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

DISTRICT COUNCIL

Tuesday, January 6, 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 December 2, 2025 ..... CHAIR ROCKY SHELTON

2. Council Committee Chairs and Liaisons Reports ..... CHAIR ROCKY SHELTON

3. Informational Presentation Regarding Open Meeting Law Requirements for SRP Elected Officials .....SARAH GLOVER

4. Informational Presentation Regarding Conflict of Interest Legal Compliance for SRP Elected Officials .....SARAH GLOVER

5. Informational Presentation Regarding the Third-Party Communication and Social Media Policy for SRP Elected Officials .....SARAH GLOVER

6. Informational Presentation Regarding the Arizona Public Records Act .....KATY HETH

7 Informational Presentation to Provide Board Training Regarding the SRP Standards of Conduct and Written Procedures ..... TOM DAVIS

8. Fiduciary Duties of SRP Elected Officials ..... MICHAEL O'CONNOR

   Informational presentation to discuss the fiduciary duty rules that SRP Elected Officials are subject to and the steps that need to be taken in order to comply with such rules.

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

   A. Power System .....BOBBY OLSEN
   B. Finance and Information Services .....BRIAN KOCH
   C. Water Stewardship .....LESLIE MEYERS

10. Reservoir Report / Weather Report ..... STEPHEN FLORA

11. President's Report .....PRESIDENT DAVID ROUSSEAU

12. 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, FEBRUARY 3, 2026

SAFETY MINUTE: NEW YEAR RESOLUTIONS
SRP COUNCIL

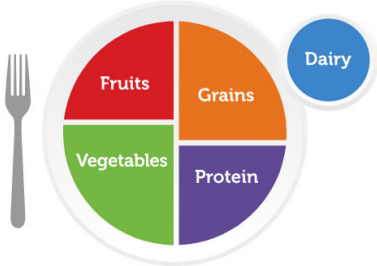
SARA MCCOY
DIRECTOR, RISK MANAGEMENT
JANUARY 06, 2026

Delivering water and power™

SAFETY MINUTE: NEW YEAR RESOLUTION IDEAS

Safer Driving Habits:

- Slow down
- Perform Circle of Safety
- No phone use while driving



MyPlate.gov

Safer Walking Habits:

- No phone use while walking
- Stay focused, watch surroundings

Safer Health Habits:

- Pray / meditate daily
- Doctor visits and check-ups
- Exercise / move more: Daily walk or stretch
- Eat 1 serving of vegetables at every meal

MINUTES OF COUNCIL
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

DRAFT

December 2, 2025

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, December 2, 2025, 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
November 25, 2025

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, December 2, 2025, 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 25th day of November 2025.
>
> /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; Council Vice Chair B. Paceley; and J. Augustine, B. Brooks, M. Farmer, A. Freeman, G. Geiger, E. Gorsegner, A. Hatley, A. Herrera, D. Lamoreaux, C. Leatherwood, W. Lines, J. Miller, M. Mulligan, S. Naylor, E. Pedersen, M. Pedersen, M. Rakow, C. Resch-Geretti, W. Sheely, R. Swier, N. Vanderwey, P. Van Hofwegen, and M. Warren.

Council Members absent at roll call were T. Francis, R. Kolb, I. Rakow, and W. Schrader III.

Also present were Vice President C. Dobson; Council Member M. Freeman of the Association; Board Liaison M. Herrera; I. Avalos, P. Bachman, M. Burger, C. Campbell, A. Chabrier, J. Felty, E. Hallock, L. Hobaica, J. Hubbard, B. Koch, K. Lee, K. Libby, S. McCoy, L. Meyers, M. O'Connor, J. Riggs, C. Sifuentes-Kohlbeck, and R. Taylor of SRP; Mike Mace of Public Financial Management, Inc. (PFM); and LeeAnn Freeman, a member of the public.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Council of the District meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Wednesday, November 26, 2025.

Safety Minute

Using a PowerPoint presentation, Sara McCoy, SRP Director of Risk Management, provided a safety minute regarding safe parking tips.

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.

Approval of Minutes

On a motion duly made by Council Member P. Van Hofwegen, seconded by Council Member M. Rakow and carried, the Council approved the minutes for the meeting of October 7, 2025, 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 October 7, 2025. The vote was recorded as follows:

YES:	Council Chair R. Shelton; Council Vice Chair B. Paceley; and Council Members J. Augustine, B. Brooks, M. Farmer, A. Freeman, G. Geiger, E. Gorsegner, A. Hatley, A. Herrera, D. Lamoreaux, C. Leatherwood, W. Lines, J. Miller, M. Mulligan, S. Naylor, E. Pedersen, M. Pedersen, M. Rakow, C. Resch-Geretti, W. Sheely, R. Swier, N. Vanderwey, P. Van Hofwegen, and M. Warren	(25)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members T. Francis, R. Kolb, I. Rakow, and W. Schrader III	(4)

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. Farmer reported on

discussions held at the Power Committee. Council Member M. Rakow reported on discussions held at the Compensation Committee. Council Member 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. Council Member E. Gorsegner reported on discussions held at the Community Relations Committee. Council Member P. Van Hofwegen reported on discussions held at a Water 101 luncheon held at the Salt River Project Employees' Recreation Association (PERA) Club. Council Member S. Naylor reminded members of the upcoming CPR training on December 4, 2025.

S. McCoy of SRP left the meeting during the reports.

SRP 2025 Series C Revenue Bond Sale Review

Using a PowerPoint presentation, Jason Riggs, SRP Assistant Treasurer and Director of Treasury Operations and Compliance, stated that the purpose of the presentation was to provide a review of the sale of the SRP 2025 Series C Bonds that took place in October 2025. They provided a summary of the 2025 Series C Bond Sale.

J. Riggs reviewed the bond sale team, the approved parameters, and the final execution of the bond sale. They provided a maturity subscription chart from 2043 through 2055. J. Riggs concluded with borrowing outlook for Fiscal Plan 2026 (FP26). They introduced Mike Mace of PFM.

Next, M. Mace reviewed the market environment leading up to the bond sale, including how there were some concerns, but no alarms. They explained interest rate thoughts leading up to formal pricing, investor response, and how the investor profile allows for strong repricing. M. Mace provided an SRP 2025 Series C Bonds investor summary.

M. Mace said that the end results of the bond sale were quite favorable and that SRP was keeping control of issuance costs. They concluded by stating that overall, it was a successful transaction.

J. Riggs of SRP and M. Mace of PFM responded to questions from the Council.

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 M. Freeman of the Association; and LeeAnn Freeman, a member of the public, left the meeting during the presentation. B. Olsen of SRP entered the meeting during the presentation.

Economic Outlook

Using a PowerPoint presentation, Paul Bachman, SRP Senior Corporate Economist, stated that the purpose of the presentation was to provide information 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.

P. Bachman discussed the impact of the U.S. Government shutdown and reviewed employment, inflation, and consumer sentiment. They provided an overview of the Arizona and Phoenix economy, stating that jobs have rebounded modestly, inflation creeps higher, and consumer spending is steady.

P. Bachman reviewed SRP's economic development pipeline and Arizona's top three announced job gains and losses. In conclusion, P. Bachman stated that the U.S. economy continues to absorb policy shocks without triggering a downturn and growth is expected to continue into 2026; the local labor market rebounded with better job growth, but higher prices for the basics could weigh on spending; and while uncertainty exists, growth in SRP's service territory is expected to exceed its historic trend.

P. Bachman responded to questions from the Council.

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.

M. Mace of PFM left the meeting during the presentation. B. Svoma of SRP entered the meeting during the presentation.

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

There was no report by Jim Pratt, SRP General Manager and Chief Executive Officer.

P. Bachman, E. Hallock, and K. Libby of SRP left the meeting during the item.

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 November 2025, stating that November's peak demand of 4,406 megawatts (MW) occurred on November 2nd, which was 141 MW lower than forecasted. B. Olsen provided an update on Power System notable activities related to the SunZia interconnection.

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 the financial summary for October 2025 and year-to-date (YTD). They announced that Jeremy Fry will be taking over as the SRP Controller and Senior Director of Corporate Accounting Services.

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, Leslie Meyers, SRP Associate General Manager and Chief Water Resources and Services Executive, provided an update on water stewardship. They provided an update on the November 21, 2025 site visit with Secretary of Interior Doug Burgum and Assistance Secretary of Water and Science Andrea Travnicek. L. Meyers reviewed the 2025 Arizona canal storm impacts.

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, Bo Svoma, SRP Principal Climate Scientist/Meteorologist, reviewed the cumulative watershed precipitation outlook to-date for Water Year 2026 (October 2025 – May 2026) and precipitation and late November snowpack.

B. Svoma discussed the surface runoff and pumping data for November 2025 and YTD. They 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 November 25, 2025. B. Svoma provided an early December precipitation outlook and a review of the seasonal precipitation outlook from December 2025 through February 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

Vice President C. Dobson provided a President's Office report.

Future Agenda Topics

Council Chair R. Shelton asked the Council if there were any future agenda topics. None were requested.

There being no further business to come before the Council, the meeting was adjourned at 11:44 a.m.

John Felty
Corporate Secretary

Arizona Open Meeting Law

Sarah Glover | January 6, 2026

Open Meeting Law
A.R.S. §§ 38-431 – 431.09

A set of laws that are intended to:

- Maximize public access to the governmental process
- Open deliberations and proceedings to the public
- Prevent public bodies from making decisions in secret

The Open Meeting Law Applies to “Public Bodies”

“Public Bodies” include:

- The District’s Board and Council
- All standing, special, or advisory committees of, or appointed by, the Board or Council
- The Boards and Committees of the District’s subsidiaries

What Must the Public Body Do?

- Hold all meetings in public
- Post advance notice of meetings
- Post an agenda with the meeting notice (and stick to it)
- With limited exceptions, allow the public to listen to the proceedings
- Prepare meeting minutes

Definition of “Meeting”

Any gathering:

- in person, or through technological devices
- of a quorum of the members of a public body*
- at which they discuss, propose, or take legal action, including any deliberations with respect to that action.

“Legal action” means a collective decision, commitment, or promise made by a public body.

** consider committee membership*

Electronic Communication

The following are “meetings” under the Open Meeting Law:

- one-way electronic communication by one member sent to a quorum of the members of a public body that proposes legal action
- exchange of electronic communications among a quorum of the members that involves a discussion, deliberation or the taking of legal action by the public body concerning a matter likely to come before the public body for action

✓ *“Here’s an article I found interesting.”*

✗ *“We should vote to adopt a program like the one described in this article.”*

Serial Communications

- Communications need not be at the same time or in the same manner to result in a “meeting”
- Serial communications (splintering the quorum) may not be used to circumvent public discussion
- Cannot use email or other means of communication among a quorum to:
  - Discuss or deliberate on Council business
  - Propose or take legal action

Agendas

- Must list the specific matters to be discussed, considered, or decided
  - Include general description of matters to be discussed in executive session
- Must be available at least 24 hours before meeting
- The public body may discuss, consider, and decide only those matters listed on the agenda and “other matters related thereto”

Communications with Media and Public

A public body member does not violate the Open Meeting Law by expressing an opinion or discussing an issue with the public outside of a public meeting or through the media if:

- The opinion or discussion is not principally directed at, or directly given to, another member of the public body
- There is no concerted plan to engage in collective deliberation to take legal action

Executive Sessions

- Exception to the general requirement that meetings must be open to the public
- Prior notice is required
- Only permitted for specific purposes
- Must vote to go into an executive session
- Limited attendance
- No final action allowed (cannot vote or take “straw polls”)
- Confidential by law (admonition must be provided)

Closed Sessions – Information Confidential by Law
A.R.S. § 30-805(B)

- Available for discussion of confidential commercial or financial information
- No vote needed to go into closed session
- Legal action is permitted

Enforcement

- Attorney General and County Attorneys have investigative authority
- Any person affected, as well as the Attorney General and County Attorneys, may file suit to require compliance, or prevent violations, by the public body
- The Attorney General may also file suit against an individual member for a knowing violation

Consequences of Violation

- Nullification of legal action taken (absent ratification)
- Penalties for a member who knowingly violates, or knowingly aids in the violation of, the Open Meeting Law:
  - Civil Penalties
    - Up to $500 for second violation and $2,500 for third and subsequent violations
    - Public body may not pay the civil penalties
  - Removal from office
  - Assessment of the plaintiff's costs and attorneys' fees

Questions?

