

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

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**FINANCE AND BUDGET COMMITTEE**  
**Thursday, February 20, 2025, No Sooner Than 10:00 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 January 23, 2025.
  - B. Request for approval of the Monthly Cash Statement for January 2025 (District and Association).
  - C. Request for approval of the Quarterly Cash Statement for period ending January 31, 2025 (Association).
  
2. Preliminary Fiscal Year 2026 (FY26) Financial Plan and Operating Budget ..... DANIELLE JACKSON  
  
Informational presentation to review the key drivers and preliminary results shaping the FY26 Financial Plan and Operating Budget.
  
3. Review of the Financial Results for the Month of January 2025..... VARIOUS
  
4. Closed Session, Pursuant to A.R.S. §30-805(B), for the Committee to Consider Matters Relating to Competitive Activity, Including Trade Secrets or Privileged or Confidential Commercial or Financial Information, with Respect to a Request for Approval to Execute a Revolving Credit Agreement (RCA) with PNC Bank, Which Will Replace the Existing RCA with US Bank ..... JASON RIGGS
  
5. Report on Current Events by the General Manager and Chief Executive Officer and Designees..... JIM PRATT
  
6. 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.





MINUTES  
FINANCE AND BUDGET COMMITTEE

**DRAFT**

January 23, 2025

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 10:14 a.m. on Thursday, January 23, 2025, 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 C. Clowes, R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams.

Also present were Vice President C.J. Dobson; Board Members R.C. Arnett, N.R. Brown, K.J. Johnson, S.D. Kennedy, and L.D. Rovey; Council Chair J.R. Shelton; Council Liaisons W.P. Schrader III and R.W. Swier; Council Members G.E. Geiger, E.L. Gorsegner, D.B. Lamoreaux, B.E. Paceley, C. Resch Geretti, and N.J. Vanderwey; L. Arthanari, I.R. Avalos, A.N. Bond-Simpson, M.J. Burger, A.P. Chabrier, J.D. Coggins, A.C. Davis, G.A. DeLizio, J.M. Felty, J. Fry, A.M. Hatch, Z.J. Heim, L.F. Hobaica, J.W. Hubbard, D.J. Jackson, R.T. Judd, V.P. Kisicki, B.J. Koch, K.J. Lee, L.A. Meyers, G.A. Mingura, M.J. O'Connor, B.A. Olsen, S.A. Perkinson, J.M. Pratt, K.S. Ramaley, J.I. Riggs, D.S. Roach, J.C. Robertson, B.G. Shoemaker, C.M. Sifuentes, P.B. Sigl, R.R. Taylor, J.C. Tucker, and F. Zyriek of SRP; Ian Calkins of Copper State Consulting Group; Mike Mace of PFM Financial Advisors (PFM); Nicholas Navarro of Plus Power; Zach Walker of Primergy Solar; and Steve Neil, a member 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, January 21, 2025.

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 P.E. Rovey 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 November 21, 2024, as presented.

- B. Approval of the District Annual Cash Statement for December 2024.
- C. Approval of the District and Association Monthly Cash Statement for December 2024.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member P.E. Rovey's 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 C. Clowes, R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams | (7) |
| NO:        | None   | (0) |
| ABSTAINED: | None   | (0) |
| ABSENT:    | None   | (0) |

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

#### Opportunity to Refinance Existing Debt Update

Using a PowerPoint presentation, Brian J. Koch, SRP Associate General Manager and Chief Financial Executive, stated that the purpose of the presentation was to provide an information regarding an opportunity to refinance a portion of SRP's existing debt to lower borrowing costs. They introduced Jason I. Riggs, SRP Director and Assistant Treasurer of Treasury Operations and Compliance.

J.I. Riggs discussed the opportunity to refund existing debt, the refunding outlook, and the estimated refunding savings based on rates as of January 13, 2025. They provided a list of the bond sale team participants.

J.I. Riggs listed the parameters under consideration as follows: 1) par amount – not to exceed \$175 million; 2) true interest cost – not to exceed 5.0%; 3) final maturity – not greater than 15 years; 4) call option – not to exceed 100%, with a 10 year call option; 5) purchaser's compensation – not to exceed \$2.00 per \$1,000 of bonds issued; and 6) pricing execution – after Board and Council approval, execute pricing before April 30, 2025. They reviewed the Board and Council calendar highlighting key dates and details. J.I. Riggs introduced Mike Mace, Senior Director of PFM.

Continuing M. Mace provided an update on SRP's 2025 bonds and the recent interest rate trends and Green Bonds. They concluded with a discussion regarding the SRP 2025 bond structure.

B.J. Koch and J.I. Riggs of SRP; and M. Mace of PFM 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.

Zach Walker of Primergy Solar left the meeting during the presentation. Council Member J.L. Miller; A.Y. Gilbert of SRP; and John Murphy of PFM entered the meeting during the presentation.

### Fiscal Year 2026 (FY26) Financial Plan and Operating Budget Initial Assumptions

Using a PowerPoint presentation, Danielle J. Jackson, SRP Director of Financial Planning and Analysis, stated that the purpose of the presentation was to provide information to review the initial assumptions shaping the FY26 Financial Plan (FP26) and Operating Budget. They reviewed SRP's 2035 financial goals and FY25 objectives.

D.J. Jackson stated that forecasted sales growth, coupled with the ongoing generation transition, has had significant financial implications. They reviewed historical retail sales and the preliminary forecast for FP26.

D.J. Jackson provided the following graphs: preliminary retail fuel and purchase power generation; capital spending by segment; FP26 outlook retail sales and direct costs; projected cash inflows and outflows; preliminary price modeling assumptions; and borrowing outlook. They concluded with a discussion of next steps, and budget schedule through March 2025.

D.J. Jackson 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.

Council Members E.L. Gorseigner and N.J. Vanderwey; and L. Arthanari and R.T. Judd of SRP left the meeting during the presentation. J.I. Riggs and J.C. Robertson of SRP; and Nicholas Navarro of Plus Power left the meeting. D.S. Roach of SRP entered the meeting during the presentation.

### Proposed Changes to SRP's Transmission and Ancillary Services Prices

Using a PowerPoint presentation, Gregory A. DeLizio, SRP Manager of Predictive Pricing, stated that the purpose of the presentation was to request approval to adjust SRP's transmission and ancillary services prices for transmission service associated with SRP's Open Access Transmission Tariff (OATT).

G.A. DeLizio explained that SRP's OATT is consistent with Federal Energy Regulatory Commission (FERC) requirements and reminded the Committee that prices apply to wholesale transmission customers only. They said that updated OATT prices were

posted on SRP's Open Access Same-time Information System (OASIS) on December 2, 2024, for all interested parties to see.

G.A. DeLizio stated that SRP Management proposal includes the following: 1) network integration transmission service (NITS) revenue requirement; 2) point-to-point transmission service; and 3) ancillary services as follows: a) scheduling, system control, and dispatch service, b) reactive supply and voltage control service, c) regulation and frequency response service, d) energy imbalance service, e) operating reserve – spinning reserve service, and f) operating reserve – supplemental reserve service.

G.A. DeLizio outlined the cost drivers as follows: 1) key focus areas – replacing aging infrastructure and preparing for new load growth; 2) approximately \$473 million in new major transmission projects; 3) approximately \$158 million in other transmission line and station additions; 4) approximately \$62 million in transmission pole asset management; and 5) other – a) wheeling expenses for purchased power, b) increased cost for software licenses, and c) high security operations center.

G.A. DeLizio presented a chart with a breakdown of the current and proposed prices. They listed proposed prices as follows: 1) transmission service –revenue requirement, \$390 million annually; 2) point-to-point transmission service – \$36.41 per kilowatt (kW) year; and 3) ancillary services: a) scheduling, system control, and dispatch service - \$2.90/kW-year, b) reactive supply and voltage control service - \$2.52/kW-year, c) regulation and frequency response service - \$11.94 per megawatt-hour (MWh), d) energy imbalance service – no change, e) operating reserve – spinning reserve service - \$9.12/MWh, and f) operating reserve – supplemental reserve service - \$9.12/MWh. G.A. DeLizio also discussed the point-to-point price comparison with other transmission service providers. They stated that this proposal would increase NITS and PTP wholesale transmission revenues from third parties by about \$20 million annually. G.A. DeLizio stated that revenues received from third party transmission customers can reduce the revenues needed from retail customers to maintain and operate the transmission system.

G.A. DeLizio concluded by requesting approval of the following proposed adjustments under SRP's OATT effective November 1, 2025: 1) Network Integration Revenue Requirement; 2) Point-to-Point Transmission Service pricing; and 3) Ancillary Services: scheduling, system control and dispatch; reactive power and voltage control; regulation and frequency responses; operating reserve – spinning reserve; and operating reserve – supplemental reserve pricing.

G.A. DeLizio responded to questions from the Committee.

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

Corporate Secretary J.M. Felty polled the Committee Members on Board Member J.M. White Jr.'s 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 C. Clowes, R.J. Miller, P.E. Rovey, J.M. White Jr., and L.C. Williams | (7) |
| NO:        | None   | (0) |
| ABSTAINED: | None   | (0) |
| ABSENT:    | None   | (0) |

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.

G.A. DeLizio, A.M. Hatch, Z.J. Heim, and F. Zyriek of SRP; and Nicholas Navarro of Plus Power left the meeting after the presentation. R.T. Judd of SRP entered the meeting during the presentation.

#### Review of the Financial Results for the Month of December 2024

Jeremy Fry, SRP Director of Financial Reporting, referenced the financial handout distributed to the Members relative to the combined highlights of operations of the District and Association for the month of December 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. J. Fry concluded by reviewing the financial summary and key financial indicators for the month of December 2024 and capital expenditures.

J. Fry 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.

Council Member D.B. Lamoreaux; A.Y. Gilbert of SRP; and Ian Calkins of Copper State Consulting Group left the meeting during the presentation.

#### 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



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 11:49 a.m.

John M. Felty  
Corporate Secretary





**Statement of Cash Received and Disbursed**

**January 2025**

(\$000)

|   | <u>District</u>     | <u>Association</u> | <u>Total Month</u>  | <u>Year-to-Date</u> |
|---|---------------------|--------------------|---------------------|---------------------|
| Funds Balance Beginning of Period         | \$ 1,581,116        | \$ 1,486           | \$ 1,582,602        | \$ 785,829          |
| Cash Receipts:                            |                     |                    |                     |                     |
| Electric Revenues                         | 281,761             | ---                | 281,761             | 3,468,878           |
| Water Revenues                            | ---                 | 1,862              | 1,862               | 19,586              |
| Electric Customer Deposits                | 4,015               | ---                | 4,015               | 38,123              |
| Reimbursement on Joint Ownership Projects | 7,072               | ---                | 7,072               | 110,823             |
| Construction Contributions and Advances   | 9,507               | ---                | 9,507               | 231,728             |
| Proceeds from Bond Sales                  | ---                 | ---                | ---                 | ---                 |
| Proceeds from Other Borrowings            | ---                 | ---                | ---                 | ---                 |
| Transfers from Segregated Funds           | 266,252             | ---                | 266,252             | 1,152,176           |
| Sales Tax Collected                       | 18,100              | ---                | 18,100              | 250,322             |
| Other Cash Receipts                       | <u>12,886</u>       | <u>---</u>         | <u>12,886</u>       | <u>155,315</u>      |
| Total Cash Receipts                       | <u>599,593</u>      | <u>1,862</u>       | <u>601,455</u>      | <u>5,426,951</u>    |
| Fund Transfers - Net                      | <u>(6,099)</u>      | <u>6,099</u>       | <u>---</u>          | <u>---</u>          |
| Cash Disbursements:                       |                     |                    |                     |                     |
| Purchased Power and Fuel                  | 118,049             | ---                | 118,049             | 1,071,704           |
| Operations and Maintenance                | 110,358             | 3,905              | 114,263             | 926,703             |
| Employee Payroll and Payroll Taxes        | 65,472              | 4,105              | 69,577              | 605,884             |
| Purchased Inventory                       | 19,395              | ---                | 19,395              | 229,559             |
| Cash Segregated for -                     |                     |                    |                     |                     |
| Bond Interest                             | 21,785              | ---                | 21,785              | 182,678             |
| Bond Principal                            | 10,865              | ---                | 10,865              | 90,049              |
| Other Debt - Principal Repayment          | ---                 | ---                | ---                 | ---                 |
| Other Debt - Interest Expense             | 1,838               | ---                | 1,838               | 13,203              |
| Capital Expenditures                      | 80,274              | ---                | 80,274              | 831,049             |
| Advances on Joint Ownership Projects      | ---                 | ---                | ---                 | ---                 |
| Transfers to Segregated Funds             | 221,173             | ---                | 221,173             | 360,815             |
| In Lieu and Ad Valorem Taxes              | ---                 | ---                | ---                 | 110,432             |
| Sales Tax Remitted                        | 19,026              | ---                | 19,026              | 260,400             |
| Margin and Collateral Received - Net      | 14,335              | ---                | 14,335              | 7,406               |
| Miscellaneous Cash Disbursements          | <u>1,354</u>        | <u>---</u>         | <u>1,354</u>        | <u>30,775</u>       |
| Total Cash Disbursements                  | <u>683,924</u>      | <u>8,010</u>       | <u>691,934</u>      | <u>4,720,657</u>    |
| Funds Balance End of Period               | <u>\$ 1,490,686</u> | <u>\$ 1,437</u>    | <u>\$ 1,492,123</u> | <u>\$ 1,492,123</u> |

