

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

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## BOARD OF DIRECTORS

Monday, January 8, 2024, 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. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Board of Directors and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Board Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item ..... PRESIDENT DAVID ROUSSEAU
  - A. Request for approval of the minutes for the meeting of December 4, 2023.
  - B. Request for approval for PricewaterhouseCoopers (PwC) to serve as an independent public accountant for audits conducted for Fiscal Year 2024 (FY24) (recommended by the Audit Committee on December 7, 2023).
  - C. Request for approval for the use of eminent domain to acquire necessary land rights for the Gilbert Pipeline Water Transmission Project that will connect the existing well site to another SRP well site. This connection will serve as a new water transmission line ensuring SRP adequate water supply (recommended by the Facilities and Support Services Committee on December 12, 2023). (See proposed resolution)
  
2. Report of the Finance and Budget Committee Meeting of December 12, 2023  
.....DIRECTOR JACK WHITE JR.  
  
Request for approval to extend the Major Maintenance Parts Agreement with General Electric (GE) for an additional seven years.
  
3. Review of the Financial Results for the Month of November 2023  
..... JEFF WRIGHT
  
4. SRP 2035 Sustainability Goal Update Process.....BOBBY OLSEN  
  
Informational presentation regarding the SRP 2035 Sustainability Goal Update Process to preview goal updates, stakeholder input received on topics discussed to-date, and next steps in the process.
  
5. Informational Presentation Regarding Open Meeting Law Requirements for SRP Elected Officials ..... SARAH GLOVER

- 6. Informational Presentation Regarding Conflict of Interest Disclosures for SRP Elected Officials ..... SARAH GLOVER
- 7. Informational Presentation Regarding the Third-Party Communication and Social Media Policy for SRP Elected Officials ..... SARAH GLOVER
- 8. Informational Presentation to Provide Board Training Regarding the SRP Standards of Conduct and Written Procedures ..... ALYSHA GILBERT
- 9. Informational Presentation Regarding Public Records Act Requirements ..... KATY HETH
- 10. Report on Current Events by the General Manager and Chief Executive Officer and Designees ..... JIM PRATT
  - A. Power System ..... JOHN COGGINS
  - B. Finance and Information Services ..... AIDAN McSHEFFREY
  - C. Water Resources ..... LESLIE MEYERS
- 11. Reservoir Report / Weather Report ..... BO SVOMA
- 12. Council Chairman's Report ..... COUNCIL CHAIRMAN TYLER FRANCIS
- 13. President's Report / Future Agenda Topics ..... PRESIDENT DAVID ROUSSEAU

The Board 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 Board on any of the matters listed on the agenda.

The Board 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 BOARD MEETING IS SCHEDULED FOR  
MONDAY, FEBRUARY 5, 2024**



MINUTES  
BOARD OF DIRECTORS  
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT  
DRAFT

December 4, 2023

In accordance with a written order and call signed by the President of the Salt River Project Agricultural Improvement and Power District (the District) and filed with Corporate Secretary J.M. Felty, a meeting of the Board of Directors of SRP convened at 9:30 a.m. on Monday, December 4, 2023, 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.

President D. Rousseau called the meeting to order, and Corporate Secretary J.M. Felty entered into the minutes the order for the meeting, as follows:

Tempe, Arizona  
November 27, 2023

NOTICE OF MEETING

I, David Rousseau, the duly elected and qualified President of the Salt River Project Agricultural Improvement and Power District (the District), do hereby order a meeting of the Board of Directors to be held at 9:30 a.m. on Monday, December 4, 2023, 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 27th day of November 2023.

/s/ David Rousseau  
President

Director R.C. Arnett offered the invocation. Corporate Secretary J.M. Felty led the Pledge of Allegiance.

Board Members present at roll call were President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods.

Also present were Vice President C.J. Dobson; Governor L.D. Rovey of the Association; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Mmes.

I.R. Avalos, P.R. Bruner, M.J. Burger, A.P. Chabrier, L.F. Hobaica, C.L. Kriegsfeld, K.M. Libby, S.C. McCoy, L.A. Meyers, G.A. Mingura, K.A. Munroe, A. Rickard, J.R. Schuricht, and C.M. Sifuentes; Messrs. J.D. Coggins, T. Cooper, J.M. Felty, K.J. Lee, A.J. McSheffrey, R. Navarro, M.J. O'Connor, B.A. Olsen, J.M. Pratt, G.M. Smedley, and R.R. Taylor; Autumn Johnson of Tierra Strategy; Mike Mace of Public Financial Management, Inc. (PFM); Brad Moore of the Arizona Municipal Water Users Association (AMWUA); and Tammi Watson of the Central Arizona Project (CAP).

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 meeting of the Board of Directors at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, December 1, 2023.

### Safety Minute

Using a PowerPoint presentation, Sara C. McCoy, SRP Director of Risk Management, provided a safety minute regarding holiday food hazards.

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.

Ms. S.C. McCoy left the meeting.

### Consent Agenda

President D. Rousseau requested a motion for Board approval of the Consent Agenda, in its entirety, as presented.

On a motion duly made by Director M.J. Herrera and seconded by Director S.H. Williams, the Board unanimously approved and adopted the following item on the Consent Agenda:

- A. Approval of the minutes for the meetings of October 30, October 31, and November 6, 2023
- B. Approval of the Monthly Cash Statement for October 2023
- C. Approval to contribute \$35,000 to the Arizona Science Center to support its goal of bridging the education gaps in presenting scientific knowledge by offering engaging, interactive, and immersive experiences to students of all ages, backgrounds, and interests (recommended by the Community Relations Committee on November 16, 2023)
- D. Approval to contribute \$45,000 to the Boys and Girls Clubs of the Valley to support its AZYouthforce program at branches across the Valley and sponsor its annual

fundraiser (recommended by the Community Relations Committee on November 16, 2023)

- E. Approval to contribute \$45,000 to St. Vincent de Paul to support its Homelessness Prevention and Heat Relief Programs (recommended by the Community Relations Committee on November 16, 2023)
- F. Approval to contribute \$50,000 to Teach for America Phoenix to support its 2024 recruitment of corps members that will teach STEM to students in low-income communities across the Valley (recommended by the Community Relations Committee on November 16, 2023)
- G. Approval to contribute \$60,000 to Habitat for Humanity Central Arizona to support its annual appeal campaign and fundraiser, home builds (partial home and women's build), and board member dues (recommended by the Community Relations Committee on November 16, 2023)
- H. Approval to contribute \$69,500 to the Arizona State University (ASU) Foundation to support Teaching Inquiry-Based STEM Science (TIBSS) for a 30-hour professional development summer training workshop on the ASU Polytechnic Campus that serves approximately 7-8 pre-service K-12 teachers and 21-25 K-12 in-service teachers per year (recommended by the Community Relations Committee on November 16, 2023)
- I. Approval to contribute \$71,835 to the University of Arizona Foundation to support the Project WET programs in Maricopa and Pinal County, including a professional development for teachers and a 5-day SRP Water Science, Technology, Engineering, and Mathematics (STEM) Academy for Summer 2024 (recommended by the Community Relations Committee on November 16, 2023)
- J. Approval to contribute \$75,000 to New Life Center to support its emergency shelter services and critical funds needed to replace five new air conditioning units (recommended by the Community Relations Committee on November 16, 2023)

Corporate Secretary J.M. Felty polled the Directors on Director M.J. Herrera's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, (15) M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods	
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Copies of the handouts distributed are on file in the Corporate Secretary's Office and,

by reference, made a part of these minutes.

#### Report of the Power Committee Meeting of November 16, 2023

At 9:36 a.m., President D. Rousseau called for a closed session of the Board of Directors, pursuant to A.R.S. §30-805(B), for the Board to consider matters relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information, with respect to the bid in response to a November Request for Proposals to purchase 40 Megawatts of zero-carbon energy delivered to Palo Verde.

Ms. A. Rickard; Autumn Johnson of Tierra Strategy; Mike Mace of PFM; Brad Moore of AMWUA; and Tammi Watson of CAP left the meeting.

The Board reconvened into open session at 9:41 a.m. with the following Members and others present: President D. Rousseau; Directors R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods; Vice President C.J. Dobson; Governor L.D. Rovey of the Association; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Mmes. I.R. Avalos, P.R. Bruner, M.J. Burger, A.P. Chabrier, L.F. Hobaica, C.L. Kriegsfeld, K.M. Libby, L.A. Meyers, G.A. Mingura, K.A. Munroe, J.R. Schuricht, and C.M. Sifuentes; Messrs. J.D. Coggins, T. Cooper, J.M. Felty, K.J. Lee, A.J. McSheffrey, R. Navarro, M.J. O'Connor, B.A. Olsen, J.M. Pratt, G.M. Smedley, and R.R. Taylor.

Autumn Johnson of Tierra Strategy; Mike Mace of PFM; Brad Moore of AMWUA; and Tammi Watson of CAP entered the meeting.

#### Report of the Finance and Budget Committee Meeting of November 16, 2023

Director J.M. White Jr. reported that Management, at the Finance and Budget Committee meeting of November 16, 2023, requested approval to authorize the General Manager and Chief Executive Officer or the Associate General Manager and Chief Planning, Strategy, and Sustainability Executive to execute a multi-year membership agreement with the Electric Power Research Institute (EPRI) and any subsequent amendments to said agreement that do not materially modify the economic terms of the agreement. He said that, at a cost to SRP of \$5.2 Million, the three-year agreement will provide SRP a 35% discount from standard EPRI costs.

On a motion duly made by Director J.M. White Jr., seconded by Director K.B. Woods and carried, the Board granted approval, as recommended by the Finance and Budget Committee.

Corporate Secretary J.M. Felty polled the Directors on Director J.M. White Jr.'s motion for approval. The vote was recorded as follows:

YES: President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, (15)  
M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller,  
K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey,  
J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods

NO: None (0)

ABSTAINED: None (0)

ABSENT: None (0)

Continuing, Director J.M. White Jr. reported that Management, at the Finance and Budget Committee meeting of November 16, 2023, also requested approval to increase the Telecommunications and Cable TV pole attachment fees from \$22.95 to \$25.16 per pole attachment, effective January 1, 2024. He said that the pole attachment fees are in accordance with the Federal Communications Commission formula and reflects a 9.6% increase. Director J.M. White Jr. noted that the proposed annual revenues for Cable TV would increase by \$18,563 and Telecommunications by \$78,894.

On a motion duly made by Director J.M. White Jr., seconded by Director M.V. Pace and carried, the Board granted approval, as recommended by the Finance and Budget Committee.

Corporate Secretary J.M. Felty polled the Directors on Director J.M. White Jr.'s motion for approval. The vote was recorded as follows:

YES: President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, (15)  
M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller,  
K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey,  
J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods

NO: None (0)

ABSTAINED: None (0)

ABSENT: None (0)

Continuing, Director J.M. White Jr. reported that Management, at the Finance and Budget Committee meeting of November 16, 2023, also requested approval to increase the Renewable Energy Certificates trading limits as follows: 1) Risk Oversight Committee approval level from 6 years up to \$1 million to 6 years up to \$30 million; 2) Executive Management approval level from 3 years up to \$750,000 to 3 years up to \$22.5 million; and 3) Staff approval level from 2 years up to \$500,000 to 2 years up to \$15 million. He stated that, based on current market prices and initial expected volumes, these proposed limits are sufficient to allow for market movement and/or expected program expansion.

On a motion duly made by Director J.M. White Jr., seconded by Director M.J. Herrera and carried, the Board granted approval, as recommended by the Finance and Budget Committee.

Corporate Secretary J.M. Felty polled the Directors on Director J.M. White Jr.'s motion



for approval. The vote was recorded as follows:

YES:	President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, (14) M.J. Herrera, K.J. Johnson, A.G. McAfee, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods	
NO:	Director R.J. Miller	(1)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Messrs. B.J. Koch, R.T. Mueller, B.G. Shoemaker, P.B. Sigl, and A.A. Tapia entered the meeting during the report.

Executive Session: International Brotherhood of  
Electrical Workers (IBEW) Local Union 266 Contract

President D. Rousseau requested a motion to enter into executive session of the Board of Directors, pursuant to A.R.S. §38-431.03(A)(5), to discuss or consult with designated representatives of SRP to consider its position and to instruct its representatives regarding negotiations with employee organizations regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of employees of SRP with respect to the IBEW Local Union 266 contract.

On a motion duly made by Director M.V. Pace, seconded by Director S.H. Williams and carried, the District Board convened into executive session at 9:48 a.m.

Corporate Secretary J.M. Felty polled the Directors on Director M.V. Pace's motion to enter into executive session. The vote was recorded as follows:

YES:	President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, (15) M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods	
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Mmes. K.A. Munroe and J.R. Schuricht; Mr. P.B. Sigl and A.A. Tapia; Autumn Johnson of Tierra Strategy; Mike Mace of PFM; Brad Moore of AMWUA; and Tammi Watson of CAP left the meeting.

The Board convened into open session at 10:11 a.m. with the following Members and others present: President D. Rousseau; Directors R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods; Vice President C.J. Dobson; Governor L.D. Rovey of the Association; Council Chairman

T.M. Francis; Council Vice Chairman J.R. Shelton; Mmes. I.R. Avalos, P.R. Bruner, M.J. Burger, A.P. Chabrier, L.F. Hobaica, C.L. Kriegsfeld, K.M. Libby, L.A. Meyers, G.A. Mingura, and C.M. Sifuentes; and Messrs. J.D. Coggins, T. Cooper, J.M. Felty, B.J. Koch, K.J. Lee, A.J. McSheffrey, R.T. Mueller, R. Navarro, M.J. O'Connor, B.A. Olsen, J.M. Pratt, B.G. Shoemaker, G.M. Smedley, and R.R. Taylor.

Mmes. K.A. Munroe and J.R. Schuricht; Mr. P.B. Sigl and A.A. Tapia; Autumn Johnson of Tierra Strategy; Mike Mace of PFM; Brad Moore of AMWUA; and Tammi Watson of CAP entered the meeting.

### IBEW Local Union 266 Contract

Using a PowerPoint presentation, Phyllis R. Bruner, SRP Senior Director of Human Resources, stated that the purpose of the presentation was to request approval of a new three-year contract between SRP and IBEW Local Union 266, effective November 15, 2023 through November 15, 2026.

Ms. P.R. Bruner provided an update on the status of negotiations with the Union and reviewed the tentative agreement from a non-economic and economic perspective. She explained the proposed general wage increase that would take place across the three-year term.

Ms. P.R. Bruner reviewed the next steps. She concluded with a request for Board approval to authorize the President and the General Manager and Chief Executive Officer to execute a contract with the IBEW Local Union 266 consistent with the terms contained in the PowerPoint presentation, for the term November 15, 2023 to November 15, 2026, along with any subsequent amendment that does not materially modify the terms of such agreement.

On a motion duly made by Director R.C. Arnett, seconded by Director M.V. Pace and carried, the Board granted approval, as presented.

Corporate Secretary J.M. Felty polled the Directors on Director R.C. Arnett's motion for approval. The vote was recorded as follows:

YES:	President D. Rousseau; and Directors R.C. Arnett, N.R. Brown, (15) M.J. Herrera, K.J. Johnson, A.G. McAfee, R.J. Miller, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, P.E. Rovey, J.M. White Jr., L.C. Williams, S.H. Williams, and K.B. Woods	
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

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.

Mr. J.I. Riggs entered the meeting.

### SRP 2023 Series B Bond Sale Review

Using a PowerPoint presentation, Jason I. Riggs, SRP Assistant Treasurer and Director of Treasury Operations and Compliance, stated that the purpose of the presentation was to provide information regarding the sale of the SRP Series B Bonds that took place in November. He provided an overview of the 2023 Series B Bond Sale, including the final par value amount and the initial pricing day target.

Mr. J.I. Riggs reviewed the approved parameters and the final execution of the bond sale. He provided a maturity subscription chart from 2043 through 2053. Mr. J.I. Riggs explained the sources and uses of funds. He introduced Mike Mace of PFM.

Continuing, Mr. M. Mace reviewed the market environment following the execution of the bond sale. He stated that there is strong, positive investor demand and that the demand allowed for reduced interest rates.

Messrs. J.I. Riggs and M. Mace responded to questions from the Board.

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.

Ms. P.R. Bruner left the meeting during the presentation. Mr. P.R. Bachman; and Rick Merritt of the Elliott Pollack Group entered the meeting.

### Economic Outlook

Using a PowerPoint presentation, Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive, stated that the purpose of the presentation was to provide information regarding the national and local economic outlook and a brief overview of the economic implications relevant to SRP. He introduced Rick Merritt of the Elliot Pollack Group. Mr. R. Merritt reviewed the overall performance of the national and local economies detailing the following: Real Gross Domestic Product (GDP); job market and unemployment rate; potential risks to the economy; recession; Phoenix area inflation; Phoenix area housing affordability; Phoenix area commercial real estate; and expectations for 2024.

Continuing, Paul R. Bachman, SRP Senior Corporate Economist, detailed the economic implications for SRP. He said that the local economic trends indicate a growing but slowing economy. Mr. P.R. Bachman explained that housing challenges will continue to weigh on residential customers and tight credit at small, local banks could test both business and residential customer plans.

Messrs. P.R. Bachman and R. Merritt responded to questions from the Board.

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.

Messrs. B.J. Koch, R.T. Mueller, J.I. Riggs, and B.G. Shoemaker left the meeting during the presentation. Council Member M.R. Mulligan; Ms. S.A. Perkinson; and Messrs. R.T. Judd and J.A. Wright entered the meeting.

#### Finance Presentation

Sue Ann Perkinson, SRP Controller and Senior Director of Corporate Accounting Services, referenced the financial handout distributed to the Members relative to the combined highlights of operations of the District and Association for the month of October 2023. Using a PowerPoint presentation, she compared the actual versus budgeted figures for categories such as General Fund balance, Combined Net Revenue (CNR), system sales, and customer accounts. Ms. S.A. Perkinson concluded by reviewing the financial summary and key financial indicators for the month of October 2023 and fiscal year-to-date.

Ms. S.A. Perkinson responded to questions from the Board.

Copies of the handout distributed and 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. The financial information in the handouts and PowerPoint slides is unaudited and non-GAAP.

Director R.C. Arnett; Ms. K.M. Libby; Messrs. P.R. Bachman and T. Cooper; and Rick Merritt of the Elliott Pollack Group left the meeting during the presentation.

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

Using a PowerPoint presentation, Bobby A. Olsen, SRP Associate General Manager and Chief Planning, Strategy, and Sustainability Executive, reported on a variety of federal, state, and local topics of interest to the District.

#### Status of Power System

Using a PowerPoint presentation, John D. Coggins, SRP Associate General Manager and Chief Power System Executive, provided an update on the SRP's power system. He provided an overview of Power Delivery major projects and a summary of November operations. Mr. J.D. Coggins provided an update on the Project Delphi data center and the Project Sierra Estrella 250-megawatt (MW) Battery 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, Aidan J. McSheffrey, SRP Associate General Manager and Chief Financial Executive, reviewed the combined net revenue (CNR) for the fiscal year-to-date, the financial highlights for the month of October, and the status of collections through October 2023 within the Fuel and Purchased Power Adjustment Mechanism (FPPAM). He reviewed the preliminary retail energy sales for FY24 and provided a summary of wholesale net revenue for November.

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 Resources

Using a PowerPoint presentation, Leslie A. Meyers, SRP Associate General Manager and Chief Water Resources Executive, provided an update on water resources. She provided an update on the Arizona Governor's Water Policy Council.

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

Mr. S.P. Flora entered the meeting.

### Reservoir and Weather Report

Using a PowerPoint presentation, Stephen P. Flora, SRP Senior Hydrologist, reviewed the cumulative watershed precipitation outlook for Water Year 2024 and watershed precipitation for November 2023. He 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 30, 2023. Mr. S.P. Flora discussed the surface runoff and pumping data for November 2023 and year-to-date.

Mr. S.P. Flora concluded by providing a seven-day precipitation forecast and a review of the seasonal percent of normal precipitation outlook from January 2024 through March 2024.

Copies of 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 Chairman's Report

There was no report from Council Chairman T.M. Francis.

President's Report/Future Agenda Topics

President D. Rousseau asked the Board if there were any future agenda topics. Director K.L. Mohr-Almeida requested an update on the potential of covering SRP's canal systems with solar panels. Director A.G. McAfee requested an advanced distribution management system update.

There being no further business to come before the Board, the meeting was adjourned at 12:03 p.m.

John M. Felty  
Corporate Secretary



**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AUTHORIZING THE USE OF EMINENT DOMAIN IN CONNECTION WITH THE GILBERT ROAD PIPELINE PROJECT AND RELATED FACILITIES**

**WHEREAS**, Management of the Salt River Project Agricultural Improvement and Power District (“SRP”) has presented to the Board of Directors (the “Board”) a project to improve the water supply system of SRP, which is commonly referred to as the Gilbert Road Pipeline Project and related facilities; and

**WHEREAS**, a map showing the location of the Project is attached to this Resolution as Diagram 1; and

**WHEREAS**, Management has provided additional presentation materials that are made a part of the Board record (the “Presentation Materials”); and

**WHEREAS**, the presentation and Presentation Materials addressed, among others, the following facts:

1. The Project is described as a new water pipeline that will connect the existing SRP well site parcels referenced in APN 141-02-008H to another SRP well site referenced in APN 141-02-001M. The Project will ensure SRP’s adequate water supply.
2. The Project is needed to meet the water needs of the SRP system and provide added reliability to the system.
3. To construct and operate the Project, SRP must acquire appropriate land rights, which are delineated in the Presentation Materials, over the real property described in Exhibit A attached hereto. Such land rights include, without limitation, the rights to construct, install, reconstruct, replace, remove, repair, operate and maintain (i) irrigation pipeline(s) and irrigation turnout structure(s) and all other appliances appurtenances and fixtures for use in connection therewith for the transmission and distribution of water (“Water Transmission Purpose”), (ii) a line of poles with wires suspended thereon, conduits and conductors, transformers, and all necessary and proper guys, anchorage, crossarms, braces, underground electrical conduits and conductors, pipes, cables, switching equipment, transformers, pad-mounted equipment, and all other appliances, appurtenances and fixtures for the transmission and distribution of electricity, communication signals and data in connection with the Water Transmission Purpose and to provide electricity, communication signals and data to the Grantee’s adjacent well site, and (iii) vehicular and pedestrian access, including ingress and egress to and from the adjacent streets and rights of way furnishing access to Grantee’s Property, and for all other purposes.

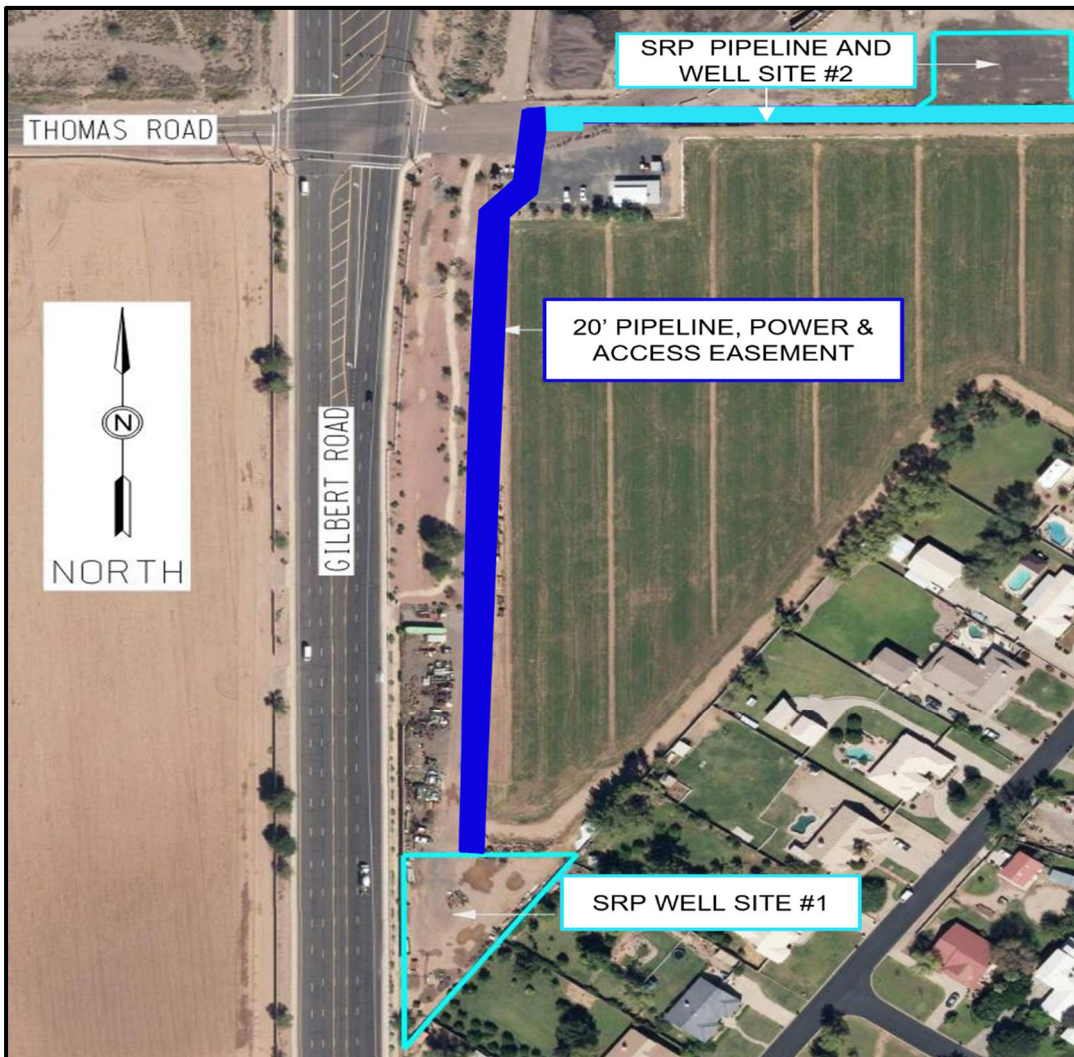


4. Construction of the Project is critical to meet the current and anticipated water system needs of SRP and its customers.
5. SRP must acquire the rights of way and other land rights necessary to construct and operate the Project. In this regard SRP may find it necessary to exercise its rights of eminent domain granted by A.R.S. Sections 48-2340, 48-2341 and 12-111, et seq.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AS FOLLOWS:**

1. The Board finds that the Project is necessary and critical to SRP for the operation of its water system and to meet the current and anticipated water system needs of SRP and its customers.
2. The Board finds that the land rights delineated in the Presentation Materials, over the real property described in Exhibit A, and such additional rights as may be otherwise necessary or customary for the construction of the Project, and each of them, are reasonably needed to meet the water needs for the SRP water system and provide added reliability to meet the needs of SRP's customers.
3. The Board finds that it is critical to the operation of its water system of SRP that the Project be constructed in a timely manner.
4. The Board finds that it is appropriate, where reasonably necessary, that SRP exercise its rights of eminent domain in order to acquire the easements, rights of way, fee interests, and other land rights needed for the Project.
5. The Board hereby authorizes the power of eminent domain, where reasonably necessary, in order to acquire the easements, rights of way, fee interests, and other land rights over the property described in Exhibit A and in the Presentation Materials, and as may be reasonably necessary or customary to construct, maintain, and operate the Project.