Conflicts of Interest

Sarah Glover | January 6, 2026

Conflict of Interest Laws

A.R.S. §§ 38-501 - 511

- Public officers must avoid conflicts of interest that might influence or affect their official conduct.
- Conflict of interest laws:
  - Prohibit public officers and employees from realizing a personal gain at the expense of the public entity or employer
  - Ensure that public officers and employees act in the best interests of the public entity or employer, without consideration of personal benefit

Applicability

Laws apply to all elected and appointed officers of a public agency, and members of the agency's boards, councils, committees, and advisory commissions.

District

Laws apply to all officers, directors, and employees of the District because it is a political subdivision of the State of Arizona.

Association

The Association has made the conflicts-of-interest provisions applicable to the Association's officers, governors, council members, and employees.

General Requirements

- Officers or employees who have, or whose "*relatives*" have, a "*substantial interest*" in a transaction or decision of the public agency must:
  - Disclose the interest, and
  - Refrain from voting on or participating in any manner regarding such transaction or decision.

“Relatives” Defined

- Spouse, and the parent, sibling, or child of a spouse
- Child
- Grandchild
- Parent
- Grandparent
- Sibling (half or full) and their spouse

“Substantial Interest” Determination

- A substantial interest is any pecuniary or proprietary interest, either direct or indirect, that is not a “*remote*” interest.
- To determine whether a substantial interest exists, ask:
    1. Could the decision affect, either positively or negatively, an interest of the officer or employee or the officer’s or employee’s relatives?
    2. Is the interest a financial (pecuniary) or ownership (proprietary) interest?
    3. Is the interest something other than a remote interest?

“Remote” Interests

Enumerated remote interests include:

- Non-salaried officer of a non-profit corporation
- Insignificant stock ownership (less than 3% of shares & maximum 5% of income)
- Recipient of public services generally
- A relative’s employment by an entity with at least 25 employees (with no control or decision-making authority)

Action Required

If a conflict of interest exists, the officer or employee must:

- Disclose the conflict *before* the transaction is initiated
- Refrain from voting, or participating in discussions, on the matter
- Refrain from discussing the transaction or decision with others involved in the decision-making process

Contracts for Supplies and Services

- If an officer or employee wishes to provide goods or services to the public agency, the contract must be awarded with competitive bidding
- The competitive bidding requirement does not apply to the spouse of the officer or employee
- Disclosure and non-participation requirements still apply

Sanctions for Violations

- Criminal penalties:
  - An intentional or knowing violation is a class 6 felony
  - A reckless or negligent violation is a class 1 misdemeanor
- Mandatory forfeiture of public office if found guilty

SRP Disclosure Process

- Contact the SRP Corporate Secretary's Office
- Complete, sign, and submit the required disclosure form
- The disclosure may be made public

Questions?

Third-Party Communication and Social Media Policy

Sarah Glover | January 6, 2026

Background and Intent

- Policy was approved by District and Association in March 2019
- Aims to balance an elected official's individual right to communicate with voters with SRP's need to speak with one voice

Third-Party Communications

In a third-party communication regarding SRP operations or policies, the Council member must make it clear that:

- The views expressed are those solely held by the Council member
- The communication does not reflect the views of SRP or the Council as a whole

Social Media

When creating or using social media sites/pages, the Council member must:

- Identify that the page/site is the Council member's individual page and not an official SRP platform
- Make it clear that the page/site does not reflect the positions of SRP or the Council as a whole

Disclaimer

Example for member holding both a District and Association Council seat:

> (Elected Official Name) is a Salt River Project Council member. The views and opinions expressed in this [communication] are solely (his/her) individual views and opinions and are not made by or on behalf of the SRP District Council or Association Council, the Salt River Project Agricultural Improvement and Power District, or the Salt River Valley Water Users' Association.

SRP Intellectual Property

A Council member using a domain name or social media page must take steps to prevent any confusion with respect to SRP's intellectual property rights.

- Use of "SRP" and "Salt River Project" is prohibited without prior approval by the SRP President and General Manager & CEO
- Violations will be reviewed by the Council, who will determine any action to be taken

Compliance Requests

1. Ensure that you have disclosed any use of “SRP” or “Salt River Project” in any domain name or social media page/site
2. Review and be cognizant of the Policy (available from Corporate Secretary)
3. Contact the Corporate Secretary with any questions

Reminders About SRP Email Addresses

With respect to your SRP-provided email address:

- Use only for SRP-related communications (no personal or campaign use)
- Include an appropriate disclaimer
- Copies of emails may be requested by members of the public
- Do not use any inappropriate language, pictures, memes, etc.
- Be mindful of Open Meeting Law issues

Questions?

Salt River Project Elected Officials

Third Party Communication and Social Media Policy

The Salt River Project Agricultural Improvement and Power District Council (hereinafter the "District Council"), acknowledging that its members 1) have a fiduciary duty of loyalty and care to the Salt River Project ("SRP") and 2) are publically elected officials with First Amendment rights, hereby adopts the following SRP Elected Officials Third Party Communication and Social Media Policy.

1. The District Council reaffirms its commitment to compliance with the Arizona Open Meeting Law A.R.S. §38-431 et. Seq. The District Council acknowledges that third party communication and social media can be subject to the Open Meeting Law and thus will request that each Council member shall take affirmative steps to both understand and comply with their respective obligations under the Arizona Open Meeting Law;

2. To the extent any Council member (individually or as a member of any group other than the full SRP District Council) engages in third party communication regarding SRP operations or policy, such Council member shall take affirmative steps to make clear that his/her views are those solely held by the Council member and that such do not reflect the views of SRP or the SRP District Council as a whole. An example of an appropriate disclaimer in written form is attached hereto as exhibit A;

3. To the extent a Council member (individually or as a member of any group other than the full SRP District Council) creates or uses a social media page/site, the Council member shall take affirmative steps to identify that such media page/site is the Council members individual page and that such is not an official SRP social media platform, and that such does not reflect SRP's position or the SRP Council's position. Examples of appropriate disclaimers are attached hereto as exhibit B;

4. To the extent a Council member (individually or as a member of any group other than the full SRP District Council) uses an internet domain name or social media page/site, the Council member shall take affirmative steps to prevent any confusion with regard to any SRP intellectual property right. Each SRP Council member shall, prior to the use of any domain name or social media page/site that includes the term "SRP" or "Salt River Project", provide such proposed domain name to the SRP President, the SRP GM/CEO and the Council Chair for review and approval;

5. To the extent that a Council member (individually or as a member of any group other than the full SRP District Council) has an existing domain name or social media page/site that uses the term "SRP" or "Salt River Project" as of the time of this policy, such Council member shall provide the identity of each such domain name to the SRP President, the SRP GM/CEO and the Council Chair for review and approval for continued use;

6. In the event a Council member's proposed use of a domain name, social media page/site or use of SRP intellectual property material is not approved by the SRP President, Council Chair and SRP GM/CEO and the Council member continues to use or desires to use such, it will be presented to the District Council who shall determine what action, if any, is to be taken with respect to the individual Council member and the requested use;

7. To the extent that any SRP District Council member engages in third party communication regarding SRP operations or policies, such SRP District Council member shall take affirmative steps to demonstrate the highest standards of personal integrity and conduct and to refrain from use of any personal attacks and inappropriate language. Every Council member shall comply with all obligations regarding limitations of disclosure of any SRP confidential or proprietary information.

– <u>Definitions</u>

For purposes of this policy, (a) the term "third party communication" shall mean all forms of communication, oral, written and electronic, between a Council member on the one hand, and any non-SRP elected official or employee on the other, and (b) the term "social media" shall mean any form of electronic communication (such as websites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages and other content.

Exhibit A

Example of an Appropriate Disclaimer for use by SRP Elected Official for Third Party Communications.

(Elected Official Name) is a Salt River Project Council member. The views expressed in this (article) are solely (his/her) individual views and opinions and are not made on or on behalf of the SRP Council or Salt River Project Agricultural Improvement and Power District.

Exhibit B

Example of an Appropriate Disclaimer for use by SRP Elected Official for Social Media pages/sites.

"SRP" is a federally registered service mark of the Salt River Project Agricultural Improvement and Power District (the "District"). This website is not owned or sponsored by the District, but rather is owned and sponsored by an SRP elected official and reflects (his/her) own personal views, which may not be the same as the elected (Board/Council) or the Salt River Project Agricultural Improvement and Power District views or position.

Public Records Law

Katy Heth | January 6, 2026

Background

- In January 2025, the Arizona Court of Appeals found that the District, as a political subdivision of the state, is subject to Arizona's Public Records Law.
- In August 2025, SRP's Petition for Review to the Arizona Supreme Court was denied.
- SRP's appeal rights have been exhausted and the Court of Appeals holding that the District is subject to Arizona's Public Records Law is binding.
- The Sierra Club v. SRP litigation was remanded back down to the Maricopa County Superior Court and assigned to Judge Herrod, but no action has been taken on the matter to date.

Arizona Public Records Act

- A.R.S. § 39-101 *et seq.*

Requires all public officials to make and maintain records “reasonably necessary to provide knowledge of all activities they undertake in the furtherance of their duties.”

- A.R.S. § 39-121 Inspection of Records

“Public records and other matters in the custody of any officer shall be open to inspection by any person at all times during office hours.”

- Ambiguous language, broadly construed

Definitions

- **What is a "Public Record"?** Documents that are reasonably necessary to provide an accurate accounting of the official activities of public officials and any government funded activities.
  - Includes: "Any written record of transactions of a public officer in his office, which is a convenient and appropriate method of discharging his duties and is kept by him as such, whether required by law or not."
- **"Officer"** defined as "Any person elected or appointed to hold any elective or appointive office of any public body, and any CAO, head, director, superintendent or chairman of any public body."
- **"Public Body"** defined as "This state, any county, city, town, school district, political subdivision or tax-supported district in this state. . ."

Exceptions: Common Law Balancing Test

- Arizona common law recognizes three limited exceptions under which a public body can deny public inspection:
  - Privacy: Records that involve the privacy interests of persons may be withheld;
  - Confidentiality: Records that are trade secrets or confidential; and
  - Best Interests of the State: Records which, if disclosed, would have a detrimental effect on the best interests of the state.
- In order to deny a public records request on any of these three grounds, the compelling legal or policy basis for withholding must outweigh the public's interest in transparency.
- The courts apply a balancing test, and the public body has the burden of specifically demonstrating the harm.

Exception: Confidentiality by Statute

A public body may deny inspection of any records that are made confidential as a matter of law by any state or federal statute.

