TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE CALL

THE PRESIDING OFFICER WILL BE IN ATTENDANCE AT, AND MEMBERS OF THE PUBLIC MAY ATTEND, THE FOLLOWING LOCATION:

DENTON MUNICIPAL ELECTRIC
1659 SPENCER ROAD
DENTON, TX 76205

Thursday, June 8, 2023
10:30 AM

Preliminary matters:

- Call to order
- Public comments

The following matters are scheduled for discussion and for possible action:

1. Resolution No. 2023-6-1, acknowledging the contributions of Buppy Simank to the Agency; expressing the Agency's appreciation for 3 years of dedicated service; and expressing the hopes of the Agency for an enjoyable and fruitful future.

2. Committee Reports

   A. Audit and Budget Committee report relating to the results of the May 24, 2023 Committee meeting.

3. Consent Agenda Items:

   A. Consider approval of meeting minutes of the February 9, 2023 Board of Directors meeting.

4. Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of June 8, 2023.

5. Status report relating to mine reclamation and land matters.

6. Status report relating to environmental and regulatory compliance matters.

7. Resolution No. 2023-6-2, authorizing additional funding for the Acid Seep Project ("Project"); and resolving matters incidental and related thereto.

8. FY23 Second Quarter Budget Status Report

9. FY24 Annual Budgets, including FY24 Budget Package

   Resolution No. 2023-6-3 adopting a Generation budget for FY24
   Resolution No. 2023-6-4 adopting a Mine budget for FY24

Resolution No. 2023-6-5 adopting a Transmission budget for FY24

10. FY24 Rates and Charges

Resolution No. 2023-6-6 establishing Generation charges for FY24
Resolution No. 2023-6-7 establishing Mine charges for FY24

11. Resolution No. 2023-6-8, adopting and approving an Annual Transmission System Capital Budget for the Agency for the Fiscal Year October 1, 2023 through September 30, 2024; and resolving matters incidental and related thereto.

12. Status report relating to the TMPA transmission operations and five-year transmission capital project plan.

13. Resolution No. 2023-6-9, amending the FY2023 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Brand Road Pole Relocation Project; and resolving matters incidental and related thereto.

14. Executive session will be held pursuant to the Open Meetings Act (Chapter 551, Government Code, personnel matter under Section 551.074, Government Code, and legal advice under Section 551.071, Government Code) for the following items:

    A. TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas.

    B. Amendment of the General Manager Agreement.

    C. Appointment of Acting General Manager.

In the Board's discretion, the Board may discuss and/or take action on one or more of the above executive session items in open meeting. In regard to items scheduled on this agenda for discussion and/or action in the open portion of the meeting, the Board may, in its discretion, address one or more of such items in executive session if and to the extent permitted by the Texas Open Meetings Act.

15. Future Meeting Dates.

16. Adjourn.

June 8, 2023

AGENDA ITEM NO. 1

SUBJECT: Resolution No. 2023-6-1, acknowledging the contributions of Buppy Simank to the Agency; expressing the Agency's appreciation for 3 years of dedicated service; and expressing the hopes of the Agency for an enjoyable and fruitful future.

DISCUSSION: Buppy Simank has served on the TMPA Board since 2020. This Resolution honors Buppy's service to the Agency and conveys the Agency's hopes that he will experience an enjoyable and fruitful future.

ACTION REQUESTED: Consideration and action on Resolution No.2023-6-1.

RESOLUTION NO. 2023-6-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ACKNOWLEDGING THE CONTRIBUTIONS OF BUPPY SIMANK TO THE AGENCY; EXPRESSING THE AGENCY'S APPRECIATION FOR 12 YEARS OF DEDICATED SERVICE; AND EXPRESSING THE HOPES OF THE AGENCY FOR AN ENJOYABLE AND FRUITFUL FUTURE.

