

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

FINANCE AND BUDGET COMMITTEE Thursday, January 23, 2025, No Sooner Than 9:50 AM

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

Committee Members: Mark Pace, Chair; Kathy Mohr-Almeida, Vice Chair; 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 CHAIR MARK PACE
 - A. Request for approval of the minutes for the meeting of November 21, 2024.
 - B. Request for approval of the Annual Cash Statement for Period Ending December 2024 (District).
 - C. Request for approval of the Monthly Cash Statement for December 2024 (District and Association).
2. Opportunity to Refinance Existing Debt Update JASON RIGGS;
and MIKE MACE, PFM FINANCIAL ADVISORS

Informational presentation regarding an update on an opportunity to refinance a portion of SRP's existing debt to lower borrowing costs.
3. Fiscal Year 2026 (FY26) Financial Plan and Operating Budget Initial Assumptions
DANIELLE JACKSON

Informational presentation to review the initial assumptions shaping the FY26 Financial Plan and Operating Budget.
4. Proposed Changes to SRP's Transmission and Ancillary Services Prices
..... GREG DeLIZIO

Request for approval to adjust SRP's transmission and ancillary services prices for transmission services associated with SRP's Open Access Transmission Tariff.
5. Review of the Financial Results for the Month of December 2024
.....JEREMY FRY
6. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT
7. Future Agenda Topics CHAIR 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, FEBRUARY 20, 2025**

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

November 21, 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 10:52 a.m. on Thursday, November 21, 2024, 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 M.V. Pace, Chair; K.L. Mohr-Almeida, Vice Chair; and R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams.

Committee Member absent at roll call was C. Clowes.

Also present were President D. Rousseau; Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, S.D. Kennedy, L.D. Rovey, and S.H. Williams; Council Chair J.R. Shelton; Council Liaison R.W. Swier; Council Members G.E. Geiger, E.L. Gorsegner, M.R. Mulligan, and B.E. Paceley; I.R. Avalos, M.J. Burger, A.P. Chabrier, A.C. Davis, B.B. Davis, D.W. Dreiling, J.M. Felty, J. Fry, J.W. Hubbard, R.T. Judd, V.P. Kisicki, B.J. Koch, K.J. Lee, L.A. Meyers, G.A. Mingura, R.T. Mueller, M.J. O'Connor, B.A. Olsen, S.A. Perkinson, J.I. Riggs, and C.M. Sifuentes of SRP; Nick Gebauer and Erik Hill of Orsted; Samantha Salton and Bridget Sidwell of Strata Clean Energy; Murphy Bannerman of Western Resource Advocates (WRA); and Debbie Geiger and Steve Neil, members of the public.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Finance and Budget Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, November 19, 2024.

Chair M.V. Pace called the meeting to order.

Consent Agenda

Chair M.V. Pace requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member L.C. Williams and seconded by Board Member J.M. White Jr., the Committee unanimously approved and adopted the following items on the Consent Agenda:

- A. Minutes of the Finance and Budget Committee meeting on October 24, 2024, as presented.
- B. Approval of the District and Association Monthly Cash Statement for October 2024.
- C. Approval of the Association Quarterly Cash Statement for Period Ending October 31, 2024.

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

YES:	Board Members M.V. Pace, Chair; K.L. Mohr-Almeida, Vice Chair; and R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member C. Clowes	(1)

Copies of the handout distributed are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Review of the Financial Results for the Month of October 2024

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 2024. Using a PowerPoint presentation, they compared the actual versus budgeted figures for categories such as general fund balance, year-to-date (YTD) combined net revenue (CNR), system sales, and customer accounts. S.A. Perkinson concluded by reviewing the financial summary and key financial indicators for the month of October 2024 and capital expenditures.

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.

S.A. Perkinson and J. Fry of SRP left the meeting.

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, they reviewed the Cash Management Investment Policy, authorized limits, and investment types by security type. J.I. Riggs provided an overview of the Investment Portfolios as of November 1, 2024 and yield curve as of November 20, 2024, including portfolio metrics based on liquidity, yields, and maturities. They concluded with an overview of the Investment Policy Statement of Compliance.

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.

Council Member B.E. Pacey; and Nick Gebauer and Erik Hill of Orsted left the meeting during the presentation. J. Abbruscato and E.M. Gould of SRP entered the meeting during the presentation.

Advertising Spend Overview

Using a PowerPoint presentation, Jamie Abbruscato, SRP Director of Content Marketing and Creative Services, stated that the purpose of the presentation was to provide information regarding SRP's paid media spend including digital, broadcast, and outdoor.

J. Abbruscato stated that marketing supports SRP in achieving its 2035 Corporate Goals and aligns with SRP's mission statement. They reminded the Committee of the following 2035 Corporate Goals – six strategic directions: customers, community, workforce, affordability, reliability, sustainability. J. Abbruscato said that advertising allows SRP to lower customer costs, increases customer experience, builds familiarity, educates, and drives participation and retention with customer programs.

J. Abbruscato reviewed annual advertising budgets from Fiscal Year 2023 (FY23) through FY25 and noted that digital and traditional advertising cost per customer is approximately \$5.25. They broke down the FY25 cost per customer by program: 1) sustainability - \$2.01; 2) energy efficiency - \$1.64; 3) billing, payment and customer care - \$0.92; 4) safety - \$0.34; 5) workforce - \$0.14; 6) water - \$0.12; and 7) corporate secretary - \$0.06.

J. Abbruscato detailed SRP's Share of Voice metric in the Phoenix market. They concluded with a review of digital advertising spend for FY23 and FY24 for channels and programs.

J. Abbruscato 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.

J. Abbruscato and E.M. Gould of SRP; and Bridget Sidwell of Strata Clean Energy left the meeting. John Deese of Origis Energy entered the meeting during the presentation.

Energy Risk Management (ERM) Update

Using a PowerPoint presentation, Russell T. Mueller, SRP Director of Energy Risk Management, stated that the purpose of the presentation was to provide information regarding the periodic update on ERM activities, including the following: an overview of commodity prices (natural gas/electricity); a summary of retail natural gas hedging requirements and current hedge levels; current gas transportation under contract and expected incremental needs; the wholesale credit exposure summary; and Board-approved aggregate financial limits and existing financial positions.

R.T. Mueller reviewed the on-peak electricity prices for Palo Verde from November 2023 to November 2024 and changes in Palo Verde on-peak prices since 2024. They provided an overview of natural gas prices for the Permian and San Juan Basins from November 2023 to November 2024. R.T. Mueller discussed changes in the forward curve chart for natural gas prices in the San Juan Basin since 2024.

R.T. Mueller reviewed the expected requirements and hedge levels of retail natural gas for Financial Plan 2025 (FP25). They discussed the credit exposure to counterparties by credit rating. R.T. Mueller concluded with a discussion of aggregate financial limits for electricity, natural gas, unleaded gas, diesel, and greenhouse gas and emissions compliance instruments.

R.T. Mueller responded to questions from the Committee.

Board Member L.C. Williams; Council Member M.R. Mulligan; and J.I. Riggs of SRP left the meeting.

Renewable Energy Offering Program

Using a PowerPoint presentation, Daniel W. Dreiling, SRP Director of Customer Programs, stated that the purpose of the presentation was to request approval to enter into Renewable Energy Offering participation agreements with certain commercial and industrial customers, for up to 480 Megawatts (MW) of renewable energy.

D.W. Dreiling said that the Renewable Energy Offering participation agreements will serve the following purposes: 1) be responsive to customers' desire for a "green" future; 2) ensure a clean energy product is offered to all SRP customers; 3) provide customers a means to participate in, and accelerate their commitment to, a sustainable future; 4) further SRP's commitment to renewable energy, while maintaining reliability and affordability; and 5) provide additional program offerings to meet the needs of large business customers.

D.W. Dreiling reviewed current customer activity within SRP's current offerings sustainable energy offerings, solar choice, solar choice select, and Renewable Energy Credit (REC) select. They summarized the considerations for the program design as follows: 1) provide strategic business customers a way to go green to a greater extent than available under SRP's current standard offering; 2) leverage Arizona-based solar renewable resources; 3) consistent pricing for participating customers; 4) simple to understand and implement; and 5) address the needs of various large business customer segments.

D.W. Dreiling provided a breakdown of the following terms of the program: 1) 100 MW from CO Bar I is earmarked for the program – expected commercial operations date (COD) December 2026; 2) 380 MW from CO Bar II is earmarked for the program – expected COD April 2027; 3) term of customer agreements will be through April 2035; 4) program priced at fixed at \$0.005/Kilowatt-hour (kWh) premium; 5) RECs retired on behave of the program to count towards SRP sustainability goals; and 6) conditional termination rights for SRP and participating customers. They discussed the next steps.

D.W. Dreiling concluded by requesting approval to authorize the General Manager and Chief Executive Officer, the Associate General Manager and Chief Customer Executive, or the Associate General Manager and Chief Financial Executive, to execute Renewable Energy Offering participation agreements with business customers, under terms substantially similar to those presented herein, and any subsequent amendments to any such agreement that do not materially modify the terms of the agreement.

D.W. Dreiling responded to questions from the Committee.

On a motion duly made by Board Member L.C. Williams and seconded by Board Member J.M. White Jr., the Committee agreed to recommend Board approval, as presented.

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

YES:	Board Members M.V. Pace, Chair; K.L. Mohr-Almeida, Vice Chair; and R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams	(6)
NO:	None	(0)

ABSTAINED:	None	(0)
ABSENT:	Board Member C. Clowes	(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.

A. Rickard of SRP entered the meeting.

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.

Council Member R.W. Swier left the meeting.

Future Agenda Topics

Chair M.V. Pace 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 11:43 a.m.

John M. Felty
Corporate Secretary

2024 District Cash Statement

GROUP INDICATORS PLANT & PARTICIPATION ACCOUNTING DIVISION JOINT OWNERSHIP DIVISION		
Balances at December 31, 2024		
NAVAJO GENERATING STATION		
OPERATING FUND - 1050850		633,704.99
INVESTMENT ACCOUNT - 1080125		3,635,000.00
TOTAL NAVAJO CASH	\$	4,268,704.99
MEAD-PHX		
OPERATING FUND - 1050150		1,766,594.74
TOTAL MEAD-PHX CASH	\$	1,766,594.74
ANPP SWITCHYARD		
OPERATING FUND - 1050600		75,360,492.70
OPERATING INVESTMENTS		0.00
CONSTRUCTION INVESTMENTS		0.00
TOTAL ANPP SWITCH CASH	\$	75,360,492.70
ANPP TRANSMISSION		
OPERATING FUND - 1050650		5,059,167.59
OPERATING INVESTMENTS		0.00
CONSTRUCTION FUND		0.00
TOTAL ANPP TRANS. CASH	\$	5,059,167.59
SOUTHEAST VALLEY TRANSMISSION		
OPERATING FUND - 1050800	\$	26,870,180.34
TOTAL SOUTHEAST VALLEY CASH	\$	26,870,180.34
GRAND TOTAL	\$	113,325,140.36
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: left;"> <p>Approved by:</p> <p>Date:</p> </div> <div style="text-align: center;"> <p><i>Maritza L. Esponda</i></p> <p><u>1/14/2025</u></p> </div> </div>		

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

CASH STATEMENT FOR CALENDAR YEAR 2024 Page 1

(IN THOUSANDS)

FUNDS BALANCE - JANUARY 1, 2024 \$ 960,336

CASH RECEIPTS:

Electric Revenues	4,282,322
Electric Customer Deposits	49,594
Reimbursement on Joint Venture Projects	153,275
Construction Contributions and Advances	326,621
Proceeds from Bond Sales	0
Proceeds-Other Borrowings	0
Transfers from Segregated Funds	1,339,347
Sales Tax Collected	296,527
Margin and Collateral Received- Net	45,298
Other Receipts and Adjustments	193,952

TOTAL CASH RECEIPTS 6,686,936

CASH DISBURSEMENTS:

Purchased Power & Fuel	1,370,985
Operations & Maintenance	1,253,583
Purchased Inventory	303,458
Net Paychecks and Deductions Paid to Others, Expensed to Operations	708,864
Payments to Trustee for -	0
Bond Interest	240,623
Bond Principal	118,776
Other Debt - Principal Repayment	0
Other Debt - Interest Expense	18,839
Capital Expenditures -	1,143,512
Construction	0
Advances and Transfers to Affiliated Companies (Net)	46,393
Advances on Joint Venture Projects	0
Transfers To Segregated Funds	336,212
In Lieu and Ad Valorem Taxes	111,515
Sales Tax Remitted	312,129
Margin and Collateral Disbursed- Net	34,302
Miscellaneous Cash Disbursements	66,965

TOTAL CASH DISBURSED - (NOTE 1) 6,066,156

FUNDS BALANCE - DECEMBER 31, 2024 1,581,116



SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

CASH STATEMENT FOR CALENDAR YEAR 2024 - Page 2

STATUS OF FUNDS AS OF DECEMBER 31, 2024

(IN THOUSANDS)

CASH AND
INVESTMENTS

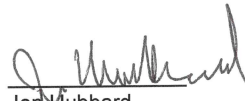
FUNDS BALANCE: REVENUE , GENERAL, IMPREST AND
CERTAIN SEGREGATED FUNDS (NOTE 2) \$ 1,581,116

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, 2024 the balance in these funds was \$ 113,325,140.36 which are utilized in the financing of these projects.

TREASURER'S VERIFICATION

I, Jon Hubbard, 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, 2024 and of the amount of cash receipts and disbursements during the calendar year of 2024.