Examples:

- Attorney-Client Privileged records;
- Social Security Numbers;
- HIPAA;
- Customer Specific Information of a Public Power Entity, A.R.S. § 30-805(A); and
- Competitively Sensitive Information of a Public Power Entity, A.R.S. § 30-805(B)
    - Information that is <u>related to competitive activity</u> and <u>could give a material advantage</u> to another entity

Penalties for Failure to Comply

Arizona law recognizes potential civil damages and criminal penalties for failure to comply with a public records request.

Questions?

Thank you!

Standards of Conduct Training

District Council Meeting

January 6, 2026

Tom Davis, Senior Attorney

The Standards of Conduct (SOC)

- The SOC govern the use and dissemination of non-public transmission function information within SRP to help ensure fair access to transmission markets and services
- As part of its open access paradigm, the Federal Energy Regulatory Commission (FERC) adopted SOC rules applicable to regulated (or jurisdictional) utilities
- SRP's Board established and approved SRP's SOC Procedures to be consistent with FERC's rules when it adopted open access for SRP's wholesale transmission system
- SRP's SOC Procedures are posted on SRP's Open Access Same Time Information System (OASIS) at SRP_SOC_Procedures_Eff_2-1-2022_Final.pdf
- All SRP employees, officers, directors, contractors and consultants must comply with the SOC. This includes SRP's Board and Council members!

Non-Public Transmission Function Information

- Defined broadly. Non-public transmission function information may include:
  - Information about transmission service prices, operations, system conditions or available transmission capability not posted on SRP's OASIS and not publicly available;
  - Information related to transmission outages and system maintenance activities;
  - Critical Energy Infrastructure Information (CEII);
  - Transmission and interconnection service requests; and
  - Information about a transmission customer

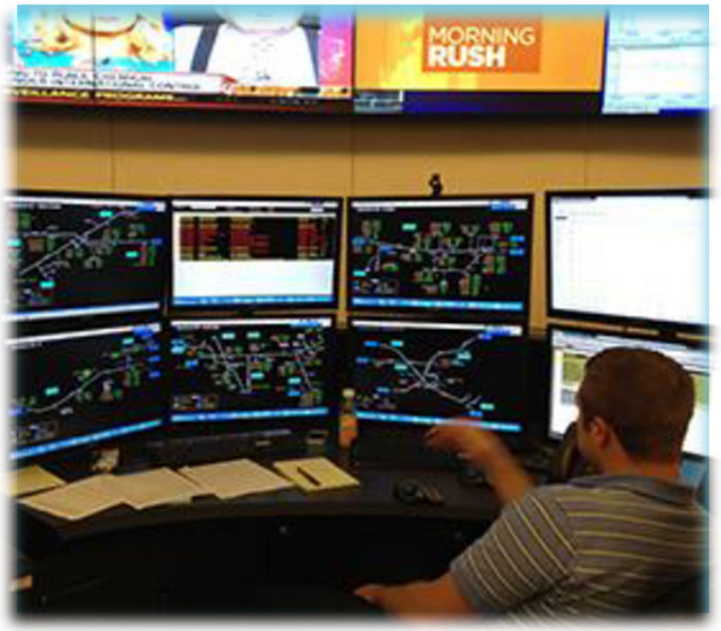
SOC Classifications

- SOC focuses on the interactions among three distinct employee classifications:
  - **Transmission Function Employees** or **TFEs**,
  - **Marketing Function Employees** or **MFEs**, and
  - **No Conduit Employees** **(includes Board and Council members)**
- Classifications are assigned based on individual job functions, not a specific department, organizational code or group within the company

Transmission Function Employees and Transmission Functions

Transmission Function Employees, or **TFEs**, are employees who "actively and personally engage on a day-to-day basis in Transmission Functions"

Transmission Functions are generally defined as "the planning, directing, organizing or carrying out of day-to-day transmission operations"



Marketing Function Employees and Marketing Functions

Marketing Function Employees, or **MFEs**, are employees who “actively and personally engage on a day-to-day basis in Marketing Functions”

Marketing Functions are generally defined as “the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights”

No Conduit Employees

- No Conduit Employees are employees not classified as TFEs or MFEs, but who may become privy to non-public transmission function information
- No Conduit Employees are prohibited from disclosing non-public transmission function information to MFEs
- <u>Board and Council members are No Conduit Employees</u>

General Requirements of the SOC

1. **Independent Functioning**: TFEs must operate independently from MFEs and cannot perform mixed functions
2. **No Conduit**: Neither TFEs nor other employees may share non-public transmission function information with MFEs and MFEs cannot have access to non-public transmission function information
3. **Non-Discrimination**: SRP must treat all transmission customers (both affiliated and non-affiliated) the same
4. **Transparency**: SRP must ensure certain SOC information is posted on its OASIS at https://www.oasis.oati.com/SRP/index.html
5. **Exceptions:** Limited exceptions to maintain or restore operations, or ensure compliance with reliability standards

FERC Enforcement Example

Violation of the Standards of Conduct. A vertically-integrated utility with an affiliated power marketer self-reported a violation of the Standards of Conduct under Part 358 of the Commission's regulations. A non-marketing function employee who had received information about an upcoming outage forwarded that information to a distribution list that included marketing function employees. Unbeknownst to the non-marketing function employee, the outage information was not publicly available at the time, and thus the disclosure to marketing function employees was prohibited by the Commission's Standards of Conduct, which generally prohibits transmission function employees from conveying non-public information to marketing function employees. The error was promptly discovered, remedied, and self-reported. Because the violation was isolated, inadvertent, limited in scope and potential impact, and was promptly reported, Enforcement took no further action.

Source: 2017 REPORT ON ENFORCEMENT

In this scenario, SRP would promptly report the violation on its OASIS (transparency) and how it was remedied. As a non-jurisdictional utility, SRP would not report this violation to FERC

Questions or Concerns About the SOC

If you are not certain something is right or if you have a question, please contact:

- SRP Corporate Secretary's Office
- Tom Davis, SRP SOC Chief Compliance Officer (602-236-6306),
- SRP SECURELINK: 800-618-2227 (*A 24/7 private and anonymous reporting line*)

thank you!

Fiduciary Duties of Elected Officials

Michael J. O'Connor | January 5, 2026 | SRP District & Association Council

Fiduciary Duties – District (Public Elected Official)

- Fiduciary Duties
  - Duty of Loyalty – Board and Council members and Officers are requested to act in good faith with the reasonable belief that what he/she does is in SRP's best interest – without taking any action that is out of his/her own benefit.
  - Duty of Care – Board and Council members and Officers must exercise the amount of care that an ordinary prudent person would exercise in a similar position and similar circumstance.

Fiduciary Duties – Association (Non-Public Company Duties)

- Fiduciary Duties
  - Duty of Loyalty – Association Board and Council members and Officers are requested to act in good faith with the reasonable belief that what he/she does is in SRP's best interest – without taking any action that is out of his/her own benefit.
  - Duty of Care – Association Board and Council members and Officers must exercise the amount of care that an ordinary prudent person would exercise in a similar position and similar circumstance.

Official Oath of Office - District

- Support the Constitution of the United States, and Constitution and laws of the State of Arizona.
- Faithfully and impartially discharge the duties of the office of a Board Member.
- Source: A.R.S. §38-231 and A.R.S. §48-2390

SRP Elected Officials

Refence Point

- *The Prudent Regulator: Politics, Independence, Ethics and the Public Interest* – Janice Beecher, 29 Energy Law Journal, 577 (2008), republished 41 Energy Law Journal, 285 (2020).
  - Primarily focused on State Regulatory Commissioners such as a commissioner at the Arizona Corporation Commission.
  - Discusses the roles and duties of a commission/duties.
  - Addresses ethical behaviors.

Some Insights from “Prudent Regulator”

- Ethical Behavior is about honesty, integrity and an abiding respect for codes of conduct.
- Ethics are guarded by constant vigilance because so many forms of influence are amorphous and inconspicuous.
- Ethical behavior is fostered in organizations that place priority and clarity on ethics.
- Regulator who hold themselves to high standards can lead by example.
- While laws, rules and consequences are clearly necessary they are not sufficient – there must also be a genuine dedication to public service coupled with an inherent sense of personal responsibility for ethical behavior.

American Law Institute Principles of the Law Government Ethics (Tentative Draft #4 April 2023)

- Public Office for Public Good, not Private Gain.
- Avoid Financial Conflicts of Interest.
- Material limitations and restrictions to avoid bias or the appearance of bias in government matters affecting the legal rights of specific parties.
- Prohibition on Use and Disclosure of Non-Public Government Information.

American Law Institute Principles of the Law Government Ethics (Tentative Draft #4 April 2023) – (continued)

- Prohibition on Use of Public Resources for Private Benefit.
- Prohibition of Nepotism.
- Appearance on Behalf of Private Party before government agency or in a proceeding against the government.

First Amendment Rights - District

- Elected Public Officials have First Amendment rights.
- An Elected Public Official, subject to some exceptions, is free to speak his or her mind even if doing so goes against the official position of the elected body.
    - However, consistent with SRP's media communications policy, the elected official must note that he or she is speaking on their own behalf and specifically state they are not speaking on behalf of SRP.

Remedies for Breach

- District:
  - Recall election to remove Elected Official.
  - Recusal regarding certain items.
  - Board sanctions.
  - Legal claims – need to address insurance/indemnity.
- Association:
  - Removal of Board members – process under A.R.S. § 10-808 and/or § 10-809.
  - Removal of Council member from office for “sufficient cause” and two-thirds vote of all Council members (By-Laws Art 11, Sec 1).
  - Recusal regarding certain items.
  - Board sanctions.
  - Legal claims – need to address insurance/indemnity.

Good Governance Practices

- Top 5 insights for the SRP Board from Susan Schultz, Author of *The Board Book* and speaker on Good Governance Practices:

  1. Board member allegiance to the Organization – act for the overall good of the Organization.
  2. Teamwork among the Board.
  3. Once a Board decision is made, support and advocate for that position.
  4. Appropriate collaboration between Board and management.
  5. Board member engagement.

Questions?

thank you!

MEMORANDUM

Delivering water and power®

January 5, 2026

TO: Board of Directors, Salt River Project Agricultural Improvement and Power District
District Council, Salt River Project Agricultural Improvement and Power District

FROM: SRP Legal Services

RE: Legal Representation of the Organizational Client

As an agricultural improvement district, the Salt River Project Agricultural Improvement and Power District ("SRP") is a political subdivision of the State of Arizona, and in compliance with a recent Arizona Supreme Court rule of practice, we provide written confirmation that SRP's Legal Services lawyers are government lawyers who hold a unique position of public trust while providing civil and administrative advice and representation to SRP.

Who is Legal Services' Client?

SRP is the client. Because SRP is an organization that can act only through individuals, Legal Services provides advice to, and receives direction on legal and business matters from, SRP's governing body and employees who have the authority to make decisions and give direction on behalf of SRP about those matters. Those to whom SRP lawyers give advice vary depending on the circumstances but can include elected officials, senior executives, directors or other employees to whom authority has been delegated. When SRP lawyers render advice, they do so as the organization's lawyers and provide such advice to the individuals as SRP employees in the course and scope of their role of their employment, or in the course and scope of their duties as SRP elected officials. SRP lawyers advise employees and elected officials only in their capacities as representatives of SRP and cannot advise employees or elected officials about personal legal matters.