**Cash Position**

January 2025

| Composition of Funds Balance        | (\$000)             |               |                     |
|-------------------------------------|---------------------|---------------|---------------------|
|                                     | District            | Association   | Total               |
| Cash and Cash Equivalents           | \$ 1,057,736        | \$ 1,437      | \$ 1,059,173        |
| Other Temporary Investments         | 160,475             | ---           | 160,475             |
| Other Non-Current Investments       | <u>272,475</u>      | <u>---</u>    | <u>272,475</u>      |
| General Fund                        | <u>1,490,686</u>    | <u>1,437</u>  | <u>1,492,123</u>    |
| Segregated Funds                    |                     |               |                     |
| Electric System Debt Reserve Fund   | 80,614              | ---           | 80,614              |
| Debt Service Fund                   | 35,232              | ---           | 35,232              |
| Rate Stabilization Fund             | ---                 | ---           | ---                 |
| Nuclear Decommissioning Fund        | 709,266             | ---           | 709,266             |
| Post-Retirement Benefits Fund       | 1,347,284           | ---           | 1,347,284           |
| Construction Fund                   | 15                  | ---           | 15                  |
| RHCP Fund                           | 12,543              | ---           | 12,543              |
| HHCP Fund                           | 8,941               | ---           | 8,941               |
| SPRHCP Fund                         | 3,564               | ---           | 3,564               |
| Four Corners Mine Reclamation Trust | 15,916              | ---           | 15,916              |
| Other Special Funds                 | <u>2,202</u>        | <u>---</u>    | <u>2,202</u>        |
| Total Segregated Funds              | <u>\$ 2,215,577</u> | <u>\$ ---</u> | <u>\$ 2,215,577</u> |



# FP26 Financial Plan

Finance & Budget Committee

Danielle Jackson | February 20, 2025

# Financial Goals & Objectives

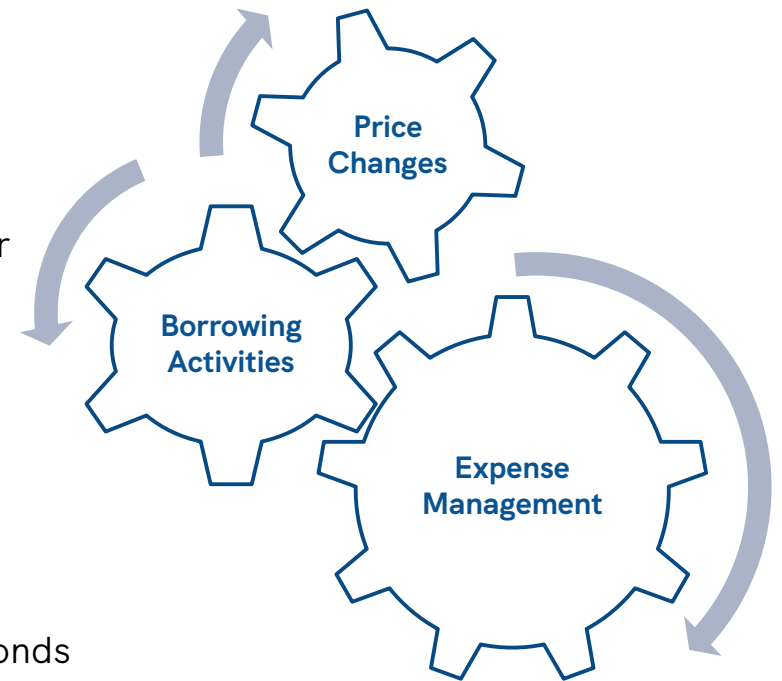
## 2035 Goals & Targets

### 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
  - 9.4% annual growth (FP26)
  - Large Business driven
- Higher spending levels to fund 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

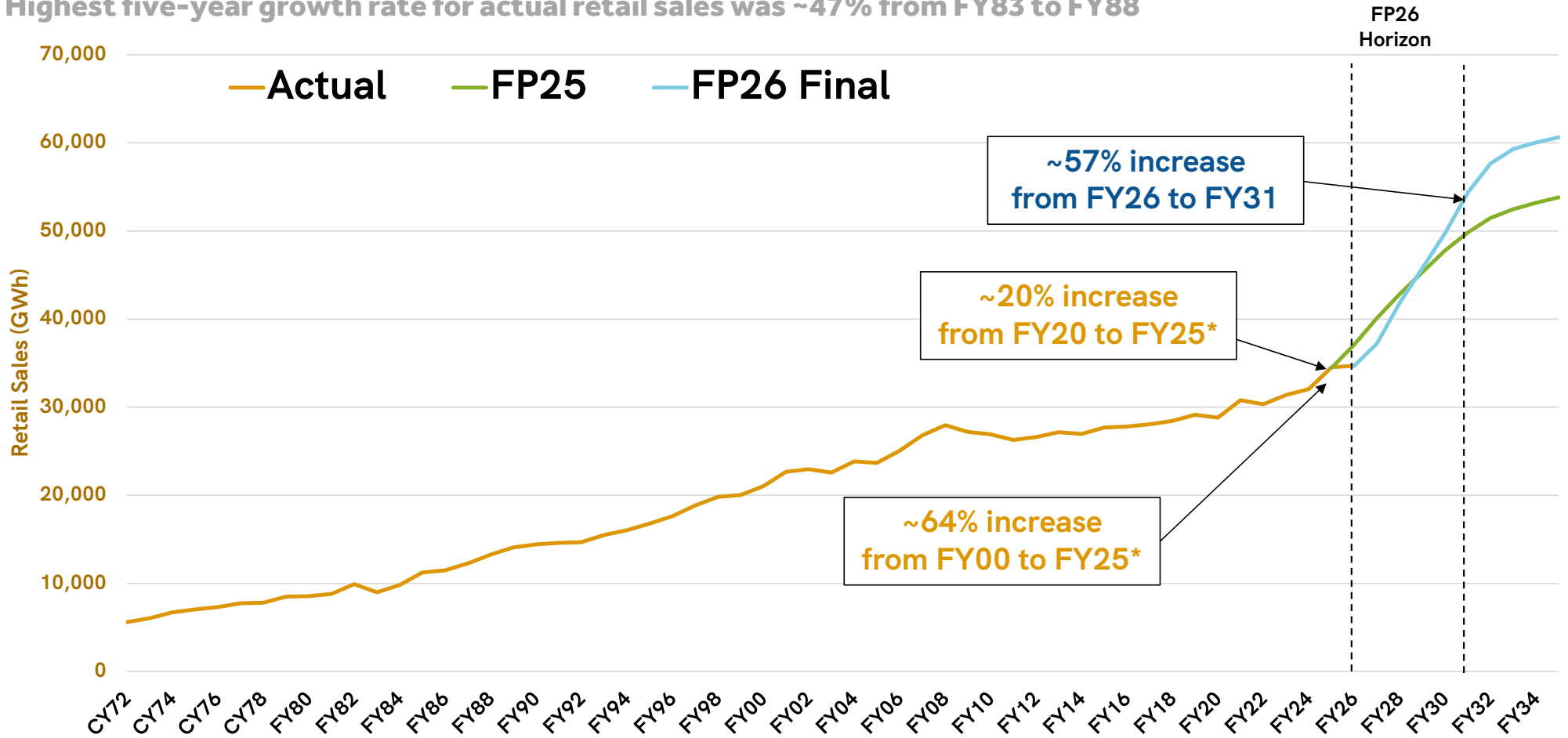
## FP26 Uncertainties

- Forecast Uncertainty
  - Timing and magnitude of new, and expanding, customers
- Operational Planning
  - New methods, and trade-offs, for projects in response to increased capital investments to meet 2035 goals
- Borrowing & Pricing
  - ~\$6B in projected debt
  - ~Pricing at, or below, inflation



# Historical Retail Sales Plus FP26 Final Forecast

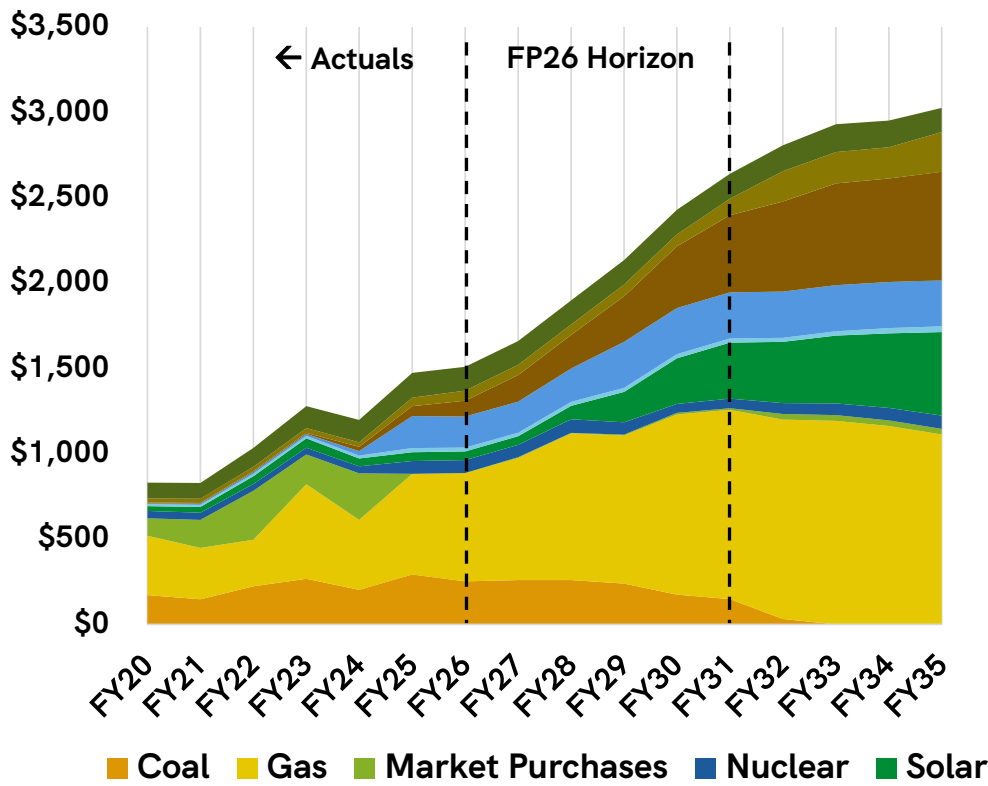
Highest five-year growth rate for actual retail sales was ~47% from FY83 to FY88



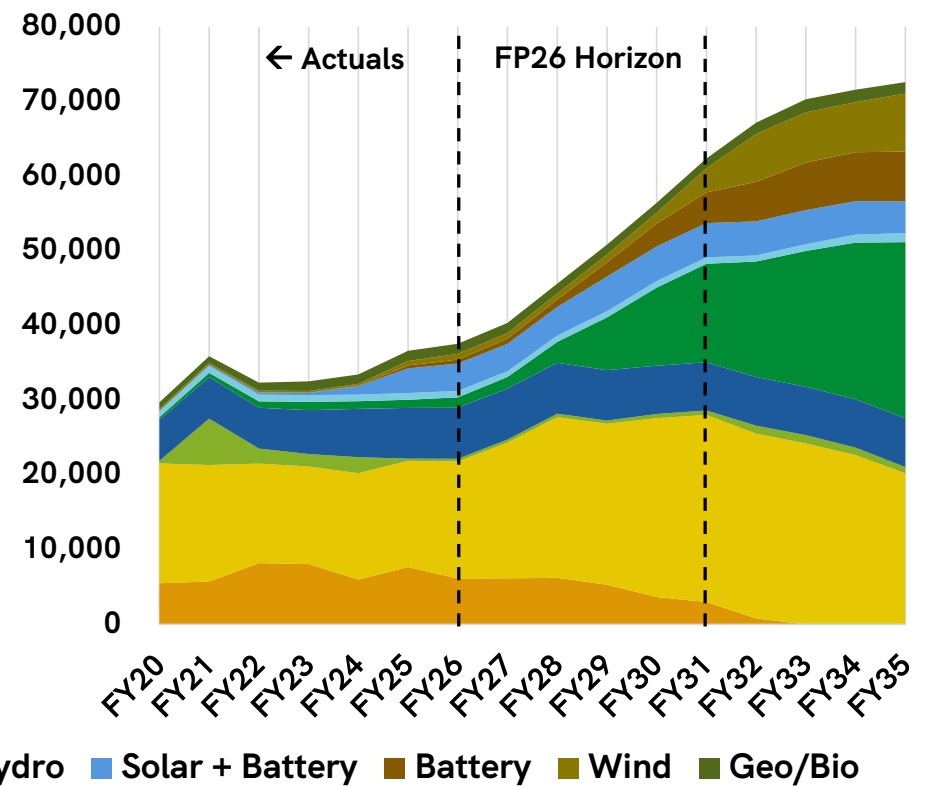
# Retail Fuel & Purchased Power Generation