Diagram 1 –  
Project Location



# EXHIBIT "A"

## LEGAL DESCRIPTION

### SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

A portion of land described in Document 2002-1042979, Maricopa County Records, Arizona, situated in the Northwest quarter of Section 31, Township 2 North, Range 6 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

**Commencing** at the Northwest corner of said Section 31, being a Brass Cap in Hand Hole, from which, the North quarter corner of said Section 31, being a 2" Aluminum Cap, bears North 89 Degrees 37 Minutes 15 Seconds East, a distance of 2,559.88 feet (Basis of Bearing);

Thence North 89 Degrees 37 Minutes 15 Seconds East, along the North line of the Northwest quarter of said Section 31, a distance of 245.92 feet to the **Point of Beginning**;

Thence continuing North 89 Degrees 37 Minutes 15 Seconds East, along said North line, a distance of 20.09 feet to the beginning of a non-tangent curve concave easterly and having a radius of 8,032.10 feet, to which beginning of curve a radial bears North 84 Degrees 50 Minutes 43 Seconds West;

Thence southerly along said curve through a central angle of 00 Degrees 36 Minutes 31 Seconds, an arc length of 85.32 feet to a non-tangent line;

Thence South 45 Degrees 00 Minutes 00 Seconds West, a distance of 46.12 feet to the beginning of a non-tangent curve concave easterly and having a radius of 8,062.10 feet, to which beginning of curve a radial bears North 85 Degrees 42 Minutes 12 Seconds West;

Thence southerly along said curve through a central angle of 03 Degrees 29 Minutes 14 Seconds, an arc length of 490.67 feet;

Thence South 00 Degrees 48 Minutes 35 Seconds West, a distance of 370.83 feet;

Thence South 89 Degrees 43 Minutes 09 Seconds West, a distance of 20.00 feet;

Thence North 00 Degrees 48 Minutes 35 Seconds East, a distance of 371.21 feet to the beginning of a tangent curve concave easterly and having a radius of 8,082.10 feet, to which beginning of curve a radial bears North 89 Degrees 11 Minutes 25 Seconds West;

Thence northerly along said curve through a central angle of 03 Degrees 32 Minutes 23 Seconds, an arc length of 499.31 feet to a non-tangent line;

Thence North 45 Degrees 00 Minutes 00 Seconds East, a distance of 46.17 feet to the beginning of a non-tangent curve concave easterly and having a radius of 8,052.10 feet, to which beginning of curve a radial bears North 85 Degrees 24 Minutes 05 Seconds West;

Thence northerly along said curve through a central angle of 00 Degrees 32 Minutes 32 Seconds, an arc length of 76.22 feet to the **Point of Beginning**;

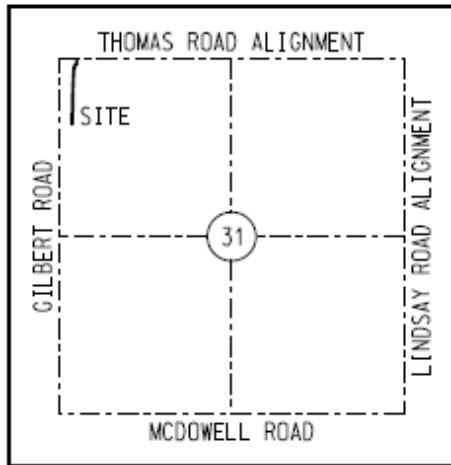
Contains 0.46 acres more or less.

**End of Description**

Page 1 of 1



# EXHIBIT "A"



VICINITY MAP (NTS)  
T2N., R6E  
G&SRM

## LEGEND

- SECTION LINE
- - - - - EASEMENT EXTENTS
- PROPERTY LINE
- ◆ SECTION CORNER (AS NOTED)

## ABBREVIATION TABLE

APN	ASSESSOR'S PARCEL NUMBER
BCF	BRASS CAP FLUSH
BCHH	BRASS CAP HAND HOLE
ALUM	ALUMINUM CAP
BOB	BASIS OF BEARING
DOC	DOCUMENT
ROW	RIGHT OF WAY
ESMT	EASEMENT
W/	WITH
FND	FOUND
MCR	MARICOPA COUNTY RECORDER
RLS	REGISTERED LAND SURVEYOR
POC	POINT OF COMMENCEMENT
POB	POINT OF BEGINNING
NTS	NOT TO SCALE


## BASIS OF BEARINGS

BASED ON THE MARICOPA COUNTY  
LOW DISTORTION PROJECTION  
COORDINATE SYSTEM

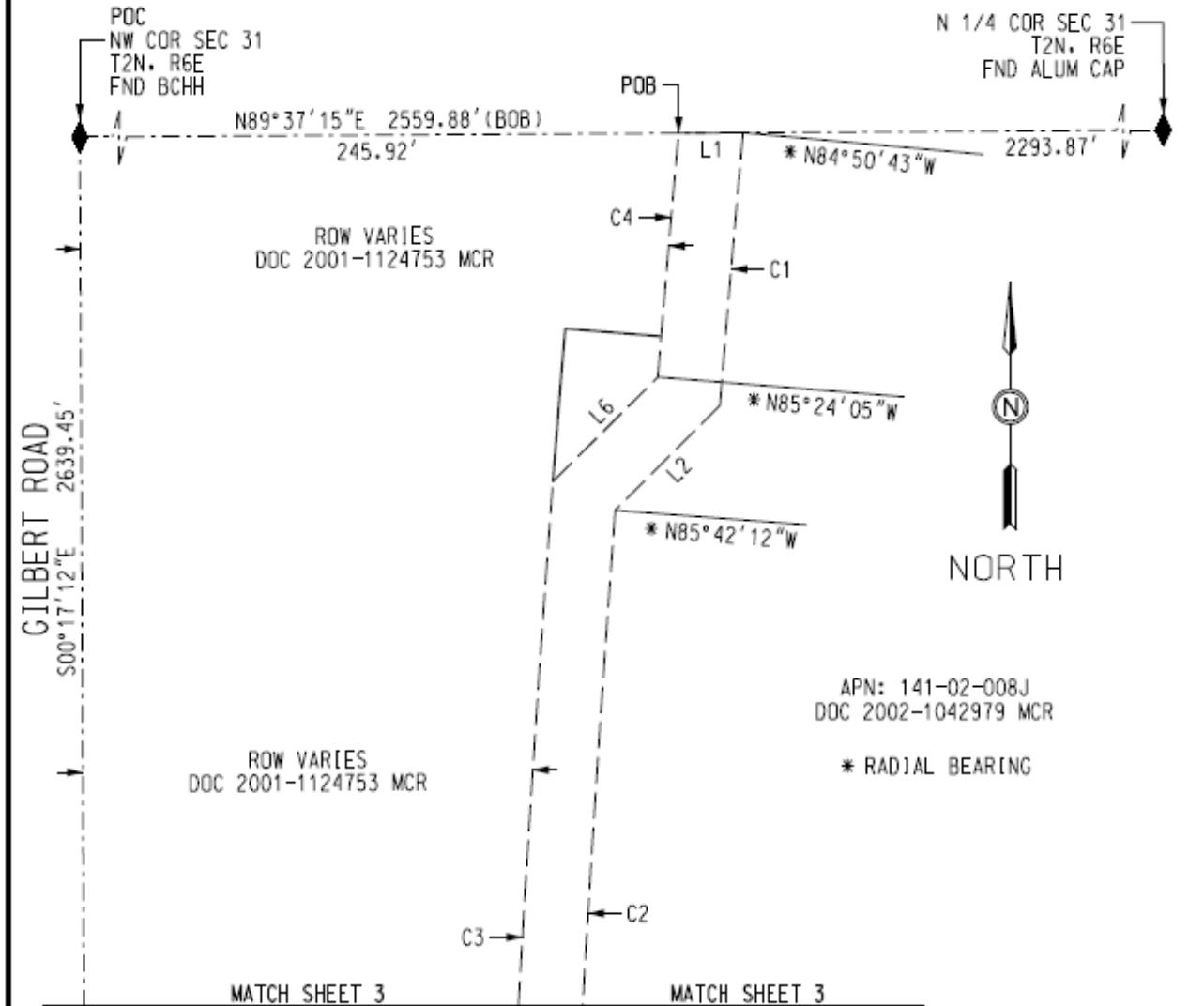


## NOTES


THIS EXHIBIT IS INTENDED TO ACCOMPANY A LEGAL DESCRIPTION. ALL PARCELS SHOWN WERE PLOTTED FROM RECORD INFORMATION, AND NO ATTEMPT HAS BEEN MADE TO VERIFY THE LOCATION OF ANY BOUNDARIES SHOWN. THIS IS NOT AN ARIZONA BOUNDARY SURVEY.

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT & POWER DISTRICT		 SURVEY DIVISION LAND DEPARTMENT
SRP LDWR NUMBER: T3497438	SCALE: NTS	
J.O. NUMBER: W1427119-017	SHEET: 1 OF 3	PIPELINE, POWER, AND ACCESS EASEMENT AREA NW 1/4, SECTION 31 T.2 N., R.6 E 6.8 NORTH - 30.0 EAST
AGENT: YASSINE	SHEET SIZE: 8.5"x11"	
DRAWN: GRIER	REVISION:	
CHECKED BY: DICKEY	CREW CHIEF: N/A	
DATE: 2023-11-29	FIELD DATE: N/A	

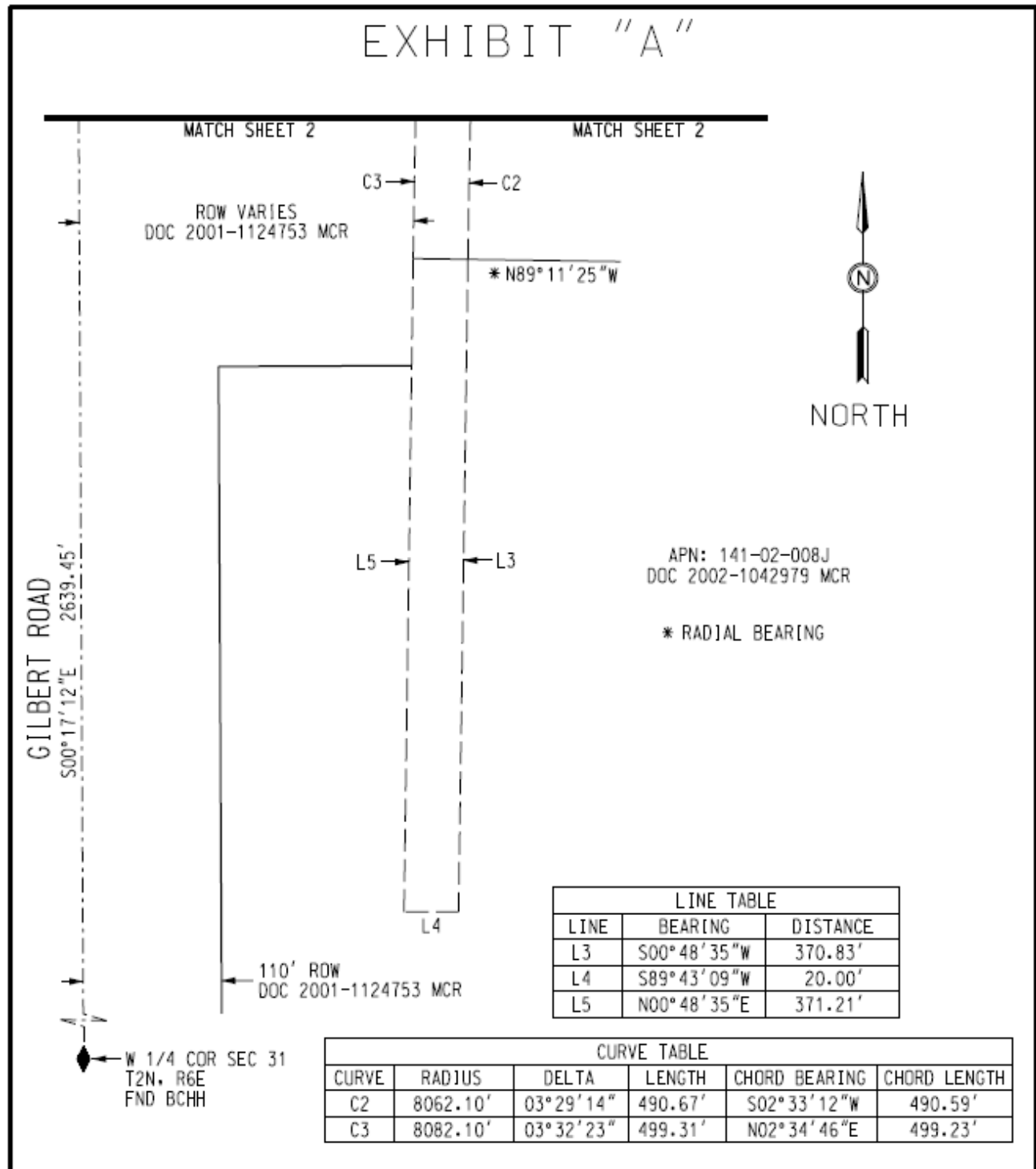
# EXHIBIT "A"




LINE TABLE			CURVE TABLE					
LINE	BEARING	DISTANCE	CURVE	RADIUS	DELTA	LENGTH	CHORD BEARING	CHORD LENGTH
L1	$N89^{\circ}37'15''W$	$20.09'$	C1	$8032.10'$	$00^{\circ}36'31''$	$85.32'$	$S04^{\circ}51'02''W$	$85.32'$
L2	$S45^{\circ}00'00''W$	$46.12'$	C2	$8062.10'$	$03^{\circ}29'14''$	$490.67'$	$S02^{\circ}33'12''W$	$490.59'$
L6	$N45^{\circ}00'00''E$	$46.17'$	C3	$8082.10'$	$03^{\circ}32'23''$	$499.31'$	$N02^{\circ}34'46''E$	$499.23'$
			C4	$8052.10'$	$00^{\circ}32'32''$	$76.22'$	$N04^{\circ}52'11''E$	$76.22'$

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT & POWER DISTRICT		 SURVEY DIVISION LAND DEPARTMENT
SRP LDWR NUMBER: T3497438	SCALE: NTS	
I.O. NUMBER: W1427119-017	SHEET: 2 OF 3	PIPELINE, POWER, AND ACCESS EASEMENT AREA NW 1/4, SECTION 31 T.2 N., R.6 E 6.8 NORTH - 30.0 EAST
AGENT: YASSINE	SHEET SIZE: 8.5"x11"	
DRAWN: GRIER	REVISION:	
CHECKED BY: DICKEY	CREW CHIEF: N/A	
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# EXHIBIT "A"



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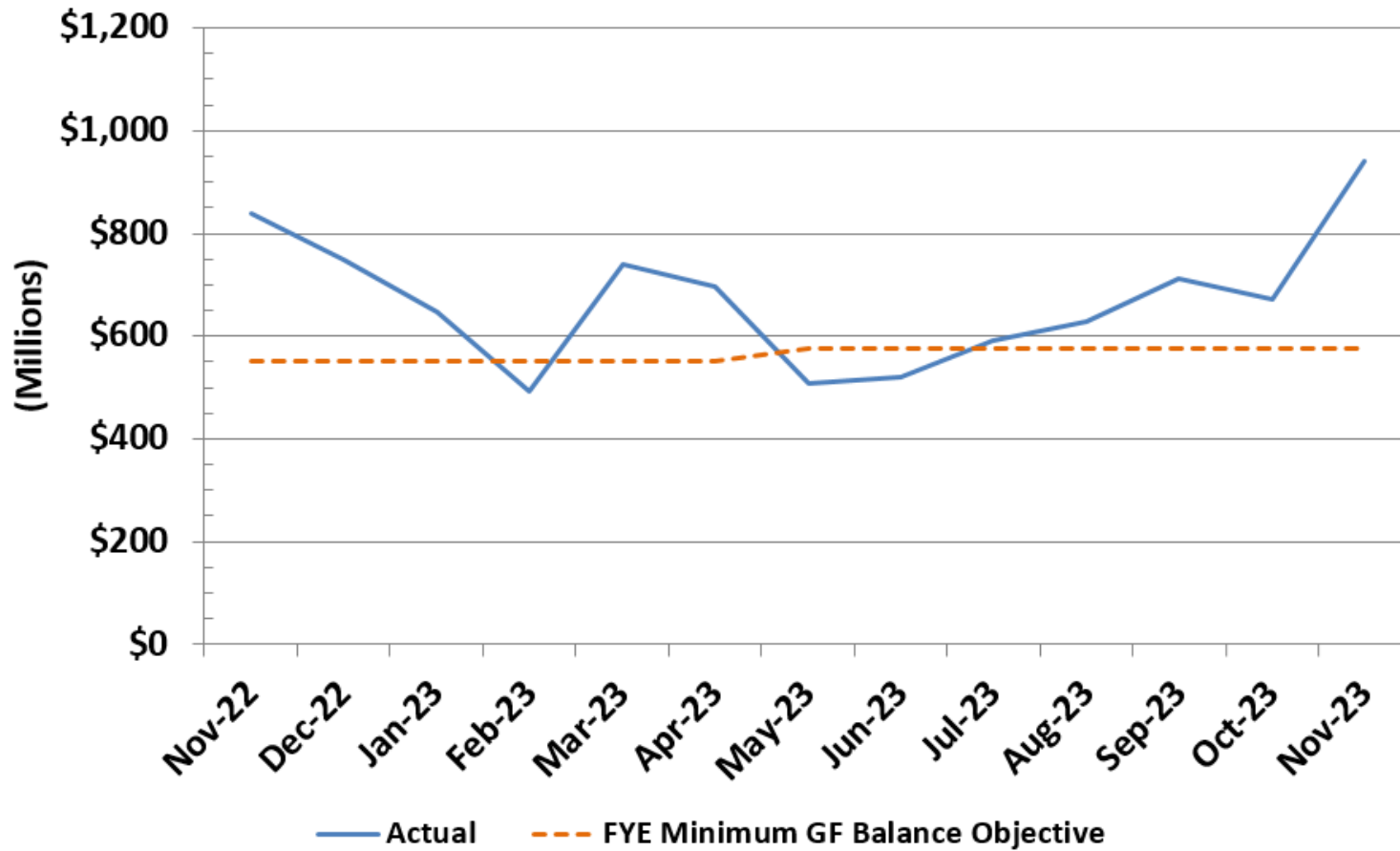


# Monthly Financial Report November 2023

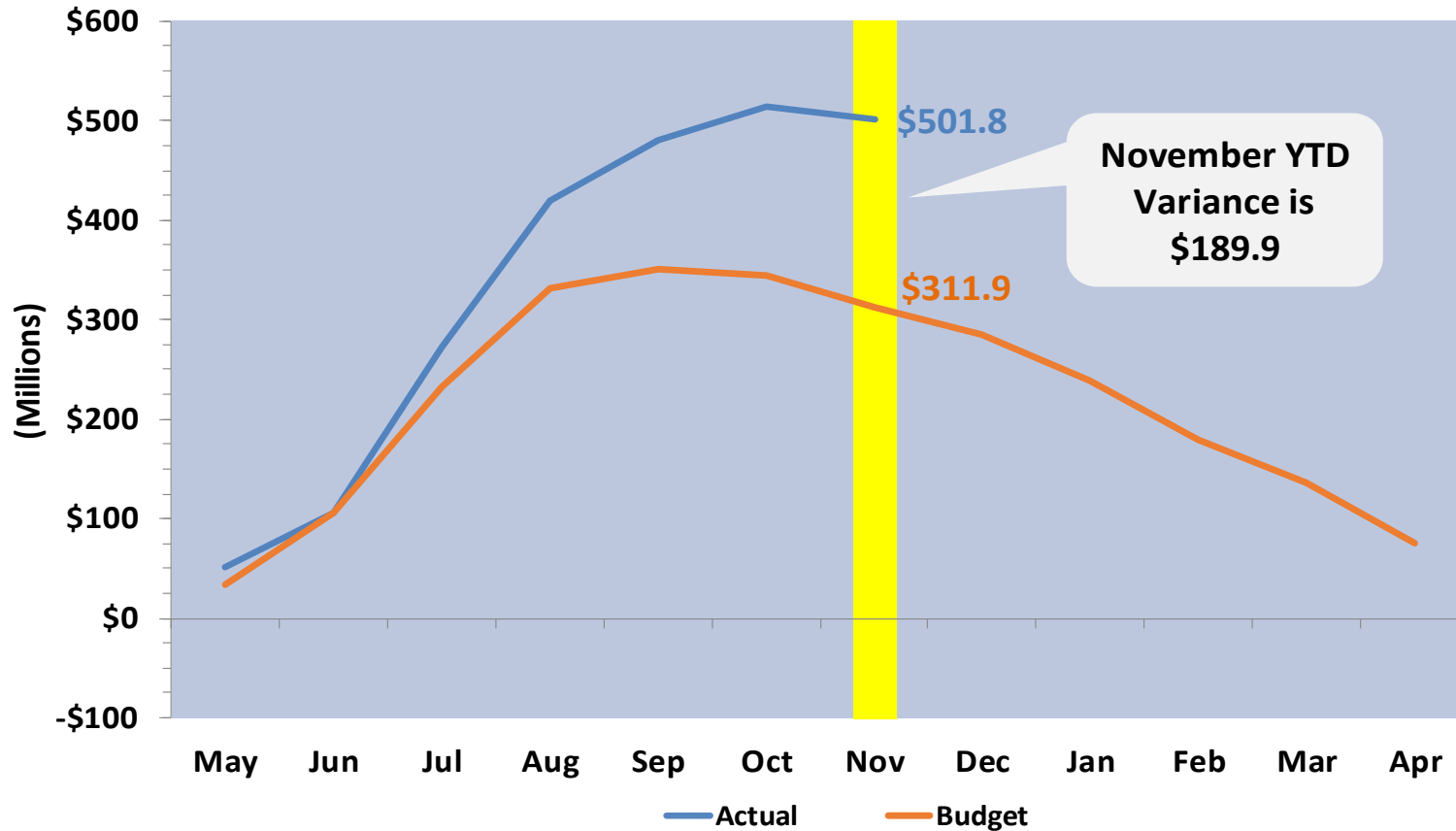
Board Meeting  
Jeffrey A. Wright | January 8, 2024



