

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

FINANCE AND BUDGET COMMITTEE Thursday, August 22, 2024, No Sooner Than 10:00 AM

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

Committee Members: Mark Pace, Chairman; Kathy Mohr-Almeida, Vice Chairman; and Casey Clowes,
Randy Miller, Paul Rovey, Jack White Jr., and Leslie C. Williams

Call to Order

Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item CHAIRMAN MARK PACE
 - A. Request for approval of the minutes for the meeting of June 20, 2024.
 - B. Request for approval of the Monthly Cash Statements for June and July 2024 (District and Association).
 - C. Request for approval of the Quarterly Cash Statement for Period Ending July 31, 2024 (Association).
2. Proposed Adjustment to SRP's Fuel and Purchased Power Adjustment Mechanism (FPPAM) PricesBRANDON SHOEMAKER

Request for approval to increase the FPPAM prices, applicable to all price plans, effective with the November 2024 billing cycle.
3. Prepaid Commodity Transactions TYLER PERRY

Informational presentation regarding prepaid commodity transactions, including opportunities for future transactions.
4. Review of the Financial Results Through July 2024..... VARIOUS
5. Report on Current Events by the General Manager and Chief Executive Officer and Designees.....JIM PRATT
6. Future Agenda Topics..... CHAIRMAN MARK PACE

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, SEPTEMBER 26, 2024**

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

June 20, 2024

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 11:12 a.m. on Thursday, June 20, 2024, 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.

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

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members C. Clowes, M.J. Herrera, K.J. Johnson, K.L. Mohr-Almeida, M.V. Pace, L.D. Rovey, and P.E. Rovey; Council Chairman J.R. Shelton; Council Members A.A. Freeman, E.L. Gorsegner, M.R. Mulligan, I.M. Rakow, C. Resch-Geretti, and N.J. Vanderwey; Mmes. I.R. Avalos, K.R. Beranek, M.J. Burger, A.P. Chabrier, L.F. Hobaica, V.P. Kisicki, M.M. Klein, L.A. Meyers, G.A. Mingura, K.L. Morrison, S.A. Perkinson, K.S. Ramaley, and J.R. Schuricht; Messrs. J.M. Baran, J.D. Coggins, G.A. Delizio, J.M. Felty, R.T. Judd, B.J. Koch, K.J. Lee, M.J. O'Connor, B.A. Olsen, J.M. Pratt, B.G. Shoemaker, P.B. Sigl, R.R. Taylor, J.C. Tucker, and J.A. Wright; Murphy Bannerman of Western Resource Advocates (WRA); and Andy McCoy of the Arizona Attorney General's Office.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Finance and Budget Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, June 18, 2024.

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 Board Member S.H. Williams and seconded by Board Member R.J. Miller, the Committee unanimously approved and adopted the following items on the Consent Agenda:

- A. Minutes of the Finance and Budget Committee meeting on May 23, 2024, as presented
- B. Approval of the District and Association Monthly Cash Statements for April and May 2023

C. Approval of the Association Quarterly Cash Statement for Period Ending April 30, 2024

Corporate Secretary J.M. Felty polled the Committee Members on Board Member S.H. 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, S.D. Kennedy, R.J. Miller, K.H. O’Brien, and S.H. Williams (7)
- NO: None (0)
- ABSTAINED: None (0)
- ABSENT: None (0)

Engagement of Board Pricing Consultant

Using a PowerPoint presentation, Brian J. Koch, SRP Associate General Manager and Chief Financial Executive, stated that the purpose of the presentation was to review three pricing consultants and request approval to engage a pricing consultant to assist the Board in reviewing Management’s cost studies and pricing designs for a possible price process and other pricing related matters that occur during the current fiscal year 2025 (FY25). He reviewed the FY25 financial outlook and introduced John C. Tucker, SRP Senior Director of Financial Strategy.

Continuing Mr. J.C. Tucker listed the consultants the Board considered for the 2023 SRP Buy-Through Program and stated that on April 6, 2023, the Board selected Christensen Associates Energy Consulting (Christensen) as its consultant. He said that in June 2024, the Board requested and received updates regarding the potential engagement from the following three consultants: Christensen, Concentric Energy Advisors, and PA Consulting Group Inc. Mr. J.C. Tucker provided an overview of each consultant’s background.

Mr. B.J. Koch concluded by requesting approval to engage Christensen as a pricing consultant to assist the Board in reviewing Management’s cost studies and pricing designs for a possible price process and other pricing related matters during FY25.

Messrs. B.J. Koch and J.C. Tucker responded to questions from the Committee.

A motion was made by Board Member R.J. Miller and seconded by Board Member N.R. Brown to table the vote for the selection of a Board pricing consultant.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member R.J. Miller’s motion to table the vote for the selection of a Board pricing consultant. The vote was recorded as follows:

- YES: Board Members N.R. Brown, S.D. Kennedy, R.J. Miller, and K.H. O’Brien (4)

NO:	Board Member J.M. White Jr., Chairman; L.C. Williams, Vice Chairman; and S.H. Williams	(3)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Copies of the handouts 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.

Council Member I.M. Rakow left the meeting during the presentation.

Review of the Financial Results for the Month of April 2024 and FY24 Audit Result

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 April 2024 and FY24. Using a PowerPoint presentation, she reviewed the preliminary FY24 Combined Net Revenues (CNR) and the FY20 through FY24 CNR with fair value adjustments.

Ms. S.A. Perkinson compared the actual versus budgeted figures for categories such as general fund balance, year-to-date CNR, system sales, and customer accounts. She concluded by reviewing the financial summary and key financial indicators for the month of April 2024 and fiscal year-to-date.

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

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.

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

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

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 11:59 a.m.

John M. Felty
Corporate Secretary



Statement of Cash Received and Disbursed

June 2024

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Funds Balance Beginning of Period	\$ 512,415	\$ 1,168	\$ 513,583	\$ 785,829
Cash Receipts:				
Electric Revenues	314,318	---	314,318	576,179
Water Revenues	---	1,356	1,356	2,481
Electric Customer Deposits	4,077	---	4,077	7,950
Reimbursement on Joint Ownership Projects	21,905	---	21,905	32,198
Construction Contributions and Advances	61,787	---	61,787	89,422
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	19,545	---	19,545	19,545
Sales Tax Collected	27,828	---	27,828	50,049
Other Cash Receipts	10,575	---	10,575	26,943
Total Cash Receipts	<u>460,035</u>	<u>1,356</u>	<u>461,391</u>	<u>804,767</u>
Fund Transfers - Net	<u>(3,559)</u>	<u>3,559</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	89,782	---	89,782	196,889
Operations and Maintenance	83,586	2,247	85,833	207,778
Employee Payroll and Payroll Taxes	51,028	3,663	54,691	137,402
Purchased Inventory	24,869	---	24,869	52,473
Cash Segregated for -				
Bond Interest	19,870	---	19,870	39,740
Bond Principal	9,898	---	9,898	19,796
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	3,346	---	3,346	4,517
Capital Expenditures	50,219	---	50,219	215,696
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	19,920	---	19,920	19,920
In Lieu and Ad Valorem Taxes	---	---	---	60,006
Sales Tax Remitted	31,207	---	31,207	48,833
Margin and Collateral Disbursed - Net	(1,109)	---	(1,109)	153
Miscellaneous Cash Disbursements	12,394	---	12,394	13,339
Total Cash Disbursements	<u>395,010</u>	<u>5,910</u>	<u>400,920</u>	<u>1,016,542</u>
Funds Balance End of Period	<u>\$ 573,881</u>	<u>\$ 173</u>	<u>\$ 574,054</u>	<u>\$ 574,054</u>

**Cash Position**

June 2024

Composition of Funds Balance	(\$000)		
	District	Association	Total
Cash and Cash Equivalents	\$ 279,216	\$ 173	\$ 279,389
Other Temporary Investments	167,965	---	167,965
Other Non-Current Investments	126,700	---	126,700
General Fund	<u>573,881</u>	<u>173</u>	<u>574,054</u>
Segregated Funds			
Electric System Debt Reserve Fund	80,337	---	80,337
Debt Service Fund	162,436	---	162,436
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	666,319	---	666,319
Post-Retirement Benefits Fund	1,265,104	---	1,265,104
Construction Fund	15	---	15
RHCP Fund	12,838	---	12,838
HHCP Fund	8,776	---	8,776
SPRHCP Fund	3,622	---	3,622
Four Corners Mine Reclamation Trust	14,383	---	14,383
Other Special Funds	<u>2,182</u>	<u>---</u>	<u>2,182</u>
Total Segregated Funds	<u>\$ 2,216,012</u>	<u>\$ ---</u>	<u>\$ 2,216,012</u>

**Statement of Cash Received and Disbursed**

July 2024

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Funds Balance Beginning of Period	\$ 573,881	\$ 173	\$ 574,054	\$ 785,829
Cash Receipts:				
Electric Revenues	426,315	---	426,315	1,002,494
Water Revenues	---	1,024	1,024	3,505
Electric Customer Deposits	4,794	---	4,794	12,744
Reimbursement on Joint Ownership Projects	4,674	---	4,674	36,872
Construction Contributions and Advances	18,307	---	18,307	107,729
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	99,677	---	99,677	119,222
Sales Tax Collected	41,091	---	41,091	91,140
Other Cash Receipts	5,743	---	5,743	32,686
Total Cash Receipts	<u>600,601</u>	<u>1,024</u>	<u>601,625</u>	<u>1,406,392</u>
Fund Transfers - Net	<u>(3,524)</u>	<u>3,524</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	117,648	---	117,648	314,537
Operations and Maintenance	83,495	1,346	84,841	292,619
Employee Payroll and Payroll Taxes	50,410	3,279	53,689	191,091
Purchased Inventory	17,895	---	17,895	70,368
Cash Segregated for -				
Bond Interest	19,253	---	19,253	58,993
Bond Principal	9,898	---	9,898	29,694
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	1,583	---	1,583	6,100
Capital Expenditures	69,260	---	69,260	284,956
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	99,677	---	99,677	119,597
In Lieu and Ad Valorem Taxes	---	---	---	60,006
Sales Tax Remitted	19,998	---	19,998	68,831
Margin and Collateral Disbursed - Net	14,846	---	14,846	14,999
Miscellaneous Cash Disbursements	897	---	897	14,236
Total Cash Disbursements	<u>504,860</u>	<u>4,625</u>	<u>509,485</u>	<u>1,526,027</u>
Funds Balance End of Period	<u>\$ 666,098</u>	<u>\$ 96</u>	<u>\$ 666,194</u>	<u>\$ 666,194</u>

**Cash Position**

July 2024

Composition of Funds Balance	(\$000)		
	<u>District</u>	<u>Association</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 409,178	\$ 96	\$ 409,274
Other Temporary Investments	130,220	---	130,220
Other Non-Current Investments	<u>126,700</u>	<u>---</u>	<u>126,700</u>
General Fund	<u>666,098</u>	<u>96</u>	<u>666,194</u>
Segregated Funds			
Electric System Debt Reserve Fund	80,612	---	80,612
Debt Service Fund	91,910	---	91,910
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	676,447	---	676,447
Post-Retirement Benefits Fund	1,303,856	---	1,303,856
Construction Fund	15	---	15
RHCP Fund	12,635	---	12,635
HHCP Fund	8,816	---	8,816
SPRHCP Fund	3,640	---	3,640
Four Corners Mine Reclamation Trust	15,504	---	15,504
Other Special Funds	<u>2,180</u>	<u>---</u>	<u>2,180</u>
Total Segregated Funds	<u>\$ 2,195,615</u>	<u>\$ ---</u>	<u>\$ 2,195,615</u>