Important Facets of Legal Services' Representation

It is important to note that it is *the client* to whom the SRP lawyer's ethical duties run. This extends to confidentiality and, where applicable, attorney-client privileged communications. Thus, while SRP lawyers' advice to employees and elected officials will be confidential and/or privileged as to anyone *outside* SRP, those communications may not be confidential or privileged as to others within SRP, and SRP lawyers may have an ethical obligation to share these communications and information about the individual's actions with those who have the authority to make decisions and give direction on behalf of SRP.

In the event an SRP employee or elected official, while acting in the course and scope of one's employment, is named as a party to a notice of claim or to a lawsuit, Legal Services will provide representation consistent with SRP's District By-Laws Article X and may provide outside counsel to represent the employee or elected official. The outside counsel's representation, to the extent there is no conflict that would require separate legal counsel, will constitute a joint representation of the individual and SRP.

Conclusion

Legal Services works with many individuals across SRP. Thus, it is crucial to know who is and is not a client, the scope of its representation, and the ethical requirements SRP lawyers must follow.

Council Report – Current Events

Council Meeting

January 6, 2026

Current Events

Jim Pratt

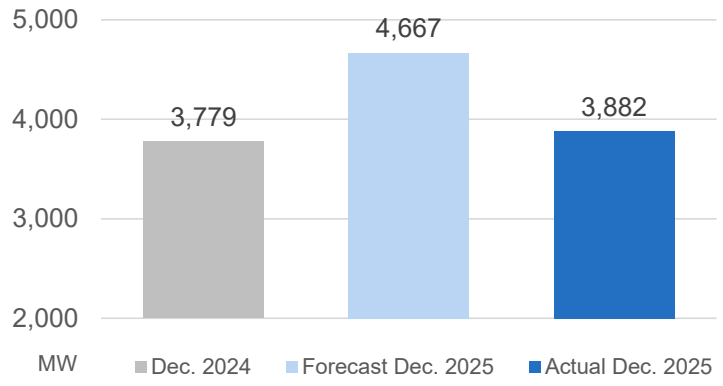
Power System Update – Current Events

Bobby Olsen

Operational Updates – January

December Peak Demand

3,882 MW



- Occurred on December 5th with 46° temperature
- 785 MW lower than forecasted
- 103 MW higher than last year's December peak
- Assets continued to perform extremely well

Generation Participation Assets

- **Hayden Unit 2 remains on forced outage**
  - **Trip Date**: November 29, 2025
  - **Cause**: Partial collapse of the Spray Dryer Absorber (SDA) Vessel 2B due to corrosion and wall loss
  - **Estimated Time of Return**:
    - 75% load: March 2026
    - Full load: May 2026

Financial Update

Brian Koch

Financial Summary Through November 2025

Green text means better than budget/plan; red text means worse than budget/plan

Combined Net Revenue

November	Year-To-Date
($38M) *$18M*	**$656M** *$159M*

Debt Service Coverage Ratio & Debt Ratio

Year-To-Date DSCR	Year-End* Debt Ratio
5.21 *0.40*	**46.2%** *1.7* **Projected year-end Debt Ratio*

Liquidity (General Fund)

November	Year-End Forecast
83 Days Cash **$1,501M** *$232M*	***36 Days Cash*** **$645M** *$20M*

FPPAM Collection Balance

November	Year-End Forecast
$41M *$54M*	**$29M** *$54M*

Water Stewardship

Leslie Meyers

thank you!

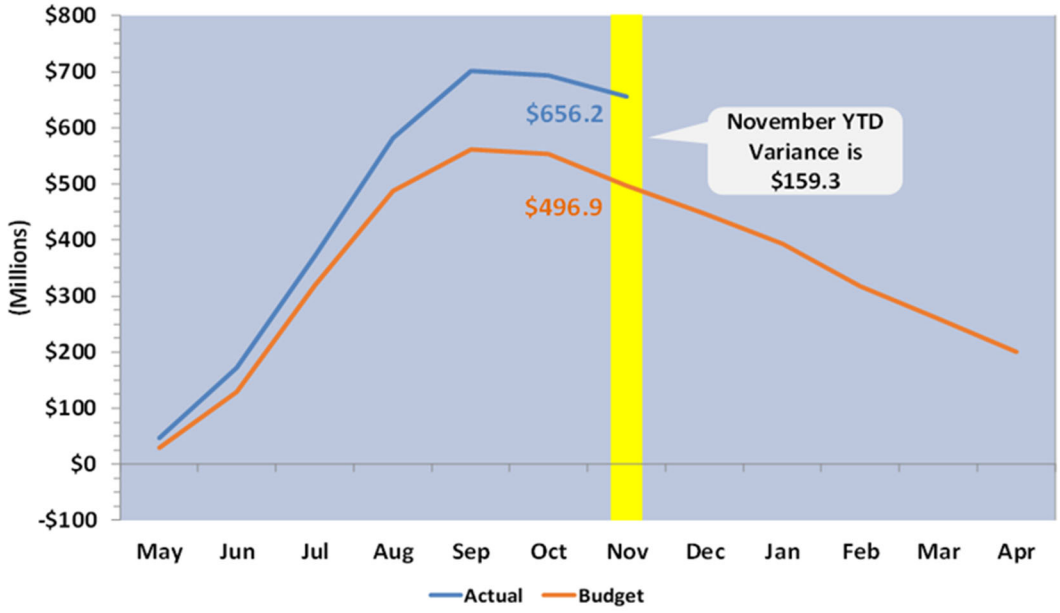
Operating Environment – November 2025

	Actual	Budget	Variance	% Budget
Elec Customer Accounts - November 2025	1,196,440	1,197,799	(1,359)	100%
Elec Customer Accounts - April 2025	1,183,164			
Elec Customer Accounts -November 2024	1,178,512			
System Sales GWH	2,320.0	2,343.9	(23.9)	99%
Wholesale Sales GWH	888.4	767.1	121.3	116%
Total A.F. Water Delivered	70,374	49,000	21,374	144%

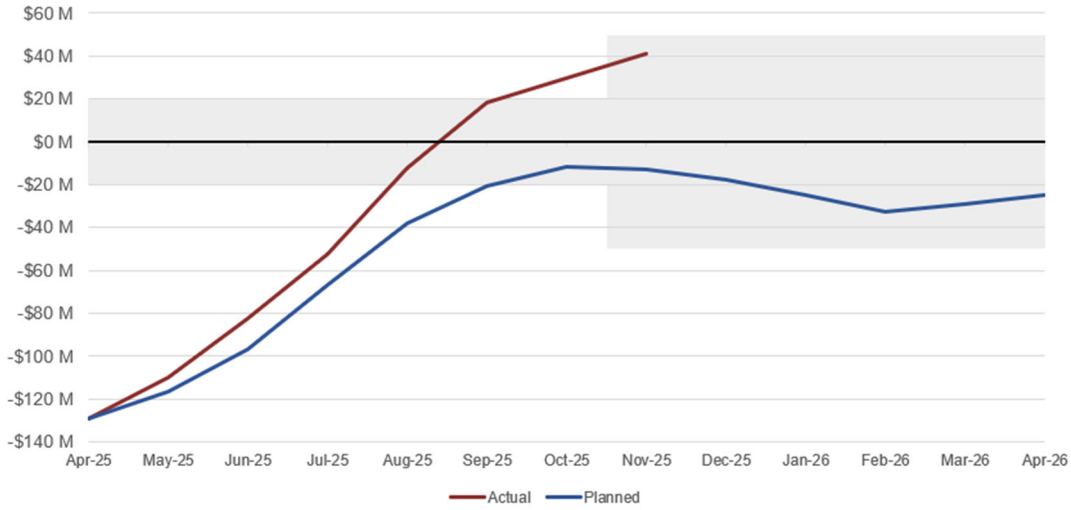
Financial Summary – November 2025

$ Millions	Actual	Budget	Variance	% Budget
Comb Net Revs (Loss)	$ (37.8)	$ (55.9)	$ 18.1	68%
Funds Available	$ 3.4	$ (14.1)	$ 17.5	124%
Capital Expenditures	$ 146.5	$ 146.0	$ 0.5	100%

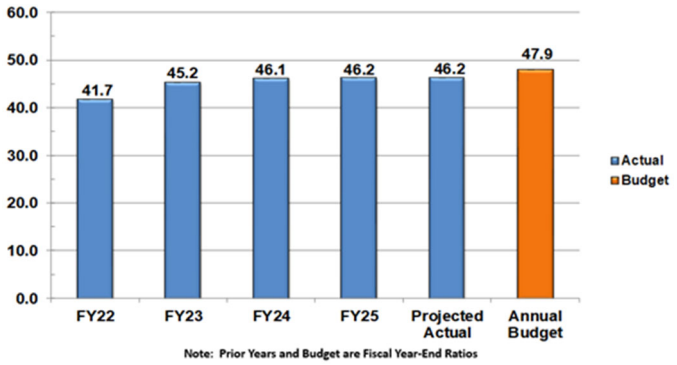
Combined Net Revenues



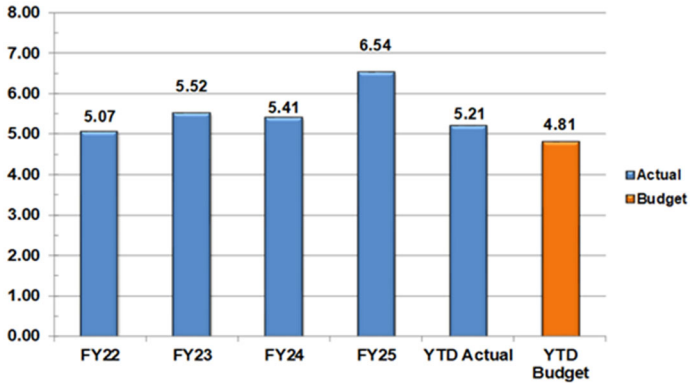
Fuel & Purchased Power Adjustment Mechanism (FPPAM) – November 2025



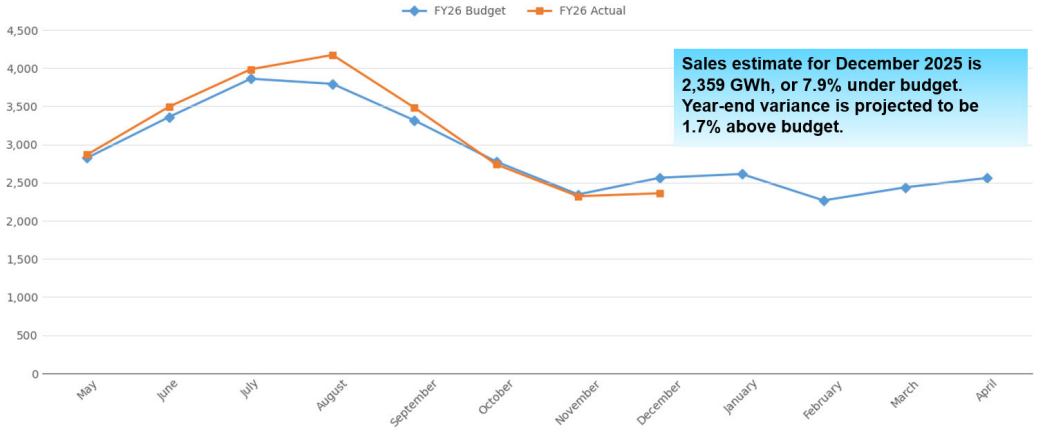
Debt Ratio – Year End Actuals and Projection



Debt Service Coverage Ratio – YTD Through November



Preliminary Retail Sales (GWh) Estimate Through December 2025



Financial Definitions for Dashboard

Combined Net Revenue	Debt Service Coverage Ratio & Debt Ratio
• SRP's "bottom line" • Comparable to Net Income • "Combines" SRP's electric and water income statements	• DSCR = ratio of net cash inflows vs. annual interest & principal payments • Debt Ratio = percentage of long-life assets paid for with debt