Long term growth met with diversified resource mix; 50% carbon free by FY30 & 72% carbon free by FY35

## Actuals & FP26 (\$M)



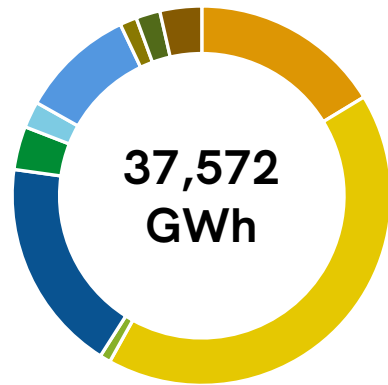
## Actuals & FP26 (GWh)



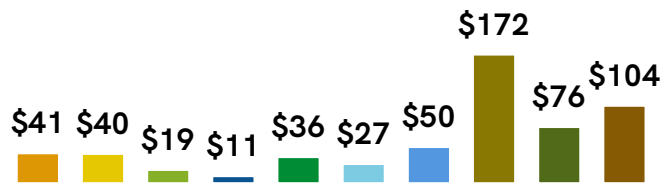
# Changing Retail Fuel Mix Will Impact FPPAM Costs

Increase in FPPAM requirements driven by natural gas, renewables, and batteries

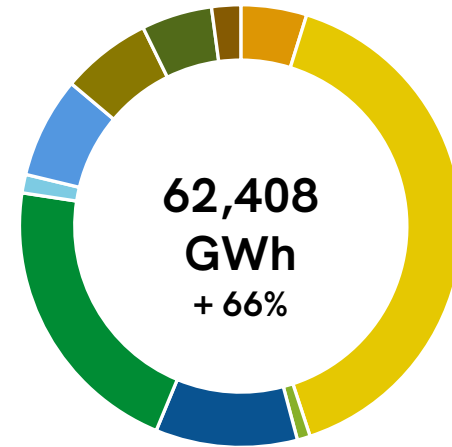
**FY26**



\$40/MWh Total Expense



**FY31**



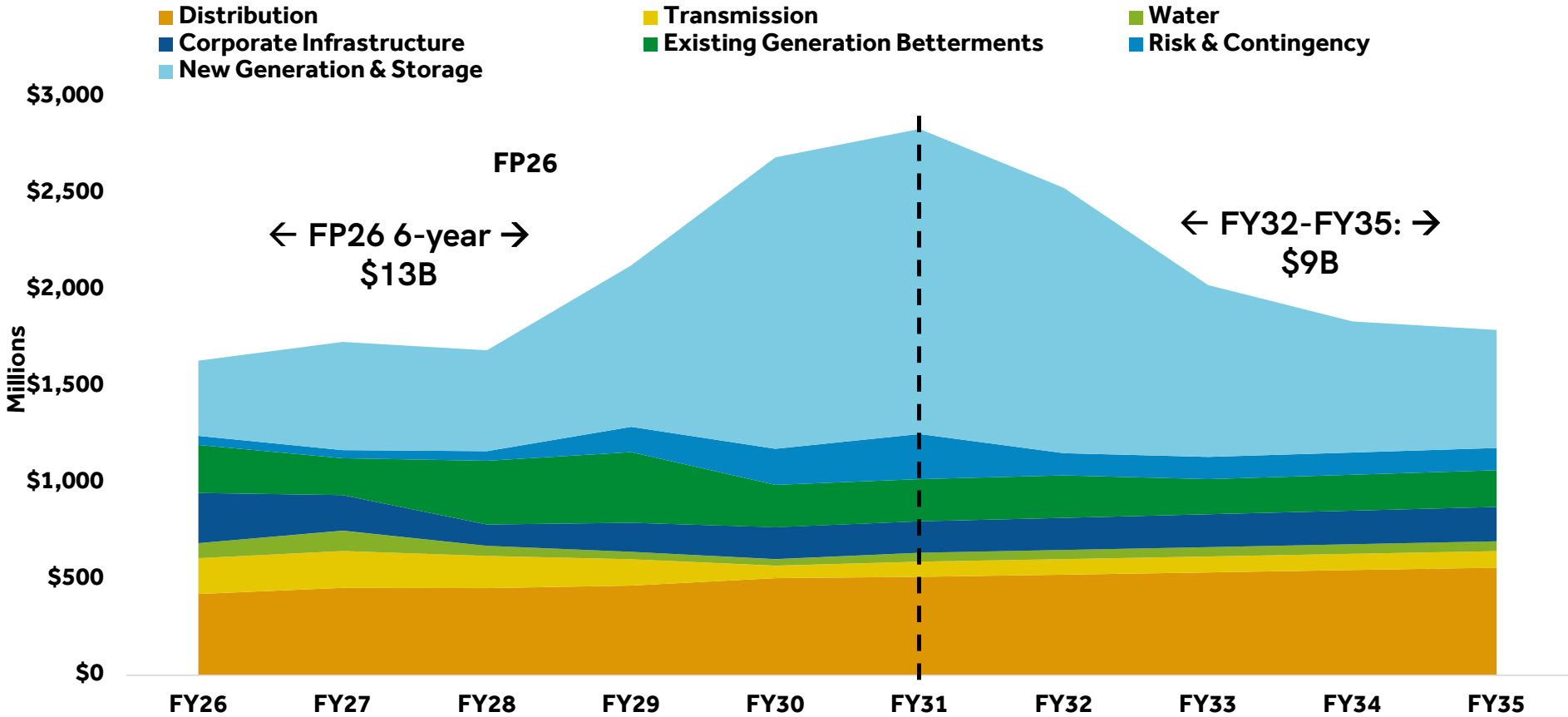
\$42/MWh Total Expense



■ Coal 
 ■ Gas 
 ■ Market 
 ■ Nuclear 
 ■ Solar 
 ■ Hydro 
 ■ Solar + Battery 
 ■ Battery 
 ■ Wind 
 ■ Geo/Bio

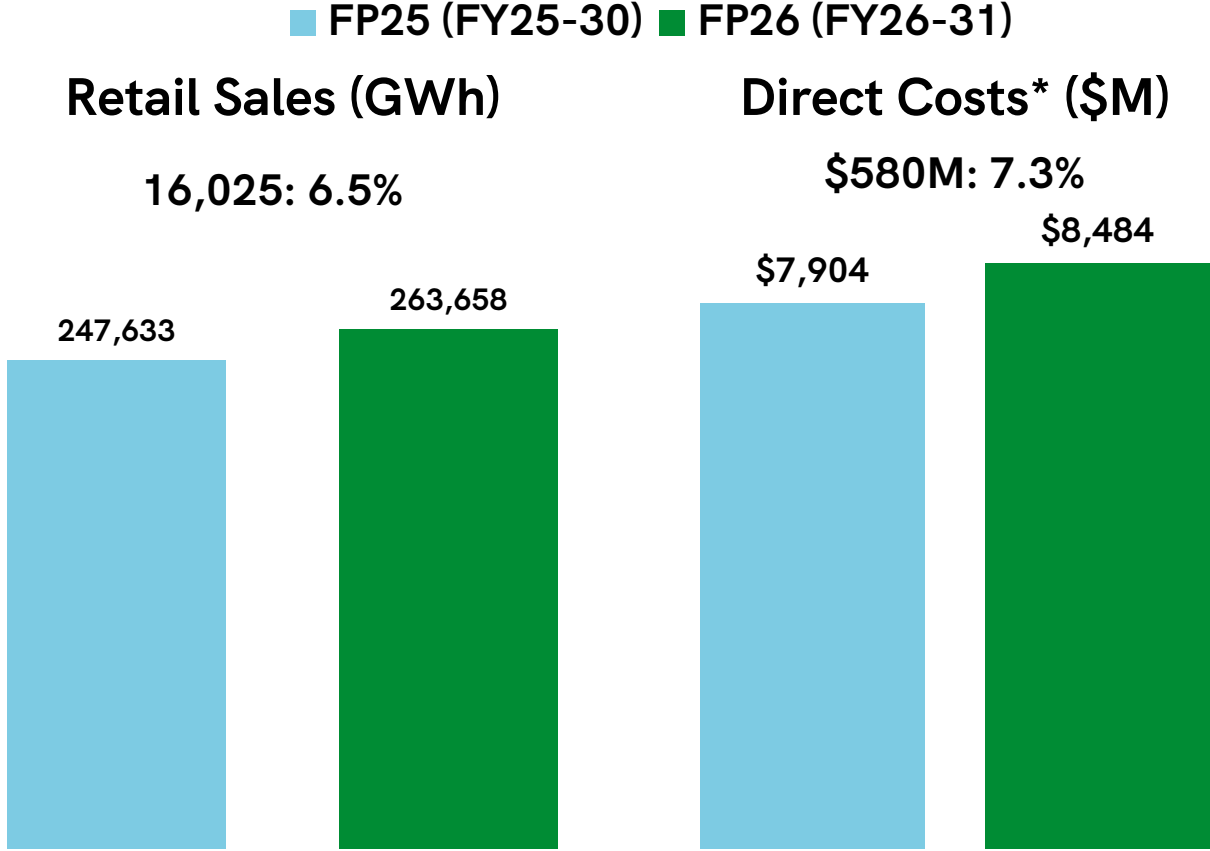
# Capital Spending by Segment (\$M) – 10 Year View

