Betterments at $7.7 million below budget due to a delay in materials for Jojoba Pinal West 2.
- Palo Verde Transmission Sys Improvements at $5.1 million below budget due to a delay of Kyrene West breaker additions and transformer replacements

Distribution $12.2 million below budget. Some of the larger variances in this category include:

- Distribution Substation New Business which was $32.7 million below budget due to various projects shifted to later in the year.
- Distribution Stations Additions/Upgrades $13.1 million above budget due to various projects shifted earlier in the year, along with unplanned progress payments for the Mobile fleet, and FY26 carryover work
- Distribution Lines – System Plan $8.2 million above budget due to FY26 carryover.

Customer Systems $1.8 million below budget

Corporate $18.7 million below budget primarily due to:

- Customer Modernization was $15.8 million below budget due to timing of billing for contract services based on milestones.
- Application Road Map-SAP Improvement Program $2.7 million below budget due to lower-than-budgeted contractor resources as the project remains in the planning phase.
- Infrastructure Equip. Lifecycle & Growth $9.0 million above budget, due to timing of purchases of Advanced Distribution Management Systems infrastructure equipment, and storage hardware.

Water was $0.6 million below budget.

Energy Risk Management Update

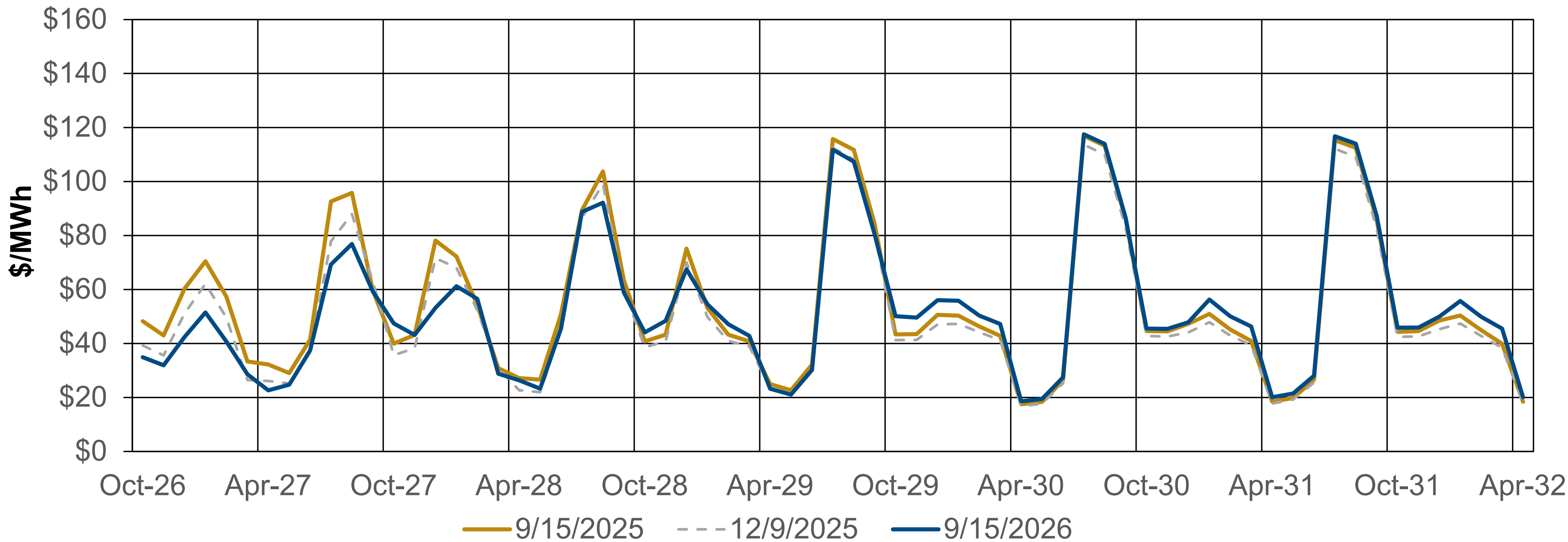
Finance & Budget Committee

Jay Guerrero | September 22, 2026

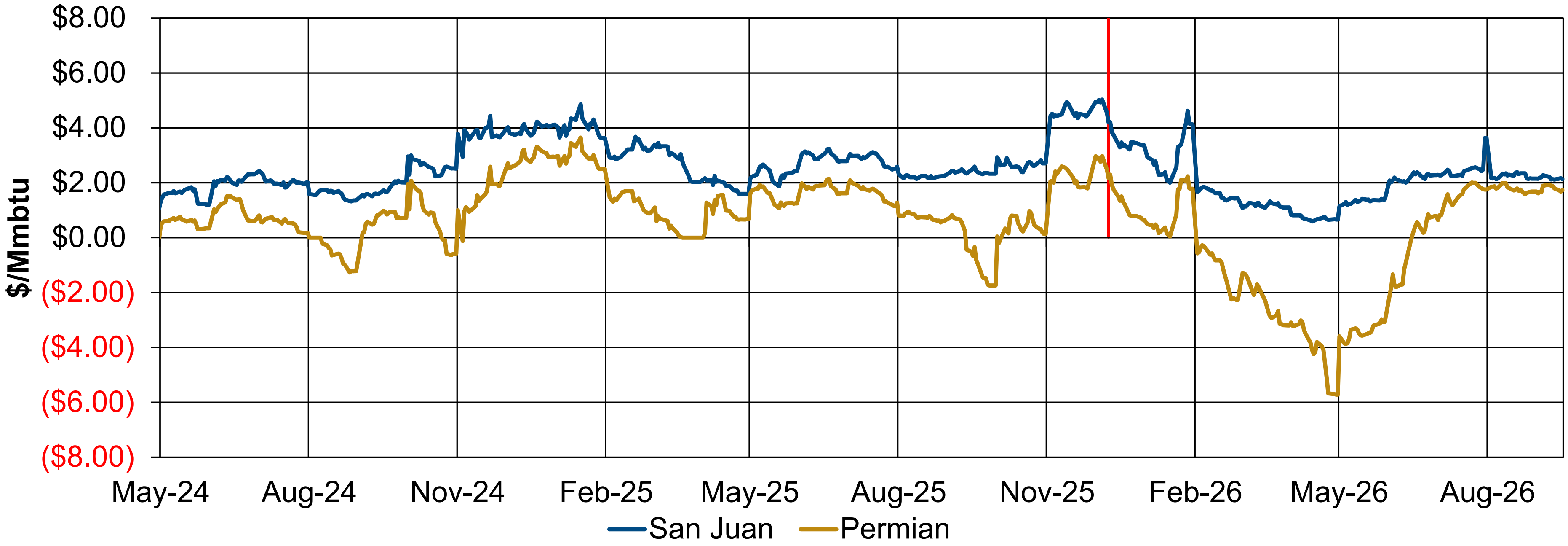
Electricity Prices

Front Month Palo Verde On-Peak

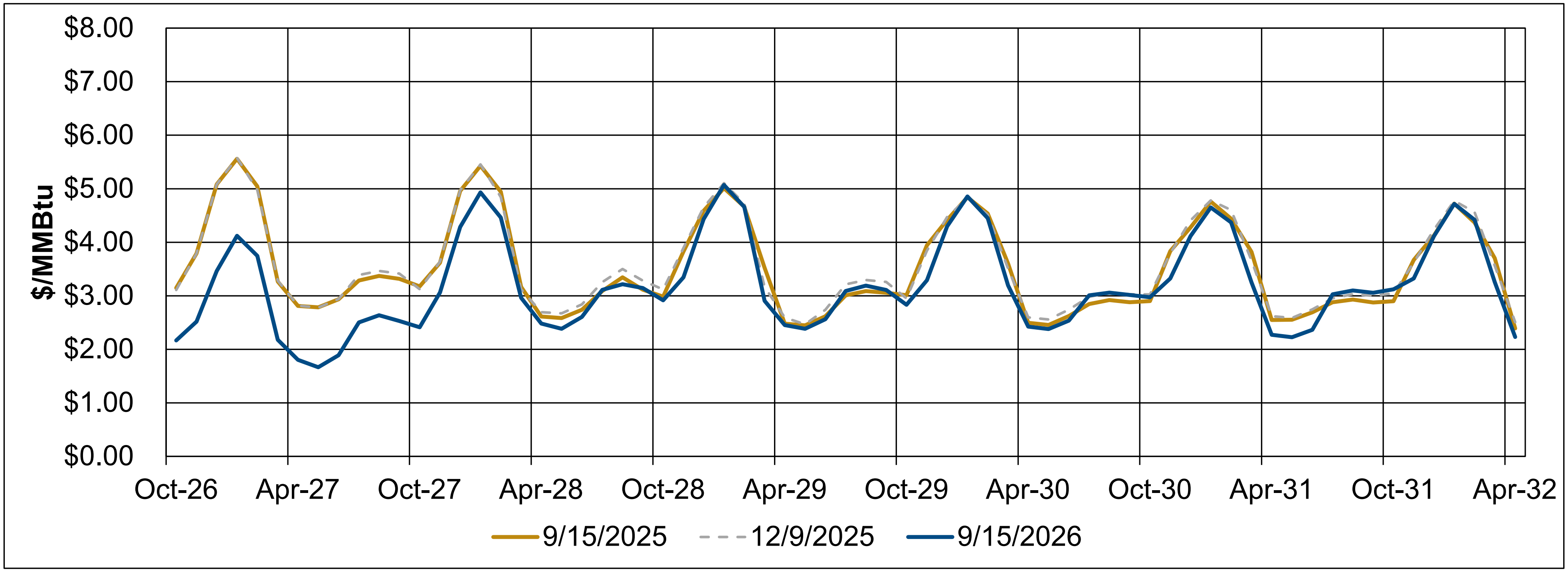
Power Forward Curve
Change In ICE Palo Verde On-Peak Prices Since 2025



Natural Gas Prices
Front Month Permian & San Juan Basins



Natural Gas Forward Curve
Change in San Juan Basin Prices Since 2025



Retail Natural Gas Hedging

Budgeted Requirements and Hedge Levels (FP27)