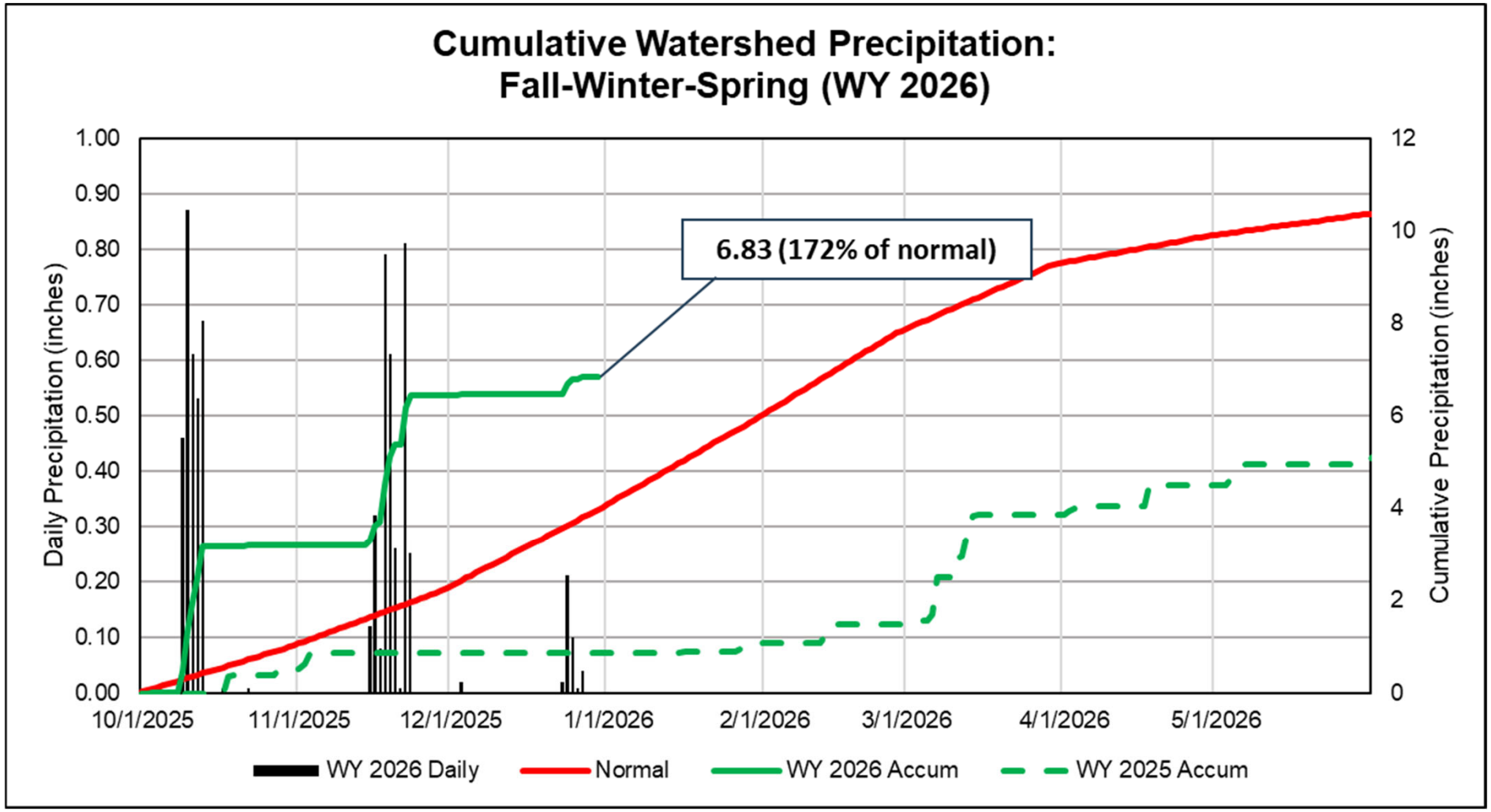
Liquidity (General Fund)	FPPAM Collection Balance
• SRP's checking account • Days Cash = number of days that SRP can continue to pay its cash expenses without any cash inflow	• Fuel & Purchased Power Adjustment Mechanism • Recovers the appropriate fuel & purchased costs over time (no more, no less)

Water Supply and Weather Report

January Council Meeting

January 6, 2026

Stephen Flora


Cumulative Watershed Precipitation:
Fall-Winter-Spring (WY 2026)
6.83 (172% of normal)
Daily Precipitation (inches)
Cumulative Precipitation (inches)
1.00
0.90
0.80
0.70
0.60
0.50
0.40
0.30
0.20
0.10
0.00
12
10
8
6
4
2
0
10/1/2025
11/1/2025
12/1/2025
1/1/2026
2/1/2026
3/1/2026
4/1/2026
5/1/2026
WY 2026 Daily
Normal
WY 2026 Accum
WY 2025 Accum

Water Year 2026 Precipitation to Date

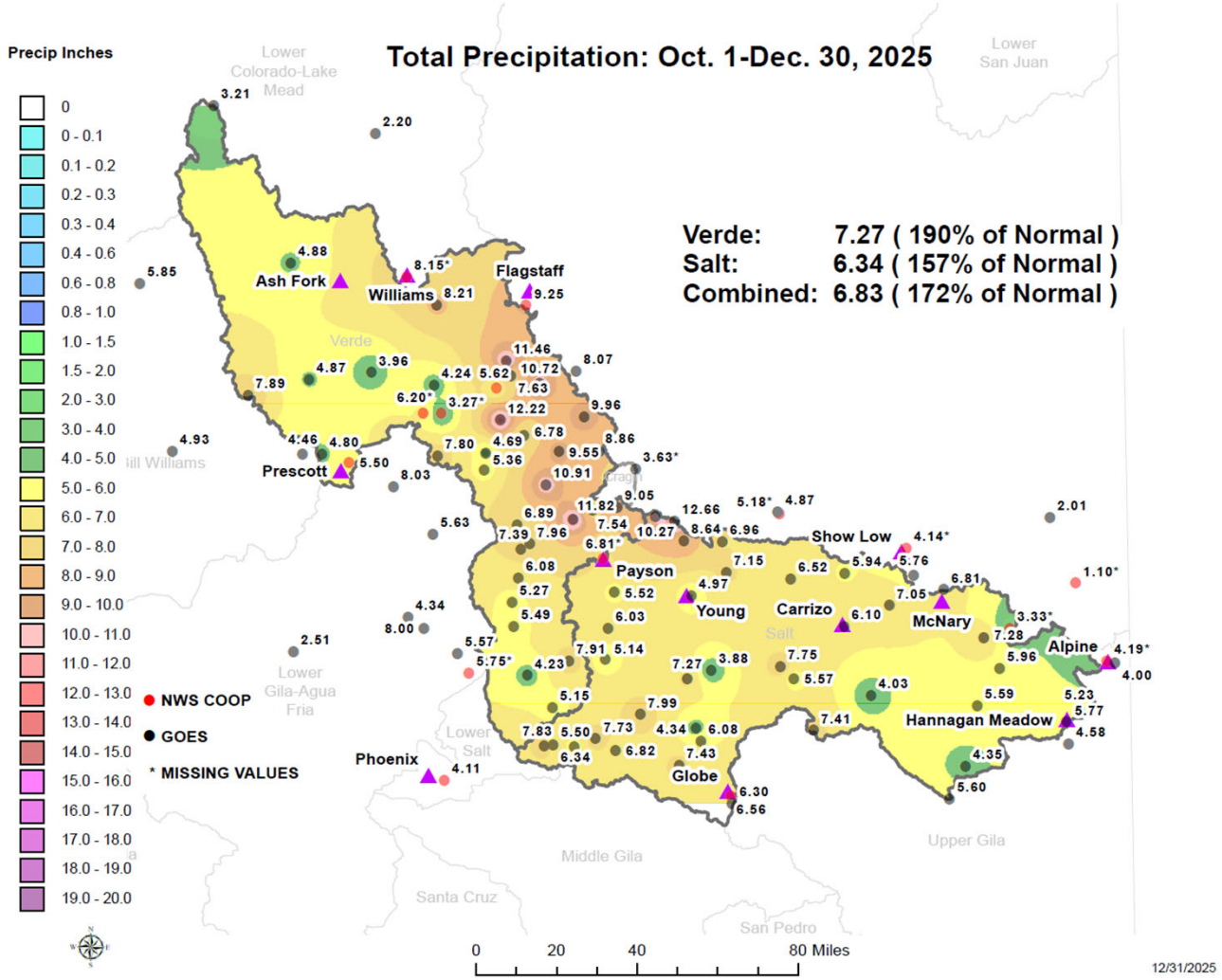
Monthly Precipitation

October 2025
3.18” (309% of normal)

November 2025
3.26” (273% of normal)

December 2025
0.39 (23% of normal)