Jon Hubbard
Corporate Treasurer

Subscribed and sworn to before me
this 15th day of January, 2025


Notary Public



**Statement of Cash Received and Disbursed**

December 2024

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Funds Balance Beginning of Period	\$ 1,542,596	\$ 2,378	\$ 1,544,974	\$ 785,829
Cash Receipts:				
Electric Revenues	299,456	---	299,456	3,187,117
Water Revenues	---	9,340	9,340	17,724
Electric Customer Deposits	4,373	---	4,373	34,108
Reimbursement on Joint Ownership Projects	4,600	---	4,600	103,751
Construction Contributions and Advances	7,567	---	7,567	222,221
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	125,301	---	125,301	885,924
Sales Tax Collected	18,150	---	18,150	232,222
Margin and Collateral Received - Net	184	---	184	6,929
Other Cash Receipts	<u>24,146</u>	<u>---</u>	<u>24,146</u>	<u>142,429</u>
Total Cash Receipts	<u>483,777</u>	<u>9,340</u>	<u>493,117</u>	<u>4,832,425</u>
Fund Transfers - Net	<u>921</u>	<u>(921)</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	98,912	---	98,912	953,655
Operations and Maintenance	104,955	4,377	109,332	812,440
Employee Payroll and Payroll Taxes	51,042	4,934	55,976	536,307
Purchased Inventory	23,961	---	23,961	210,164
Cash Segregated for -				
Bond Interest	21,000	---	21,000	160,893
Bond Principal	9,898	---	9,898	79,184
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	1,559	---	1,559	11,365
Capital Expenditures	94,426	---	94,426	750,775
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	20,045	---	20,045	139,642
In Lieu and Ad Valorem Taxes	294	---	294	110,432
Sales Tax Remitted	18,712	---	18,712	241,374
Miscellaneous Cash Disbursements	<u>1,374</u>	<u>---</u>	<u>1,374</u>	<u>29,421</u>
Total Cash Disbursements	<u>446,178</u>	<u>9,311</u>	<u>455,489</u>	<u>4,035,652</u>
Funds Balance End of Period	<u>\$ 1,581,116</u>	<u>\$ 1,486</u>	<u>\$ 1,582,602</u>	<u>\$ 1,582,602</u>

Cash Position

December 2024

Composition of Funds Balance	(\$000)		
	<u>District</u>	<u>Association</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 1,145,571	\$ 1,486	\$ 1,147,057
Other Temporary Investments	144,500	---	144,500
Other Non-Current Investments	<u>291,045</u>	<u>---</u>	<u>291,045</u>
General Fund	<u>1,581,116</u>	<u>1,486</u>	<u>1,582,602</u>
Segregated Funds			
Electric System Debt Reserve Fund	80,613	---	80,613
Debt Service Fund	223,755	---	223,755
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	728,196	---	728,196
Post-Retirement Benefits Fund	1,355,227	---	1,355,227
Construction Fund	44,714	---	44,714
RHCP Fund	12,868	---	12,868
HHCP Fund	9,185	---	9,185
SPRHCP Fund	3,664	---	3,664
Four Corners Mine Reclamation Trust	15,854	---	15,854
Other Special Funds	<u>2,202</u>	<u>---</u>	<u>2,202</u>
Total Segregated Funds	<u>\$ 2,476,278</u>	<u>\$ ---</u>	<u>\$ 2,476,278</u>

2025 Series Bond Sale

January 23rd, 2025

SRP Finance & Budget Committee Meeting

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

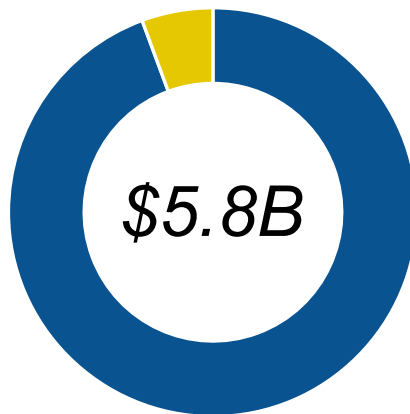
Mike Mace | Senior Director, PFM Financial Advisors

Opportunity to Refund Existing Debt

- \$715M in existing debt can be refinanced to target savings of \$90M-120M in financing costs to customers based on current market rates
 - Does not add to existing debt
 - Would require Board and Council approval
 - Will seek Board and Council approval in February should market conditions hold

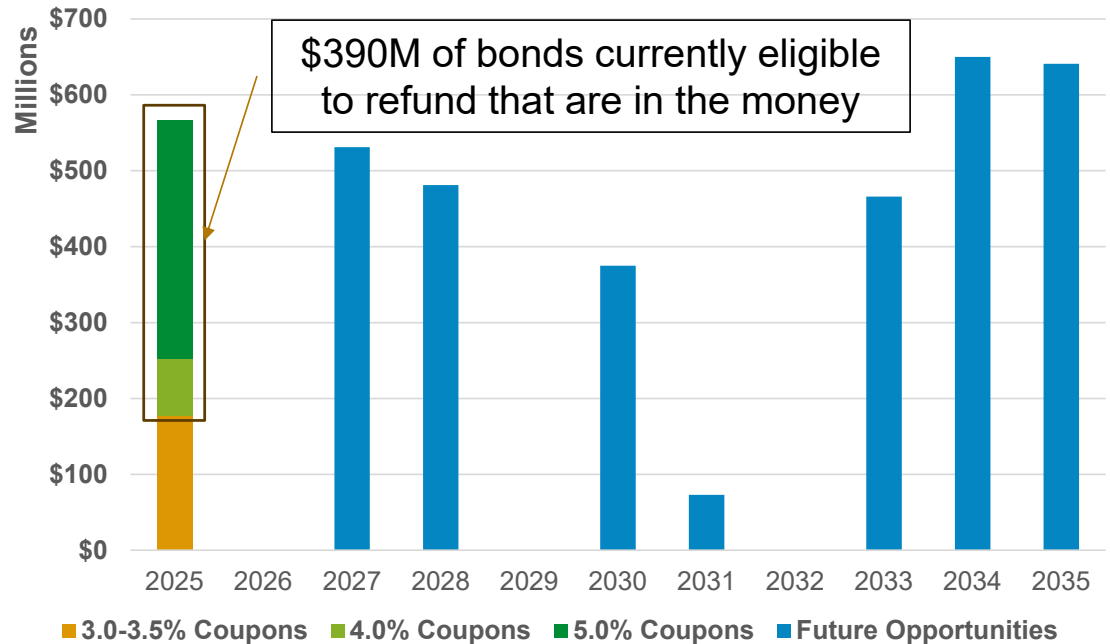
Refunding Outlook

Long Term Debt on Balance Sheet



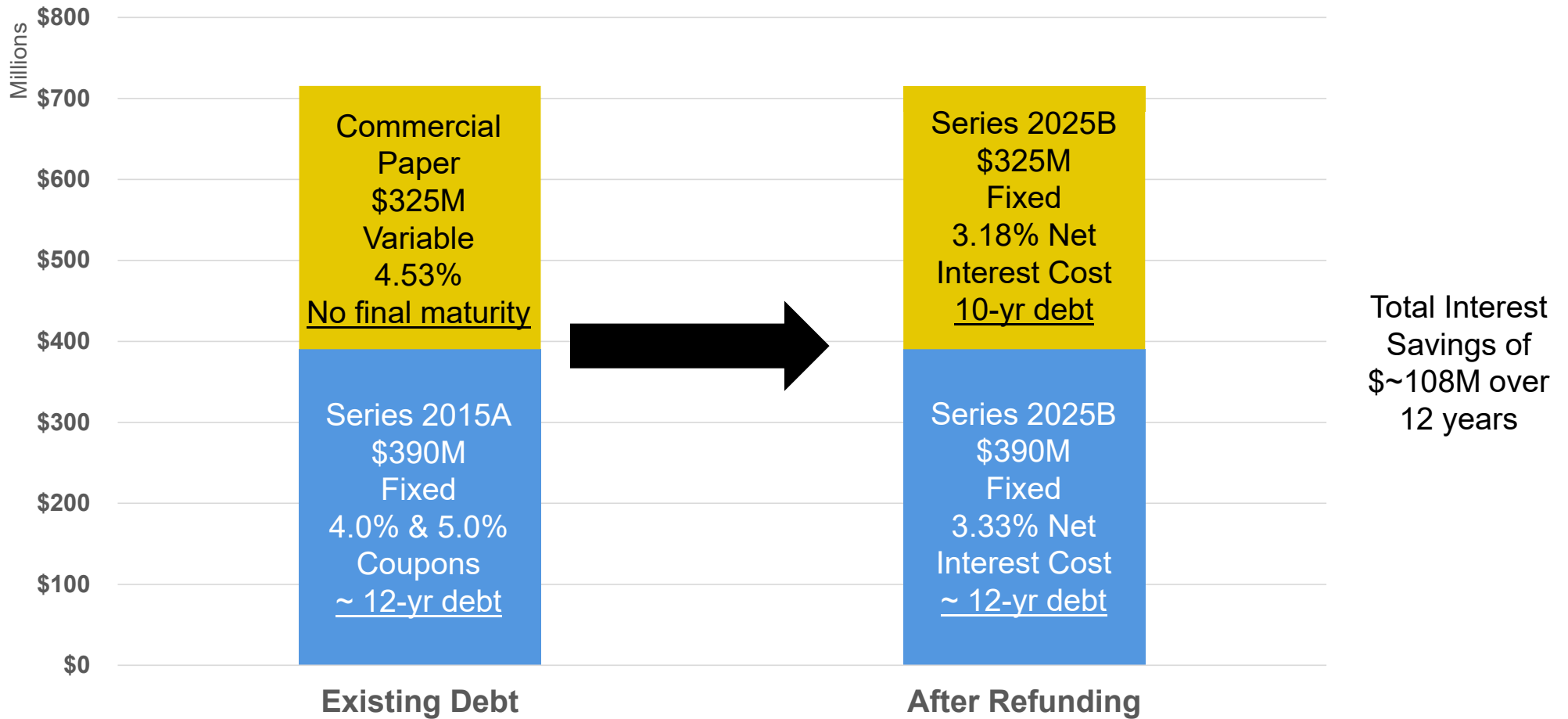
- Fixed Bonds | \$5.5B
- Variable Rate Commercial Paper | \$325M

\$3.8B of Fixed Bonds have a Call Option



- Proposal is to refinance \$325M of Commercial Paper and \$390M of Fixed Bonds
 - Will not add to total debt and save estimated \$90-120M of interest over 12 years

Estimated Refunding Savings Based on Rates as of 1/13/2025



Bond Sale Team

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

Parameters Under Consideration

1

Par Amount

- Not to exceed **\$715 million**
- Represents the amount of principal to be paid at maturity
- Referred to as “face amount” of a security

2

True Interest Cost

- Not to exceed **5.0%**
- Overall rate of interest to be paid over the life of the bonds

3

Final Maturity

- No greater than **15 years**
- Final maturity of the entire bond series cannot exceed 15 years

4

Call Option

- Not to exceed **100%**
- **10 year call option**
- SRP has the right to refinance any time after 10 years

5

Purchaser's Compensation

- Not to exceed **\$2.00 per \$1,000 of bonds issued**
- Compensation to Underwriters for services rendered
- Also referred to as Underwriter's Discount / Fee

6

Pricing Execution

- After B&C approval, execute pricing before **4/30/2025**

Board & Council Calendar

Date	Detail
January Finance & Budget Committee (1/23)	Initial Update/Information
February Board (2/3) & Council (2/4)	Parameters Request
Target Week of February 10th	Target execution of Bond Sale/Sign Bond Purchase Agreement
Board & Council Meeting after Sale	Review Bond Sale



SRP 2025 Bonds
PFM Financial Advisors
Presentation to the
SRP Finance and Budget Committee

Mike Mace, Senior Director

January 23, 2025

PFM

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

pfm.com

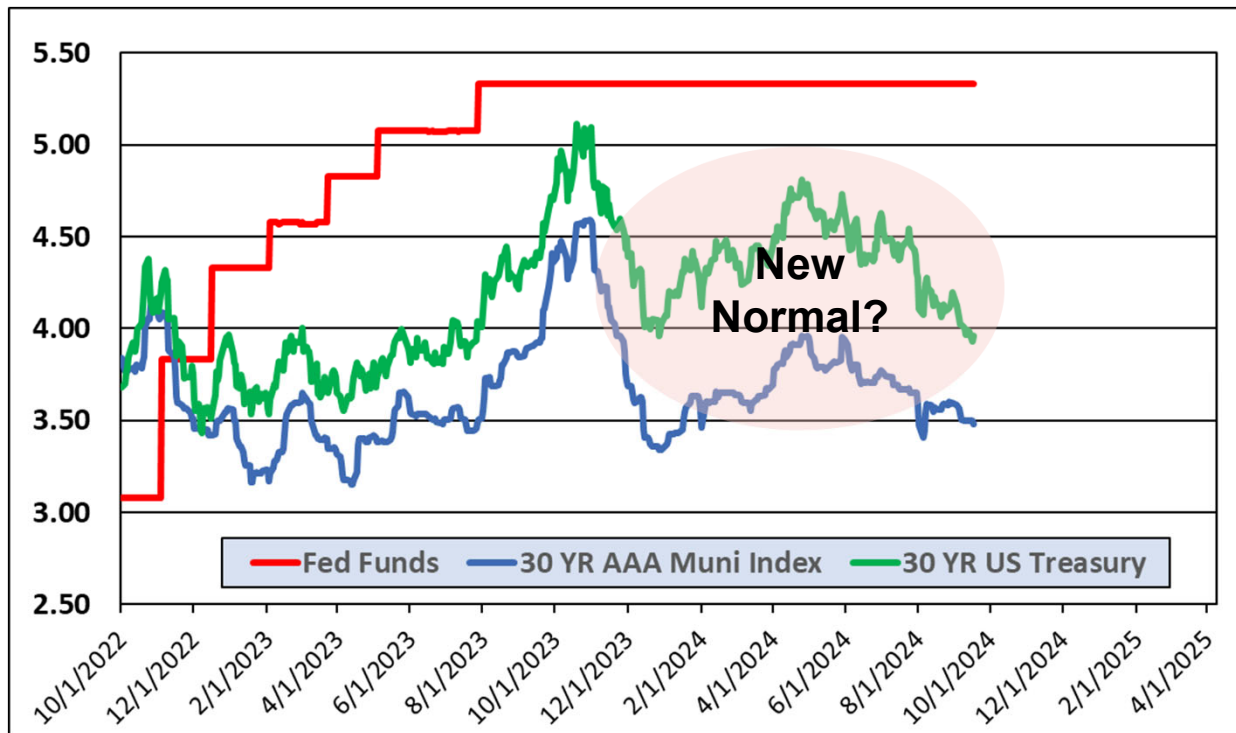


Bond Market Update



SRP 2025 Bonds – Recent Interest Rate Trends

◆ At the End of Our Last Episode... Prior to the 2024 Bond Sale



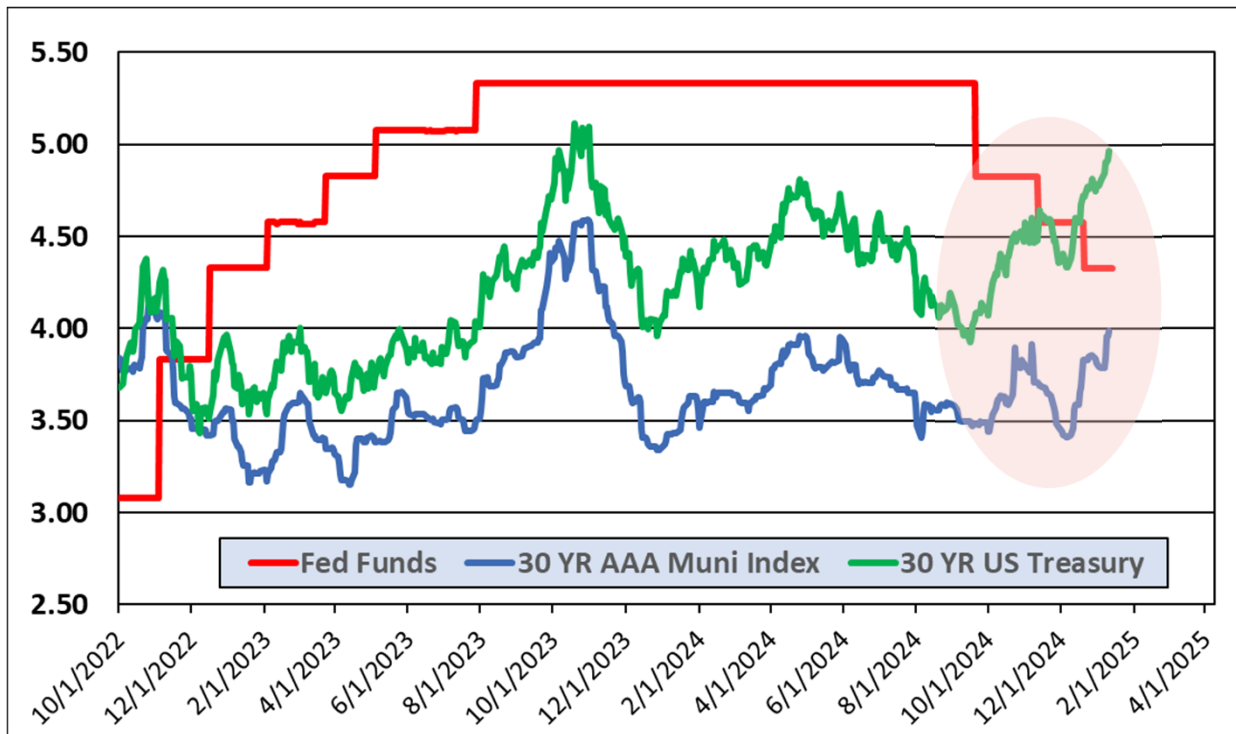
◆ Muni market and rates were in good shape

