

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

**FINANCE AND BUDGET COMMITTEE**  
**Thursday, January 25, 2024, No Sooner Than 10:20 AM**

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

Committee Members: Jack White Jr., Chairman; Leslie C. Williams, Vice Chairman; and Nick Brown, Randy Miller, Krista O'Brien, Stephen Williams, and Keith Woods

Call to Order  
Roll Call

- 1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item ..... CHAIRMAN JACK WHITE JR.
  - A. Request for approval of the minutes for the meeting of December 12, 2023.
  - B. Request for approval of the Annual Cash Statement for Period Ending December 2023 (District).
  - C. Request for approval of the Monthly Cash Statements for November and December 2023 (District and Association).
- 2. Fiscal Year 2025 (FY25) Financial Plan and Operating Budget Initial Assumptions .....JON HUBBARD  
  
Informational presentation to review the initial assumptions shaping the FY25 Financial Plan and Operating Budget.
- 3. Review of the Financial Results for the Month of December 2023.... JEFF WRIGHT
- 4. Report on Current Events by the General Manager and Chief Executive Officer or Designees .....JIM PRATT
- 5. Future Agenda Topics..... CHAIRMAN JACK WHITE JR.

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

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

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



**THE NEXT FINANCE AND BUDGET COMMITTEE MEETING IS SCHEDULED FOR THURSDAY, FEBRUARY 22, 2024**



MINUTES  
FINANCE AND BUDGET COMMITTEE

DRAFT

December 12, 2023

A meeting of the Finance and Budget Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 10:17 a.m. on Tuesday, December 12, 2023, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were J.M. White Jr., Chairman; L.C. Williams, Vice Chairman; and N.R. Brown, R.J. Miller, K.H. O'Brien, and K.B. Woods.

Committee Member absent at roll call was S.H. Williams.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members M.J. Herrera, A.G. McAfee, K.L. Mohr-Almeida, L.D. Rovey, and P.E. Rovey; Council Chairman T.M. Francis; Council Vice Chairman J.R. Shelton; Council Member J.W. Lines; Mmes. I.R. Avalos, M.J. Burger, A.P. Chabrier, A.Y. Gilbert, L.F. Hobaica, V.P. Kisicki, L.A. Meyers, G.A. Mingura, K.S. Ramaley, A. Rickard, and C.M. Sifuentes; Messrs. J.D. Coggins, J.M. Felty, C.R. Janick, B.J. Koch, K.J. Lee, A.J. McSheffrey, K.R. Nielsen, M.J. O'Connor, B.A. Olsen, J.M. Pratt, J.I. Riggs, and R.R. Taylor; and Taylor Greene and Louis Toenjes of General Electric (GE) Power.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Finance and Budget Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, December 8, 2023.

Chairman J.M. White Jr. called the meeting to order.

Consent Agenda

Chairman J.M. White Jr. requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Vice Chairman L.C. Williams and seconded by Committee Member R.J. Miller, the Committee unanimously approved and adopted the following items on the Consent Agenda:

- Minutes of the Finance and Budget Committee meeting on November 16, 2023, as presented

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

YES:	Board Members J.M. White Jr., Chairman; L.C. Williams, Vice Chairman; and N.R. Brown, R.J. Miller, K.H. O'Brien, and K.B. Woods	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member S.H. Williams	(1)

### GE Major Maintenance Parts Agreement Extension

Using a PowerPoint presentation, Kevin R. Nielsen, SRP Senior Director of Power Generation, stated that the purpose of the presentation was to request approval to extend the Major Maintenance Parts Agreement with GE.

Mr. K.R. Nielsen stated that the agreement sets pricing for parts and services for major GE equipment used in SPR's gas generation fleet excluding LM6000 units. He outlined the proposed terms of the agreement as follows: 1) 9-year term; 2) anticipated purchase volume of approximately \$153.3 Million, including 8 gas turbine rotors; 3) termination fee set at 7% of unspent quantity less cost of rotors; 4) plants maintained – Santan, Kyrene, Mesquite, Desert Basin, and Gila River; 5) provide a price sheet for specific capital parts; 6) repair services discounted at 20%; 7) non-capital parts discounted at 25%; 8) field services discounted at 30%; 9) two assigned contract performance managers monitoring SRP's services; and 10) include an inflation increase of 2% per year.

Mr. K.R. Nielsen concluded by requesting approval to authorize the Associate General Manager and Chief Power System Executive or a designee, to execute a Major Maintenance Parts Agreement Extension, and any subsequent amendments to such agreement that do not materially modify the terms of the agreement.

Mr. K.R. Nielsen responded to questions from the Committee.

On a motion duly made by Vice Chairman L.C. Williams, seconded by Committee Member K.B. Woods, the Committee agreed to recommend Board approval, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Vice Chairman L.C. Williams' motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members J.M. White Jr., Chairman; L.C. Williams, Vice Chairman; and N.R. Brown, R.J. Miller, K.H. O'Brien, and K.B. Woods	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member S.H. Williams	(1)

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

Council Liaison P.A. Van Hofwegen; and Mr. R.T. Judd entered the meeting during the presentation.

#### Review of SRP's Investment Portfolio of Working Capital and Debt Reserve Investments

Jason I. Riggs, SRP Director and Assistant Treasurer of Treasury Operations and Compliance, reminded the Committee that the SRP Investment Policy, approved by the Board of Directors, requires a periodic review by the Committee and a report on the status of the investment program. Using a PowerPoint presentation, he reviewed the Cash Management Investment Policy, authorized limits, and investment types by security type. Mr. J.I. Riggs provided an overview of the Investment Portfolios and yield curve as of December 1, 2023, including portfolio metrics based on liquidity, yields, and maturities. He concluded with the Investment Policy Statement of Compliance.

Mr. J.I. Riggs responded to questions from the Committee.

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.

Board Member A.G. McAfee; Ms. L.A. Meyers; and Taylor Greene and Louis Toenjes of GE Power left the meeting during the presentation.

#### Town of Gila Bend Support

Using a PowerPoint presentation, Anne Rickard, SRP Director of Community Partnerships, stated that the purpose of the presentation was to provide information regarding SRP's contribution of \$519,530 from SRP's Power Systems' operating budget to the Town of Gila Bend for the purchase of a new commercial pumper fire truck.

Ms. A. Rickard said that the new commercial pumper fire truck will increase safety at the Gila River Power Station. She concluded with a discussion of next steps.

Ms. A. Rickard responded to questions from the Committee.

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

Messrs. B.J. Koch and J.I. Riggs left the meeting during the presentation.

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

Jim M. Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chairman J.M. White Jr. asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Finance and Budget Committee, the meeting adjourned at 10:44 a.m.

John M. Felty  
Corporate Secretary



## 2023 District Cash Statement

GROUP INDICATORS PLANT & PARTICIPATION ACCOUNTING DIVISION JOINT OWNERSHIP DIVISION		
<b>Balances at December 31, 2023</b>		
<b>NAVAJO GENERATING STATION</b>		
OPERATING FUND - 1050850	862,815.98	
INVESTMENT ACCOUNT - 1080125	9,200,000.00	
<b>TOTAL NAVAJO CASH</b>	<b>\$ 10,062,815.98</b>	
<b>MEAD-PHX</b>		
OPERATING FUND - 1050150	843,475.72	
<b>TOTAL MEAD-PHX CASH</b>	<b>\$ 843,475.72</b>	
<b>ANPP SWITCHYARD</b>		
OPERATING FUND - 1050600	6,371,827.02	
OPERATING INVESTMENTS	0.00	
CONSTRUCTION INVESTMENTS	0.00	
<b>TOTAL ANPP SWITCH CASH</b>	<b>\$ 6,371,827.02</b>	
<b>ANPP TRANSMISSION</b>		
OPERATING FUND - 1050650	2,872,880.09	
OPERATING INVESTMENTS	0.00	
CONSTRUCTION FUND	0.00	
<b>TOTAL ANPP TRANS. CASH</b>	<b>\$ 2,872,880.09</b>	
<b>SOUTHEAST VALLEY TRANSMISSION</b>		
OPERATING FUND - 1050800	\$ 41,010,712.96	
<b>TOTAL SOUTHEAST VALLEY CASH</b>	<b>\$ 41,010,712.96</b>	
<b>GRAND TOTAL</b>	<b>\$ 61,161,711.77</b>	
<p><i>Approved by:</i> <u>W Maritza A Espoza</u></p> <p><i>Date:</i> <u>1/18/2024</u></p>		



SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

CASH STATEMENT FOR CALENDAR YEAR 2023 Page 1

(IN THOUSANDS)

FUNDS BALANCE - JANUARY 1, 2023 \$ 747,522

CASH RECEIPTS:

Electric Revenues	3,804,117
Electric Customer Deposits	48,847
Reimbursement on Joint Venture Projects	128,251
Construction Contributions and Advances	268,461
Proceeds from Bond Sales	0
Proceeds-Other Borrowings	0
Transfers from Segregated Funds	1,278,906
Sales Tax Collected	259,264
Margin and Collateral Received- Net	0
Other Receipts and Adjustments	160,298
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TOTAL CASH RECEIPTS	5,948,144
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CASH DISBURSEMENTS:

Purchased Power & Fuel	1,525,686
Operations & Maintenance	1,148,776
Purchased Inventory	299,753
Net Paychecks and Deductions Paid to Others, Expensed to Operations	652,218
Payments to Trustee for -	0
Bond Interest	199,189
Bond Principal	113,387
Other Debt - Principal Repayment	0
Other Debt - Interest Expense	18,010
Capital Expenditures -	947,038
Construction	0
Advances and Transfers to Affiliated Companies (Net)	41,229
Advances on Joint Venture Projects	0
Transfers To Segregated Funds	293,302
In Lieu and Ad Valorem Taxes	119,275
Sales Tax Remitted	294,047
Margin and Collateral Disbursed- Net	58,816
Miscellaneous Cash Disbursements	24,604

TOTAL CASH DISBURSED - (NOTE 1) 5,735,330

FUNDS BALANCE - DECEMBER 31, 2023 960,336

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SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

CASH STATEMENT FOR CALENDAR YEAR 2023 - Page 2

STATUS OF FUNDS AS OF DECEMBER 31, 2023

(IN THOUSANDS)

	CASH AND INVESTMENTS -----
FUNDS BALANCE: REVENUE , GENERAL, IMPREST AND CERTAIN SEGREGATED FUNDS (NOTE 2)	\$ 960,336

Notes: (1) Disbursements shown include amounts paid for and on behalf of the Salt River Valley Water Users' Association and subsequently charged to it.

(2) Additionally, Salt River Project Agricultural Improvement and Power District, as Operating Agent of Navajo Generating Station, as Operating Agent of Palo Verde Switchyard and Transmission System, as Project Manager of the Mead-Phoenix Project, and Southeast Valley Transmission has custody of certain funds of the Project participants. At December 31, 2023 the balance in these funds was \$ 61,161,711.77 which are utilized in the financing of these projects.

TREASURER'S VERIFICATION

I, Brian Koch, Corporate Treasurer of Salt River Project Agricultural Improvement

and Power District, do solemnly swear that the foregoing is a true and correct statement, subject to audit, of the amount in each of the stated funds on December 31, 2023 and of the amount of cash receipts and disbursements during the calendar year of 2023.