SALT RIVER VALLEY WATER USERS' ASSOCIATION

STATEMENT OF CASH RECEIVED AND DISBURSED

For Fiscal Quarter Ended July 31, 2024

(In Thousands)

Funds Balance at April 30, 2024	\$ 402
Cash Received:	
Water revenues	\$ 3,505
Other cash receipts	<u>\$ -</u>
Total cash received	\$ 3,505
Operating Funds from SRPAI&PD - Net	<u>\$ 13,070</u>
Total Funds Received	<u>\$ 16,575</u>
Cash Disbursed:	
Operating and maintenance expense	\$ 5,315
Net paychecks and deductions paid to others	\$ 11,566
Corporate and payroll taxes	\$ -
Other	<u>\$ -</u>
Total Cash Disbursed	<u>\$ 16,881</u>
Funds Balance at July 31, 2024	<u><u>\$ 96</u></u>



Jason Riggs

Assistant Corporate Treasurer

Fuel and Purchased Power Adjustment Mechanism (FPPAM) Increase Recommendation

B. G. Shoemaker | 08/22/2024

Fuel & Purchased Power Adjustment Mechanism (FPPAM) Overview

Mechanism allows SRP to adapt to moving fuel and purchased power expenses and adjust the FPPAM price outside of a formal price process with the intention of typically recovering the appropriate costs in a timely manner

SRP Management Responsibilities

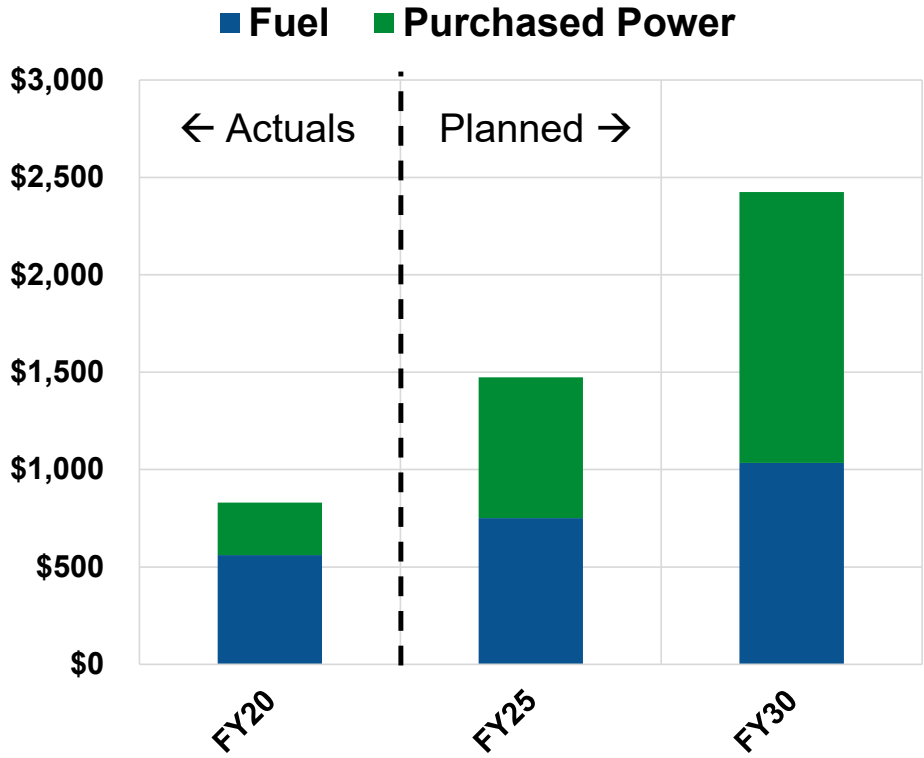
- FPPAM revenues, expenses and cumulative collection balances are reported to the Board on a monthly basis
- Management may recommend general adjustments to the FPPAM prices twice per year (May and November)
- If the cumulative collection balance of FPPAM exceeds a dead band of \$20M (positive or negative), management may recommend a FPPAM price change at any time during the year

SRP Board Responsibilities

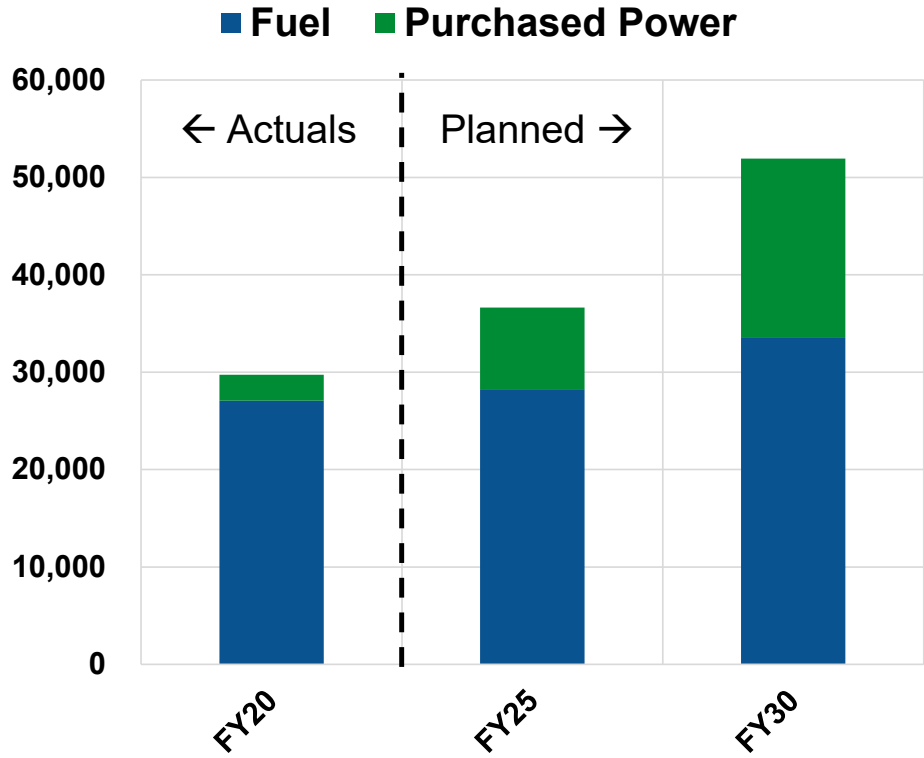
- FPPAM price adjustments must receive Board approval prior to implementation
- In evaluating/approving adjustments, the Board may consider fuel and purchased power projections over a period not to exceed 24 months

Retail Fuel & Purchased Power

Expenses (\$M)

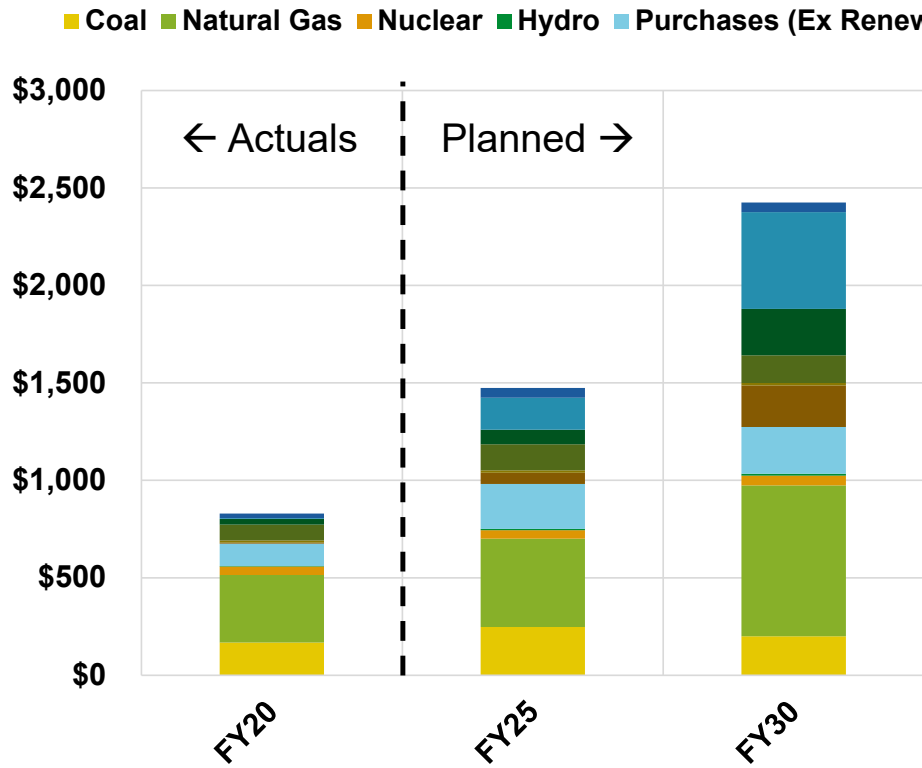


Production (GWh)

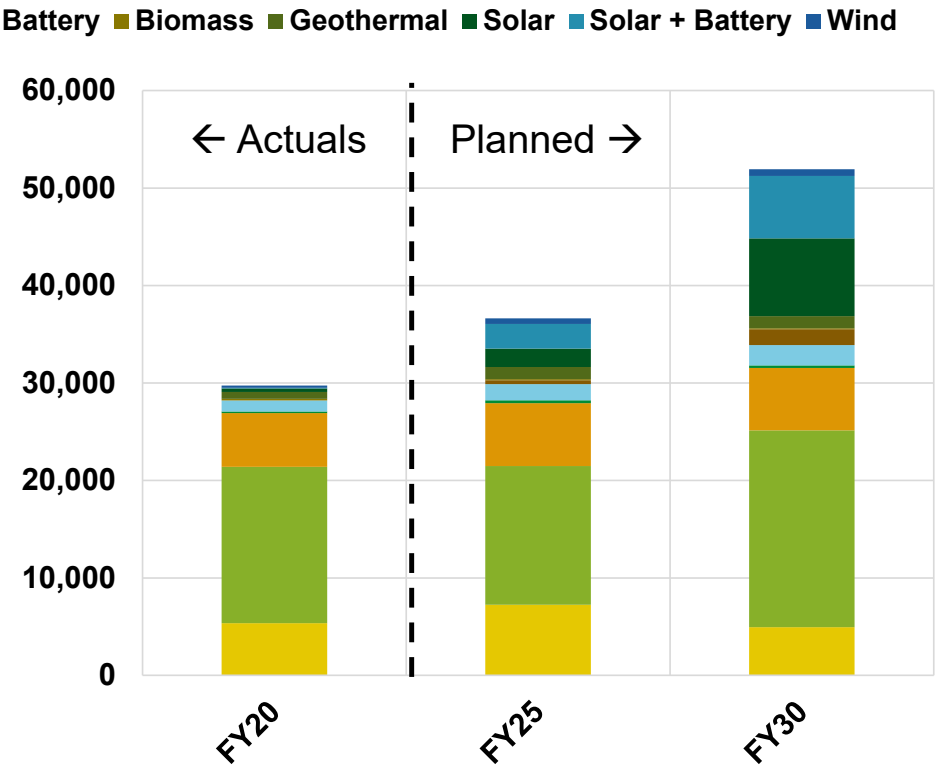


Retail Fuel & Purchased Power

Expenses (\$M)



