

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

DISTRICT COUNCIL

Tuesday, December 2, 2025, 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 October 7, 2025
..... CHAIR ROCKY SHELTON
2. Council Committee Chairs and Liaisons Reports CHAIR ROCKY SHELTON
3. SRP 2025 Series C Revenue Bond Sale Review JASON RIGGS;
and MIKE MACE, PFM FINANCIAL ADVISORS

Informational presentation to provide a review of the sale of the SRP 2025
Series C Bonds that took place in October 2025.
4. Economic Outlook PAUL BACHMAN

Informational presentation regarding the national and local economic
outlook with a focus on the labor market, consumer spending, inflation,
business investment/economic development pipeline, and near-term
economic forecasts.
5. 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
6. Reservoir Report / Weather Report BO SVOMA
7. President's Report PRESIDENT DAVID ROUSSEAU
8. 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, JANUARY 6, 2026**

SAFETY MINUTE: SAFE PARKING TIPS SRP COUNCIL

**SARA MCCOY
DIRECTOR, RISK MANAGEMENT
DECEMBER 02, 2025**

SAFETY MINUTE: SAFE PARKING TIPS

Tips for drivers:

- Stay focused, don't drive distracted
- Keep the speed slow, especially around corners
- Stay in vehicle lanes
- Watch out for others, cars and pedestrians
- Find the safest spot, remember where it is
- Lock the doors and keep valuables out of sight
- Perform Circle of Safety before leaving

Tips for pedestrians:

- Stay focused, watch your surroundings
- Make sure drivers can see you
- Watch for vehicles that may start to move
- Stay on walking paths or to the side of vehicle lanes





MINUTES OF COUNCIL
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER
DISTRICT

DRAFT

October 7, 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, October 7, 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
September 30, 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, October 7, 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 30th day of September 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, T. Francis, A. Freeman, G. Geiger, E. Gorseigner, A. Hatley, A. Herrera, R. Kolb, D. Lamoreaux, C. Leatherwood, W. Lines, J. Miller, M. Mulligan, S. Naylor, E. Pedersen, M. Pedersen, C. Resch-Geretti, W. Schrader III, W. Sheely, R. Swier, N. Vanderwey, and M. Warren.

Council Members absent at roll call were I. Rakow, M. Rakow, and P. Van Hofwegen.

Also present were Vice President C. Dobson; Council Member M. Freeman of the Association; Board Liaison M. Herrera; I. Avalos, J. Baran, P. Bruner, A. Chabrier,

J. Coggins, A. Davis, J. Felty, L. Hobaica, B. Koch, K. Lee, S. McCoy, L. Meyers, M. O'Connor, B. Olsen, J. Pratt, C. Sifuentes-Kohlbeck, and T. Skarupa 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 Council of the District meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, October 3, 2025.

Safety Minute

Using a PowerPoint presentation, Sara McCoy, SRP Director of Risk Management, provided a safety minute regarding fire blankets.

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 B. Brooks, seconded by Council Member W. Schrader III and carried, the Council approved the minutes for the meeting of September 9, 2025, as presented.

Corporate Secretary J. Felty polled the Council Members on Council Member B. Brooks' motion to approve the minutes for the meeting of September 9, 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, T. Francis, A. Freeman, G. Geiger, E. Gorseger, A. Hatley, A. Herrera, R. Kolb, D. Lamoreaux, C. Leatherwood, W. Lines, J. Miller, M. Mulligan, S. Naylor, E. Pedersen, M. Pedersen, C. Resch-Geretti, W. Schrader III, W. Sheely, R. Swier, N. Vanderwey, and M. Warren	(26)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Council Members I. Rakow, M. Rakow, and P. Van Hofwegen	(3)

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 Members M. Pedersen and M. Farmer reported on discussions held at the Power Committee. Council Member S. Naylor reported on discussions held at the Water Committee. Council Member C. Resch-Geretti reported on discussions held at the Audit Committee.

S. McCoy of SRP left the meeting during the reports. Council Member I. Rakow entered

the meeting during the reports.

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

Using a PowerPoint presentation, Jim Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the District.

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

Status of Power System

Using a PowerPoint presentation, John Coggins, SRP Associate General Manager and Chief Power System Executive, provided an update on SRP's power system. They provided operational updates for September 2025, stating that September's peak demand of 7,166 megawatts (MW) occurred on September 2nd, which was 676 MW lower than forecasted. J. Coggins provided an overview of the September 26th and 27th storm events, the Bolster Battery fire that occurred on October 1st, SRP's grid resilience program.

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 August 2025 and year-to-date (YTD). They stated that SRP's credit rating has been reaffirmed with Standard and Poor's (S&P) Global Rating of AA+ and a Moody's Rating of Aa1.

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 Arizona Advanced Water Purification (AWP) rules, which have created new opportunities for water supply development.

L. Meyers stated that Arizona's first ever 100-year designation of assured water supply through the Alternative Designation of Assured Water Supply (ADAWS) Program will be issued to EPCOR on October 7, 2025.

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

Reservoir and Weather Report

Using a PowerPoint presentation, Tim Skarupa, SRP Senior Manager of Watershed Management, reviewed the cumulative watershed precipitation outlook to-date for Water Year 2025 (October 2024 – September 2025), monsoon watershed precipitation totals from June 15, 2025 through September 30, 2025, and lower watershed and valley precipitation and runoff totals for September 26 and 27, 2025.

T. Skarupa discussed the surface runoff and pumping data for September 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 October 1, 2025. T. Skarupa provided an October precipitation outlook and a review of the seasonal weather outlook from November 2025 through January 2026.

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

President's Report

There was no report by Vice President C. Dobson.

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 11:05 a.m.

John Felty
Corporate Secretary

Review of 2025 Series C Bond Sale

December 2, 2025 | SRP Council Meeting

Jason I. Riggs | Director & Asst. Treasurer, Treasury Operations & Compliance

Bond Sale Summary

- Parameters approved by SRP Board on 9/8/25
- Parameters approved by SRP Council on 9/9/25
- Sale executed on 10/14/25
- All Bond Sale Parameters achieved
- \$778M in proceeds at closing 11/4/25
 - \$727M in Par
 - \$51M in Premium

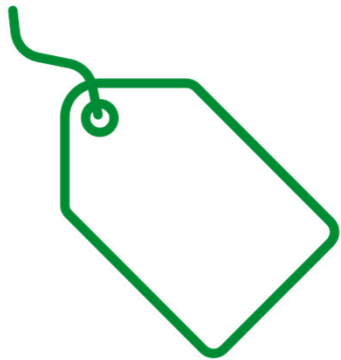
Bond Sale Team

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

Bond Sale: Approved Parameters and Final Execution

1	2	3	4	5	6
Par Amount	True Interest Cost	Final Maturity	Call Option	Underwriter's Fee	Pricing Execution
• Not to exceed \$775,000,000 in par value	• Not to exceed 5.5%	• Not greater than 40 years	• Not to exceed 100% call price • Not to exceed 10.5 year call option	• Not to exceed \$2.00 per \$1,000 of bonds issued	• Execute final pricing by 12/31/2025
\$727,735,000 ✓	4.71 % ✓	~30 years ✓	100% 10.2 years ✓	\$1.79 per \$1,000 ✓	10/14/2025 ✓
----- Final Revenue Bond Sale Results -----					

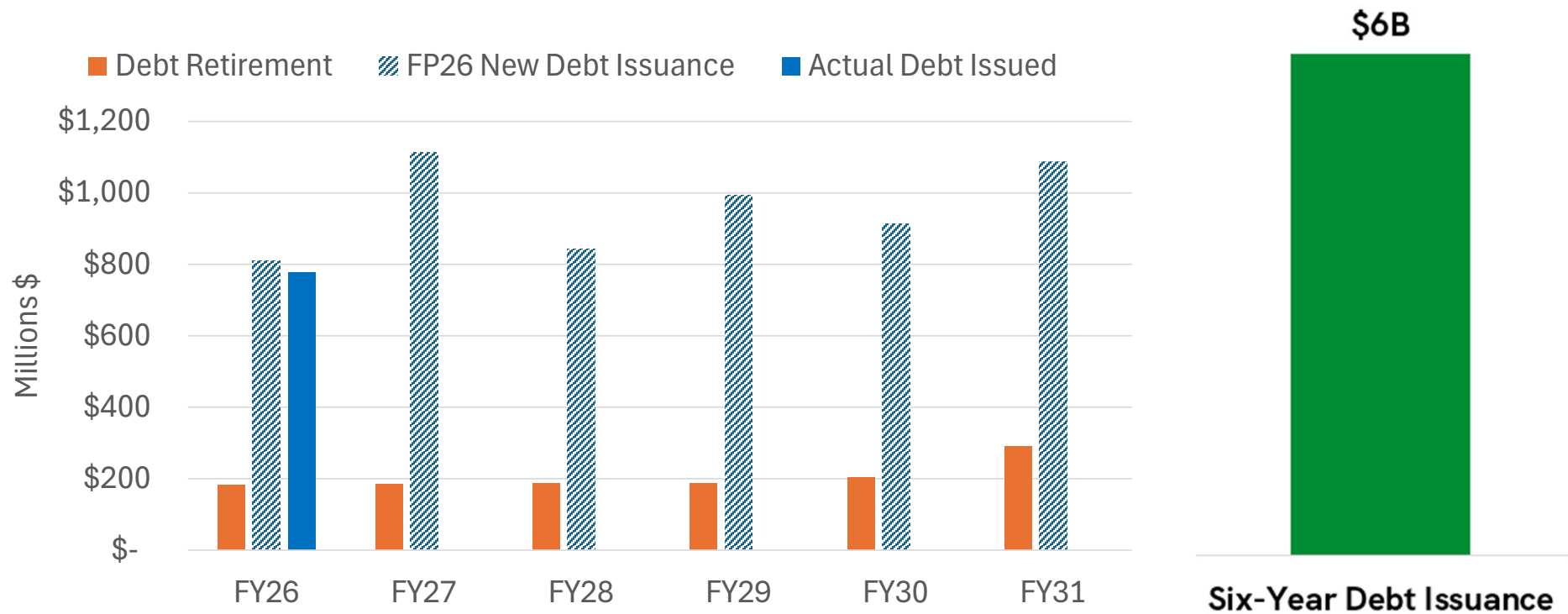
Pricing Executed 10/14 Total Subscription 5.3x



Electric System Revenue Bonds, 2025 Series C

<u>Maturity</u>	<u>Principal Amount</u>	<u>Coupon Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Premium</u>
1/1/2043	21,615,000	5.000%	3.84%	109.676	2,091,467
1/1/2044	22,035,000	5.000%	3.93%	108.885	1,957,809
1/1/2045	24,455,000	5.000%	3.99%	108.362	2,044,927
1/1/2046	23,040,000	5.000%	4.08%	107.583	1,747,123
1/1/2047	29,460,000	5.000%	4.17%	106.810	2,006,226
1/1/2048	20,395,000	5.000%	4.25%	106.129	1,250,009
1/1/2051	131,860,000	5.000%	4.34%	105.369	7,079,563
1/1/2055	<u>454,875,000</u>	5.250%	4.37%	107.150	<u>32,523,562</u>
\$ 727,735,000					\$ 50,700,689

Borrowing Outlook (\$M) – FP26





SRP 2025 Series C Bonds

PFM Financial Advisors

presentation to the

SRP Board

Mike Mace, Senior Director

December 2, 2025

PFM

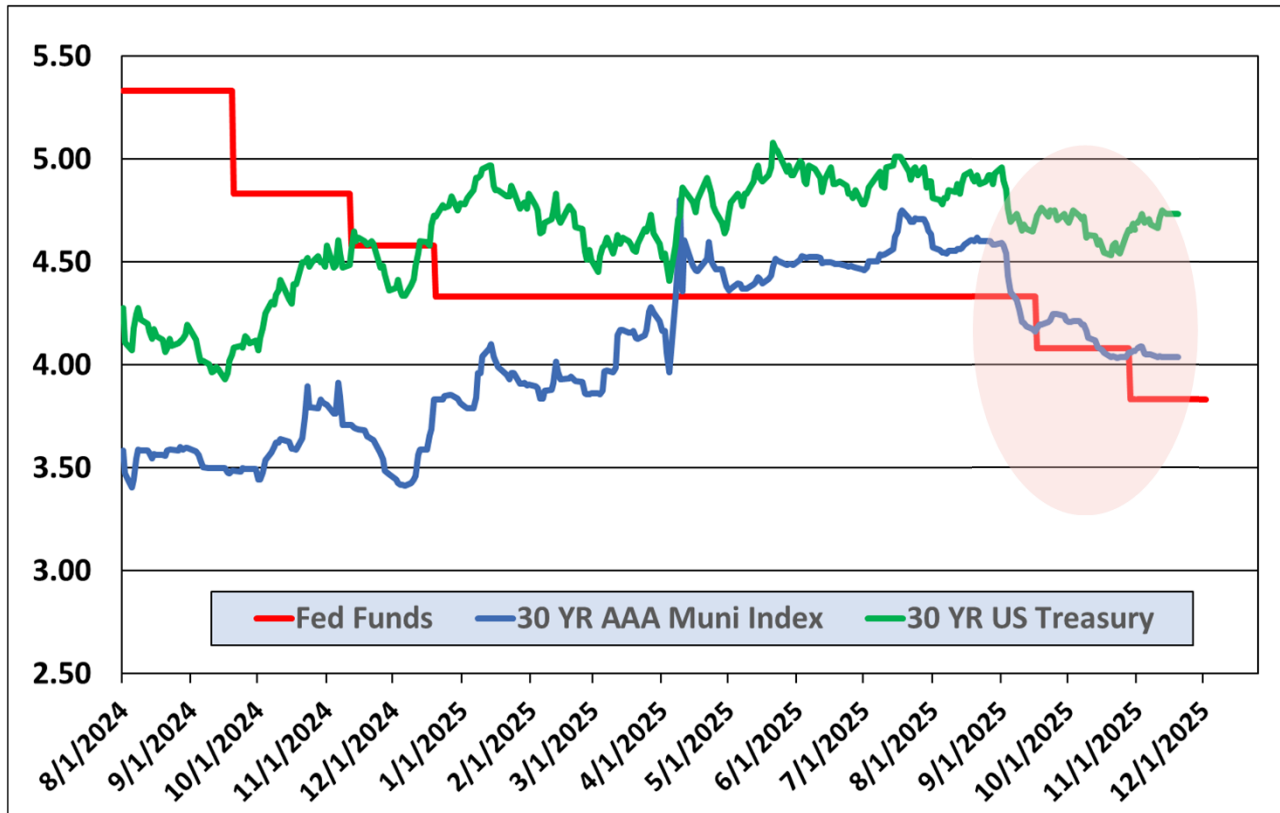
New York, NY
Philadelphia, PA
Charlotte, NC
Chandler, AZ

pfm.com



SRP 2025 Series C Bonds – Rates Leading up to the Bond Sale

Some concerns, but no alarms



Concerns

- Gov't shutdown
- No economic data
- Record muni bond issuance
- Tariff uncertainty

Tempered by...