- Long-term rates had declined in anticipation of cooling economy/inflation and Fed rate cuts
- Hopes for interest rate stability, and maybe even reductions
- Many issuers entered the market before November
- SRP 30-year bonds sold at ~3.75%



SRP 2025 Bonds – Recent Interest Rate Trends

◆ Since Then... Fed Lowers Fed Funds, Other Rates Move Up



◆ Moving rates higher

- Strong economy
- Government spending
- US debt load ~\$36Tr
- Fed balance sheet run off
- Labor outlook

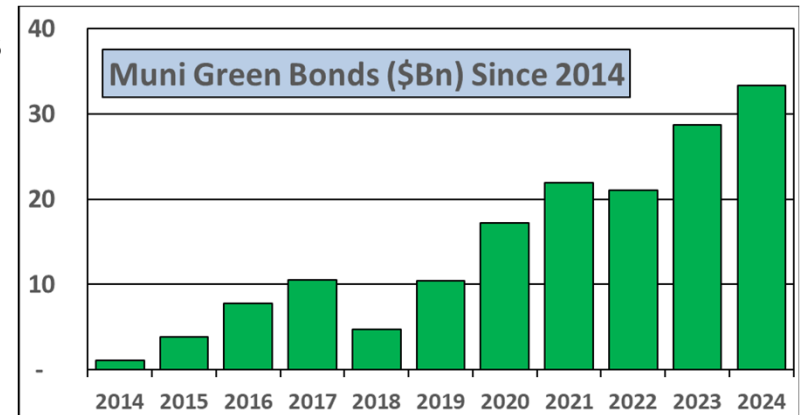
◆ Longer US Treasury rates up over 100 BP (1%+)

◆ Good news for munis, rates are up only ~½ as much

- Even with continued strong new issue supply

Green Bond Update

- Green Bonds – projects and investors focused on environmental stewardship
 - Good for business? - less risk, better % returns
 - Lower returns, plus environmental benefits
- Growing issuance, but maybe not market
 - Few green bond funds in overall \$4T market
 - No material % savings for issuing green
 - Green grouped with “social” and “sustainable”
 - Independent certification, or self-certified according to Green or Climate bond standards
 - Investors do their own green evaluation – as much to avoid non-green risk
- Green Bond strategy should align with institutional strategy
 - Green bond issuance can support the corporate message
 - Over-reaching can trigger claims of “green washing”
 - ESG backlash and litigation from some investor groups, a changing market





SRP 2025 Bonds – Structure Should Draw Strong Demand

- ◆ Other AA rated transactions seeing good demand at new interest rate levels
 - Some rates still in the low 3% range
 - “Professional retail” demand remains strong for good credits
 - Insurance company buying could be limited due to shorter maturity
 - Bond funds saw recent new inflows
 - Bond redemption and interest payments to average \$40Bn/mo

thank you!



FP26 Financial Plan Assumptions

Finance & Budget Committee

Danielle Jackson | January 23, 2025

Intent of Today's Presentation

Provide a preview of the FP26 Financial Plan

Discuss next steps to finalize Financial Plan & FY26 Budget

Main Takeaways

The current financial environment requires expense management, borrowing and added revenues from pricing.

SRP has the opportunity to update its price plans and customer offerings to reflect the current market dynamics for electricity.

To make these changes, SRP management has recommended updates to price plans and customer offerings as part of a Price Process.

Financial Goals & Objectives

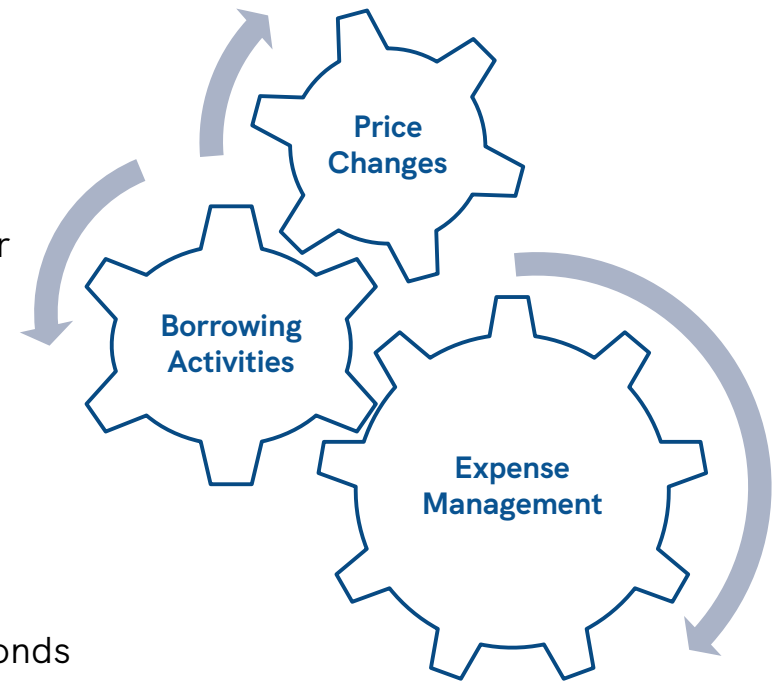
2035 Goals & Targets

Maintain strong yet flexible financial position

- Retail electric prices among lowest quartile in southwest
- Credit rating in top quartile as compared to other large public power utilities

FY25 Objectives

- Achieve direct cost per customer account at or below budget
- ✓ Seek Board approval of an updated FPPAM rate
- ✓ Receive authorization from the ACC for SRP to issue new revenue bonds
- Complete a public price process to evaluate and propose updates to SRP's base electric prices



Current Outlook and Uncertainties

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

FP26 Outlook

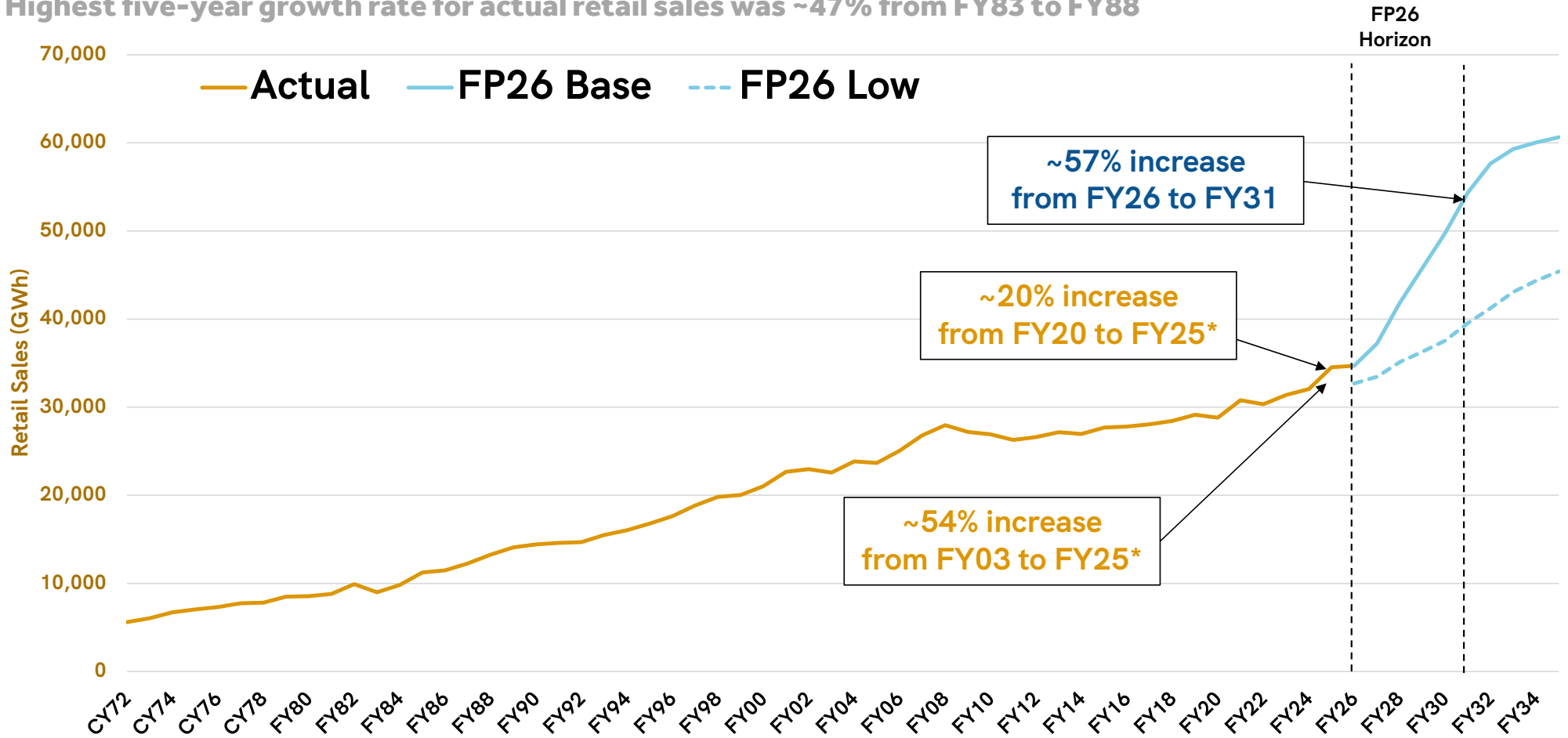
- Strong sales forecast
 - 9.1% annual growth (FP26)
 - Large Business driven
- Higher spending levels to fund sales growth, generation transition, and corporate objectives
 - ~\$13B in total capital over FP26
 - Additional workforce
- Need for balance and flexibility
 - Expense Mgmt | Pricing | Borrowing
 - Sustainability | Affordability | Reliability

FP26 Uncertainties

- Forecast Uncertainty
 - Timing and magnitude of new, and expanding, customers
- Cost Management
 - New methods, and trade-offs, for projects in response to capital investments
- Borrowing & Pricing
 - ~\$6B in projected debt
 - ~Pricing at, or below, inflation

Historical Retail Sales Plus FP26 Preliminary Forecast

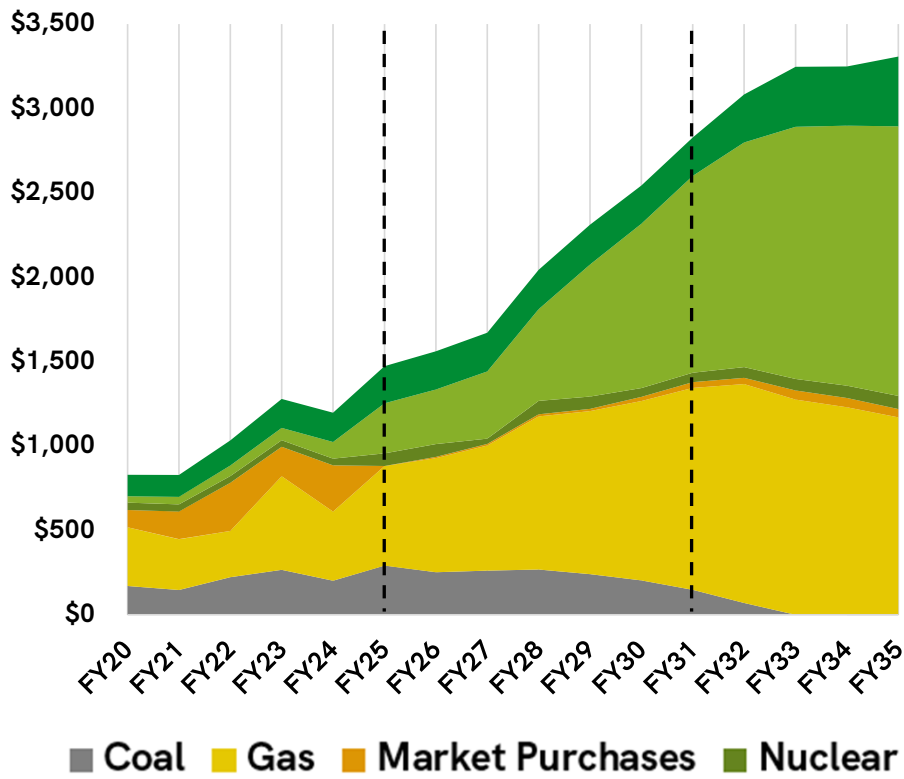
Highest five-year growth rate for actual retail sales was ~47% from FY83 to FY88



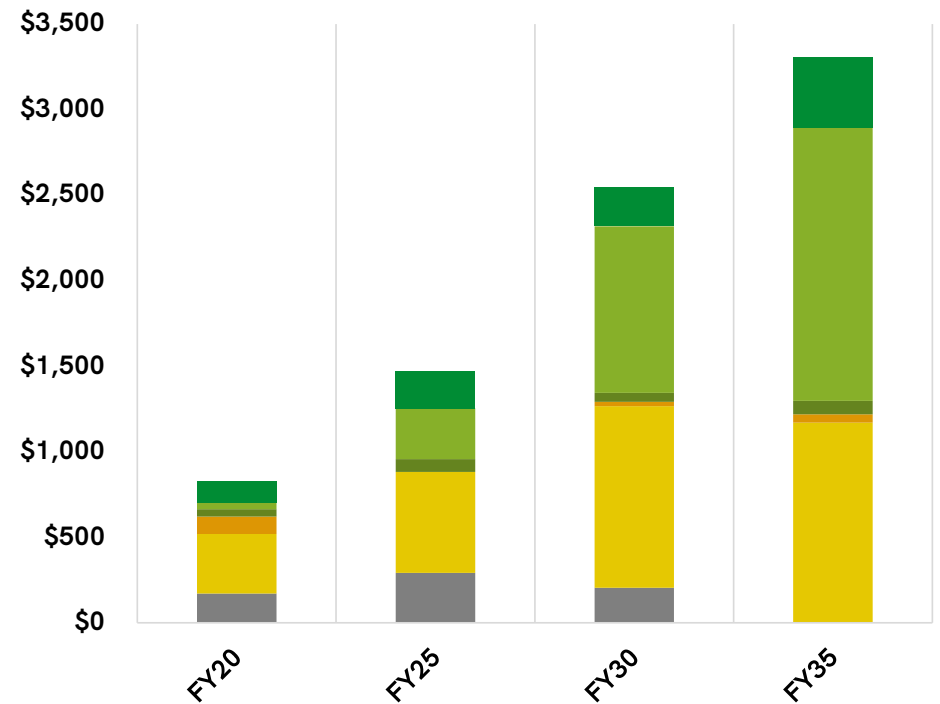
Preliminary Retail Fuel & Purchased Power Generation