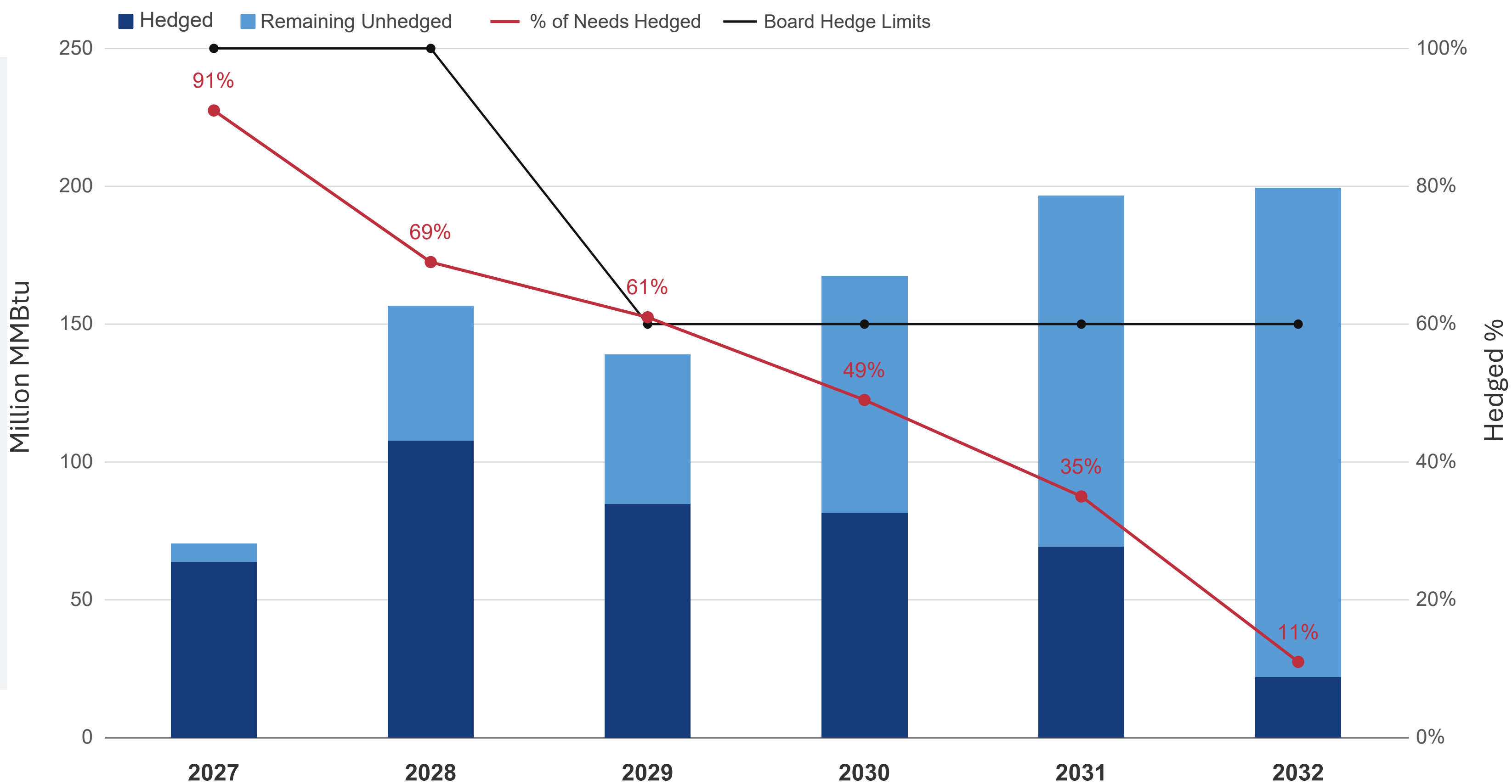
Hedging Principles

Price certainty
Supports near- and long-term planning and FPAM stability.

Manage volatility
Limits exposure to fuel price swings and market shocks.

Risk management