Brian Koch

Corporate Treasurer

Subscribed and sworn to before me  
this \_\_\_\_\_ day of January, 20\_\_\_\_

\_\_\_\_\_  
Notary Public



**Statement of Cash Received and Disbursed**

November 2023

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Fund Balance Beginning of Period	\$ 671,062	\$ 603	\$ 671,665	\$ 697,781
Cash Receipts:				
Electric Revenues	326,242	---	326,242	2,520,469
Water Revenues	---	1,228	1,228	5,764
Electric Customer Deposits	3,830	---	3,830	29,628
Reimbursement on Joint Ownership Projects	9,429	---	9,429	67,181
Construction Contributions and Advances	17,844	---	17,844	162,495
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	375,226	---	375,226	530,893
Sales Tax Collected	16,857	---	16,857	187,850
Other Cash Receipts	10,567	---	10,567	85,853
Total Cash Receipts	<u>759,995</u>	<u>1,228</u>	<u>761,223</u>	<u>3,590,133</u>
Fund Transfers - Net	<u>(5,402)</u>	<u>5,402</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	88,675	---	88,675	921,249
Operations and Maintenance	103,648	1,981	105,629	638,020
Employee Payroll and Payroll Taxes	72,145	4,566	76,711	439,176
Purchased Inventory	27,073	---	27,073	177,116
Cash Segregated for -				
Bond Interest	17,198	---	17,198	118,566
Bond Principal	9,494	---	9,494	66,458
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	1,885	---	1,885	11,108
Capital Expenditures	64,940	---	64,940	527,540
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	---	---	---	98,205
In Lieu and Ad Valorem Taxes	60,021	---	60,021	117,969
Sales Tax Remitted	27,651	---	27,651	200,535
Margin and Collateral Disbursed - Net	12,884	---	12,884	14,020
Miscellaneous Cash Disbursements	1,044	---	1,044	18,269
Total Cash Disbursements	<u>486,658</u>	<u>6,547</u>	<u>493,205</u>	<u>3,348,231</u>
Fund Balance End of Period	<u>\$ 938,997</u>	<u>\$ 686</u>	<u>\$ 939,683</u>	<u>\$ 939,683</u>

**Cash Position****November 2023**

Composition of Funds Balance	(\$000)		
	<u>District</u>	<u>Association</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 652,117	\$ 686	\$ 652,803
Other Temporary Investments	176,380	---	176,380
Other Non-Current Investments	<u>110,500</u>	<u>---</u>	<u>110,500</u>
General Fund	<u>938,997</u>	<u>686</u>	<u>939,683</u>
Segregated Funds			
Electric System Debt Reserve Fund	80,598	---	80,598
Debt Service Fund	192,042	---	192,042
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	560,060	---	560,060
Post-Retirement Benefits Fund	1,062,849	---	1,062,849
Construction Fund	309,463	---	309,463
RHCP Fund	11,275	---	11,275
HHCP Fund	7,660	---	7,660
SPRHCP Fund	3,223	---	3,223
Four Corners Mine Reclamation Trust	13,964	---	13,964
Other Special Funds	<u>1,261</u>	<u>---</u>	<u>1,261</u>
Total Segregated Funds	<u>\$ 2,242,395</u>	<u>\$ ---</u>	<u>\$ 2,242,395</u>



**Statement of Cash Received and Disbursed**

December 2023

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Fund Balance Beginning of Period	\$ 938,997	\$ 686	\$ 939,683	\$ 697,781
Cash Receipts:				
Electric Revenues	283,230	---	283,230	2,803,699
Water Revenues	---	4,300	4,300	10,064
Electric Customer Deposits	3,567	---	3,567	33,195
Reimbursement on Joint Ownership Projects	13,854	---	13,854	81,035
Construction Contributions and Advances	9,302	---	9,302	171,797
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	75,638	---	75,638	606,531
Sales Tax Collected	14,721	---	14,721	202,571
Other Cash Receipts	43,696	---	43,696	129,549
Total Cash Receipts	<u>444,008</u>	<u>4,300</u>	<u>448,308</u>	<u>4,038,441</u>
Fund Transfers - Net	<u>(1,339)</u>	<u>1,339</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	85,107	---	85,107	1,006,356
Operations and Maintenance	99,721	1,135	100,856	738,876
Employee Payroll and Payroll Taxes	54,421	3,786	58,207	497,383
Purchased Inventory	33,372	---	33,372	210,488
Cash Segregated for -				
Bond Interest	17,198	---	17,198	135,764
Bond Principal	9,494	---	9,494	75,952
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	1,324	---	1,324	12,432
Capital Expenditures	61,922	---	61,922	589,462
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	20,106	---	20,106	118,311
In Lieu and Ad Valorem Taxes	275	---	275	118,244
Sales Tax Remitted	18,554	---	18,554	219,089
Margin and Collateral Disbursed - Net	17,909	---	17,909	31,929
Miscellaneous Cash Disbursements	1,927	---	1,927	20,196
Total Cash Disbursements	<u>421,330</u>	<u>4,921</u>	<u>426,251</u>	<u>3,774,482</u>
Fund Balance End of Period	<u>\$ 960,336</u>	<u>\$ 1,404</u>	<u>\$ 961,740</u>	<u>\$ 961,740</u>

**Cash Position****December 2023**

Composition of Funds Balance	(\$000)		
	<u>District</u>	<u>Association</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 642,106	\$ 1,404	\$ 643,510
Other Temporary Investments	139,235	---	139,235
Other Non-Current Investments	<u>178,995</u>	<u>---</u>	<u>178,995</u>
General Fund	<u>960,336</u>	<u>1,404</u>	<u>961,740</u>
Segregated Funds			
Electric System Debt Reserve Fund	80,598	---	80,598
Debt Service Fund	199,189	---	199,189
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	602,352	---	602,352
Post-Retirement Benefits Fund	1,142,480	---	1,142,480
Construction Fund	253,832	---	253,832
RHCP Fund	12,061	---	12,061
HHCP Fund	8,201	---	8,201
SPRHCP Fund	3,451	---	3,451
Four Corners Mine Reclamation Trust	14,050	---	14,050
Other Special Funds	<u>1,260</u>	<u>---</u>	<u>1,260</u>
Total Segregated Funds	<u>\$ 2,317,474</u>	<u>\$ ---</u>	<u>\$ 2,317,474</u>





# FP25 Financial Plan Assumptions

Finance & Budget Committee

Jon Hubbard | January 25, 2024

# Financial Goals & Objectives

## 2035 Goals

### Maintain strong financial health & increase flexibility

- Retail electric prices among lowest quartile in southwest
- Flexibility, as measured by key financial indicators

## FY25 Objectives

### Ensure long-term credit ratings of Aa1/AA+

- Year-end general fund balance of at least \$600M over plan
- Ensure debt ratio remains below 50% over plan



# Current Outlook and Financial Implications

Forecasted sales growth, coupled with generation transition, has significant financial implications

## Outlook

### Retail Sales

- 6.8% annual growth (FP25)
- Large customer driven

### Capital Spending Plan

- ~\$13B total over FP25
- Generation transition & sustainability targets
- Pumped hydro

### O&M Spending Plan

- Increase due to inflation & supply chain

## Actions

### Expense Management

- O&M and capital prioritization process

### Pricing

- FPPAM recovery
- Base pricing

### Borrowing

- ~\$9B in projected debt

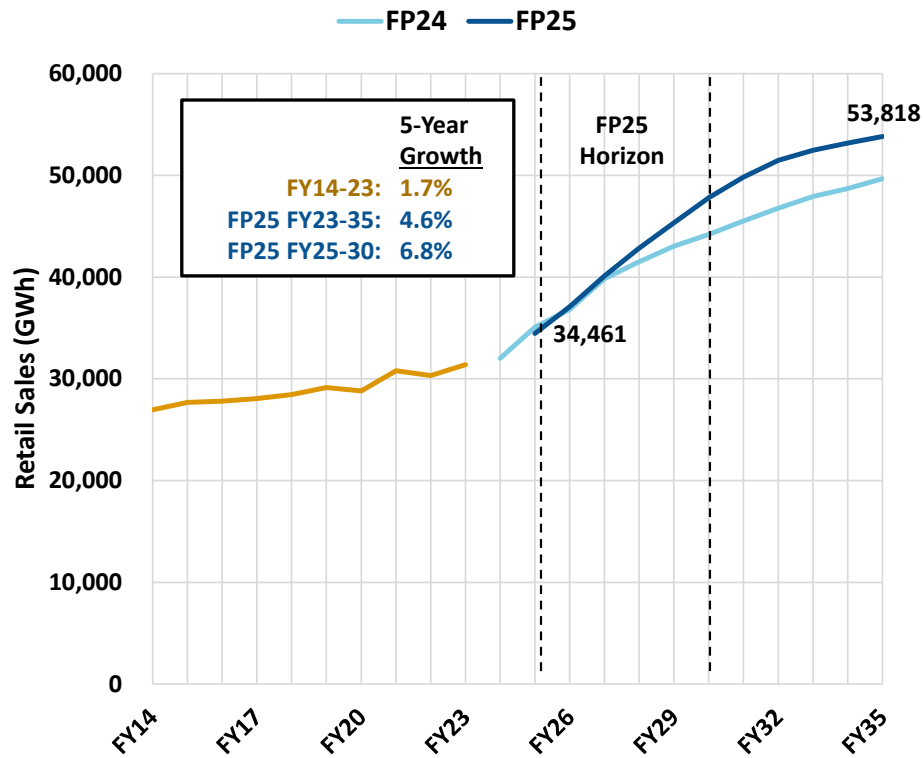
## Considerations

- FPPAM undercollection
- ACC authorization for issuing debt
- Long term commitments (debt/PPAs)
- Customer affordability