Long-term load growth met from renewable & hydro production; thermal generation forecasted to decline

Actuals & FP26 (\$M)



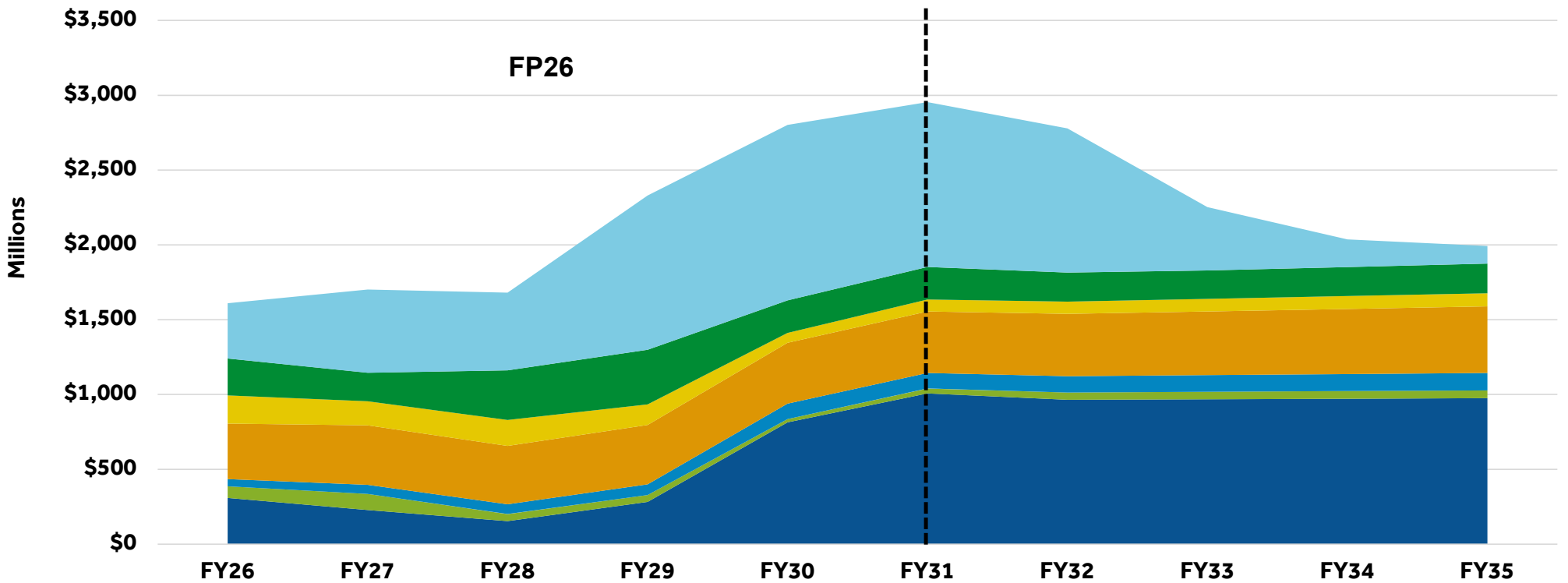
Actuals & FP26 (\$M)



Capital Spending by Segment (\$M) – 10 Year View

Increase in Capital spend driven largely by new generation and storage

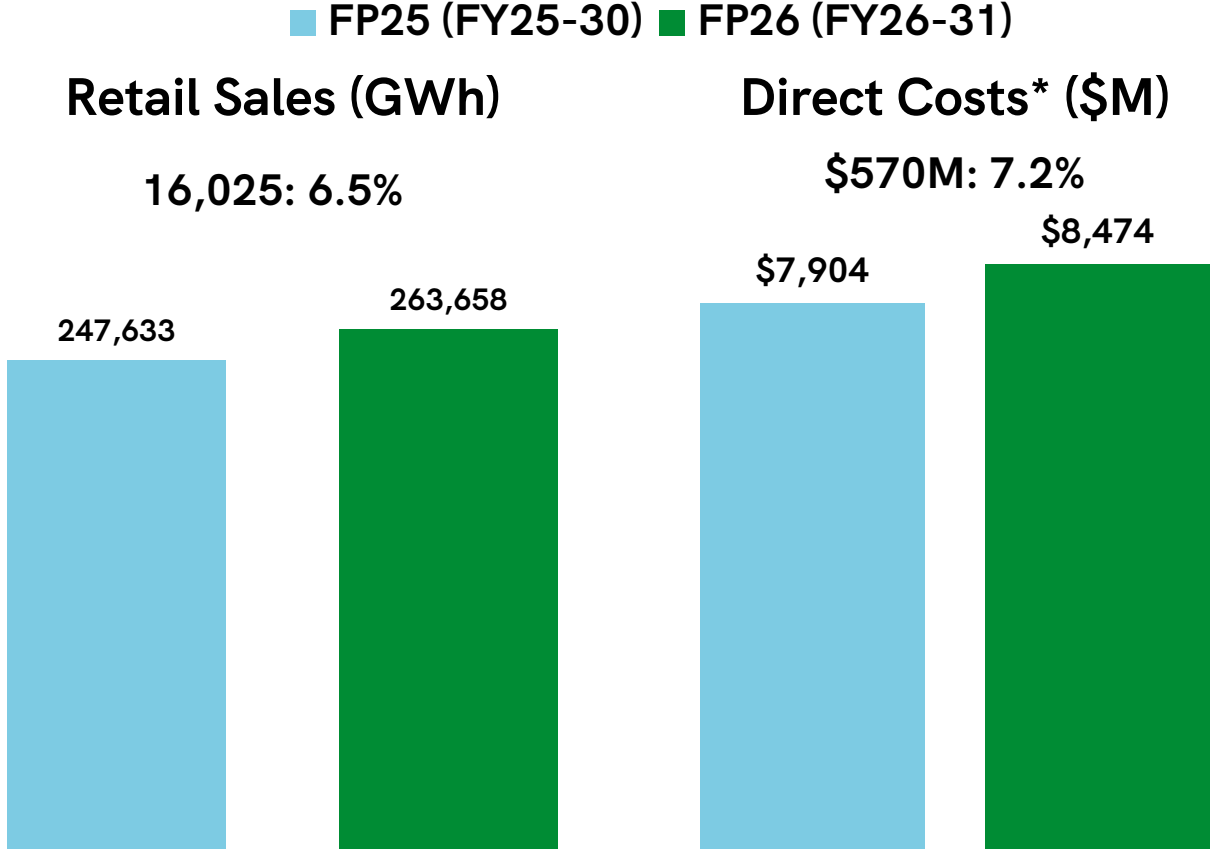
■ Corporate Infrastructure ■ Water ■ Meters ■ Distribution ■ Transmission ■ Existing Generation Betterments ■ New Generation & Storage



Primary Capital \$12B : Loaded Capital \$13B (shown)

FP26 Outlook (Retail Sales & Direct Costs)

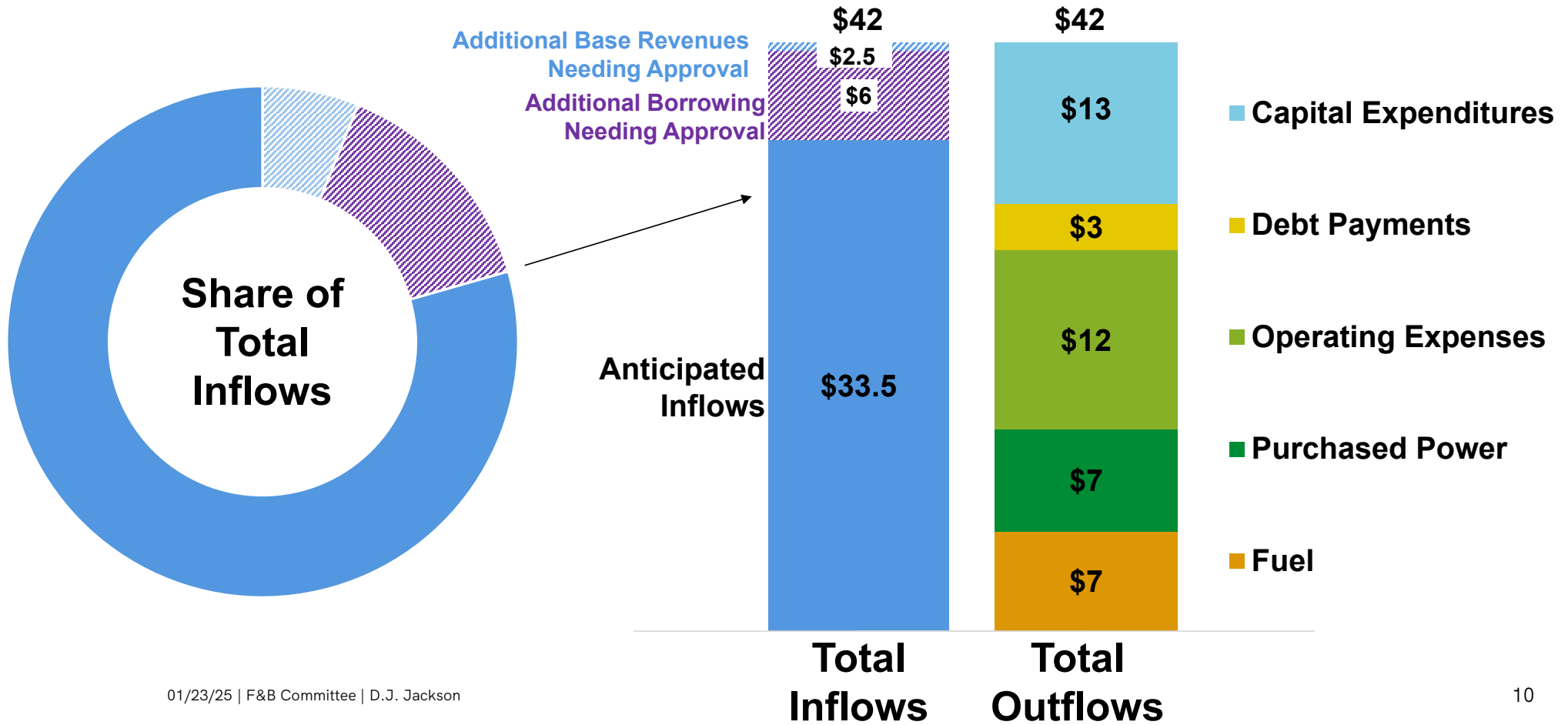
Higher sales forecast corresponds to roughly equivalent increase in forecasted direct costs



* FP25 labor has been revised for inflation to report in FP26 dollars

Projected Cash Inflows and Outflows* (\$B)

To meet objectives, SRP will need to carefully balance expense management, borrowing & price changes