Higher December precipitation near Williams and Upper portions of the Verde

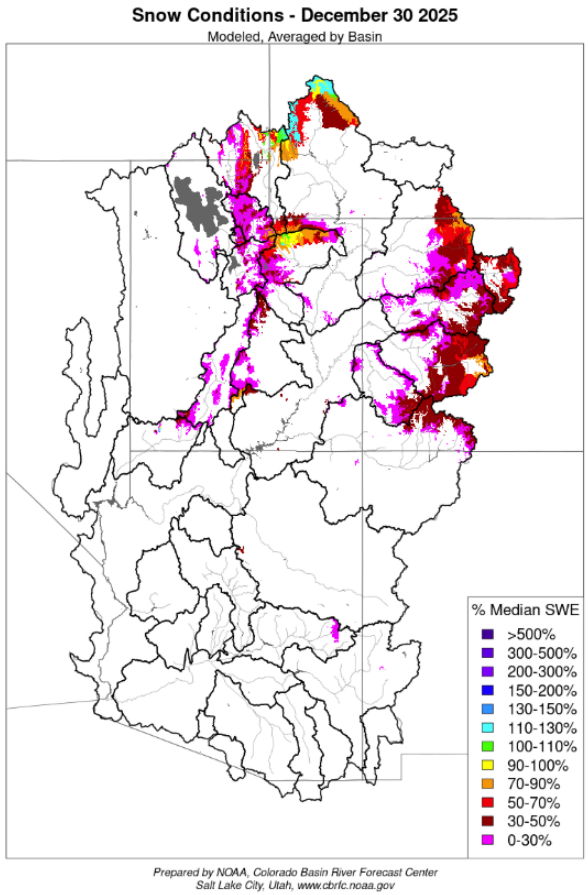


Late December Snowpack

Snowpack is well below normal on the Salt/Verde and Upper Colorado Watersheds

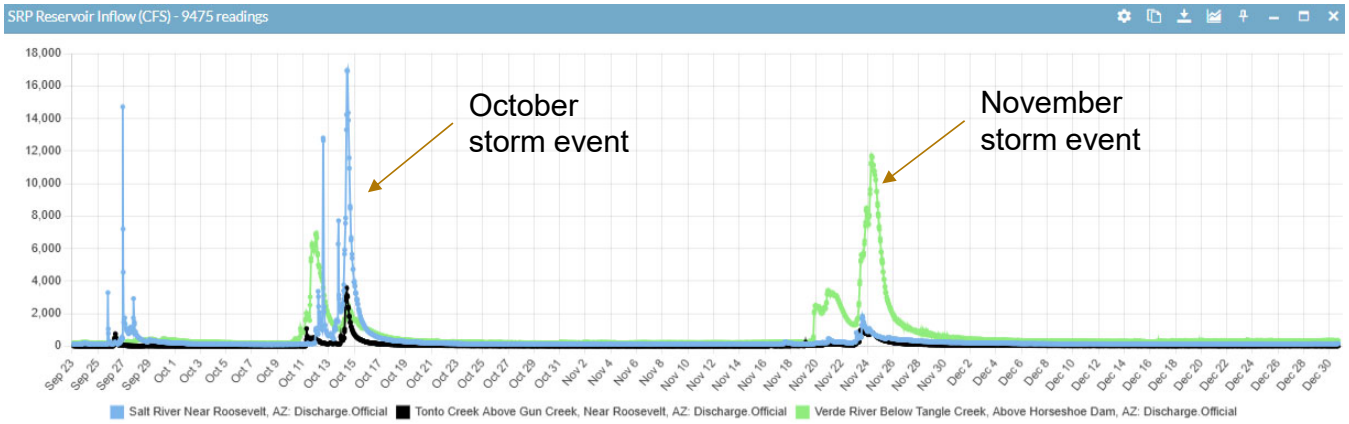
Verde Watershed

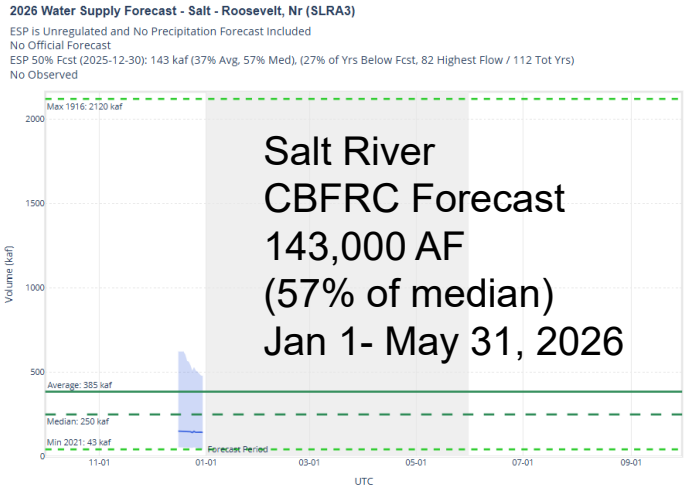
Salt Watershed

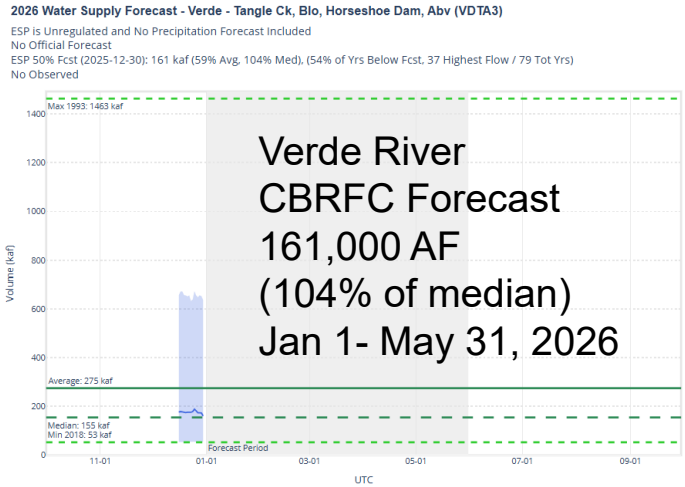


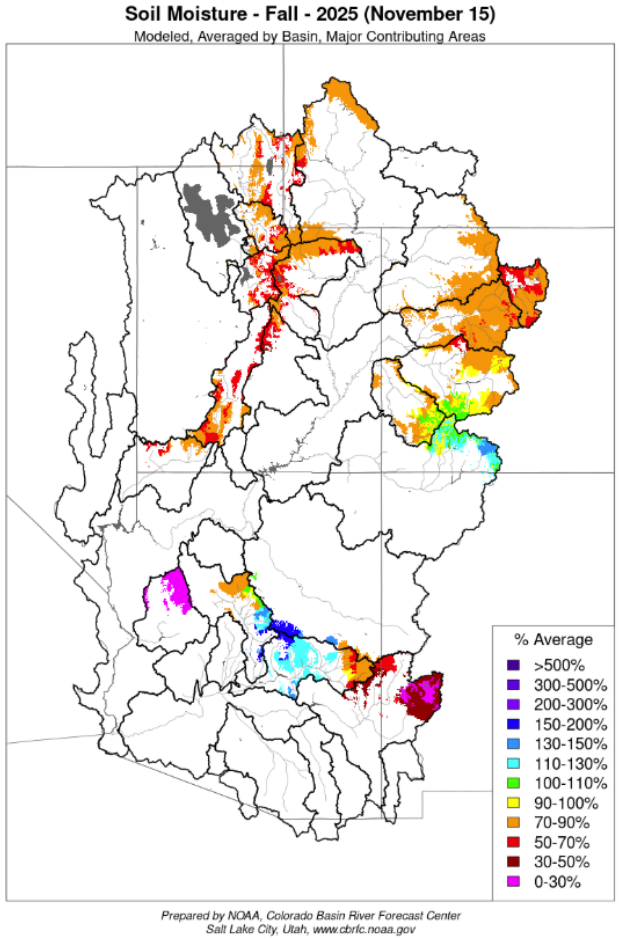
Late December Soil Moisture and Streamflow Forecasts

Soil Moisture and Runoff Efficiency is above normal on Salt/Verde due to Fall 2025 Storm Events

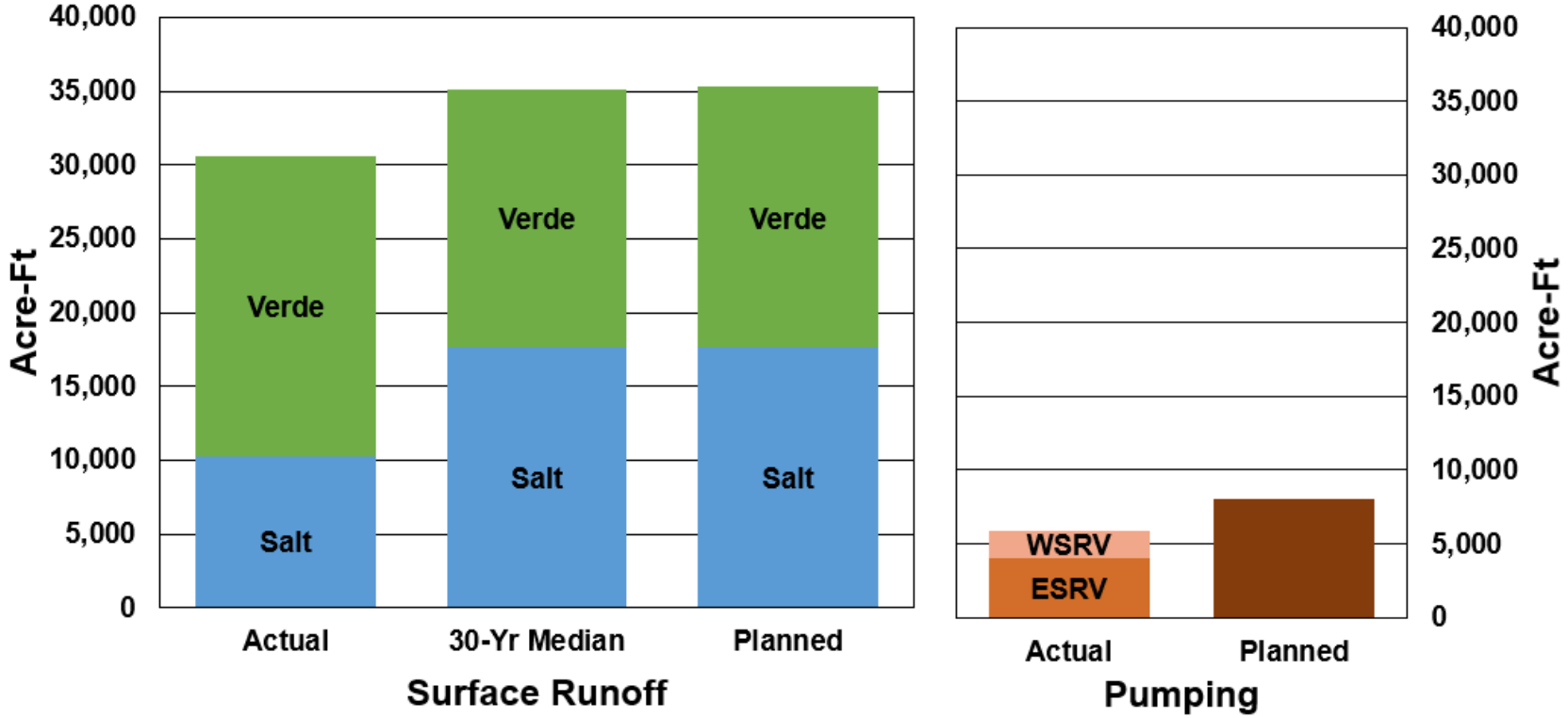






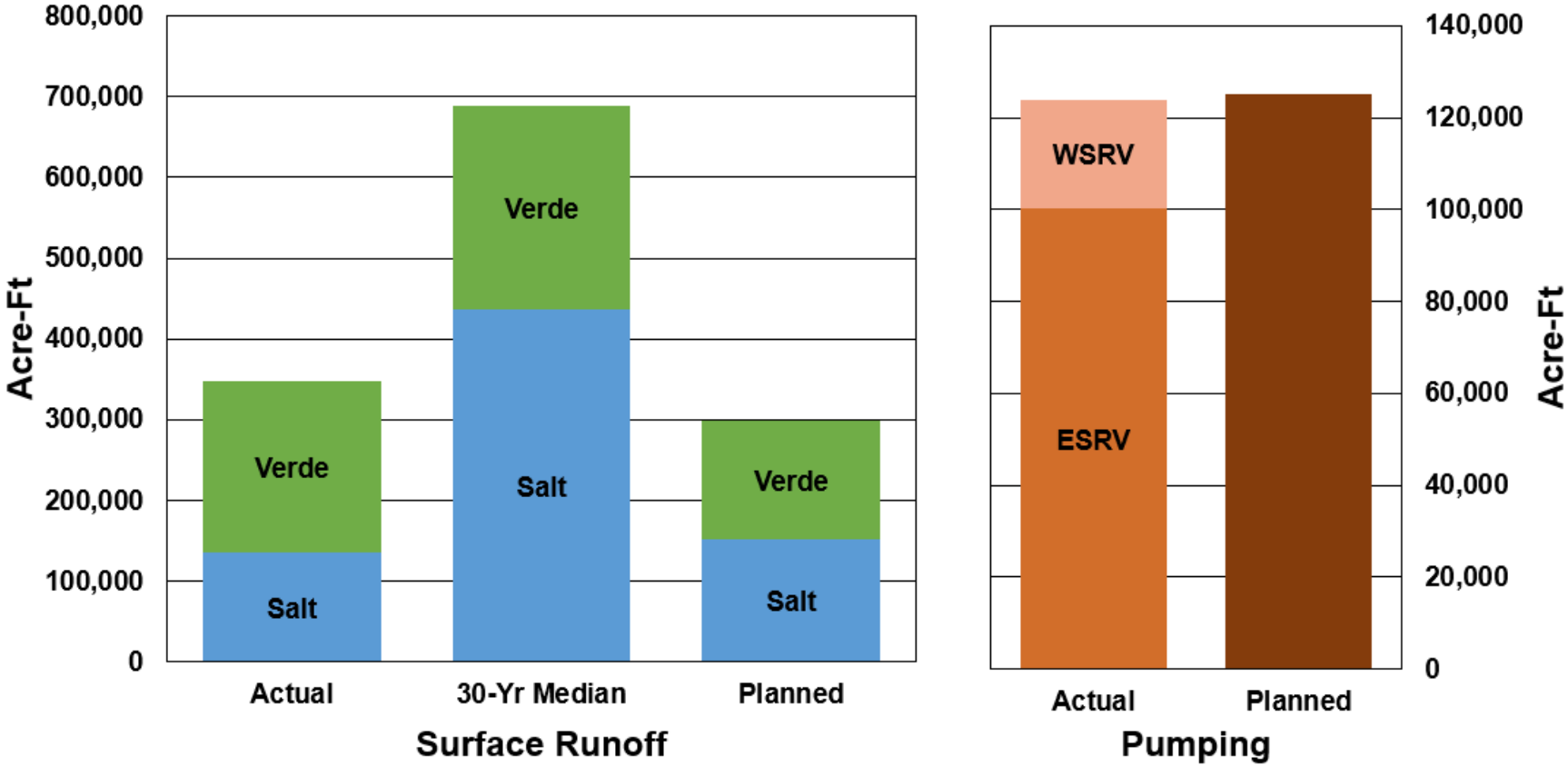


December 2025



*Total Salt, Tonto, Verde runoff in December 2025 was 30,631 AF (87% of median)
**Total physical pumping in December 2025 is AF is 5,853 AF