- Recent Fed rate cuts/outlook
- Solid investor inflows
- Muni rates drift lower
- Maybe less data is OK



Interest Rate Thoughts Leading up to Formal Pricing

- Tuesday AM: Test PreMarket levels for expected Wednesday pricing
Roughly \$5Bn of bond sales expected for Wednesday
Solid investor feedback and ability to price Tuesday afternoon
- Tuesday PM: Team decides to price Tuesday afternoon, with helpful changes
Unique investor demand for longer “serial” bonds

	10/14 AM PreMarket			10/14 PM Market		
	Par			Par		
<u>Maturity</u>	<u>\$MM</u>	<u>Coupon</u>	<u>Yield</u>	<u>\$MM</u>	<u>Coupon</u>	<u>Yield</u>
1/1/2043	21	5.00%	3.98	21	5.00%	3.98
1/1/2044	22	5.00%	4.07	22	5.00%	4.07
1/1/2045	24	5.00%	4.13	24	5.00%	4.13
1/1/2046	23	5.00%	4.18	23	5.00%	4.18
1/1/2047				29	5.00%	4.25
1/1/2048				20	5.00%	4.30
1/1/2051	181	5.00%	4.41	132	5.00%	4.41
1/1/2055	456	5.25%	4.40	456	5.25%	4.40



Very Good Investor Response

- Order Period opens “late” at 1:15 PM, extending until 2:45 PM
- Investors were poised to react quickly - \$1.3 Bn of orders in the “first half”
- Strong follow through with another ~\$2.5 Bn of orders, for a total of \$3.8 Bn
- 5.3 X as many orders as bonds for sale

	Par	Orders	Times
<u>Maturity</u>	<u>\$MM</u>	<u>\$MM</u>	<u>Sbscrbd</u>
1/1/2043	21	281	13.1
1/1/2044	22	341	15.6
1/1/2045	24	288	X 11.9
1/1/2046	23	203	X 8.9
1/1/2047	29	199	X 6.8
1/1/2048	20	77	X 3.8
1/1/2051	132	1,014	X 7.7
1/1/2055	456	1,438	X 3.2
Totals	727	3,841	X 5.3
			X



Good “Book” and Investor Profile Allows Strong Repricing

	<u>Maturity</u>	<u>Par \$MM</u>	<u>Orders \$MM</u>	<u>Times Sbscrbd</u>	<u>Yield Reduction</u>
• Lower yields drive up price on premium bonds	1/1/2043	21	281	13.1	14 BP
• Producing \$3.8 million in additional proceeds	1/1/2044	22	341	15.6	14 BP
• Diversity of investors supports solid repricing	1/1/2045	24	288	X 11.9	14 BP
	1/1/2046	23	203	X 8.9	10 BP
• Significant number of investor “drops” on shorter bonds indicated getting the most out of a strong book	1/1/2047	29	199	X 6.8	8 BP
	1/1/2048	20	77	X 3.8	5 BP
	1/1/2051	132	1,014	X 7.7	7 BP
	1/1/2055	456	1,438	X 3.2	3 BP
	Totals	727	3,841	X 5.3	

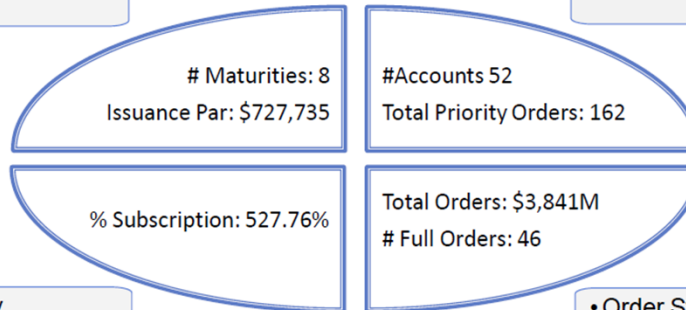


SRP 2025 Series C Bonds – Investor Summary

Quick Statistics

• Series Overview

• Account Overview



• Order Overview

• Order Statistics

Type	Order Count	Full Orders	Total Orders	%Par	% Total Orders
Prop/Trading	8	8	\$727,735	100.00%	18.95%
Institutional	2	0	\$290,000	39.85%	7.55%
Insurance	7	7	\$271,545	37.31%	7.07%
Prop/Trading	8	6	\$239,735	32.94%	6.24%
Hedge Fund	2	0	\$225,000	30.92%	5.86%
Manager/Trader	6	4	\$223,220	30.67%	5.81%
Insurance	6	4	\$190,220	26.14%	4.95%
Hedge Fund	5	3	\$177,430	24.38%	4.62%
Institutional	7	4	\$159,465	21.91%	4.15%
Broker/Dealer	6	0	\$105,000	14.43%	2.73%
	57	36	\$2,609,350	358.56%	67.94%

Top 10 Investors



End Results are Quite Favorable

- ◆ SRP continues to price at lower spreads among very highly rated credits
- ◆ Particularly helpful when looking at a large future capital program

Recent Notable Bond Sales and Long-Term Rates									
Bond Issuer	State	Issue Par (\$MM)	Sale Date	Term (Years)	Amount (\$MM)	Coupon	Yield	BP Sprd to AAA	Credit Ratings M/S&P/Fitch
SRP	AZ	727	10/14	30	456	5.25%	4.37%	24	Aa1/AA+/-
NYC	NY	1,500	10/9	30	306	5.25%	4.61%	42	Aa2/AA/AA
OK Muni Power	OK	267	10/7	31	103	5.25%	4.60%	39	AA S&P insured
Texas Trans Corp	TX	1,640	10/7	30	154	5.25%	4.53%	32	Aa1/AA+/-
State of Mass	MA	375	10/7	30	165	5.00%	4.44%	24	Aa1/AAA/-
Memphis MLGW	TN	235	9/30	30	66	5.00%	4.52%	28	Aa2/-/AA
NY State Dorms	NY	1,465	10/16	30	339	5.00%	4.50%	43	-/AA+/AA+



Keeping Control of Issuance Costs

And Much Lower than Investor-Owned Utilities

TEP Feb 2025 Sale

\$300,000,000

Tucson Electric Power Company

5.90% Senior Notes due 2055

	Per Note	Total
Public Offering Price ⁽¹⁾	99.7718%	\$299,322,000
Underwriting Discount	0.875%	\$ 2,625,000
Proceeds to Tucson Electric Power Company	98.896%	\$296,697,000

APS Aug 2025 Sale



\$700,000,000 5.90% Notes due 2055

	Per 2055 Note	2055 Notes Total
Initial public offering price ⁽¹⁾	99.471%	\$696,297,000
Underwriting discounts	0.875%	\$ 6,125,000
Proceeds, before expenses, to Arizona Public Service Company	98.596%	\$690,172,000

SRP Interest Rate Would Be Roughly 1.25% Lower

SRP Underwriting Fees Over 75% Lower

These Savings Add Up When Applied to a Multi-Billion \$ Capital Program



Overall Successful Transaction

- ◆ Taking advantage of favorable markets
- ◆ Maintaining position as best in class credit
- ◆ Focus on savings opportunities – big and small

thank you!



Economic Outlook

District and Association Council Meeting

Paul Bachman | December 2, 2025

Today's Topics

Trends and outlook for:

- U.S. economy and government shutdown
- Arizona and Phoenix
- SRP's service territory



The Impact of the U.S. Government Shutdown

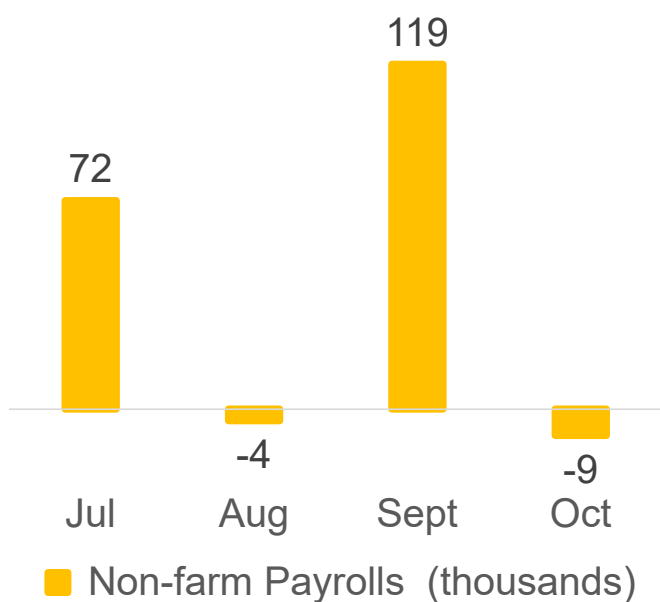
- Fourth quarter growth reduced by 0.5 to 1.3 percentage points
- Effect will be temporary, with most of the loss expected to be recovered in Q1 of 2026
- Government approvals could delay economic development and infrastructure projects, including those for SRP



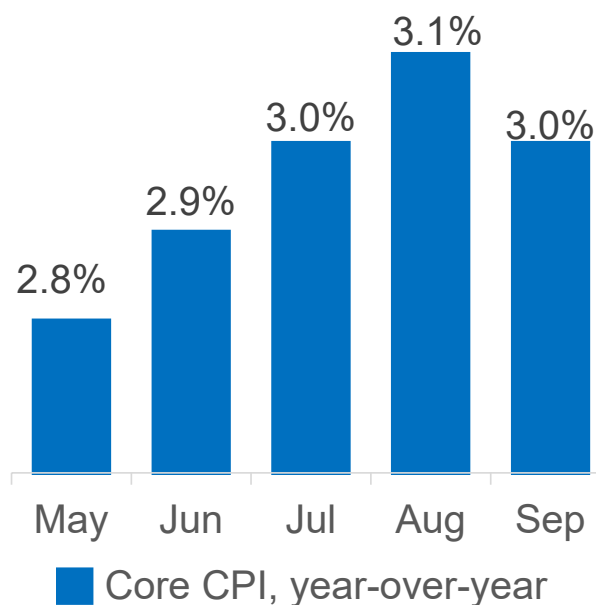
Sources: Moody's Analytics, Bloomberg, National Law Review