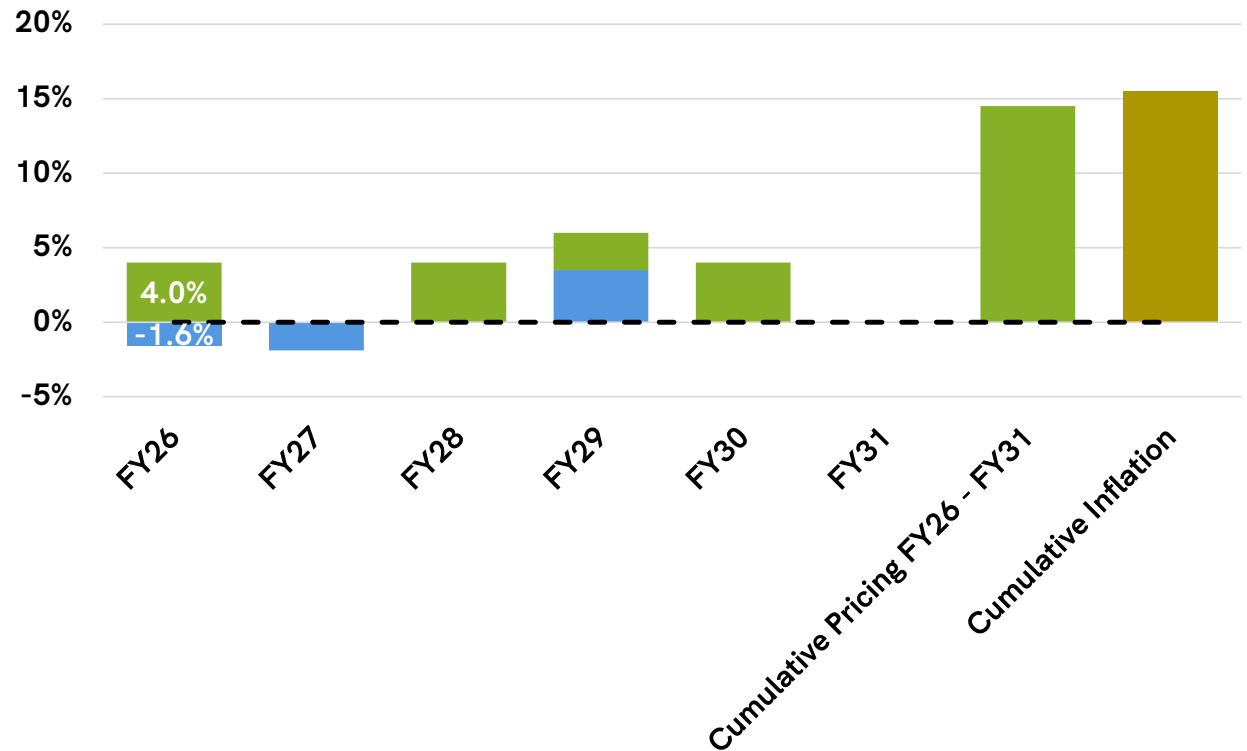


Preliminary Price Modeling Assumptions

Lower retail fuel expenses drive a net 0.0% FPPAM change over 6-year horizon

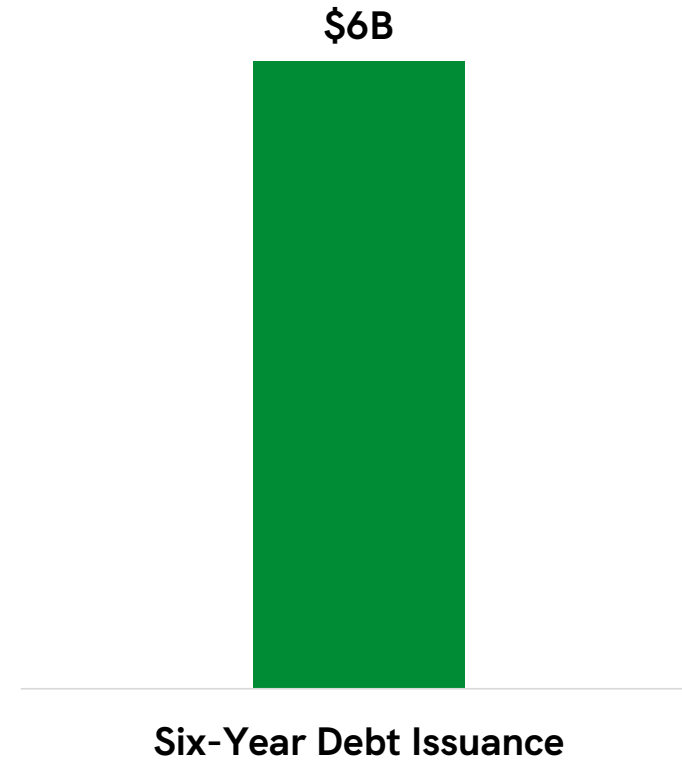
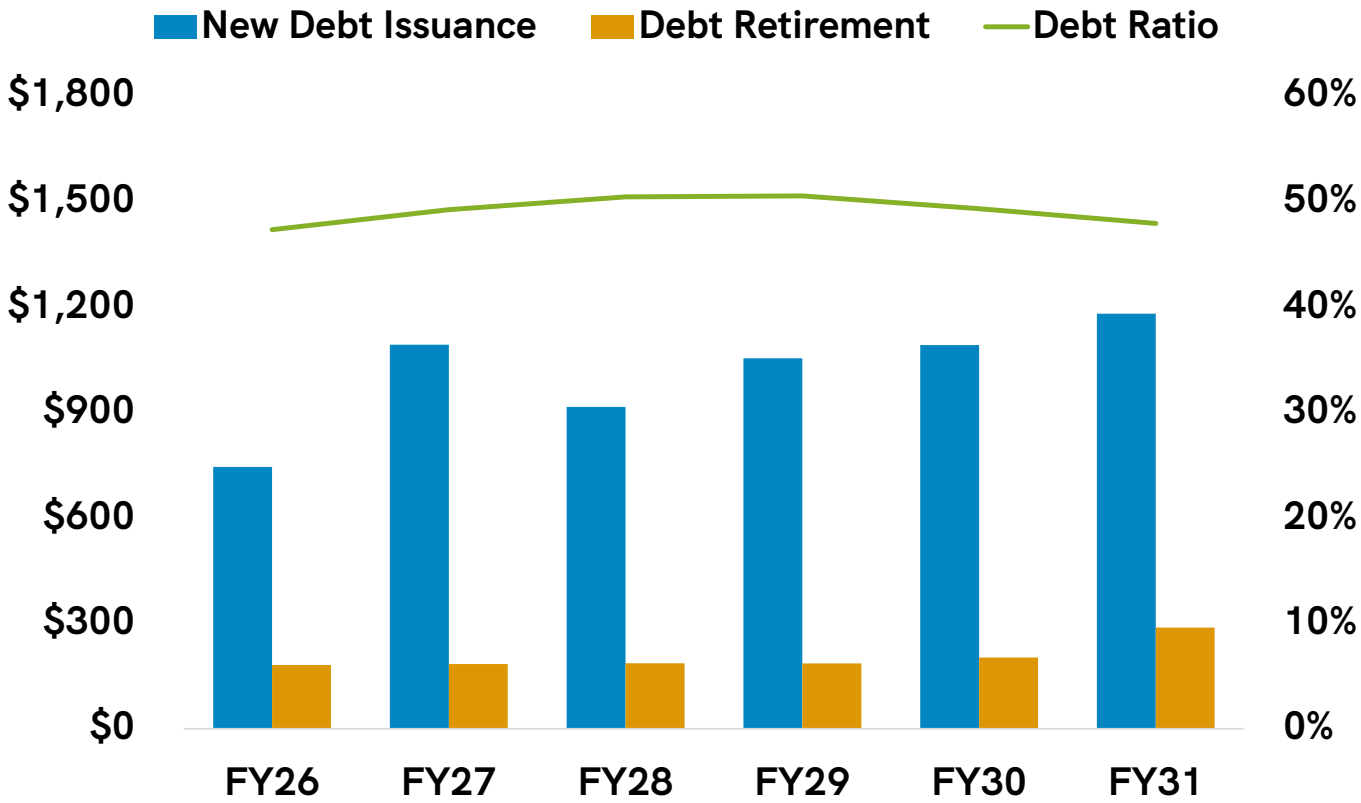
Cumulative FPPAM: 0.0%
Cumulative Base: 14.5%
Cumulative Pricing: 14.5%

- FY26 consistent with current public price process
- Cumulative projected pricing below cumulative inflation



Borrowing Outlook (\$M)

Increased capital spend versus FP25 has increased projected borrowing needs



Next Steps to Finalize Plan

Expense Management

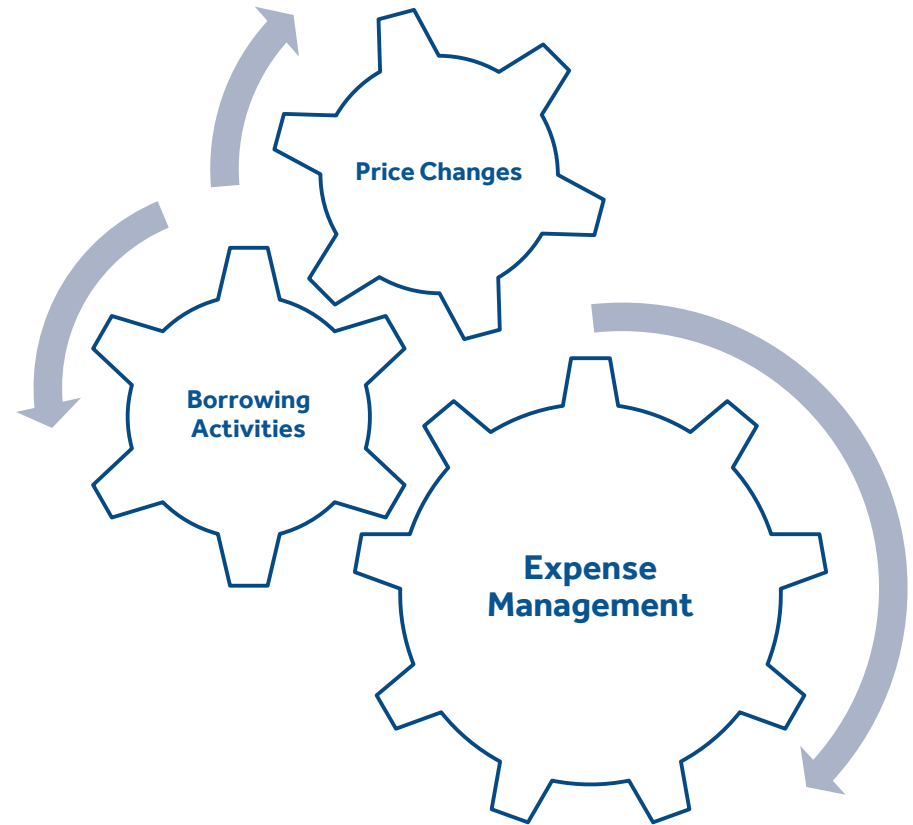
- Finalize proposed reductions to capital & O&M spending based on GM Staff direction with the focus on meeting strategic goals and objectives

Price Changes

- Finalize Base pricing assumptions
- Finalize FPPAM assumptions with final sales forecast and fuel & purchased power expense

Borrowing Activities

- Finalize borrowing assumptions



Budget Schedule

Date	Description	Audience
Feb. 12	Phase 2 Financial Plan	GM Staff
Feb. 13	Preview of Water Materials	Water Committee
Feb. 20	FP26 Preview P2 (Informational)	F&B Committee
Feb. 28	FY26 Budget	GM Staff
Feb. 28	Mail Budget Books	Board/Council Liaisons
Mar. 11	FY26 Budget and Financial Plan	Special F&B Committee
Mar. 25	Question & Answer	F&B Committee
Mar. 27	Request FY26 Budget Approval	Special F&B Committee/Board Mtg

thank you!



Proposed Adjustments to Transmission and Ancillary Services Prices Effective November 1, 2025

Greg DeLizio

January 23, 2025

Open Access Transmission Tariff (OATT) Pricing

- Prices apply to wholesale transmission service customers only
 - Costs for transmission service procured on behalf of SRP retail customers would be recovered from retail customers
- Consistent with FERC requirements
- Posted December 2, 2024, on SRP's Open Access Same-time Information System (OASIS)
- Received and responded to three data requests from one customer

SRP Management Proposal

- Network Integration Transmission Service (Revenue Requirement)
- Point-To-Point Transmission Service (\$/kW-year)
- Ancillary Services Schedules 1-6 (\$/kW-year or \$/kWh)
 1. Scheduling, System Control, and Dispatch Service
 2. Reactive Supply and Voltage Control Service
 3. Regulation and Frequency Response Service
 4. Energy Imbalance Service
 5. Operating Reserve – Spinning Reserve Service
 6. Operating Reserve – Supplemental Reserve Service

Cost Drivers

- Key Focus Areas:
 - Replace aging infrastructure and prepare for new load growth
- New Major Transmission Projects ~\$473 million¹
- Other Transmission Line and Station Additions ~\$158 million
- Transmission pole asset management ~\$62 million
- Other:
 - Wheeling expenses for purchased power
 - Increased costs for software licenses
 - High Security Operations Center

¹ - Includes High-Tech Interconnection Project; Price Road Industrial Expansion, Project Huckleberry, Southeast Power Link, and Abel-Pfister-Ball Transmission Project. South Mountain Transmission Project not included.

Current and Proposed Prices

Transmission Service	Current	Proposed	Unit
Attachment H Revenue Requirement	\$245M	\$390M	Annual
Point-to-Point Firm/Non-Firm Transmission (up to)	\$30.78	\$36.41	per kW-year

Ancillary Services	Current	Proposed	Unit
1. Scheduling, System Control and Dispatch	\$2.80	\$2.90	per kW-year
2. Reactive Power and Voltage Control	\$1.67	\$2.52	per kW-year
3. Regulation and Frequency Response	\$9.45	\$11.94	per MWh
4. Energy Imbalance	Schedule 4 Method	No Change	% or per MW
5. Operating Reserve - Spinning Reserve	\$11.72	\$9.12	per MWh
6. Operating Reserve - Supplemental Reserve	\$10.70	\$9.12	per MWh

Point-to-Point (PTP) Price Comparison

Company	Yearly Firm (\$/kW)
Tri-State	\$63.98
PNM	\$45.07
SRP Proposed	\$36.41
LADWP	\$35.23
APS	\$34.97
SRP Current	\$30.78
NVE	\$29.64
SWTC	\$29.08
EPE	\$24.69
TEP	\$23.89
WAPA	\$21.12
SMUD	\$19.83

Recommendation

In accordance with the terms presented herein, request that the Board approve the proposed adjustments for the following, effective November 1, 2025:

- Network Integration Revenue Requirement
- Point-to-Point Transmission Service pricing
- Ancillary Services 1, 2, 3, 5 and 6 pricing



**SRP Management Response to
Pattern Energy for Information Regarding
SRP's Proposed Changes to SRP's Transmission and Ancillary Services Prices
December 30, 2024**

1. We wanted to request emailed copies of the financial information and other data used to develop those rate adjustments that were mentioned in the OASIS notice (SRP accounting data, a cost allocation study, power operations data, audited financial and accounting records, and budgets).

SRP Response:

Please refer to the following website links that provide the requested information.

Posted on OASIS: [Derivation of Proposed Changes to SRP's Transmission and Ancillary Services Prices Effective November 1, 2025](#)

Posted on Retail Price Process Website:

[SRP power pricing and rates process | SRP](#)

[Management's complete proposal \("Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle"\)](#)

[Cost Allocation Study in Support of Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle](#)

2. How has the SunZia project been considered when updating rates?

SRP Response:

SunZia's load on the SRP transmission system is not included in the proposed rate determination. SRP plans to update Point-To-Point rates to be effective upon SunZia's transmission usage on the SRP system in accordance with the Service Agreements for Long-Term Firm Point-To-Point Transmission Service dated December 1, 2022 (Service Agreements).

SunZia's rate for transmission service will be handled in accordance with the SunZia Service Agreements.

3. We have also noticed the growth in projects on the transmission system in recent studies. How will the growth in projects on the system affect revenue requirements, transmission rates and the frequency of transmission rates updates? Is system growth what we should consider as the key driver for rate updates?

SRP Response:

The primary cost drivers since SRP last increased Long-Term Firm Point-To-Point Transmission Service rates in 2019 include the costs to maintain and replace aging critical infrastructure and to adapt to an evolving power grid. In most cases, due to inflation, the infrastructure must be replaced at a higher cost than the original installed cost. SRP has spent approximately \$2.6 billion on maintenance improvements and replacements of transmission and distribution equipment. Investments in aging infrastructure and new load growth remain two key areas of focus for SRP's transmission system. Please refer to SRP's Management's Proposal for support information on pages 16-18.

[Management's complete proposal \("Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle"\)](#)

4. What is SRP's ratemaking methodology and what resources could we consult to better understand it?

SRP Response:

Please see the above links that provide information in support of the proposed transmission rates update.

5. We would appreciate the opportunity for further discussion ahead of the Jan. 6 comment deadline for the updated rates.

SRP Response:

After review of the supporting documents provided in the links above, should Pattern Energy wish to further discuss Management's proposed rate update prior to January 6th, please make such a request by email at: SRPTransmissionPricing@srpnet.com.

In addition, Management anticipates seeking Board approval for a formula rate template, which could provide for annual adjustments, by fall of 2025. Management proposes developing the Annual Transmission Revenue Requirement (ATTR) and Long-Term Firm Point-To-Point Transmission Service rates using an industry-accepted transmission formula rate template modeled after the formula approved by the Federal Energy Regulatory Commission, appropriately adjusted for SRP accounting systems and processes. If approved by the Board, the template, which is currently under development, will be incorporated within SRP's Open Access Transmission Tariff (OATT) and provide for routine formulaic calculations of both the ATTR and wholesale transmission rates. Stakeholders will have the opportunity to provide input during a public process.

**SRP Management Response to
Pattern Energy's Second Request for Information Regarding
SRP's Proposed Changes to SRP's Transmission and Ancillary Services Prices
January 10, 2025**

1. Given the substantial investment within SRP as outlined in the Cost Allocation Study and other documents, Pattern wishes to confirm that only transmission costs and directly transmission-related investments have been reflected in the Proposed Rates.