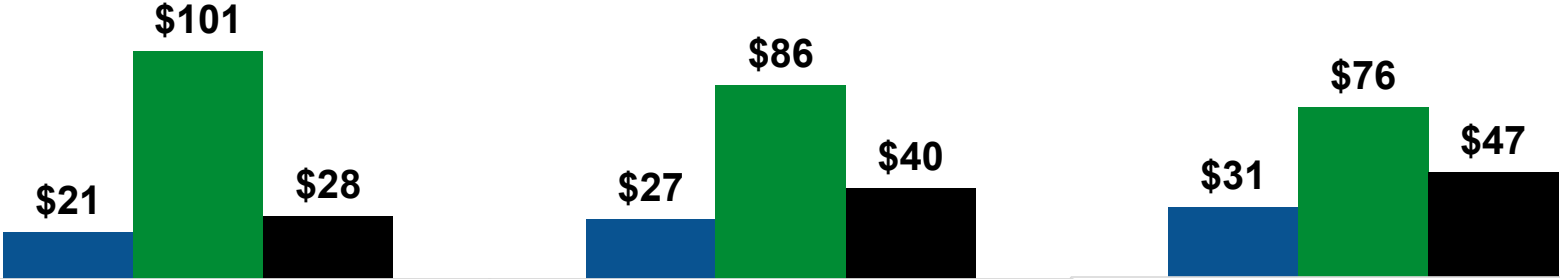
Production (GWh)



Retail Fuel & Purchased Power Unit Costs and Energy Mix

■ Fuel ■ Purchased Power ■ Total

Retail Fuel & Purchased Power \$ / MWh Produced

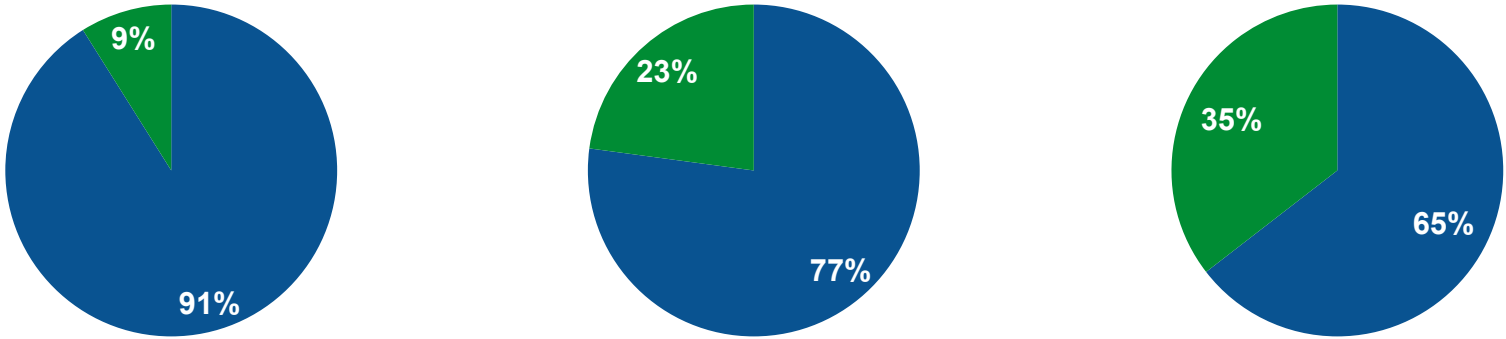


FY20

FY25

FY30

Share of Retail Fuel & Purchased Power Energy Production (MWh)



Contribution of Generation Resources to Reliability

Resource Firmness 

Variable Energy Resources:
variable output

Use Constrained:
subject to physical, environmental, or contractual limits

Firm Capacity:
available on demand



Wind



Solar



Solar +
Battery



Battery



Hydro



Geothermal



Natural
Gas

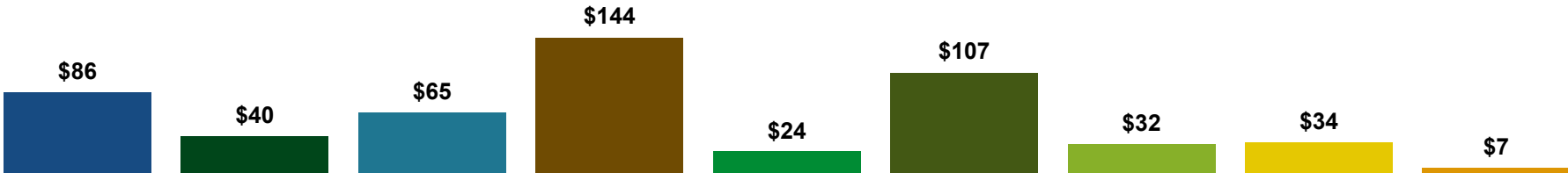


Coal



Nuclear

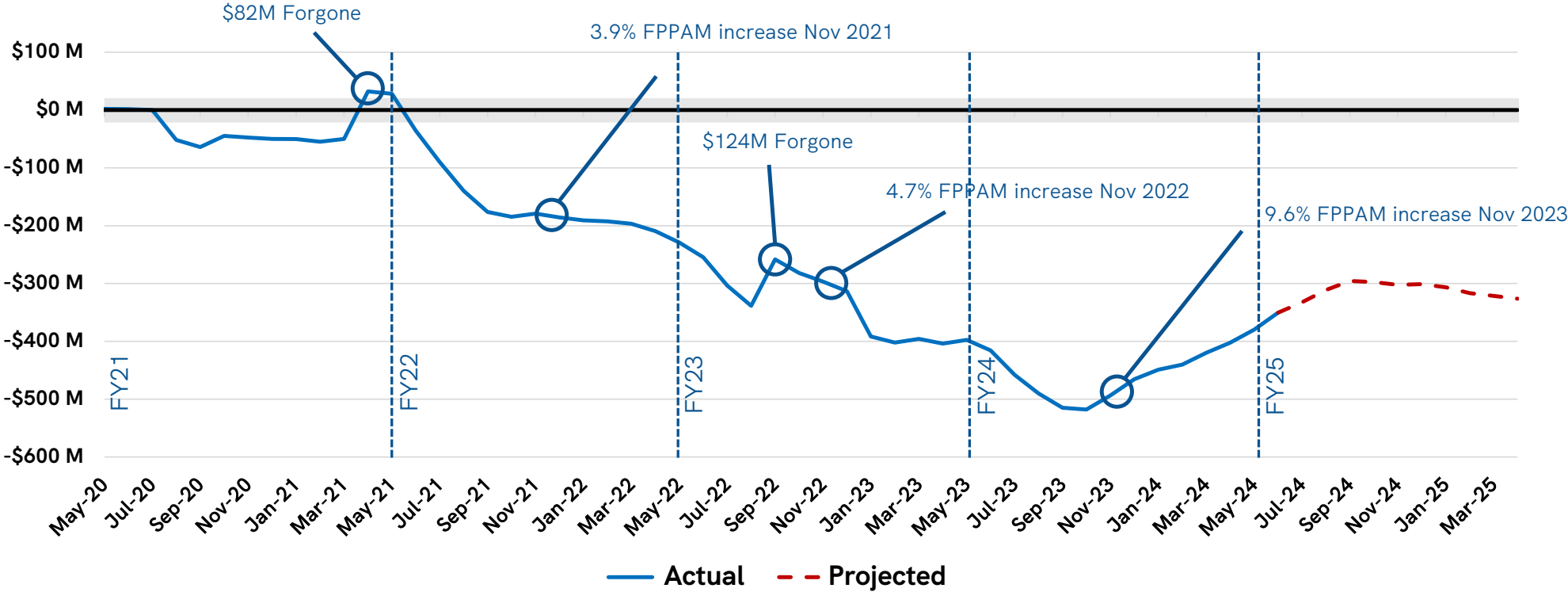
FY25
Budgeted
Retail Fuel &
Purchased
Power Per
MWh
Produced



Factors Considered in Reliability Value

Weather-driven Availability	X	X	X						
Limited Hours Available			X	X	X				
Forced Outages	X	X	X	X	X	X	X	X	X
Fuel Security						X	X	X	X

Recent FPPAM Balance History



Considerations Contributing to Recommendation

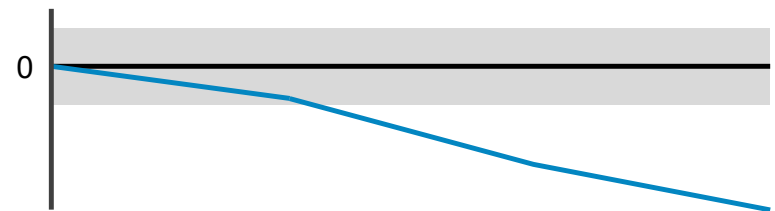
- Address substantial, 3-year under-collection balance
 - Expected to persist without pricing action
- Maintain financial plan and budget metrics:
 - Reduces debt and borrowing costs
- Be responsive to credit rating agency concerns
 - Updated SRP credit ratings expected in coming weeks in support of bond sale
- Keep SRP's prices among the lowest quartile in the region

FPPAM Collection Balance Mechanics

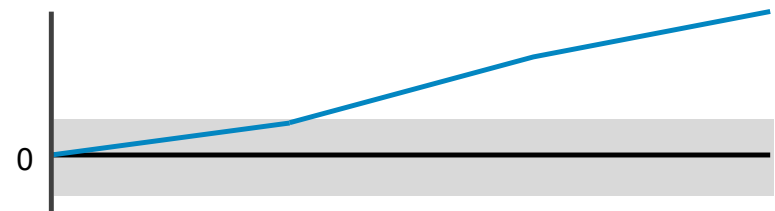
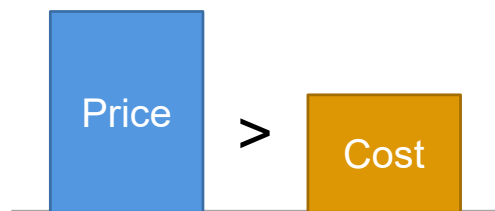
Balanced