Employment, Inflation, and Consumers

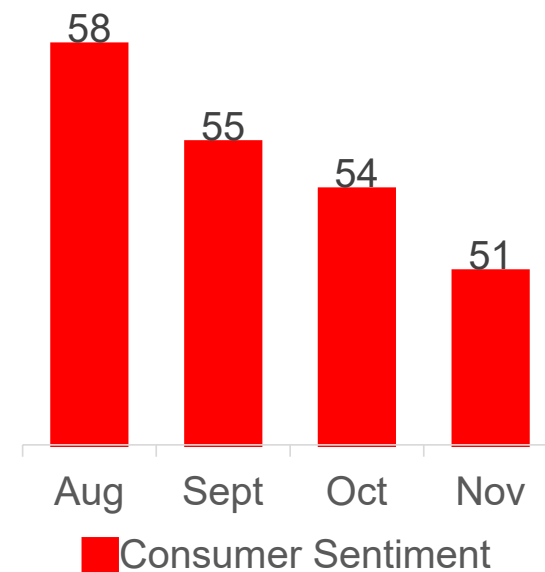
Employment

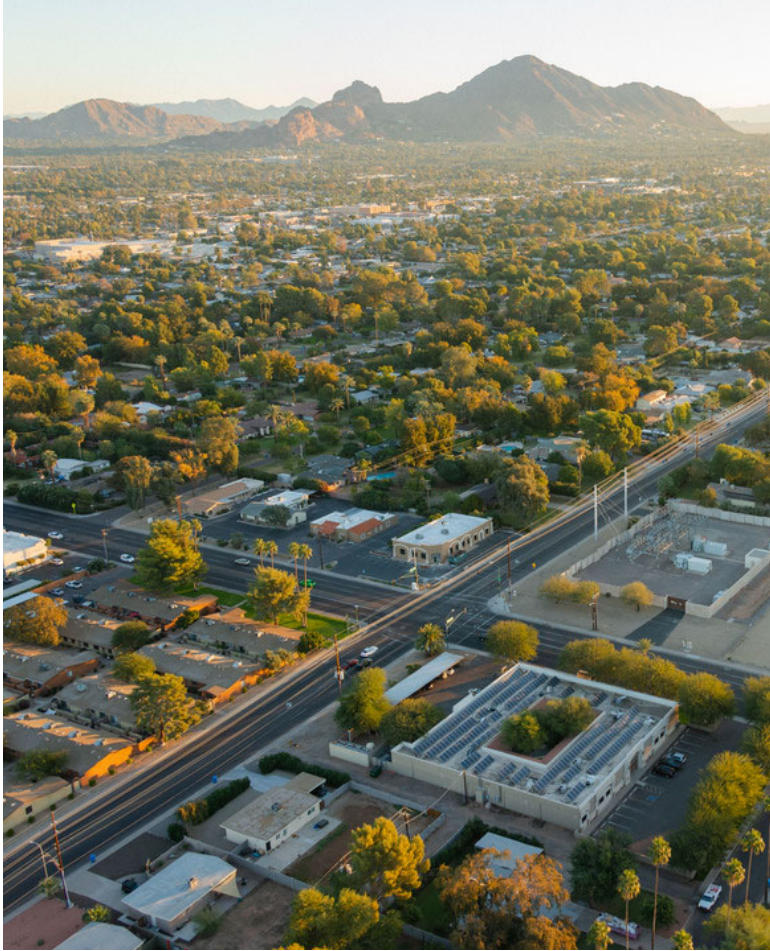


Inflation



Consumer Sentiment

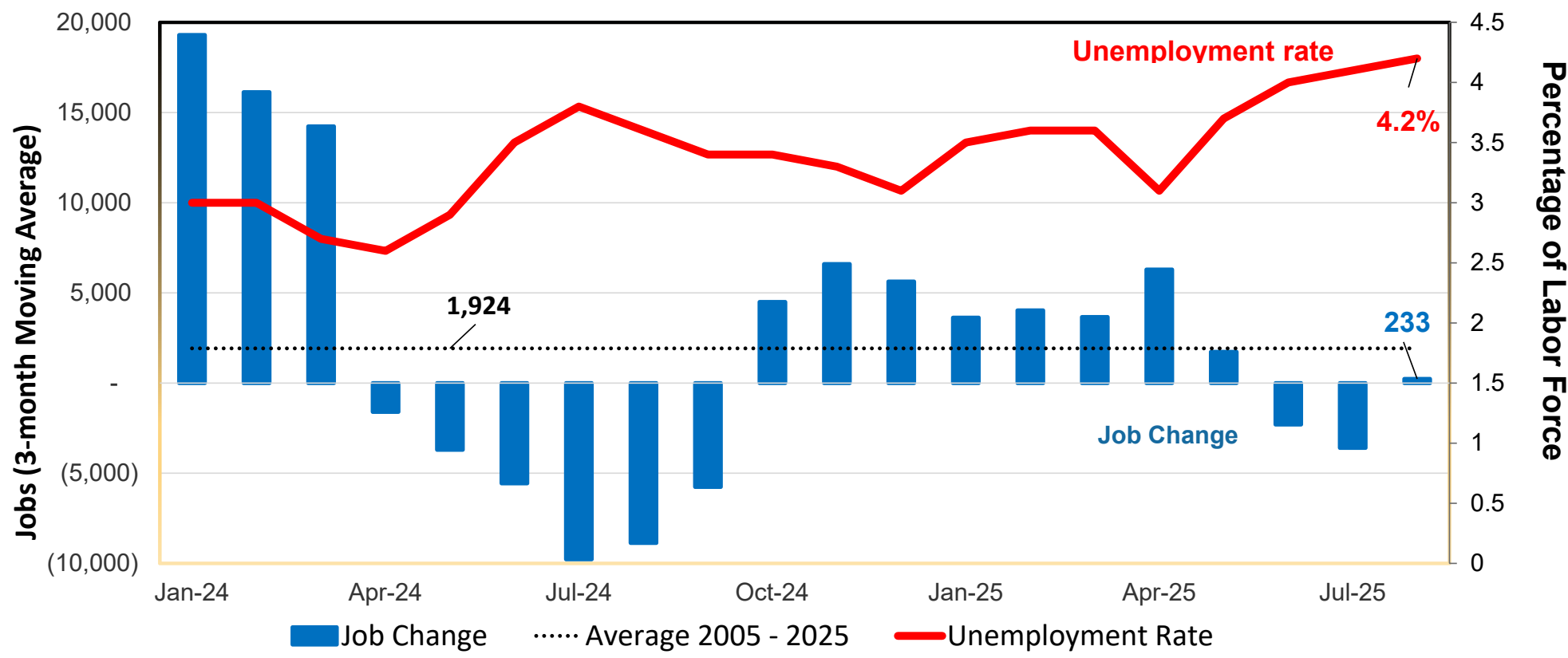




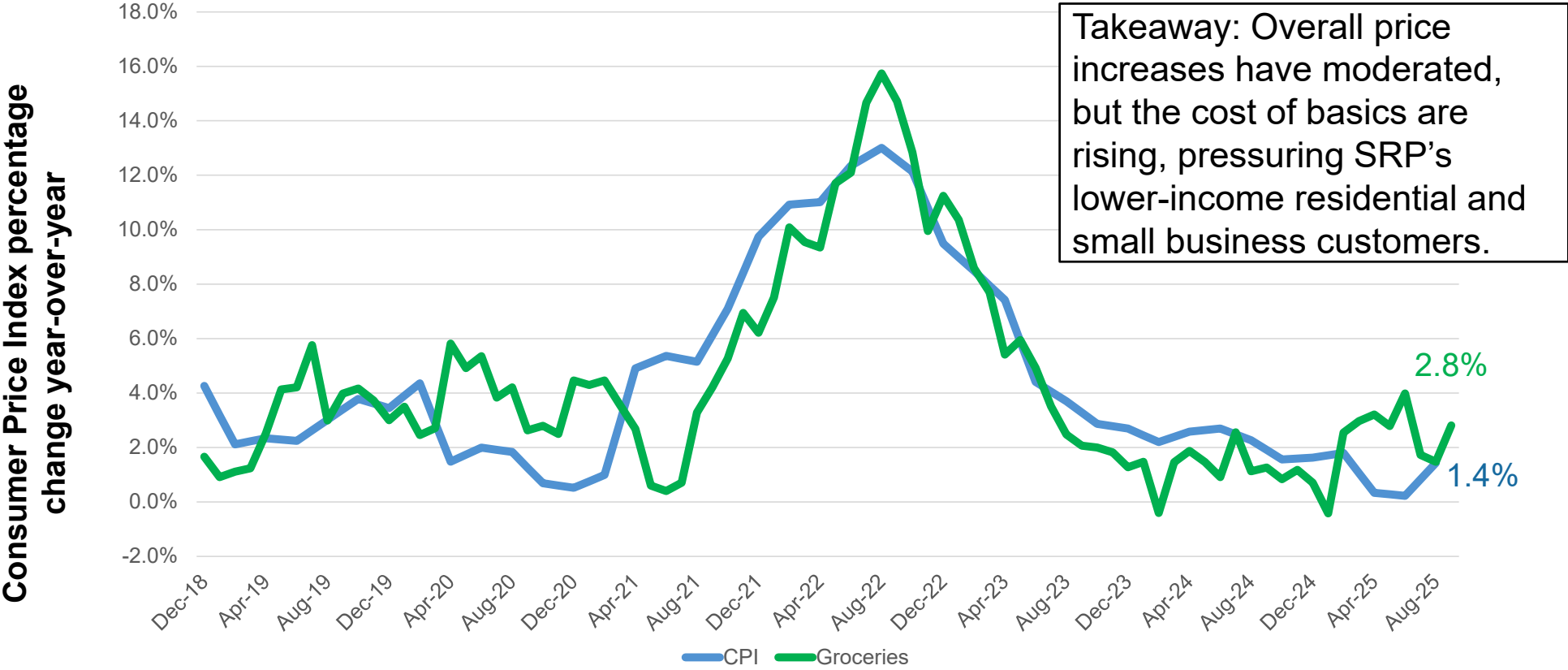
Arizona and Phoenix

- Economic growth is stable
- Labor market data indicates steady and modest performance
- SRP's economic development pipeline is diversifying and continues to grow

Phoenix Area Jobs Rebounds Modestly

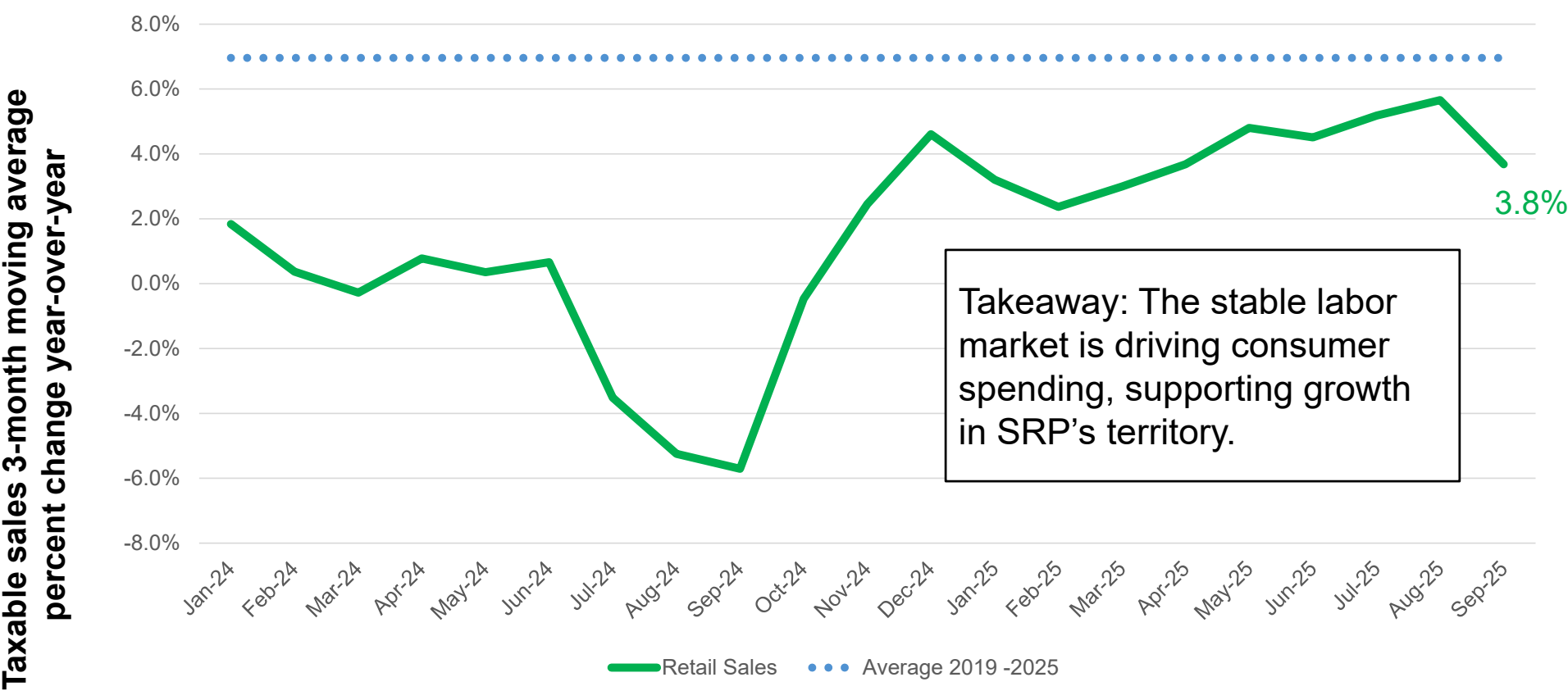


Phoenix Area Inflation Creeps Higher



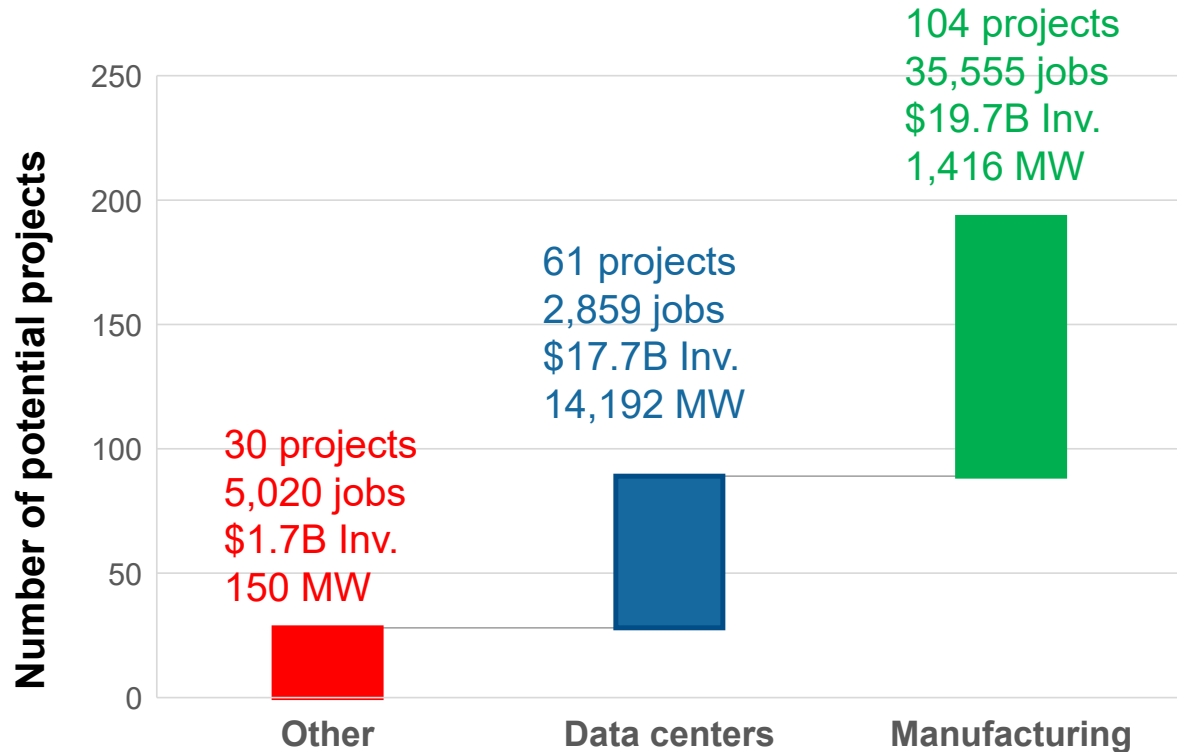
Source: U of A Economic and Business Research Center