SRP Response:

SRP Management confirms that only transmission costs and directly transmission-related investments have been reflected in the Proposed Rates.

2. Pattern requests SRP considers either including SunZia transmission in its proposed rate determination as the Transmission Service Agreements start in 2025 or that SRP commits to a timeline in 2026 for updating transmission rates after the SunZia project has come online.

SRP Response: Provided SunZia commences service under the Service Agreements for Long-Term Firm Point-To-Point Transmission Service dated December 1, 2022 (Service Agreements) on the dates specified in those Service Agreements, SRP will promptly initiate the process to seek board approval to update its Point-To-Point transmission rates to reflect SunZia's transmission usage on the SRP system.

3. Regarding the 10,705,000 kW load figure from the 4 CP Average used in the calculation of rates, further detail would be appreciated in the calculation of the retail and wholesale figures cited in Table 1 of the Derivation of Proposed Changes document as well as confirmation that these figures reflect all loads and users, including all operations related to SRP. The previous year's divisor was 7,951,000 kW, and clarification on what is driving this approximate 25% increase is appreciated.

SRP Response:

Management confirms that the 10,705 MW value includes all 2023 transmission loads and 2024 Long Term Firm Point-To-Point reservations, including all operations related to SRP. The divisor of 7,951 MW was established in 2018 which was the last time transmission revenue requirement and rates were updated. Therefore, the increase in transmission of 7,951 MW to 10,705 MW occurred over a five-year period. Below is a table illustrating the use of the transmission system and the resulting NITS and PTP allocation.

2023	Transmission System 4CP Load Average												10,705	MW
	MONTH	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER		
PEAK DAY	24	16	2	30	16	26	18	28	9	16	6	14		
PEAK HOUR	08:00	08:00	08:00	18:00	17:00	18:00	17:00	17:00	17:00	17:00	17:00	08:00		
BA PEAK LOAD	4,629	4,376	4,038	5,382	6,009	6,939	8,269	8,144	7,430	5,779	4,147	3,767		
LT PTP RESERVATIONS														
GRANDFATHERED POINT-TO-POINT	360	360	360	360	360	360	360	360	360	360	360	360		
LONG TERM POINT-TO-POINT	2,555	2,561	2,568	2,570	2,573	2,575	2,676	2,674	2,673	2,571	2,560	2,555		
TOTAL	2,915	2,921	2,928	2,930	2,933	2,935	3,036	3,034	3,033	2,931	2,920	2,915		
TRANSMISSION SYSTEM PEAK LOAD	7,544	7,297	6,966	8,312	8,942	9,874	11,305	11,178	10,463	8,710	7,067	6,682		
BA Load (Retail + NITS)	4,629	4,376	4,038	5,382	6,009	6,939	8,269	8,144	7,430	5,779	4,147	3,767		
NITS	150	130	79	149	181	197	239	236	210	166	111	117		
SRP Retail Load	4,479	4,246	3,959	5,233	5,828	6,742	8,030	7,908	7,220	5,613	4,036	3,650		

- The revenue requirements in the “Derivation of Proposed Changes to SRP’s Transmission and Ancillary Services Prices” stated that the annual transmission revenue requirement for Network Integration Transmission Service was a total of \$389,804,950. Schedule 12 had no proposed changes and the Schedule 7 had the same total revenue requirement of \$389,804,950 listed. Could SRP clarify if the revenue requirements and rates for these services have been calculated independently or if PTP and NITS services have had their costs combined?

SRP Response:

The Total Revenue Requirement includes revenue for both Point-To-Point and Network Integration Transmission services. Each service type receives its allocated share based on Load Ratio Share for NITS and capacity reservations for Long Term Firm Point-To-Point.

**SRP Management Response to
Pattern Energy’s Third Request for Information Regarding
SRP’s Proposed Changes to SRP’s Transmission and Ancillary Services Prices
January 17, 2025**

1. We would like to confirm that the transmission plant and related costs reflected in the ratemaking do not include any required to bring generators online and that those network upgrades have been covered by the generator, be it an IPP or an SRP generation asset. (We have included below the transmission projects listed in recent transmission planning documents as being brought into service since current rates took effect in 2019. Please notify if that list has missed any relevant projects.)

- SRP Transmission Projects Brought Into Service, 2019-2024:
- Henshaw – Parlett 230 kV Lines #1 and #2 (High-Tech Interconnect Project)
- Scott 230/69 kV Receiving Station, Santan – Scott 230 kV Line, and Browning – Scott 230 kV Line (Southeast Power Link)
- Sidewinder 230 kV Switchyard, Santan – Sidewinder 230 kV Line, and Browning – Sidewinder 230 kV Line (Red Hawk 230 kV)
- Rogers 230/69 kV Transformer
- Dinosaur 230/69 kV Transformer
- Henshaw 230/69 kV Transformers (3)
- Open breakers at Kyrene 230 kV station creates an Anderson – Corbell 230 kV line
- Reconfiguration of Browning – Rogers 230 kV line to create Browning – Corbell 230 kV and Santan – Rogers 230 kV lines
- Browning – Corbell 230 kV & Santan– Rogers 230 kV Line Reconfiguration

SRP Response:

Although this question encompasses a couple of different issues, SRP management provides the following response.

SRP management confirms that the proposed transmission rates do not include costs required to bring generators online. As specified in SRP’s Generator Interconnection Procedures (GIP) and Generator Interconnection Agreement (GIA), both of which are available on the SRP Open Access Same-Time Information System (OASIS), a generator that requests interconnection to an SRP owned or operated transmission system is required to pay for its “share of Interconnection Facilities, Network Upgrade(s) and Shared Network Upgrade(s)” required to accommodate the interconnection. *See, e.g.*, Section 5.3 of the GIP. This requirement applies to both SRP and IPP generator interconnections.

To provide additional clarification, the projects Pattern lists in this question are not related to generator interconnections but instead consist of reliability projects, projects to accommodate general load growth, or projects needed to bring specific (typically larger) load customers online.

Reliability projects and general load growth projects include the following:

- Scott 230/69 kV Receiving Station, Santan – Scott 230 kV Line, and Browning – Scott 230 kV Line (Southeast Power Link)
- Rogers 230/69 kV Transformer
- Dinosaur 230/69 kV Transformer
- Henshaw 230/69 kV Transformers (3)
- Open breakers at Kyrene 230 kV station creates an Anderson – Corbell 230 kV line
- Reconfiguration of Browning – Rogers 230 kV line to create Browning – Corbell 230 kV and Santan – Rogers 230 kV lines
- Browning – Corbell 230 kV & Santan– Rogers 230 kV Line Reconfiguration

The Southeast Power Link transmission line and the Rogers, Dinosaur and Henshaw transformer projects were funded solely by SRP. The Kyrene breakers and reconfiguration projects were funded by SRP and APS.

Other projects in your list relate to bringing specific load customers online (typically referred to as “customer driven projects”). Those projects include:

- Henshaw – Parlett 230 kV Lines #1 and #2 (High-Tech Interconnect Project)
- Sidewinder 230 kV Switchyard, Santan – Sidewinder 230 kV Line, and Browning – Sidewinder 230 kV Line (Red Hawk 230 kV)

For customer driven projects, the costs are allocated between the customer and SRP (or the participants for a participant-owned transmission line). Elements of the project that solely support the customer (such as a dedicated substation) are funded by the customer. Elements of the project that serve the area in general and provide benefit to the transmission system are funded by SRP. The allocation for each project varies depending on the cost of the various elements. To avoid sharing confidential customer data, SRP is not able to provide specific breakdowns of costs for each load related project.

2. Additionally, we would like to request that SRP develop a second rate calculation along with what has already been proposed, with the second rate reflecting the SunZia load in order to present those rates to the board for approval and to become effective upon commencement of service for the SunZia project.

SRP Response:

At this time, Management is unable to develop additional rates to reflect SunZia’s future transmission use for several reasons, including that the actual dates of revenues associated with the Service Agreements is unknown. For example, pursuant to each of the SunZia Service Agreements for Long-Term Firm Point-To-Point Transmission Service dated December 1, 2022 (Service Agreements), SunZia has until March 1, 2025 to provide notice to SRP if it wishes to defer service for an additional year. SunZia could elect to commence service under some of the Service Agreements while deferring service under other Service Agreements. Until the deadlines for those notices have

passed, SRP cannot be certain when and how much transmission service SunZia will use. Therefore, it is not known when revenues (partial or full) associated with the Service Agreements will be provided by SunZia.

In addition, the commencement of service under the SunZia Service Agreements would not be the only factor that SRP would need to consider to develop transmission rates effective on September 1, 2025. Other factors include an increase or decrease in the revenue requirement resulting from other requests for transmission service or additional transmission projects that would have to be included.

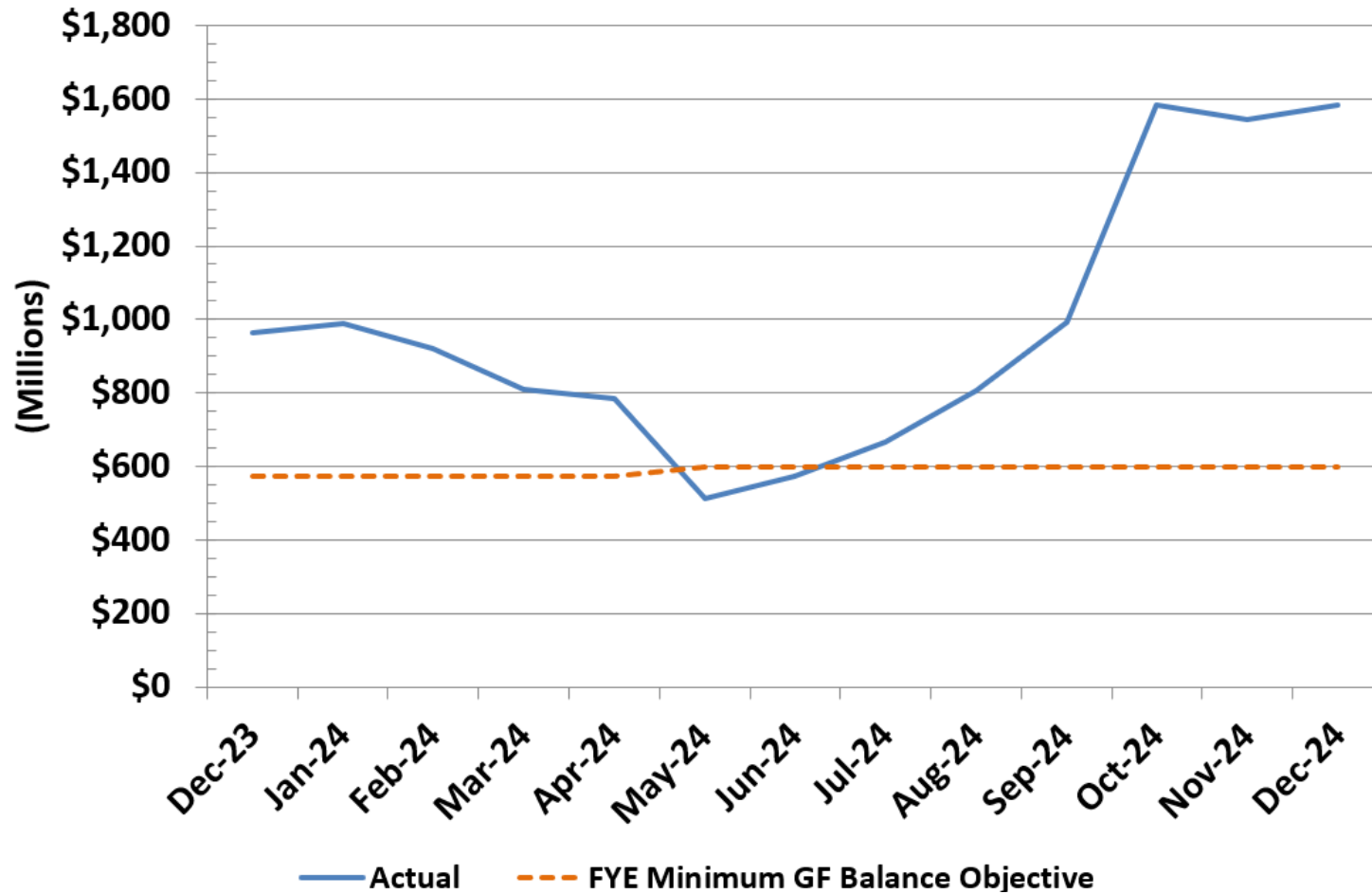
As stated in Management's December 30, 2024, response to question 5, Management anticipates seeking Board approval by the fall of 2025 for a formula rate template that could provide for annual adjustments to the transmission rates. Management proposes developing the Annual Transmission Revenue Requirement (ATRR) and Long-Term Firm Point-To-Point Transmission Service rates using an industry-accepted transmission formula rate template modeled after the formula approved by the Federal Energy Regulatory Commission, appropriately adjusted for SRP accounting systems and processes. If approved by the Board, the template, which is currently under development, will be incorporated within SRP's Open Access Transmission Tariff (OATT) and provide for routine formulaic calculations of both the ATRR and wholesale transmission rates. Stakeholders will have the opportunity to provide input during a public process. The formula rate would incorporate SunZia's usage under the Service Agreements in the development of the rate, along with other factors such as other customer usage and any changes in cost.

Also, as stated in Management's January 10, 2025, response to Pattern Energy's question number 2, provided SunZia commences service under the Service Agreements on the dates specified in those Service Agreements, SRP will promptly initiate the process to seek board approval to update its Point-To-Point transmission rates to reflect SunZia's transmission usage on the SRP system.