WHEREAS, Buppy Simank came to the Agency in 2020 as the City of Bryan's representative on the Board of Directors;

WHEREAS, as a member of the Board of Directors for 3 years, Buppy Simank has given the Board of Directors, Planning and Operating Committee and Staff sincere, honest, and wise advice in regard to all aspects of Agency operations;

WHEREAS, the Agency has been fortunate to have received the valuable service of Buppy Simank throughout his tenure on the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the Agency gives its sincerest thanks and appreciation to Buppy Simank for his valuable service on the Board of Directors;

3. That the Agency conveys its best wishes to Buppy Simank and for his future;

4. That the General Manager of the Agency is instructed to deliver an original copy of this Resolution to Buppy Simank;

5. That it is officially found and determined that notice of this meeting of the Board of Directors of the Texas Municipal Power Agency was given as required by law.

PASSED AND APPROVED THIS 8TH DAY OF JUNE 2023.

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Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________

Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

June 8, 2023

AGENDA ITEM NO. 2

SUBJECT: Committee Reports

- Audit and Budget Committee report relating to the results of the May 24, 2023 Committee meeting.

BACKUP MATERIAL:

- Audit and Budget Committee meeting package can be viewed on the Board's secure website in the May 24, 2023 Committee Meeting folder.

June 8, 2023

AGENDA ITEM NO. 3

SUBJECT: Consent Agenda Items

DISCUSSION: These items, since they deal with routine business, have been grouped together as consent items so that they can be approved with a single vote of the Board.

If a Board Member desires to discuss any of these items, the Board Member may so request at the meeting, and the matter will be discussed and voted on separately from the remaining consent items.

It is expected that the use of a consent agenda will streamline the decision-making process and allow the Board time to focus on more important items.

BACKUP MATERIAL:

Consent Agenda Item(s):

A. Consider approval of meeting minutes of the February 9, 2023 Board of Directors meeting.

ACTION REQUESTED: Consideration and action on the Consent Agenda Item(s).

TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING MINUTES

VIA VIDEO CONFERENCE CALL

LOCATION AT WHICH MEMBERS OF THE PUBLIC WERE INVITED TO ATTEND:

CITY OF GARLAND CITY HALL
THE COUNCIL CHAMBER
WILLIAM E. DOLLAR MUNICIPAL BUILDING
200 NORTH 5TH STREET
GARLAND, TX 75040

Thursday, February 9, 2023
10:30 AM

Vice President Jefferies called the meeting to order at 10:32 AM.

The following people were present at the meeting.

Board Members:

James Ratliff and Tom Jefferies – City of Garland
Summer Spurlock and Sue Ann Harting – City of Greenville
Jesse Davis – City of Denton
Kean Register – City of Bryan
Buppy Simank and Bill Cheek – Absent

Staff:

Bob Kahn, Daniel Meadows, Lyndi Birkhead and Tracy Stracener

Others:

Carl Shahady – Tiemann, Shahady & Hamala, P.C.
Gary Miller and Will Smith - BTU
Antonio Puente – Denton Municipal Electric
Darrell Cline, Tom Hancock, David Godfrey, and Steve Martin – Garland Power & Light
Alicia Hooks and Cathy Rosson – GEUS
Jan Horbaczewski
Mark Zimmerer
Jose de la Fuente

Public Comments:

Mr. Jefferies asked for comments, there were none.

1. **Consent Agenda Items:**

   A. **Consider approval of meeting minutes of the December 8, 2022 Board of Directors meeting.**

Ms. Harting moved, seconded by Mr. Register, approval of all consent agenda items.

Motion carried; voting as follows:

Cheek – Absent	Jefferies – Aye
Simank – Absent	Ratliff – Aye
Spurlock - Aye	Register – Aye
Harting – Aye	Davis – Aye

2. **Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of February 9, 2023.**

An update was provided by Mr. Puente.

3. **Status report relating to mine reclamation and land matters, including the marketing of surplus mine property.**

An update was provided by Mr. Horbaczewski and Mr. Kahn.

4. **Status report relating to environmental and regulatory compliance matters.**

An update was provided by Mr. Meadows.

5. **FY23 First Quarter Budget Status Report.**

An update was provided by Mrs. Birkhead.

6. **FY24 Budget Plan.**

An update was provided by Mrs. Birkhead.

7. **Bryan Office Lease.**

An update was provided by Mrs. Birkhead and Mr. Kahn.

A motion to approve the lease for another year was made by Mr. Register, seconded by Ms. Harting.