Year to Date 2025



*January through December 2025 YTD runoff is 347,694 AF, (50% of median), 5th or 6th lowest on record for calendar year
**Total physical pumping YTD 2025 is 123,714 AF plus an additional 25,000 AF GSF that goes toward total Groundwater use

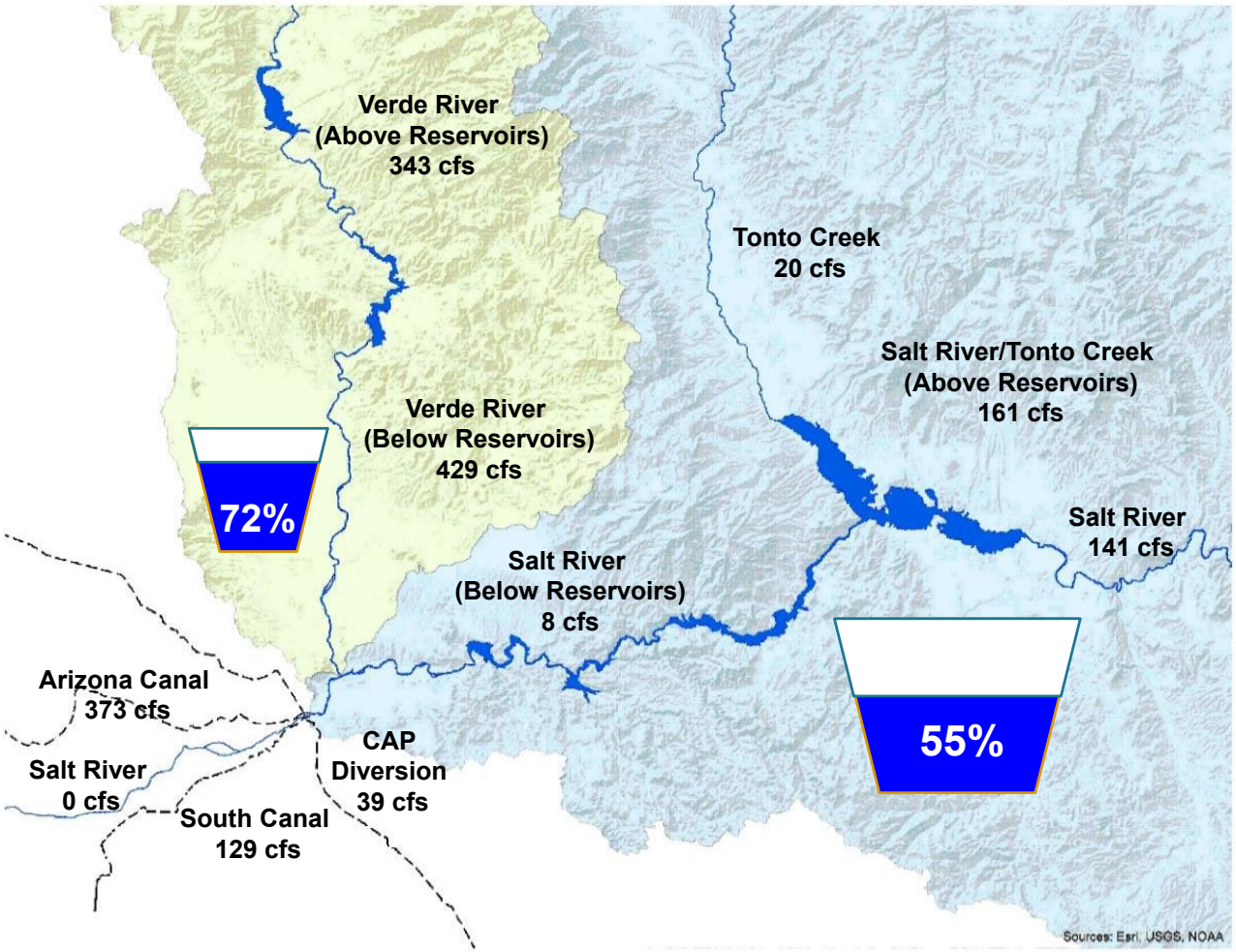
SRP Reservoir System Status

December 30, 2025

Current Storage:

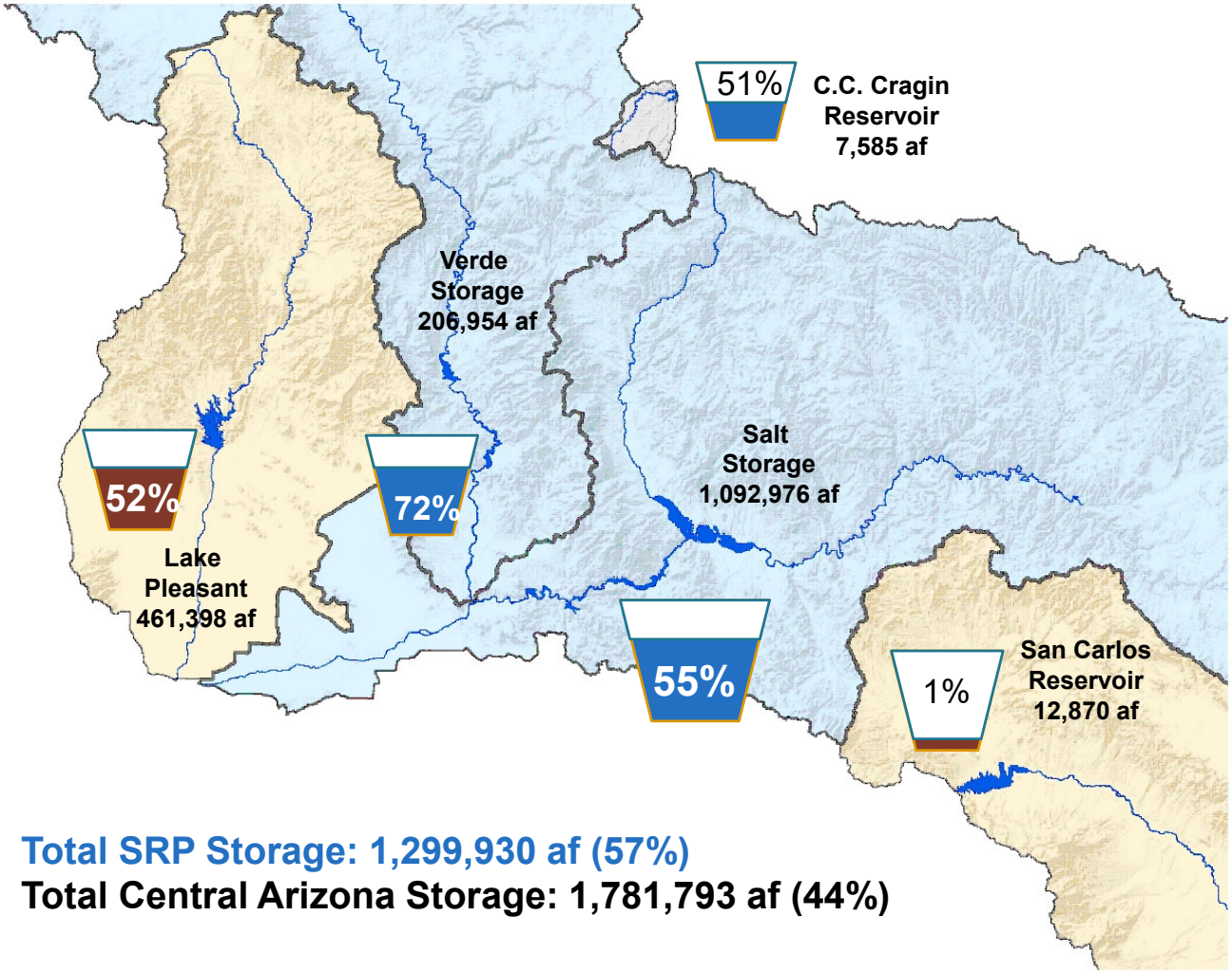
Salt	**1,092,976 AF**
Verde	**206,954 AF**
Total	**1,299,930 AF**

Total Storage: 57%



Central Arizona Reservoir Status

December 30, 2025



Total SRP Storage: 1,299,930 af (57%)