Formal hedge plan, not speculation.

Insurance approach
Dollar-cost-averaging discipline across future requirements.



FY27 Volatility Reduction via Retail Gas Hedging Program

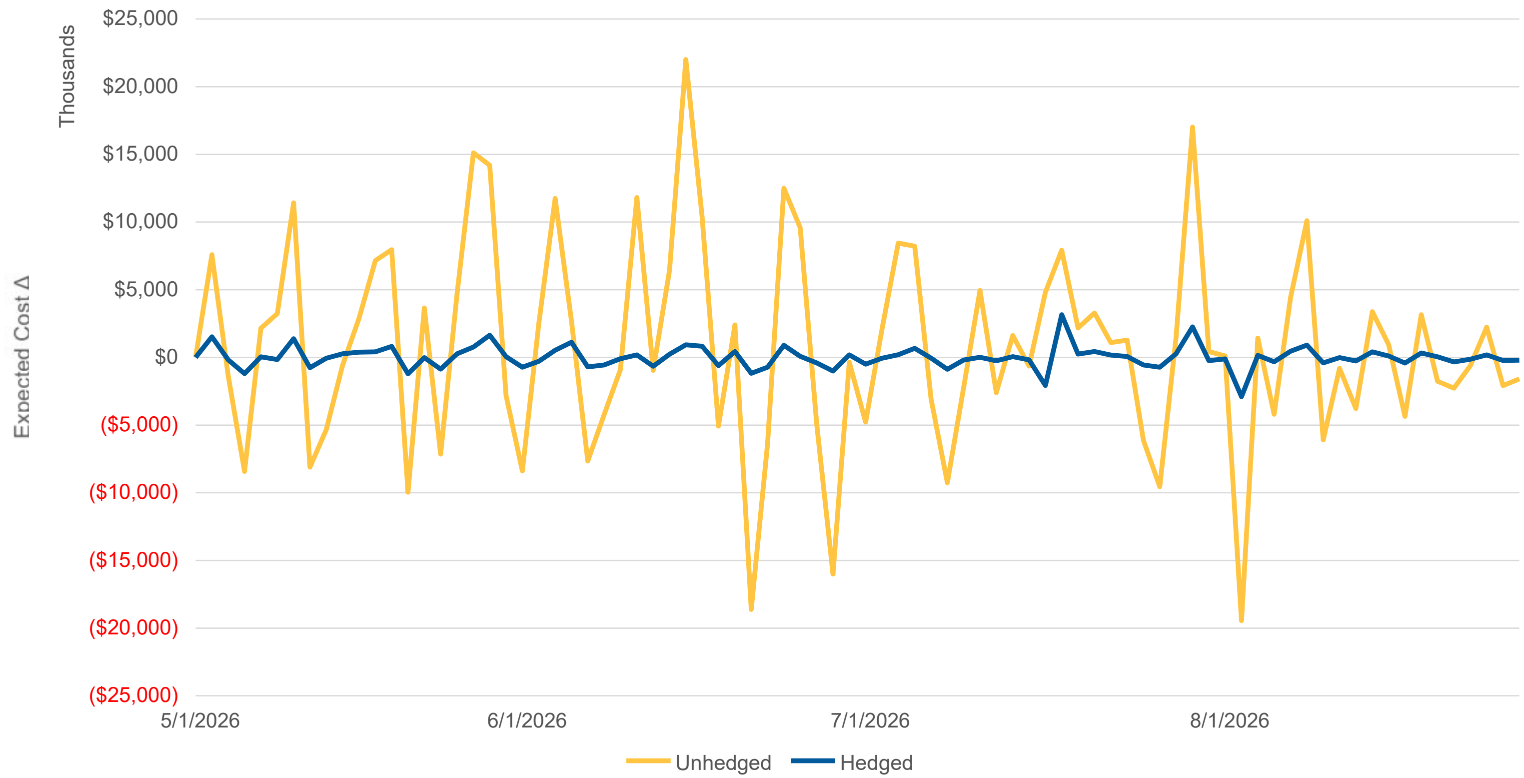
Hedged vs. Unhedged Retail Gas Cost Delta