Capital spend driven by increases across all segments



# FP26 Outlook (Retail Sales & Direct Costs)

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

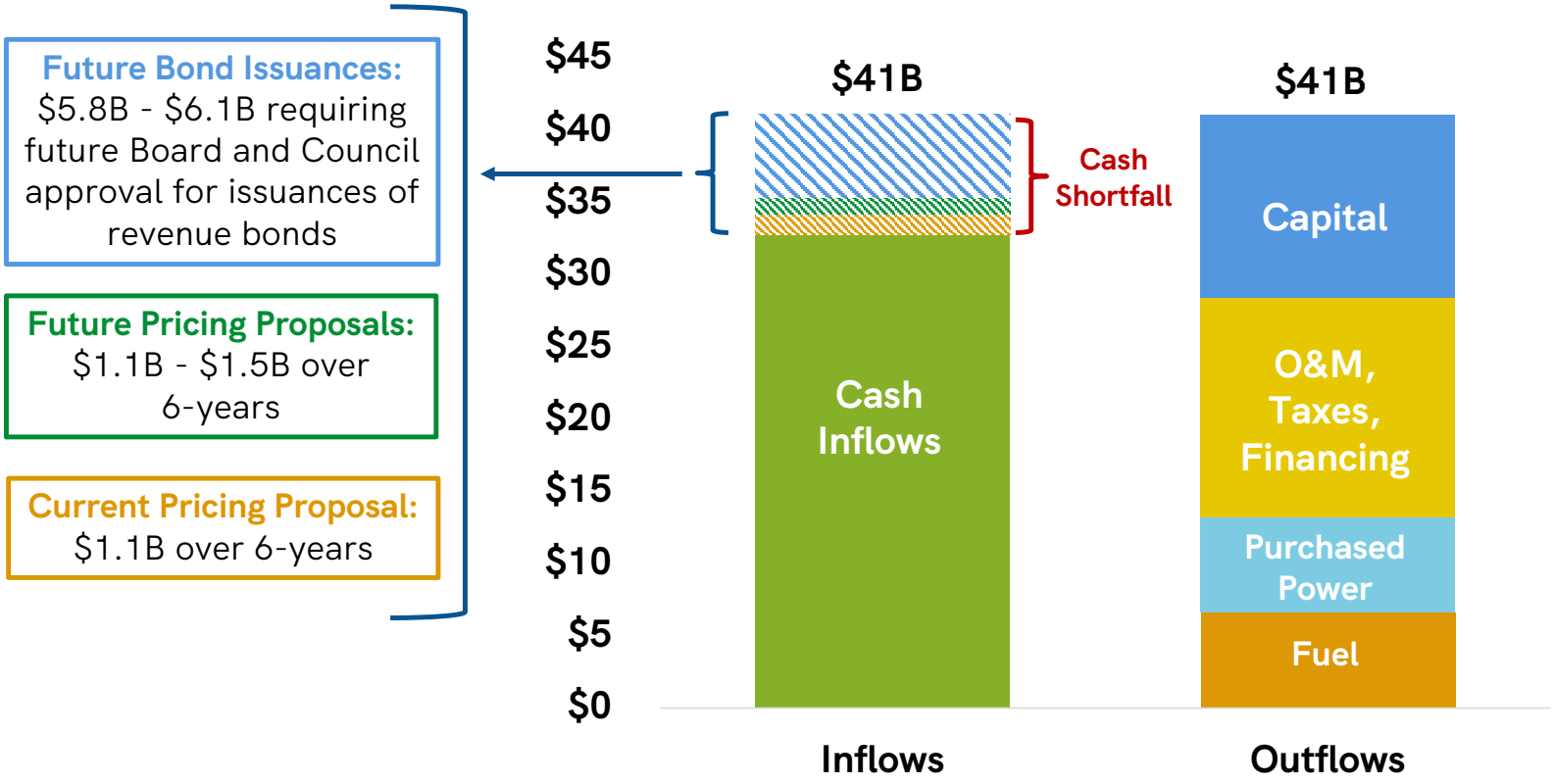


\* FP25 labor has been revised for inflation to report in FP26 dollars

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

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

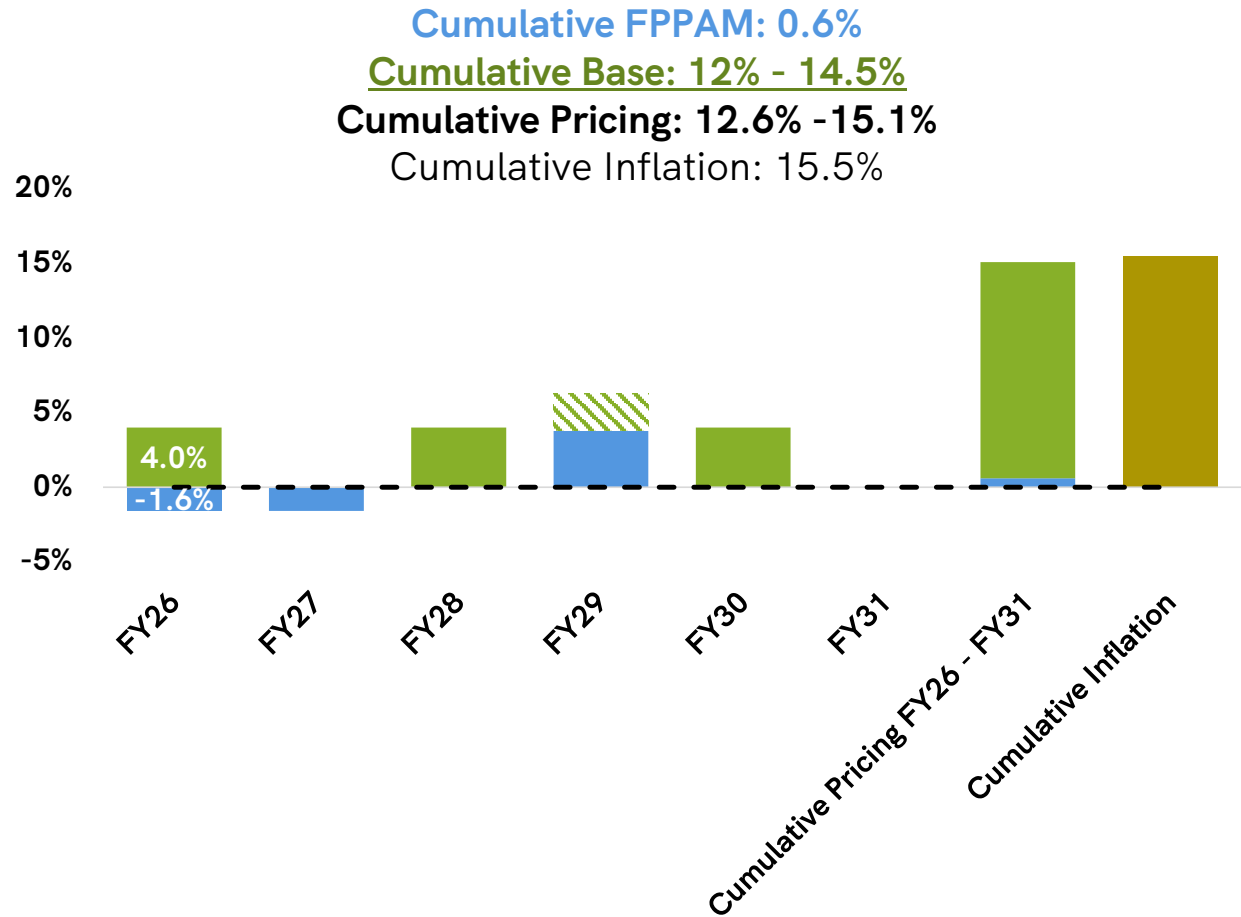
## FP26 Final (FY26-31)



# Price Modeling Assumptions

Projected pricing adjustments are lower than inflation over 6-year horizon

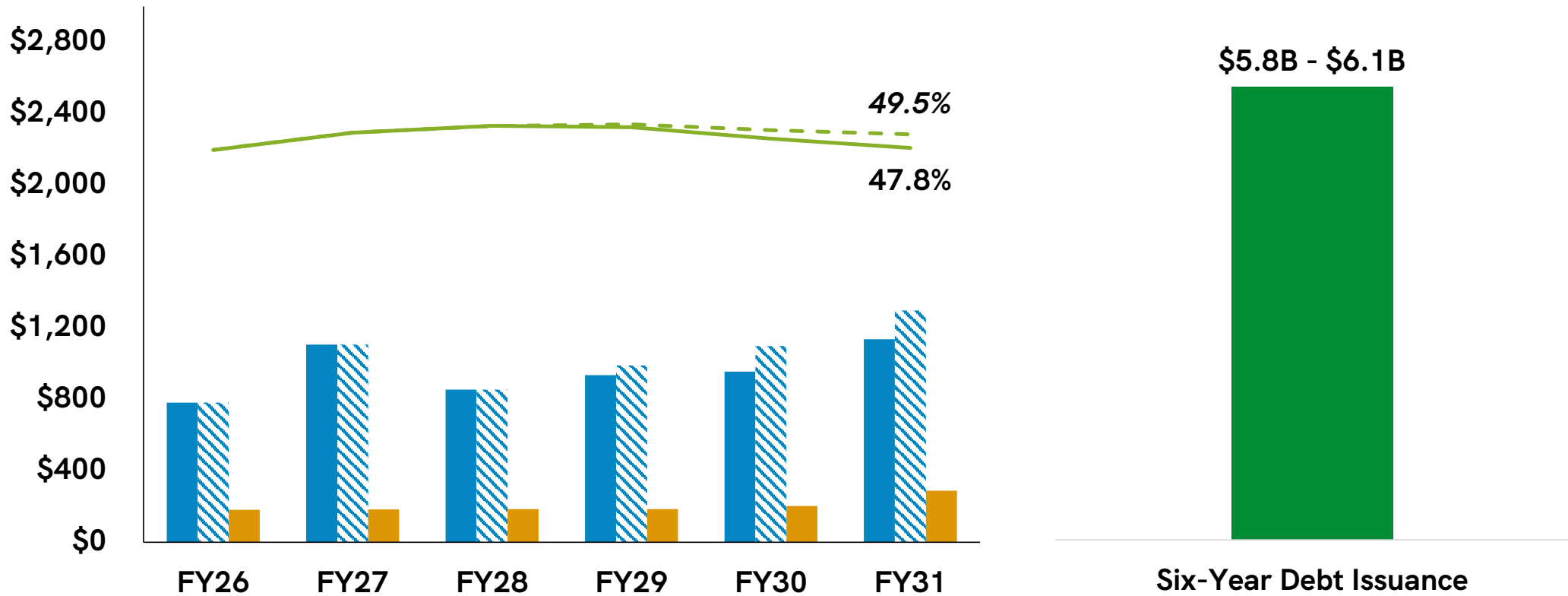
- FY26 consistent with current public price process
- Cumulative projected pricing below cumulative inflation
- Finalizing future pricing actions & debt issuances



# Borrowing Outlook (\$M)

Management of SRP's three financial levers preserves SRP's financial strength

■ New Debt Issuance ■ Debt Retirement — Debt Ratio



02/20/25 | F&B Committee | D.J. Jackson

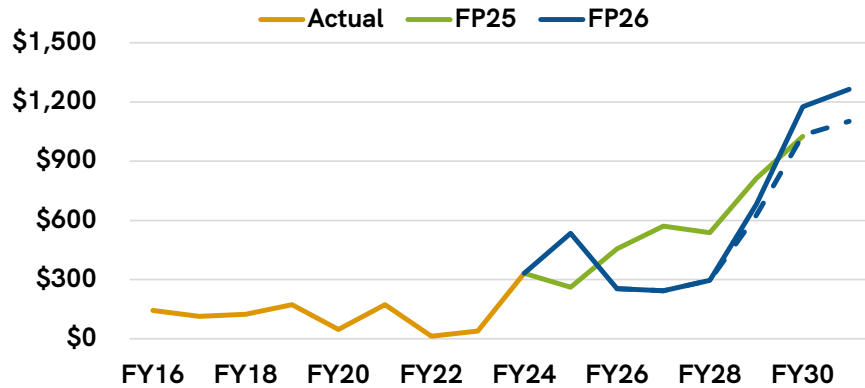


# Financial Indicators

Financial Indicators preserve financial strength and flexibility

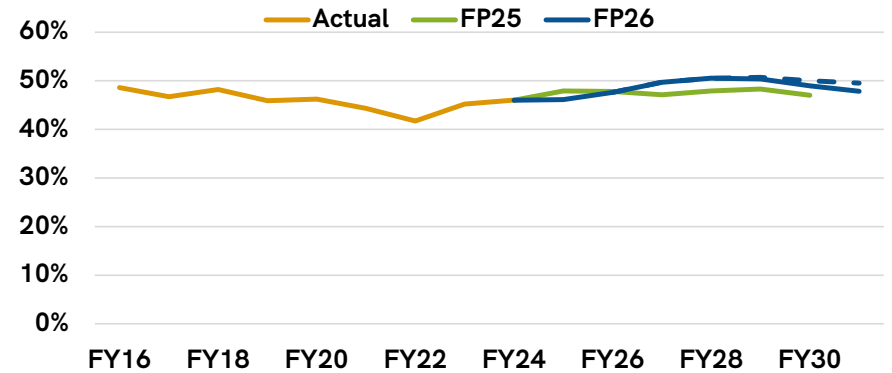
## Combined Net Revenues (\$M)

SRP's "bottom line"; similar to Net Income



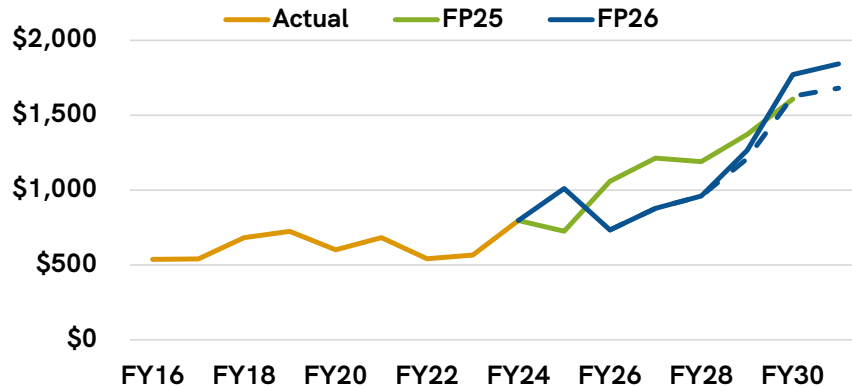
## Debt Ratio

Percentage of long-life assets paid for with debt



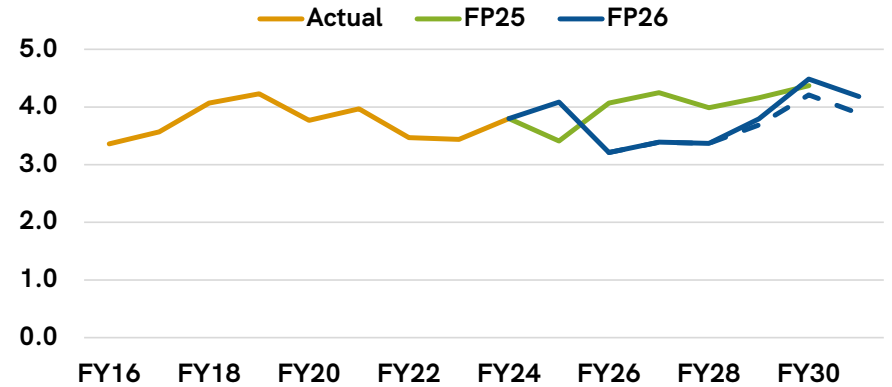
## Funds Available (\$M)