Under-collection

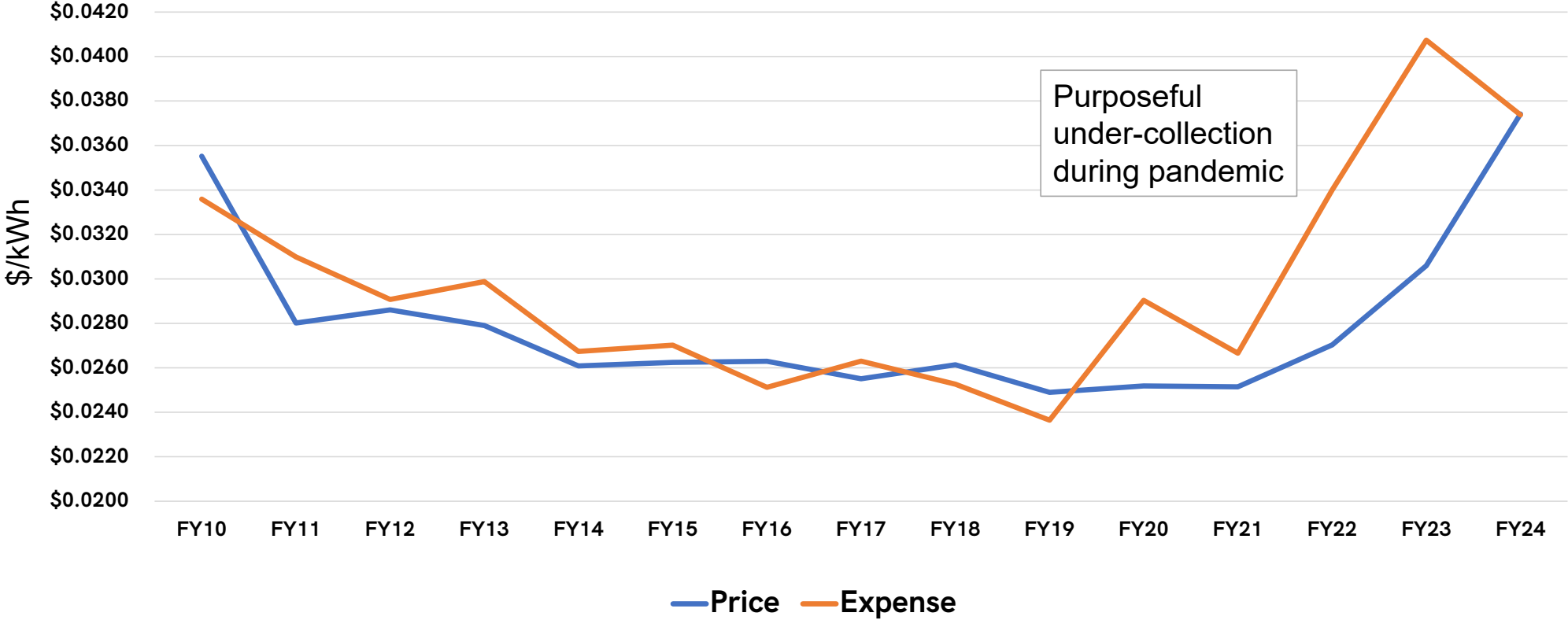


Over-collection



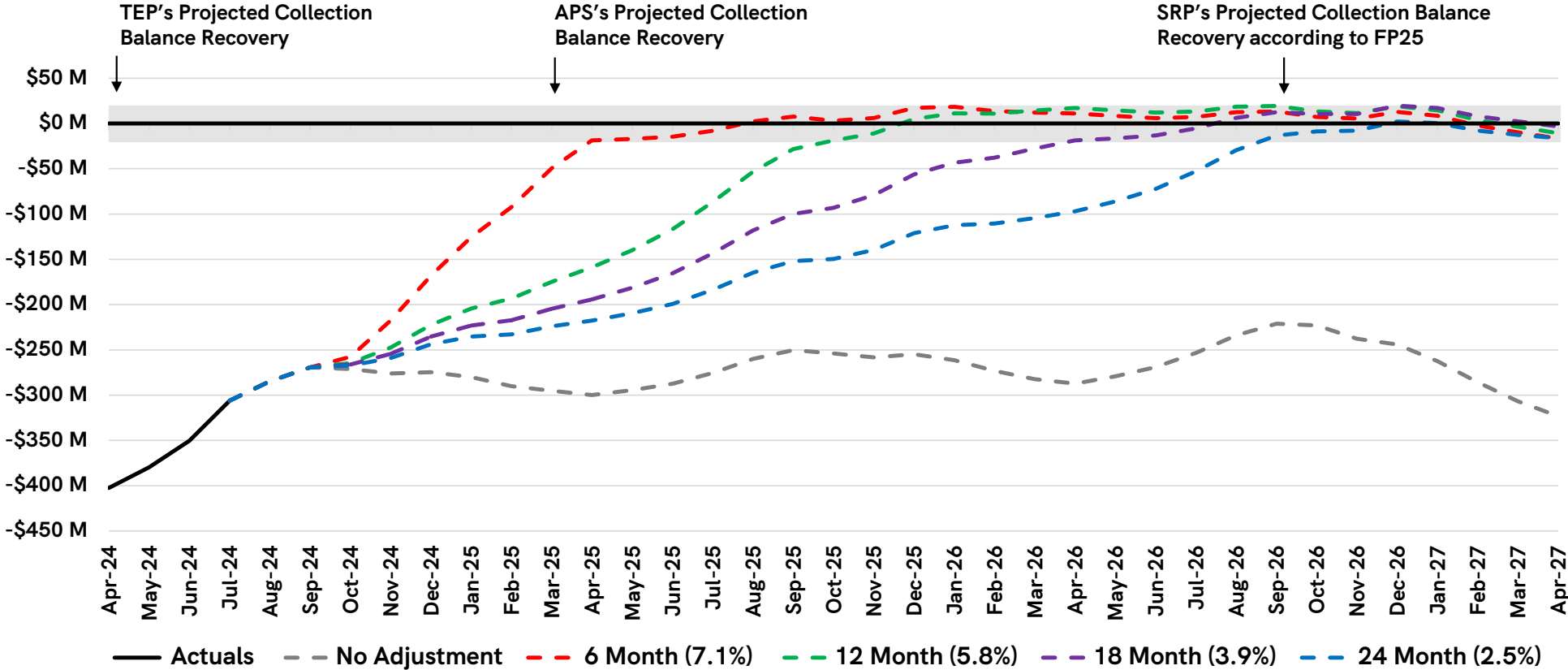
FPPAM Price vs. Expense FY10 – FY24

Capacity purchases,
renewables/batteries
and natural gas



Purposeful
under-collection
during pandemic

Collection Projections Through FY27



Collection Balance Recovery Options

Estimated Return To Dead Band (end of month)	Overall Average Annual Impact
6 Months (Apr 2025)	7.1%
12 Months (Oct 2025)	5.8%
18 Months (Apr 2026)	3.9%
24 Months (Oct 2026)	2.5%

Recommended FPPAM Adjustment Impacts to Avg Annual Bill (Change from Current Prices) – 18 Month Recovery

	Summer/Summer Peak	Winter	Annual Bill Increase
Residential (E-10s/20s)	1.9%	5.6%	3.2%
General Service (E-30s)	2.3%	6.3%	3.8%
Large Industrial (E-60s)	2.7%	10.3%	5.6%
Pumping (E-40s)	2.1%	7.0%	4.0%
Lighting (E-50s)	1.2%	3.4%	2.3%
Total	2.2%	7.0%	3.9%

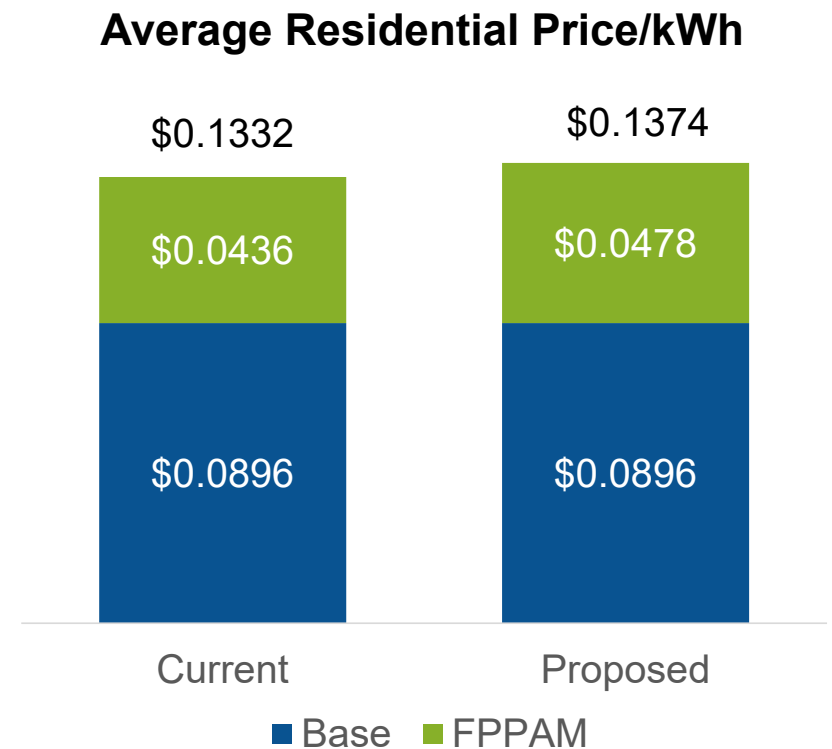
Recommended FPPAM Component Prices \$/kWh (Change from Current Prices) – 18 Month Recovery

	Summer/Summer Peak		Winter	
	Current	Proposed	Current	Proposed
Residential (E-10s/20s)	\$0.0436	\$0.0461	\$0.0435	\$0.0505
General Service (E-30s)	\$0.0435	\$0.0460	\$0.0435	\$0.0505
Pumping (E-40s)	\$0.0435	\$0.0460	\$0.0434	\$0.0504
Lighting (E-50s)	\$0.0436	\$0.0461	\$0.0436	\$0.0506
Small Industrial (E-61)	\$0.0435	\$0.0460	\$0.0434	\$0.0504
Small Industrial (E-63)	\$0.0432	\$0.0457	\$0.0431	\$0.0501
Large Industrial (E-65/66/67)	\$0.0429	\$0.0454	\$0.0429	\$0.0499

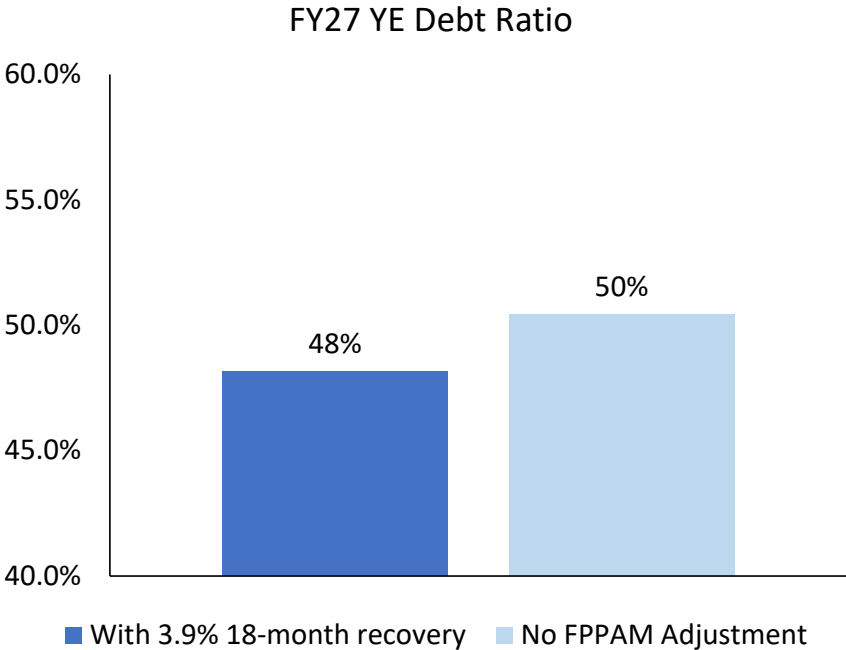
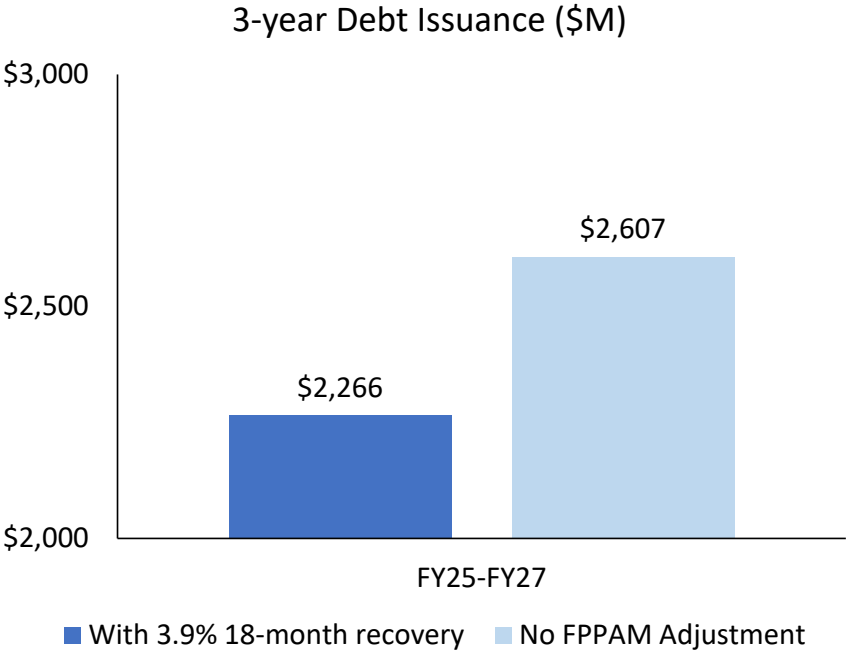
\$0.0070/kWh Winter increase (Nov-Apr) and \$0.0025/kWh Summer & Summer Peak increase (May-Oct)

Impact on Average Residential Customer Bill – 18 Month Recovery

- Average residential customer bill:
\$155.72/month
- Proposed average bill increase:
\$4.93/month
- Proposed average residential customer bill:
\$160.65/month



Financial Impacts



Recommendation

In accordance with the terms discussed herein, request that the Committee recommend that the Board

- Approve increasing FPPAM prices by \$0.0070/kWh in Winter months (Nov-Apr) and \$0.0025/kWh in Summer and Summer Peak months (May-Oct) across all customer classes effective with the November 2024 billing cycle.
 - An average overall impact of 3.9%.