Hedging Impact

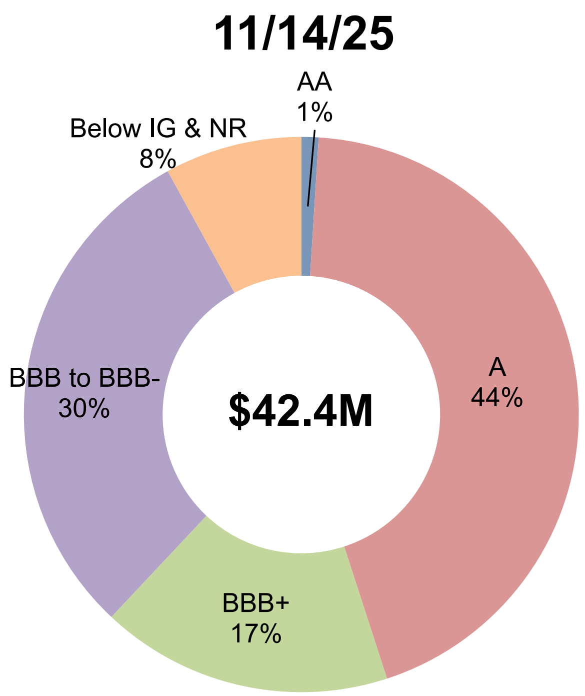
Price certainty
Illustrates price certainty and removes volatility.

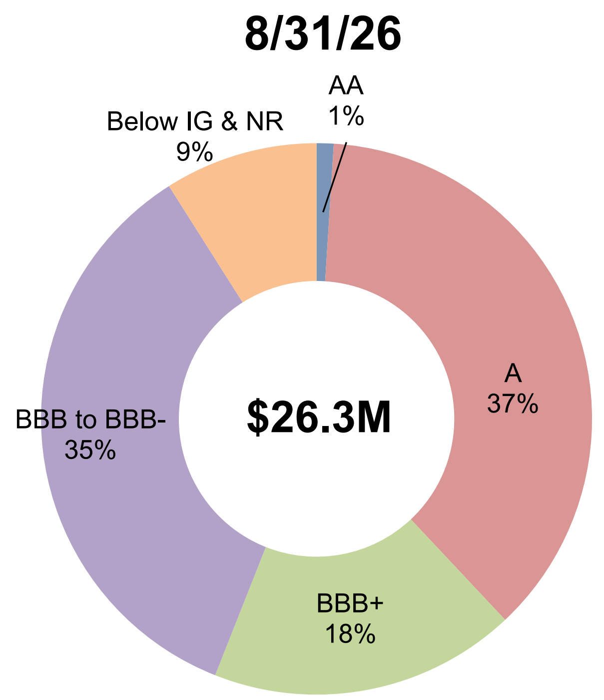
Year-to-date result
Through the first 3 months of this year, it has done exactly that.