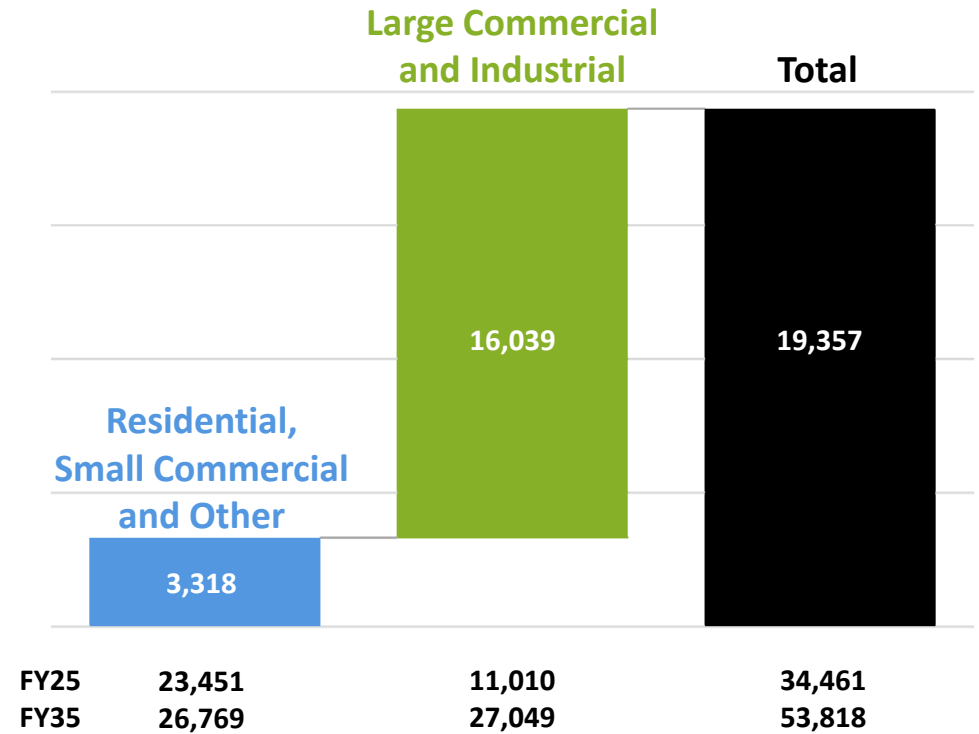
# Retail Sales Forecast

Large Customers driving forecasted growth for FP25

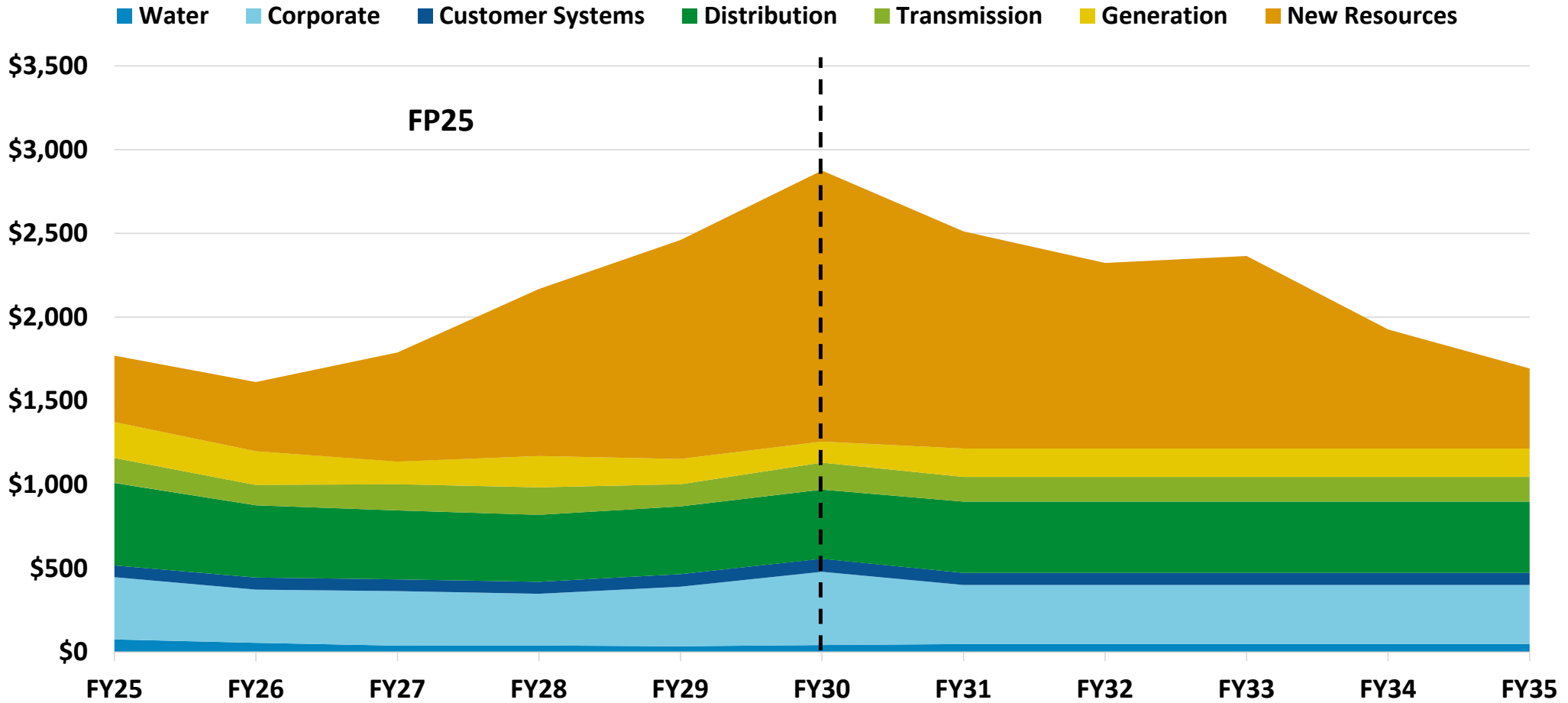
## Retail Sales (GWh)



## Retail Sales Forecast (GWh), FY35 vs. FY25

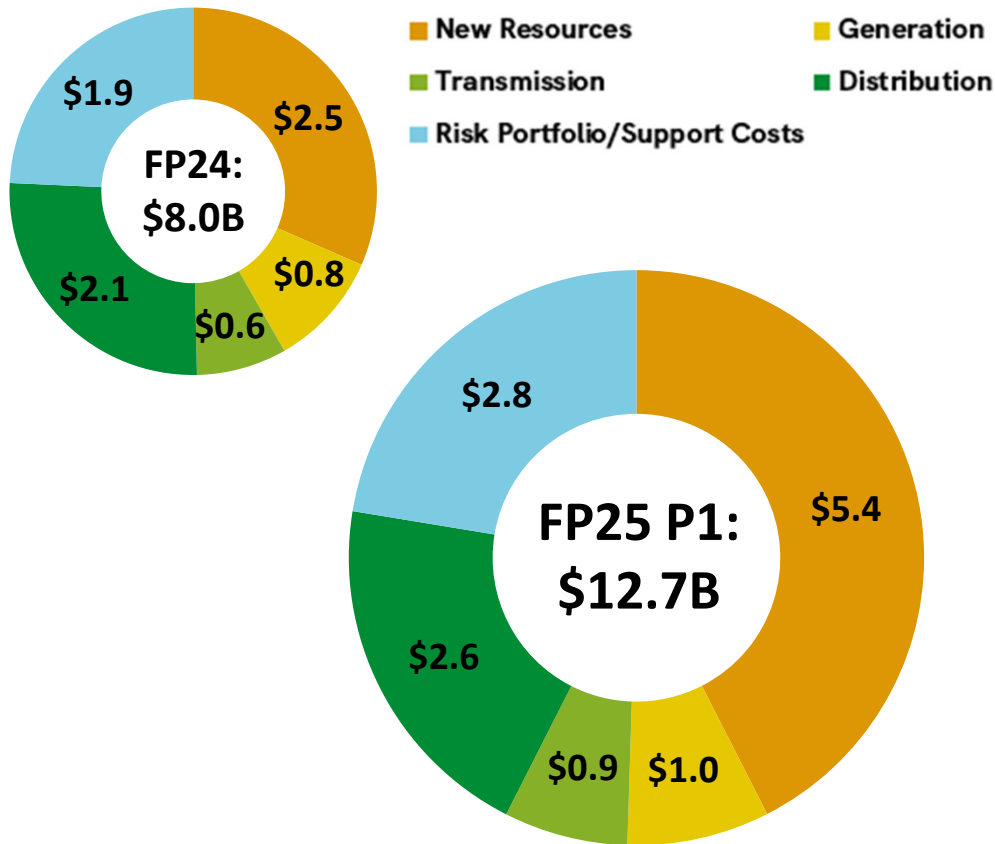


# Capital Spending by Segment (\$M) – FY35 View

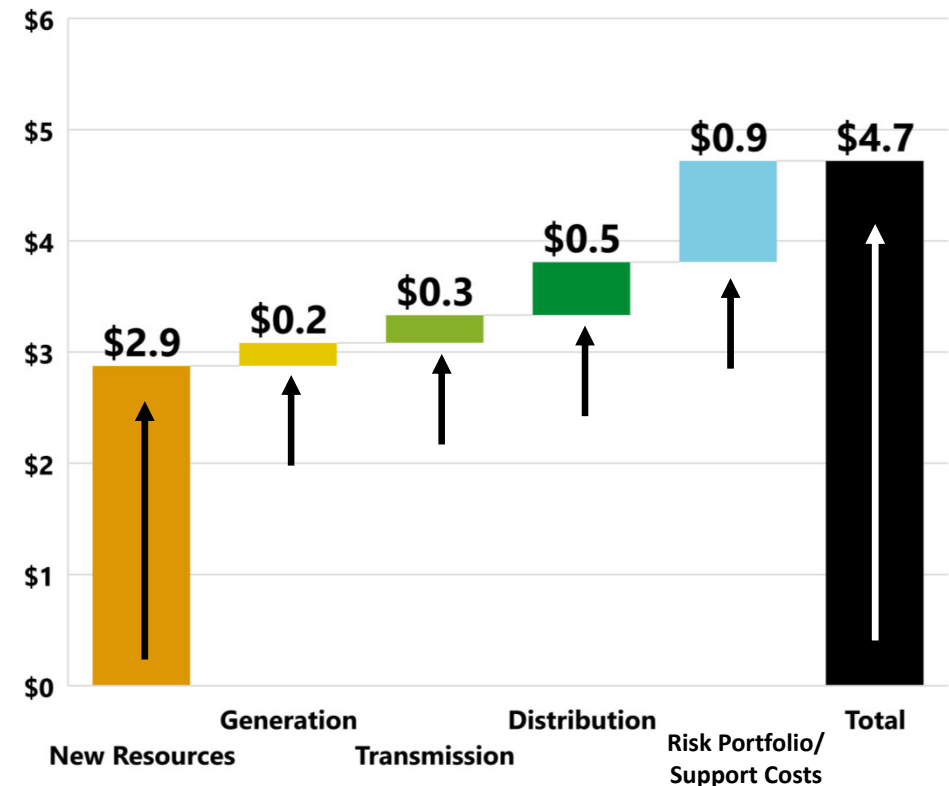


# 6 Year Total Capital Spending By Segment (\$B)

Higher spending driven both by new projects AND higher spending levels for already planned projects