Phoenix Consumer Spending is Steady



Source: U of A Economic and Business Research Center

SRP's Economic Development Pipeline



Pipeline Potential:

- Jobs: 42,690
- Investment: \$39 billion
- SRP Base Forecast includes 4 GW of large load by FY35
- An increase of 27 projects since September

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

Top Announced Job Gains and Losses

Employer	# of Jobs	City	Service Area	Industry
Arizona Autism	(2,792)	Multiple	APS/SRP	Non-profit
LSG Sky Chefs	(259)	Phoenix	APS	Food Service
Atkore	(205)	Phoenix	APS	Manufacturing
Ivanhoe Electric	600	Casa Grande	APS	Mining
XNGY Climate Sys.	500	Mesa	Mesa	Manufacturing
Castelion Corp	300	San Tan Valley	SRP	Manufacturing

Source: U of A Forecasting Project, Arizona Job Connection

Economic Outlook Summary

- 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
- While uncertainty exists, growth in SRP's service territory is expected to exceed its historic trend

thank you!





Council Report – Current Events

Council Meeting

December 2, 2025

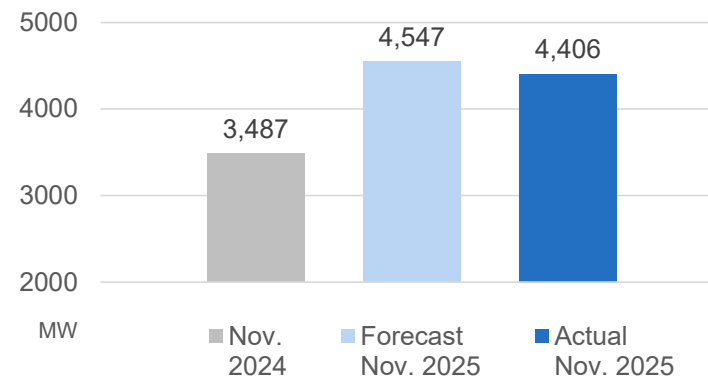


Power System Update – Current Events

Bobby Olsen

Operational Updates – December

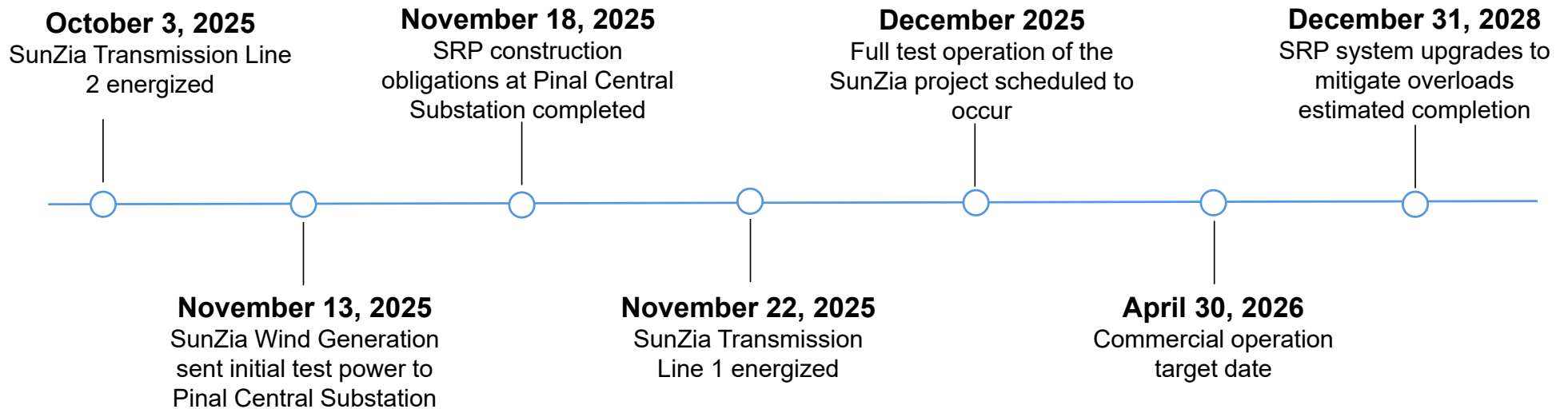
November
Peak Demand
4,406 MW



- Occurred on November 2nd with 88° temperature
- 141 MW lower than forecasted
- 919 MW higher than last year's November peak
- Assets continued to perform extremely well

Power System Notable Activities

- Commissioning and initial operations of SunZia Interconnection



Financial Update

Brian Koch

Financial Summary Through October 2025

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

Combined Net Revenue

October	Year-To-Date
(\$7M) \$1M	\$694M \$141M

Debt Service Coverage Ratio & Debt Ratio

Year-To-Date DSCR	Year-End* Debt Ratio
5.90 0.39	46.3% 1.6 *Projected year-end Debt Ratio

Liquidity (General Fund)

October	Year-End Forecast
47 Days Cash \$849M \$41M	37 Days Cash \$666M \$41M

FPPAM Collection Balance

October	Year-End Forecast
\$30M \$41M	\$16M \$41M

Jeremy Fry Controller & Senior Director, Corporate Accounting



- 21 years of service at SRP
- Began career in Internal Audit
- Led multiple accounting departments
- Held Director of Financial Reporting and Director and Assistant Controller positions
- Instrumental in Accounting Development Program and Employee Engagement Team
- Holds CPA (Certified Public Accountant) and CIA (Certified Internal Auditor) certifications
- Holds a Bachelor's in Accountancy from ASU

Water Stewardship

Leslie Meyers



**November 21, 2025 – Site Visit with
Secretary of Interior Doug Burgum and Assistant
Secretary of Water and Science Andrea Travnicek**

2025 Arizona Canal - Storm Impacts



The Arizona Canal at Alma School Road 9/26/2025

2025 Arizona Canal - Storm Impacts



The Arizona Canal west of Alma School Road 9/26/2025

2025 Arizona Canal - Storm Impacts

- 5 of the last 9 years portions of the upper Arizona Canal needed to be dried up to perform emergency repairs caused by monsoon storms.
- SRP partnered with the SRP-MIC to conduct a watershed study performed by J2 Engineering. The study identified areas where flood waters enter the canal and offered possible mitigation strategies.
- SRP has formed a technical team with participants from the SRP-MIC and the Maricopa County Flood Control District to develop a long-term plan to better protect the Arizona Canal.
- The stormwater not only causes physical damage to the canal lining but also results in large deposits of sediment and also forces the white amur fish to travel downstream removing our ability to manage weed growth effectively.
- SRP will seek funding from the Maricopa County Flood Control District as well as federal grants that may be available.
- Implementing mitigation solutions will take several years and tens of millions of dollars.

thank you!



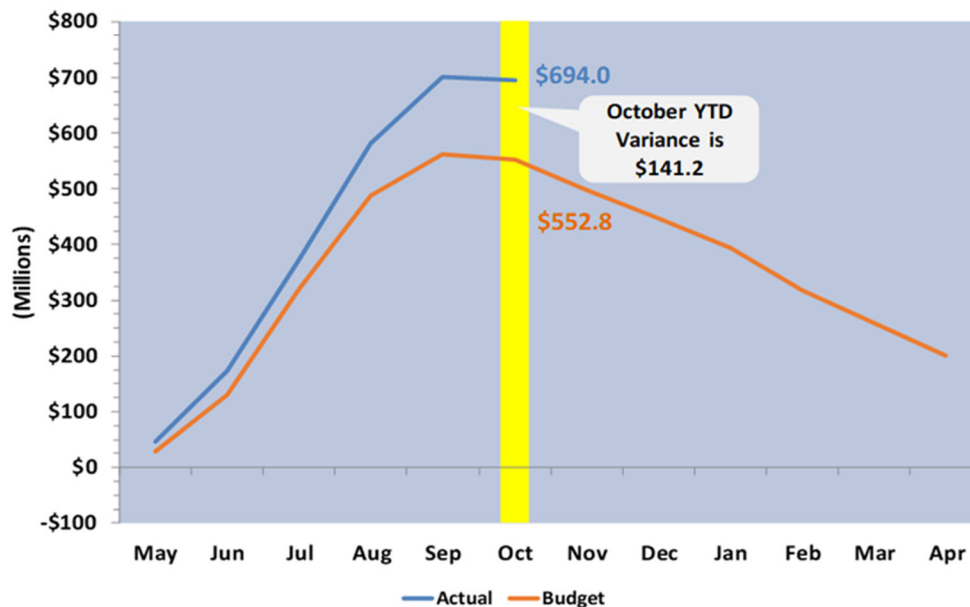
Operating Environment – October 2025

	Actual	Budget	Variance	% Budget
Elec Customer Accounts - October 2025	1,193,418	1,193,497	(79)	100%
Elec Customer Accounts - April 2025	1,183,164			
Elec Customer Accounts - October 2024	1,174,321			
System Sales GWH	2,736.8	2,773.8	(37.0)	99%
Wholesale Sales GWH	593.2	604.3	(11.1)	98%
Total A.F. Water Delivered	70,496	57,000	13,496	124%

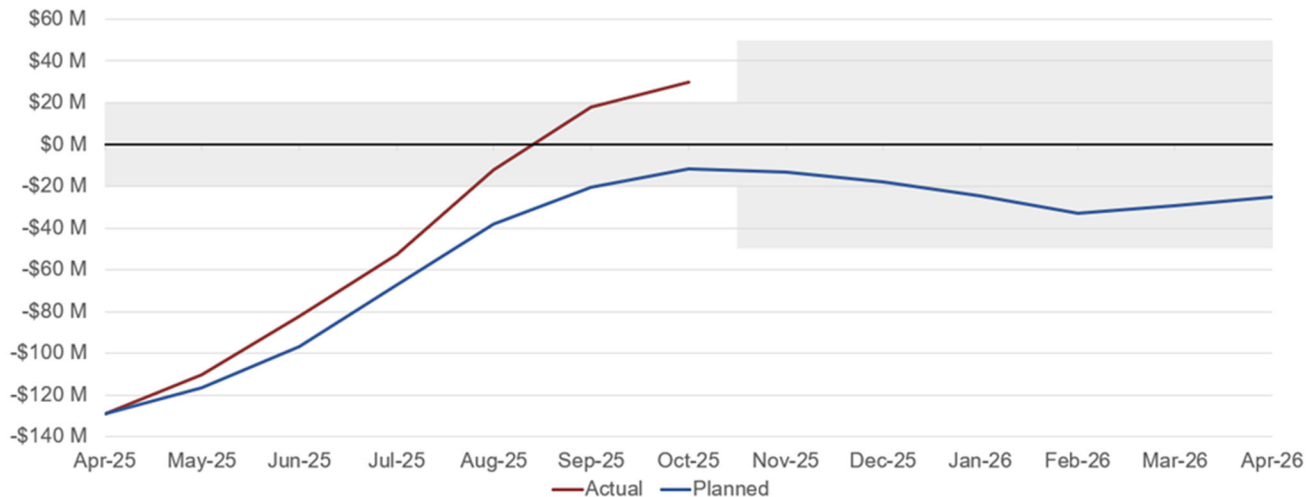
Financial Summary – October 2025

\$ Millions	Actual	Budget	Variance	% Budget
Combined Net Revenues (Loss)	\$ (7.1)	\$ (8.6)	\$ 1.5	83%
Funds Available	\$ 40.6	\$ 33.2	\$ 7.4	122%
Capital Expenditures	\$ 152.5	\$ 150.4	\$ 2.1	101%