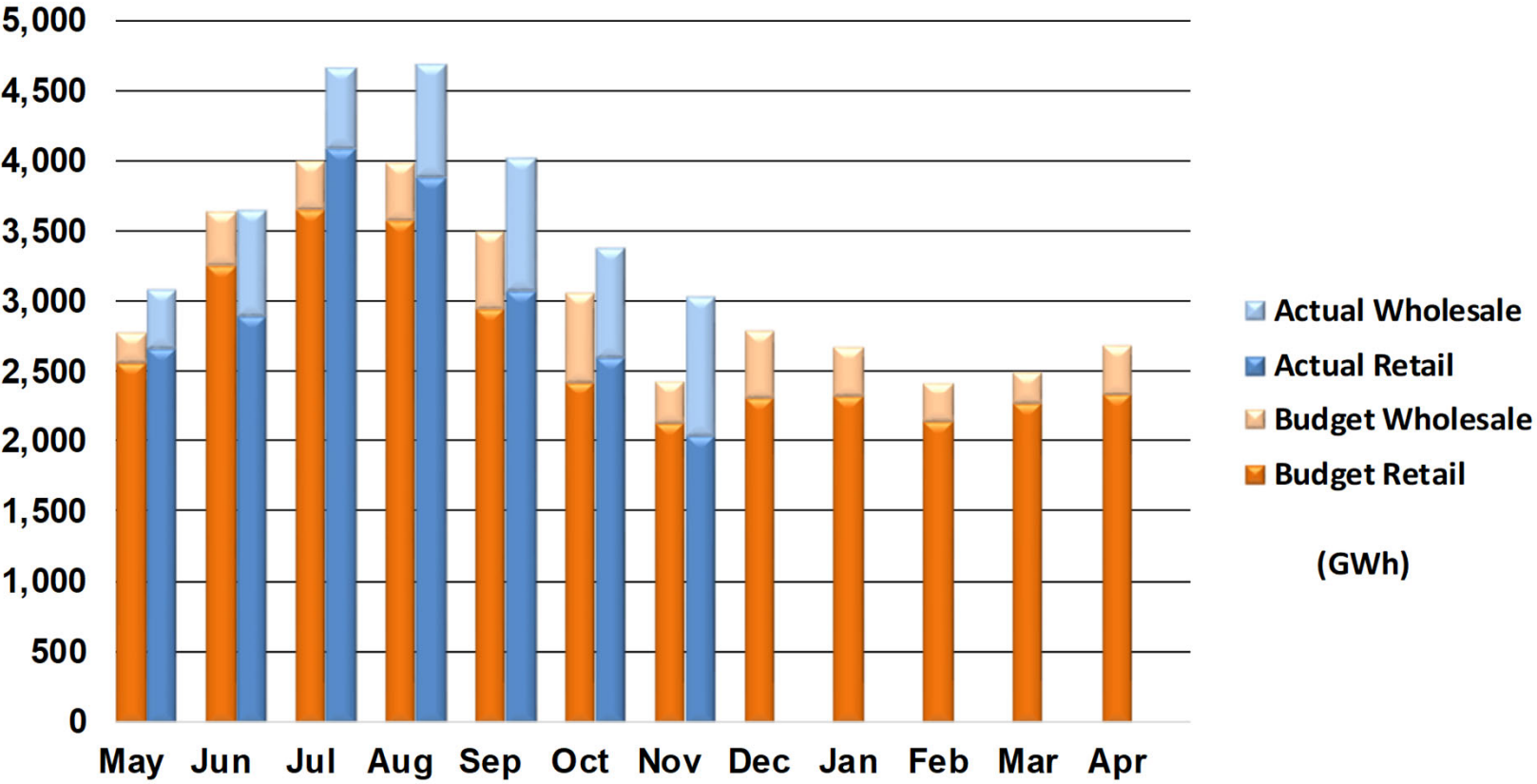
# General Fund Balance



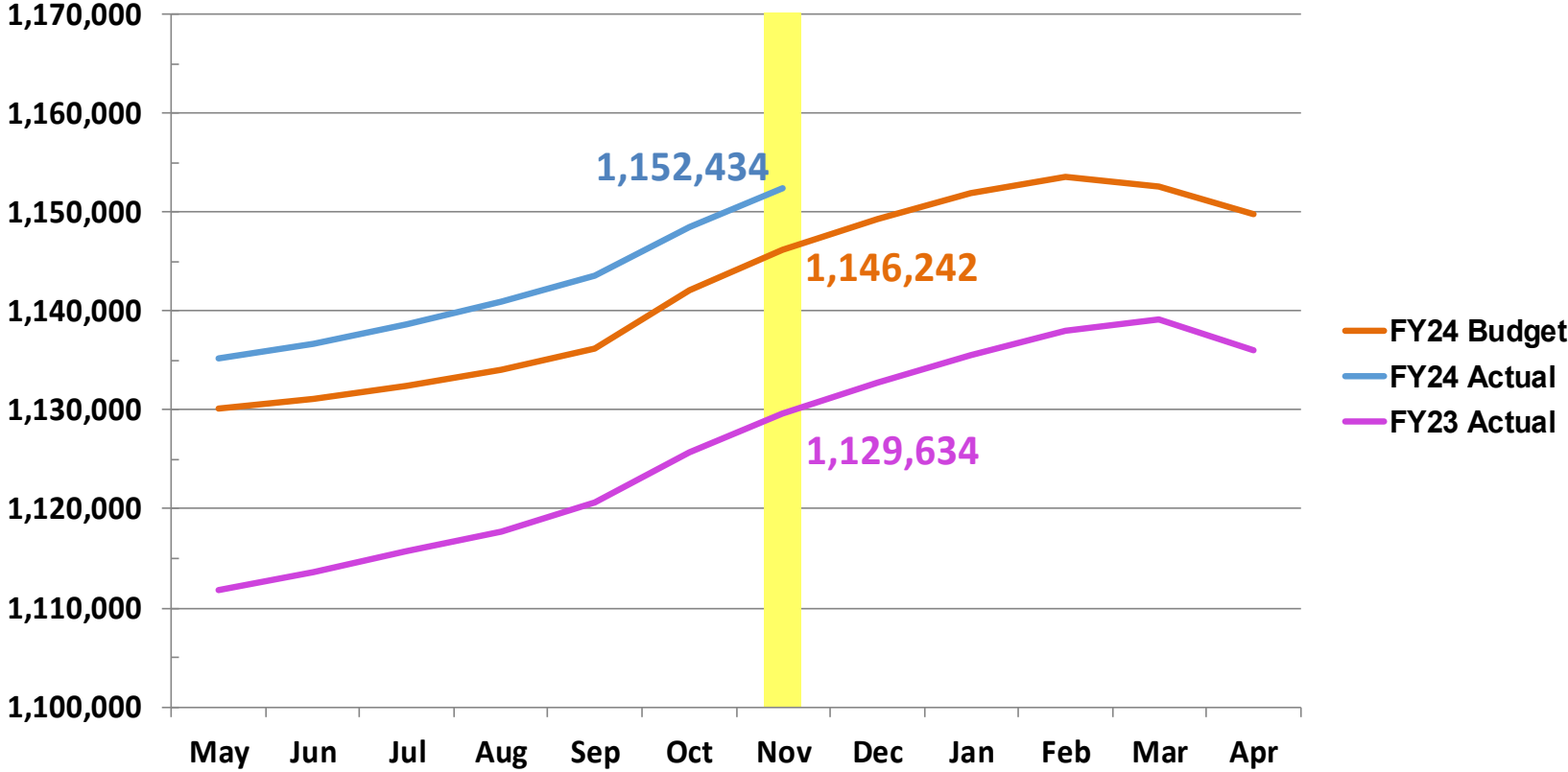
# YTD Combined Net Revenue



# System Sales



# Customer Accounts



# Financial Summary – November 2023

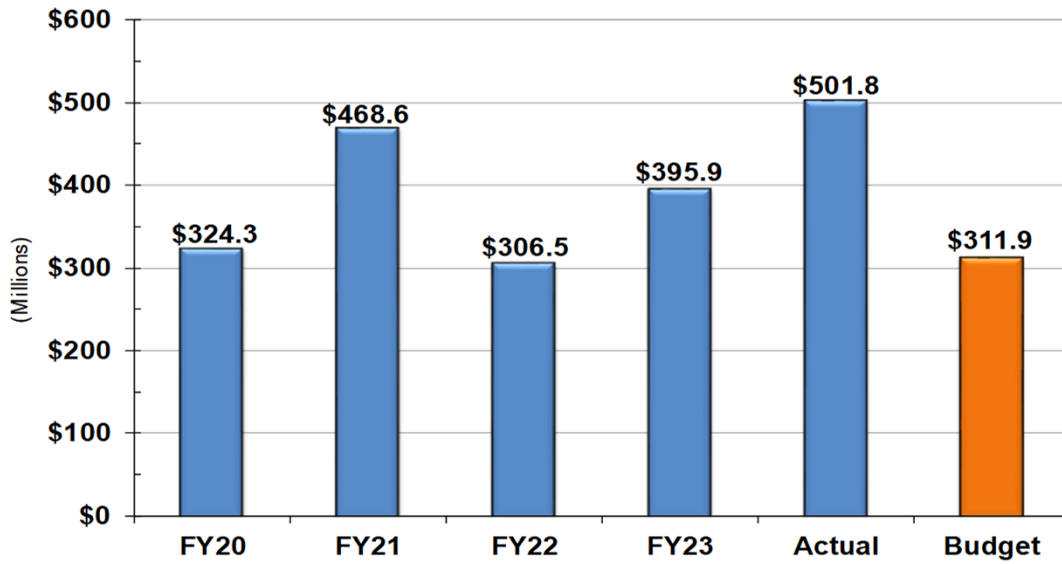
(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating Revenues	\$ 277,462	\$ 245,190	\$ 32,272
Operating Expenses			
Fuel	112,261	95,404	16,857
O&M	108,245	111,244	(2,999)
Depr & Tax	66,033	64,562	1,471
Total Operating Expenses	<u>286,539</u>	<u>271,210</u>	<u>15,329</u>
Net Financing Costs	13,150	12,918	232
Other, Net	10,579	6,066	4,513
Combined Net Revenues	<u>\$ (11,648)</u>	<u>\$ (32,872)</u>	<u>\$ 21,224</u>

## Key Financial Indicators - YTD November 2023

(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Capital Expenditures	\$ 758,729	\$ 813,954	\$ (55,225)
Funds Available	\$ 764,643	\$ 561,793	\$ 202,850
Debt Service Coverage	5.41	4.35	1.06



## CNR without Fair Value Adjustments - YTD November 2023

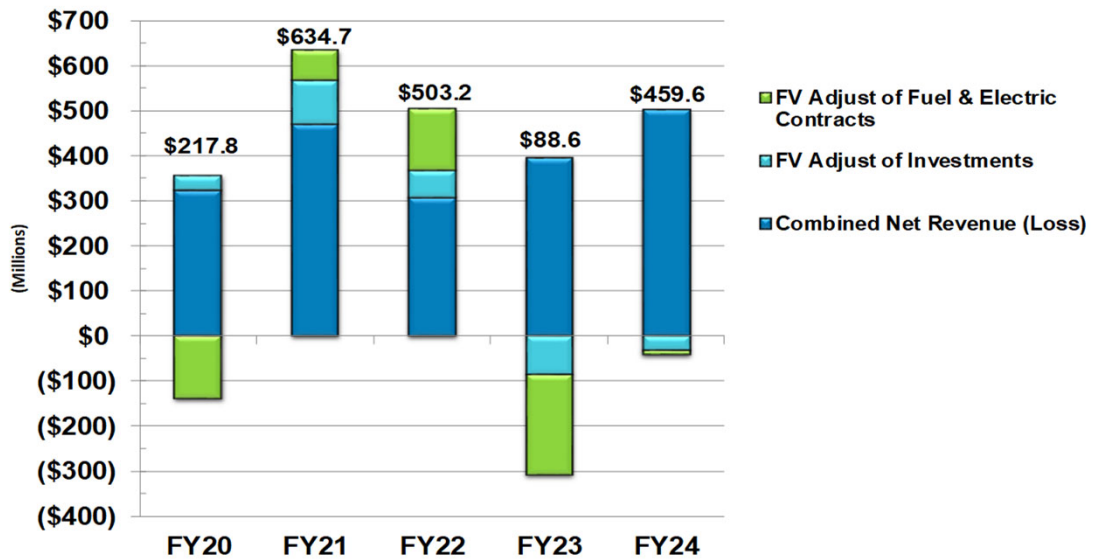


01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 1

1

## CNR with Fair Value Adjustments - YTD November 2023



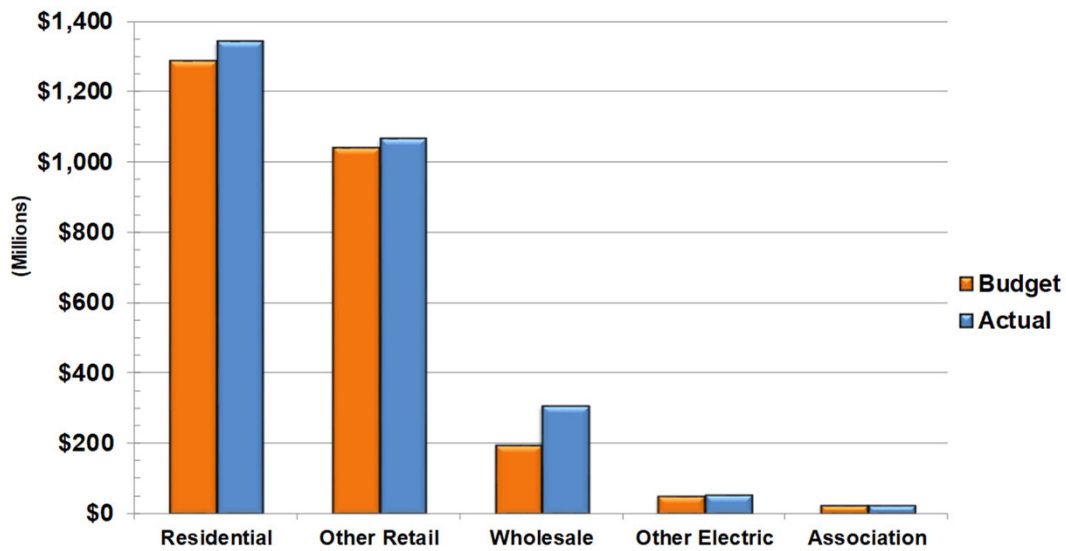
01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 2

2



## Combined Operating Revenues - YTD November 2023

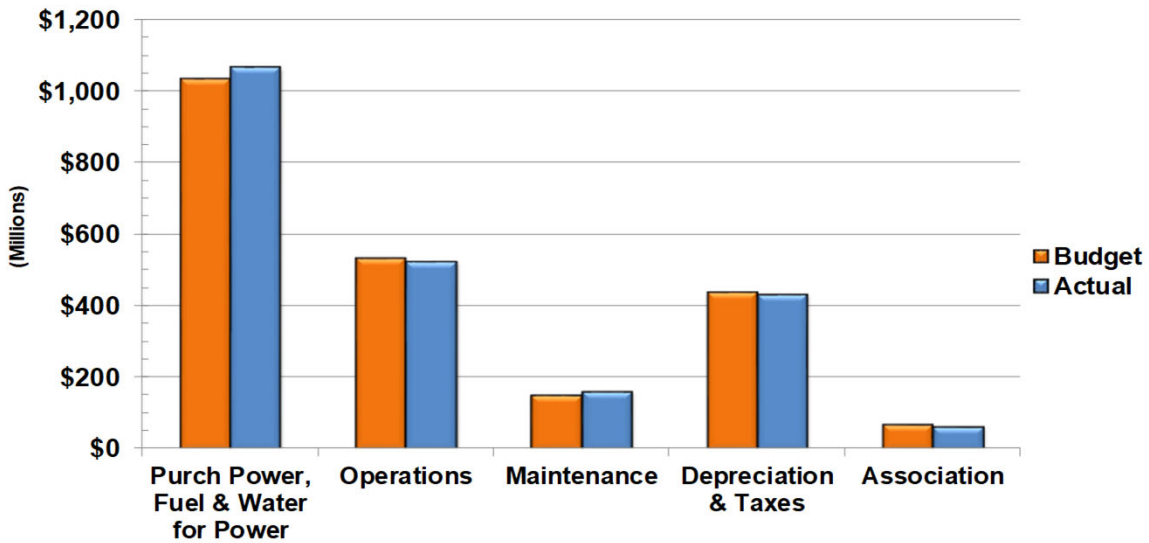


01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 3

3

## Combined Expenses - YTD November 2023

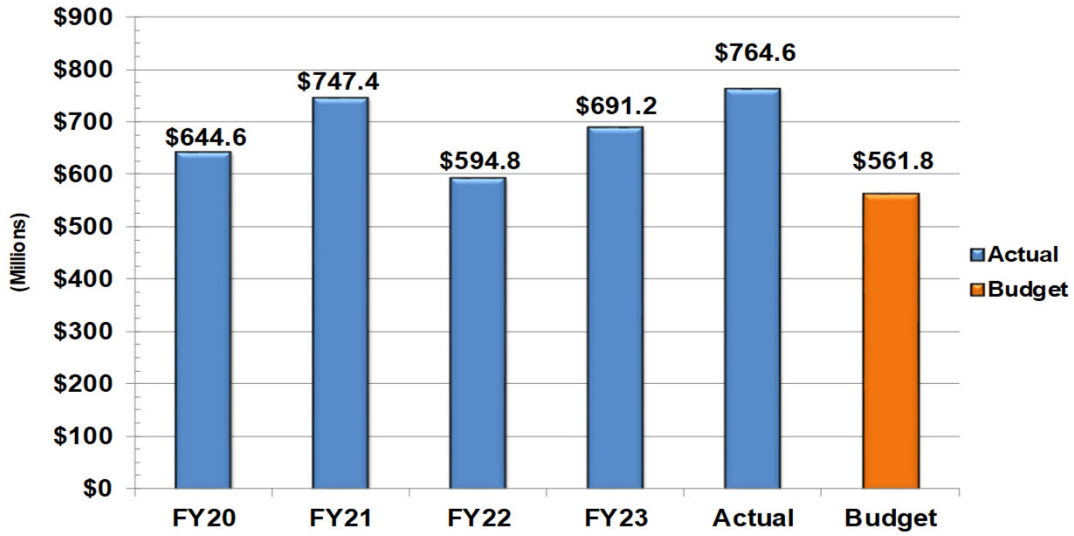


01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 4

4

## Funds Available - YTD November 2023

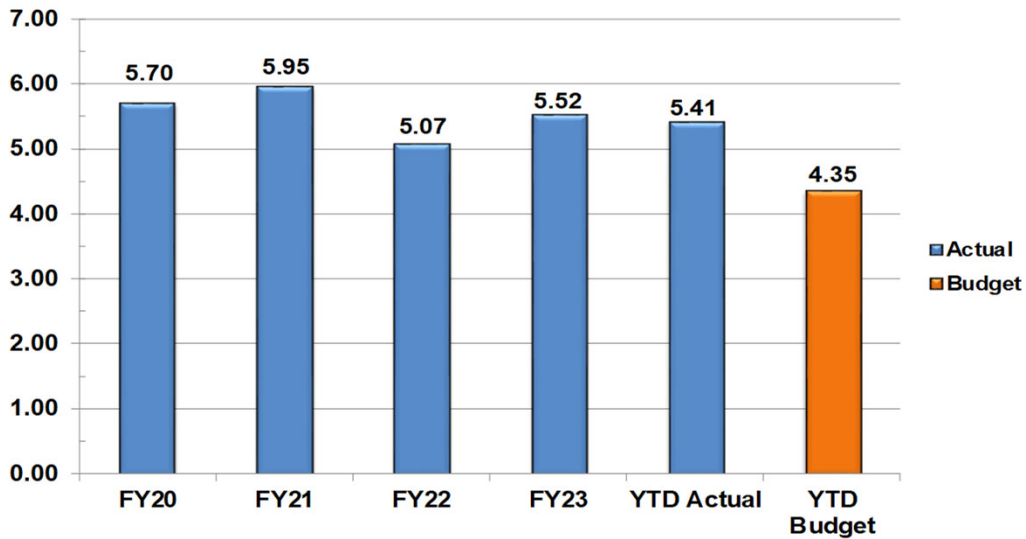


01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 5

5

## Debt Service Coverage - YTD November 2023



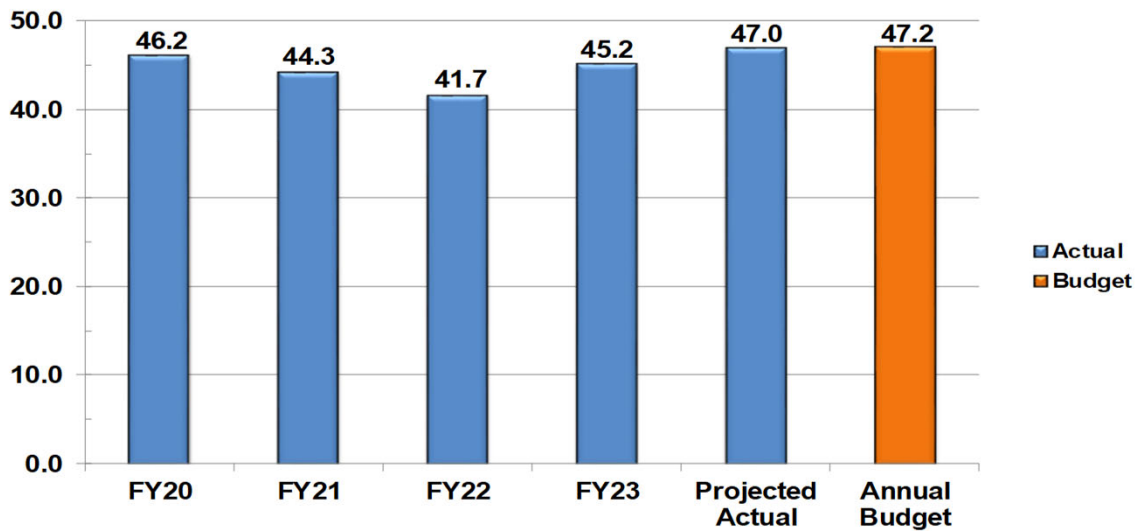
Note: Debt Service Coverage Ratio on Total Debt

01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 6

6

## Debt Ratio - YTD November 2023



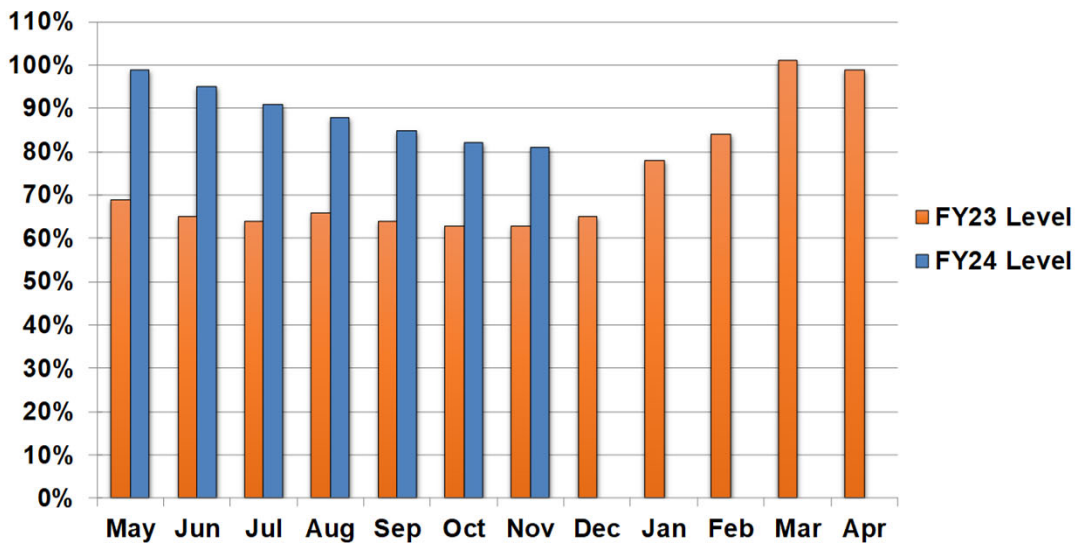
Note: Prior Years and Budget are Fiscal Year-End Ratios

01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 7

7

## Water Storage Levels

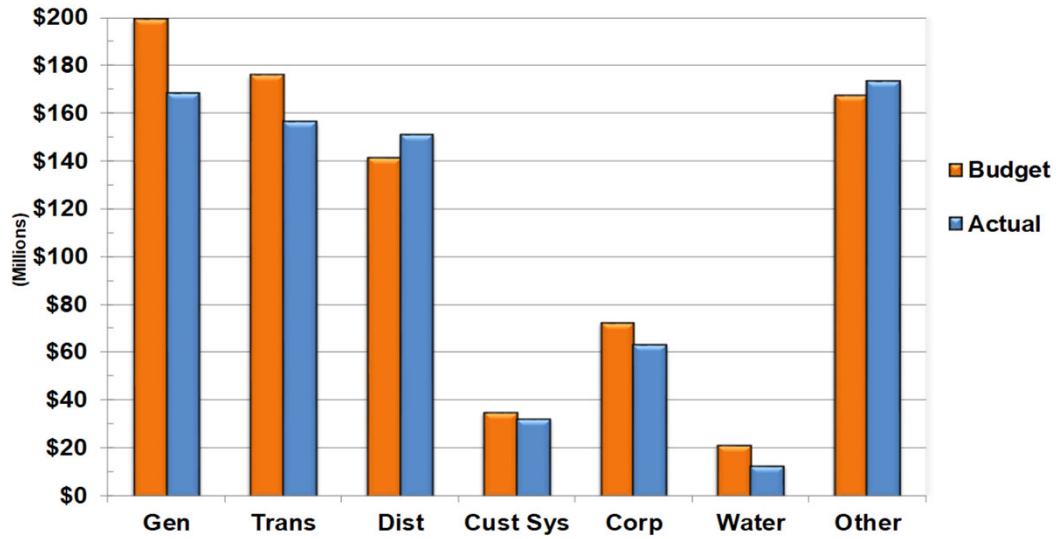


01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 8

8

## Capital Expenditures - YTD November 2023



01/08/2024 Board Meeting, J. A. Wright

(Non-GAAP, Unaudited) 9



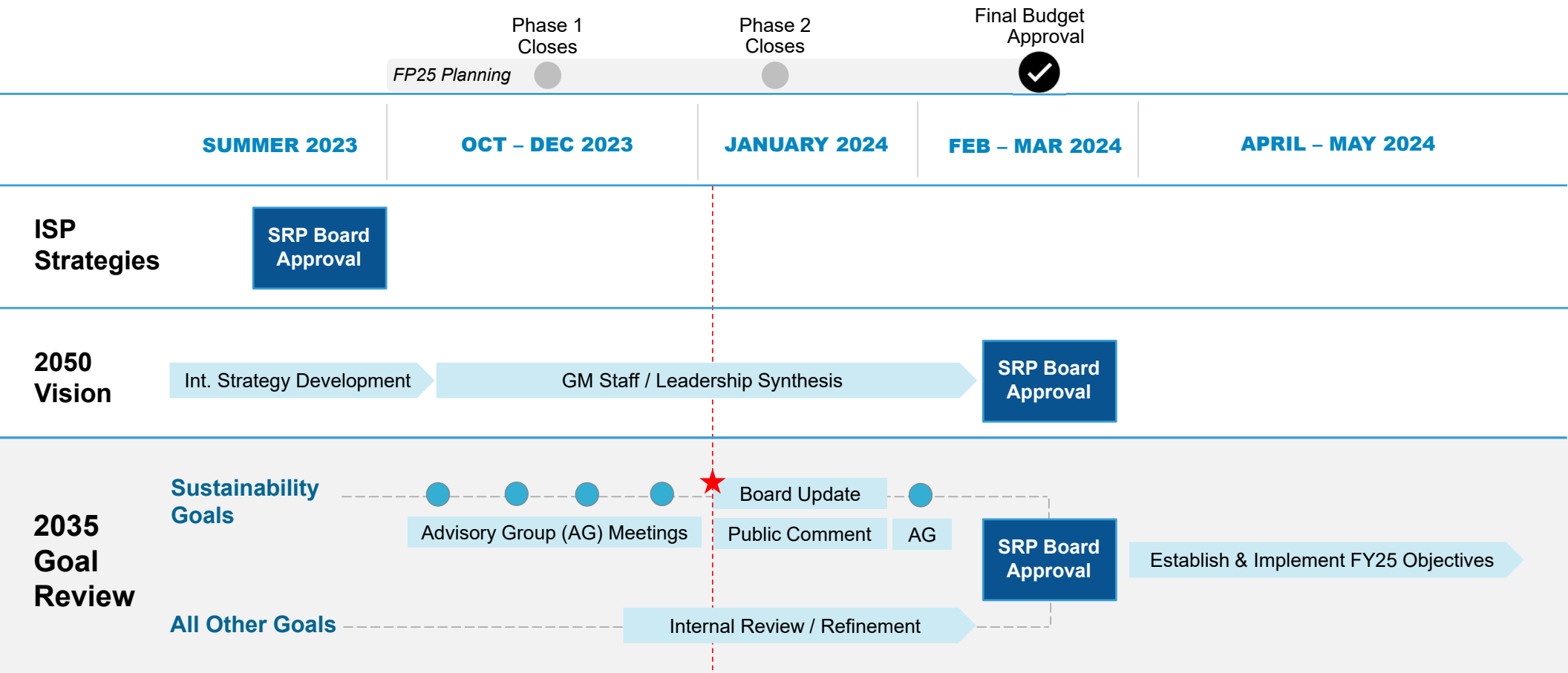
An aerial photograph of a large dam and reservoir situated in a deep, rugged canyon. The canyon walls are composed of layered, reddish-brown rock formations. The reservoir is a deep blue color, and the dam is a long, low structure across the middle of the canyon. The sky is a clear, pale blue.