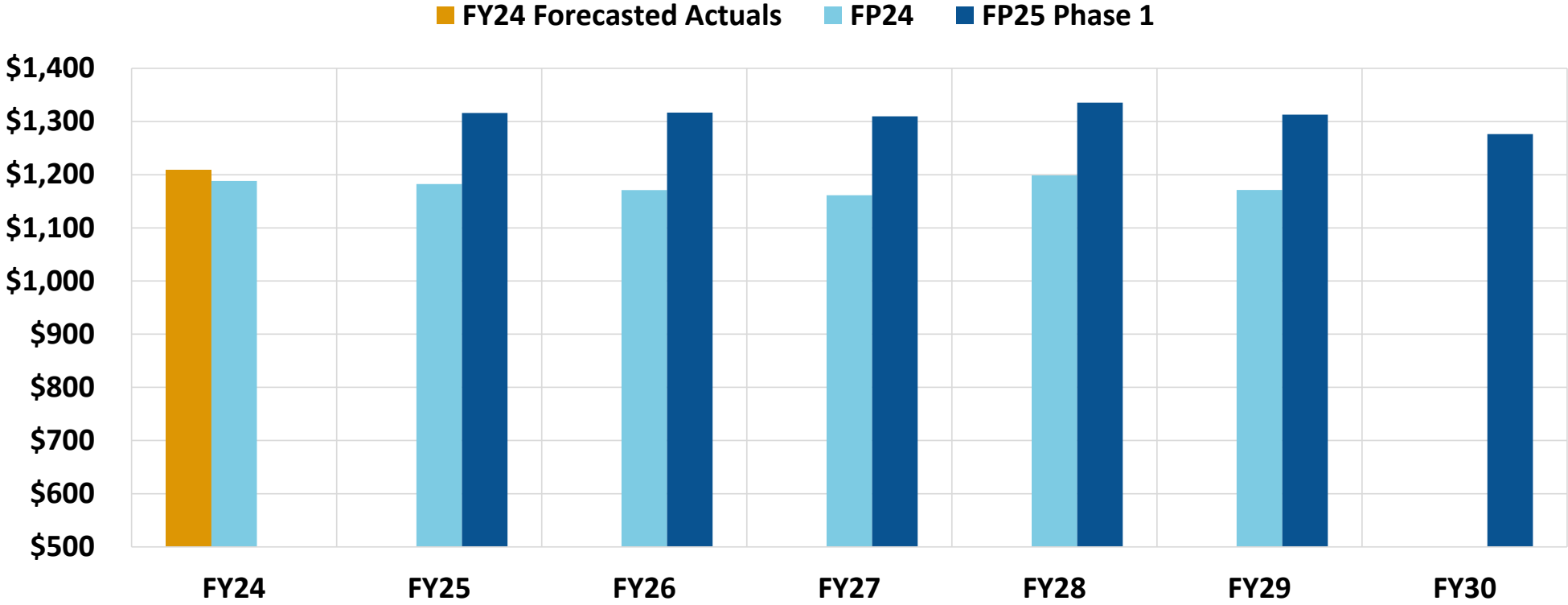


## FP25 Phase 1 vs. FP24 (\$B)



# Direct Costs (\$M)

Inflation and Supply Chain impacts

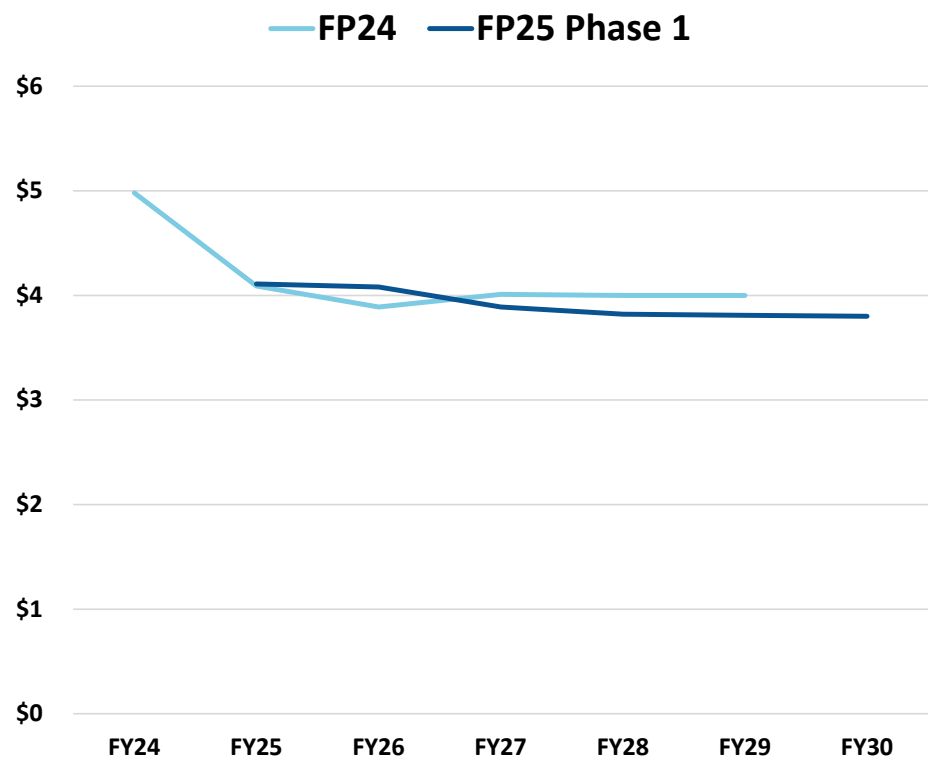




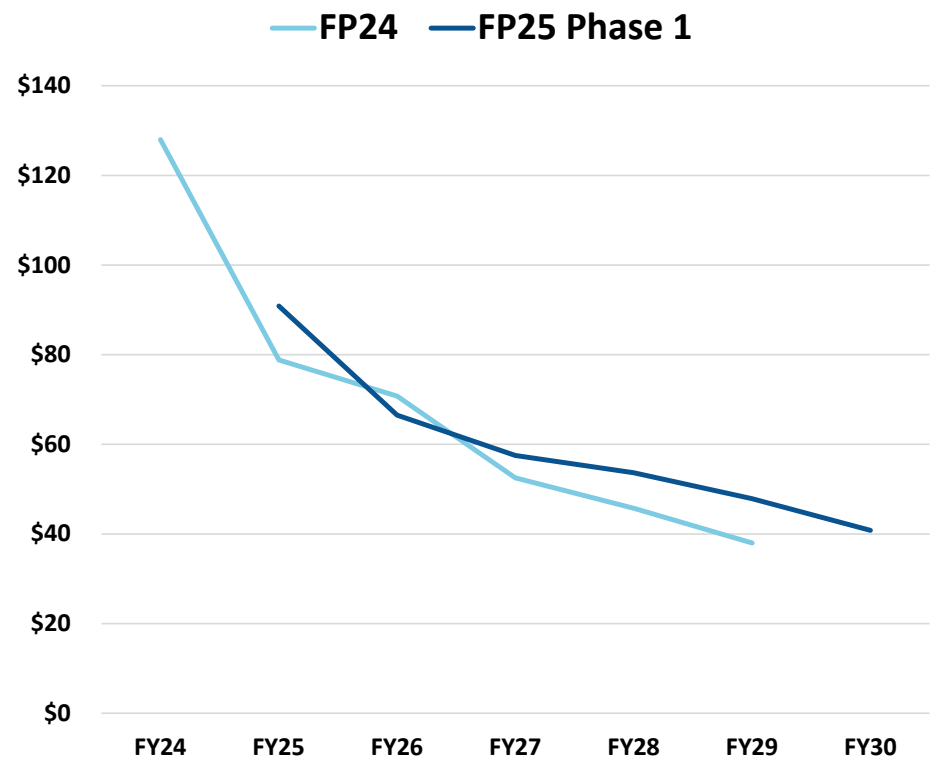
# Gas and Electric Price Forecasts Remain Stable

FP25 Prices relatively unchanged from FP24

## Delivered Natural Gas Prices (\$/MMBtu)

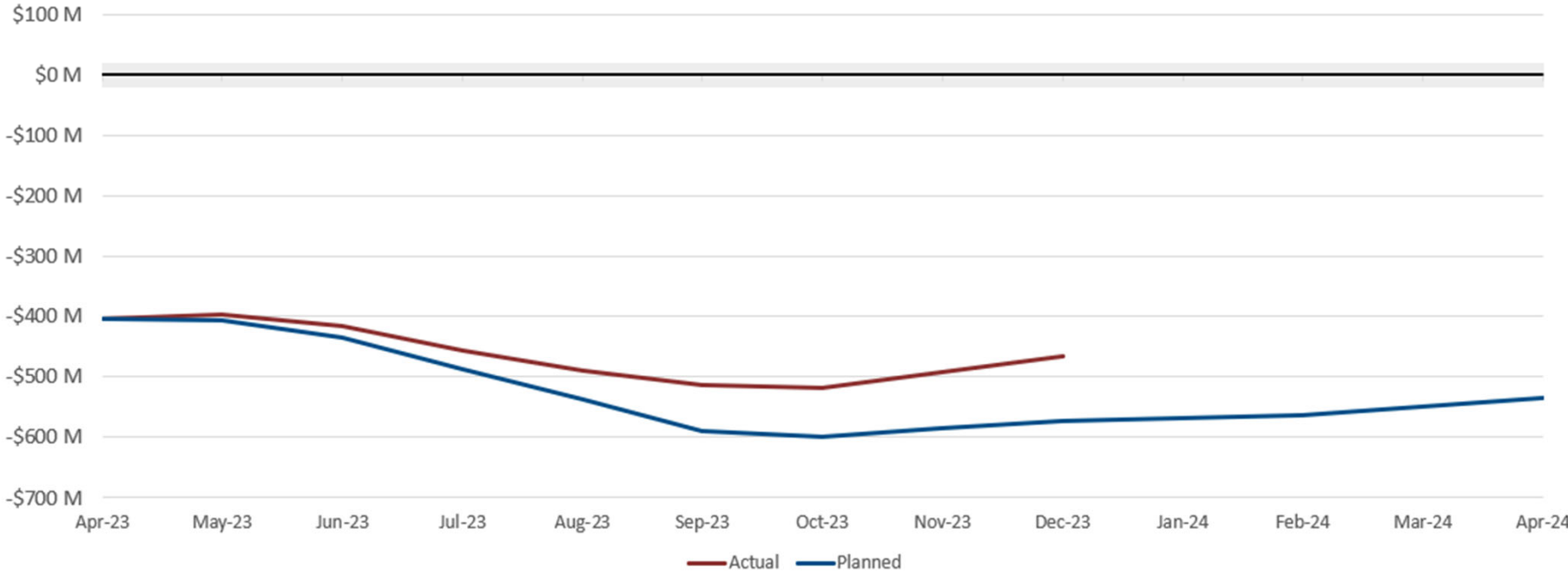


## On-Peak Electric Prices (\$/MWh)



# FPPAM Collection Status

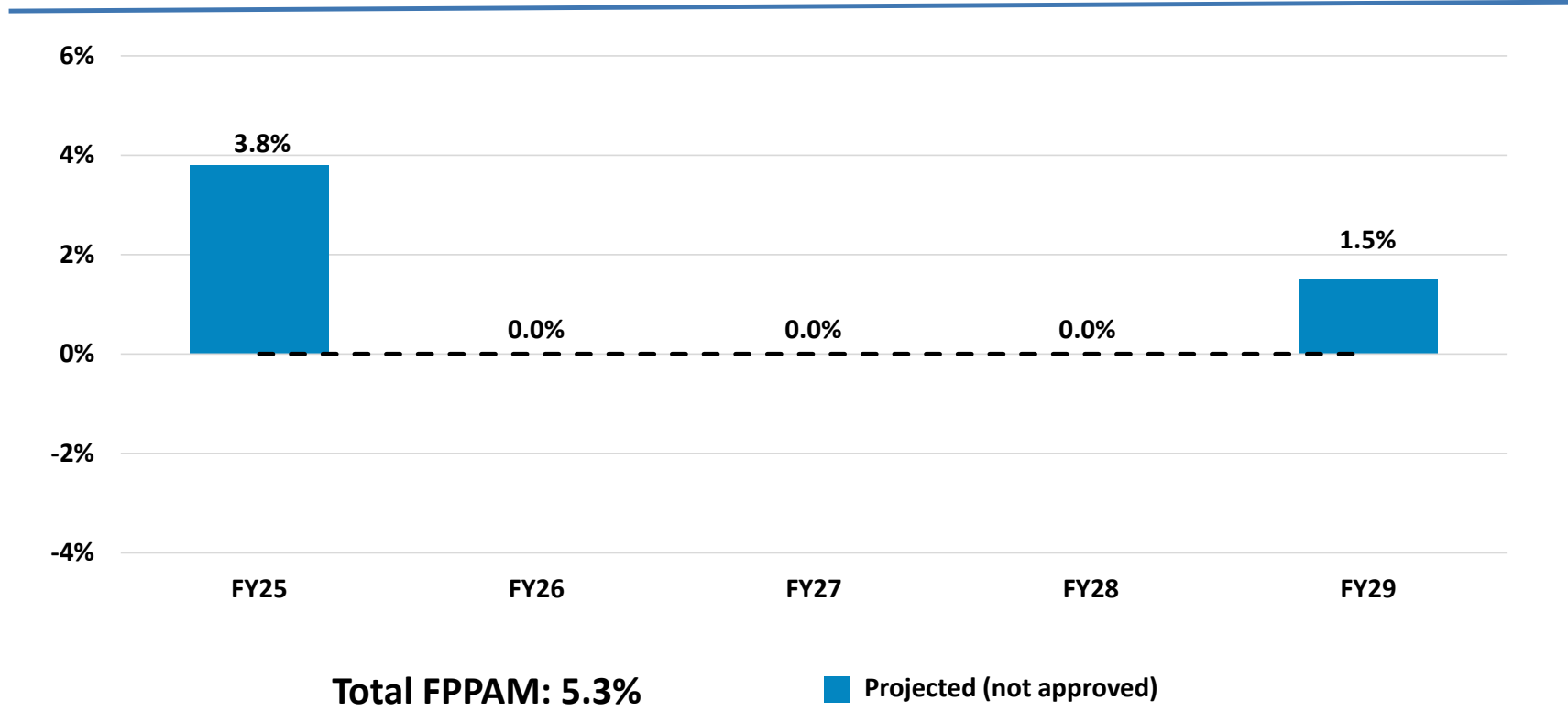
FY25 starts with an under collected balance of ~\$425M



