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Arizona's Salt River District to Sell $650 Million in Bonds for Electric System Improvements.

Arizona’s Salt River Project Agricultural Improvement and Power District plans to issue $650 million in municipal bonds for improvements to its electric system.

The district plans to use the proceeds from the Electric System Revenue Bonds, 2025 Series B, to finance capital improvements to the electric system under a capital improvement program, refund certain outstanding revenue bonds, and cover issuance costs, according to roadshow material published Wednesday on MuniOs.

The capital improvement program for fiscal years 2025 through 2030 totals about $11.5 billion, including construction and other expenses meant to shore up the district’s generation, transmission and distribution systems.

The bonds are secured by revenues from the district’s electric system operations after payment of operating expenses. In the fiscal year ended April 2024, the district reported operating revenues of $4.05 billion from about 1.2 million customers.

The securities are rated AA+ by S&P Global Ratings and Aa1 by Moody’s.

Maturity, coupon and interest rate details weren’t available. Pricing is preliminarily scheduled for Feb. 11 and closing for March. 4. The bonds are subject to optional redemption prior to maturity.

J.P. Morgan is serving as the lead manager for the issuance.

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