# 2035 Sustainability Goal Update Process

**Bobby Olsen**

**Associate General Manager & Chief Planning, Strategy and Sustainability Executive**

# Planning & Implementation Timeline



# 2035 Sustainability Advisory Group



City of Phoenix



Customer Utility Panel





# Current 2035 Sustainability Goals



## CARBON EMISSIONS REDUCTIONS

- 1.1 Generation Carbon
- 1.2 Facilities Carbon
- 1.3 Fleet Carbon



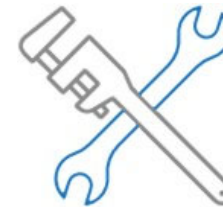
## WATER RESILIENCY

- 2.1 Facilities Water
- 2.2 Lost & Unaccounted For Water
- 2.3 Generation Groundwater
- 2.4 Generation Fleet-Wide Water Reduction
- 2.5 Water Storage
- 2.6 Water Conservation



## SUPPLY CHAIN & WASTE REDUCTION

- 3.1 Supply Chain
- 3.2 Municipal Waste
- 3.3 Industrial Waste



## CUSTOMER & GRID ENABLEMENT

- 4.1 Energy Efficiency
- 4.2 Demand Response
- 4.3 Transportation Electrification
- 4.4 Electric Technologies
- 4.5 Grid Enablement



## CUSTOMER, COMMUNITY & EMPLOYEE ENGAGEMENT

- 5.1 Customer Sustainability Rating
- 5.2 Employee Engagement
- 5.3 Forest Restoration

# Summary of Proposed Changes

**12**

Goals to  
**revise**



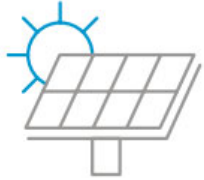
**6**

Goals to  
**maintain**



**2**

Goals to  
**retire**



# 1. CARBON EMISSIONS REDUCTIONS

## 1.2 Facilities Carbon

### Current Goal:

**1.2** Reduce carbon emissions from facilities by 30% on a mass basis

### Proposed Goal Revisions:

**1.2** Reduce carbon emissions from facilities by **45%** on a mass basis

### Advisory Group Feedback:

- Appreciated more aggressive target
- Noted relationship to Generation Carbon goal and encouraged even more aggressive goal

## 1.3 Transportation Fleet Carbon

### Current Goal:

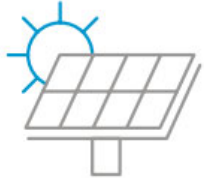
**1.3** Reduce carbon emissions from fleet by 30% on a mass basis

### Proposed Goal Revisions:

**1.3** Reduce carbon emissions from fleet by 30% on a mass basis (**No change**)

### Advisory Group Feedback:

- Appreciated the transparency of the goal
- Noted efforts to reach goal beyond fleet electrification (idle reduction, biodiesel, etc.)



# 1. CARBON EMISSIONS REDUCTIONS

## 1.1 Generation Carbon (for retail energy)

### Current Goal:

1.1 Reduce the amount of CO<sub>2</sub> emitted by generation (per MWh) by 65% from 2005 levels by 2035 (~550lbs/MWh)

2050 Target: 90% intensity reduction from 2005

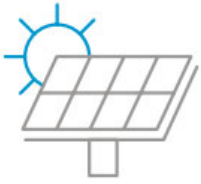
### Proposed Goal Revisions:

1.1 Reduce the amount of CO<sub>2</sub> emitted by generation (per MWh) by **75%** from 2005 levels by 2035 (~400lbs/MWh)

2050 Goal: **Net-zero** carbon emissions

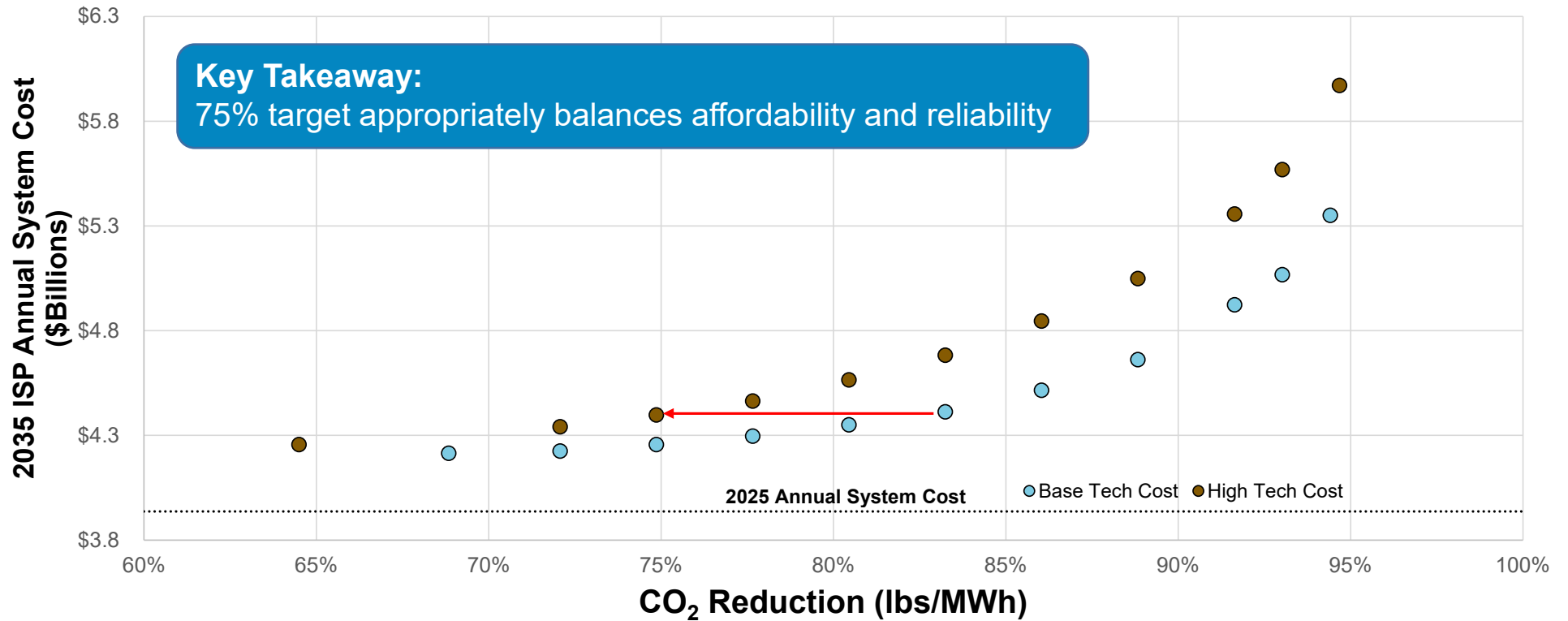
### Advisory Group Feedback:

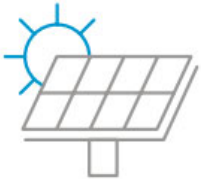
- Appreciated pursuit of net-zero
- Some advocated for a mass-based goal
- Some wanted a more aggressive goal (such as 80% reduction by 2030)
- Broad recognition that affordability and reliability matter



# 1. CARBON EMISSIONS REDUCTIONS

## 1.1 Generation Carbon (for retail energy)

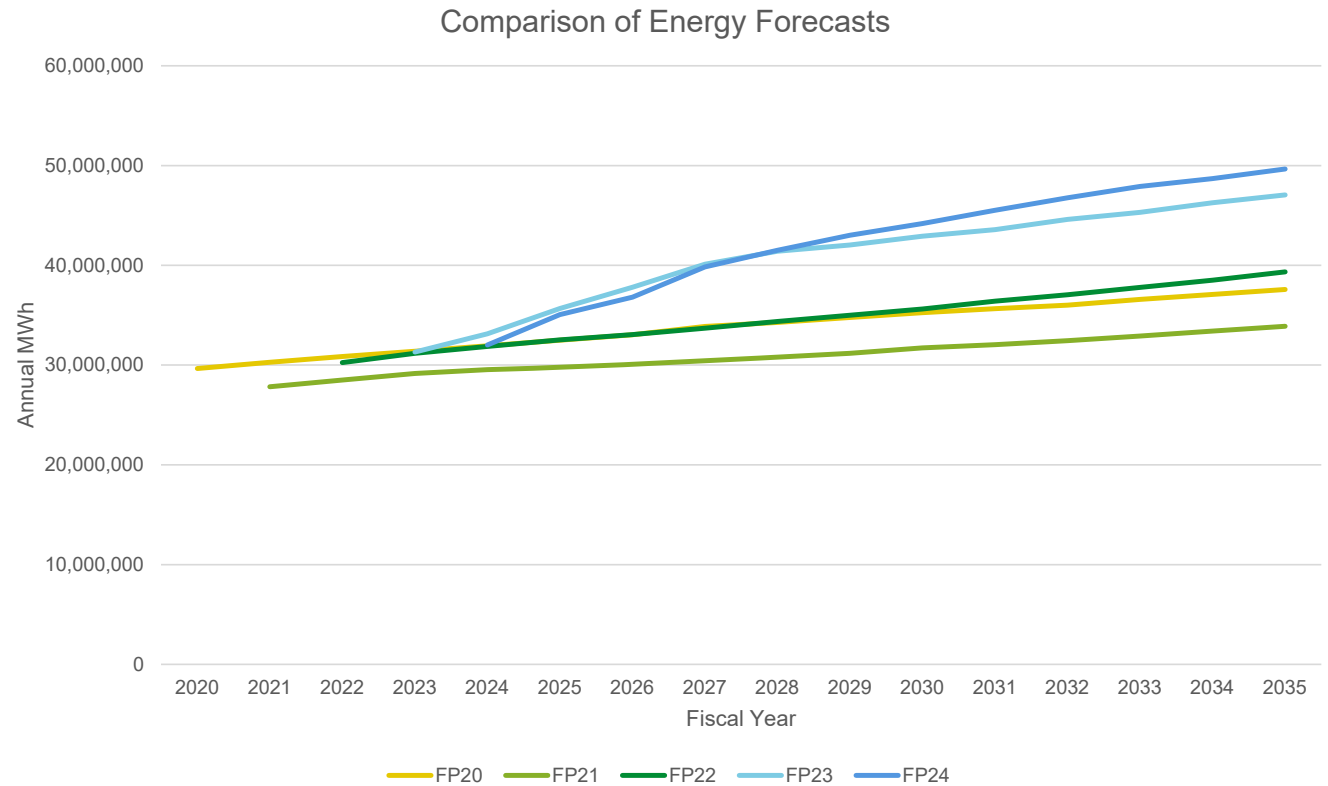


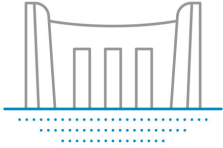


# 1. CARBON EMISSIONS REDUCTIONS

## 1.1 Generation Carbon (for retail energy)

- Maricopa and Pinal County remain among the fastest-growing areas in the country; growth projected to continue
- Commit to more consistent discussion and continued transparency on CO<sub>2</sub> emissions on a mass basis





## 2. WATER RESILIENCY

### 2.1 Facilities Water

#### Current Goal:

**2.1** Reduce water use at SRP facilities by 45% on a mass basis

#### Proposed Goal Revisions:

**2.1** Reduce water use at SRP facilities by 45% on a mass basis (***No change***)

#### Advisory Group Feedback:

- Appreciated the mass-based target
- Some encouraged a more aggressive goal

### 2.2 Lost and Unaccounted for Water

#### Current Goal:

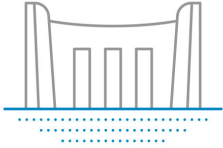
**2.2** Achieve lost and unaccounted for water rate of less than 5% on a 10-year rolling average

#### Proposed Goal Revisions:

**2.2 Retire goal;** transition into maintenance focus, continue to report performance and investigate improvement opportunities

#### Advisory Group Feedback:

- Supported retiring the goal
- Appreciated commitment to continue reporting



## 2. WATER RESILIENCY

### 2.3 Generation Groundwater

#### Current Goal:

**2.3** Eliminate or offset power generation groundwater use in Active Management Areas (AMAs)

#### Proposed Goal Revisions:

**2.3** Eliminate or offset power generation groundwater use in Active Management Areas (AMAs) (**No change**)

#### Advisory Group Feedback:

- Recognized strong connection to decarbonization of resource mix
- Sought some additional clarity on path to achieving goal and offset approach

### 2.4 Generation Fleetwide Water

#### Current Goal:

**2.4** Achieve 20% reduction in generation-related water use intensity across all water types

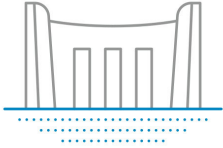
#### Proposed Goal Revisions:

**2.4** Achieve **30%** reduction in generation-related water use intensity across all water types

#### Advisory Group Feedback:

- Appreciated a goal related to generation water use
- Some preferred a mass-based goal





## 2. WATER RESILIENCY

### 2.5 Water Storage

#### Current Goal:

**2.5** Store 1 million acre-feet of water supplies underground

#### Proposed Goal Revisions:

**2.5** Lead efforts in water storage and drought resiliency by storing **at least** 1 million acre-feet of water supplies underground and pursuing the long-term viability of increasing beneficial use during flood events by up to **100,000 acre-feet**.

#### Advisory Group Feedback:

- Appreciated drought resiliency component and aggressive target
- Noted this seems like a water management goal vs sustainability target

### 2.6 Community Water Conservation

#### Current Goal:

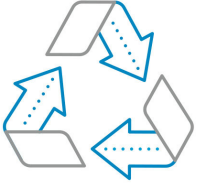
**2.6** In partnership with Valley cities, support municipal water conservation goal achievements by creating and executing programs to identify 5 billion gallons (~15,300 acre-feet) of potential water conservation by 2035

#### Proposed Goal Revisions:

**2.6** Achieve 5 billion gallons (~15,300 acre-feet) of water conservation by 2035 through partnership.

#### Advisory Group Feedback:

- Appreciated aggressive target and expansion of conservation scope (within territory)
- Would like more detail on programs included/reporting



## 3. SUPPLY CHAIN & WASTE REDUCTION

### 3.1 Supply Chain

#### Current Goal:

**3.1** Incorporate sustainability criteria into sourcing decisions for 100% of managed spend

#### Proposed Goal Revisions:

**3.1** Incorporate sustainability criteria into sourcing decisions for 100% of managed spend\* **and integrate sustainability criteria into the supplier pre-qualification requirements for 100% of SRP suppliers** \*Defined as spend managed by SRP's Purchasing Services

#### Advisory Group Feedback:

- Felt the target was aggressive and innovative
- Sought more information on criteria

### 3.2 Municipal Waste

#### Current Goal:

**3.2** Divert 75% of municipal solid waste by 2035  
2050 target: Divert 100% of municipal solid waste

#### Proposed Goal Revisions:

**3.2** Divert 75% of municipal solid waste by 2035;  
100% by 2050 (**No change**)

#### Advisory Group Feedback:

- Encouraged additional verification of disposal processes with vendors
- Suggested also reducing waste produced to support this goal



## 3. SUPPLY CHAIN & WASTE REDUCTION

### 3.3 Industrial Waste

#### Current Goal:

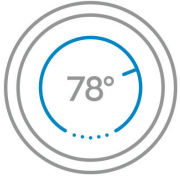
**3.3** Divert 95% of nonhazardous industrial solid waste sent to Investment Recovery

#### Proposed Goal Revisions:

**3.3** Divert 95% of nonhazardous industrial solid waste sent to Investment Recovery; **100% by 2050**

#### Advisory Group Feedback:

- Appreciated addition of 2050 goal
- Encouraged additional verification of disposal processes with vendors
- Suggested also reducing waste produced to support this goal



## 4. CUSTOMER & GRID ENABLEMENT

### 4.1 Energy Efficiency

#### Current Goal:

4.1 Deliver over 3 million MWh of annual aggregate energy savings

#### Proposed Goal Revisions :

4.1 Deliver over **4 million** MWh of annual aggregate energy savings

#### Advisory Group Feedback:

- Appreciated more aggressive target
- Encouraged SRP to maximize Inflation Reduction Act funding opportunities
- Interested in learning more about which programs will see increases

### 4.2 Demand Response

#### Current Goal:

4.2 Deliver at least 300 MW of dispatchable DR and load management programs

#### Proposed Goal Revisions :

4.2 Deliver at least 300 MW of dispatchable DR and load management programs (**No change**)

#### Advisory Group Feedback:

- Felt goal is an appropriate target
- Encouraged SRP to find additional opportunities to recognize business customer participants
- Suggested increased promotion of programs



## 4. CUSTOMER & GRID ENABLEMENT

### 4.3 Transportation Electrification

#### Current Goal:

**4.3** Support the enablement of 500,000 electric vehicles (EVs) in SRP's service territory and manage 90% of EV charging through price plans, dispatchable load management, OEM integration, connected smart homes, behavioral and other emerging programs

#### Proposed Goal Revisions:

**4.3** Support adoption of **1 million\*** electric vehicles (EVs) in SRP's service territory and manage 90% of EV charging \*As forecasted by 3<sup>rd</sup> party industry consultants

#### Advisory Group Feedback:

- Appreciated more aggressive target
- Some encouraged SRP to include tactics for managed charge in goal, but valued simplicity

### 4.4 Electric Technologies

#### Current Goal:

**4.4** Expand portfolio of Electric Technology (non-EVs) programs to deliver 300,000 MWh of annual aggregate energy impact

#### Proposed Goal Revisions:

**4.4** Expand portfolio of electric technology (non-EV) programs to deliver **320,000** MWh of annual aggregate energy impact

#### Advisory Group Feedback:

- Appreciated increase in target
- Recommended additional focus on both business and residential customers



## 4. CUSTOMER & GRID ENABLEMENT

### 4.5 Grid Enablement

#### Current Goal:

**4.5** Enable the interconnection of all customer-sided resources, including solar photovoltaic (PV) and battery storage, without technical constraints while ensuring current levels of grid integrity and customer satisfaction

#### Proposed Goal Revisions:

**4.5** Enable the interconnection of all customer-sided resources, including solar photovoltaic (PV) and battery storage, without technical constraints while ensuring current levels of grid integrity and customer satisfaction (***No change***)

#### Advisory Group Feedback:

- Appreciated breadth of goal
- Suggested highlighting innovative technologies



## 5. CUSTOMER, COMMUNITY & EMPLOYEE ENGAGEMENT

### 5.1 Customer Sustainability Sentiment Rating

#### Current Goal:

**5.1** Achieve at least 80% of customers who give SRP a positive rating for its sustainability efforts

#### Proposed Goal Revisions:

**5.1** Maintain **above industry average** in performance in the J.D. Power Sustainability Index

#### Advisory Group Feedback:

- Some felt target was not ambitious enough
- Appreciated the use of an external performance standard

### 5.2 Employee Engagement

#### Current Goal:

**5.2** Engage 100% of employees in efforts that contribute to SRP's sustainability goals

#### Proposed Goal Revisions:

**5.2 Remove 5.2 as separate goal**; ensure action plans for all goals clearly indicate pathways for employee contributions

#### Advisory Group Feedback:

- Some supported retiring goal, some recommended a target focused on enabling customer goals
- Noted the importance of employees understanding their connection to helping SRP reach goals



## 5. CUSTOMER, COMMUNITY & EMPLOYEE ENGAGEMENT

### 5.3 Forest Restoration

#### Current Goal:

**5.3** Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 50,000 acres per year or 500,000 acres total

#### Proposed Goal Revisions:

**5.3** Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin **800,000** acres total by 2035

#### Advisory Group Feedback:

- Appreciated the aggressive increase in the target
- Encouraged SRP to consider biochar and other innovations



## Next Steps

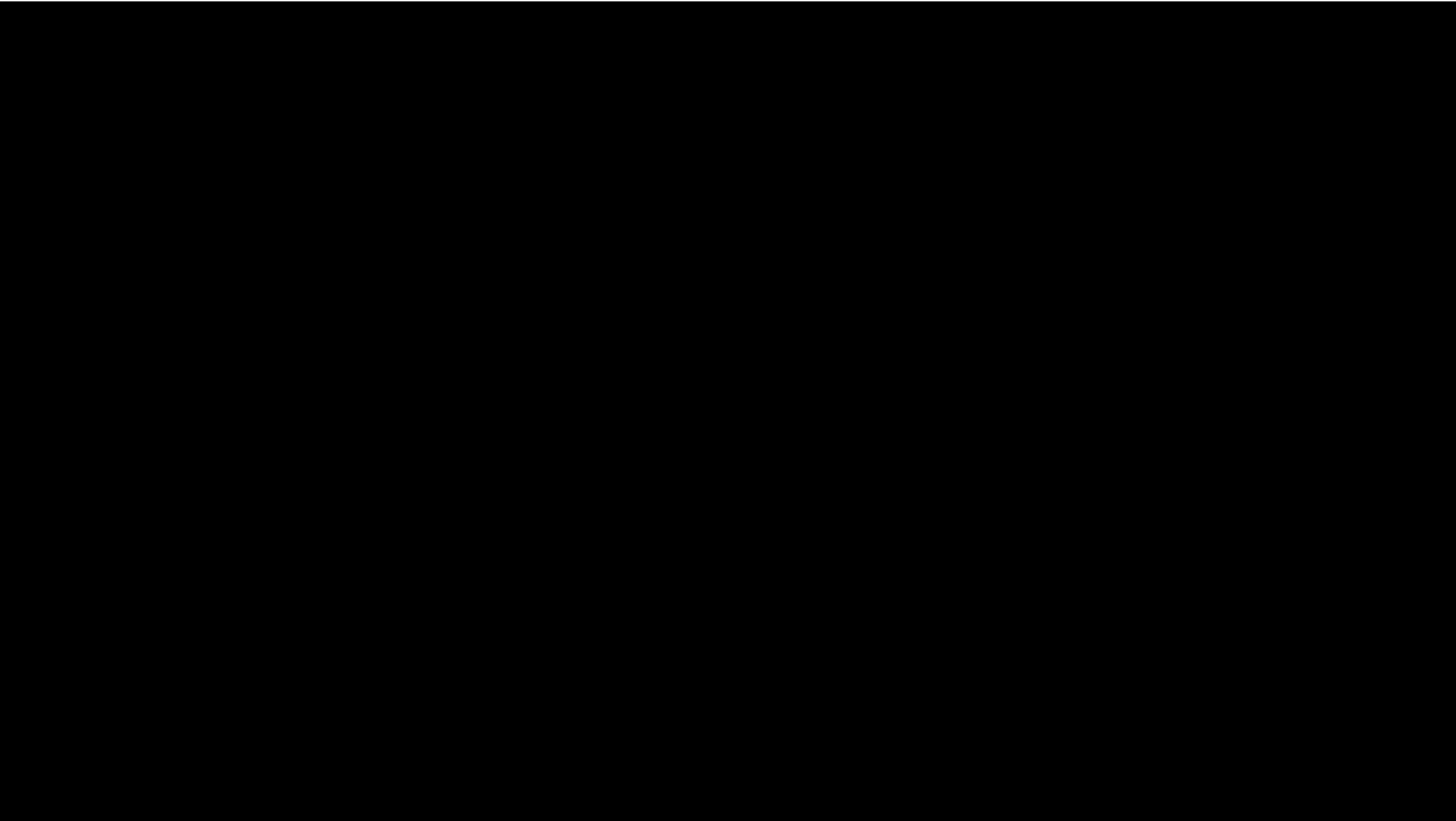
### Public Outreach

- Open Houses: January 9, 10, 11

### Final Meeting with Advisory Group

### Strategic Planning Committee (February 8)

### Board Approval (March 4)



# 2035 Sustainability Goal Update Process

	Goal	Current Goal (as set in 2019)	Proposed Goal Revisions
Carbon Emissions Reductions	<b>1.1 Generation Carbon</b>	Reduce the amount of CO <sub>2</sub> emitted by generation (per MWh) by 65% from 2005 levels — 2050 target: 90% intensity reduction from 2005	Reduce the amount of CO <sub>2</sub> emitted by generation (per MWh) by 75% from 2005 levels — 2050 goal: net zero carbon emissions
	<b>1.2 Facilities Carbon</b>	Reduce carbon emissions from facilities by 30% on a mass basis	Reduce carbon emissions from facilities by 45% on a mass basis
	<b>1.3 Fleet Carbon</b>	Reduce carbon emissions from fleet by 30% on a mass basis	No Proposed Changes
Water Resiliency	<b>2.1 Facilities Water</b>	Reduce water use at SRP facilities by 45% on a mass basis	No Proposed Changes
	<b>2.2 Lost &amp; Unaccounted For Water</b>	Achieve lost and unaccounted for water rate of less than 5% on a 10-year rolling average	Retire goal and transition into maintenance focus, continue to report performance and investigate improvement opportunities
	<b>2.3 Generation Groundwater</b>	Eliminate or offset power generation groundwater use in Active Management Areas (AMAs)	No Proposed Changes
	<b>2.4 Generation Fleet-Wide Water</b>	Achieve 20% reduction in generation-related water use intensity across all water types	Achieve 30% reduction in generation-related water use intensity across all water types
	<b>2.5 Water Storage</b>	Store 1 million acre- feet (af) of water supplies underground	Lead efforts in water storage and drought resiliency by storing at least 1 million acre-feet of water supplies underground and pursuing the long-term viability of increasing beneficial use during flood events by up to 100,000 af
	<b>2.6 Water Conservation</b>	In partnership with Valley cities, support municipal water conservation goal achievements by creating and executing programs to identify 5 billion gallons (~15,300 af) of potential water conservation by 2035	Achieve 5 billion gallons (~15,300 af) of water conservation by 2035 through partnership
Supply Chain & Waste Reduction	<b>3.1 Supply Chain</b>	Incorporate sustainability criteria into sourcing decisions for 100% of managed spend	Incorporate sustainability criteria into sourcing decisions for 100% of managed spend* and integrate Sustainability criteria into the supplier pre-qualification requirements for 100% of SRP suppliers *spend managed by SRP's Purchasing Services
	<b>3.2 Municipal Waste</b>	Divert 75% of municipal solid waste — 2050 target: Divert 100% of municipal solid waste	No Proposed Changes
	<b>3.3 Industrial Waste</b>	Divert 95% of nonhazardous industrial solid waste sent to Investment Recovery	Divert 95% of non-hazardous Industrial Solid Waste sent to Investment Recovery by 2035; 100% by 2050
Customer & Grid Enablement	<b>4.1 Energy Efficiency</b>	Deliver over 3 million MWh of annual aggregate energy savings	Deliver over 4 million MWh of annual aggregate energy savings
	<b>4.2 Demand Response</b>	Deliver at least 300 MW of dispatchable DR and load management programs	No Proposed Changes
	<b>4.3 Transportation Electrification</b>	Support the enablement of 500,000 electric vehicles (EVs) in SRP's service territory and manage 90% of EV charging through price plans, dispatchable load management, OEM integration, connected smart homes, behavioral and other emerging programs	Support adoption of 1 million* EVs in SRP's service territory and manage 90% of EV charging *as forecasted by 3rd party industry consultants
	<b>4.4 Electric Tech</b>	Expand portfolio of Electric Technology (non-EVs) programs to deliver 300,000 MWh of annual aggregate energy impact	Expand portfolio of Electric Technology (non-EVs) programs to deliver 320,000 MWh of annual aggregate energy impact
	<b>4.5 Grid Enablement</b>	Enable the interconnection of all customer-sided resources, including solar photovoltaic (PV) and battery storage, without technical constraints while ensuring current levels of grid integrity and customer satisfaction	No Proposed Changes
Customer, Community & Employee Engagement	<b>5.1 Customer Sustainability Rating</b>	Achieve at least 80% of customers who give SRP a positive rating for its sustainability efforts	Maintain above industry average in performance in the J.D. Power Sustainability Index
	<b>5.2 Employee Engagement</b>	Engage 100% of employees in efforts that contribute to SRP's sustainability goals	Remove 5.2 as a separate goal; ensure action plans for all sustainability goals clearly indicate pathways for employee contributions
	<b>5.3 Forest Restoration</b>	Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 50,000 acres per year or 500,000 acres total	Increase SRP's leadership role in forest restoration treatments through partnerships, influence, education and support for industry to thin 800,000 acres total by 2035





January 3, 2024

Salt River Project  
1500 N. Mill Ave.  
Tempe, AZ 85288

### **Re: Sustainability Goals**

Dear SRP Board of Directors,

At the upcoming Board Meeting on January 8, 2024, you will be receiving a presentation on the process to update SRP's Sustainability Goals. One of SRP's sustainability goals relates to carbon emissions from the electric generation fleet, also known as the "Generation Carbon" goal. Establishing an ambitious Generation Carbon goal as part of this process has the potential to fight climate change, support Arizonans' health, and reduce risks to water supply availability. WRA urges you to actively engage with Staff in this critically important process and accelerate SRP's transition to clean energy resources supported by the adoption of an ambitious, mass-based Generation Carbon goal.