# 6-Year FPPAM Modeling

FY25 starts with an under collected balance of ~\$425M

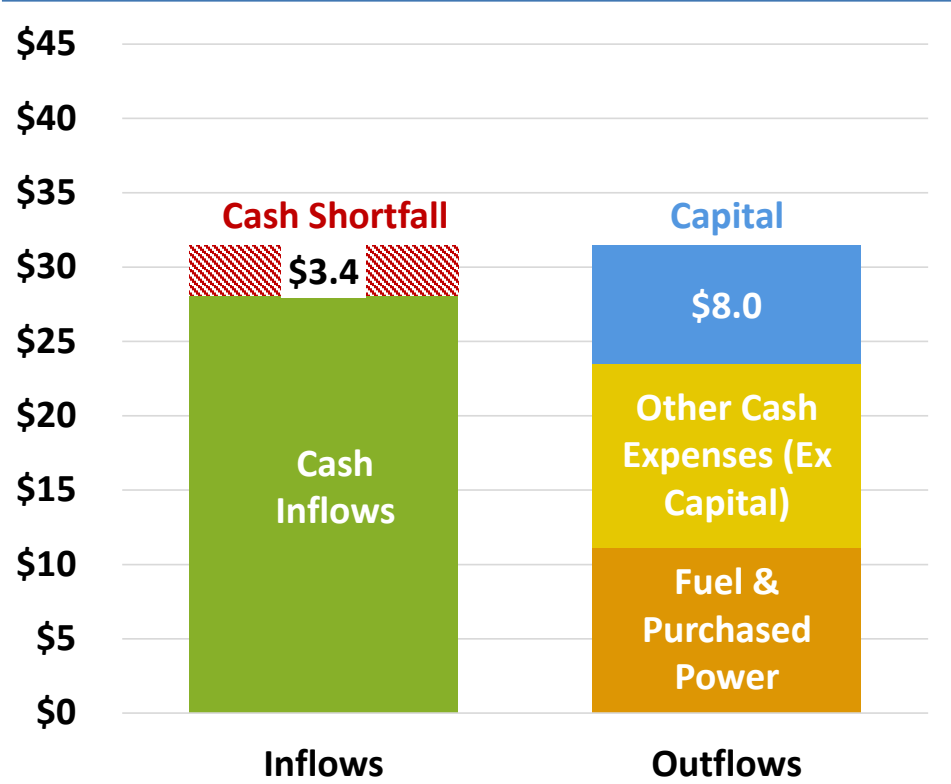
## FP24 FPPAM Modeling



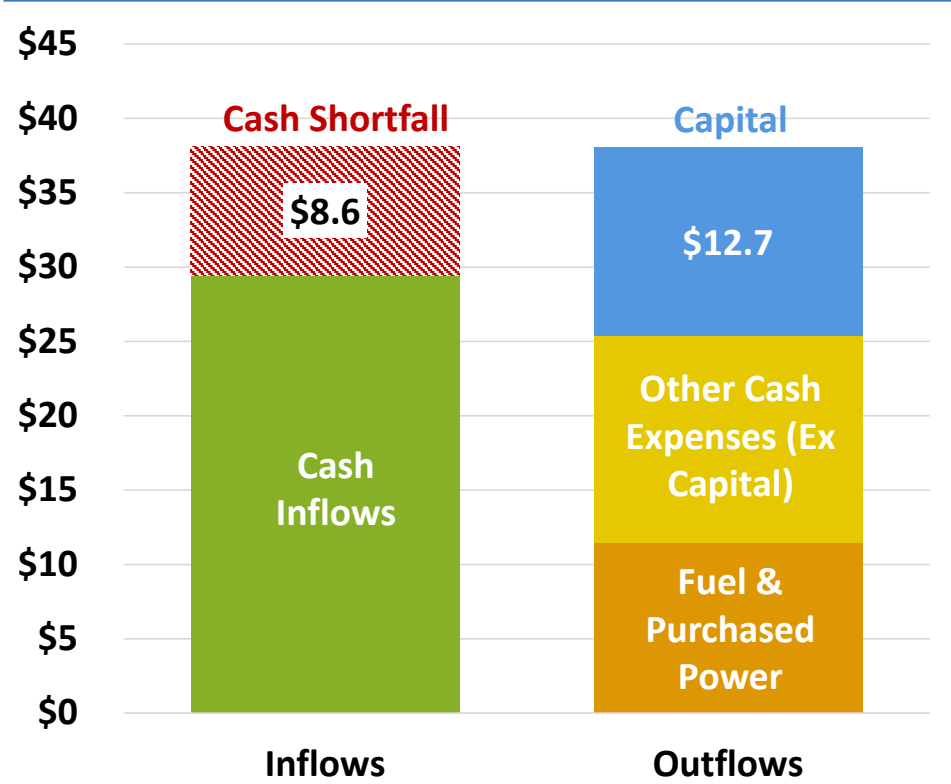
# 6 Year Total Cash Inflows & Outflows (\$B)

Increased capital spend for FP25 Phase 1 is driving increased cash shortfall versus FP24

**FP24 (FY24-29)**



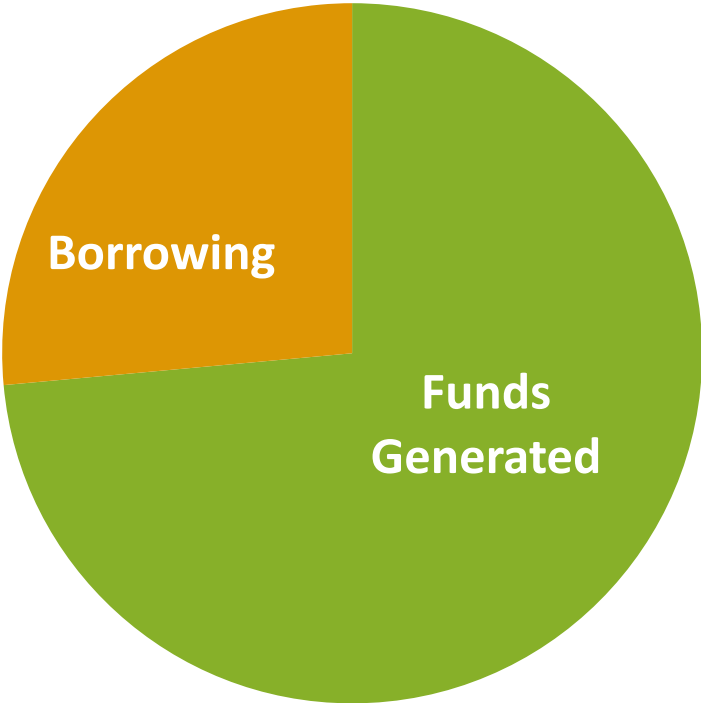
**FP25 Phase 1 (FY25-30)**



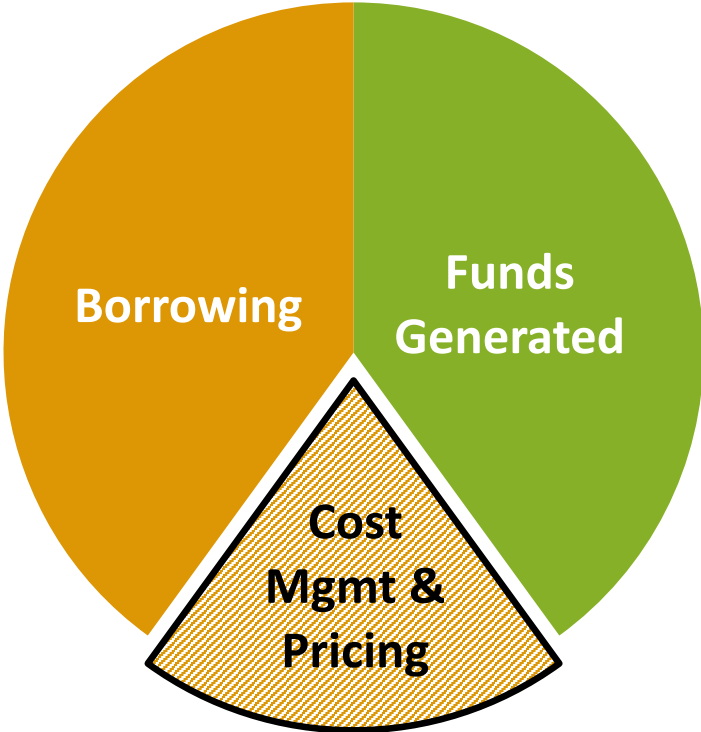
# Historical & Projected Share of Funding for Capital Program

Without generating funds through pricing actions, greater borrowing versus recent history would be required

10 Year Recent History (FY15 – FY24)



FP25 (FY25 – FY30)



# Next Steps to Finalize Plan

## Expense Management

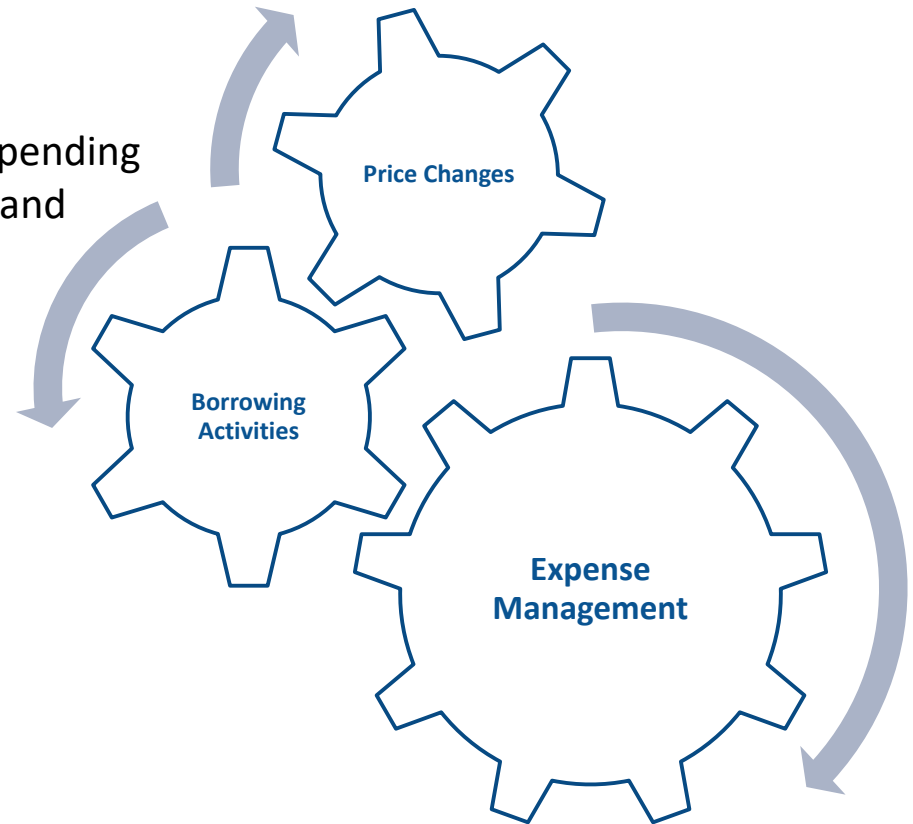
- GM Staff direction to reduce capital and O&M spending as much as possible to still meet strategic goals and objectives