Cash generated from the business to pay for capital expenditures



## Debt Service Coverage Ratio

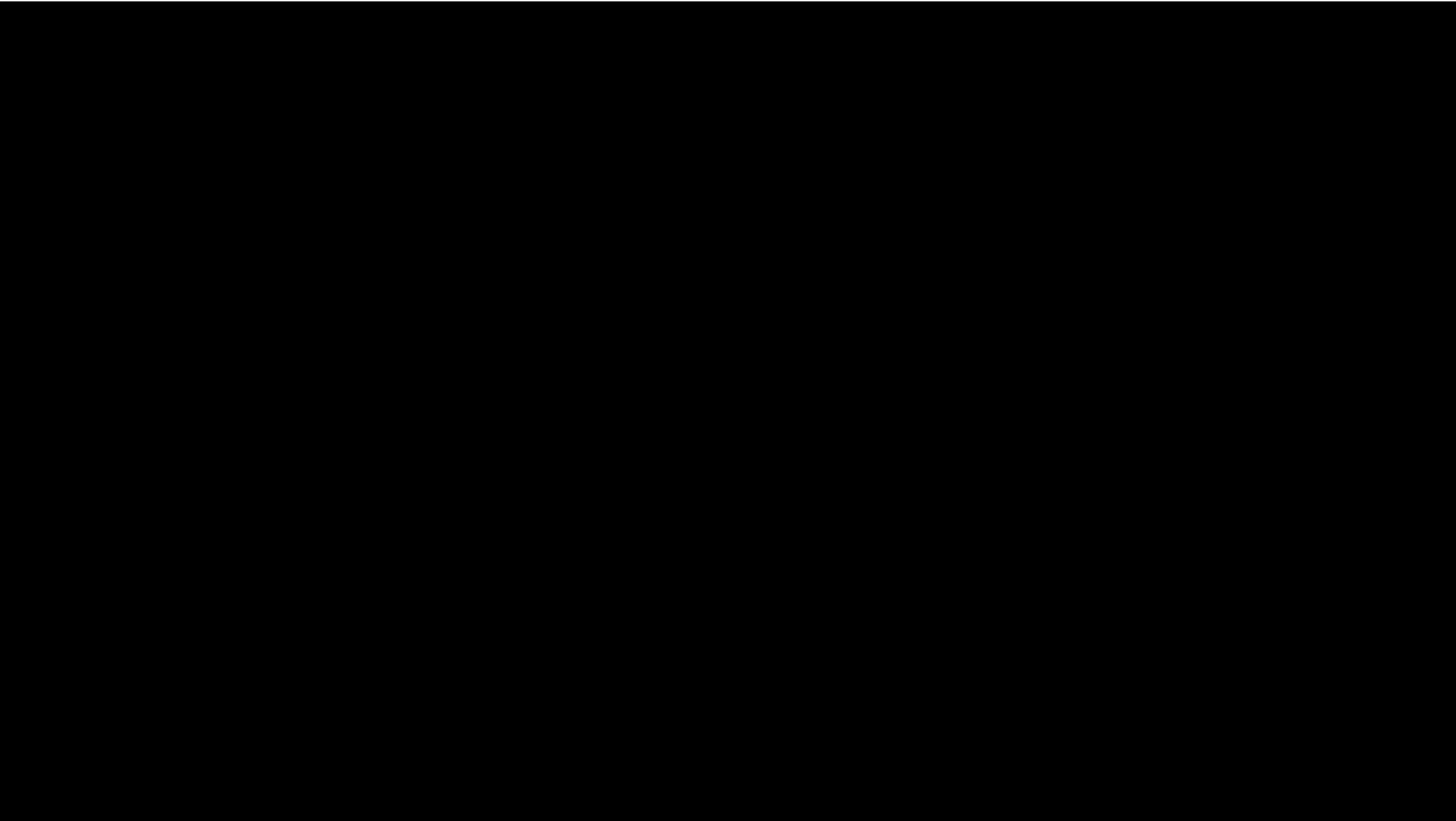
Ratio of net cash inflows versus annual principal and interest payments



# Budget Schedule

| Date           | Description                    | Audience                        |
|----------------|--------------------------------|---------------------------------|
| <i>Jan. 23</i> | <i>FP26 Preview</i>            | <i>F&amp;B Committee</i>        |
| <i>Feb. 20</i> | <i>FP26 Financial Plan</i>     | <i>F&amp;B Committee</i>        |
| 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 |