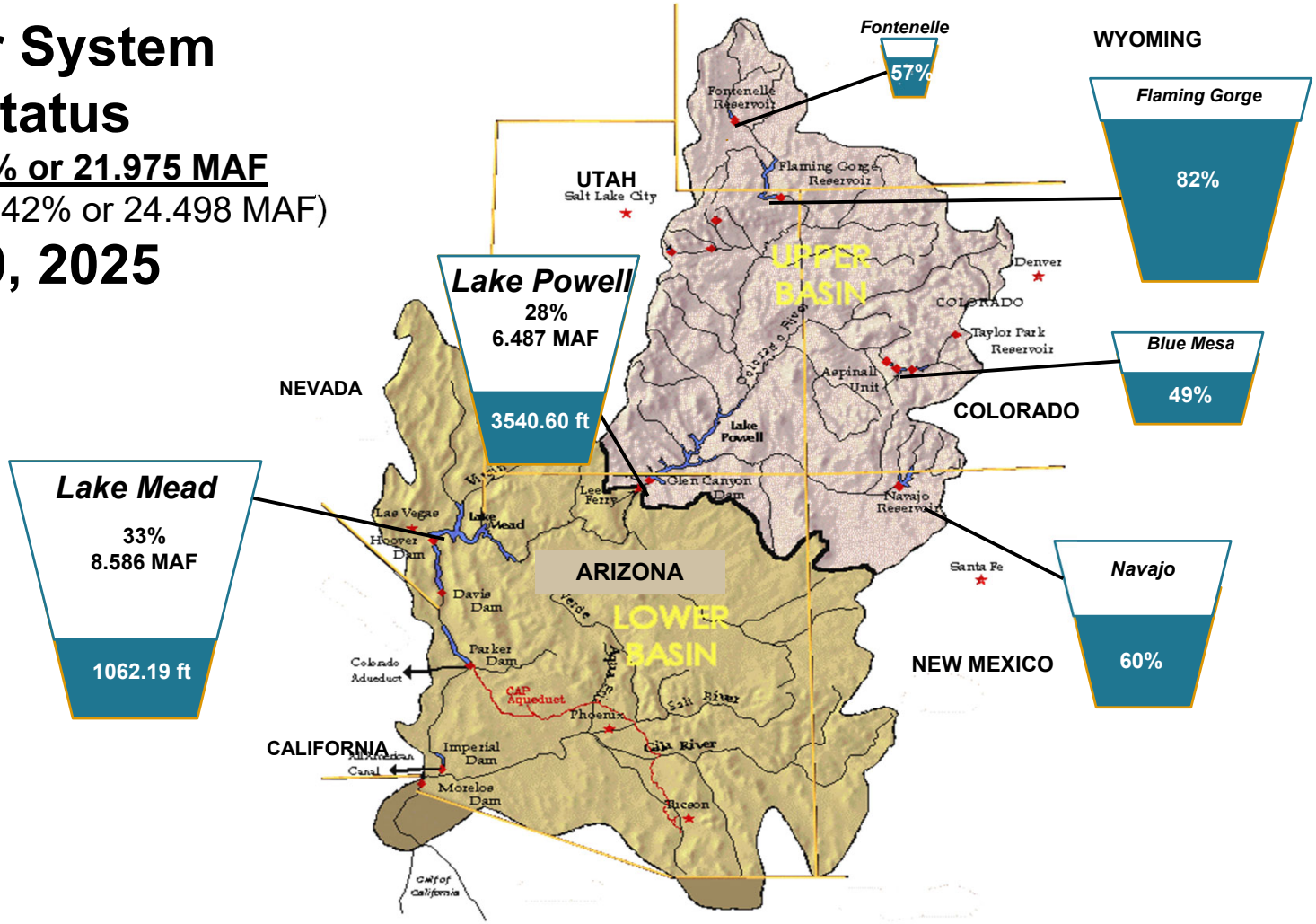
Total Central Arizona Storage: 1,781,793 af (44%)

Colorado River System Reservoir Status

Total System Contents 38% or 21.975 MAF

(Total system contents last year 42% or 24.498 MAF)

December 30, 2025

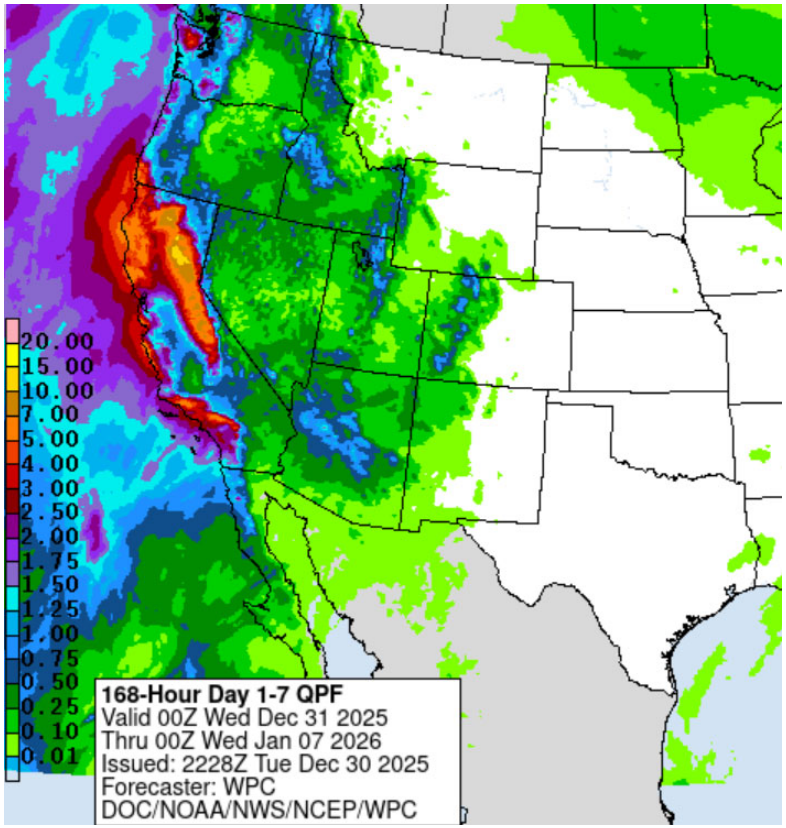


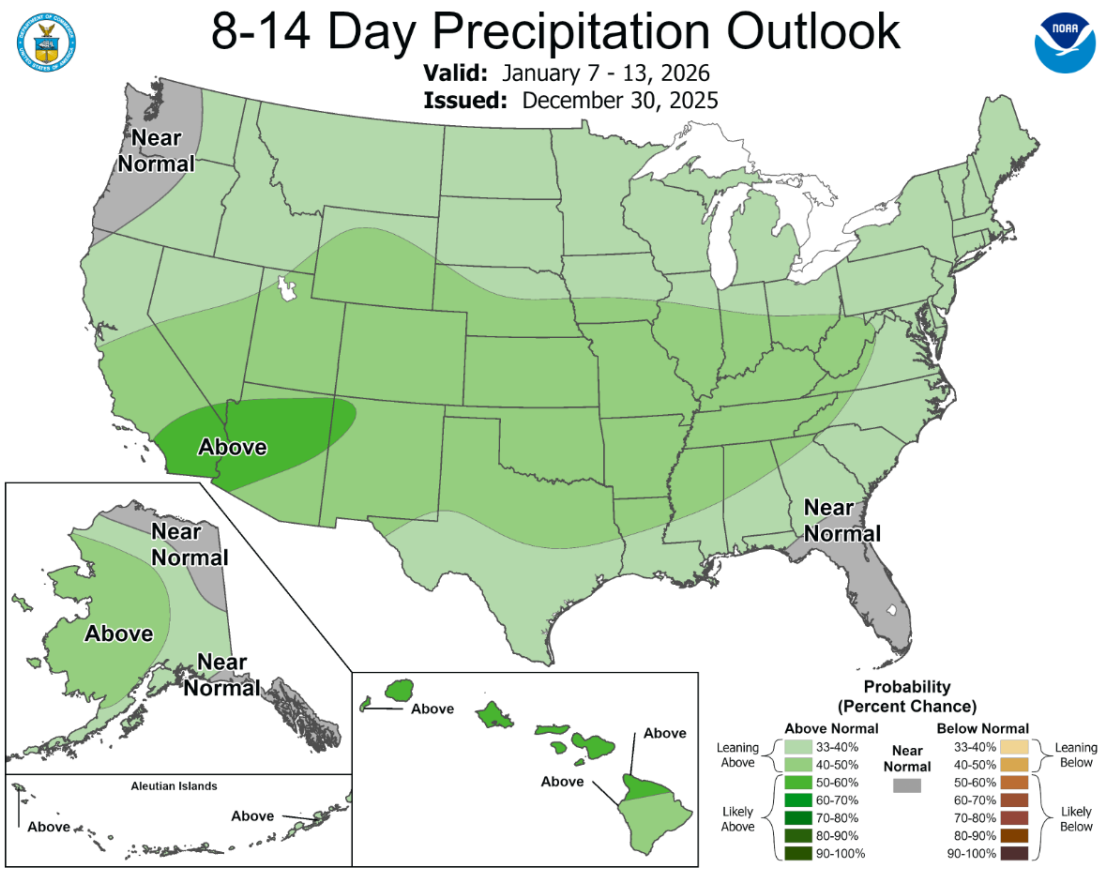
Lake Powell Unregulated Inflow
ESP 50% unofficial forecast
April 1 – July 31, 2026

3.835 MAF (63% of median)

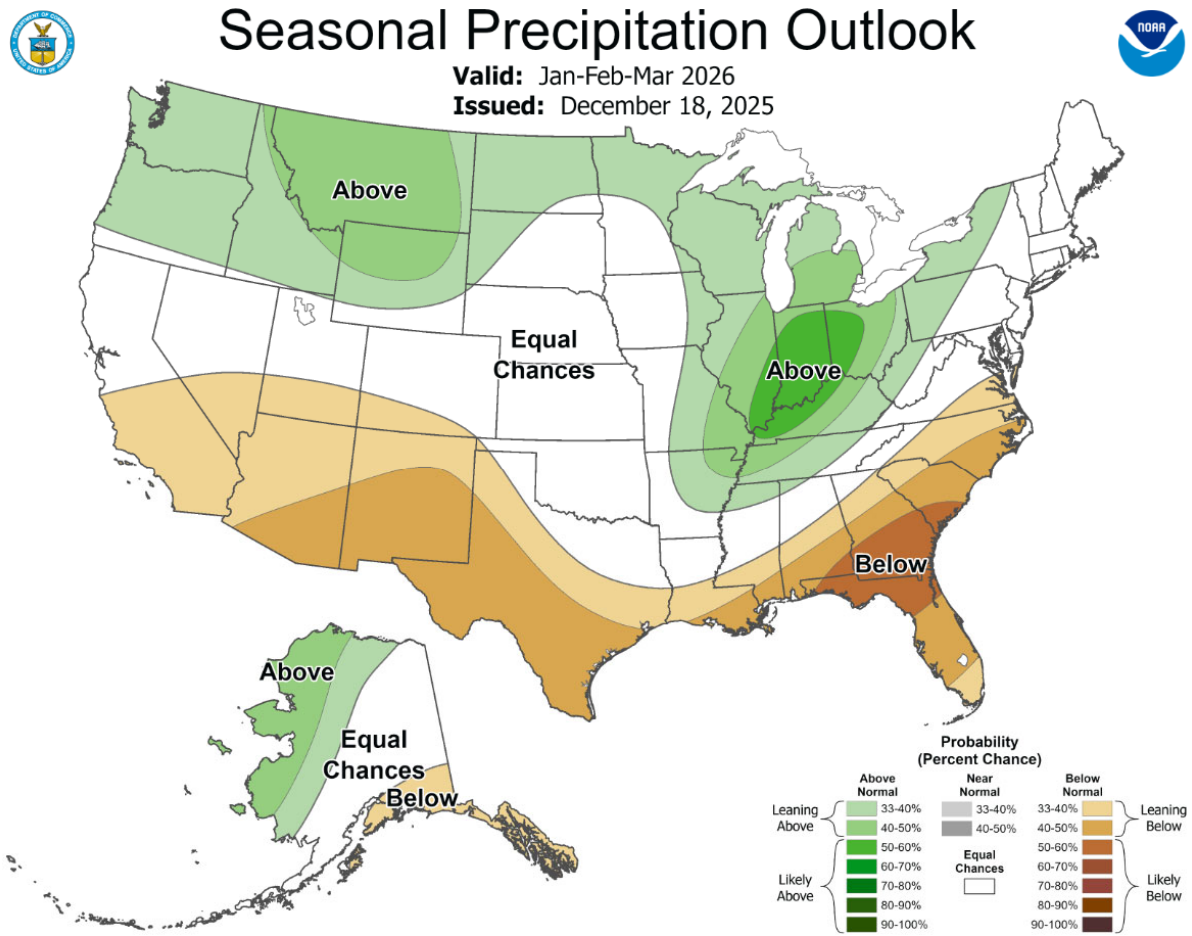
Early January Precipitation Outlook

7-day QPF





January-March Seasonal Precipitation Outlook



thank you!