### **BACKGROUND**

WRA is a nonprofit conservation organization dedicated to protecting the land, air, and water of the West to ensure that communities exist in balance with nature, with a vision of a prosperous economy that is powered by clean energy. WRA develops and implements policies to reduce the environmental impacts of electric utilities in the Interior West by advocating for a Western electric system that provides clean, affordable, and reliable energy; reduces economic risks; and protects the environment through the expanded use of energy efficiency, renewable energy resources, and other clean energy technologies.

WRA was involved in the process to update SRP's sustainability goals in 2019, serves as a member of the Sustainability Advisory Group, and has been actively engaged in the current process with SRP Staff.

### **SRP IS A SIGNIFICANT SOURCE OF CARBON POLLUTION**

The U.S. Environmental Protection Agency estimates that 40,699,555 metric tons of greenhouse gases were emitted in Arizona in 2022.<sup>1</sup> Of that, the vast majority — 82.7% or 33.6 million tons — came from electricity generation.<sup>2</sup>

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<sup>1</sup> <https://www.epa.gov/ghgreporting/ghgrp-state-and-tribal-fact-sheet>.

<sup>2</sup> Id.

#### **REGIONAL OFFICES**

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SRP is a significant contributor to carbon pollution in Arizona and elsewhere in the West. Based on publicly available data from EPA and WRA's understanding of SRP's ownership shares of various facilities, WRA estimates SRP's share of these emissions as around **14.8 million metric tons in 2022**.

By setting an ambitious sustainability goal related to Generation Carbon, SRP can play an important role in the fight against climate change.

## **CARBON-INTENSIVE POWER GENERATION POSES THREATS TO ARIZONANS**

Carbon dioxide is a greenhouse gas and its release into the atmosphere drives climate change. Climate change poses a significant threat to Arizona and the Western United States more broadly. Climate change reduces safe and reliable water supplies, disrupts food systems, increases property damage, drives displacement of people and wildlife, jeopardizes critical infrastructure, expands health risks, threatens economic stability, and upends cultural traditions.<sup>3</sup> In comparison, investing in clean energy brings a host of benefits, like new jobs<sup>4</sup> and lower costs.<sup>5</sup>

Given SRP's long history as a water provider, the impacts of climate change on Arizona's **water** system are of particular note. Climate change is reducing surface water and groundwater availability.<sup>6</sup> "Droughts are projected to increase in intensity, duration, and frequency, especially in the Southwest," which is already in the midst of the most severe extended drought of the last 1,200 years.<sup>7</sup> As climate change drives higher temperatures, the result is "hotter extreme heat events, drier soils, greater atmospheric evaporative demand, and reduced flows in major river basins such as the Colorado and the Rio Grande."<sup>8</sup> The most important thing the District can do to ensure the continued success of the Water Association is to establish an ambitious Generation Carbon goal, particularly where paired with a strong Generation Fleet-Wide Water Reduction goal to further reduce water utilized in the generation of electricity.

Carbon pollution is also impacting Arizonans' **health**. 2023 was the hottest summer since record-keeping began in 1895.<sup>9</sup> This led to a surge in heat-related hospital visits and at least 469 heat-associated deaths in Maricopa County,<sup>10</sup> the highest level on record.<sup>11</sup> As temperatures rise, so do high ozone days.<sup>12</sup> The Phoenix

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<sup>3</sup> USGCRP, 2023: Fifth National Climate Assessment. Crimmins, A.R., C.W. Avery, D.R. Easterling, K.E. Kunkel, B.C. Stewart, and T.K. Maycock, Eds. U.S. Global Change Research Program, Washington, DC, USA ("Fifth National Climate Assessment") <https://doi.org/10.7930/NCA5.2023>.

<sup>4</sup> Erin Murphy, [Report: Arizona added 13,000 clean energy jobs in past year, 7<sup>th</sup> best in U.S.](https://www.azmirror.com/blog/report-arizona-added-13000-clean-energy-jobs-in-past-year-7th-best-in-u-s/), AZ Mirror (August 4, 2023), <https://www.azmirror.com/blog/report-arizona-added-13000-clean-energy-jobs-in-past-year-7th-best-in-u-s/>.

<sup>5</sup> Michelle Solomon, Eric Gimon, Mike O'Boyle, Umed Paliwal & Amol Phadke, [Coal Cost Crossover 3.0: Local Renewables Plus Storage Create New Opportunities for Customer Savings and Community Reinvestment](https://energyinnovation.org/wp-content/uploads/2023/01/Coal-Cost-Crossover-3.0.pdf) (January 2023), <https://energyinnovation.org/wp-content/uploads/2023/01/Coal-Cost-Crossover-3.0.pdf>.

<sup>6</sup> Fifth National Climate Assessment, Chapter 28, Southwest, <https://nca2023.globalchange.gov/chapter/28/>

<sup>7</sup> Id., Overview Section 3, <https://nca2023.globalchange.gov/#overview-section-3>.

<sup>8</sup> Id.

<sup>9</sup> Phoenix hit 110 degrees on 54 days in 2023, setting another heat record, Associated Press (Sept. 10, 2023) <https://www.pbs.org/newshour/nation/phoenix-hit-110-degrees-on-54-days-in-2023-setting-another-heat-record>.

<sup>10</sup> 2023 Weekly Heat Report, Maricopa County Dept. of Public Health Epidemiology & Informatics (October 2023), <https://www.maricopa.gov/ArchiveCenter/ViewFile/Item/5722>.

<sup>11</sup> Densie Chow, [Arizona's Maricopa County shatters record for heat deaths](https://www.nbcnews.com/science/science-news/arizonas-maricopa-county-shatters-record-heat-deaths-rna122478), NBC News (Oct. 27, 2023), <https://www.nbcnews.com/science/science-news/arizonas-maricopa-county-shatters-record-heat-deaths-rna122478>.

<sup>12</sup> Fifth National Climate Assessment, Chapter 28, Southwest, <https://nca2023.globalchange.gov/chapter/28>.

metro area already has the fifth highest levels of ozone pollution in the United States.<sup>13</sup> Ozone is one of the most dangerous pollutants, leading to respiratory illnesses, metabolic disorders, nervous systems issues, reduced fertility, cancer, and increased cardiovascular mortality.<sup>14</sup> Higher temperatures and increased aridity can also drive health problems and even death from fine dust exposure and increased exposure to coccidioidomycosis (Valley fever).<sup>15</sup> Finally, carbon pollution from the combustion of fossil fuels to generate electricity is often accompanied by other toxic co-pollutants, like particulate matter, sulfur dioxide, and nitrous oxides that negatively impact Arizonans' health.<sup>16</sup> By reducing carbon pollution, SRP can also make significant strides in reducing other forms of pollution from its system.

Carbon pollution and its impacts also pose a threat to Arizona's **economy**. According to a recent analysis from Moody's Analytics assessing which U.S. cities have the highest chronic physical risks to the effects of climate change, Phoenix ranked sixth, signifying an extreme level of economic exposure as climate change accelerates. Heat-driven decreased productivity of outdoor workers can have significant economic impacts, particularly in the agricultural sector.<sup>17</sup> Further, "increasing droughts and higher temperatures are likely to affect Arizona's top agricultural products: cattle, dairy, and vegetables."<sup>18</sup> In addition, continued reliance on fossil fuels for electricity generation creates its own financial and economic risks for utilities and their customers in the form of exposure to fuel price volatility,<sup>19</sup> coal ash remediation costs,<sup>20</sup> and unnecessarily high generation costs,<sup>21</sup> which translate into higher bills for customers.

## **SRP HAS AN OPPORTUNITY TO LEAD BY ESTABLISHING A STRONG CARBON GENERATION GOAL**

In strengthening its sustainability goals, SRP can cast itself as a leader, demonstrating a commitment to the health and wellbeing of its customers. As a Board Member, you have a unique opportunity to shape SRP's role in the clean energy transition.

In order to avoid the most devastating impacts of climate change, the best science tells us that we must reduce economy-wide emissions of climate pollution at least 50% by 2030 and achieve net-zero carbon emissions by 2050. This is consistent with the United States' Nationally Determined Contribution (NDC) under the Paris Climate Agreement. The new NDC commits to achieving economy-wide emission reductions of 50-52% below

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<sup>13</sup> American Lung Association, Most Polluted Cities 2023, <https://www.lung.org/research/sota/city-rankings/most-polluted-cities>.

<sup>14</sup> American Lung Association, Ozone, <https://www.lung.org/clean-air/outdoors/what-makes-air-unhealthy/ozone>.

<sup>15</sup> Fifth National Climate Assessment, Chapter 28, Southwest, <https://nca2023.globalchange.gov/chapter/28/>.

<sup>16</sup> American Lung Association, Electric Utilities, <https://www.lung.org/clean-air/outdoors/what-makes-air-unhealthy/electric-utilities>.

<sup>17</sup> Fifth National Climate Assessment, Chapter 28, Southwest, <https://nca2023.globalchange.gov/chapter/28/>.

<sup>18</sup> U.S. EPA What Climate Change Means for Arizona (August 2016)

<https://19january2017snapshot.epa.gov/sites/production/files/2016-09/documents/climate-change-az.pdf>

<sup>19</sup> Lauren Melodia and Kristian Karlsson, Energy Price Stability: The Peril of Fossil Fuels and the Promise of Renewables, The Roosevelt Institute (May 2022), [https://rooseveltinstitute.org/wp-content/uploads/2022/05/RI\\_EnergyPriceStability\\_IssueBrief\\_202205.pdf](https://rooseveltinstitute.org/wp-content/uploads/2022/05/RI_EnergyPriceStability_IssueBrief_202205.pdf).

<sup>20</sup> Darren Sweeney, Ashleigh Cotting, & Zach Hale Cost Questions Loom as Utilities Prepare to Close Hundreds of Coal Ash Sites, S&P Global Market Intelligence (June 17, 2019) <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/cost-questions-loom-as-utilities-prepare-to-close-hundreds-of-coal-ash-sites-52117110>.

<sup>21</sup> Michelle Solomon, et. al, Coal Cost Crossover 3.0: Local Renewables Plus Storage Create New Opportunities for Customer Savings and Community Reinvestment (January 2023), <https://energyinnovation.org/wp-content/uploads/2023/01/Coal-Cost-Crossover-3.0.pdf>.

2005 levels by 2030.<sup>22</sup> In response to the updated NDC, various modeling efforts have been undertaken to identify and quantify the policies and emission reductions needed across the economy to achieve the U.S. NDC. Surveying these analyses, several findings are consistent, including the importance of rapidly reducing emissions from the power sector.

The most compelling study is a meta-analysis of the results of six modeling efforts. The meta-analysis, developed by researchers at the Electric Power Research Institute, the Lawrence Berkeley National Laboratory, and other institutions,<sup>23</sup> evaluated the findings of six models: EDF-NEMS, GCAM-USA-AP, LBNL, PATHWAYS, REGEN, and USREP-ReEDs.

Across all six models, rapidly decarbonizing the electricity sector is key to meeting the U.S.'s NDC. Specifically, **the six models show power sector emissions declining an average of 84% below 2005 levels by 2030.** Another notable consistency across these various modelling efforts is a rapid shift away from coal-fired generation. Across the different models, coal generation declines by 90 to 100% by 2030.<sup>24</sup>

A summary of those modelled outcomes, adapted from the meta-analysis' supplementary materials,<sup>25</sup> is presented below:

Model	2030 Emissions	2030 Electric CO <sub>2</sub> (% reduction in mass-based emissions from 2005)	Report Link
<b>EDF-NEMS</b>	51% net GHG reduction from 2005	80%	<a href="#">Link</a>
<b>GCAM-USA-AP</b>	50% net GHG reduction from 2005	84%	<a href="#">Link</a>
<b>LBNL</b>	50% GHG reduction from 2005	84%	<a href="#">Link</a>
<b>PATHWAYS</b>	53% net GHG reduction from 2005	85%	<a href="#">Link</a>
<b>REGEN</b>	50% net GHG reduction from 2005	66-80%	<a href="#">Link</a>
<b>USREP-ReEDS</b>	50% CO <sub>2</sub> reduction from 2005	77%	<a href="#">Link</a>

Thus, **to be in line with the best available science, SRP should establish a Generation Carbon goal to reduce total carbon emissions from SRP's generation fleet at least 80% on a mass basis as compared to a 2005 baseline.**

WRA recognizes SRP has an obligation to ensure the reliability and affordability of its system even as it takes action to reduce its environmental impact. With appropriate planning, the transition to an 80% reduction in carbon pollution can be undertaken while still maintaining reliability and affordability. Over 26 utilities across diverse geographies and business models have already committed to achieving at least an 80% reduction in

<sup>22</sup> The United States of America Nationally Determined Contribution (2022) <https://unfccc.int/sites/default/files/NDC/2022-06/United%20States%20NDC%20April%2021%202021%20Final.pdf>

<sup>23</sup> John Bistline, Nikit Abhyankar, Geoffrey Blanford, Leon Clarke, Rachel Fakhry, Haewon McJeon, John Reilly, Christopher Roney, Tom Wilson, Mei Yuan, & Alicia Zhao. *Actions for reducing US emissions at least 50% by 2030* *Science* 376 (2020), <https://www.science.org/doi/10.1126/science.abn0661>.

<sup>24</sup> Id.

<sup>25</sup> Id. Supplementary materials available at [https://www.science.org/doi/suppl/10.1126/science.abn0661/suppl\\_file/science.abn0661\\_sm.pdf](https://www.science.org/doi/suppl/10.1126/science.abn0661/suppl_file/science.abn0661_sm.pdf).



carbon emissions or to transitioning to a generation supply comprised of at least 80% clean energy resources by 2030.<sup>26</sup> In fact, WRA has worked closely with Xcel Energy over the years to develop the legal and regulatory framework that put that utility on a path to reduce carbon pollution from its Colorado operations more than 85% by 2030 as compared to a 2005 baseline, at a reasonable cost impact and while retaining reliability.<sup>27</sup>

### MASS- VERSUS INTENSITY-BASED GOALS

SRP's current Generation Carbon goal is an intensity-based, rather than mass-based. In other words, SRP's existing goal is to reduce carbon pollution per MWh generated, rather than total tons of carbon pollution.

The intensity-based approach obscures the true task at hand, which is to reduce the total tons of carbon pollution entering the atmosphere. Depending on how much SRP increases its delivered megawatt hours over the next decade, it would be possible for SRP to achieve its intensity-based goal while still increasing its total emissions. According to the Science Based Targets Initiative, "an intensity target should only be set if it leads to absolute reductions in line with climate science or is modeled using a sector-specific decarbonization pathway that assures emissions reductions for the sector."<sup>28</sup> SRP's existing intensity-based approach meets neither of these conditions.

Mass-based goals better align with the broader imperative of reducing total GHG emissions. Thus, WRA encourages you to establish a mass-based Generation Carbon goal through this process.

### CONCLUSION

Board Members can truly drive the Sustainability Goal setting process. In 2019, the Board, on its own motion, amended Staff's recommended goals to increase the ambition of the Generation Carbon goal.<sup>29</sup> This Sustainability Goals process has the potential to be one of the most impactful and important things you accomplish as an SRP Board Member and community leader.

Please do not hesitate to reach out to WRA if you have any questions or if we can be of technical assistance throughout this Sustainability Goals process.

Thank you for your service.

Sincerely,

*Alex Routhier*

Alex Routhier, Ph.D.  
Arizona Clean Energy Manager/Senior Policy Advisor  
Western Resource Advocates

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<sup>26</sup> Smart Electric Power Alliance, 2030 Club, <https://sepapower.org/2030-club>.

<sup>27</sup> Xcel Energy, Colorado Clean Energy Plan, [https://www.xcelenergy.com/company/rates\\_and\\_regulations/resource\\_plans/clean\\_energy\\_plan](https://www.xcelenergy.com/company/rates_and_regulations/resource_plans/clean_energy_plan).

<sup>28</sup> Science Based Targets Initiative, Science-Based Target Setting Manual (Version 4.1 April 2020), available at <https://sciencebasedtargets.org/resources/legacy/2017/04/SBTi-manual.pdf>.

<sup>29</sup> Salt River Project Agricultural Improvement and Power District, Board of Directors Minutes (June 3, 2019).





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January 6, 2024

Board and Management  
Salt River Project  
1500 N. Mill Avenue  
Tempe, AZ 85288  
Sent via email to [john.felty@srpnet.com](mailto:john.felty@srpnet.com)

**Re: Sustainability 2035 updates**

Dear SRP Management and Board of Directors:

On behalf of Sierra Club's Grand Canyon (Arizona) Chapter and our 32,000 members and supporters, including the thousands who are Salt River Project (SRP) ratepayers, we want to urge SRP to pursue an update to its Sustainability 2035 Plan that includes a strong, science-based carbon reduction goal.

As you know, Sierra Club was disappointed with SRP's Integrated System Plan strategies and their focus on significantly more fossil gas and the indefinite operation of the Springerville 4 coal plant. SRP is the only major utility in Arizona with no retirement date for one of its coal units, the utility that is proposing the most additional fossil gas – 2000 MW in the so-called "Balance System Plan," and the utility with the weakest carbon goals.

Gas plants emit greenhouse gases, primarily carbon, directly into the air when the gas is burned. However, extracting, processing, and transporting the gas to the power plant also have a climate impact and can include leaks of methane – as much as 4% of fracked gas is lost to leakage<sup>1</sup>. Methane is a potent greenhouse gas, about 30 times as potent global warming potential over 100 years as carbon dioxide. When including the extracting, processing, and transporting portions of the process, it greatly increases the climate warming emissions associated with the gas plants that will be added should the board adopt these strategies and give management the rubber stamp on massive amounts of gas. According to a Global Methane Assessment released in 2021 by the Climate and Clean Air Coalition (CCAC) and the United Nations Environment Programme<sup>2</sup>, human-caused methane emissions can be reduced by up to 45 per cent this decade, avoiding nearly 0.3°C of global warming by 2045 and "would be consistent with keeping the Paris Climate Agreement's goal to limit global temperature rise to 1.5 degrees Celsius (1.5°C) within reach." SRP is not doing its part to ensure that.

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<sup>1</sup> The False Promise of Natural Gas, Philip J. Landrigan, M.D., Howard Frumkin, M.D., Dr.P.H., and Brita E. Lundberg, M.D., [January 9, 2020](#), N Engl J Med 2020; 382:104-107, DOI: 10.1056/NEJMp1913663, pg 105.

<sup>2</sup> <https://www.ccaoalition.org/resources/global-methane-assessment-full-report>

Also problematic is the fact that the SRP is proposing to keep the Springerville 4 Generating Station operating indefinitely. According to the Clean Air Task Force's Toll from Coal report<sup>3</sup>, the Springerville Generating Station emits 8,930,296 tons of CO2 per year. While Springerville 4 is not responsible for all of those emissions, it is responsible for significant amounts and of course emits other pollutants as well.

We again urge you to look seriously at significantly reducing SRP's carbon emissions by 2035 using a mass-based, science-based goal. A more ambitious target that reduces CO2 by 85% (from 2005 levels) by 2035 is feasible and can generate additional emissions savings as we demonstrated in the modeling performed by Strategen<sup>4</sup> during the ISP process. The "Lower Carbon Scenario" portfolio results in cost savings of \$110 million and 49 million tons of CO2 over the study period. Re-optimizing the portfolio to include the extended tax credits, the portfolio saves \$590 million and 63 million tons of CO2. This clean energy portfolio further protects customers from fossil fuel price spikes like those experienced in early 2022 by reducing reliance on gas generation from existing units as well. After including tax credit extensions enabled by the IRA, the least cost portfolio for SRP includes no new gas generating capacity. The strong mass-based carbon reduction in this portfolio should be adopted as SRP's goal in its 2035 Sustainability Plan.

SRP is uniquely positioned to be a leader in reducing carbon emissions. Please use this plan update as an opportunity to become one. Thank you for considering our comments.

Sincerely,



Sandy Bahr  
Director  
Sierra Club – Grand Canyon Chapter

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<sup>3</sup> [https://www.tollfromcoal.org/#/map/\(title:8223//detail:8223//map:8223/AZ\)](https://www.tollfromcoal.org/#/map/(title:8223//detail:8223//map:8223/AZ))

<sup>4</sup> <https://www.sierraclub.org/sites/www.sierraclub.org/files/2022-10/Alternative%20Resource%20Plan%20for%20SRP%20ISP%202022.pdf>





# Arizona Open Meeting Law

Sarah Glover | January 8, 2024

# 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 e-mail or other means of communication among a quorum to:
  - Discuss or deliberate on Board 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

**Mayes investigating Cochise County supervisors for alleged open meeting violations**

By **Ben Giles**

Published: Friday, August 4, 2023 - 12:21pm  
Updated: Friday, August 4, 2023 - 12:43pm

**Coalition files suit, saying lawmakers are violating Arizona open meetings law**

By **Howard Fischer Capitol Media Services** Dec 5, 2019 Updated Feb 15, 2022

**Gilbert mayor's email violates law, gets town in trouble with attorney general**



**Joshua Bowling**  
Arizona Republic

Published 8:51 a.m. MT May 4, 2022 | Updated 3:01 p.m. MT May 6, 2022

**Attorney General Finds Scottsdale Unified Violated Arizona's Open Meeting Law**

December 10, 2023 Jose Borrajero

# 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 8, 2024

# 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

# 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 8, 2024

## 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 Board member must make it clear that:

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

# Social Media

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

- Identify that the page/site is the Board 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 Board as a whole

## Disclaimer

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

(Elected Official Name) is a Salt River Project Board 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 Board of Directors or Board of Governors, the Salt River Project Agricultural Improvement and Power District, or the Salt River Valley Water Users' Association.

# SRP Intellectual Property

A Board 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 Governance Committee; the Board 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 Board of Directors (hereinafter the "District Board"), 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 Board reaffirms its December 3, 2012 Resolution, Section 7, Board Communications with Third Parties, which is attached hereto as exhibit A. Provided, however, with respect to a matter that will be the subject of a Board action, the GM/CEO and SRP management shall inform the Board of such communication prior to public dissemination.
2. The District Board reaffirms its commitment to compliance with the Arizona Open Meeting Law A.R.S. §38-431 et seq. The District Board acknowledges that third party communication and social media can be subject to the Open Meeting Law and thus will request that each Board member take affirmative steps to both understand and comply with his/her respective obligations under the Arizona Open Meeting Law;
3. To the extent any Board member (individually or as a member of any group other than the full District Board) engages in third party communication regarding SRP operations or policy, such Board member shall take affirmative steps to make clear that his/her views are those solely held by the Board member and that such do not reflect the views of SRP or the District Board as a whole. An example of an appropriate disclaimer in written form is attached hereto as exhibit B;
4. To the extent a Board member (individually or as a member of any group other than the full District Board) creates or uses a social media page/site, the Board member shall take affirmative steps to identify that such media page/site is the Board member's individual page and that such is not an official SRP social media platform, and that such does not reflect SRP's position or the District Board's position. Examples of appropriate disclaimers are attached hereto as exhibit C;
5. To the extent a Board member (individually as a member of any group other than the full SRP Board of Directors) uses an internet domain name or social media page/site, the Board member shall take affirmative steps to prevent any confusion with the regard to any SRP intellectual property right. Each SRP Board 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 to the SRP President and the SRP GM/CEO for review and approval;
6. To the extent that a Board member (individually or as a member of any group other than the full District Board) 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 Board member shall provide the identity of each such to the SRP President and the SRP GM/CEO for review and approval for continued use;

7. In the event a Board 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 and SRP GM/CEO and the Board member continues to use or desires to use such, it will be presented to the Governance Committee who shall review and make a recommendation to the District Board regarding such use and Board member’s request. The District Board shall then determine what action, if any, is to be taken with respect to the individual Board member and the requested use;
8. To the extent that any SRP District Board member engages in third party communication regarding SRP operations or policies, such SRP District Board member is expected to take affirmative steps to demonstrate the highest standards of personal integrity and conduct. Every Board member shall comply with all obligations regarding limitations of disclosure of any SRP confidential or proprietary information.

– Definitions

For purposes of this policy, (a) the term “third party communication” shall mean all forms of communication, oral, written and electronic, between a Board 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**

DISTRICT BOARD MINUTES DECEMBER 3, 2012

- (2) Be the executive liaison to the President, the Board of Directors and the Council, and shall provide material updates to allow the Board and Council to fulfill their statutory duties;
- (3) Establish and maintain relationships with SRP's key stakeholders;
- (4) Provide leadership to SRP workforce;
- (5) Provide strategic vision for SRP, communicate such to the Board, and implement such upon approval of the Board.

**Section 6. Organizational Structure of the Relationships Between the Board, the President, the GM/CEO and the Council.**

Attachment B, as attached, provides a graphic display of the general relationships between the Board, the President, the GM/CEO and the Council.

**Section 7. Board Communication with Third Parties.**

- (1) SRP Board Members, from time to time, may receive inquiries from outside sources concerning SRP business.
- (2) As a general rule, individual Board Members are not authorized to be a spokesperson for SRP. A Board Member receiving an inquiry or request for comment regarding SRP business should refer the communication to the President and the GM/CEO or other such individual as designated by the GM/CEO to respond.
- (3) To the extent that a Board Member responds to a public inquiry about SRP business, the Board Member should advise the President and the GM/CEO of such substantive communication.
- (4) As a general rule, the GM/CEO and the GM Staff shall formulate and coordinate all SRP's communication with the public and shall inform the Board of such activities as appropriate.
- (5) This resolution shall not be interpreted to interfere with or impair the ability of an elected official to communicate his or her position to the electorate.

**Section 8. Board Access to SRP Management.**

- (1) The Board of Directors, subject to the specific sections below, should respect the table of organization (Attachment A) with regard to any communication with SRP Management.
- (2) The Board of Directors should primarily use the President and secondarily, the GM/CEO and the GM Staff, as the liaison for communication, requests for information and/or action from the Board to SRP Management and their employees. The President and the GM/CEO shall keep each other informed of all such material communications and requests.



# **Exhibit B**

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

(Elected Official Name) is a Salt River Project Board 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 Board of Directors or Salt River Project Agricultural Improvement and Power District.

# Exhibit C

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.