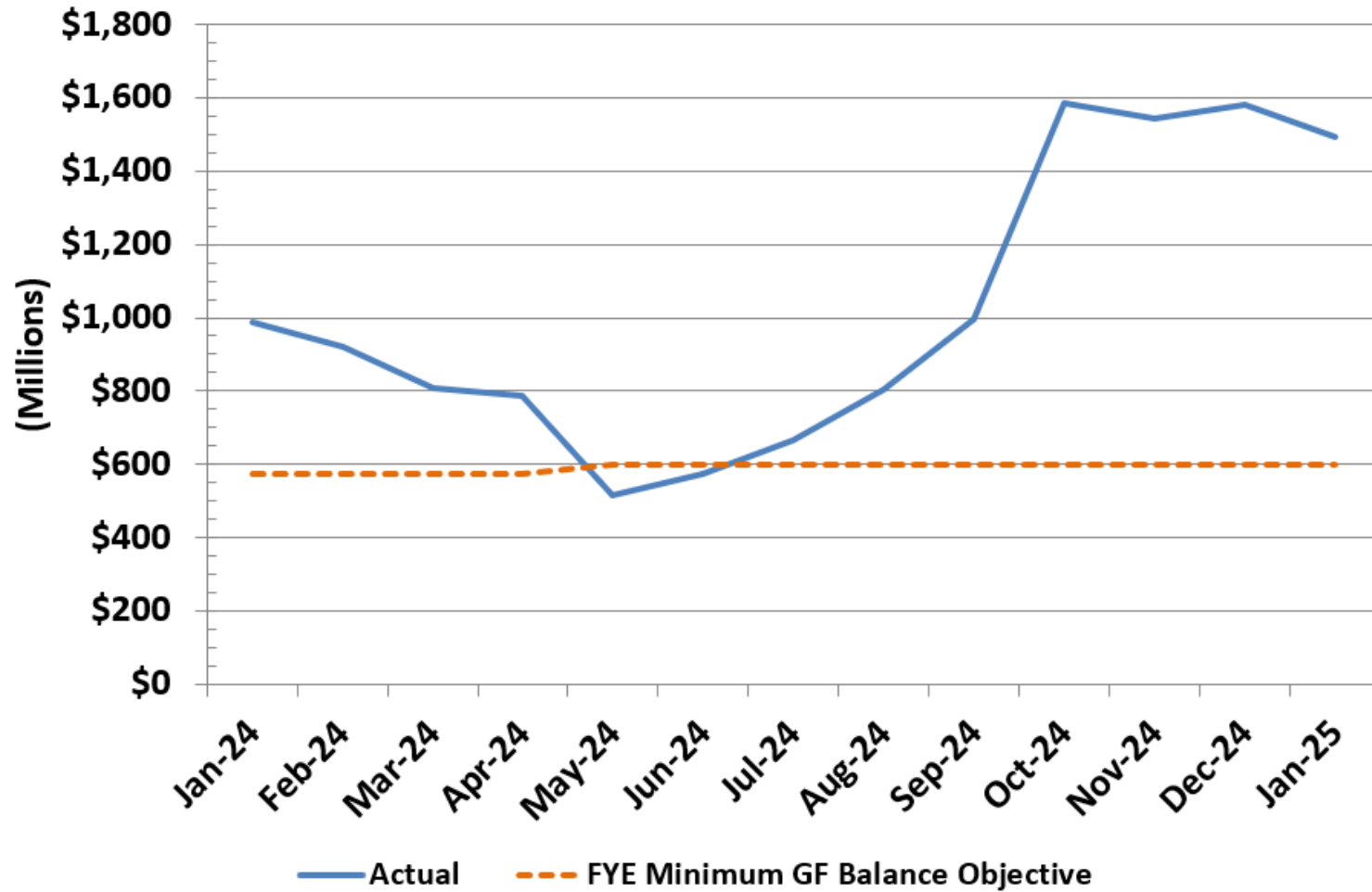
**thank you!**



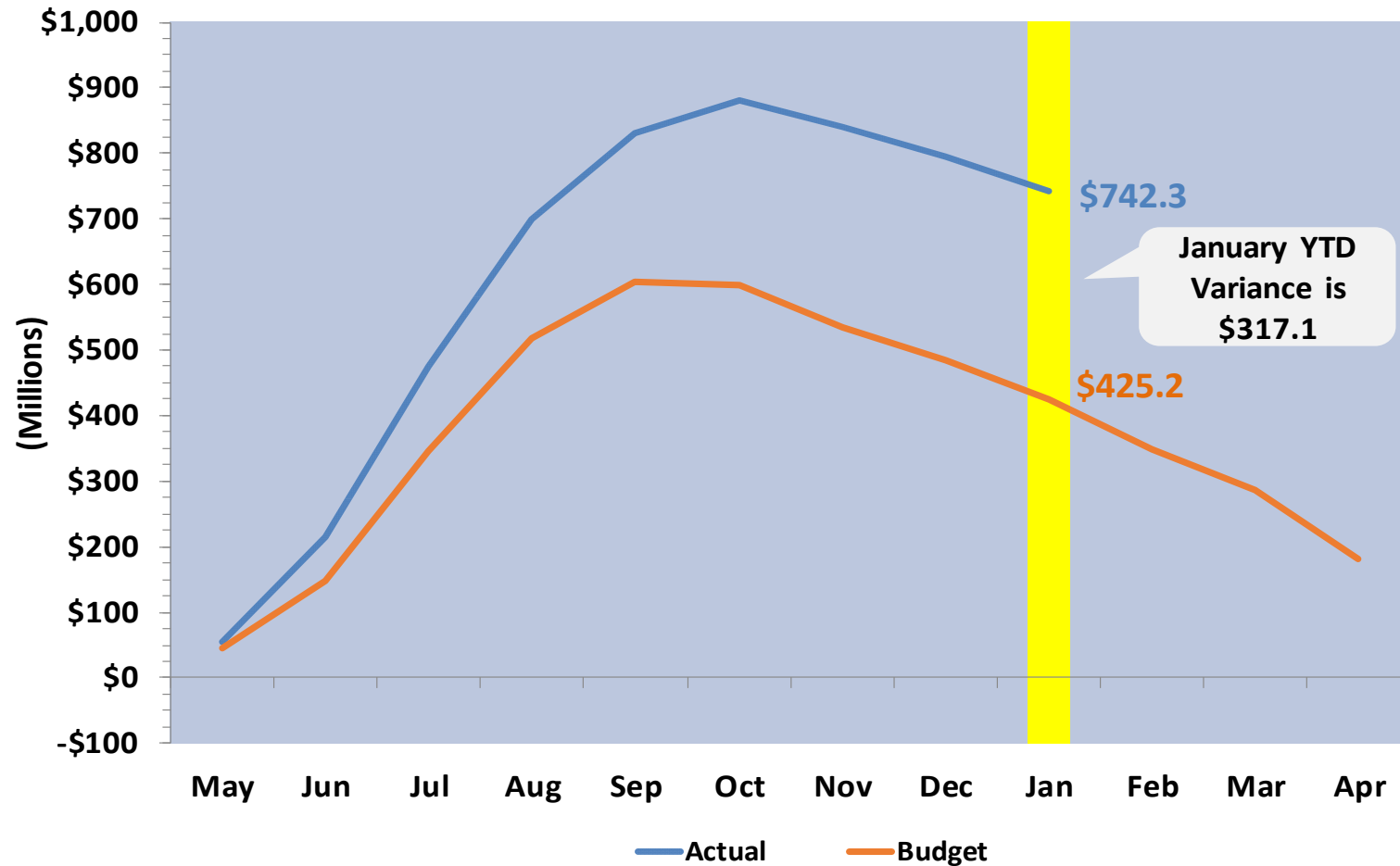
# Monthly Financial Report January 2025

Finance & Budget Committee Meeting  
Sue Ann Perkinson | February 20, 2025

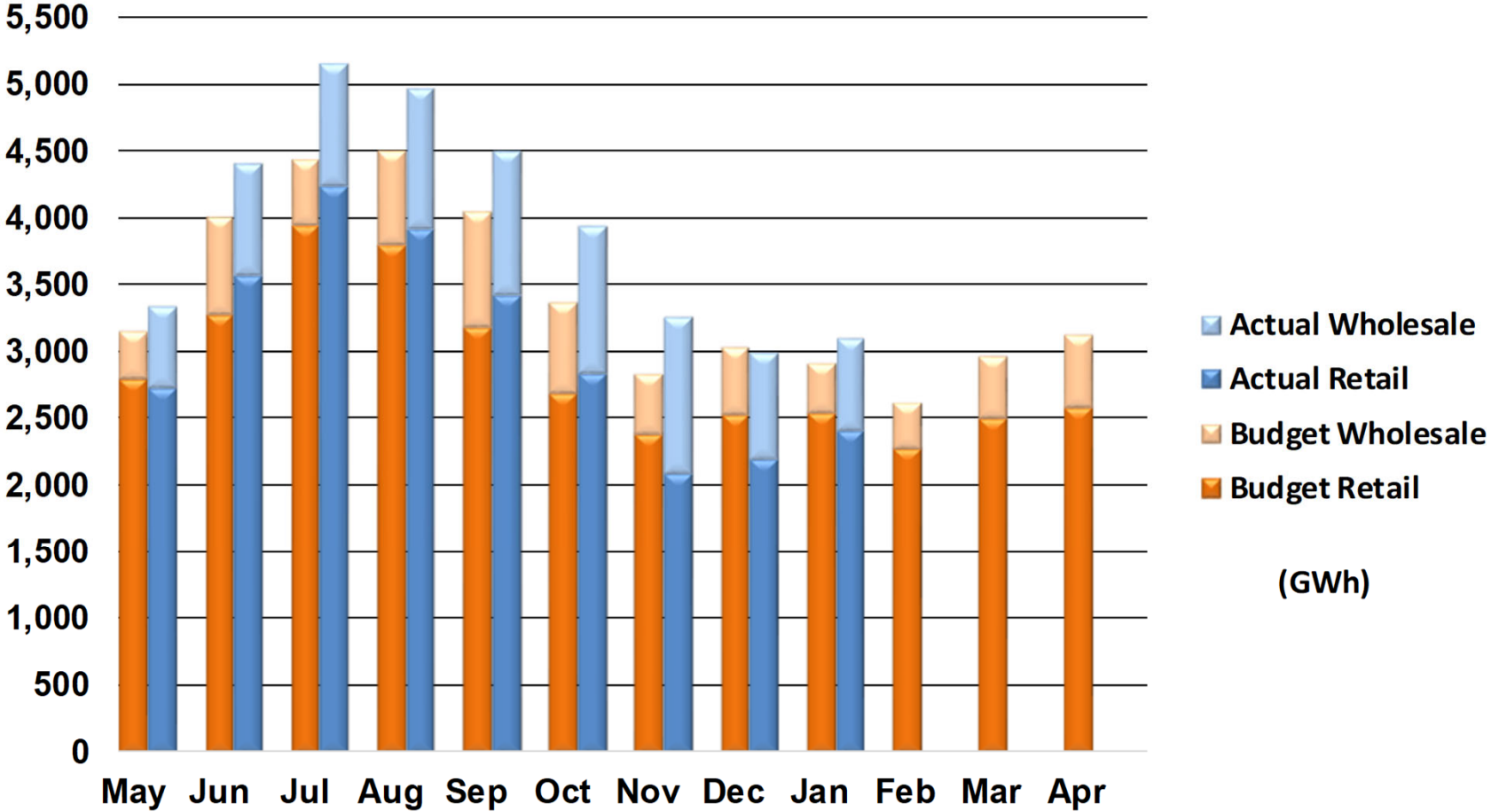
# General Fund Balance



# YTD Combined Net Revenue

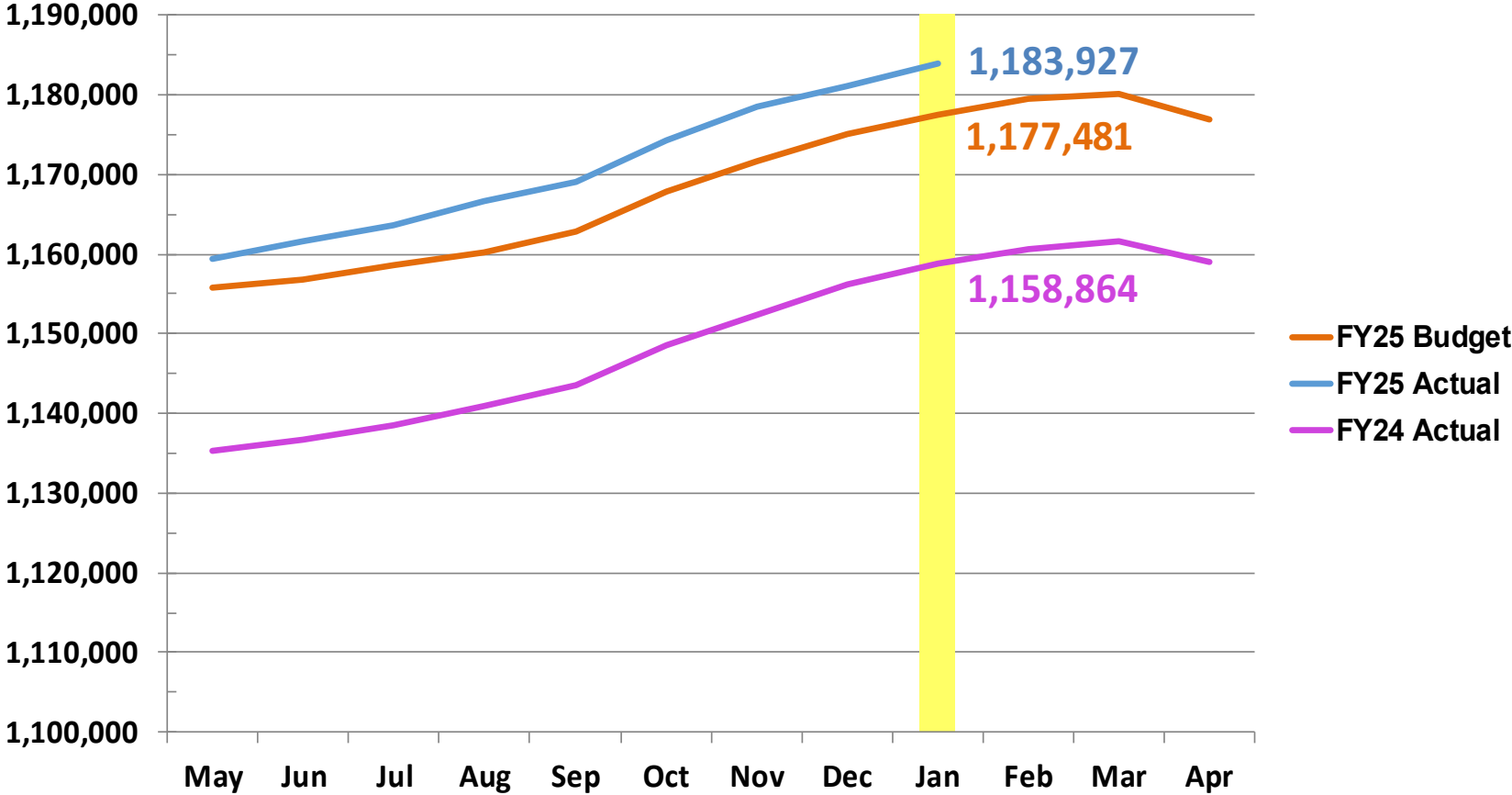


# System Sales





# Customer Accounts



# Financial Summary - January 2025

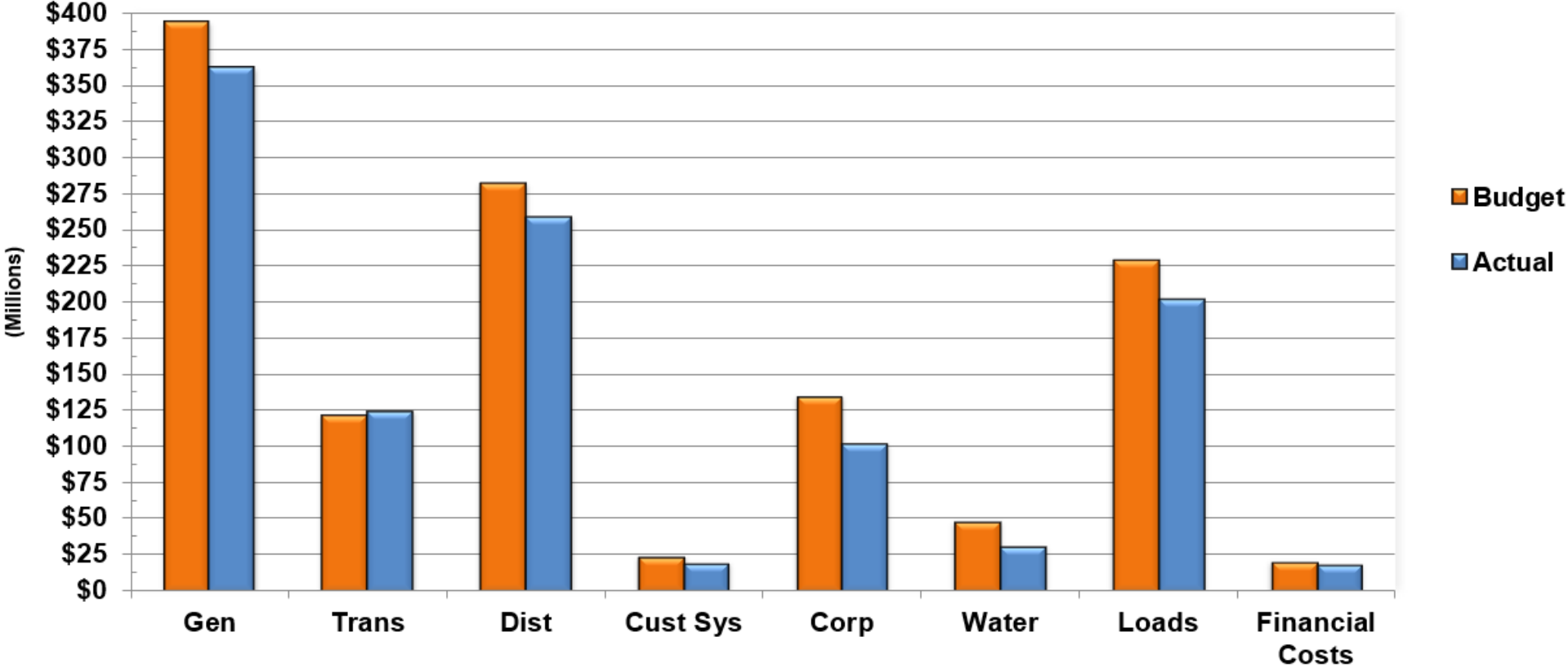
| (Thousands)              | <u>Actual</u>      | <u>Budget</u>      | <u>Variance</u> |
|--------------------------|--------------------|--------------------|-----------------|
| Operating Revenues       | \$ 292,905         | \$ 275,487         | \$ 17,418       |
| Operating Expenses       |                    |                    |                 |
| Fuel                     | 132,700            | 133,843            | (1,143)         |
| O&M                      | 127,737            | 123,008            | 4,729           |
| Depr & Tax               | 72,513             | 70,682             | 1,831           |
| Total Operating Expenses | <u>332,950</u>     | <u>327,533</u>     | <u>5,417</u>    |
| Net Financing Costs      | 17,102             | 14,145             | 2,957           |
| Other, Net               | 4,107              | 6,523              | (2,416)         |
| Combined Net Revenues    | <u>\$ (53,040)</u> | <u>\$ (59,668)</u> | <u>\$ 6,628</u> |

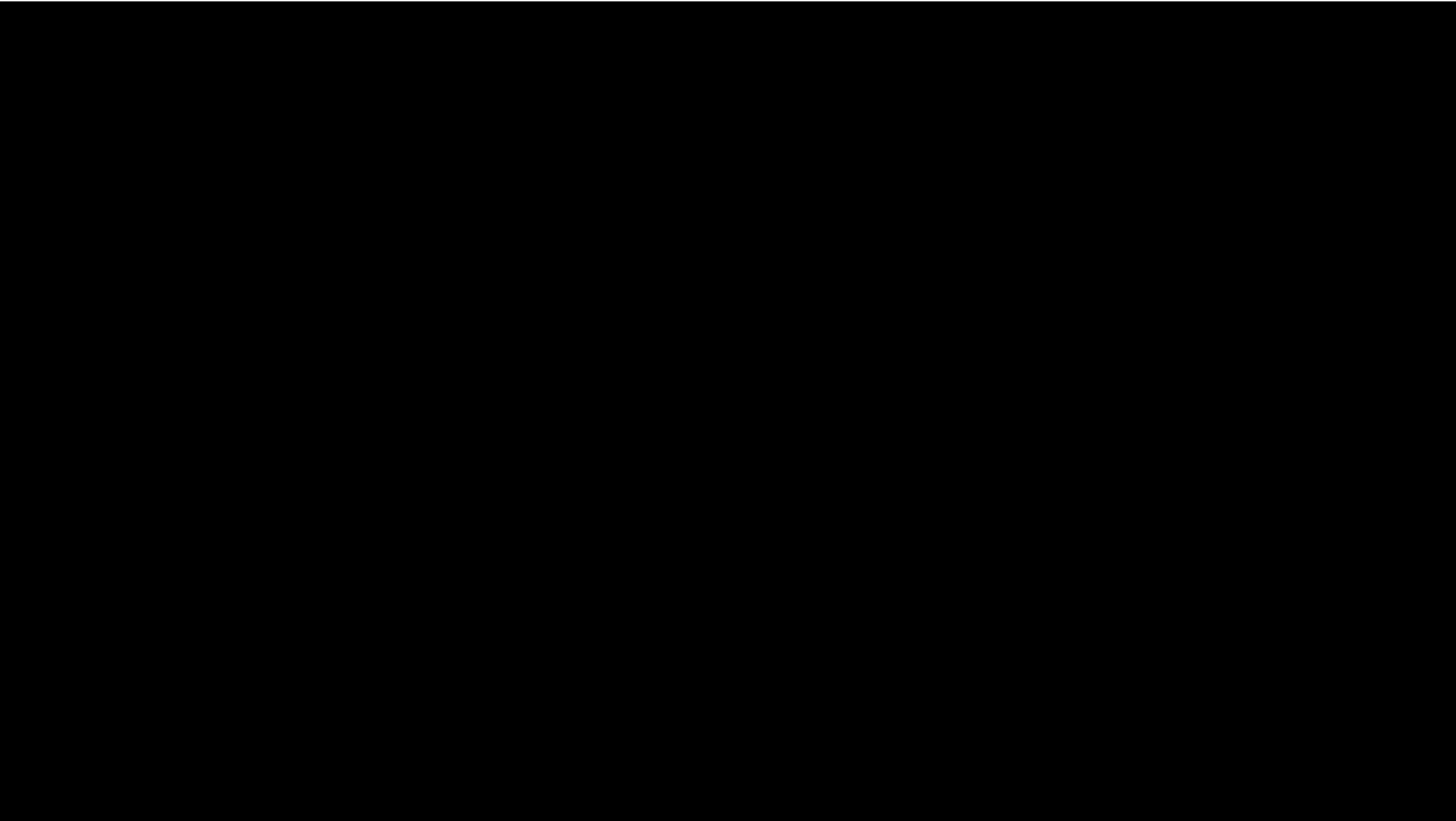
# Key Financial Indicators - YTD January 2025

| (Thousands)           | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
|-----------------------|---------------|---------------|-----------------|
| Funds Available       | \$ 1,183,039  | \$ 772,629    | \$ 410,410      |
| Debt Service Coverage | 5.57          | 4.28          | 1.29            |
| Debt Ratio*           | 46.9          | 47.4          | (0.5)           |
| Capital Expenditures  | \$ 1,116,171  | \$ 1,251,439  | \$ (135,268)    |