Motion carried; voting as follows:

Cheek – Absent	Jefferies – Aye
Simank – Absent	Ratliff – Aye
Spurlock - Aye	Register – Aye
Harting – Aye	Davis – Aye

8. Resolution No. 2023-2-1, relating to the annual review of the Agency's Investment Policy; and resolving matters incidental and related thereto.

Mr. Ratliff moved, seconded by Mrs. Spurlock, approval of resolution no. 2023-2-1.

Motion carried; voting as follows:

Cheek – Absent	Jefferies – Aye
Simank – Absent	Ratliff – Aye
Spurlock - Aye	Register – Aye
Harting – Aye	Davis – Aye

9. Status report relating to the TMPA transmission operations and five-year transmission capital project plan.

An update was provided by Mr. Martin.

10. Resolution No. 2023-2-2, authorizing the sale of a 3.329-acre surplus mine tract; describing the conditions and circumstances for the sale, and the public purposes that will be achieved; and resolving matters incidental and related thereto.

Mr. Ratliff moved, seconded by Mrs. Spurlock, approval of resolution no. 2023-2-2.

Motion carried; voting as follows:

Cheek – Absent	Jefferies – Aye
Simank – Absent	Ratliff – Aye
Spurlock - Aye	Register – Aye
Harting – Aye	Davis – Aye

11. Executive Session.

Mr. Jefferies announced that the Board would convene in executive session pursuant to sections 551.071, 551.072, 551.074 and 551.076 Government Code.

The open session was recessed, and the executive session was called to order by Mr. Jefferies at 11:04 AM.

The open session resumed at approximately 12:13 PM

12. A motion to amend the General Manager's Agreement within the parameters discussed in Executive Session was made by Ms. Harting, seconded by Mr. Register.

Motion carried; voting as follows:

Cheek – Absent	Jefferies – Aye
Simank – Absent	Ratliff – Aye
Spurlock - Aye	Register – Aye
Harting – Aye	Davis – Aye

14. Future meeting dates and subjects.

By general consensus of the Board, the next Board meeting is tentatively set for June 8, 2023.

15. Adjourn.

By general consensus of the Board, the meeting adjourned at approximately 12:14 PM.

Tracy Stracener
Assistant Secretary
TMPA Board of Directors

June 8, 2023

AGENDA ITEM NO. 4

SUBJECT: Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of June 8, 2023.

DISCUSSION: The P&O Committee Chair will present major discussion topics and action items taken at the June 8, 2023 P&O Committee meeting.

BACKUP MATERIAL: None.

ACTION REQUESTED: Discussion.

June 8, 2023

AGENDA ITEM NO. 5

SUBJECT: Status report relating to mine reclamation and land matters.

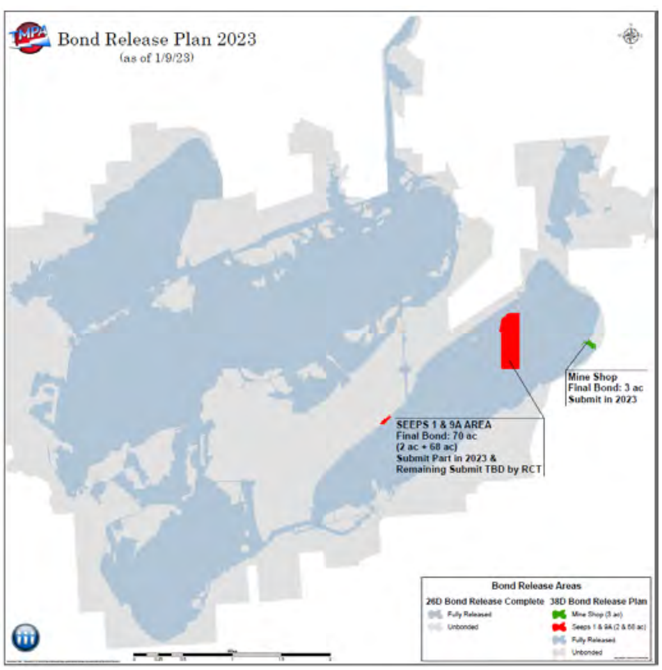
DISCUSSION:

The status of bond release is summarized in Table 1 and depicted in Figure 1. Items shown in the table in green font have been completed; items in red remain to be submitted.