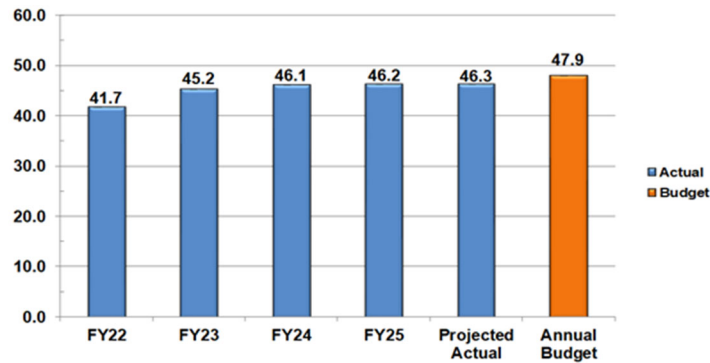
Combined Net Revenues



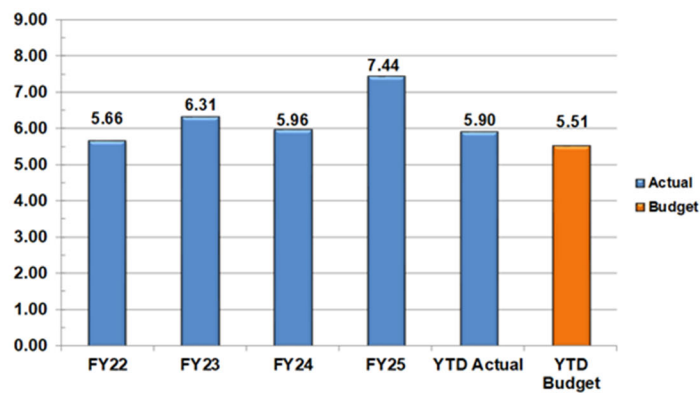
Fuel & Purchased Power Adjustment Mechanism (FPPAM) – September 2025



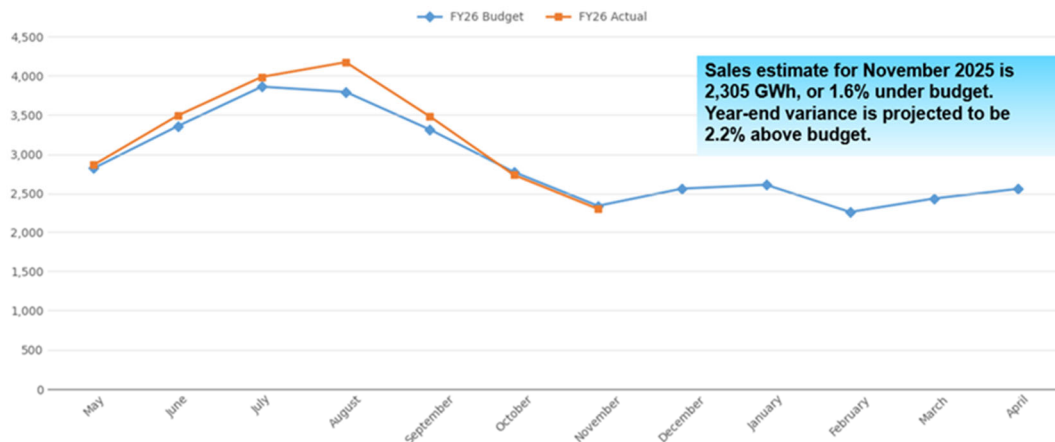
Debt Ratio – Year End Actuals and Projection



Debt Service Coverage Ratio – YTD Through September



Preliminary Retail Sales (GWh) Estimate Through October 2025



Financial Definitions for Dashboard

Combined Net Revenue

- SRP's "bottom line"
- Comparable to Net Income
- "Combines" SRP's electric and water income statements

Debt Service Coverage Ratio & Debt Ratio

- 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)

- SRP's checking account
- Days Cash = number of days that SRP can continue to pay its cash expenses without any cash inflow

FPPAM Collection Balance

- Fuel & Purchased Power Adjustment Mechanism
- Recovers the appropriate fuel & purchased costs over time (no more, no less)

MEMORANDUM



TO: Board and Council

FROM: Jim Pratt, General Manager & CEO

DATE: November 21, 2025

SUBJECT: SRP FY26 Corporate Objectives Mid-Year Report

Attached is a mid-year report on SRP's FY26 Corporate Objectives. Included are the status for each deliverable which aligns with SRP's commitment to serve our customers, shareholders, and community.

The objectives are organized consistent with our primary areas of focus for the fiscal year: customers, community, reliability, affordability, sustainability, and workforce. I will gladly answer any questions you may have regarding the attached detailed mid-year report during the December 1st Board meeting or any future meetings.

Sincerely,



Jim Pratt

Attachments:
SRP FY26 Corporate Objectives Mid-Year Report

FY2026 CORPORATE OBJECTIVES

Customers

Understand values from our customers' perspective and continually improve their experience with us to meet their evolving expectations.

1. Achieve $\geq 66\%$ (Target I) or $\geq 68\%$ (Target II) of customers rating their experience with SRP as a “9 or 10.”

Responsible Departments:

Community, Communications & Marketing (CCM); Customer Operations (CO)

Status:

On Track

The result for the EPIC Customer Experience Index Score during FY26 Q2 is 70.5%, which exceeds the full target of 68%. It also marks an improvement over last quarter's score of 66.6%, which reflected results from only three customer types (residential customers, valued business, ag/other urban). Now that all seven customer types are included in the score, the Q2 rating is consistent with the same period last year and benefits from the stronger, more positive ratings from the larger commercial customers. However, this score is down from the overall FY25 rating of 72.5%. SRP anticipates further softening and a decline in the coming quarters due to the price increase that took effect on November 1, 2025, as well as the continued economic pressures faced by consumers.

FY2026 CORPORATE OBJECTIVES

Customers

Understand values from our customers' perspective and continually improve their experience with us to meet their evolving expectations.

2. Complete the Design Build Phase of the Customer Modernization Program and initiate the testing phase of the program by April 30, 2026, in preparation for the targeted October 2026 go-live.

Responsible Departments:

Customer Operations (CO)

Status:

At Risk

The Customer Modernization Program experienced a delay in its timeline due to a later-than-anticipated start to the Design Build phase. This delay stemmed from the time required to finalize the Integrated Program Plan in collaboration with all vendor partners. The plan, which outlines dependencies through the Design Build phase, was completed on June 27, 2025.

The Customer Modernization Program has a new go-live date of March 1, 2027. The Integrated Program Plan, with dependencies throughout the entire Program period, was completed October 2025. The Program is currently in Sprint 2 of the Design Build phase. Sprint 2 is scheduled to end on November 14, 2025 and the entire Design Build phase is scheduled to complete April 20, 2026. During this time, the Program is also planning for the Testing phase, including writing test cases, and the Training team is preparing for training along with other business readiness activities.

The program team remains focused on maintaining momentum and mitigating delays through coordinated efforts and structured oversight.

FY2026 CORPORATE OBJECTIVES

Customers

Understand values from our customers' perspective and continually improve their experience with us to meet their evolving expectations.

3. Implement SRP's large business customer strategy and identified process improvements throughout the organization by April 30, 2026, to address customers' needs.

Responsible Departments:

Customer Operations (CO)

Status:

On Track

During Q1, substantial progress was made in advancing the Large Business Customer (LBC) initiative as it transitioned into the implementation phase. The LBC leadership team developed key structural enhancements, which were reviewed and approved by executive leadership, to strengthen risk mitigation, improve coordination, and increase responsiveness to large customer needs. The LBC team worked collaboratively to develop risk mitigation tools to manage SRP's exposure to risk, ensure project costs are appropriately allocated to customers, while working toward meeting their long-term capacity needs. Notable changes include the formation of a new cross-functional governing body called the Large Customer Action Team (LCAT). This leadership team contains representation from Customer Operations, Generation, Transmission, and Financial Planning, with the intent of enhancing coordination and decision making within processes.

Additionally, the decision was made to establish a dedicated Support Services department within the Strategic Energy Management (SEM) organization to manage the customer process and future contract management functions. These changes are designed to streamline customer processes and improve escalation handling.

During Q2, additional progress was made advancing the Large Business Customer (LBC) initiative as it transitions into the implementation phase. On October 6, Sr. Director, Dan Dreiling presented the large customer Agreement for Electric Service (AES) concepts to SRP's Board of Directors (Board). Additionally, Jim Pratt and Michael O'Connor, in a closed session, provided details about the AES terms and legal guidance to the Board. After the presentation concluded, the Board was pleased with the progress made by the Large Customer Action Team and supported Management's direction. The Board meeting resulted in final AES terms being put into a customer-facing term sheet and a revised substation credit policy. Additionally, the Rules and Regulations were voted on by SRP's Board of Directors in November. This change provides clarification of SRP's credit security rules and supports the new substation credit policy along with a new AES agreement for E-67 customers.

FY2026 CORPORATE OBJECTIVES

Community

Be a collaborative community partner and thought leader on issues at the heart of SRP's mission.

1. Complete a continuity plan for future grant funding support for communities impacted by coal generation retirements by Jan. 31, 2026.

Responsible Departments:

Community, Communications & Marketing (CCM); Public Affairs & Corporate Services (PA&CS)

Status:

On Track

SRP met with representatives from Arizona Public Service (APS) and Tucson Electric Power (TEP) in August to discuss their intention to continue with a utilities grant program for communities impacted by coal generation retirements once current funds run out (likely in the fall). They indicated that once the initial collective \$1M allocated for the Joint Utilities Grant Program is depleted, they will not continue with awarding grants.

SRP shared at the Coal Community Transition meeting in Apache County that we remain committed to supporting their community with grant funding. SRP will determine the application process during the next quarter.

FY2026 CORPORATE OBJECTIVES

Community

Be a collaborative community partner and thought leader on issues at the heart of SRP's mission.

2. Mature and leverage the Community Involvement Initiative to maximize and measure positive community impact in surrounding areas of existing and future assets by April 30, 2026.

Responsible Departments:

Community, Communications & Marketing (CCM)

Status:

On Track

Community Activation began taking lessons learned from the Community Involvement Initiative to expand into Stanfield engagement. Team members are building relationships with local organizations including Stanfield Elementary School, Shamrock, Stanfield Volunteer Fire Department and Stanfield Geo Ecology Learning Center.

In addition, the team has sponsored 57 projects across all generation asset communities this fiscal year and completed the FY25 Annual Report encompassing all support given through this program in FY25. Currently Community Activation is working with economist Paul Bachman to develop an SRP Economic Impact Report for all communities included in the Community Involvement Initiative.

The team met with the Coal Community Transition team in August to determine next steps of operating in a Community Involvement Initiative model as CGS transitions to a natural gas plant.

Community Activation has been working with internal and external partners to host an informative open house at Stanfield Elementary School with assistance from the school principal, providing an opportunity for the community to voice their opinions and learn about plans for the upcoming Marigold Energy Center.

To gather more data on community member interests, the team has started to incorporate on-site surveys at events. This will help provide an understanding of which community events are important to residents in each area. To date in FY26, the team has sponsored 87 projects across all generation asset communities and although CGS was initially not included as part of this initiative, the Coal Community Transition team recently allocated \$100K toward community support.

FY2026 CORPORATE OBJECTIVES

Community

Be a collaborative community partner and thought leader on issues at the heart of SRP's mission.

3. Subject to the U.S. publishing the Notice of Intent for the Verde Reservoirs Sediment Mitigation Project by no later than Oct. 1, 2025, complete SRP input for the Preliminary Draft Environmental Impact Statement by April 30, 2026.

Responsible Departments:

Law, Land, & Risk Management (LL&RM); Water Stewardship (WS); Corporate Planning & Strategy (CP&S)

Status:

On Track

SRP is on track to complete input for the Preliminary Draft Environmental Impact Statement (PDEIS) by April 30, 2026. On July 11, 2025, the Bureau of Reclamation (Reclamation) published the Notice of Intent (NOI) to prepare an Environmental Impact Statement (EIS) for the Verde Reservoirs Sediment Mitigation Project (VRSMP) in the Federal Register well ahead of the FY26 goal deadline of October 1, 2025. SRP anticipates receiving the PDEIS in January or February of 2026 and completing its review prior to April 30, 2026. SRP will be able to confirm the delivery date of the PDEIS once Reclamation provides an EIS development schedule.

FY2026 CORPORATE OBJECTIVES

Reliability

Invest in the long-term resilience, flexibility and security of our water and power systems.

1. Achieve an annual System Average Interruption Duration Index (SAIDI) of ≤ 95.50 minutes (Target I) or ≤ 73.10 minutes (Target II).

Responsible Departments:

Power System (PS)

Status:

On Track

System Average Interruption Duration Index (SAIDI) through the end of October 2025 is 43.87 minutes and is currently projected to finish the fiscal year at 63 minutes, 14% below the target of 73.1 minutes.

FY2026 CORPORATE OBJECTIVES

Reliability

Invest in the long-term resilience, flexibility and security of our water and power systems.

2. Achieve water delivery availability 95% of the time within 15 minutes of the scheduled start time.

Responsible Departments:

Water Stewardship (WS)

Status:

On Track

Water Stewardship is on track to meet or exceed the target of delivery availability 95% of the time within 15 minutes of the scheduled start time. As of the end of Q2, delivery availability within the 15 minutes scheduled time was 96%.

FY2026 CORPORATE OBJECTIVES

Reliability

Invest in the long-term resilience, flexibility and security of our water and power systems.

3. Achieve an annual System Average Interruption Frequency Index (SAIFI) of ≤ 0.82 interruptions.

Responsible Departments:

Power System (PS)

Status:

At Risk

The fiscal year-to-date (FYTD) System Average Interruption Frequency Index (SAIFI) through the end of October 2025 is 0.63 interruptions, approximately 29% above the FYTD target of 0.49 interruptions. The full-year projection is currently 0.93 interruptions, about 13% higher than the fiscal year target of 0.82 interruptions. This variance is primarily driven by significant storm activity throughout the year, with underground cable failures also contributing to the elevated interruption levels. Both targets and projections are based on historical reliability data.