Next Steps

9/9/2024: District Board FPPAM Adjustment Decision

11/1/2024: Effective November 2024 billing cycle (pending Board Decision)

Prepaid Commodity Overview

Tyler Perry

Finance and Budget Committee | August 22, 2024

Agenda

- Prepaid Commodity Transaction Overview
- SRP's History with Prepays
- Prepaid Opportunities
- Prepaid Transaction Details
- Next Steps

What is a Prepaid Commodity Transaction

- Financing structure that provides SRP access to savings through lower tax-exempt interest rates
- SRP is not responsible to repay the debt (only required to pay for commodities received) and it does not impact the balance sheet and credit metrics
- Per IRS regulations, prepaid commodities must be consumed by retail customers
- Prepays complement, and do not affect or alter, SRP's Resource Plan

SRP Prepaid Transaction History

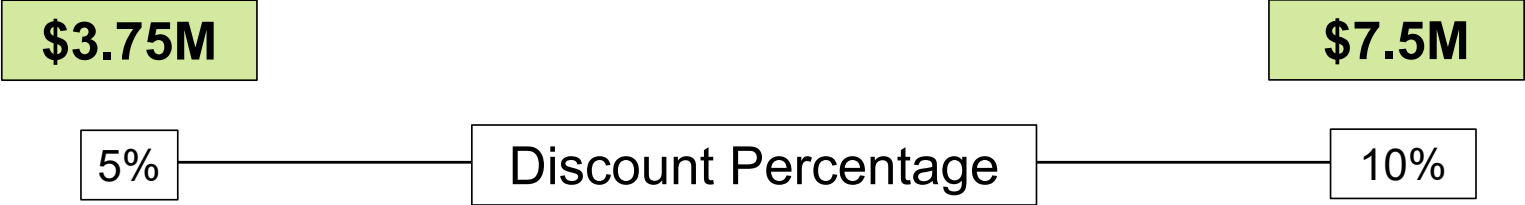
- Salt Verde Financial Corporation (SVFC)
 - Gas prepaid transaction (2007)
 - Issued \$1.2B in tax-exempt debt
 - Discount of \$1.15 per MMBtu
 - Savings to date: \$172M. Projected remaining savings: \$172M
- Recent Gas Prepaid Transactions
 - Three transactions executed 2020 - 2023
 - Discount of \$0.26 - \$0.50 per MMBtu
 - Savings between 2020 and 2029: \$21.9M. Projected savings beyond 2029: \$60.3M
 - Flexibility to switch from gas to power at SRP's discretion

Prepaid Opportunities: Energy Based Prepays

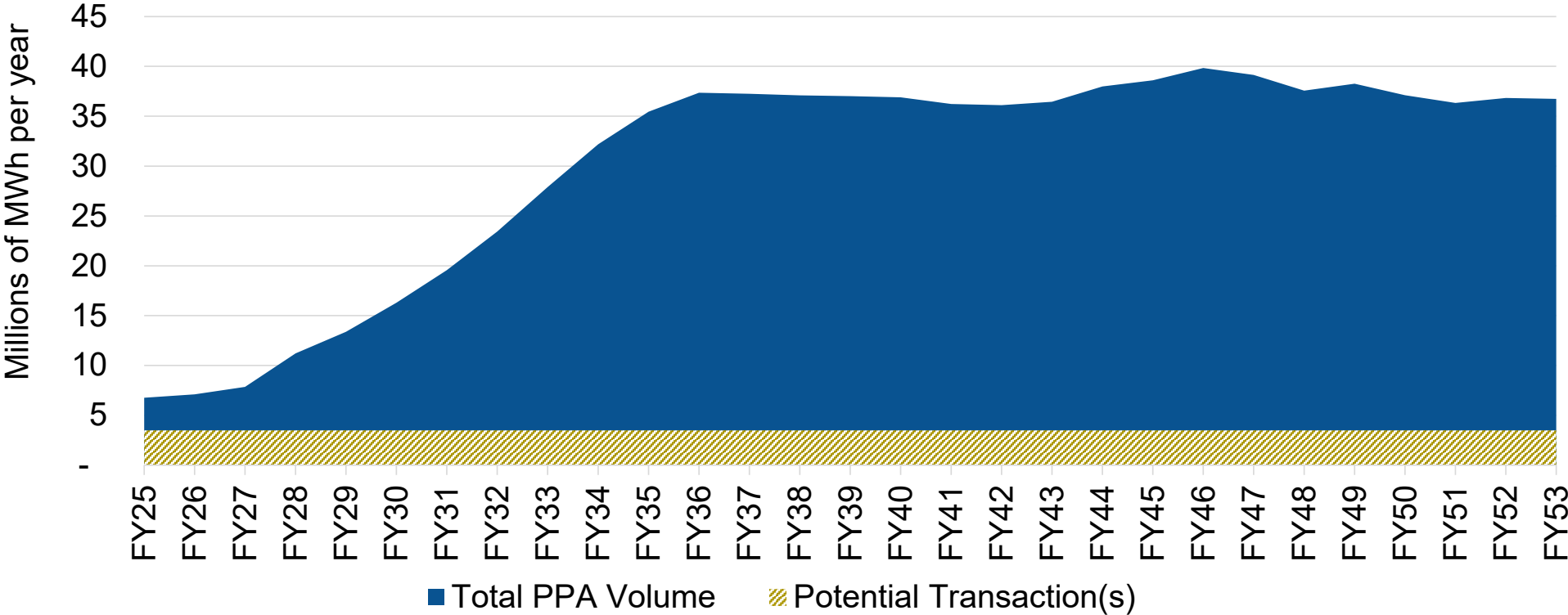
- Energy is sourced from SRP's existing or future portfolio of PPAs
- ~ 20 existing and active eligible PPAs
- Optimal transaction size
 - 30-year term broken into 5 - 10 year periods
 - ~\$50M - \$75M total annual spend of PPA contracts
- Current estimated market discount: 8 - 10% of annual spend on PPAs placed in transaction
 - Difference between tax-exempt and taxable interest rate drives savings for SRP customers

Prepaid Opportunities: Annual Savings Example

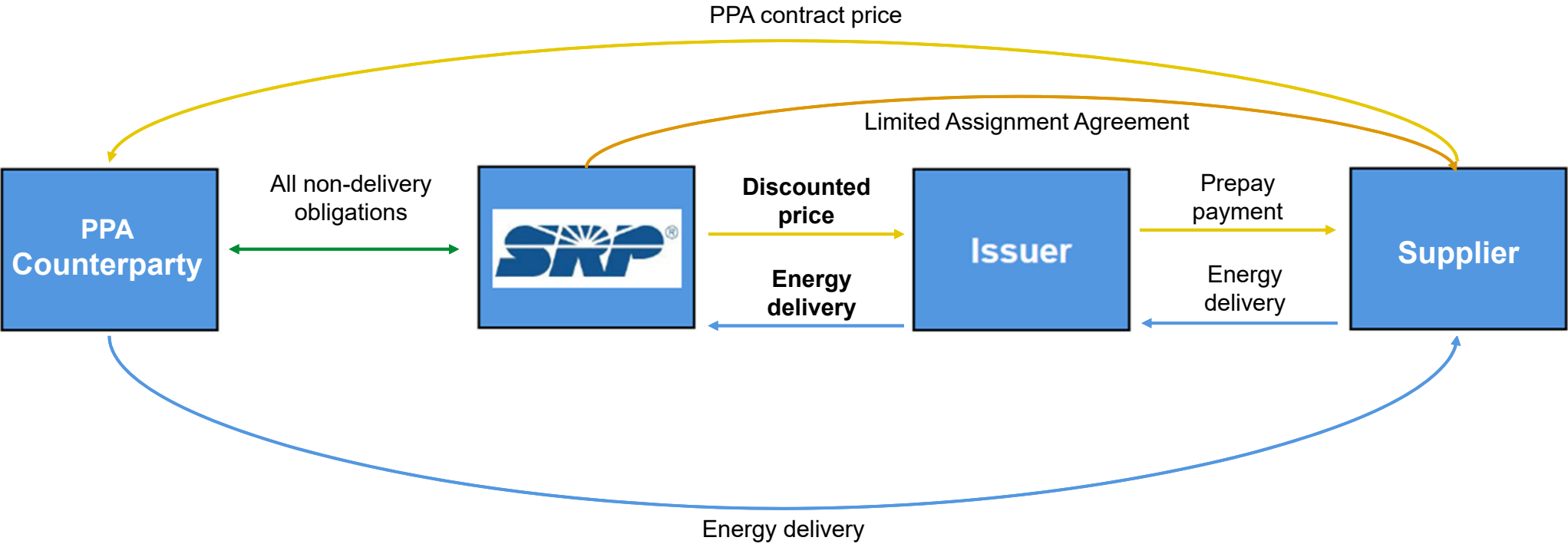
\$75M Annual PPA Spend



Prepaid Opportunities: Volume



Prepaid Transaction Details: PPA Based



Prepaid Transaction Next Steps

- September Finance & Budget Committee approval request
- Select a supplier/investment bank partner
- Begin Limited Assignment Agreement discussions with current PPA developers