Table 1 – Plan and Status of Final Bond Release (as of 05/22/23)

Packet(s)	TMPA property (acres)	Leased property (acres)	Total (acres)	Status
Total Released to date	**7,132 ac (99.0%)**	**1,608 ac (100%)**	**8,740 ac (99.2%)**	
38D – Seep 9A south half – 6 soil grids (35 ac) + Mine Shop (3 ac)	38	0	38	Submit 2023
38D – Seep 9A north half (33 ac) + Seep 1A area (2 ac).	35	0	35	Submit – TBD
TOTAL (both permits)	**7,205**	**1,608**	**8,813**	

Figure 1 – Status of Bond Release (as of 05/22/23)



Termination of Permit 26D

On 03/29/23, TMPA submitted a request for termination of Permit No. 26D (originally issued on 08/4/1980). This permit covers approximately 11,000 acres and corresponds to the older part of the mine north of Gibbons Creek from which coal was removed in 1982-1992. The request for termination of the permit followed the release on 12/13/22 of the last bonded area in Permit 26D (Area B2-8, 146.1 acres). An Administrative Law Judge has been assigned to this matter. On 04/24/23, he issued a docket number and a request for additional information, which TMPA is assembling.

Cash Funding of the Mine Bonding Requirements.

On 12/9/21, the Board authorized the use of cash as collateral for the mine reclamation replacement bonds for the June 2023-June 2024 bonding term. On 02/7/23, TMPA submitted a cash bond of $1.6M for Permit 38D, which was approved by the Commissioners on 05/17/23. No bonding was needed for Permit 26D since there is no bonded land left in that permit.

Acid Seep 9A – construction update

The Seep 9A mitigation area covers approximately 68 acres. TMPA started construction work on 07/6/22 and by the end of October 2022 had completed the south part (35 acres). The plan is to complete the remaining north part (33 acres) in the summer of 2023. TMPA has retained as much of the already-established vegetation as possible. An additional 1,200 Loblolly Pine seedlings were planted in mid-January 2023, and the area was seeded with bermudagrass in mid-April. The intent is to stabilize the soil to prevent erosion and to establish wildlife habitat in the Seep 9A drainage that would qualify it for bond release.

TMPA is proposing to hold a field meeting at Seep 9A with Railroad Commission Staff after vegetation green-up to discuss bond release strategy. It is expected that, by that time, the southern half of the Seep 9A area (35 acres) will become eligible for partial, if not full, bond release.