FY2026 CORPORATE OBJECTIVES

Reliability

Invest in the long-term resilience, flexibility and security of our water and power systems.

4. Achieve a run reliability of 96.3% for Valley gas and hydro facilities.

Responsible Departments:

Power System (PS)

Status:

On Track

Run Reliability is 97.7% through October 2025.

FY2026 CORPORATE OBJECTIVES

Reliability

Invest in the long-term resilience, flexibility and security of our water and power systems.

5. Maintain 95% preventative maintenance compliance for Power System overall.

Responsible Departments:

Power System (PS)

Status:

On Track

Preventative Maintenance (PM) compliance for Power System overall is 67.7% compliance through October 2025. The current value reflects the timing of forecasted maintenance as it varies throughout the year. This metric is forecasted to meet the target by fiscal year end.

FY2026 CORPORATE OBJECTIVES

Reliability

Invest in the long-term resilience, flexibility and security of our water and power systems.

6. Achieve $\geq 90\%$ for the Electric System Asset Health Index.

Responsible Departments:

Power System (PS)

Status:

On Track

As of October 2025, the estimated fiscal year to date Electric System Asset Health Index is 98.57% and projected to meet the target of greater than or equal to 90% by year end.

FY2026 CORPORATE OBJECTIVES

Affordability

Ensure continued affordability of the water and power we deliver by maintaining SRP's strong financial health and increasing our financial flexibility.

1. Achieve direct cost per customer account of $\leq \$1195$.

Responsible Departments:

Financial & Information Services (F&IS)

Status:

At Risk

SRP is forecasting to be above the target of \$1,195 per customer account based on organizational forecasts. Organizations will continue to review year-to-date actuals to adjust year-end forecasts as necessary for the remaining months of the fiscal year. Financial Planning provides monthly results to leadership across SRP with updates on the year-end forecast along with guidance to continue to focus on cost controlling efforts.

FY2026 CORPORATE OBJECTIVES

Affordability

Ensure continued affordability of the water and power we deliver by maintaining SRP's strong financial health and increasing our financial flexibility.

2. Implement updates to SRP's electric customer price plans and launch associated customer communication and education strategies and a price plan comparison display by Nov.1, 2025.

Responsible Departments:

Community, Communications & Marketing (CCM); Financial & Information Services (F&IS); Customer Operations (CO)

Status:

On Track

SRP updated its electric price plans to the new prices effective with the November billing cycle and re-launched a web-based price plan comparison display on November 1, 2025, as committed during the FY25 public pricing process. During Q2, customers were informed of pricing changes, including updates to price plans, Monthly Service Charge (MSC) tiers, and the comparison displays.

FY2026 CORPORATE OBJECTIVES

Affordability

Ensure continued affordability of the water and power we deliver by maintaining SRP's strong financial health and increasing our financial flexibility.

3. Finalize the internal governance, project structure, and project plan for Southwest Power Pool (SPP) Markets+ implementation by April 30, 2026, to ensure a successful integration into Markets+ in spring of 2027.

Responsible Departments:

Corporate Planning & Strategy (CP&S)

Status:

On Track

SRP has finalized its internal governance and project structure for Markets+ implementation, establishing a strong foundation for continued progress. A consultant has been onboarded and is now fully integrated into the project team, actively contributing to strategic planning and execution.

The Markets+ Steering Committee continues to meet monthly to review and approve key program decisions. In parallel, the Markets+ Implementation Project Team meets regularly with active participation from organizational leads. The Project Management Office (PMO) has completed the initial draft of a comprehensive project plan, detailing key deliverables, milestones, and gap areas across impacted departments. Multiple sub-project teams have been formed, bringing together representatives from critical departments to design SRP's future-state processes.

To support stakeholder alignment, the project team continues targeted communications. The first Markets+ All Hands meeting brought together over 70 participants, fostering cross-functional collaboration and providing a unified overview of program objectives and current progress.

Externally, SRP is working with external partners on Open Access Transmission Tariff (OATT) revisions and registration workbook completion to ensure alignment with broader Markets+ requirements.

The next major milestone is the finalization of the integrated project plan, which will align SRP's internal implementation framework with SPP's Markets+ schedule and deliverables.

FY2026 CORPORATE OBJECTIVES

Sustainability

Embed sustainable principles and practices in all that we do to create a lasting, positive social and environmental impact.

1. Subject to Board approval, execute an agreement with a solar development partner(s) by Dec. 31, 2025, to procure 3,000 megawatts(MW) of solar resources by 2035.

Responsible Departments:

Corporate Planning & Strategy (CP&S)

Status:

On Track

Resource Development achieved a key milestone during Q2. On November 3, 2025, the Board approved SRP entering into an agreement with a solar developer to develop and deliver 3,000 MW of solar capacity between 2029 and 2034. This approval is a foundational portion of the long-term renewable energy portfolio identified through the ISP Balanced System Plan and reflects SRP's commitment to advancing toward 2035 carbon and water reduction goals. This partnership supports these goals while maintaining system reliability and affordability.

FY2026 CORPORATE OBJECTIVES

Sustainability

Embed sustainable principles and practices in all that we do to create a lasting, positive social and environmental impact.

2. Complete critical steps toward a comprehensive nuclear site assessment with partners by April 30, 2026, in preparation for launching an early site permit process in FY27.

Responsible Departments:

Corporate Planning & Strategy (CP&S)

Status:

On Track

SRP, in coordination with Arizona Public Service (APS) and Tucson Electric Power (TEP), have nearly completed the Memorandum of Understanding that will signal the formal launch of the Arizona Advanced Nuclear Power Project in January 2026. This will begin the formal site selection work precedent to initiate an Early Site Permit application process with the Nuclear Regulatory Commission during FY27. The foundation for this work has been further solidified by the creation of a stakeholder engagement team, the hiring of a project director by APS, and establishing budget and staffing requirements for the next several years. Given the recent federal government shutdown, SRP does not expect to hear back from the Department of Energy on a funding application before early calendar year 2026.

FY2026 CORPORATE OBJECTIVES

Sustainability

Embed sustainable principles and practices in all that we do to create a lasting, positive social and environmental impact.

3. Achieve a design completion milestone of 60% for the pumped storage development project by April 30, 2026.

Responsible Departments:

Power System (PS)

Status:

On Track

SRP is on track to receive design documents from construction Engineers Bechtel and Lane by April 30, 2026 which will include level two cost estimates. SRP will review the design information, cost estimates, and work through questions during Q1 of FY27. In addition, a Plan of Development has been drafted for use in the National Environmental Policy Act (NEPA) process.

FY2026 CORPORATE OBJECTIVES

Workforce

Further develop an engaged and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of our communities.

1. Ensure that 98% of employees complete three proactive safety activities by April 30, 2026.

Responsible Departments:

Law, Land, & Risk Management (LL&RM)

Status:

On Track

As of October 2025, 64% of employees have completed or are on track to complete three proactive safety activities by April 30, 2026. Many of these include monthly safety activities, requiring the entire fiscal year to complete and leadership projects meeting the objective by year end.

FY2026 CORPORATE OBJECTIVES

Workforce

Further develop and engaged and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of our communities.

2. Launch One SRP Safety for Frontline Leaders by Nov. 30, 2025, to provide leaders with relevant safety resources, tools and interactive forums for development and training.

Responsible Departments:

Law, Land, & Risk Management (LL&RM)

Status:

On Track

The Safety Leadership Team (SLT) is improving support and engagement for frontline leaders to build skills essential for safety leadership. The new Frontline Safety will include interactive Frontline Safety Workshops with foundational safety training and situational safety leadership scenarios, weekly Frontline Safety Forum discussions, Frontline Safety Peer Mentorship pairing new frontline leaders with experienced mentors, and a Frontline Safety Toolkit. Implementation began in September 2025 with the launch of the pilot Frontline Safety Workshop. Participants provided suggestions for the future Frontline Safety Workshops which are planned to begin in January 2026 and offered to all SRP frontline leaders. The Frontline Safety Forums are planned to begin February 2026. The Frontline Safety Peer Mentorship and Frontline Safety Toolkit implementation is planned for later in fiscal year 2026.

FY2026 CORPORATE OBJECTIVES

Workforce

Further develop and engaged and future-ready workforce that reflects and embraces the diverse backgrounds and perspectives of our communities.

3. Launch a multiyear Culture Action Plan by Dec. 31, 2025, to preserve and evolve elements of SRP's culture in alignment with the mission and vision.

Responsible Departments:

Human Resources (HR)

Status:

On Track

The Culture Team identified five key attributes that will shape SRP's future culture. To implement these, SRP launched five cross-functional teams tasked with designing targeted programs, activities, and initiatives and aligned these efforts with the "Our People Framework". Additionally, SRP has articulated a set of core values to guide the organization toward the desired culture.