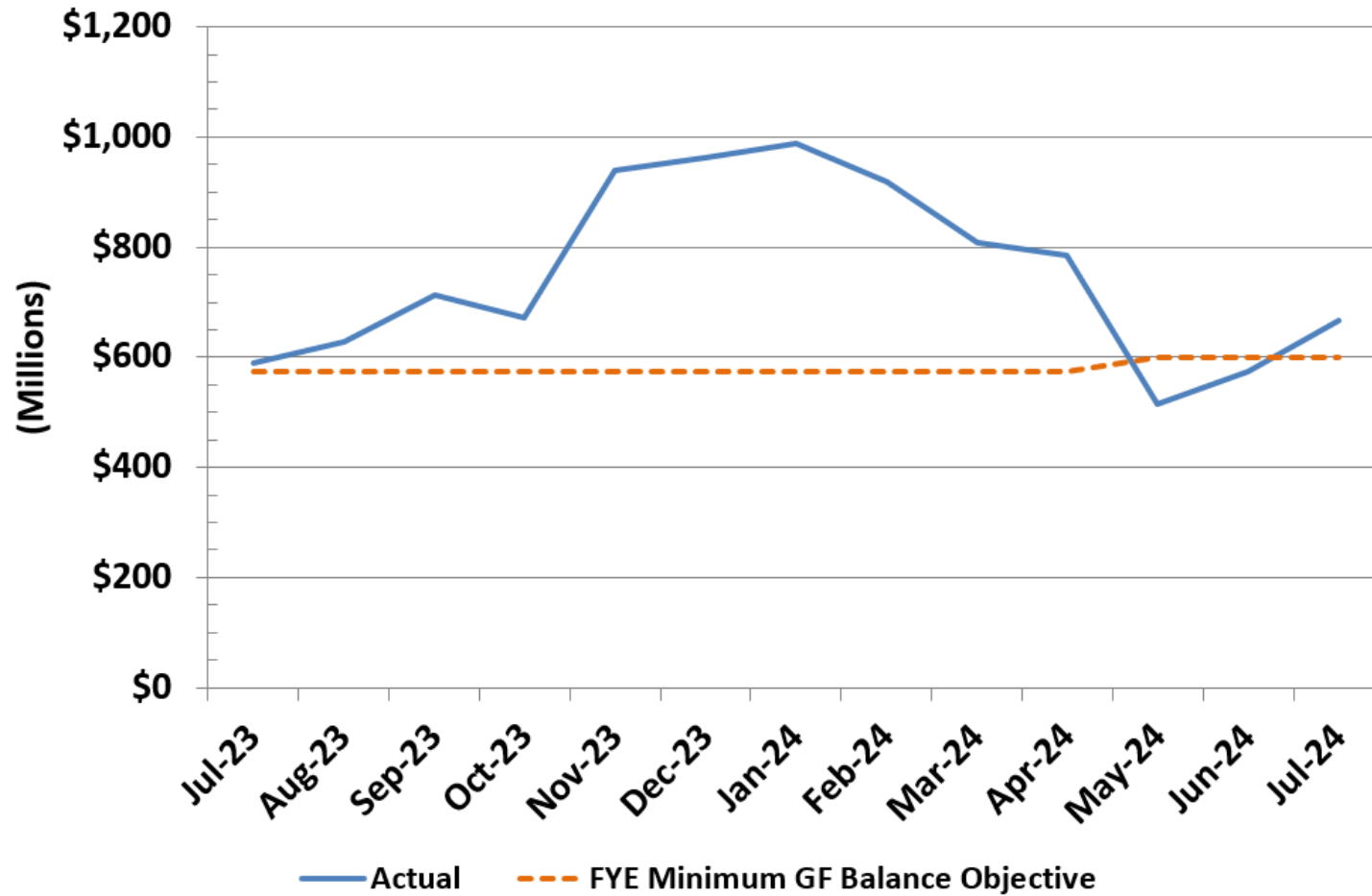
thank you!