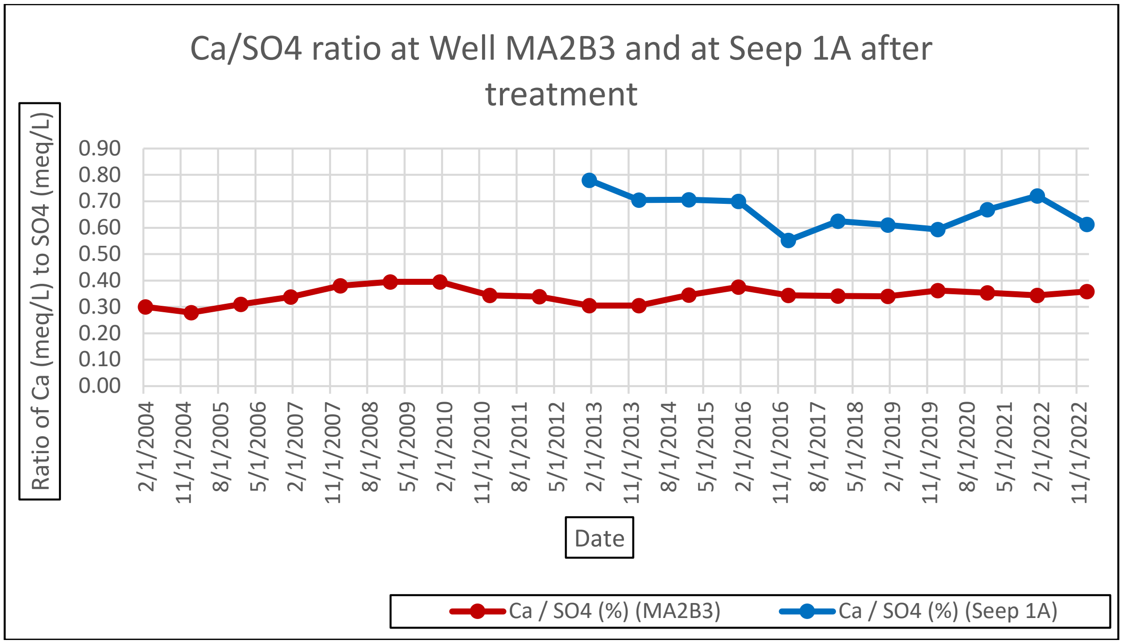
Acid Seep 1A Mitigation Plan

Acid Seep 1A is a much smaller seep (approximately 2 acres) located about one and a half miles southwest of Seep 9A at the toe of the A2 boxcut spoil area. Seep 1A appears to be driven by the hydrostatic pressure exerted by End Lake A2P-2 (Figure 2). End Lake A2P-2 operates at 236 feet above mean sea level (a.m.s.l.) and Seep 1A is at about 200 feet a.m.s.l.

Figure 2 – Seep 1A location in relation to End Lake A2P-2 and Pond SP-13

This seep was partly mitigated in 2011 with the installation of a combination of limestone French Drain and cattail wetland to intercept and neutralize the flow of the acid groundwater. The effect of this project is demonstrated in the graph (Figure 3).

Figure 3 – History of neutralization of acidity at Seep 1A location



Full neutralization of sulfate acidity (sulfuric acid) occurs when there are enough basic Calcium ions (Ca^{++}) to balance the acid Sulfate ions $(SO_4)^{--}$. This occurs when there are the same number of chemical equivalents of Calcium as there are of Sulfate, i.e., at a ratio of 1.0.

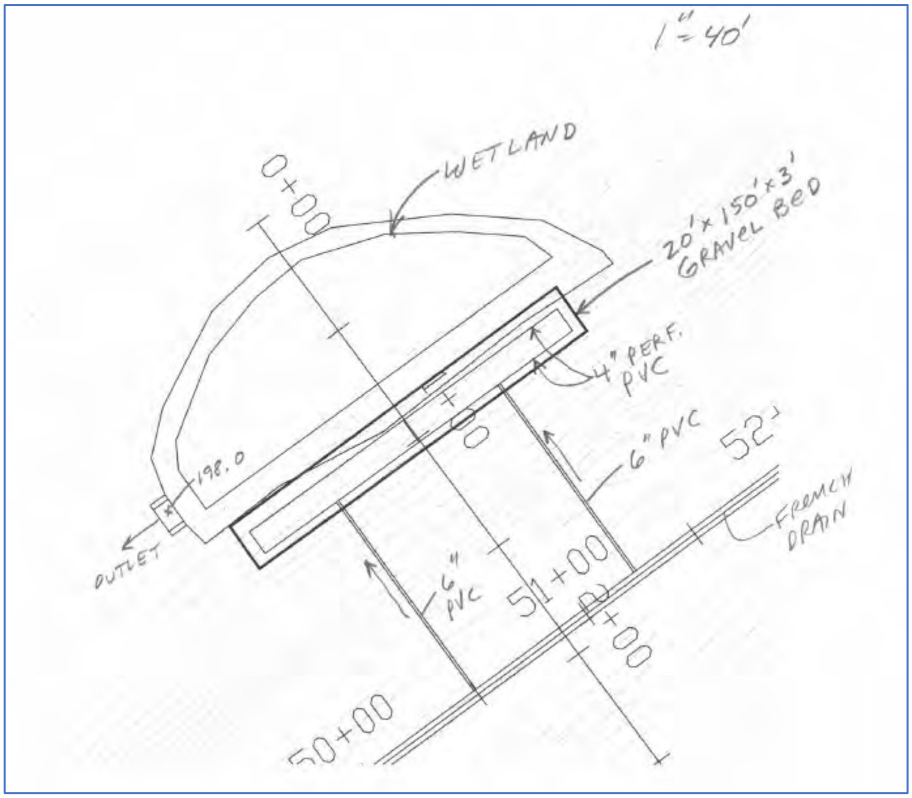
The graph shows that the raw acid seep water at upstream Well MA2B3 (red line in the graph) (i.e., before mitigation) over the last 20 years has had a ratio of Calcium to Sulfate in the range of 0.3 to 0.4 (i.e., the acidity has been 30-40% neutralized by nature). The ratio in the water currently discharging from the Seep 1A wetland area (constructed in 2011) (blue line) has been in the range of 0.6 to 0.7 (i.e., 60-70% neutralized) over the last ten years.