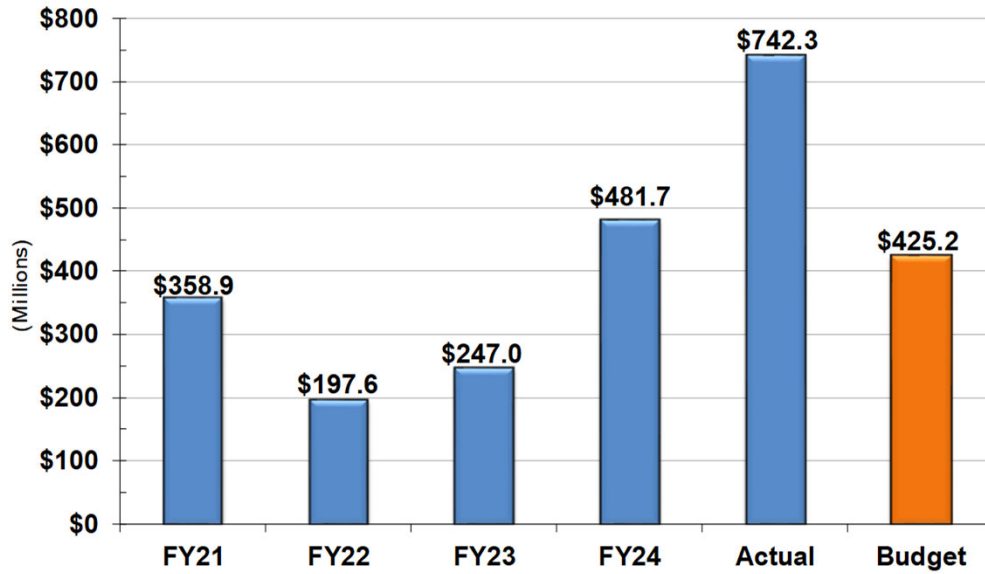
**\*Debt Ratio represents Projected Actual compared to Annual Budget**

# Capital Expenditures - YTD January 2025





## CNR without Fair Value Adjustments - YTD January 2025

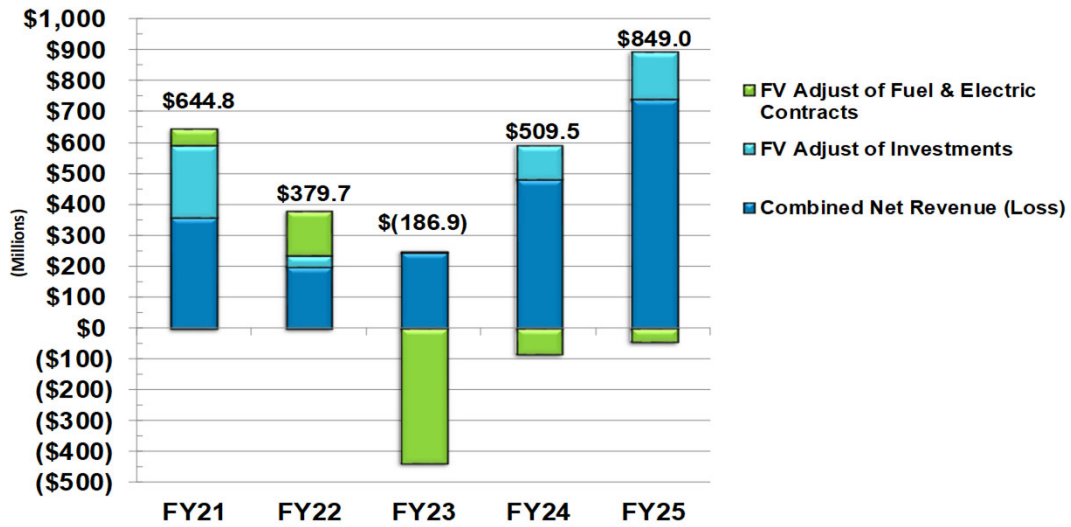


02/20/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 1

1

## CNR with Fair Value Adjustments - YTD January 2025

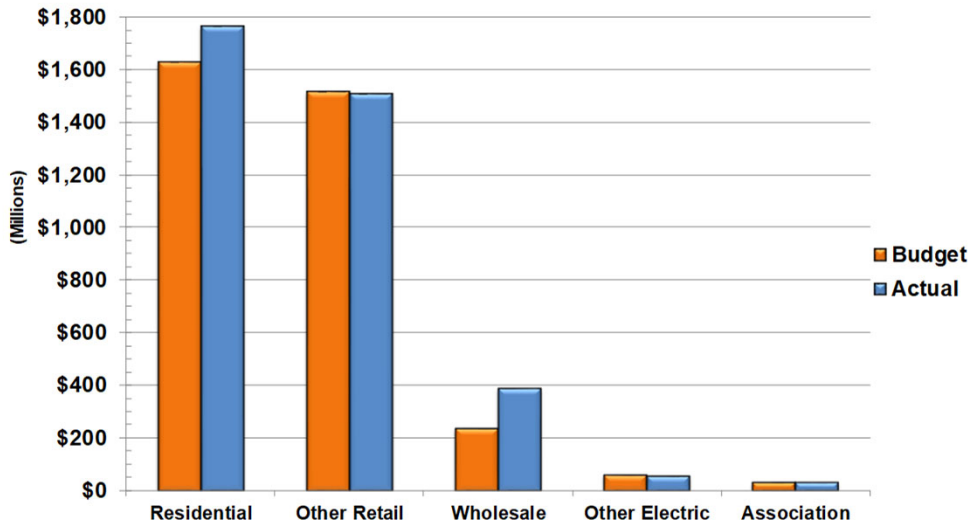


02/20/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 2

2

## Combined Operating Revenues - YTD January 2025

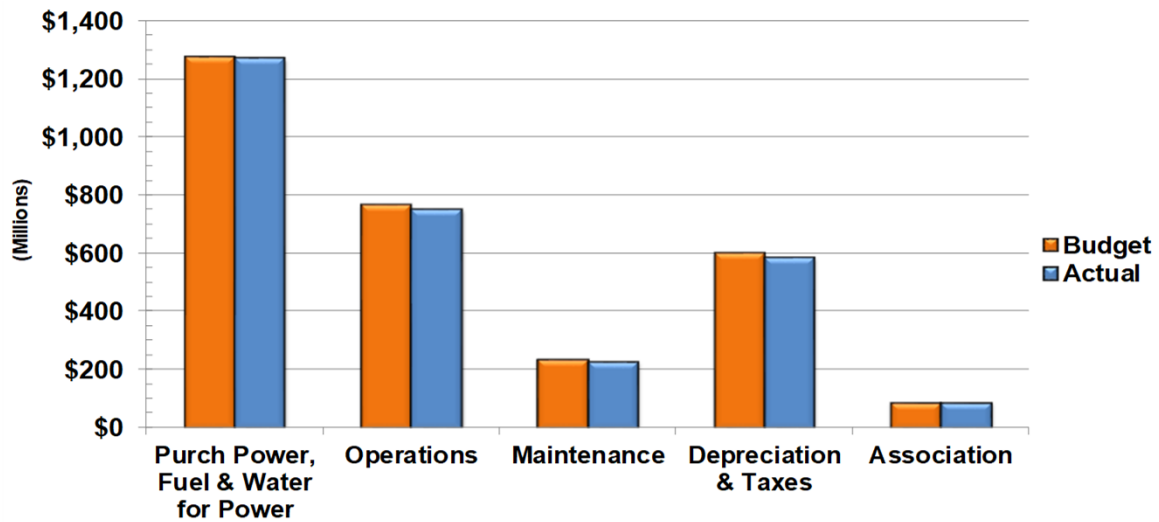


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(Non-GAAP, Unaudited) 3

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## Combined Expenses - YTD January 2025

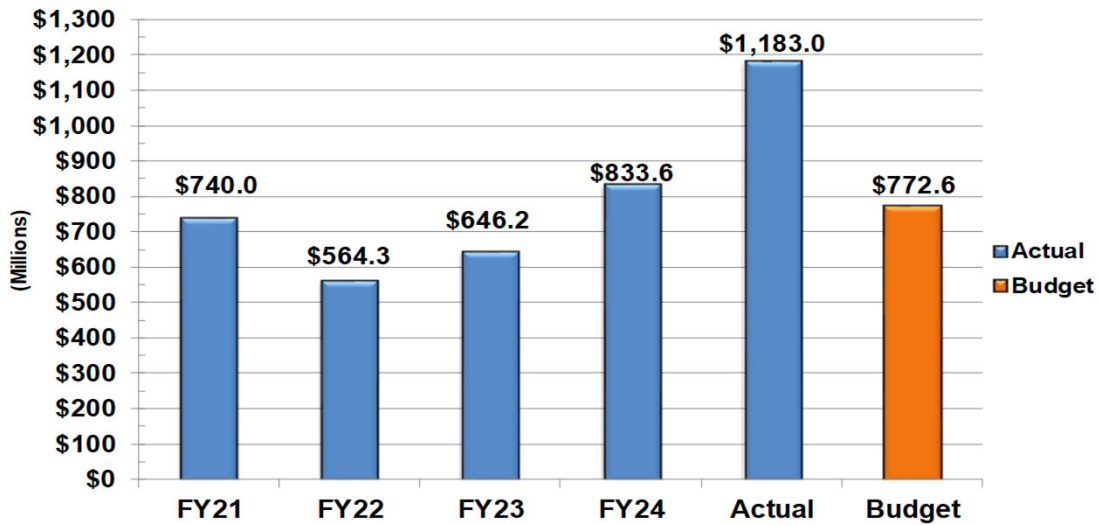


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(Non-GAAP, Unaudited) 4

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## Funds Available - YTD January 2025

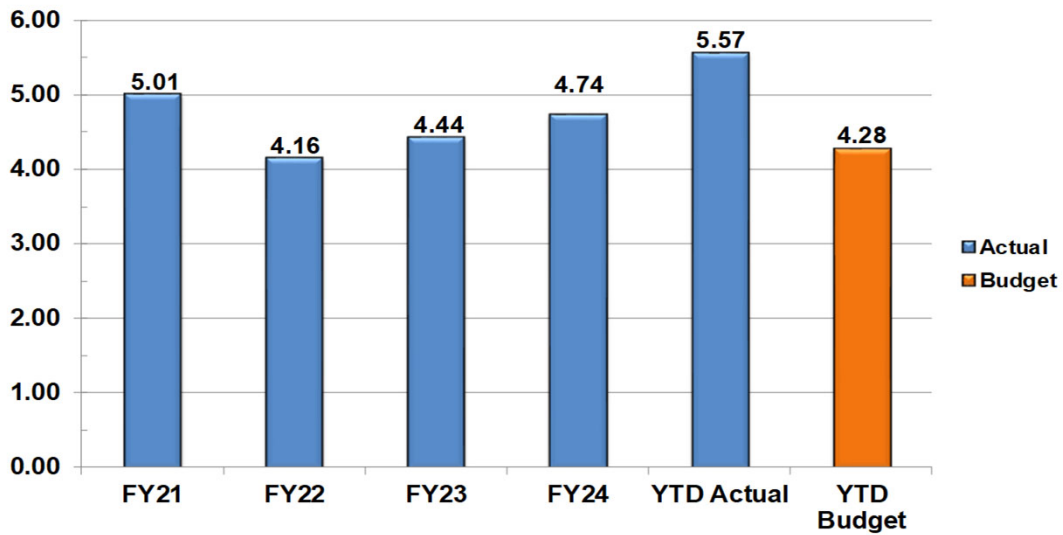


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(Non-GAAP, Unaudited) 5

5

## Debt Service Coverage - YTD January 2025



Note: Debt Service Coverage Ratio on Total Debt

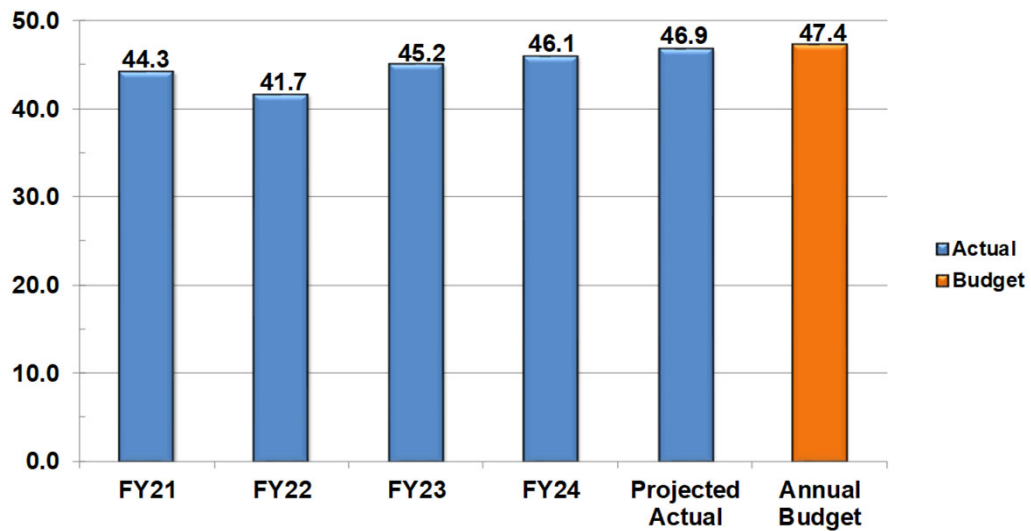
02/20/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 6