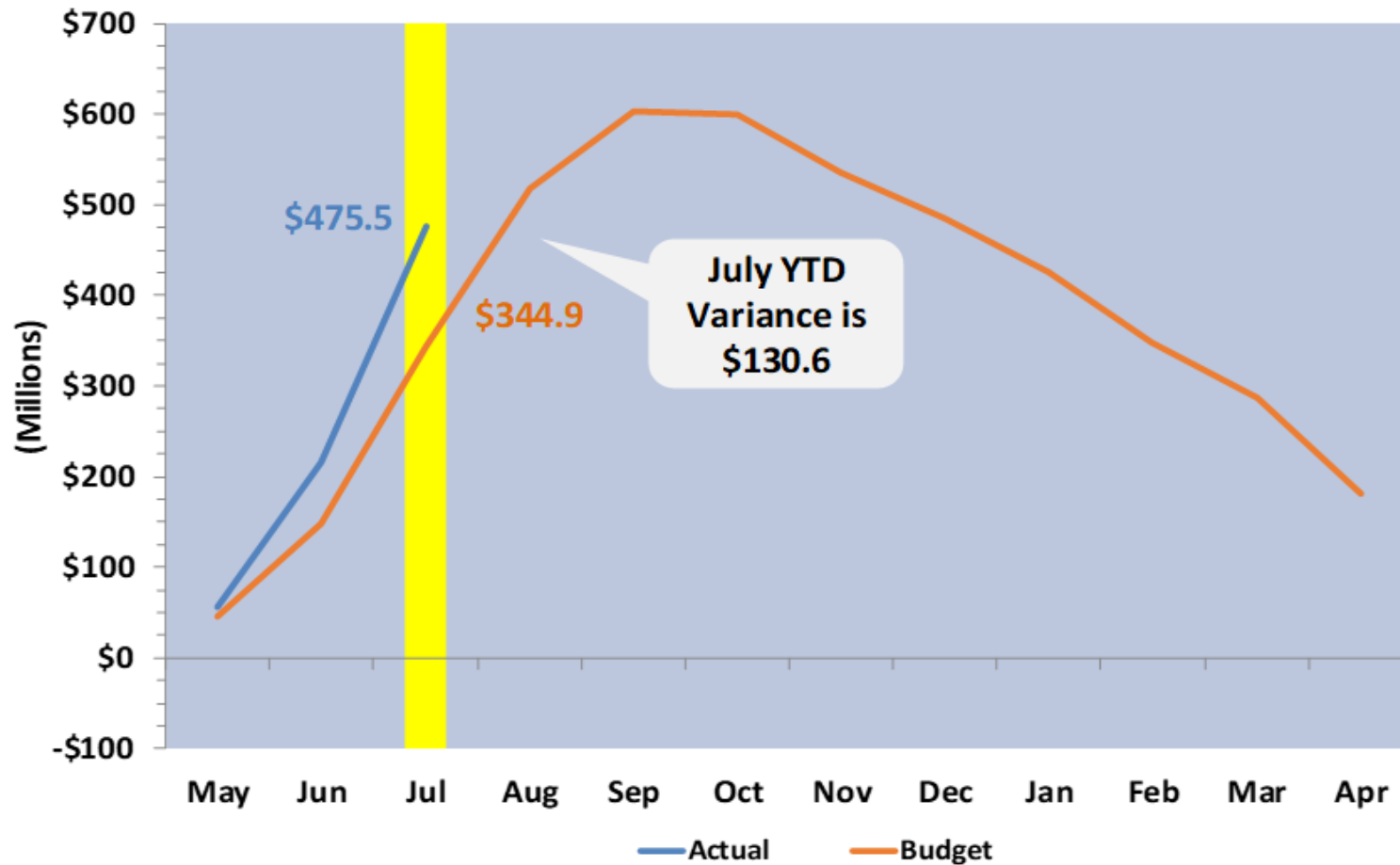
Monthly Financial Report July 2024

Finance & Budget Committee Meeting
Sue Ann Perkinson | August 22, 2024

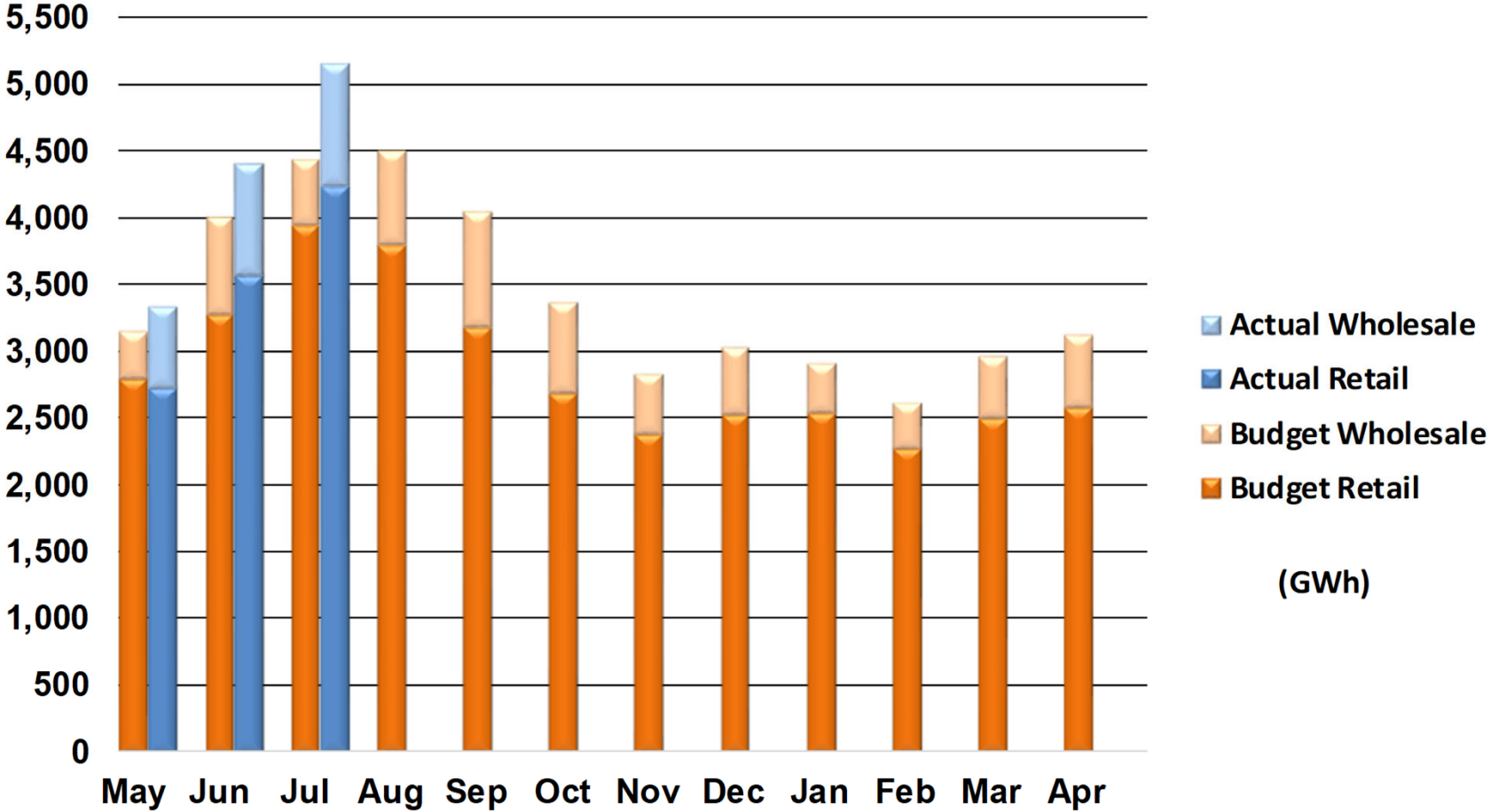
General Fund Balance



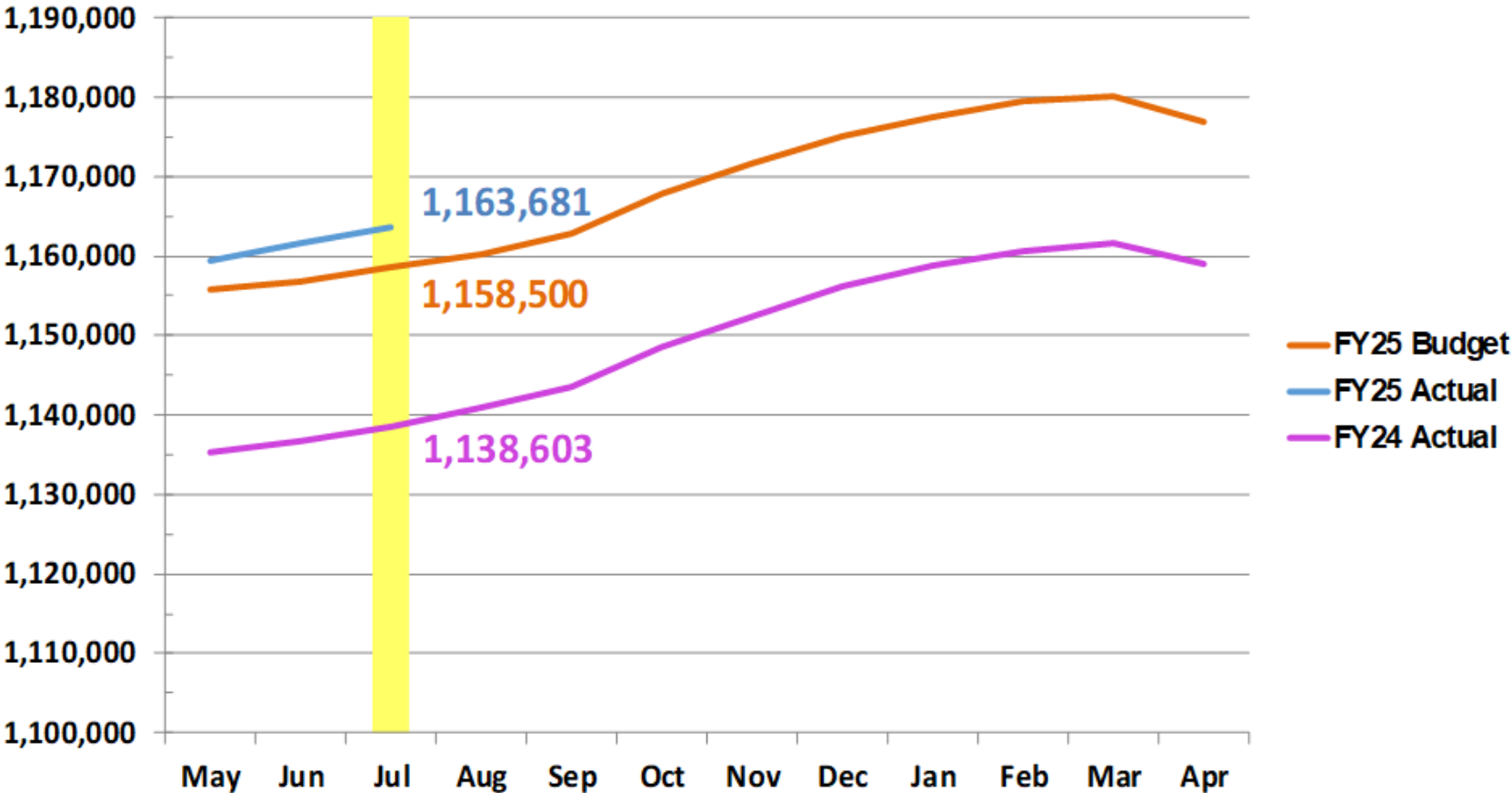
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary – YTD July 2024

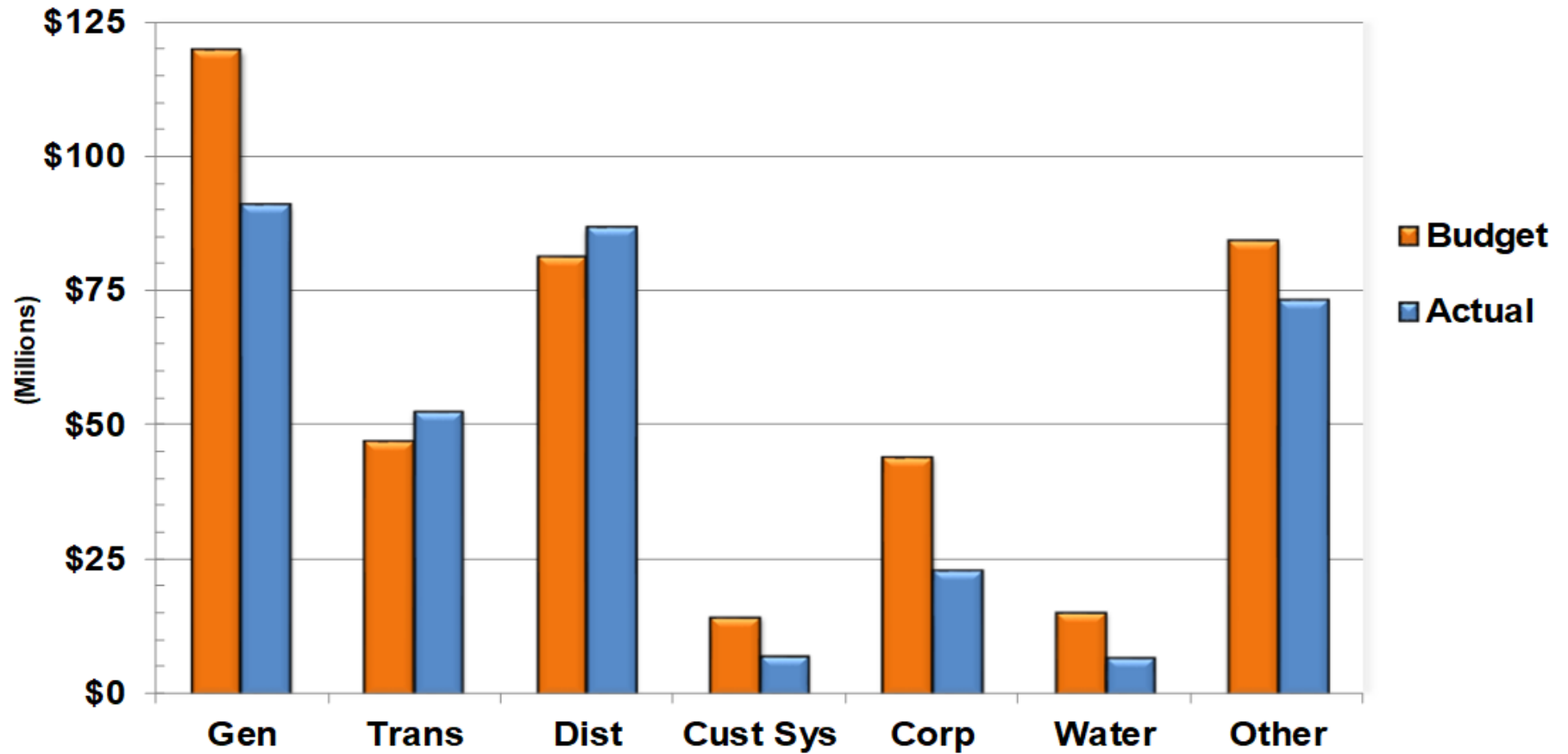
(Thousands)	Actual	Budget	Variance
Operating Revenues	\$ 1,463,287	\$ 1,352,691	\$ 110,596
Operating Expenses			
Fuel	435,581	435,654	(73)
O&M	326,372	343,449	(17,077)
Depr & Tax	200,839	203,729	(2,890)
Total Operating Expenses	962,792	982,832	(20,040)
Net Financing Costs	42,218	45,223	(3,005)
Other, Net	17,264	20,288	(3,024)
Combined Net Revenues	\$ 475,541	\$ 344,924	\$ 130,617

Key Financial Indicators – YTD July 2024

(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Funds Available	\$ 589,772	\$ 459,688	\$ 130,084
Debt Service Coverage	7.90	6.43	1.47
Debt Ratio*	46.8	47.4	(0.6)
Capital Expenditures	\$ 340,282	\$ 406,395	\$ (66,113)

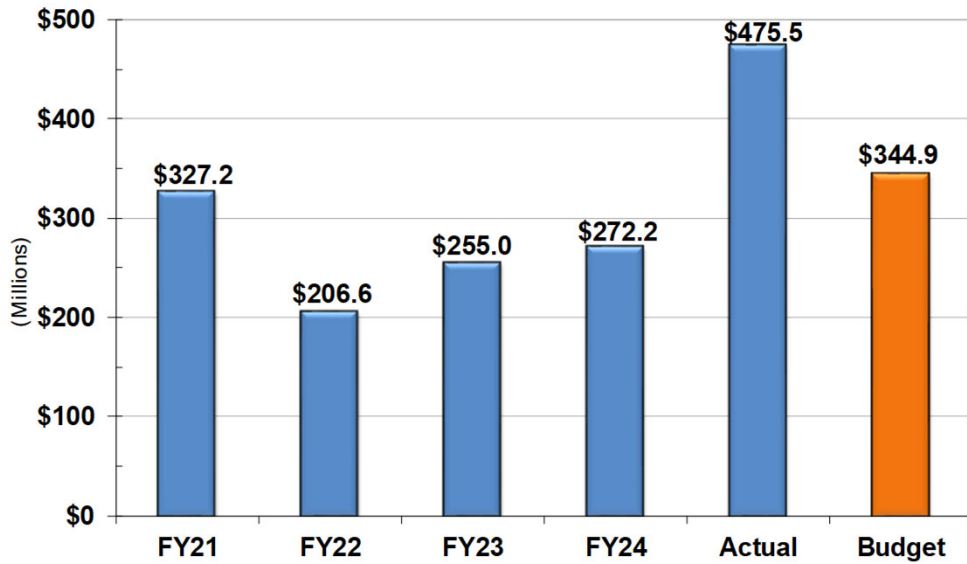
***Debt Ratio represents Projected Actual compared to Annual Budget**

Capital Expenditures – YTD July 2024





CNR without Fair Value Adjustments - YTD July 2024

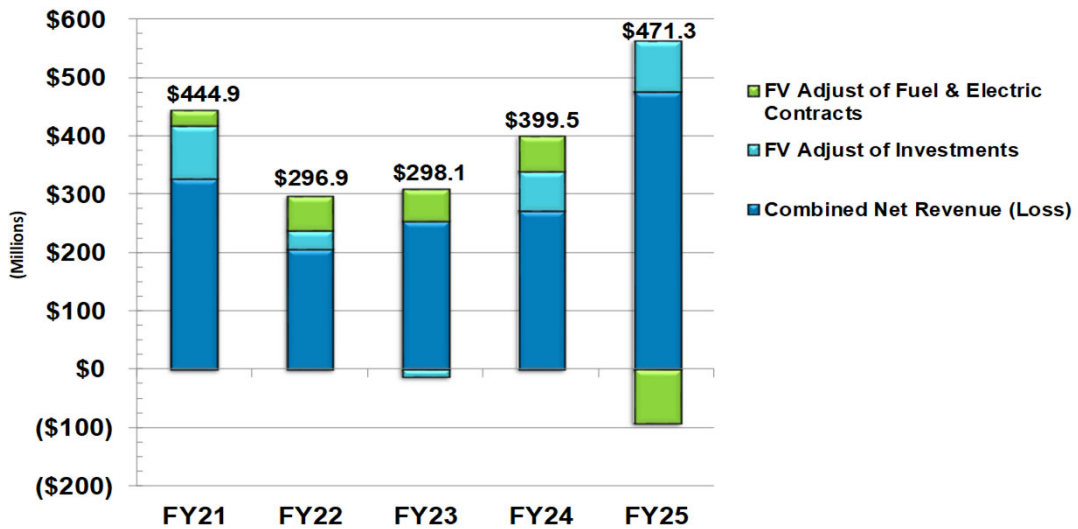


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(Non-GAAP, Unaudited) 1

1

CNR with Fair Value Adjustments - YTD July 2024

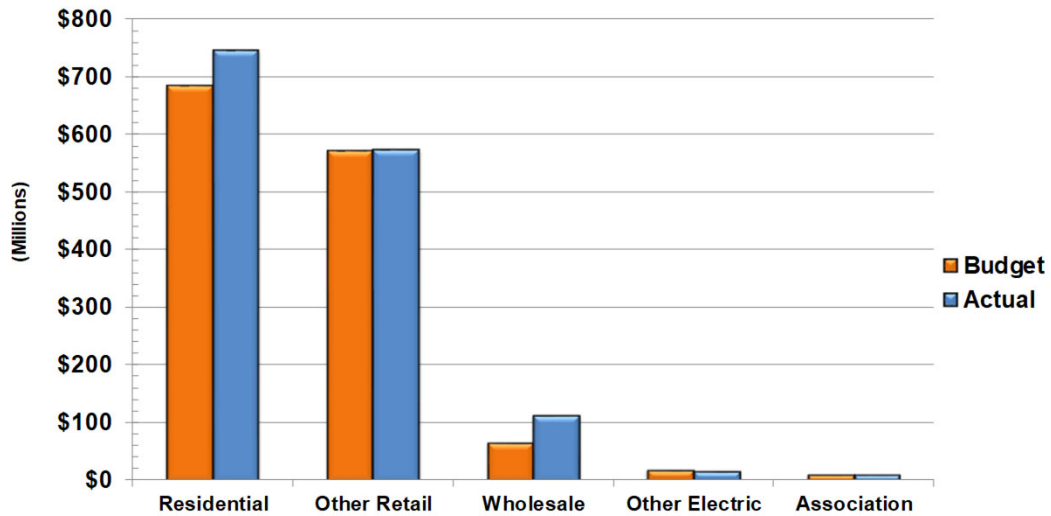


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Combined Operating Revenues - YTD July 2024