## Price Changes

- Finalize FPPAM assumptions
- Finalize Base pricing assumptions

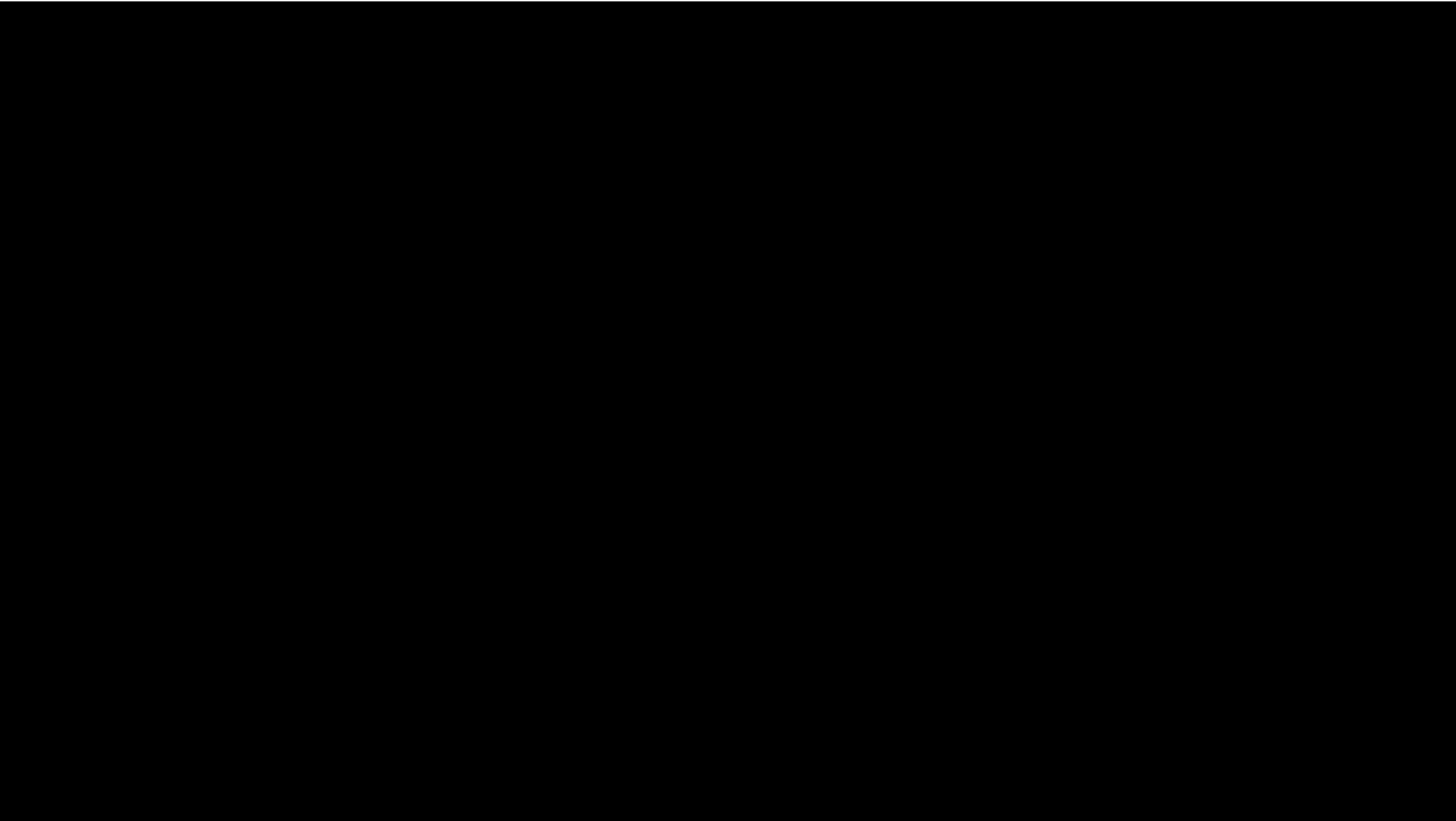
## Borrowing Activities

- Finalize borrowing assumptions



# Budget Schedule

Date	Description	Audience
Jan. 25	FP25 Prelim. Preview (Informational)	F&B Committee
Feb. 13	Phase 2 Financial Plan	GM Staff
Feb. 20	Preview of Water Materials	Water Committee
Feb. 22	FP25 Preview Phase 2 (Informational)	F&B Committee
Feb. 27	FY25 Budget	GM Staff
Feb. 28	Mail Budget Books	Board/Council Liaisons
Mar. 12	FY25 Budget and Financial Plan	Special F&B Committee
Mar. 26	Question & Answer	F&B Committee
Mar. 28	Request FY25 Budget Approval	Special F&B Committee/Board Mtg

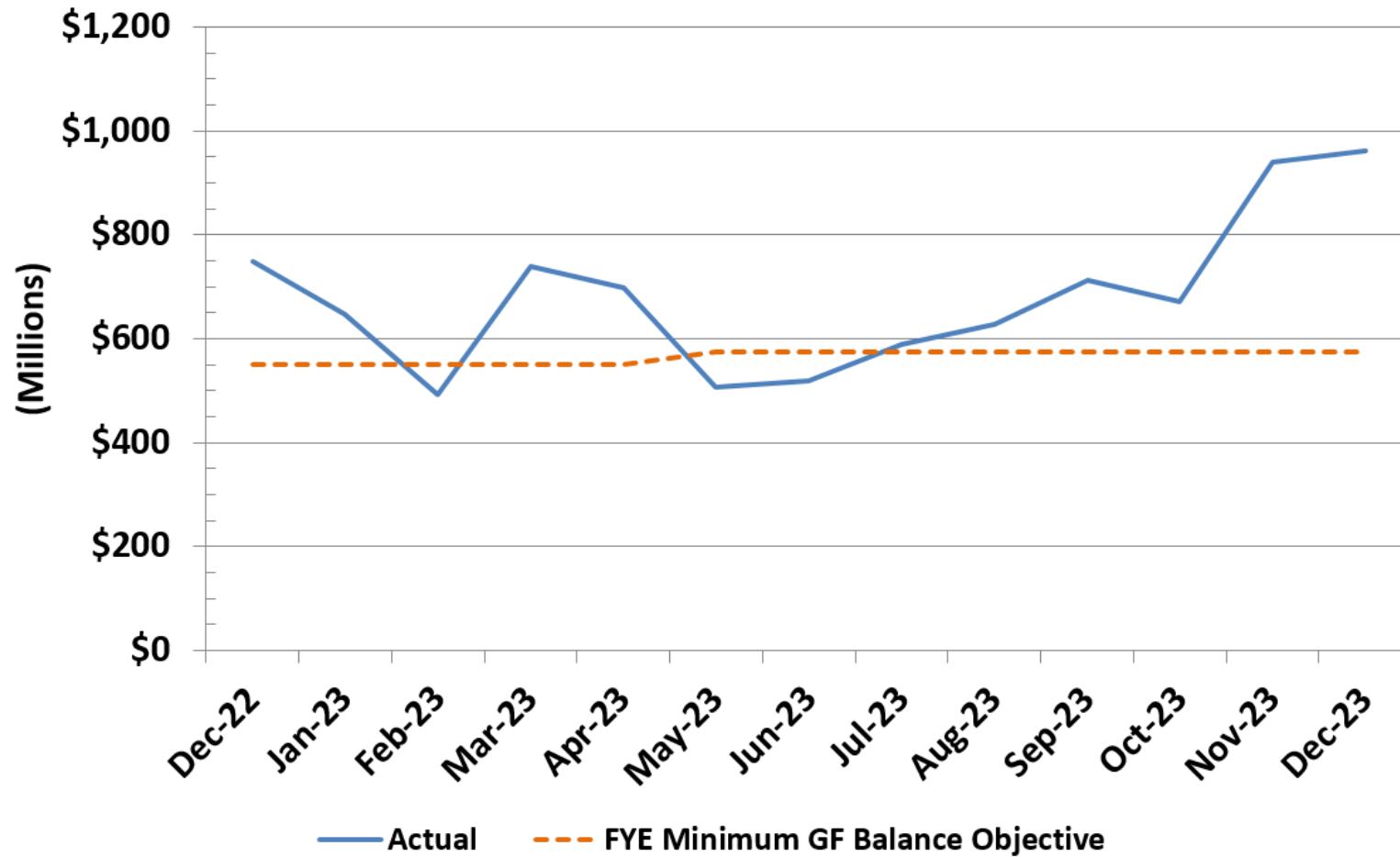




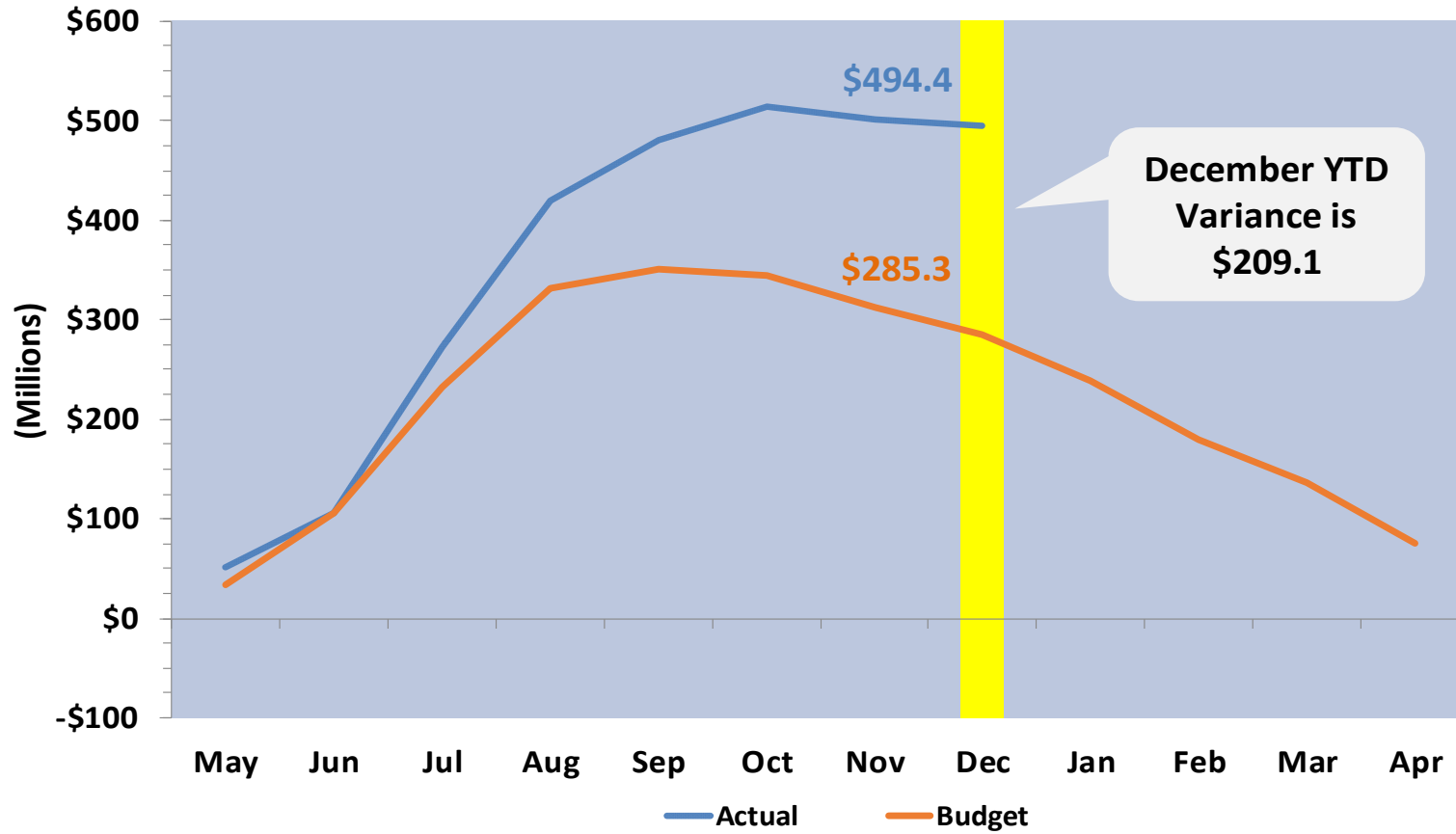
# **Monthly Financial Report December 2023**