Consistent pattern
Similar trends in prior years.

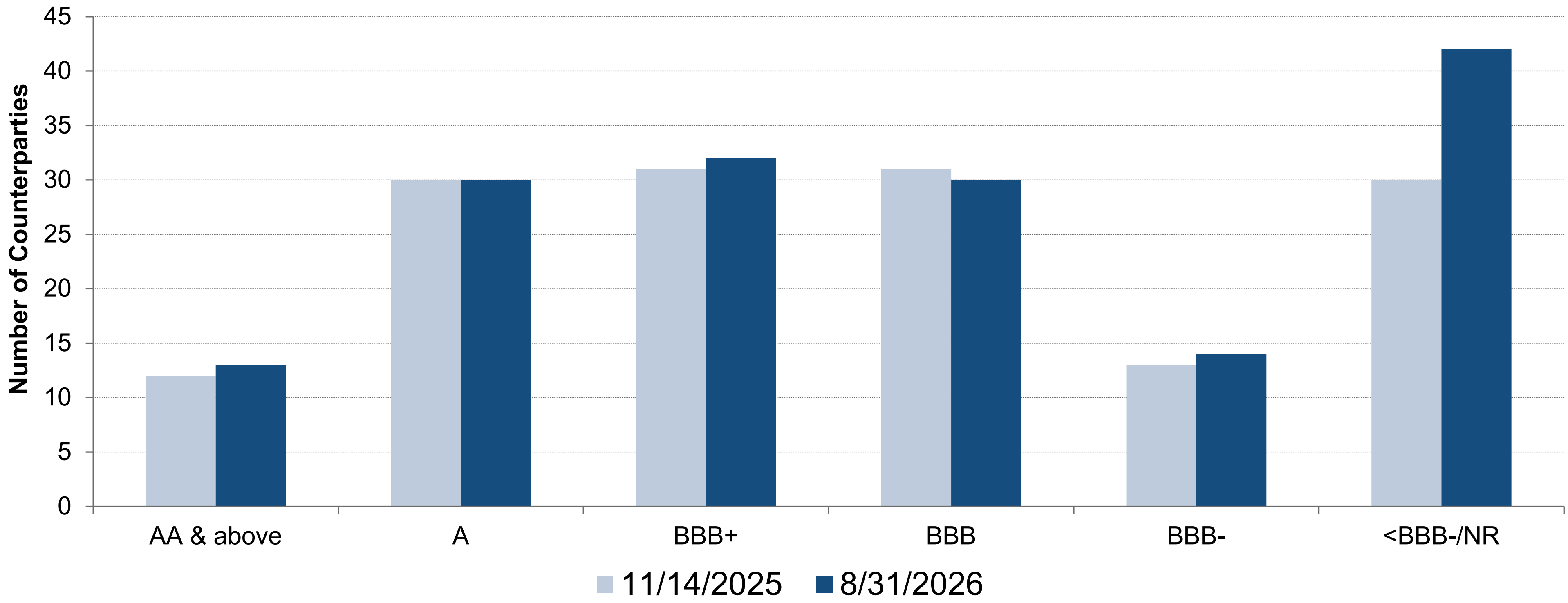


Credit Exposure by Rating





Counterparties by Credit Rating



Aggregate Financial Limits

Commodity	Limit	Current Position	% of Limit
Electricity	$150M	$32.9M	22%
	3M MWh	654K MWh	22%
Natural Gas	$3.5B	$1.55B	44%
	1B MMBtu	461M MMBtu	46%
Unleaded Gas	$2.6M/FY	$0.0M	0%
	900k gal/FY	0k gal	0%
Diesel	$75M	$2.3M	3%
	25M gal	561K gal	2%
Greenhouse Gas and Emissions Compliance Instruments	$40M	$1.3M	3%
	1.8M allowances	41K allowances	2%

thank you!

[redacted]