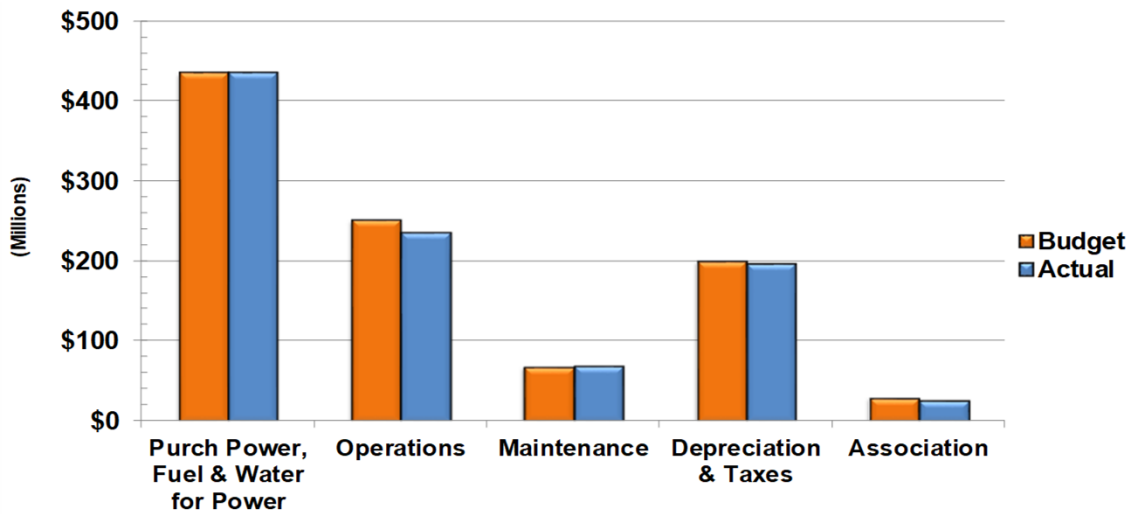


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Combined Expenses - YTD July 2024

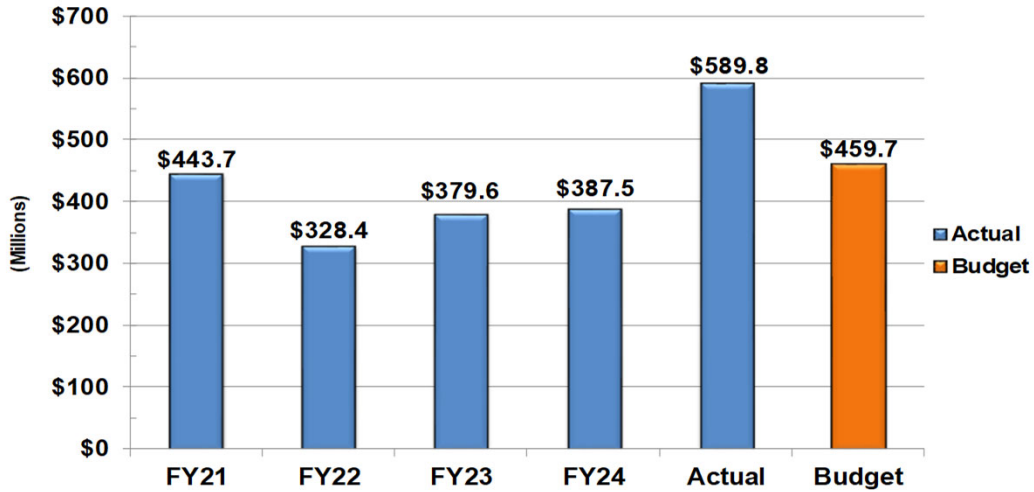


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Funds Available - YTD July 2024

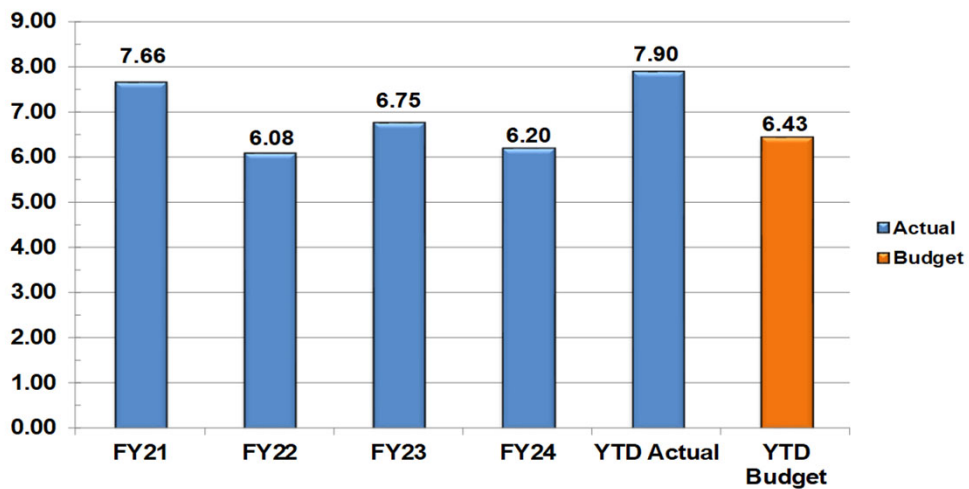


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Debt Service Coverage - YTD July 2024



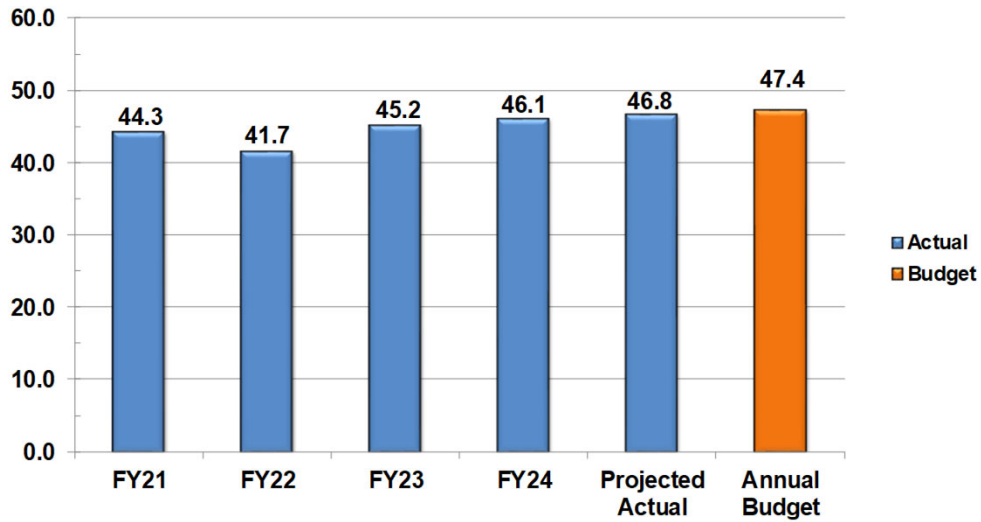
Note: Debt Service Coverage Ratio on Total Debt

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Debt Ratio - YTD July 2024



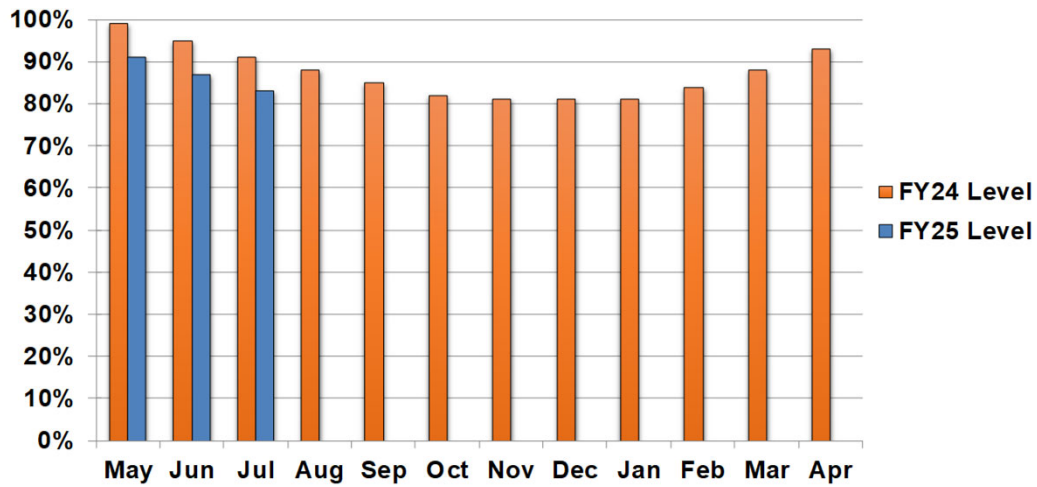
Note: Prior Years and Budget are Fiscal Year-End Ratios

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Water Storage Levels

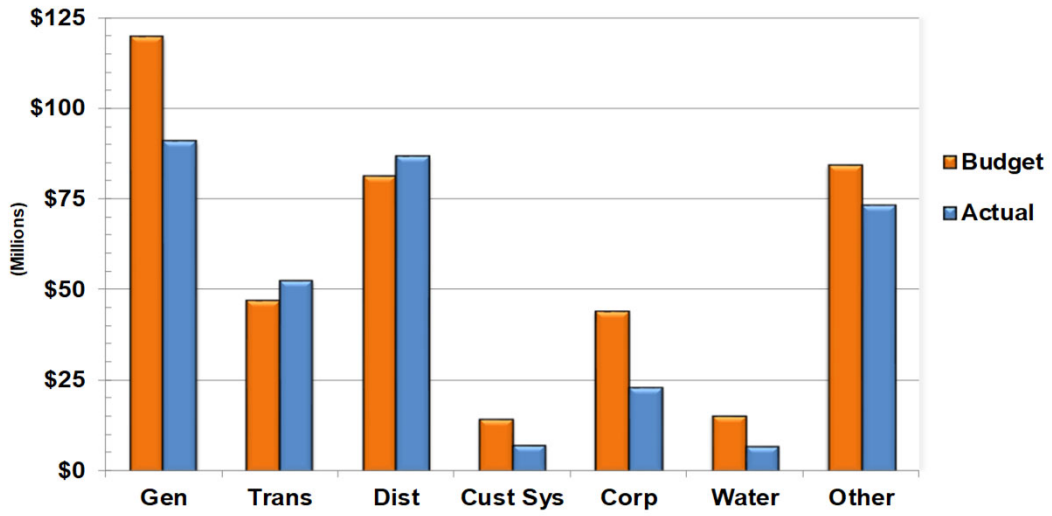


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Capital Expenditures - YTD July 2024



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