TMPA is now proposing a mitigation plan that is intended to raise the ratio as close as possible to 1.0 (sulfate 100% neutralized) by inserting three stages of treatment at which Calcium will be made available to the acid water (Fig. 4):

- A new French drain with limestone rock on the upstream (south) side of the road.
- A new gravel bed with limestone rock on the downstream (north) side of the road.
- Replenishment of existing wetland downstream of gravel bed with fresh limestone rock and ground (“Superfine”) limestone.

This plan will be discussed and finalized after discussions with Railroad Commission Staff.

Figure 4 – Seep 1A Conceptual Mitigation Plan



Cost Estimate for Remaining Seep 9A and Seep 1A Mitigation Work

TMPA has prepared a cost estimate for the Seep 1A mitigation project for presentation at the June 2023 Board Meeting.

Sale of Pond SP-50 Property (723 acres)

As previously discussed, sale of the Pond SP-50 Property has been deferred until there is an increase in the level of interest and an improvement in the economy.

TMPA also owned a 3.33-acre sliver of land on the north side of State Highway 30 associated with a bridge that was built to accommodate a proposed mine haul road to the East Move mine area. TMPA sold this tract to the adjacent landowner at the appraised value ($16,450) on 04/3/23.

BACKUP MATERIAL: None

ACTION REQUESTED: Approval of funding for Acid Seep Project

Jan K. Horbaczewski
05/22/23

June 8, 2023

AGENDA ITEM NO. 6

SUBJECT: Status report relating to environmental and regulatory compliance matters.

DISCUSSION:

On February 10, 2021, the sale of GCSES and Gibbons Creek Reservoir to Gibbons Creek Environmental Redevelopment Group, LLC (GCERG) was finalized. There is one remaining staff position to manage the variety of compliance and environmental remediation oversight matters. Daniel's position, as the Compliance, Land, and Mine Manager, oversees GCERG's remediation progress, general compliance, land matters related to the mine and transmission, and has assumed various land and mine reclamation activities due to retirements.

Remediation and Demolition of Gibbons Creek

In the last Board report, the demolition and remediation project completion was projected by GCERG at the end of May 2023. The project is now projected by GCERG to be physically complete in **October 2023**. Heavy rainfall in April and May has caused some delay in progress. In addition, the sequencing of the final Site A and Site F remediation tasks and the availability of the dirt contractor have led GCERG to project the completion to the later date.

Update of the Physical Remediation Work by Area

- The demolition and removal of the boiler and related structures is 100% complete.
- The excavation and hauling of the coal combustion residual (CCR) material from the scrubber sludge pond and ash ponds to Site F Landfill is 100% complete. Vegetation is currently established in both areas.
- Site A Landfill remediation is about 90% complete. The photo of Site A (see below) shows that the entire cap is complete with vegetation covering most of the landfill. Waste material in Leachate Ponds 1 – 4 has been excavated and hauled to Site F Landfill. The remaining tasks are to remove and haul the top 6 inches of the clay pond liners to Site F and modify the leachate treatment system. There are a few areas at Site A that are experiencing stormwater erosion issues that GCERG needs to address prior to completion.
- Site F Landfill remediation is about 80% complete. Site F work significantly slowed beginning in May while waiting for Site A to be completed. Once all Site A material has been placed at Site F, the final 15 acres of Site F will be capped. Like Site A, the photo of Site F (see below) shows the completed areas beginning to grow grass. The 15-acre section marked in red is the open, active area still receiving waste material from Site A. This section will be closed in August and September 2023.