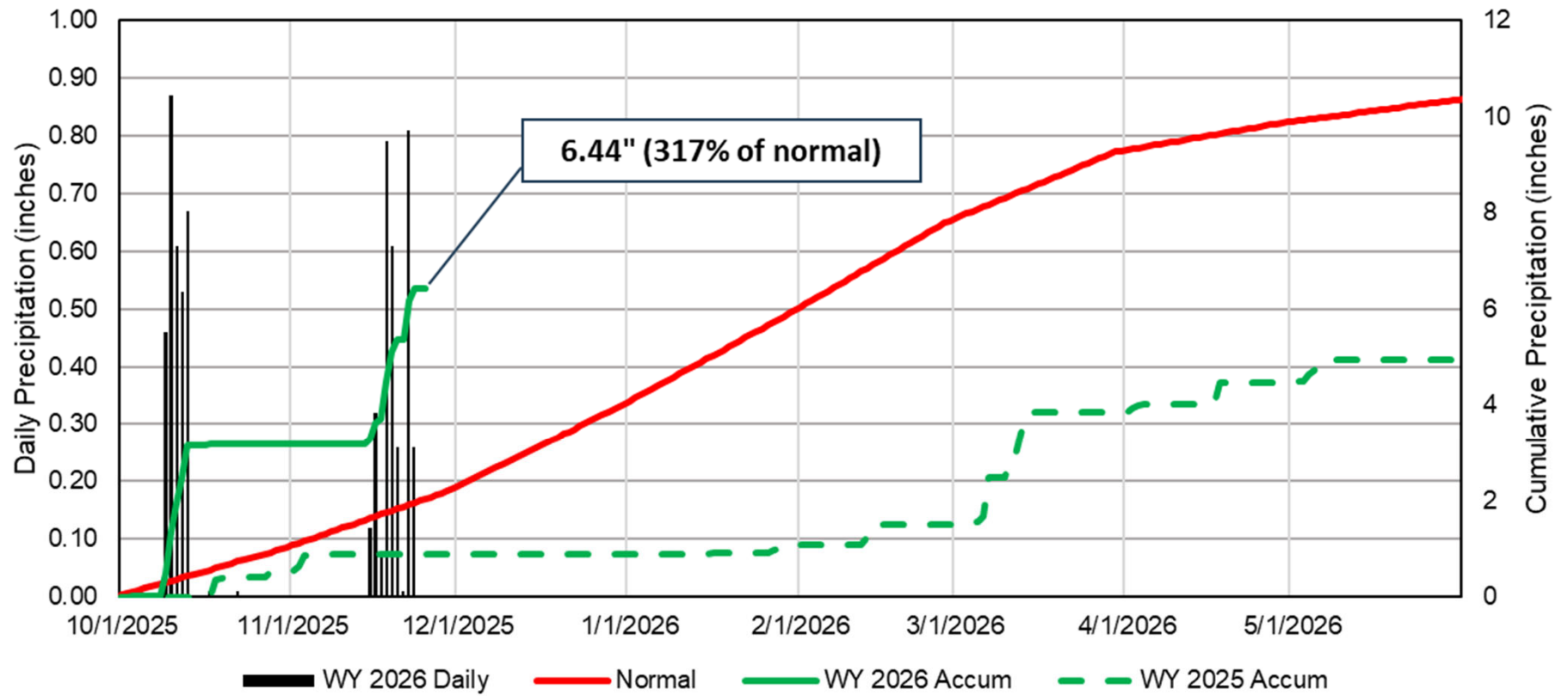
Water Supply and Weather Report

December Council Meeting

December 2, 2025

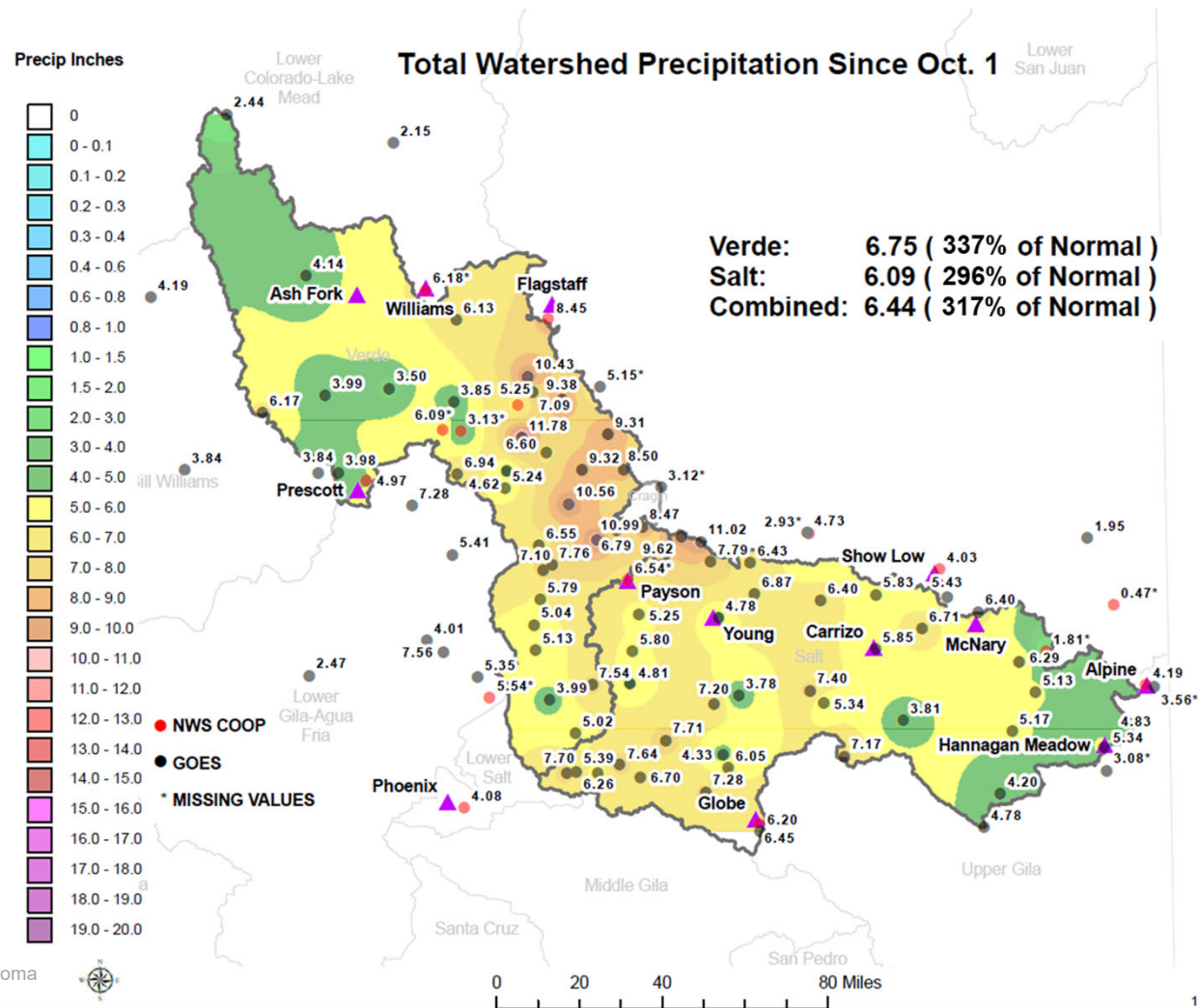
Bo Svoma

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

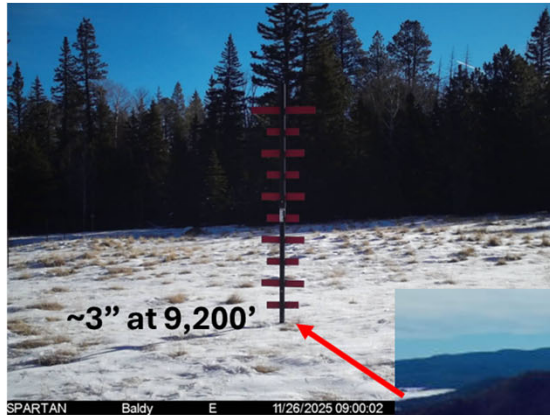


6.44" is the wettest Oct.-Nov. since 1978 and more than through mid-July last water year.

Water Year 2026 Precipitation to Date



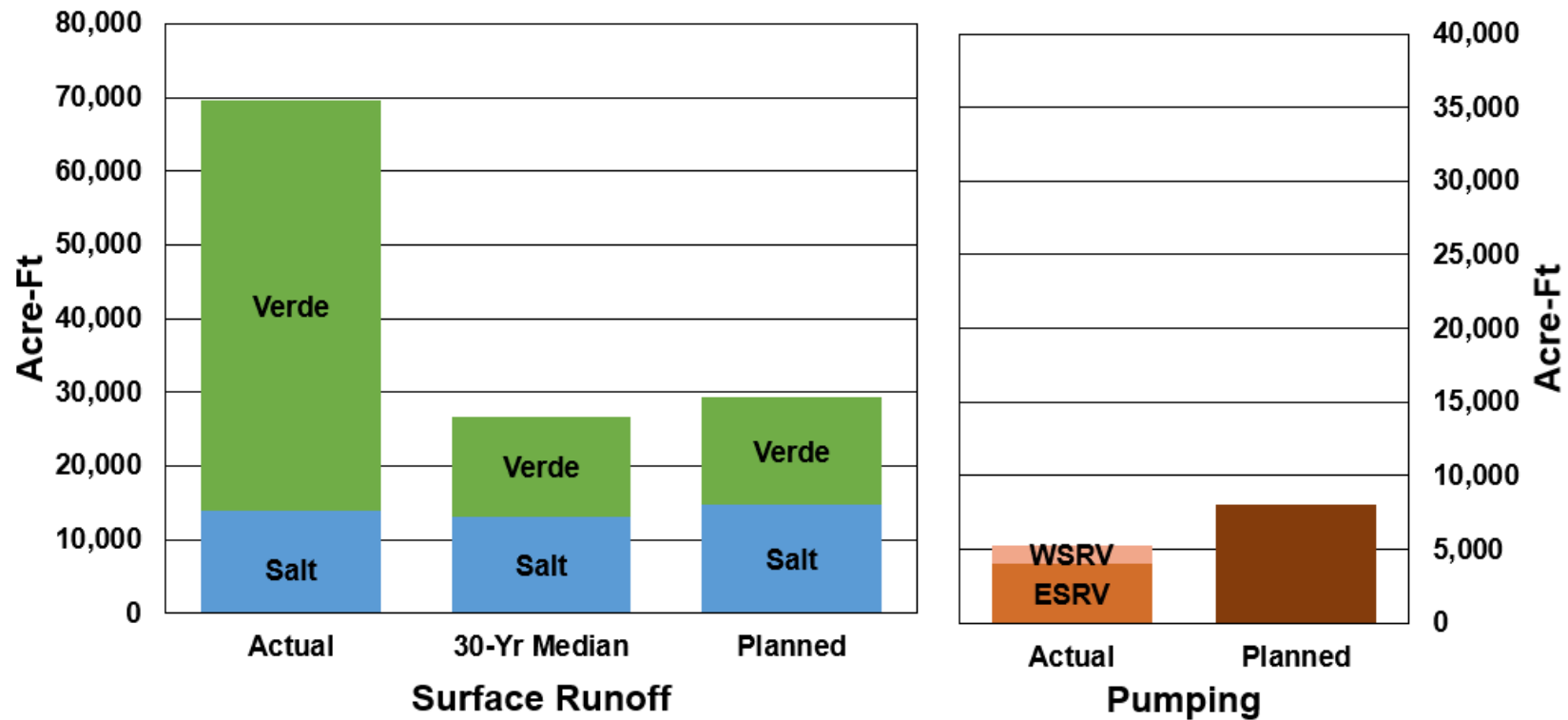
Late November Snowpack



1.3" of Snow Water
Equivalent above 8,000'
(> 400% of Median for
Late November)



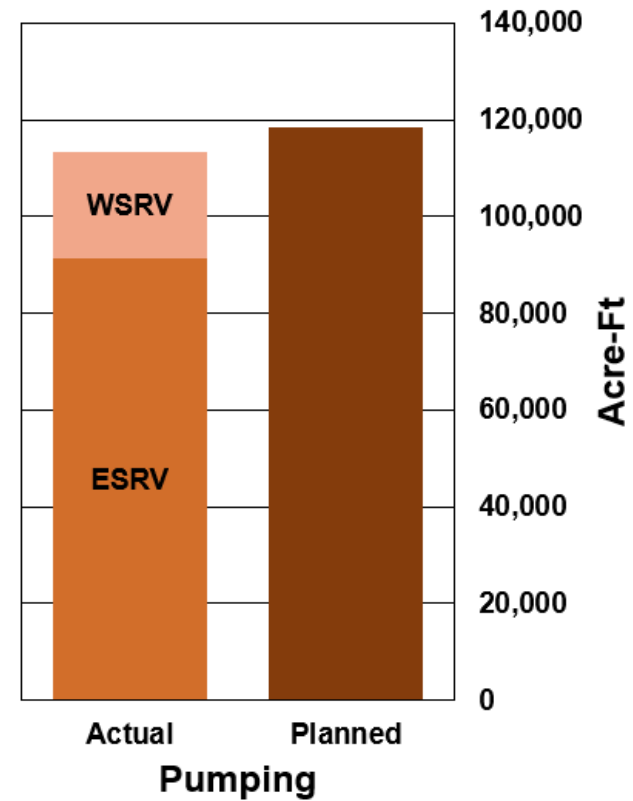
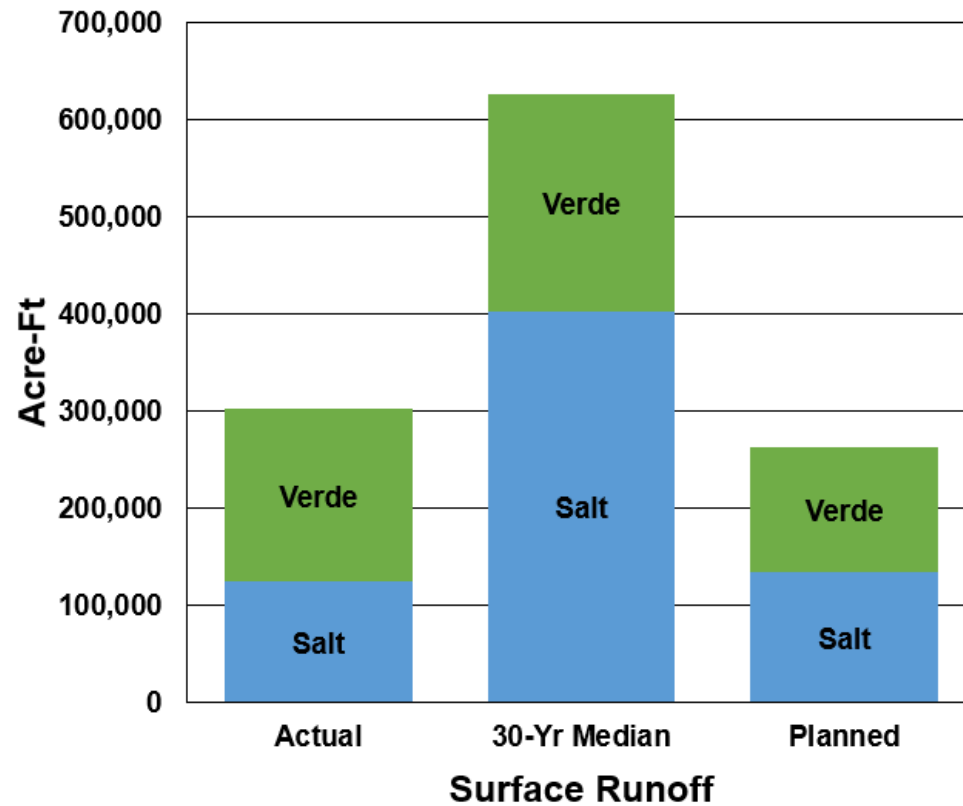
November 2025



*Total Salt, Tonto, Verde runoff in November 2025 (thru Nov 25) was 69,523 AF (295% of median)

**Total physical pumping in November 2025 (thru Nov 25) is 5,298 AF

Year to Date 2025



*January through November 2025 (thru Nov 25) YTD runoff is 302,088 AF, (27% of median)

**Total physical pumping YTD 2025 (thru Nov 25) is 113,447 AF plus an additional 25,000 AF GSF that goes toward total Groundwater use