# SRP Standards of Conduct Training

Alysha Gilbert | January 8, 2024



# The Standards of Conduct (SOC)

- The SOC were established by the SRP Board to govern the use of confidential transmission information and to help ensure fair wholesale energy and transmission markets
- While the Federal Energy Regulatory Commission (FERC) adopted SOC rules applicable to regulated utilities, the SRP Board established SRP's SOC to be consistent with FERC's rules
- All SRP employees, officers, directors, contractors and consultants must be trained on and comply with the SOC

# SOC Employee Classifications

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



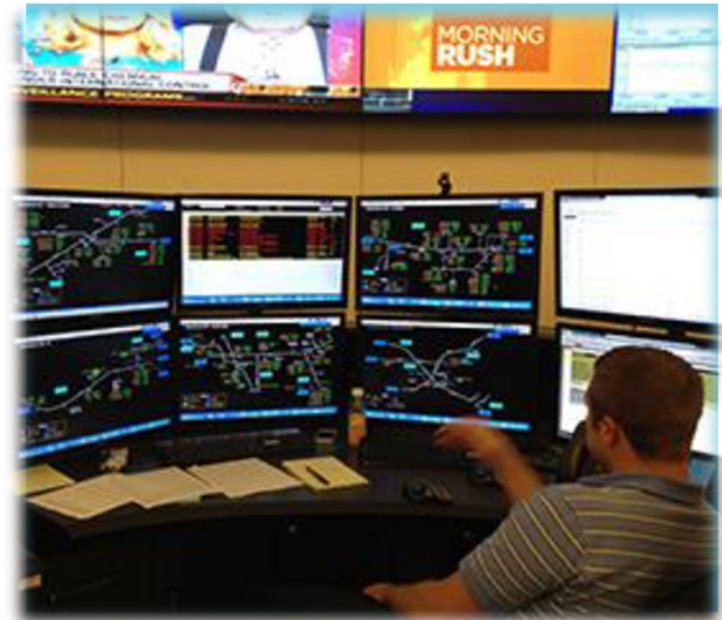
# Transmission Function Employees and Transmission Functions

**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”

TFEs include, for example:

- Transmission Compliance & Modeling Engineer
- Fire Mitigation Specialist
- Grid Operations Manager



# 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”

MFEs include, for example:

- Director of Supply and Trading and Fuels
- Short Term Trader



## 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
- Board and Council members are considered No Conduit Employees under the SOC

## General Requirements of the SOC

- **Independent Functioning:** TFEs must operate independently from MFEs and cannot perform mixed functions
- **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
- **Non-Discrimination:** SRP must treat all transmission customers (both affiliated and non-affiliated) the same
- **Transparency:** SRP must ensure certain information is posted on its OASIS

## Non-Public Transmission Function Information

- 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

## Limited Exceptions

- There are limited exceptions to the Independent Functioning and No Conduit rules.
- Subject to recordkeeping requirements, TFEs may share Non-Public Transmission Function Information with an MFE provided it is:
  - Necessary to (a) perform generation dispatch or (b) maintain or restore operation of the transmission system or generating units; or
  - Furnished to comply with reliability standards
- If a TFE shares such information with an MFE, SRP must make a contemporaneous record of the information exchanged

## Limited Exceptions

- In an emergency, the SOC permits SRP to take whatever actions are needed for safe and reliable operation of the transmission system
- TFEs may act, as necessary, to protect/restore the transmission system, including sharing Non-Public Transmission Function Information with MFEs
- In an emergency, SRP must make a record of information shared as soon as practicable after the fact

## 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
- Karilee Ramaley, SRP SOC Chief Compliance Officer (602-236-3072),
- SRP SECURELINK: 800-618-2227 (*A 24/7 private and anonymous reporting line*)





**thank you!**



# Public Records Law

Kathleen A. Heth | January 8, 2024

# Arizona Public Records Act

- A.R.S. § 39-101 *et seq.*
- Purpose: Accountability and transparency in government
- Originally adopted in Arizona in 1901
- 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 Public 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
- Includes metadata

# 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.
- **“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. . .”
- **SRP’s Position**

## Public Records Law Cont.

- “Any Person”
- Does not need to be in writing and does not need to be served
- No volumetric limitation
- No subject matter limitation
- No temporal limitation
- Requestor’s need, good faith, or purpose are entirely irrelevant to the disclosure
- Exceptions limited to privacy, confidential by statute and best interests of the state

# Sierra Club Superior Court Order & Current Appeal

- Fall 2021 Sierra Club requests records related to the IRP and Coolidge Expansion
- SRP responded and voluntarily produced over 4000 pages of responsive records
- June 14, 2022 Sierra Club filed Special Action Amended Complaint (Superior Court) under PRA seeking additional documents
- May 5, 2023 Judge Sinclair (Superior Court) issued Order Dismissing the Complaint
- Dec. 7, 2023 Sierra Club appealed to Arizona Court of Appeals and filed Opening Brief
- SRP's Response and Opening Brief on Cross Appeal due Feb. 15, 2024
- Issues on appeal:
  - Are the records withheld by the District exempt or outside the ambit of the PRA?
  - How does ARS § 30-805(B) regarding confidentiality relate to public records requests?



**Questions?**

**Thank you!**



An aerial photograph of a large dam situated in a deep, rugged canyon. The dam is a curved concrete structure that spans across a river, creating a reservoir. The surrounding cliffs are high and layered, showing signs of erosion. The lighting suggests it's either early morning or late afternoon, with long shadows and warm tones. The sky is clear and blue.

# Board Report

Board Meeting

January 8, 2024



# Current Events

Jim Pratt



# Power System Update

John Coggins

# Operational Updates – December 2023

- Customer peak demand: 3709 MW
  - Occurred on December 14
  - 729 MW lower than forecast
- Assets performed well overall
- Maintenance season continues

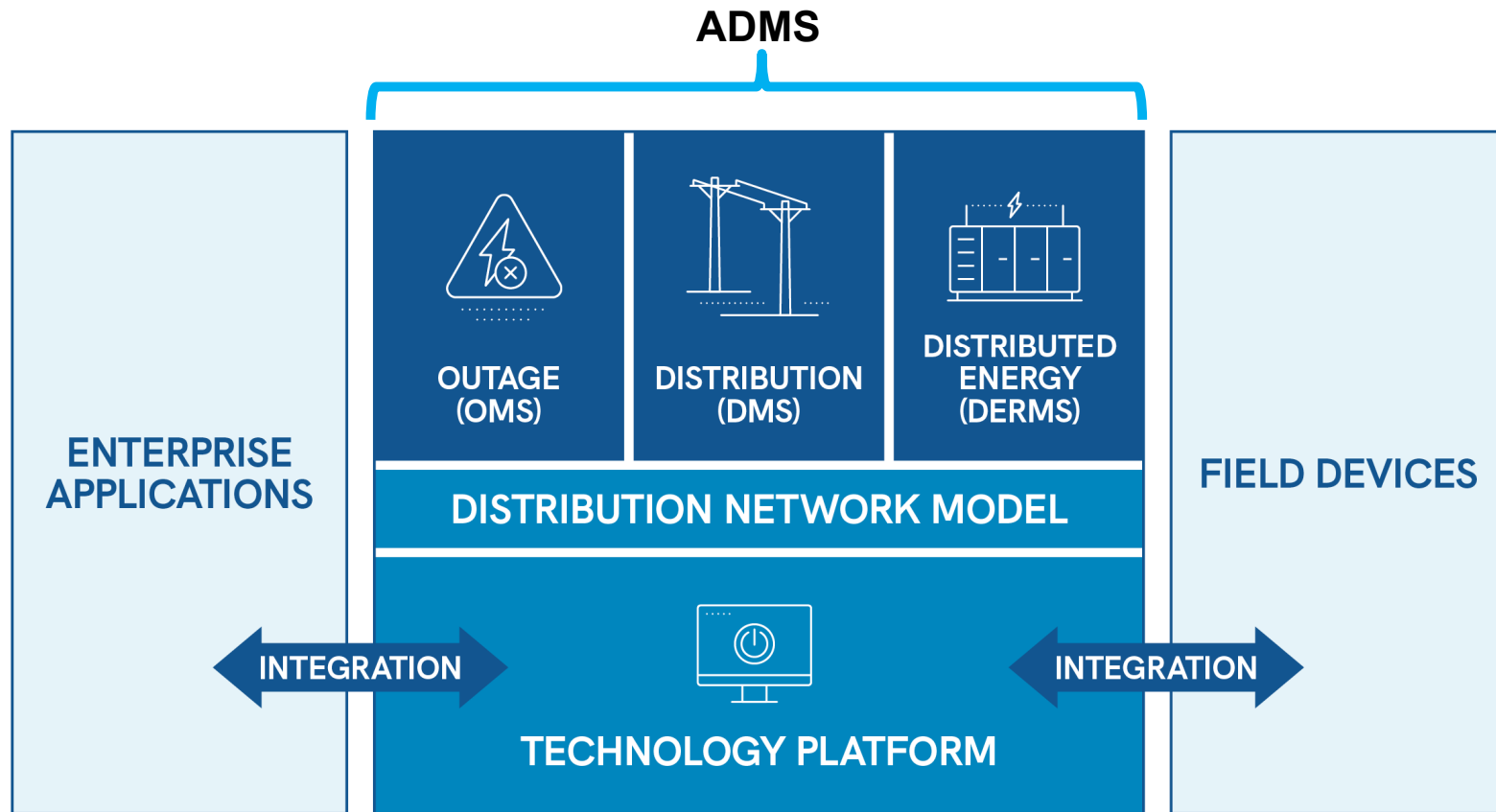


# Advanced Distribution Management System (ADMS)

- ADMS is a software platform that comprises a suite of applications used for real-time management of an electric distribution grid
- The ADMS Foundation project is the initial deployment
  - Launched in November 2020
  - Replaces existing Outage Management System (OMS) that has been in place since 2004
  - Initial project cost = \$21M
- ADMS Advanced phase will deploy additional functionality
  - Annual release cycle with parallel workstreams



# ADMS Architecture



# ADMS Functions



## Outage Management System (OMS)

- System isolation/return to normal for planned outages
- Unplanned outage identification and restoration
- Timely outage information to customers



## Distribution Management System (DMS)

- Real time analysis and control of the grid
- Analysis of feeder reconfiguration using power flow tool
- Emergency load shed program



## Distributed Energy Resource Management System (DERMS)

- Awareness, forecasting, and modeling of DERs
- Scheduling and control of DERs to support advanced customer programs

# ADMS Foundation Status

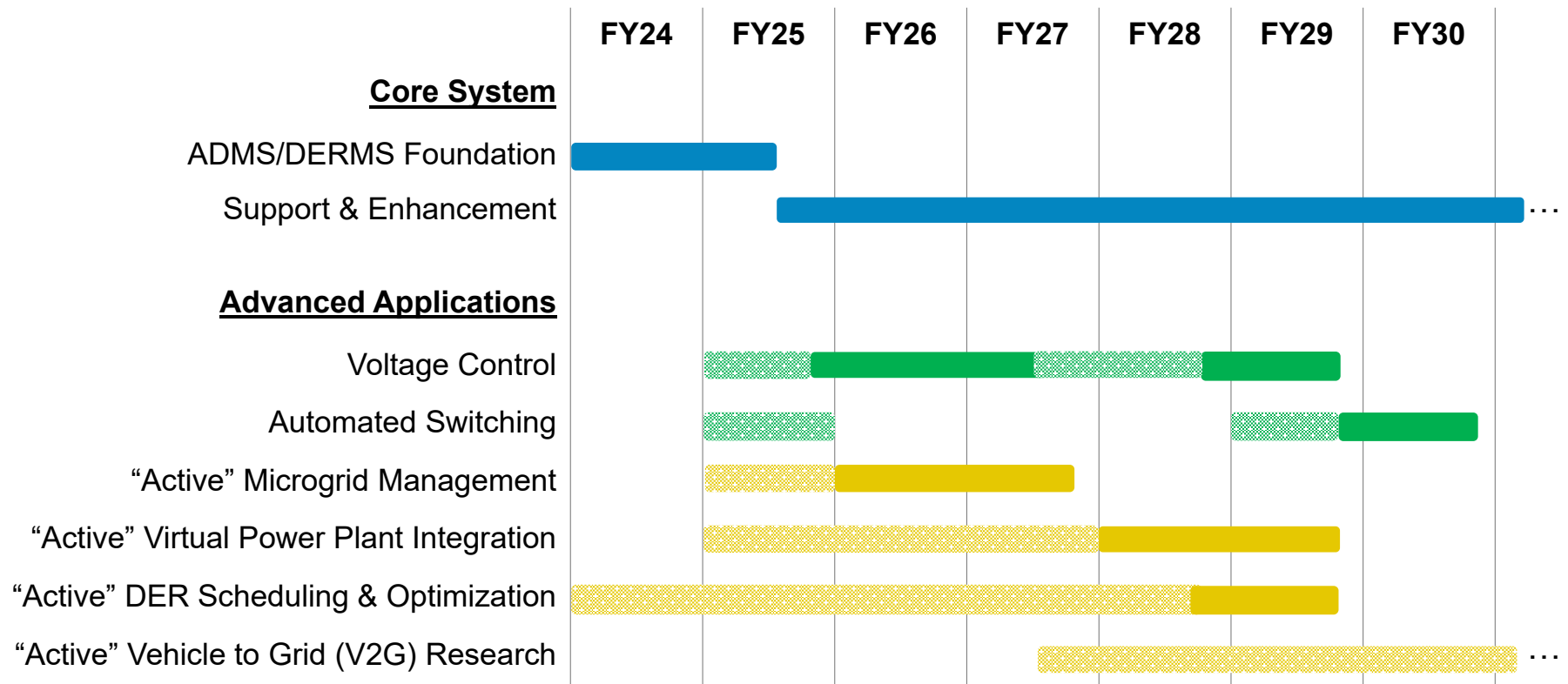
Schedule Status	Date
Planned Go-Live	3/15/24
Forecast	12/3/24

Budget Status	Total
Overall Budget	\$21.2M
Current Forecast	\$22.5M



Risks/Issues	Accomplishments	Upcoming Activities
<ul style="list-style-type: none"> <li>System readiness</li> <li>Vendor resource retention</li> </ul>	<ul style="list-style-type: none"> <li>Full system delivery</li> <li>Site Acceptance Testing Complete</li> </ul>	<ul style="list-style-type: none"> <li>Stabilize system &amp; defect resolution</li> <li>Complete final testing with defects resolved (June)</li> </ul>
<ul style="list-style-type: none"> <li>Shift FY24 costs to FY25</li> </ul>	<ul style="list-style-type: none"> <li>Shared project delay cost with vendor</li> </ul>	<ul style="list-style-type: none"> <li>Include new forecast in FP25 Phase 2</li> </ul>

# Advanced ADMS Roadmap



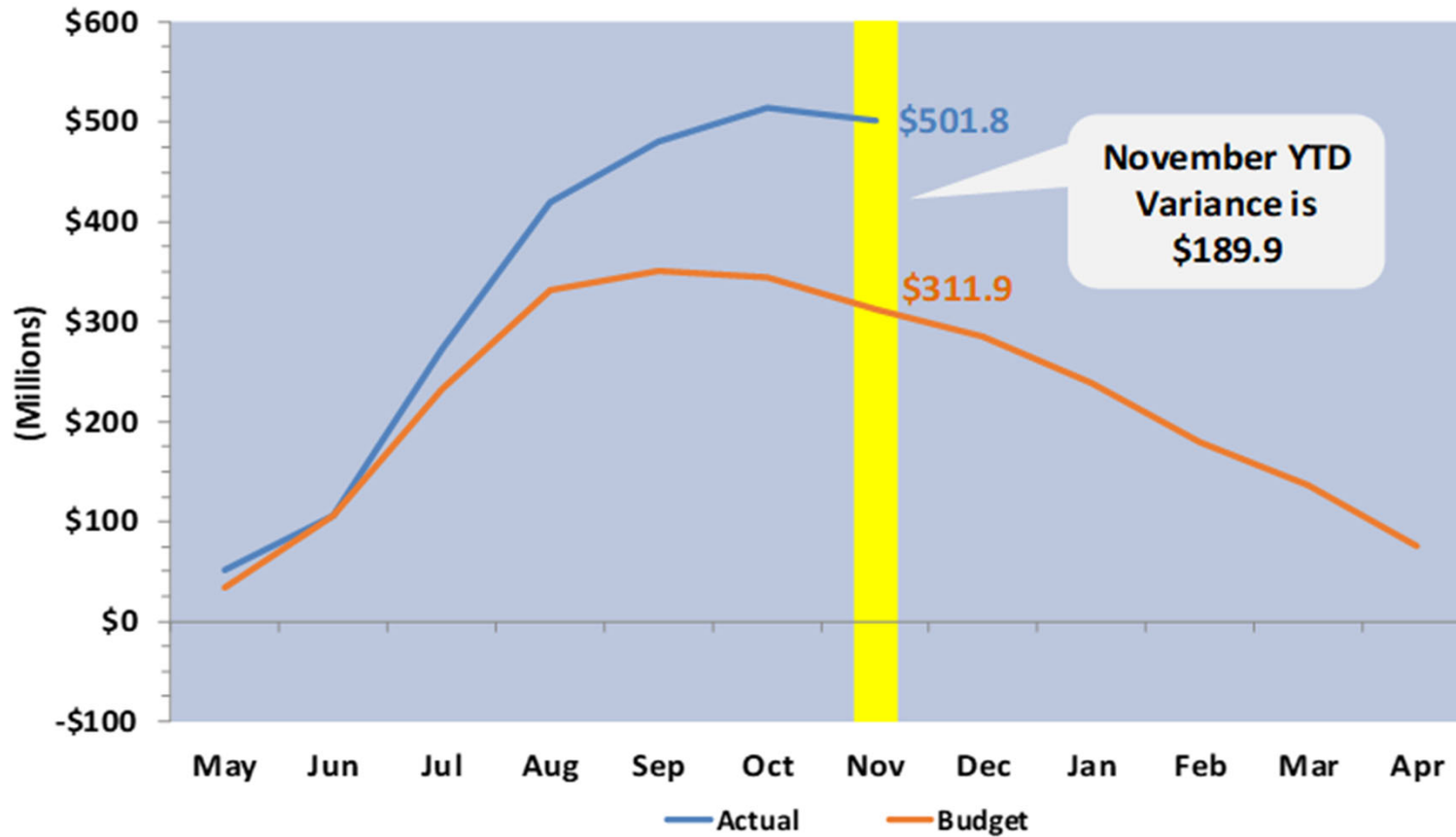
█ DMS    
 █ DERMS    
  Studies & R&D Activities    
  Planned Deployment



# Financial Update

Aidan McSheffrey

# Combined Net Revenues



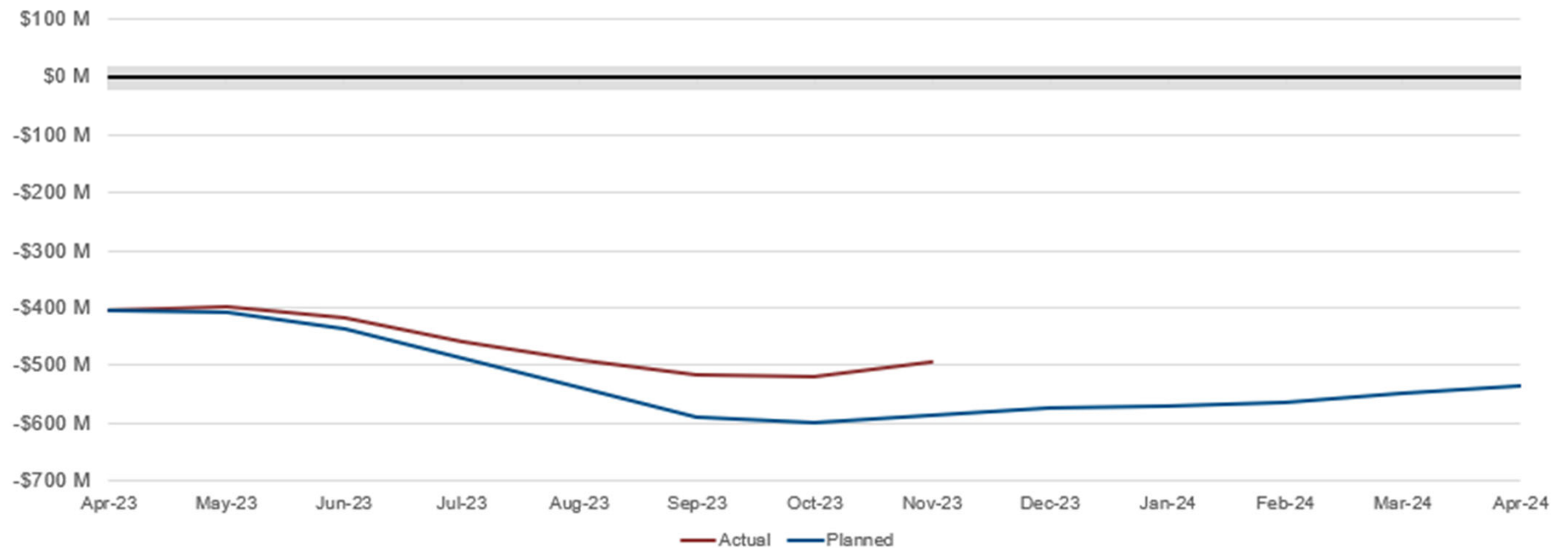


# Financial Summary

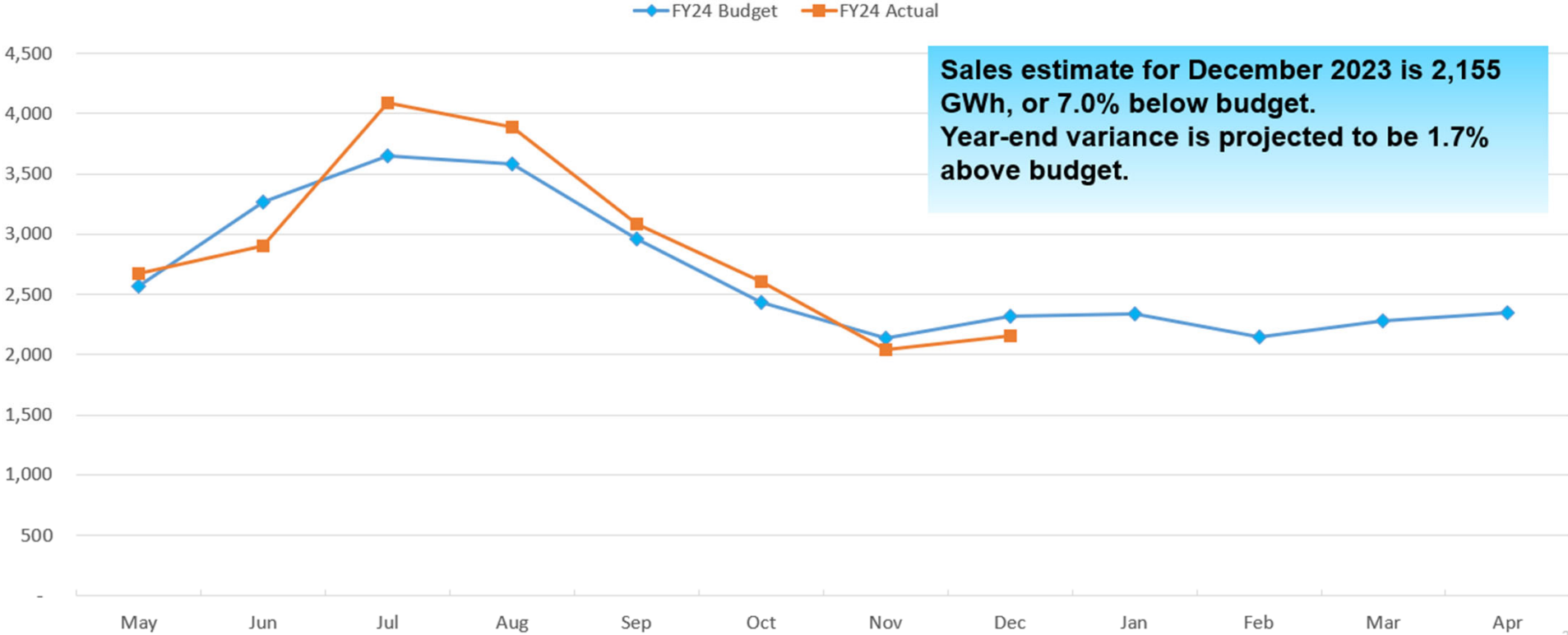
## November 2023

\$ Millions	Actual	Budget	Variance	% of Budget
Combined Revenues	\$288.1	\$251.3	\$36.8	115%
Combined Expenses	\$299.7	\$284.1	\$15.6	105%
Comb Net Revs (Loss)	(\$11.6)	(\$32.8)	\$21.2	35%
Funds Available	\$24.6	\$3.1	\$21.5	797%
Capital Expenditures	\$96.7	\$149.5	(\$52.8)	65%

# Fuel and Purchased Power Adjustment Mechanism Fiscal YTD Through November 2023



# FY24 Preliminary Retail Energy Sales (GWh)



# December Wholesale Summary

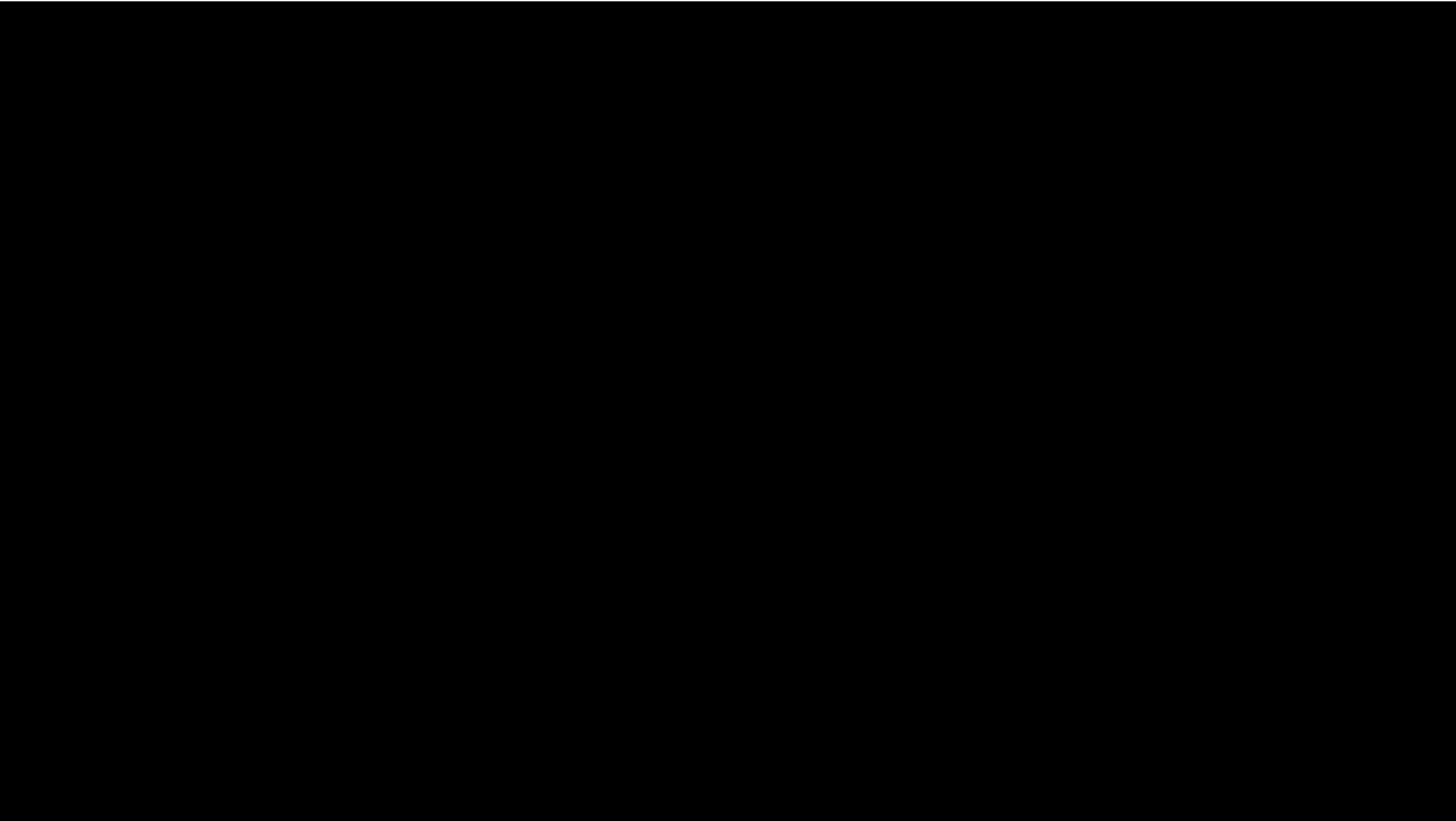
## Wholesale Net Revenue

Budget  
\$8.6M

Estimate  
\$13.1M

### Primary Drivers:

- Above budget wholesale sales volumes
  - Below budget retail load
  - Sales opportunities created by regional unit outages



# Water Stewardship

Leslie Meyers

# **Gila River Water Storage, LLC and Vidler Water Company Long-Term Storage Credit Sale**

# GRWS – Vidler Background

- The Gila River Indian Community (GRIC) and SRP formed Gila River Water Storage, LLC.
- Arizona’s Assured Water Supply program has strict requirements for new development.
- Vidler Water Company is a subsidiary of DR Horton, a public traded company that is one of the largest home builders in the US.