Finance & Budget Committee Meeting  
Jeffrey A. Wright | January 25, 2024

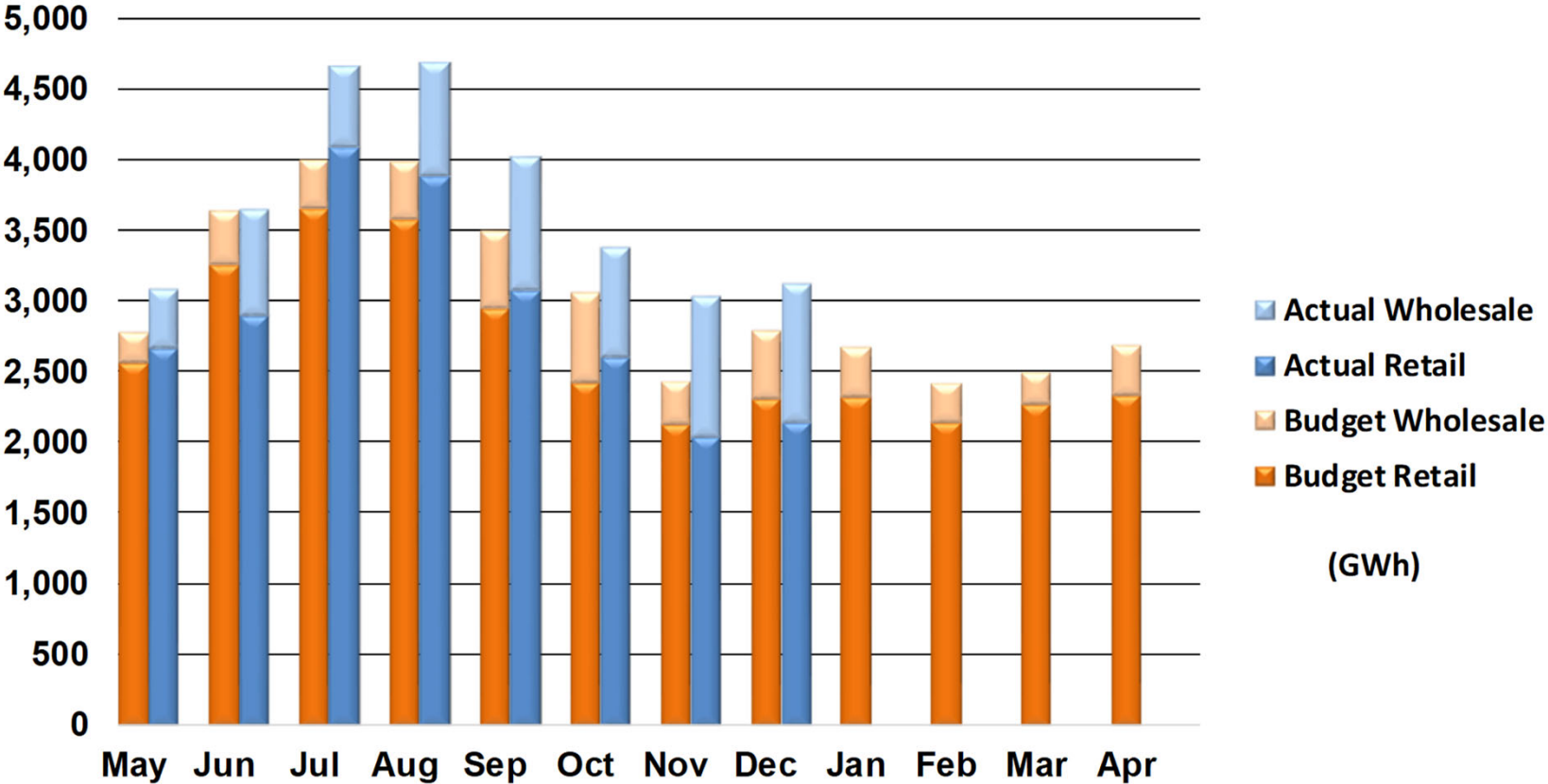
# General Fund Balance



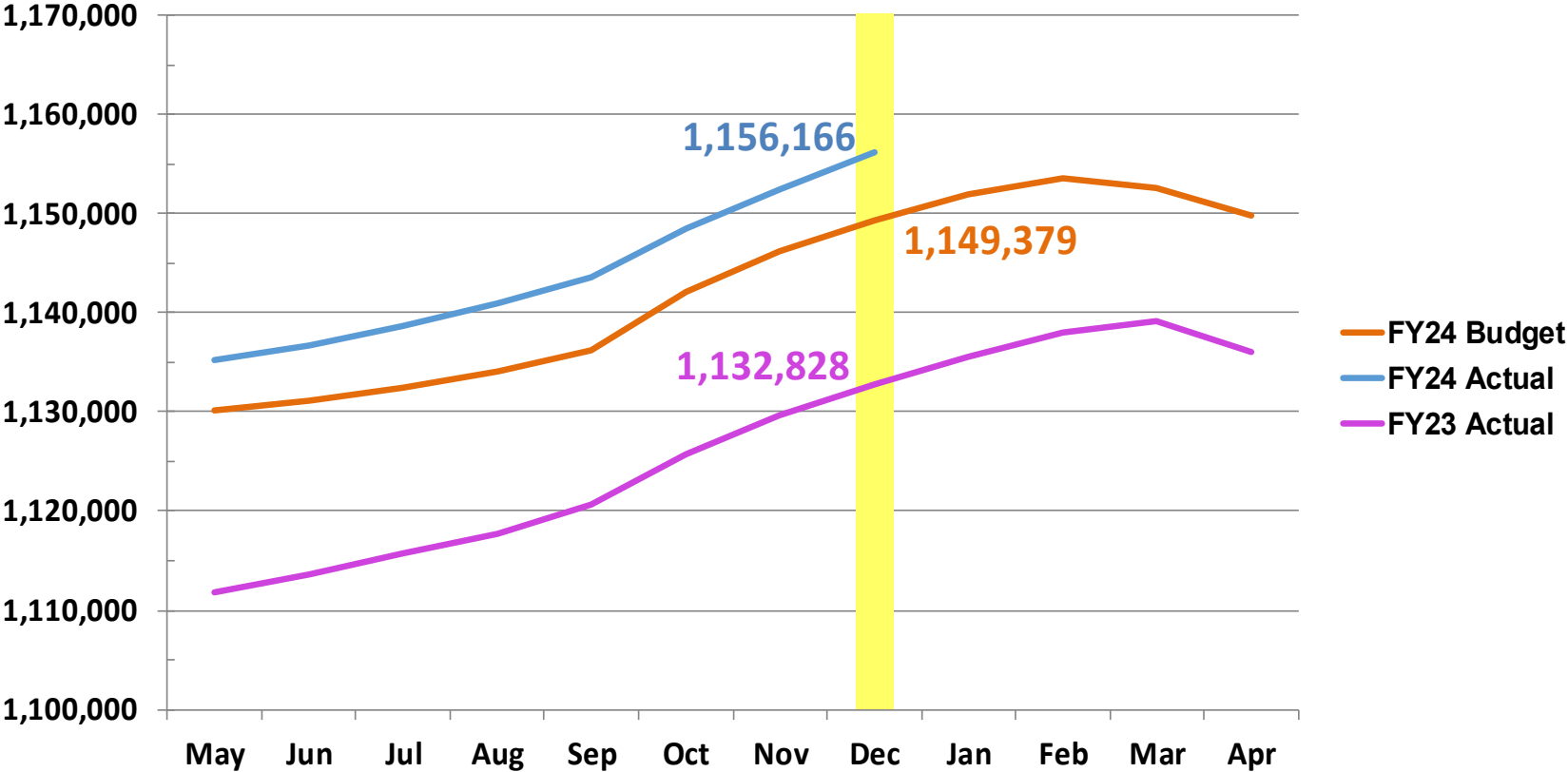
# YTD Combined Net Revenue



# System Sales



# Customer Accounts



# Financial Summary – December 2023

(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating Revenues	\$ 280,303	\$ 277,511	\$ 2,792
Operating Expenses			
Fuel	104,983	118,945	(13,962)
O&M	115,212	114,337	875
Depr & Tax	64,168	65,165	(997)
Total Operating Expenses	<u>284,363</u>	<u>298,447</u>	<u>(14,084)</u>
Net Financing Costs	16,453	13,342	3,111
Other, Net	13,177	7,663	5,514
Combined Net Revenues	<u>\$ (7,336)</u>	<u>\$ (26,615)</u>	<u>\$ 19,279</u>

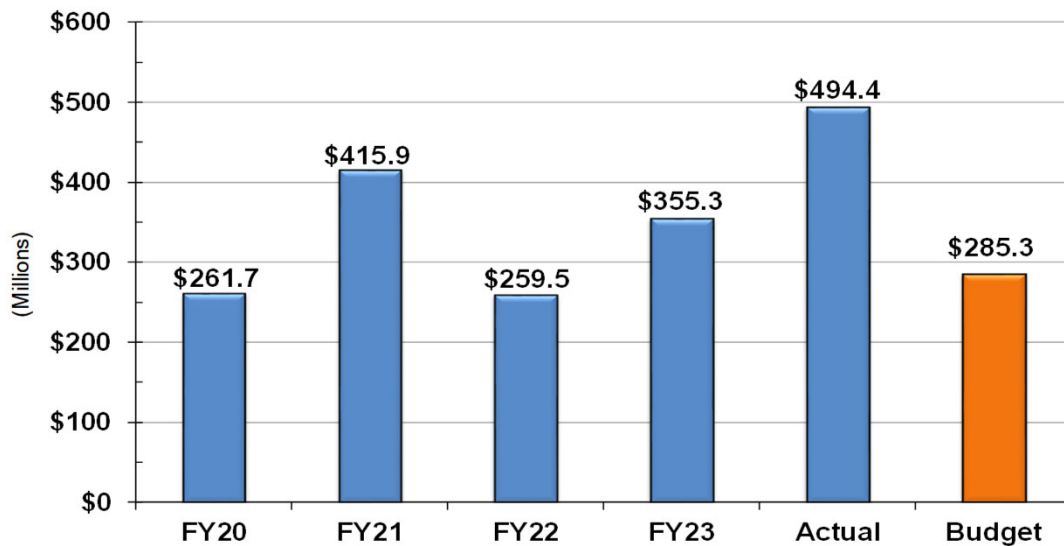
# Key Financial Indicators - YTD December 2023

(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Capital Expenditures	\$ 874,948	\$ 925,446	\$ (50,498)
Funds Available	\$ 794,283	\$ 571,335	\$ 222,948
Debt Service Coverage	5.00	4.03	0.97





## CNR without Fair Value Adjustments - YTD December 2023

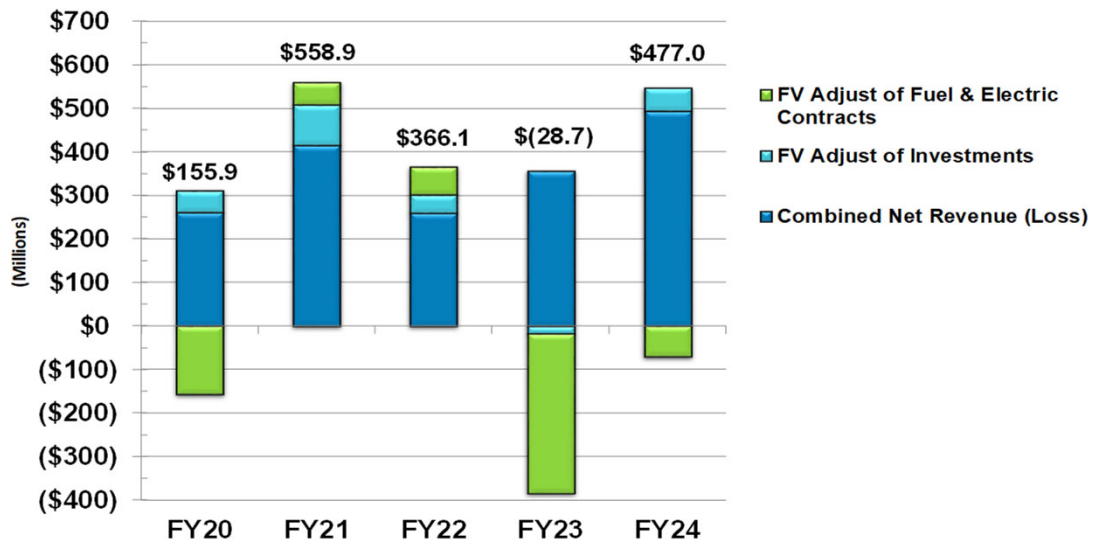


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(Non-GAAP, Unaudited) 1

1

## CNR with Fair Value Adjustments - YTD December 2023

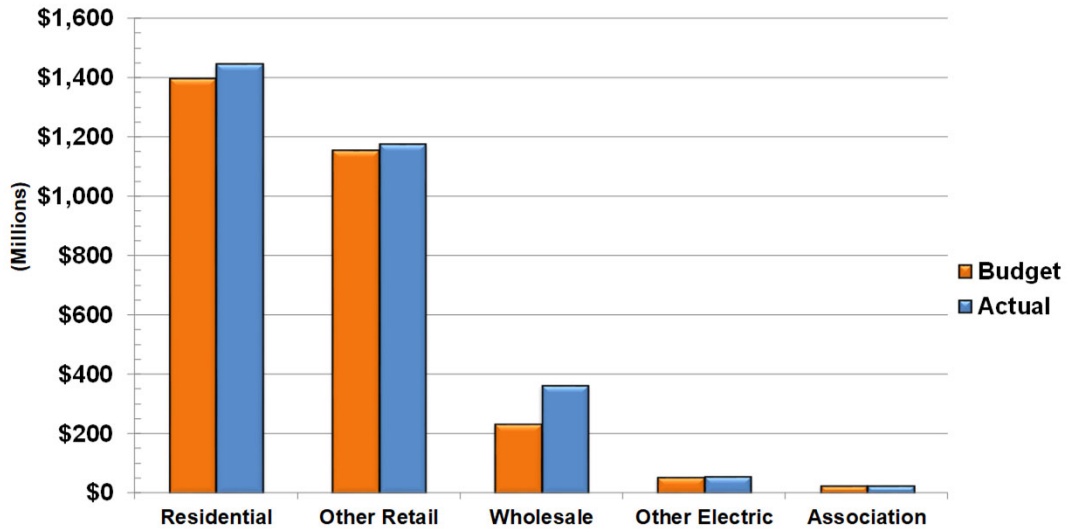


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(Non-GAAP, Unaudited) 2

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## Combined Operating Revenues - YTD December 2023