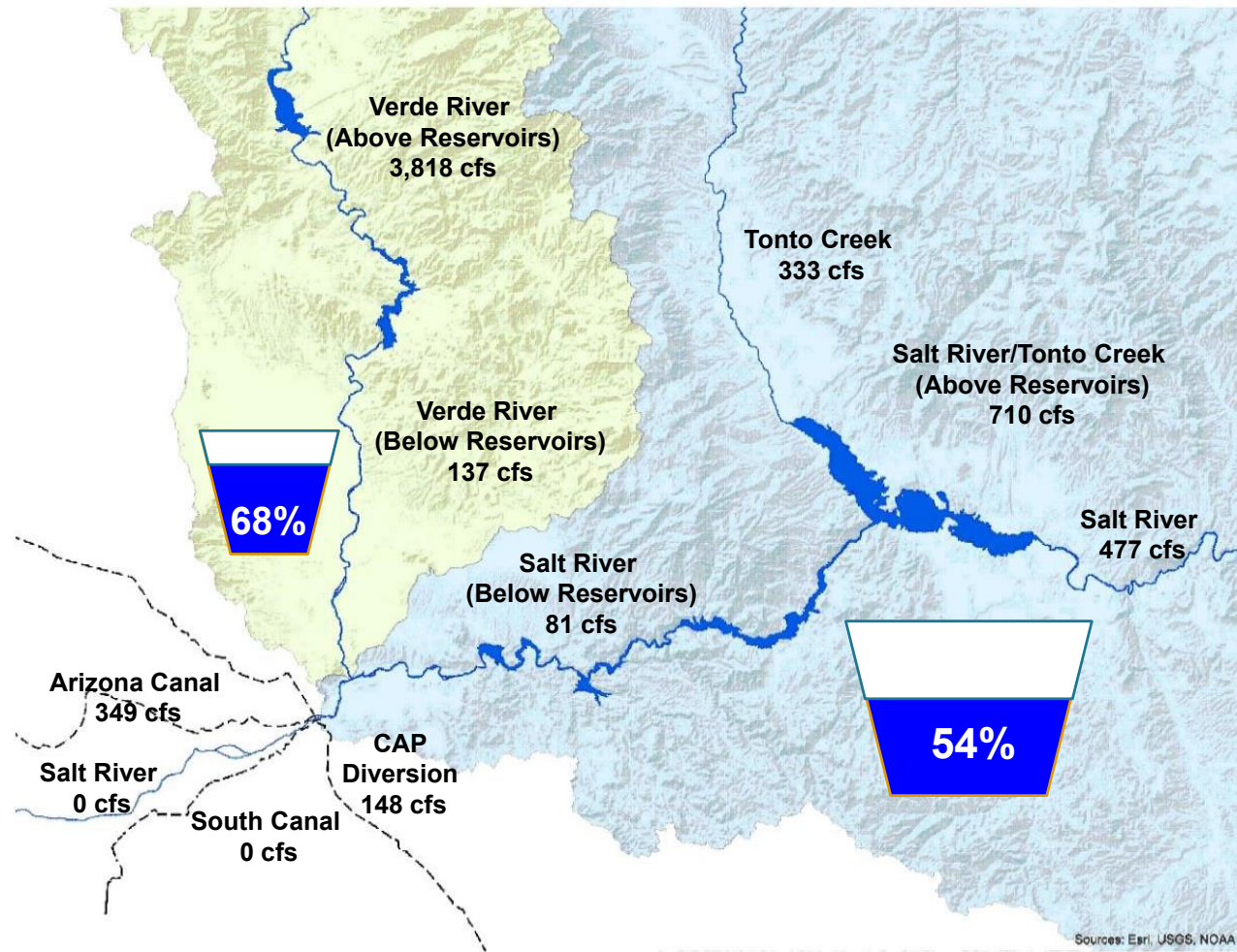
SRP Reservoir System Status

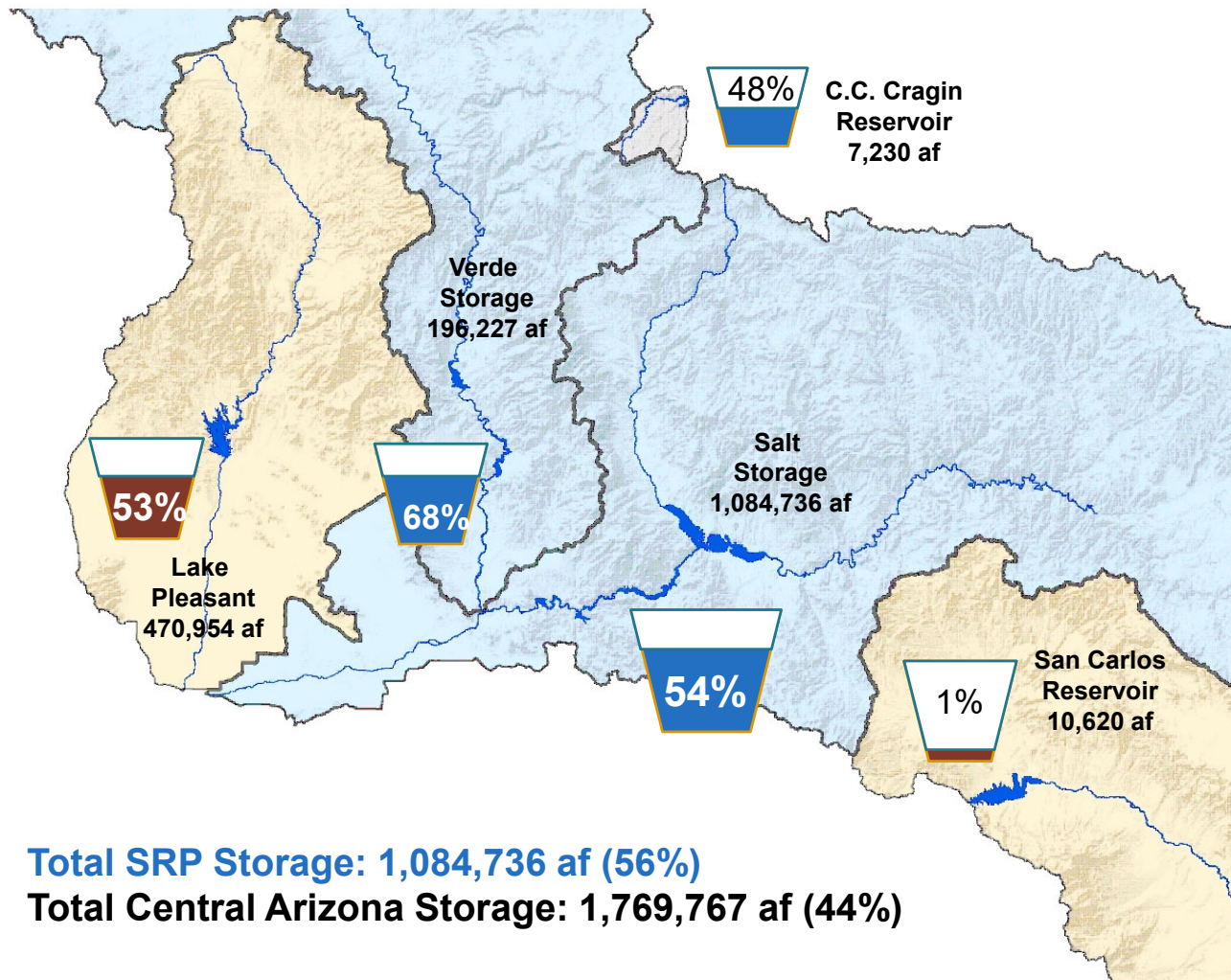
November 25, 2025

Current Storage:

Salt	1,094,736 AF
Verde	196,227 AF
Total	1,280,963 AF

Total Storage: 56%





Central Arizona Reservoir Status

November 25, 2025

Total System Contents 38% or 21.935 MAF
(Total system contents last year 42% or 24.783 MAF)
November 25, 2025

(Total system contents last year 42% or 24.783 MAF)

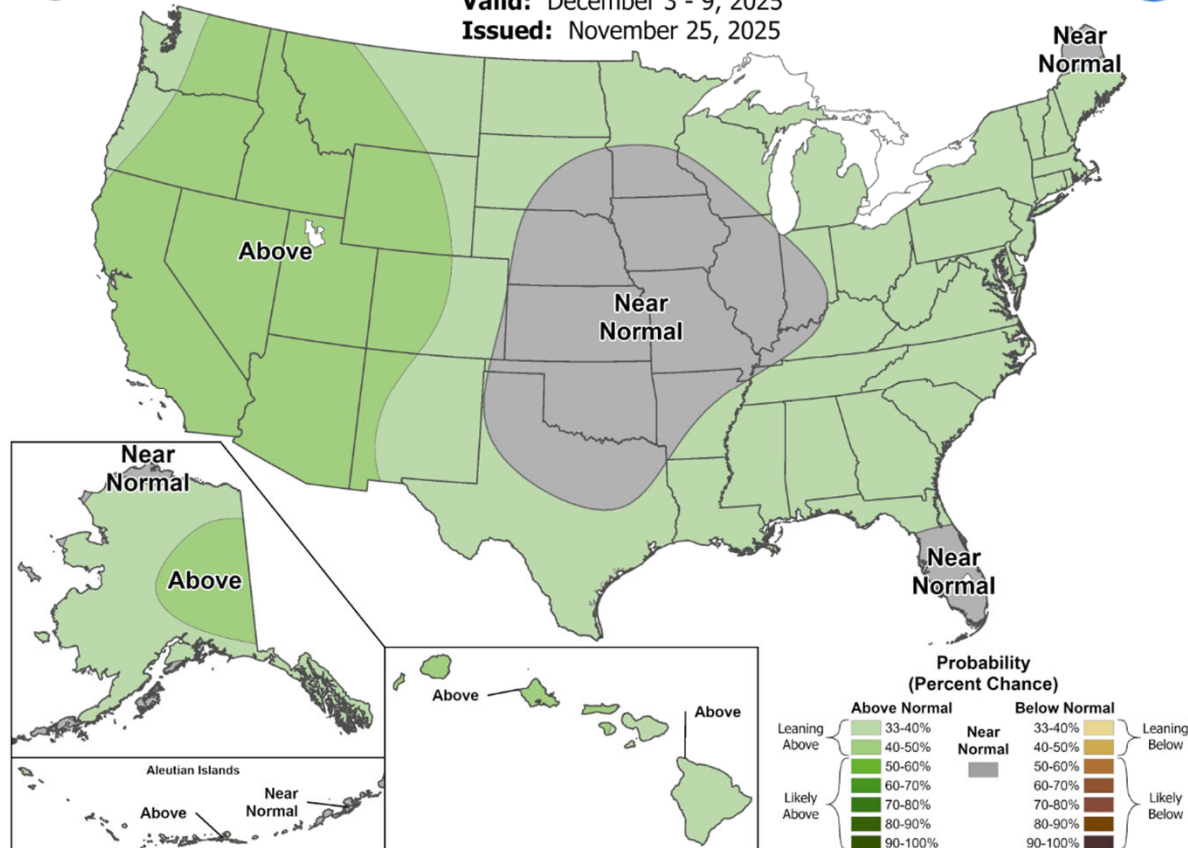
November 25, 2025



Early December Precipitation Outlook



Valid: December 3 - 9, 2025
Issued: November 25, 2025



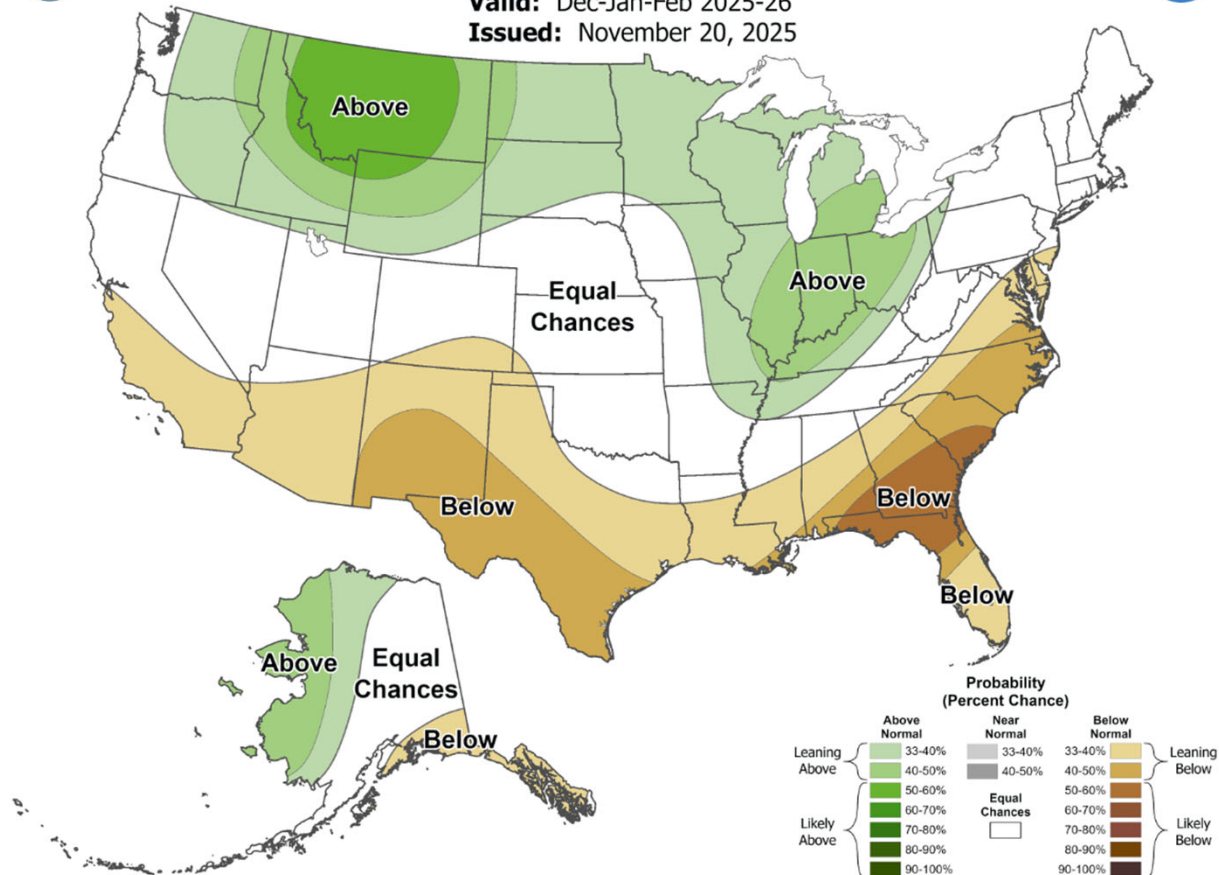
December-February Seasonal Precipitation Outlook



Seasonal Precipitation Outlook

Valid: Dec-Jan-Feb 2025-26

Issued: November 20, 2025



thank you!