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## Debt Ratio - YTD January 2025



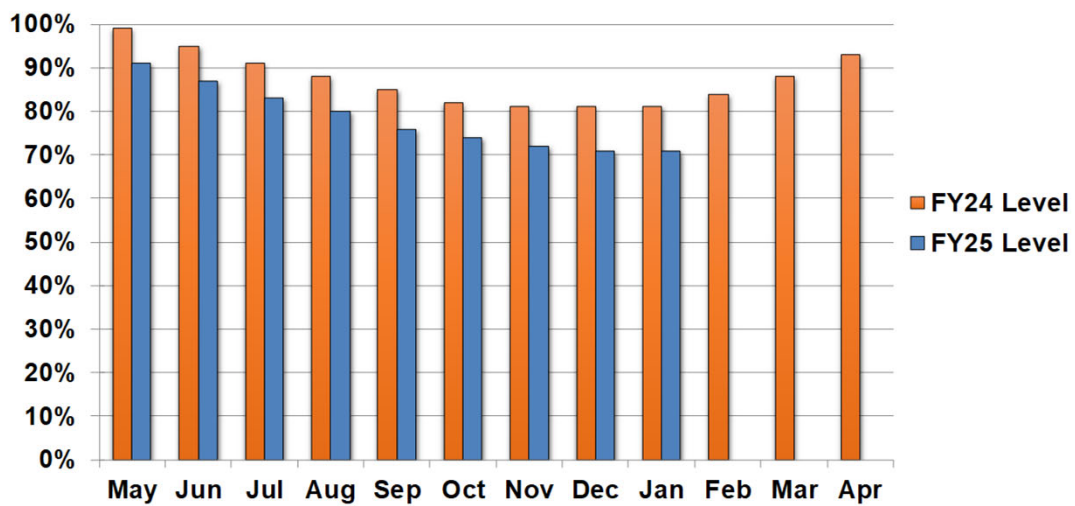
Note: Prior Years and Budget are Fiscal Year-End Ratios

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(Non-GAAP, Unaudited) 7

7

## Water Storage Levels



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(Non-GAAP, Unaudited) 8

8



# PNC Bank

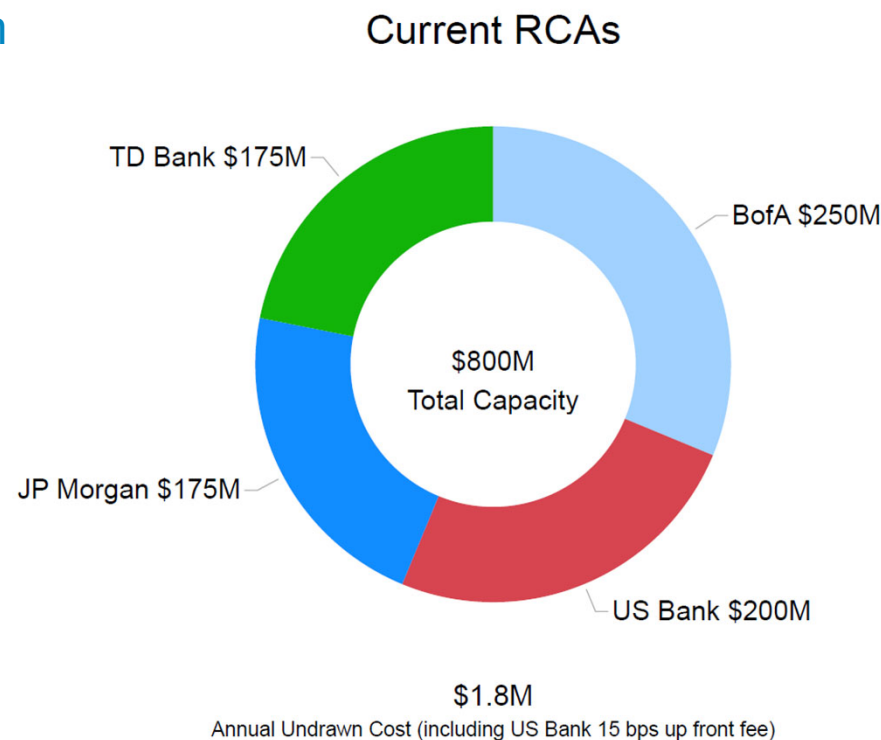
# Revolving Credit Agreement

SRP Finance & Budget Committee Meeting  
Jason I. Riggs | Director & Asst. Treasurer, Treasury Operations & Compliance

February 2025

# Revolving Credit Agreements (RCA) Background

- Board approved \$800M short-term liquidity program
- \$200 million RCA with US Bank expires June 2025
  - Issued RFI for Current Market Pricing
- Review process includes evaluating several banks
  - Meet certain criteria
  - Consulted with Public Financial Management
  - Request for Information (RFI) issued
- Market participants highly value SRP's liquidity
  - Days cash
  - Access to liquidity
  - Support for Commercial Paper (CP) program
  - Aligns with Financial Strategy



# RFI Selection Process

## Step 1. Banks Contacted

- JP Morgan
- Bank of America
- RBC
- Toronto-Dominion
- Well Fargo
- Goldman Sachs
- Morgan Stanley
- US Bank
- Bank of New York
- PNC
- Truist
- Barclays
- Sumitomo

## Step 2. Banks that Expressed Interest in Responding

- JP Morgan
- Bank of America
- RBC
- Toronto Dominion
- Wells Fargo
- US Bank
- Bank of New York
- PNC
- Truist

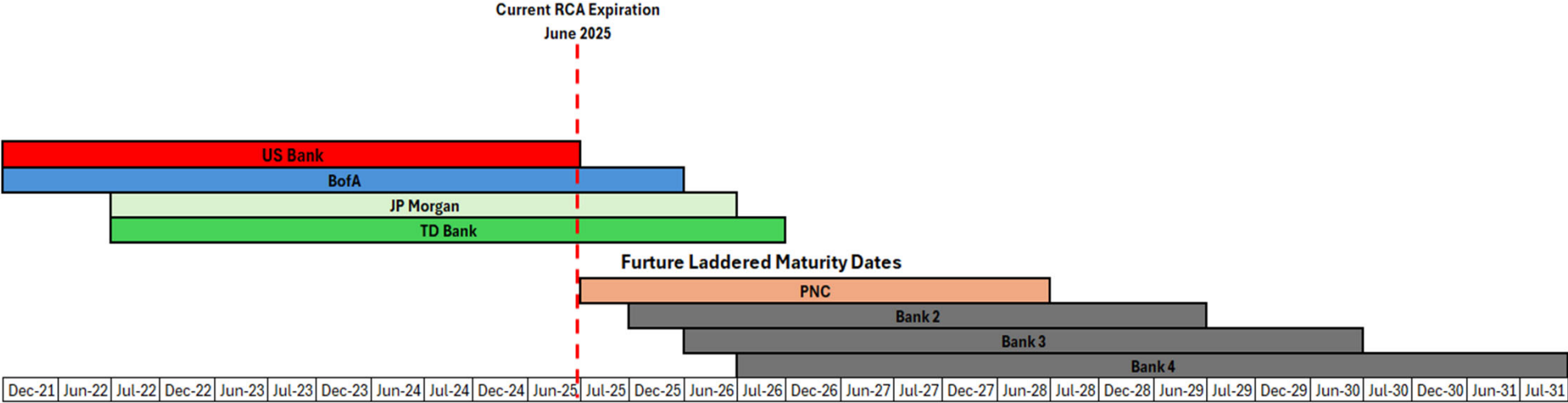
## Step 3. Criteria Analysis

- Lowest Undrawn Fee
- Lowest Drawn Fee
- Terms Offered
- Ability to Perform

## Step 4. Recommendation

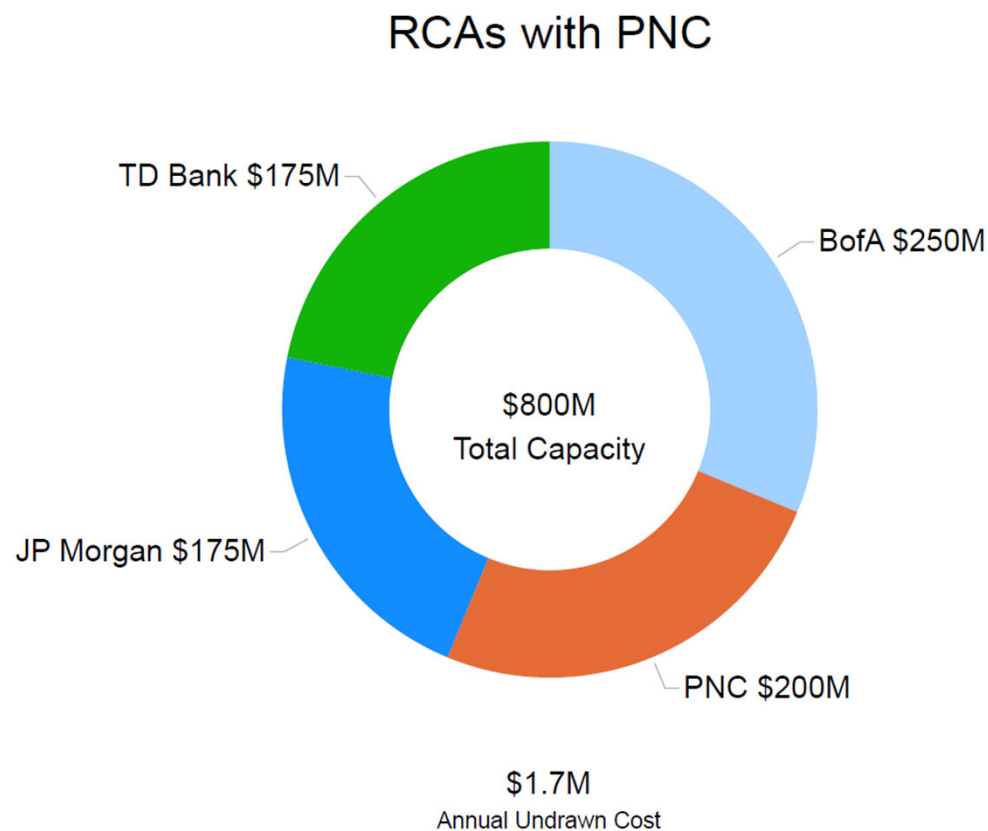
- PNC

# Laddering Strategy Helps Ensure Liquidity



# Recommendation: Hire PNC Bank for \$200M 3-year RCA

- Competitive financial terms
  - Lowest undrawn & drawn fees
- Strong credit and balance sheet
- Build a long-term business relationship
- Positive team impression and local presence
- Maintains diversified portfolio
- Financial Strategy alignment



# Next Steps

| Item                    | Timing                           |
|-------------------------|----------------------------------|
| F&B Committee           | February 20 <sup>th</sup> , 2025 |
| Board meeting           | March 3 <sup>rd</sup> , 2025     |
| Legal review            | Mid March- April 2025            |
| New agreements in place | May-June 2025                    |



## Recommendation

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

- i. Approve new RCA with PNC Bank.
- ii. Authorize the General Manager and Chief Executive Officer, the Associate General Manager and Chief Financial Executive, the Treasurer, or the Assistant Treasurer to execute and deliver the new PNC Bank RCA, any subsequent amendments to these agreements provided that such amendments do not materially modify the terms of these agreements, and any related ancillary documents.

**thank you!**