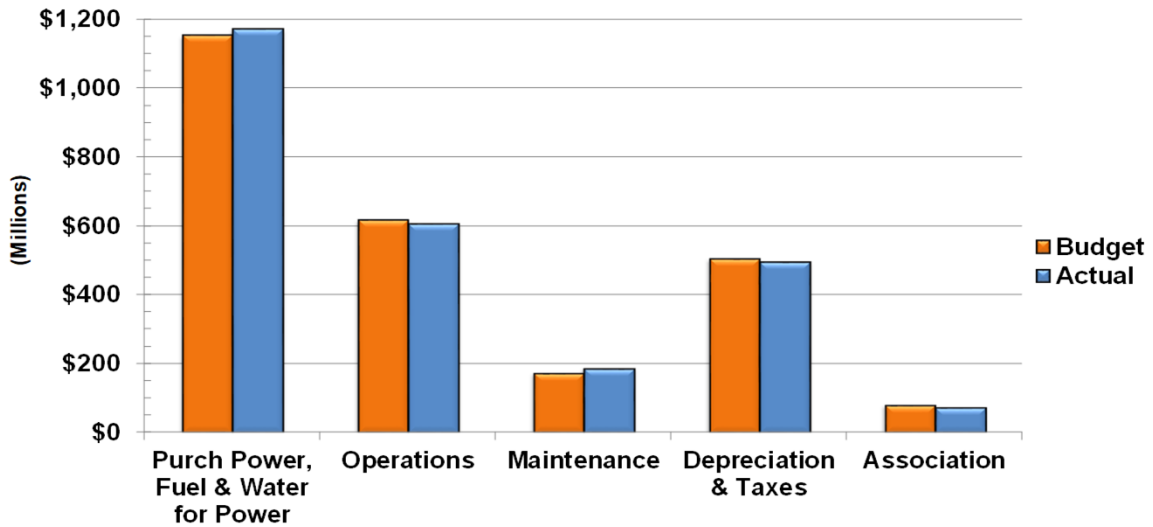


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(Non-GAAP, Unaudited) 3

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## Combined Expenses - YTD December 2023

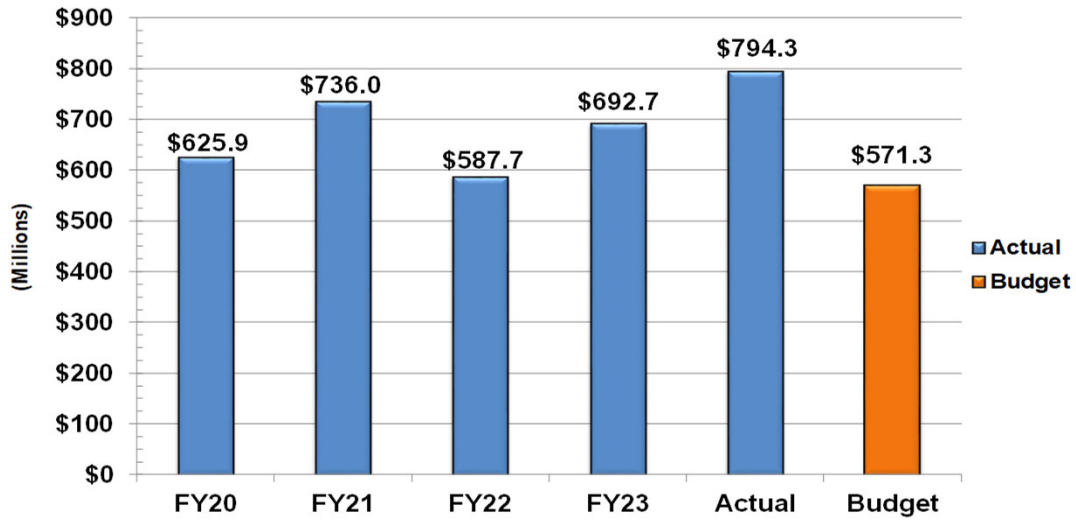


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## Funds Available - YTD December 2023

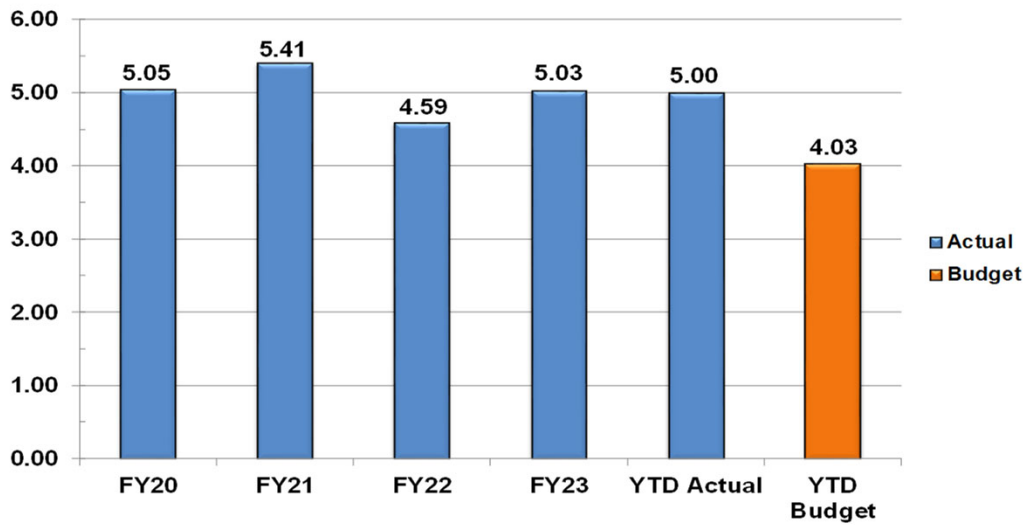


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## Debt Service Coverage - YTD December 2023



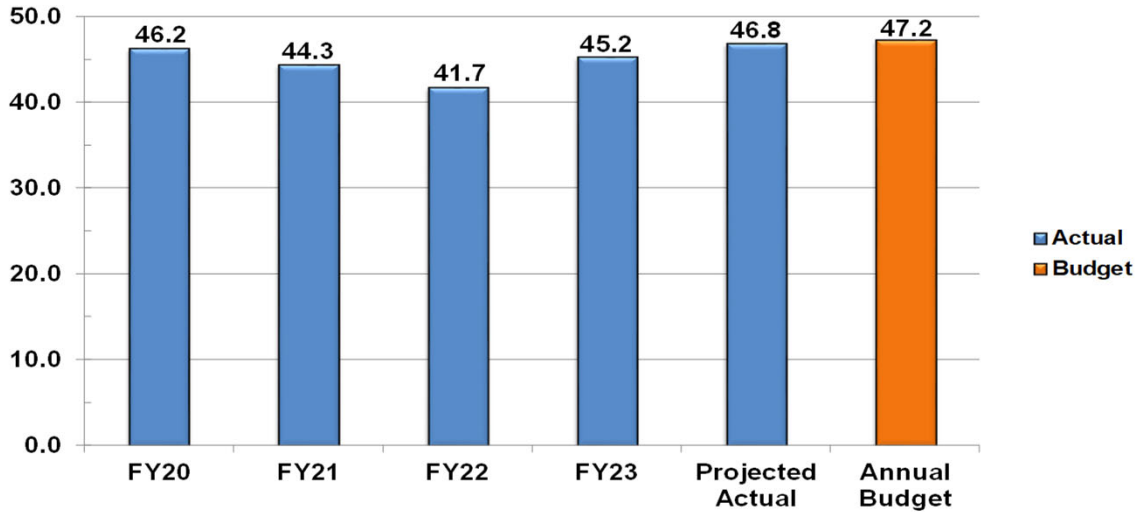
Note: Debt Service Coverage Ratio on Total Debt

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## Debt Ratio - YTD December 2023



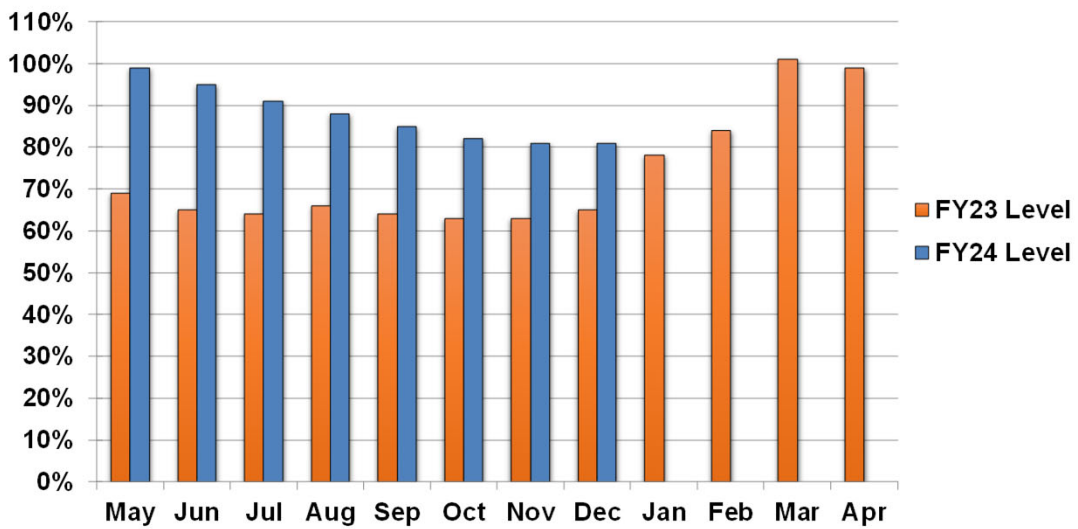
Note: Prior Years and Budget are Fiscal Year-End Ratios

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(Non-GAAP, Unaudited) 7

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## Water Storage Levels

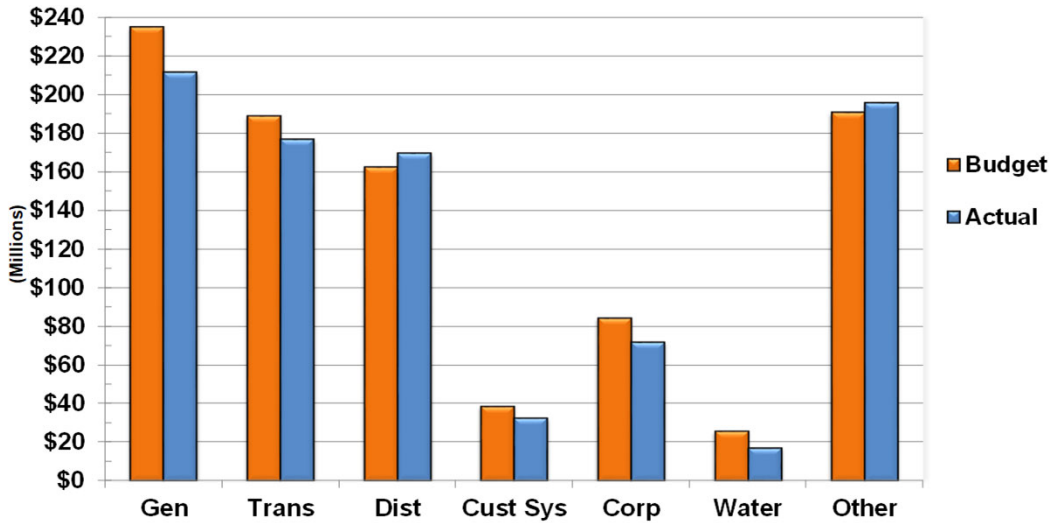


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# Capital Expenditures - YTD December 2023



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(Non-GAAP, Unaudited) 9