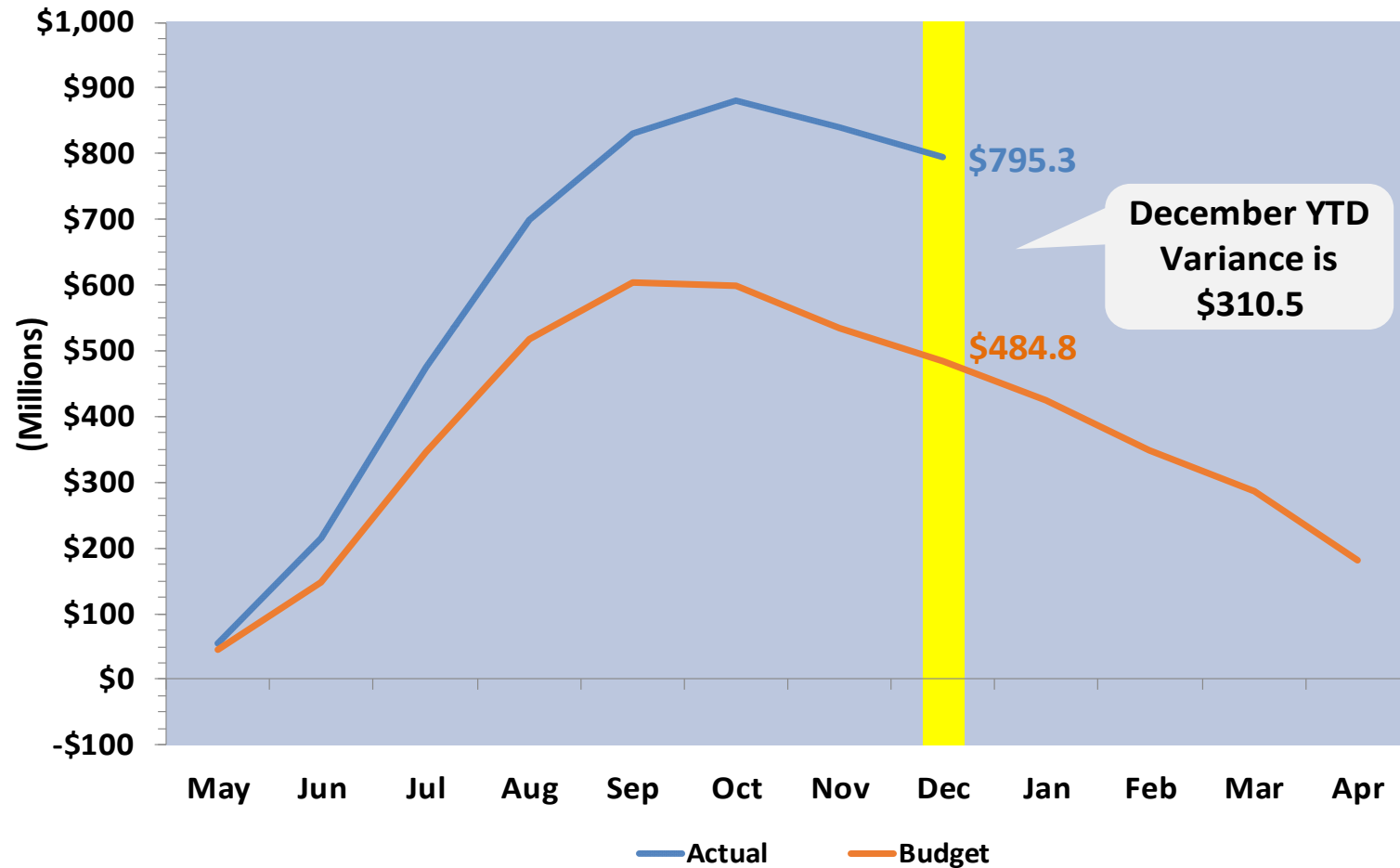
Monthly Financial Report December 2024

Finance & Budget Committee Meeting
Jeremy T. Fry | January 23, 2025

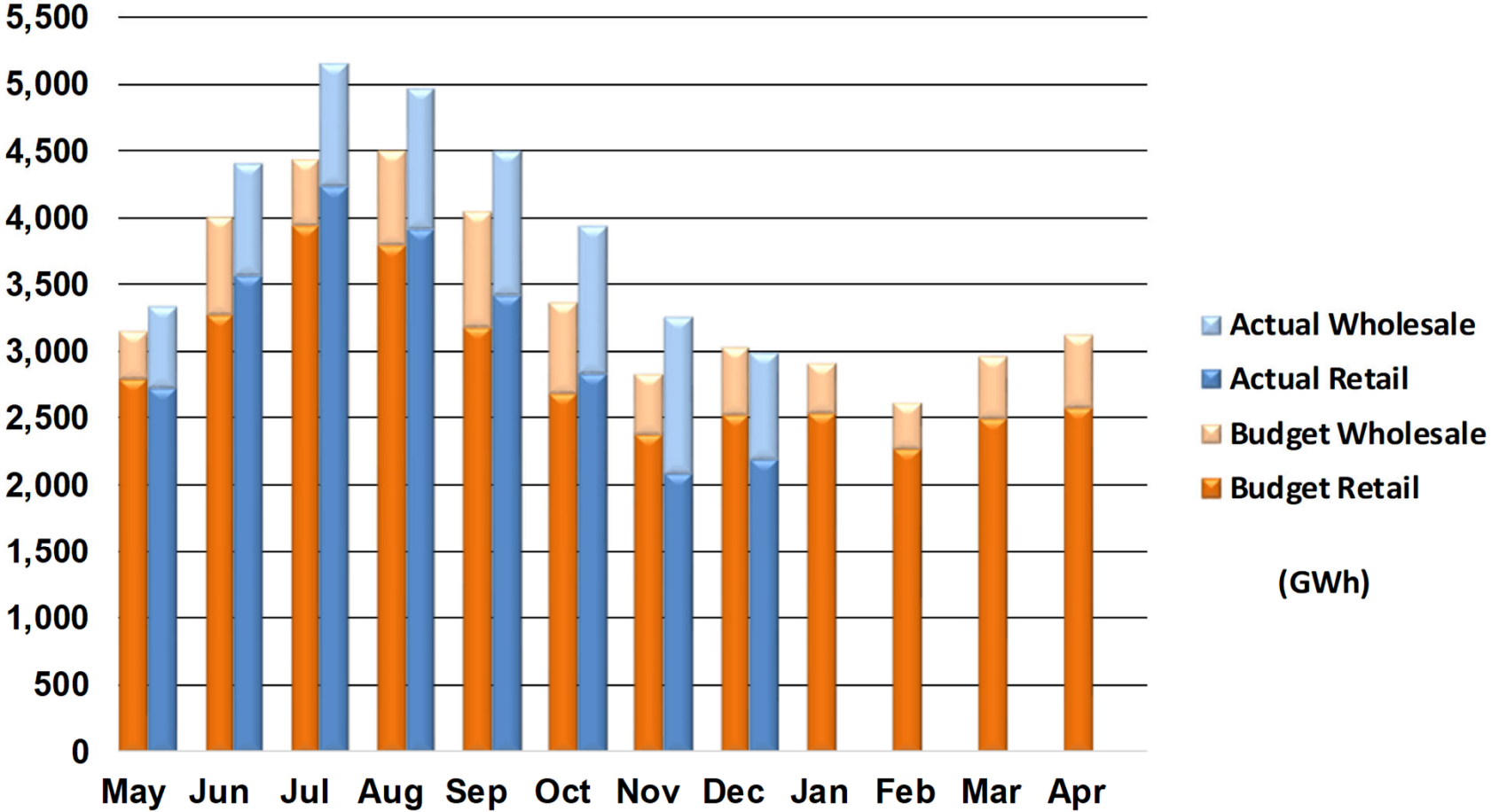
General Fund Balance



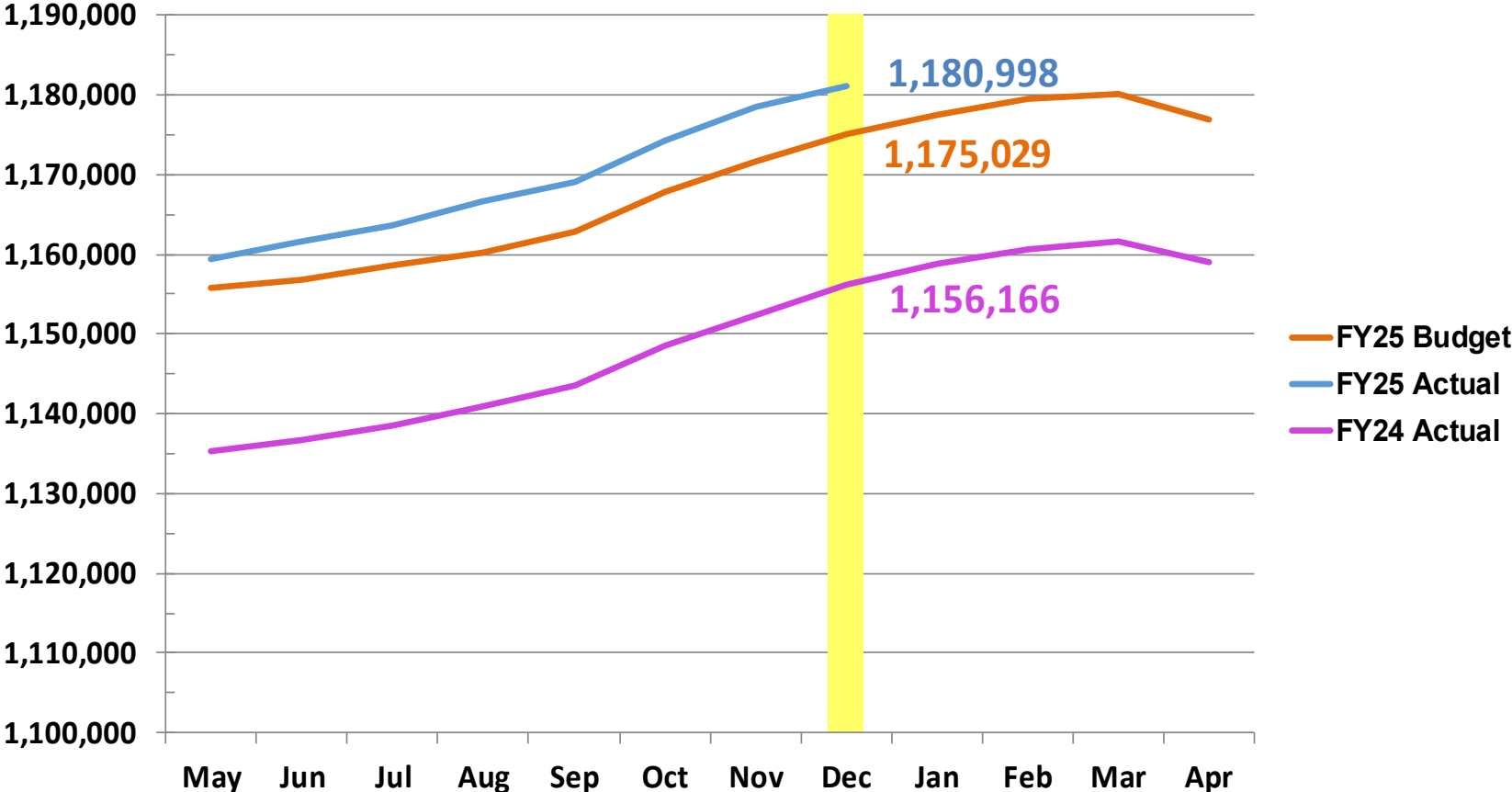
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary - December 2024

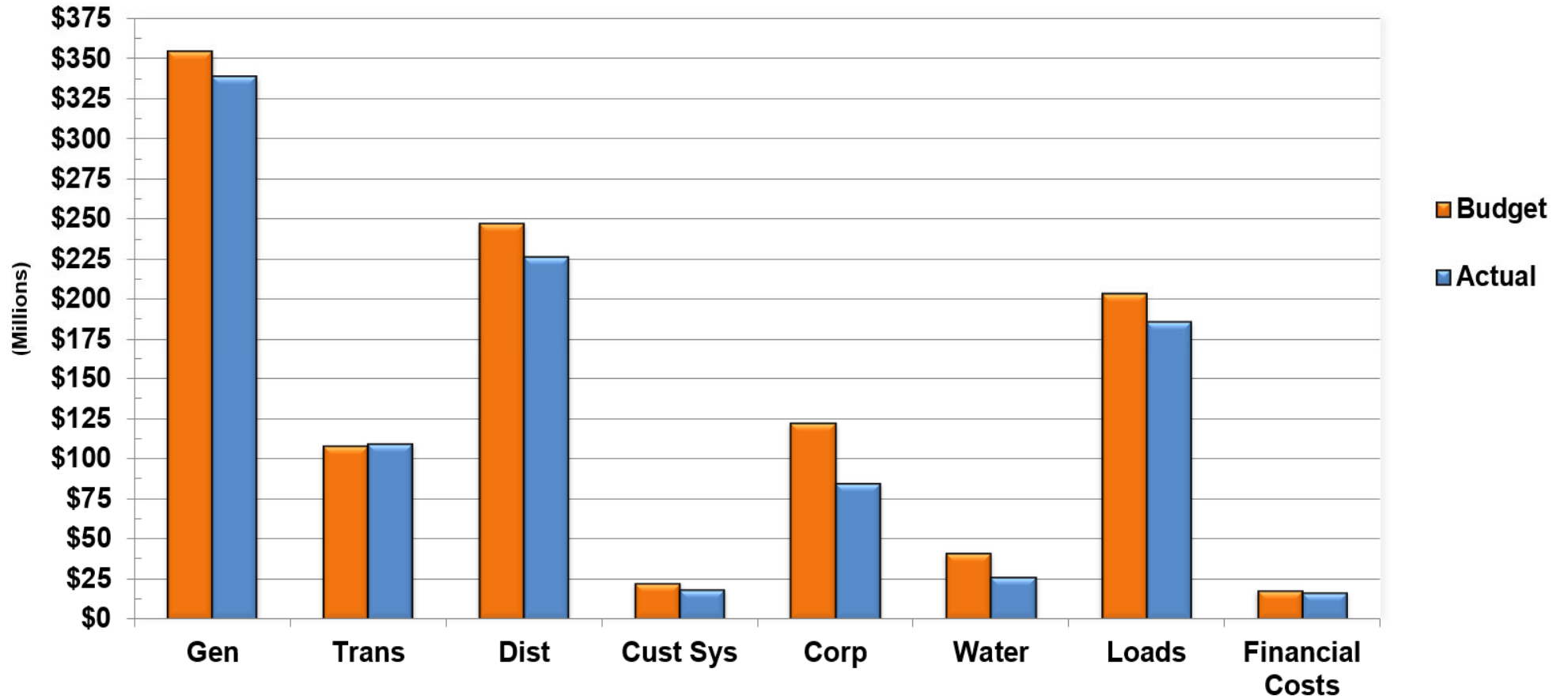
(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating Revenues	\$ 276,914	\$ 281,067	\$ (4,153)
Operating Expenses			
Fuel	123,456	129,324	(5,868)
O&M	125,946	124,859	1,087
Depr & Tax	68,337	69,456	(1,119)
Total Operating Expenses	317,739	323,639	(5,900)
Net Financing Costs	18,604	14,648	3,956
Other, Net	15,751	7,485	8,266
Combined Net Revenues	<u>\$ (43,678)</u>	<u>\$ (49,735)</u>	<u>\$ 6,057</u>

Key Financial Indicators - YTD December 2024

(Thousands)	Actual	Budget	Variance
Funds Available	\$ 1,115,597	\$ 793,285	\$ 322,312
Debt Service Coverage	5.85	4.71	1.14
Debt Ratio*	46.3	47.4	(1.1)
Capital Expenditures	\$ 1,004,363	\$ 1,116,038	\$(111,675)