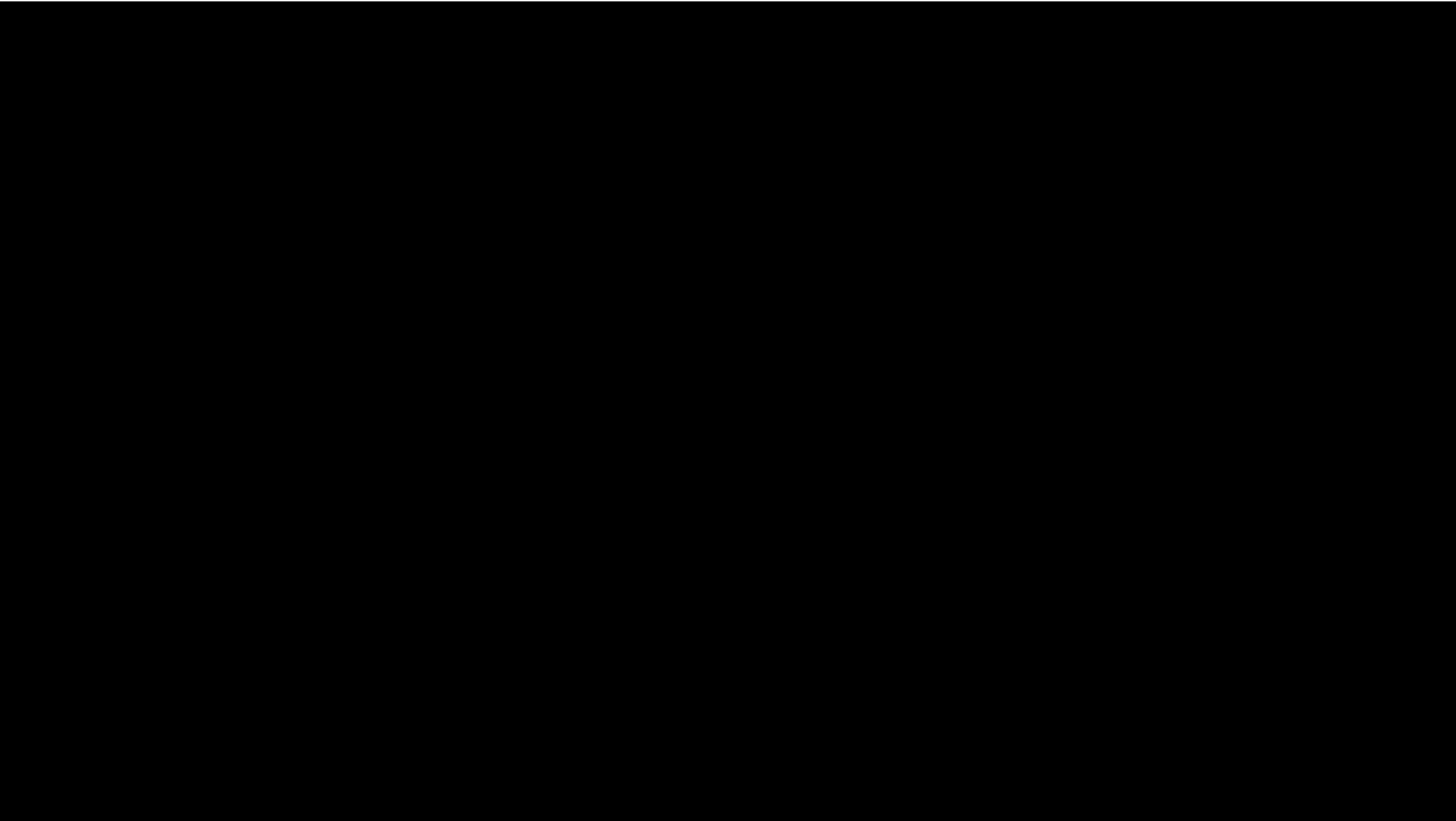
**D·R·HORTON**<sup>®</sup>  
*America's Builder*

**VIDLER**  
*Water Quality. Life.*



## GRWS – Vidler LTSC

- Vidler is acquiring LTSC's from GRWS for development projects in the Hohokam Irrigation and Drainage District area.
- The Long-Term Storage Credits acquired by Vidler can be used in support of their Assured Water Supply.



## Operating Environment November 2023

	Actual	Budget	Variance	% of Budget
Elec Customers – Nov 2023	1,152,434	1,146,242	6,192	101%
Elec Customers - April 2023	1,135,989			
Elec Customers – Nov 2022	1,129,634			
System Sales GWH	2,042.8	2,139.1	(96.3)	95%
Wholesale Sales GWH	999.7	310.4	689.3	322%
Total A.F. Water Delivered	46,737	49,000	(2,263)	95%

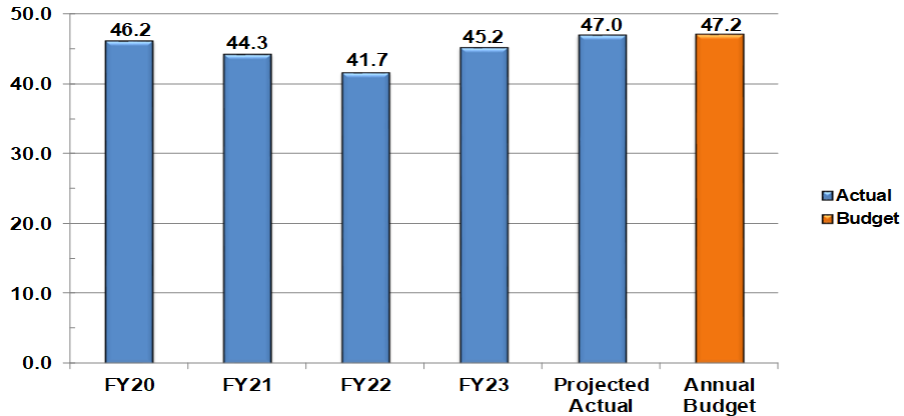
(Non-GAAP, Unaudited)

## Financial Summary November 2023

\$ Millions	Actual	Budget	Variance	% of Budget
Combined Revenues	\$288.1	\$251.3	\$36.8	115%
Combined Expenses	\$299.7	\$284.1	\$15.6	105%
Comb Net Revs (Loss)	(\$11.6)	(\$32.8)	\$21.2	35%
Funds Available	\$24.6	\$3.1	\$21.5	797%
Capital Expenditures	\$96.7	\$149.5	(\$52.8)	65%

(Non-GAAP, Unaudited)

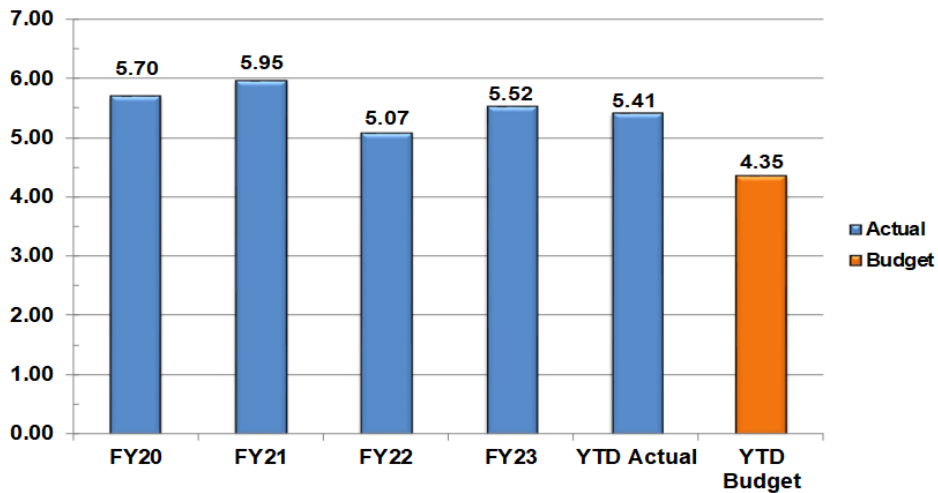
## Debt Ratio November 2023



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

(Non-GAAP, Unaudited)

## Debt Service Coverage Ratio November 2023



Note: Debt Service Coverage Ratio on Total Debt

(Non-GAAP, Unaudited)



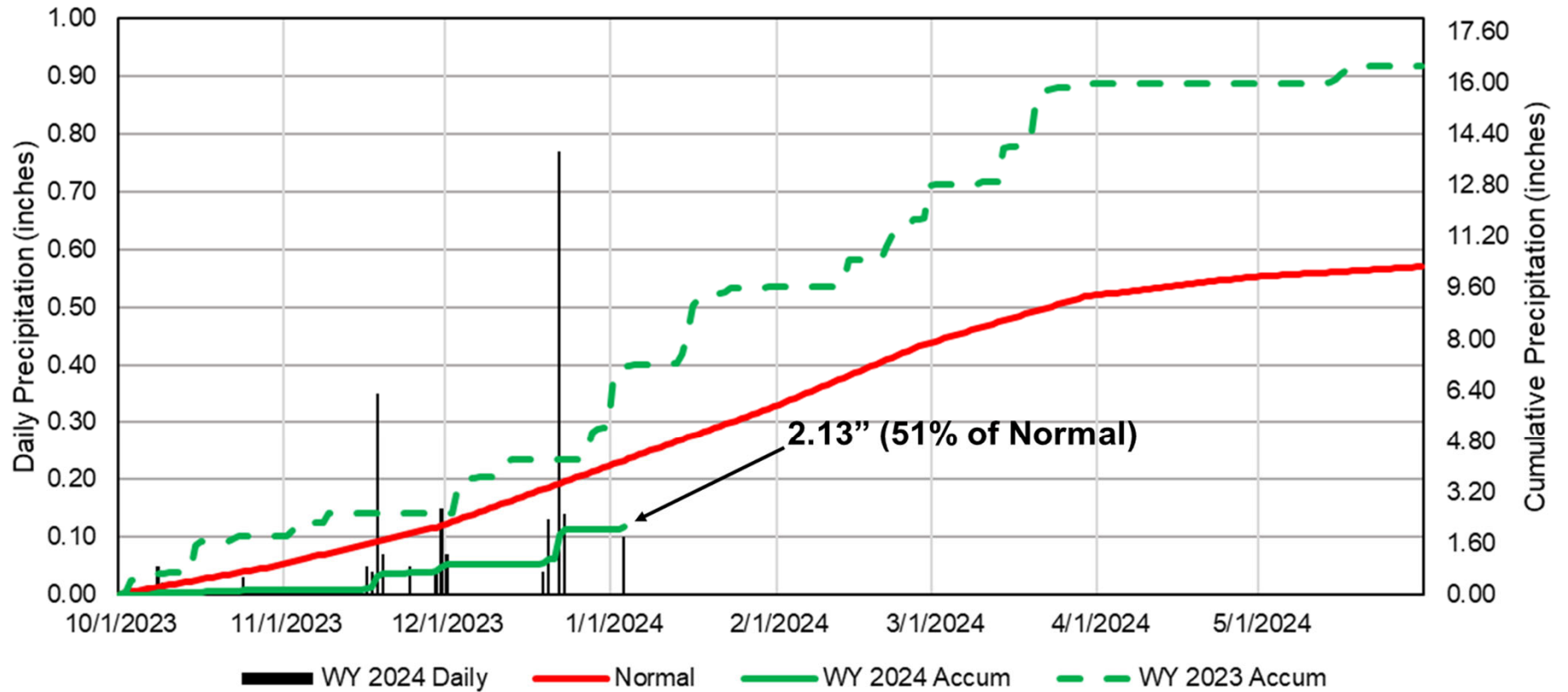
# Water Supply and Weather Report

January Board Meeting

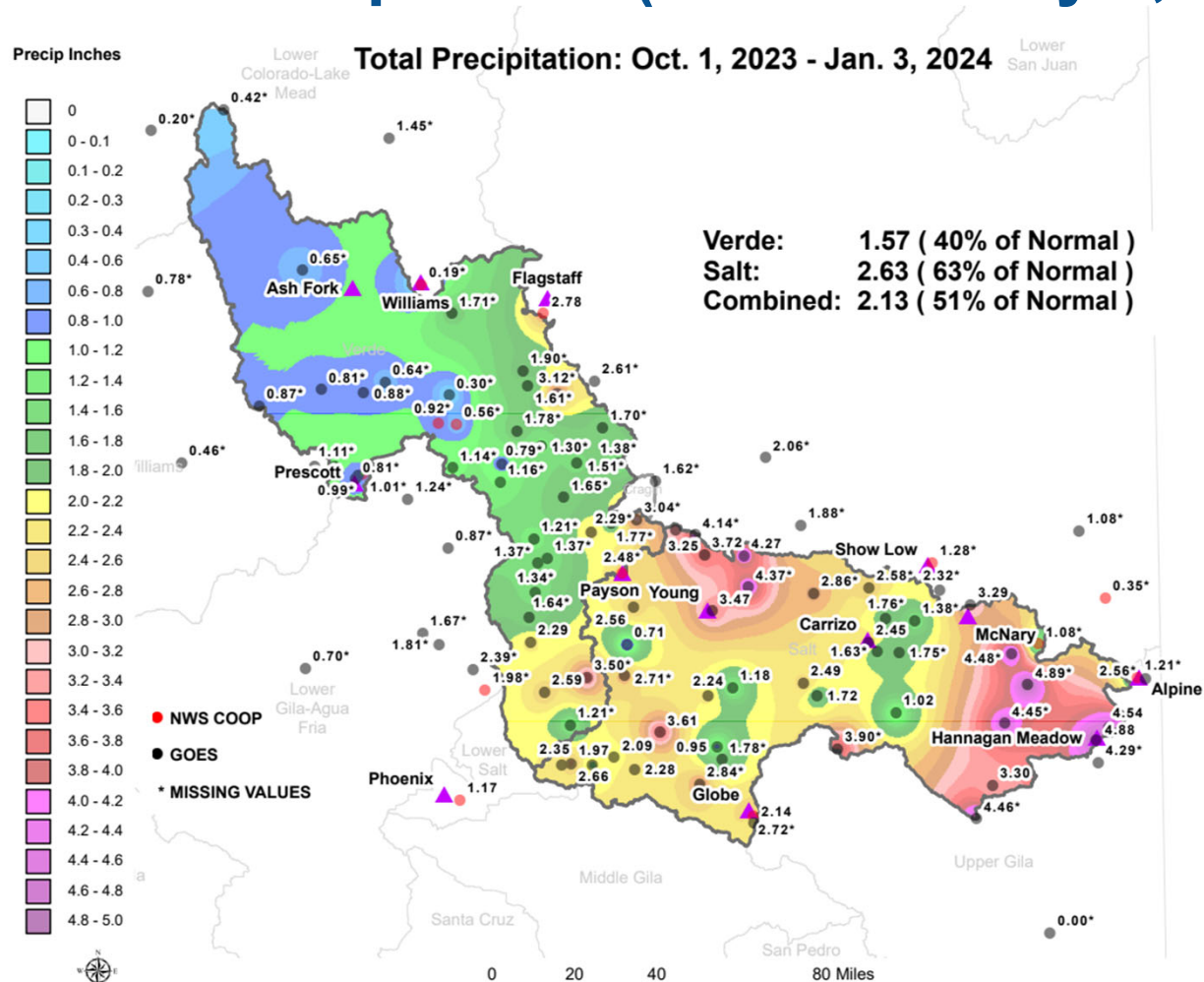
January 8, 2024

Bo Svoma

## Cumulative Watershed Precipitation: Fall-Winter-Spring (WY 2024)



# WY 2024 Precipitation (as of January 3, 2024)







**8" at Bar-M (6,300' on I-17)**

SPARTAN BAR-M T 01/08/2024 07:49:43 -12°F



**35" at Eagle Feather (10,200' nr Sunrise Ski)**

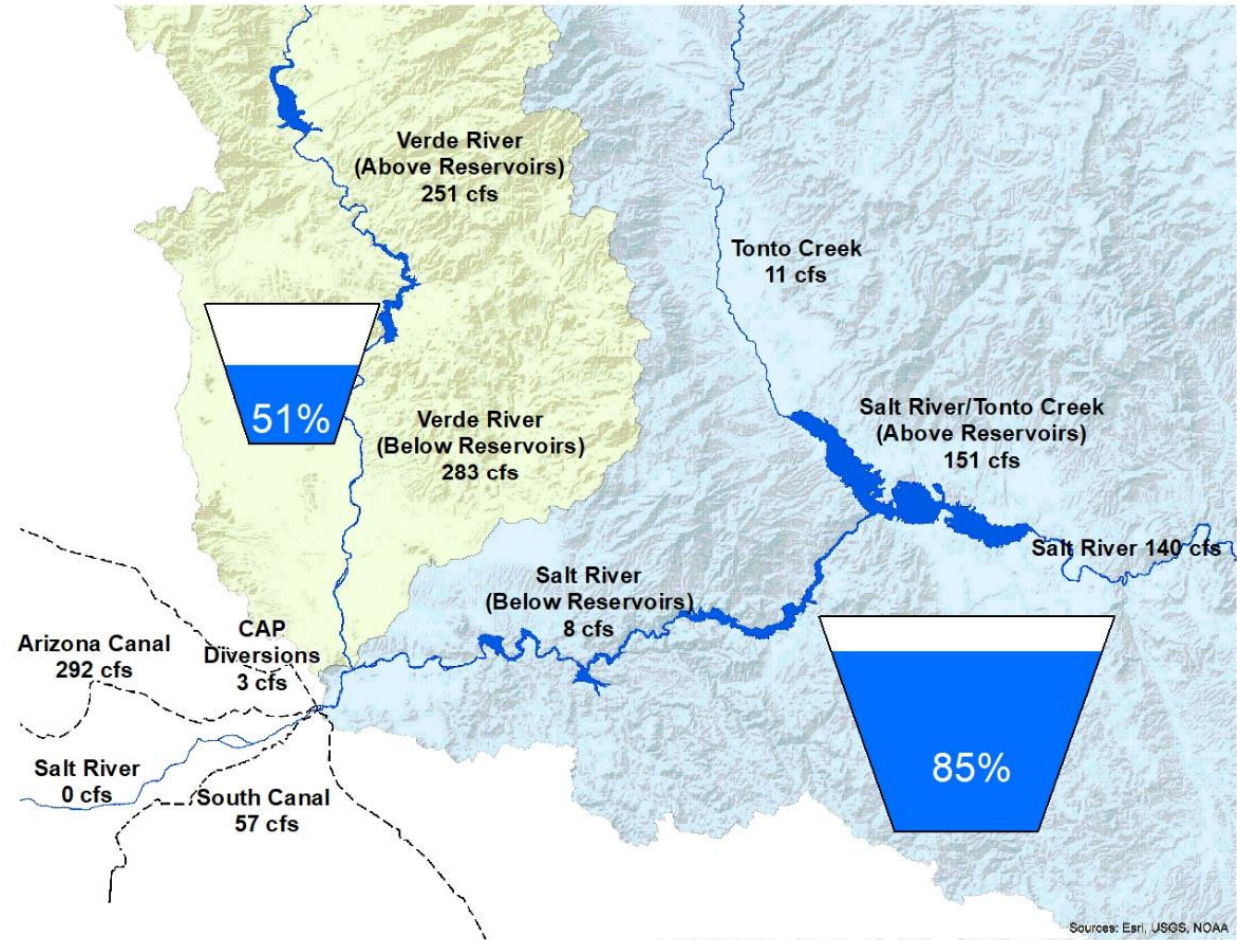
SPARTAN eagfthr T 01/08/2024 07:32:38 000°F P0

# SRP Reservoir System Status

January 1, 2024

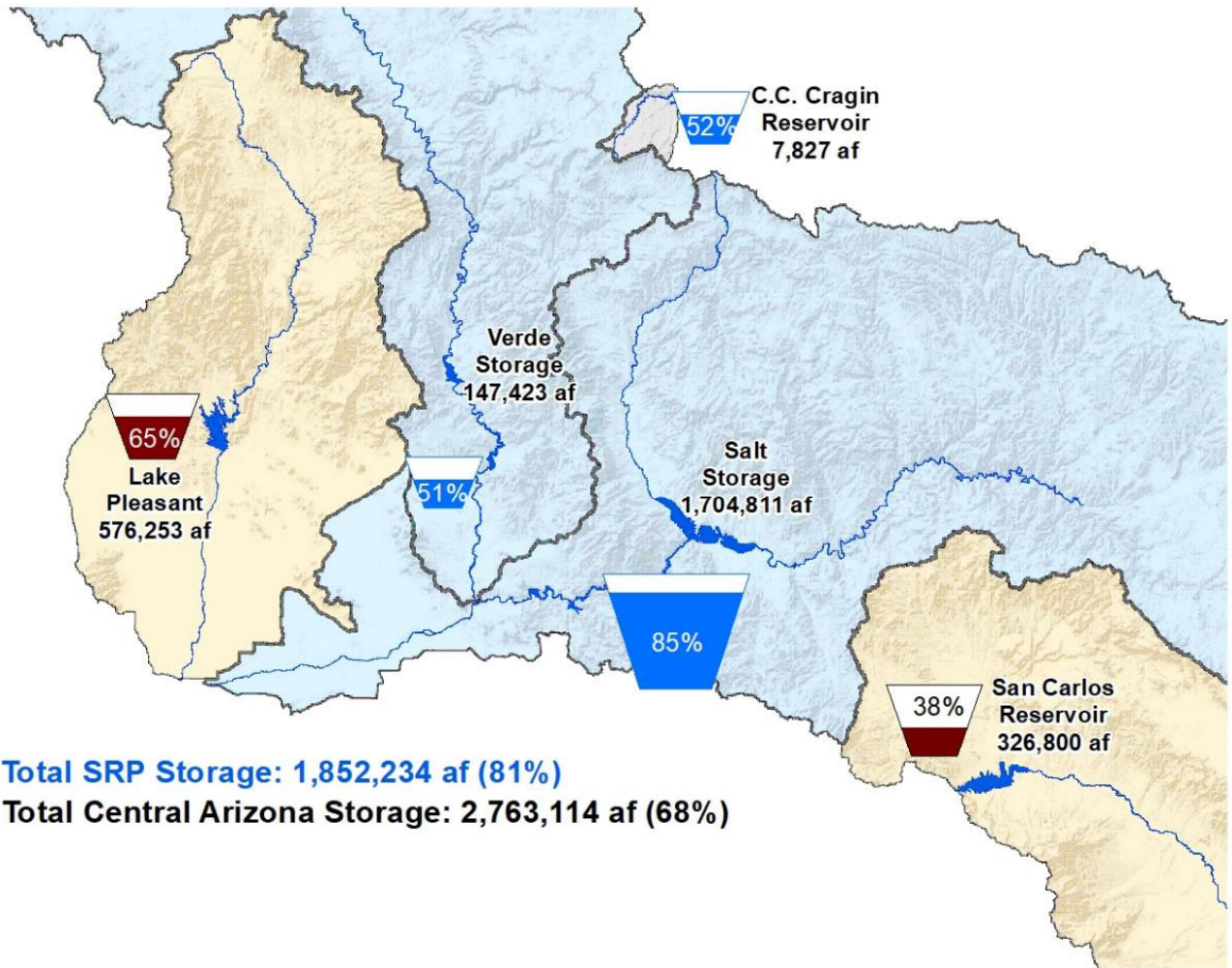
## Current Storage:

Salt	1,704,811 AF
Verde	147,423 AF
<b>Total</b>	<b>1,852,234 AF</b>

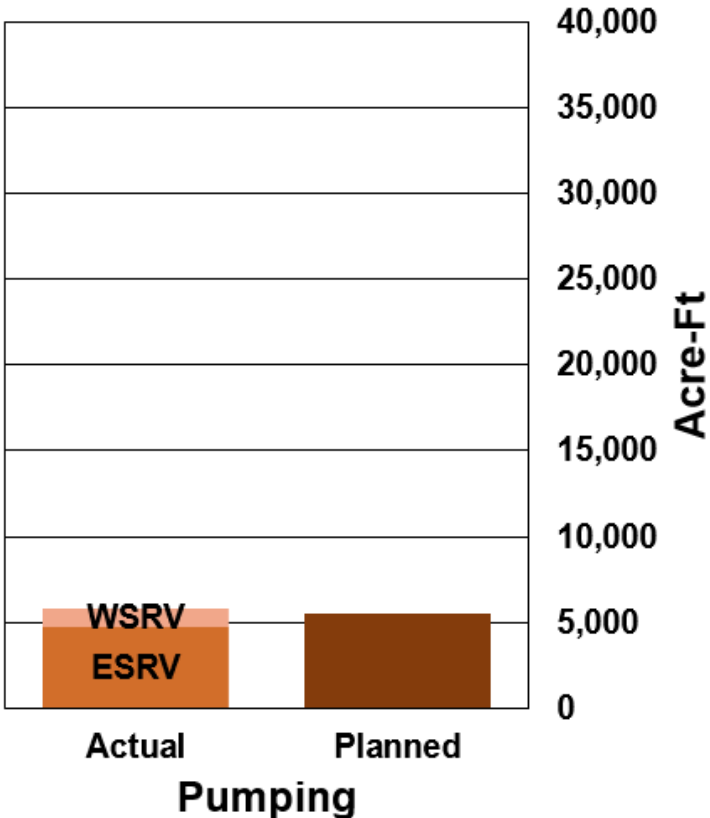
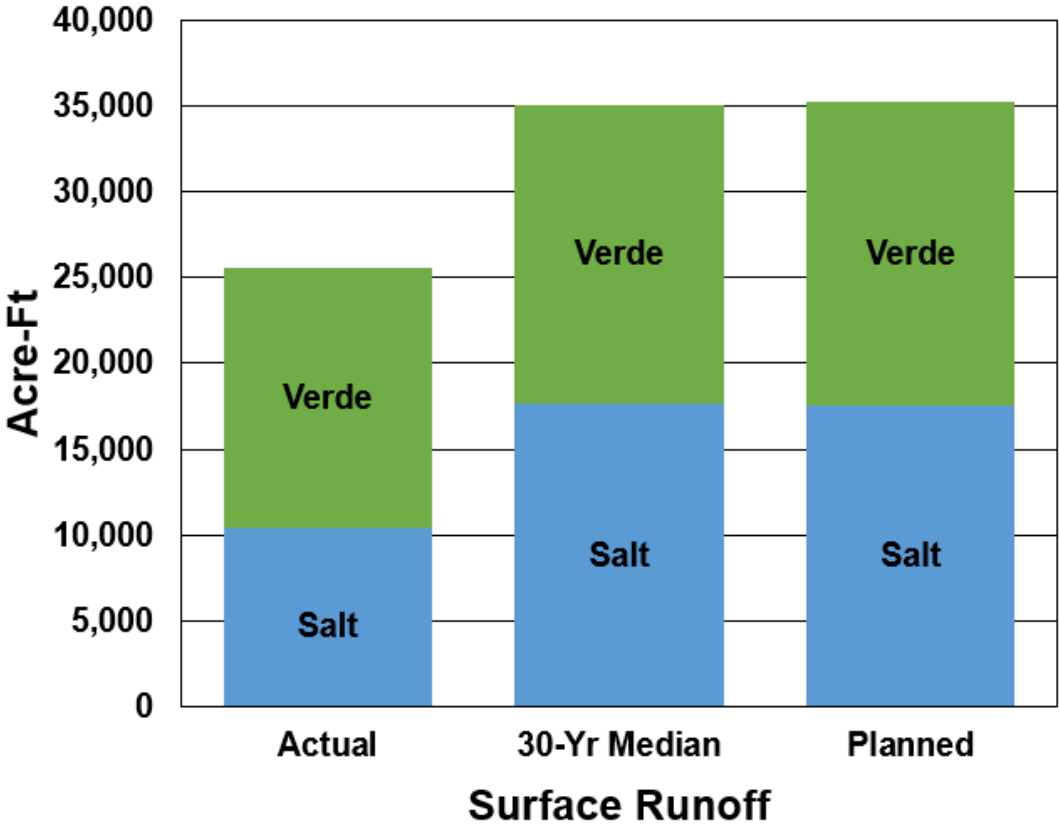


# Central Arizona Reservoir Status

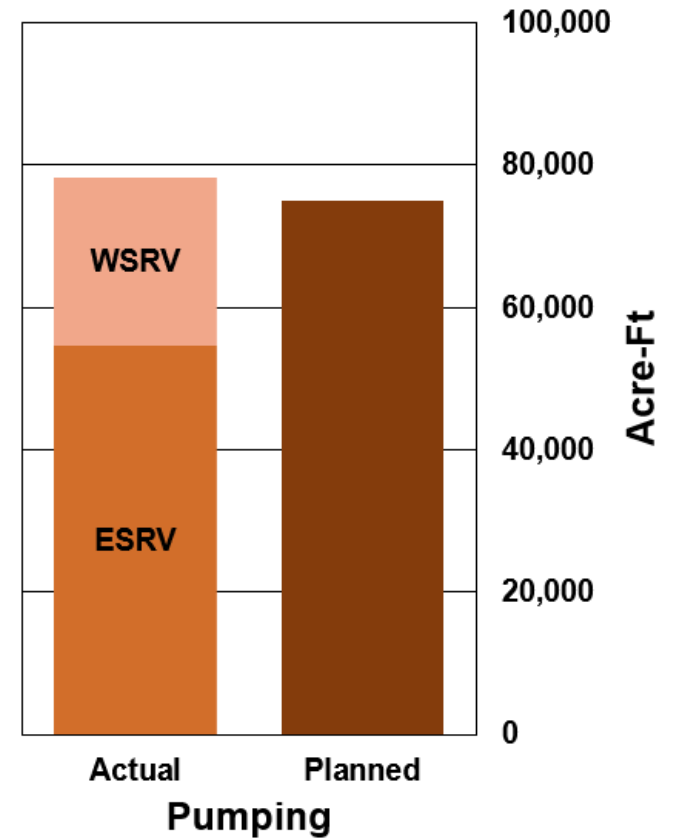
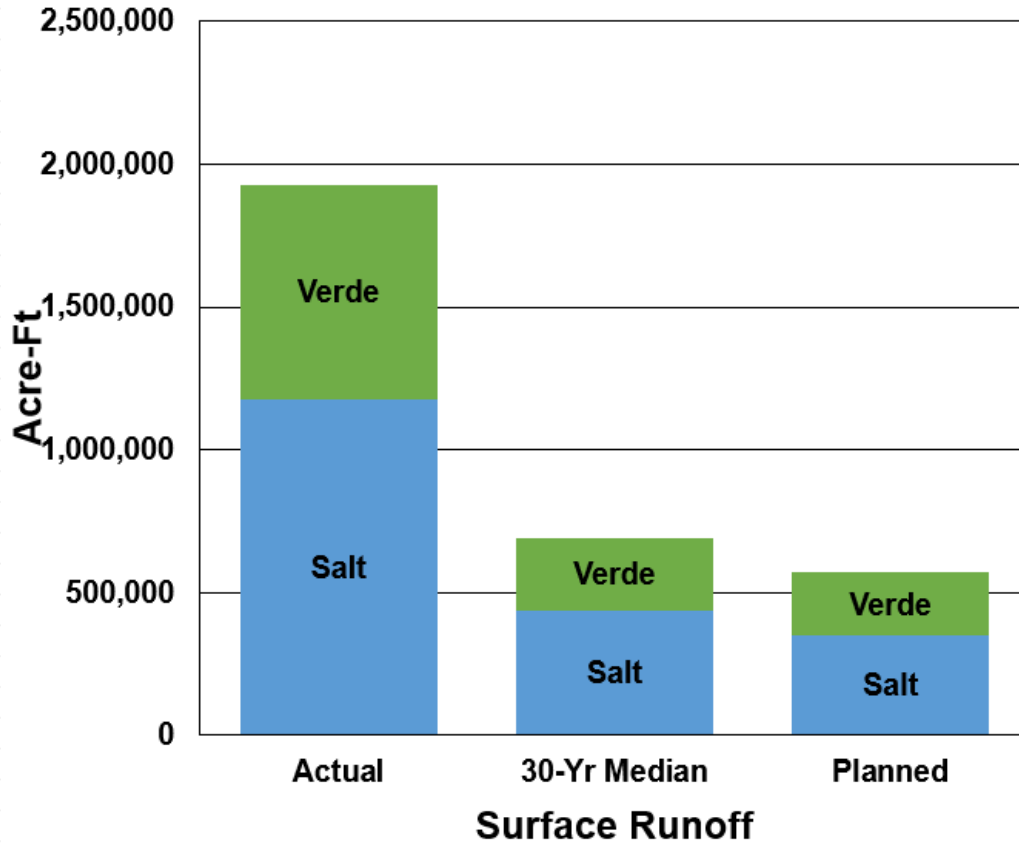
## January 1, 2024



# December 2023



# Year to Date 2023

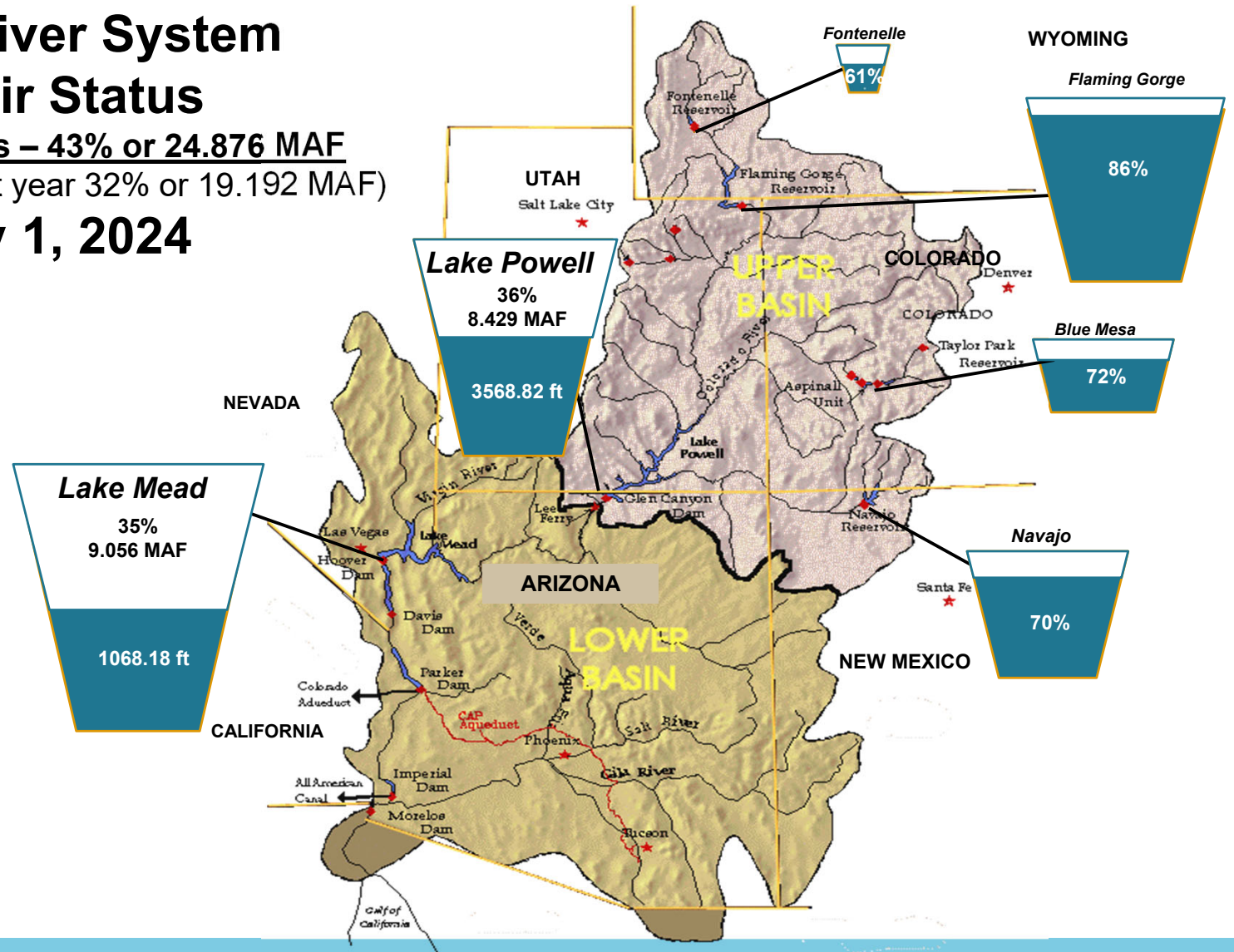


# Colorado River System Reservoir Status

**Total System Contents – 43% or 24.876 MAF**

(Total system contents last year 32% or 19.192 MAF)

**January 1, 2024**

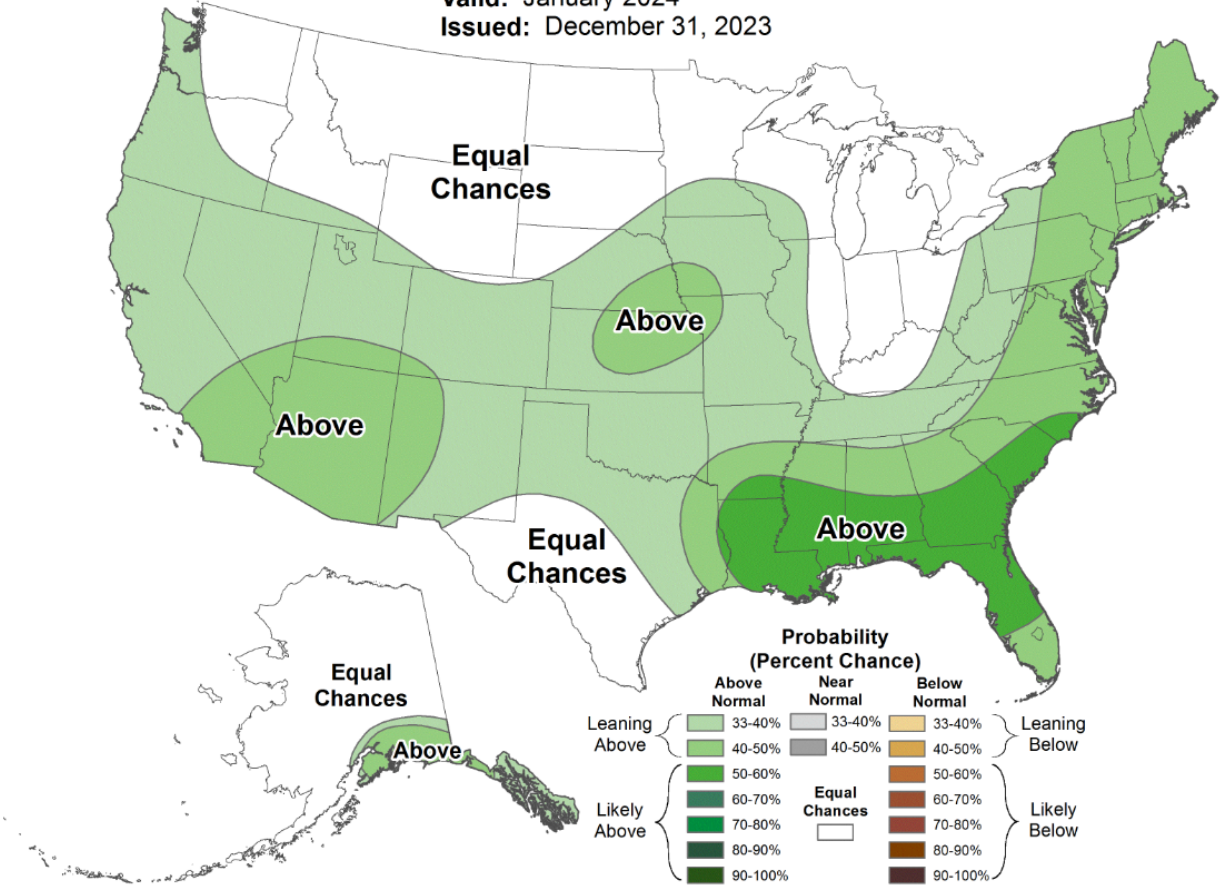


# January 2024 Outlook

## Monthly Precipitation Outlook



Valid: January 2024  
 Issued: December 31, 2023



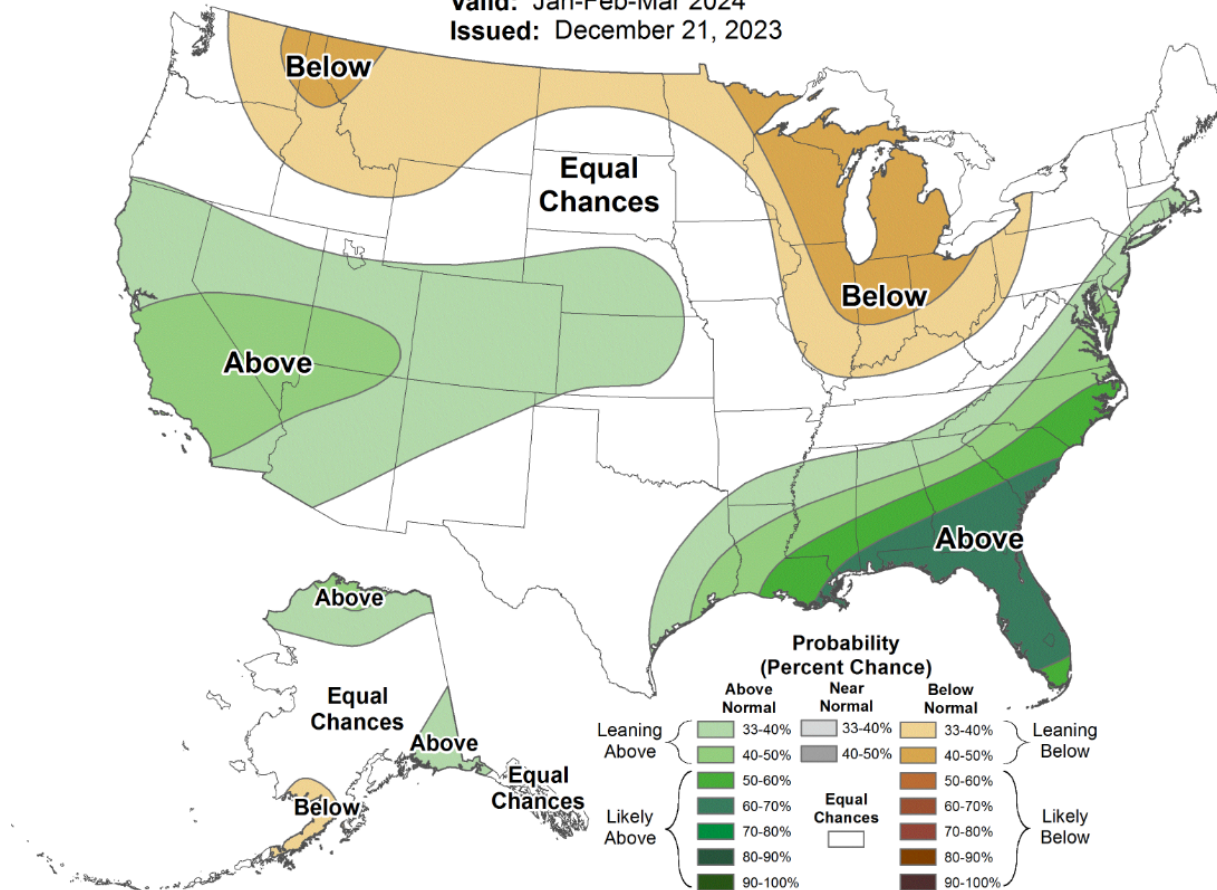
# Jan. – Mar. 2024 Seasonal Outlook



## Seasonal Precipitation Outlook

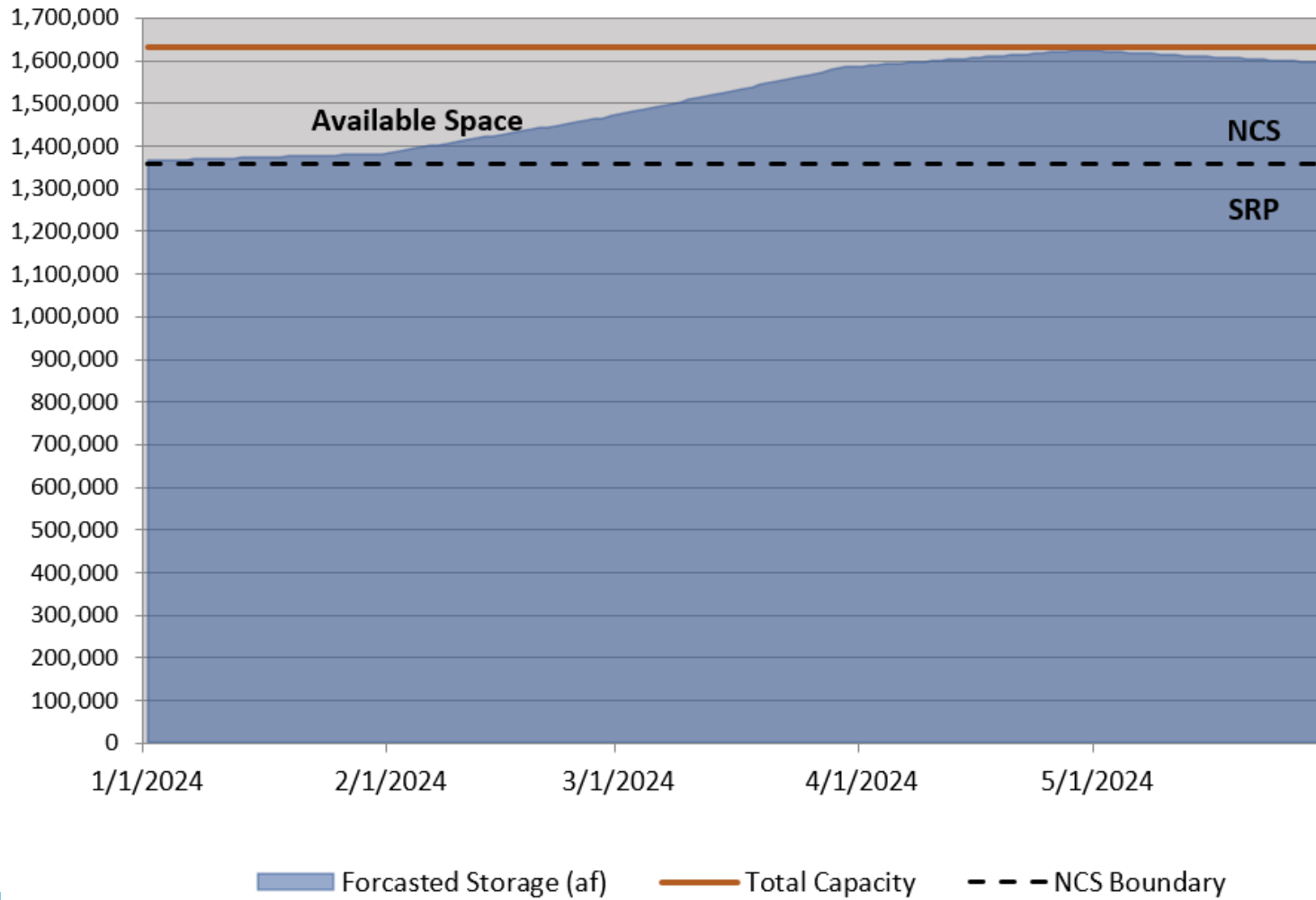


Valid: Jan-Feb-Mar 2024  
 Issued: December 21, 2023

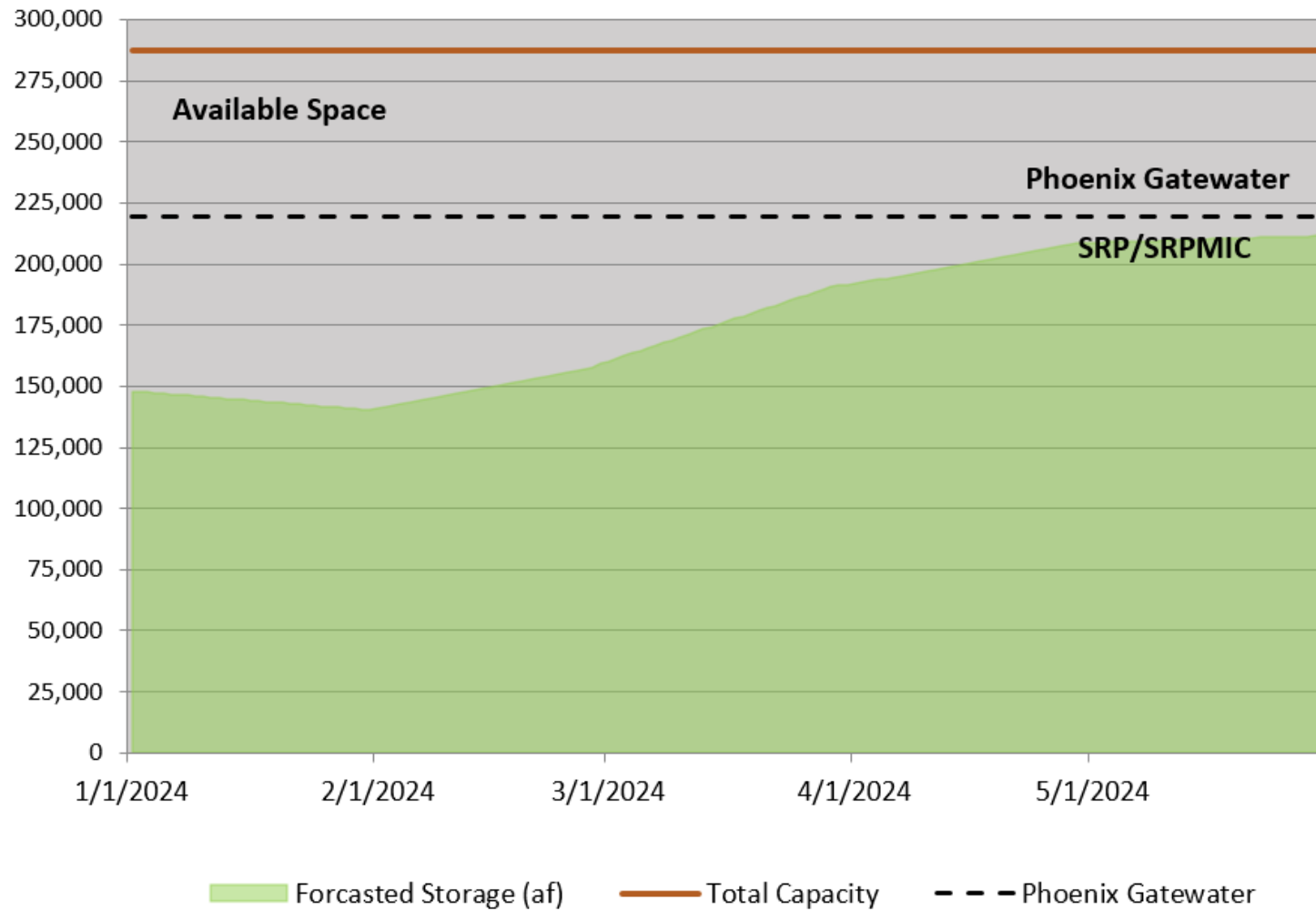




## January 1, 2024 - Forecasted Roosevelt Reservoir Storage



## January 1, 2024 - Forecasted Verde System Storage



**thank you!**