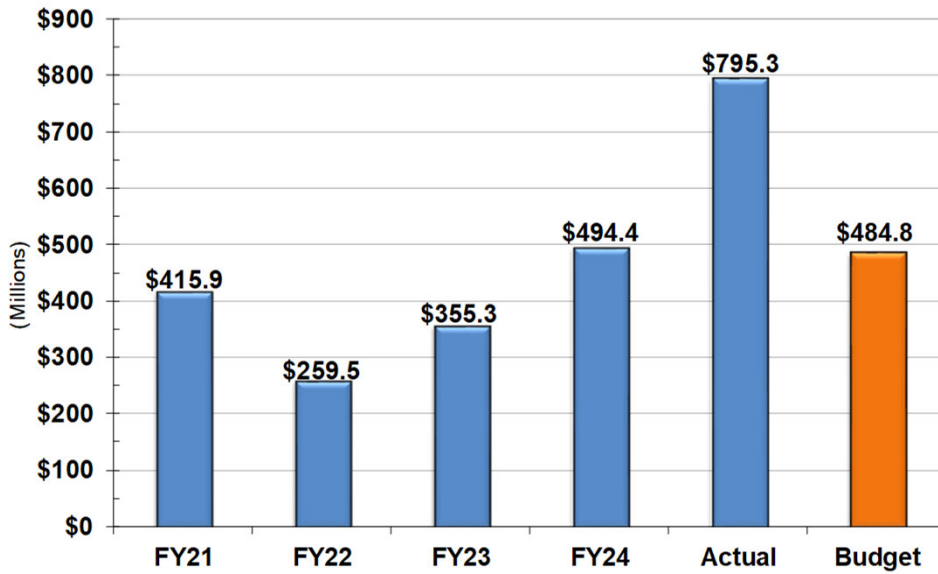
***Debt Ratio represents Projected Actual compared to Annual Budget**

Capital Expenditures - YTD December 2024





CNR without Fair Value Adjustments - YTD December 2024

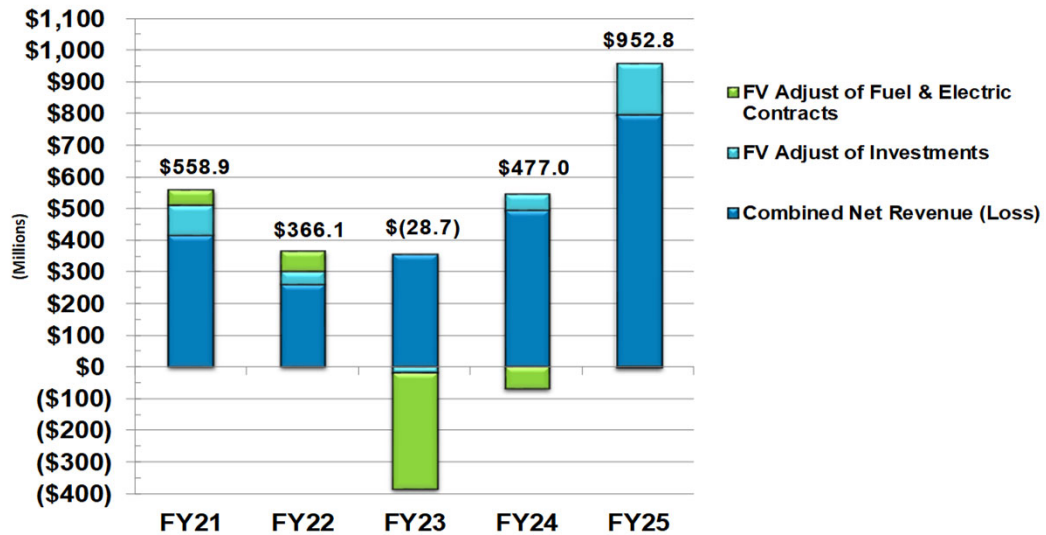


01/23/2025 F&B Committee Meeting, J.T. Fry

(Non-GAAP, Unaudited) 1

1

CNR with Fair Value Adjustments - YTD December 2024

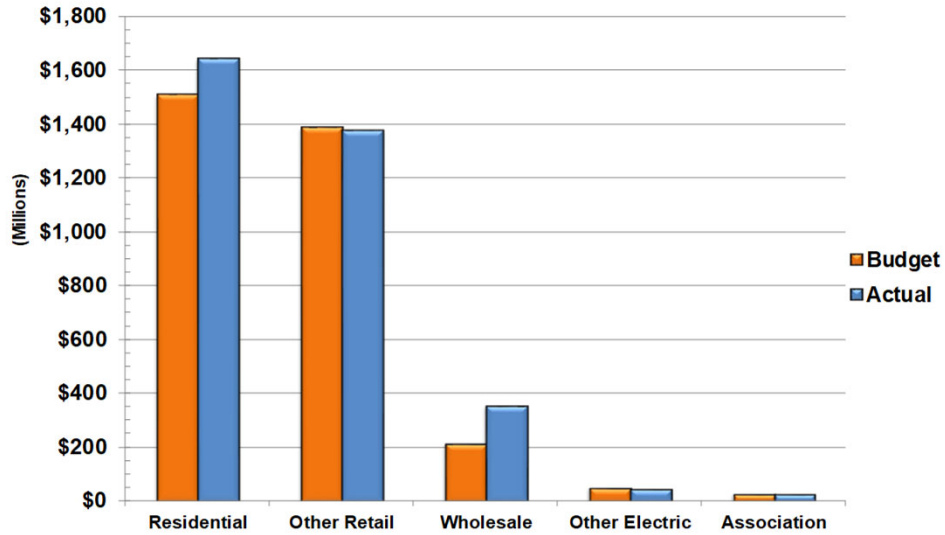


01/23/2025 F&B Committee Meeting, J.T. Fry

(Non-GAAP, Unaudited) 2

2

Combined Operating Revenues - YTD December 2024

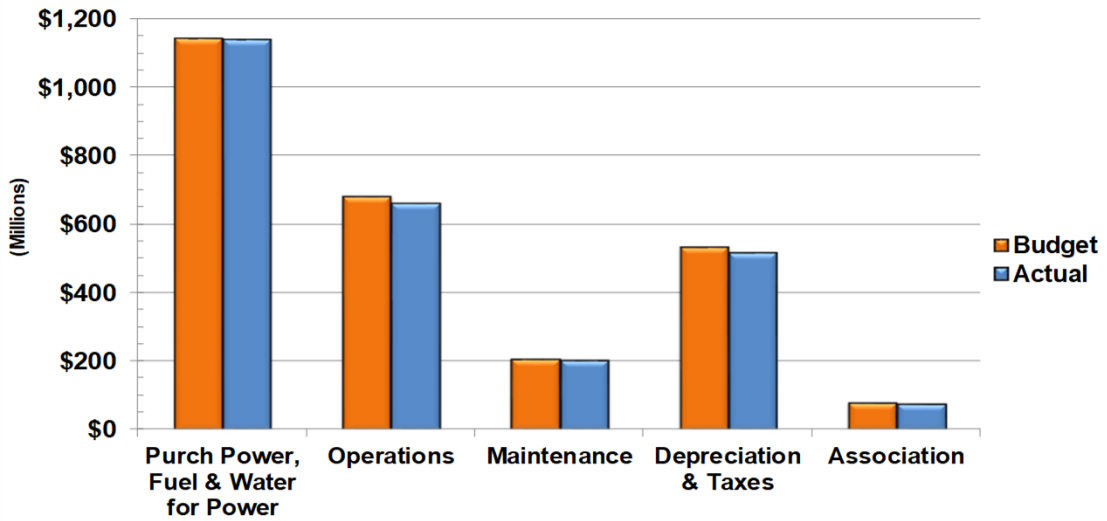


01/23/2025 F&B Committee Meeting, J.T. Fry

(Non-GAAP, Unaudited) 3

3

Combined Expenses - YTD December 2024

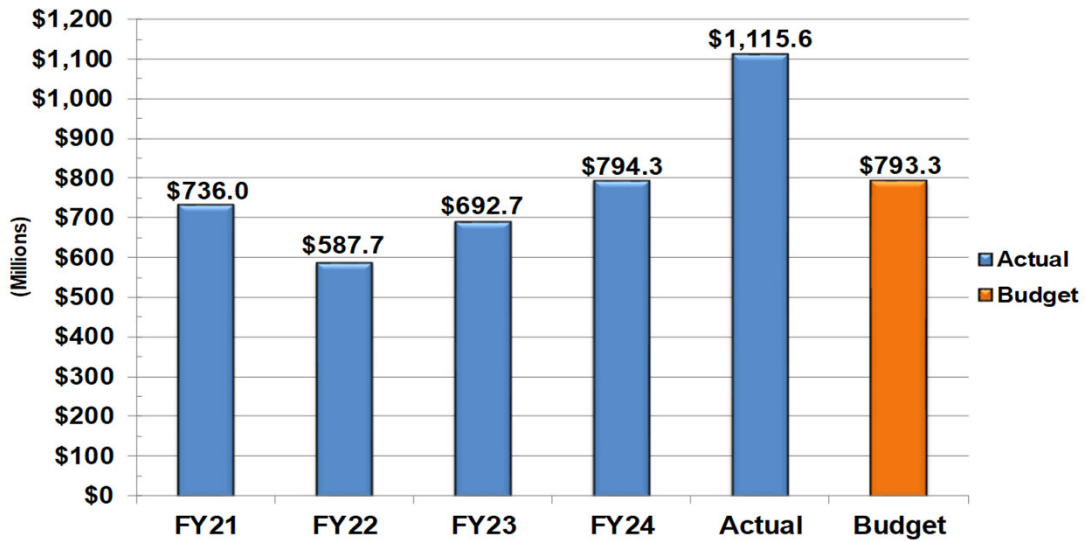


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4

Funds Available - YTD December 2024

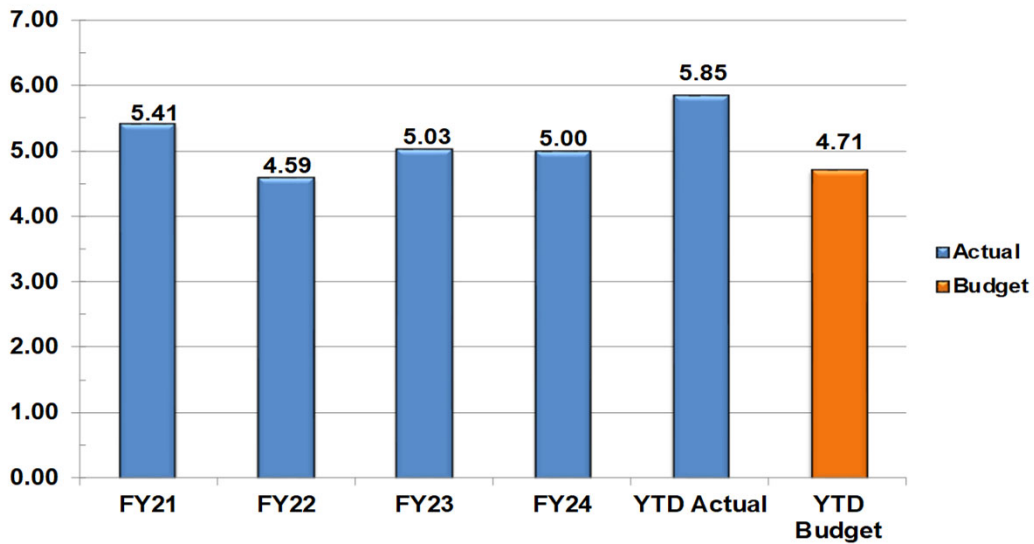


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(Non-GAAP, Unaudited) 5

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Debt Service Coverage - YTD December 2024



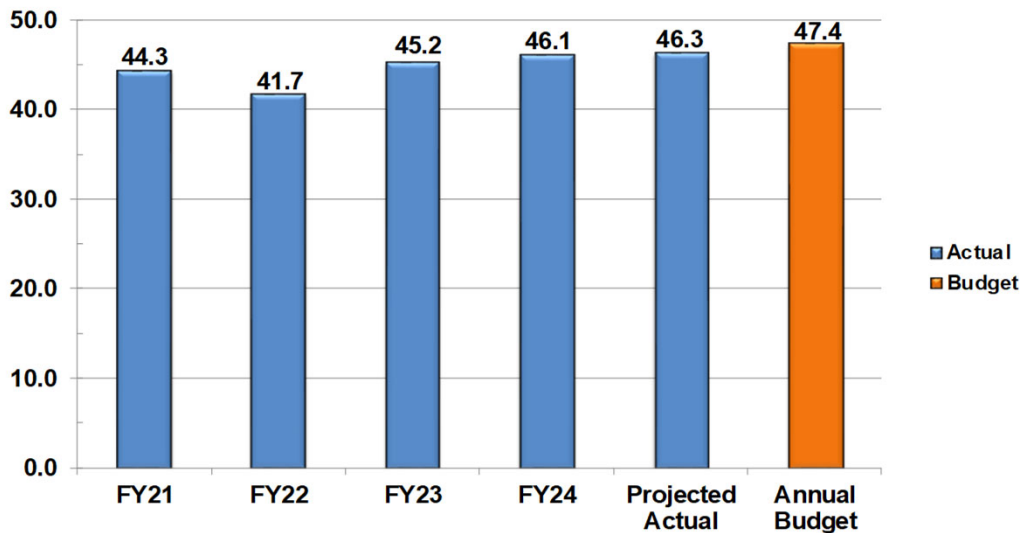
Note: Debt Service Coverage Ratio on Total Debt

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Debt Ratio - YTD December 2024



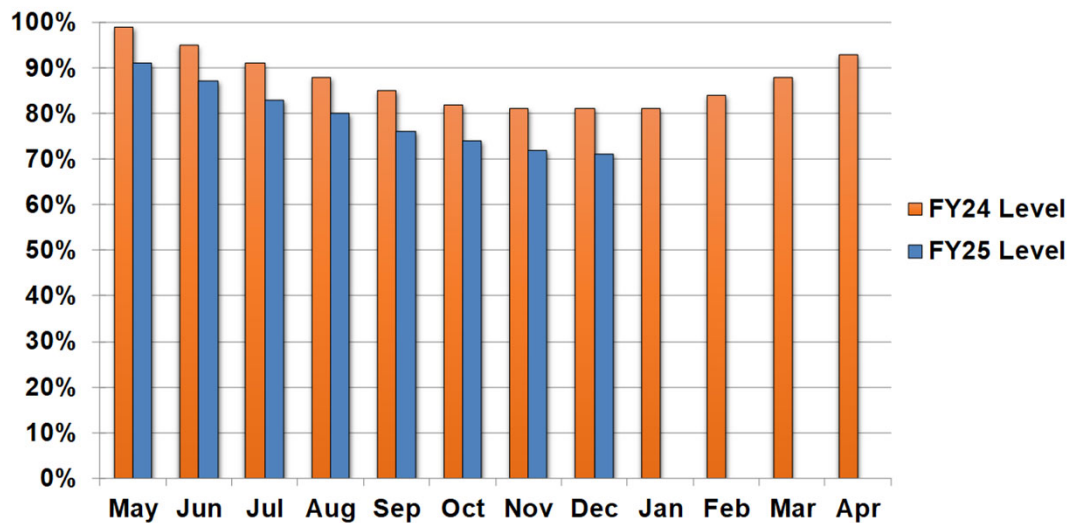
Note: Prior Years and Budget are Fiscal Year-End Ratios

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Water Storage Levels



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(Non-GAAP, Unaudited) 8

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