Site A Landfill (5/24/2023)

Site F Landfill (5/24/2023)

Performance to Schedule and Escrow Payments

As discussed in previous Board updates, TMPA and the Environmental Designee (Schultz Engineering) regularly monitor the progress of GCERG's work as follows:

Environmental Designee Monthly Oversight Process:

- TMPA and Schultz Engineering each visit Gibbons Creek at least once per week to observe and document the activities and discuss upcoming work.
- TMPA, Schultz, and GCERG conduct weekly meetings to discuss upcoming work and performance to the APA schedule.
- GCERG submits a monthly progress report five business days prior to the scheduled Escrow Payment date on the 10th of the month. The monthly Escrow payment amount is **$839,588**.
- Schultz and TMPA review the monthly report and compare the contents to our internal notes and assessments. Schultz performs an independent calculation of the completion percentage compared to the APA schedule. TMPA performs an independent calculation of the value of work completed as compared to the remaining estimate of work to be completed (Remaining Closure Costs).
- Schultz communicates and discusses discrepancies, if any, to GCERG.
- Schultz submits a "no objection" letter to the Escrow Agent if the overall progress is on schedule.
- The Escrow Agent releases payment.

The APA also contains a provision that allows GCERG to receive an additional, advance payment if the Environmental Designee determines that GCERG has substantially completed the work for the current month and the next month. On three occasions in 2022 (June, July, and September), GCERG received the additional, advance payment. When an advance payment is released to GCERG, the project schedule is accelerated accordingly. Due to the three extra payments, the APA schedule was accelerated by three months.

Due to weather delays, delays related to TCEQ, setbacks with Site A Landfill erosion, and year-end holidays, GCERG did not make much progress in December 2022 and January 2023. Consequently, GCERG fell behind the revised schedule. The Environmental Designee objected to the release of the Escrow payments, and GCERG did not receive the January and February 2023 payments.

GCERG made significant progress from February through April 2023 and received payments following each of those months.

Due to May weather conditions and the slower pace as the work draws to a close, TMPA predicts that GCERG will not earn the next Escrow payment. This assumption is reflected in the Total Security Available section below. TMPA and the Environmental Designee will officially review GCERG's progress during the week of June 5.

Regulatory Closure Update and Post-Closure

With much of the physical work winding down, the focus has shifted heavily to obtaining Regulatory Closure. GCERG has been in communication with the Texas Commission on Environmental Quality (TCEQ) in the effort to obtain closure on the Scrubber Sludge Pond, Ash Ponds, Plant Collection

Pond, and Site A Landfill and related ponds. The process of closing these units with TCEQ has not been accomplished as quickly as GCERG had hoped or planned.

On March 23, 2023, the EPA submitted comments on GCERG's Draft Registration for the CCR units at Gibbons Creek which has caused further delays in the process of obtaining Regulatory Closure.

Until TCEQ makes a closure declaration in writing, along with requirements for post-closure care, the Regulatory Closure Bonds will remain at their original amount. The annual bond renewal occurs in early February 2023.

- TMPA expects that Site F Landfill will be subject to a 30-year post closure period.
- The post-closure requirements for the Scrubber Sludge Pond and Ash Ponds are unknown at this point. With the waste material removed and these units certified as clean, the post-closure period may be less than 30 years.
- Site A Landfill is currently not under the state's CCR program, and the post-closure requirements are also uncertain at this time.

TMPA has initiated discussions with GCERG regarding transition of site oversight, maintenance, and compliance for the post-closure period. These discussions will be ongoing up to and through the post-closure transition.

Financial Assessment – Total Security Available

Each month, TMPA evaluates the balance of the Escrow Fund and the Regulatory Closure Bonds (collectively known as the Total Security Available) as compared to the Remaining Closure Cost Estimate.

Refer to Figure 1 below for a summary of the monthly calculation. The importance of this evaluation is to ensure that Total Security Available is higher than the Remaining Closure Costs in the unlikely event that GCERG ceased work at any moment.

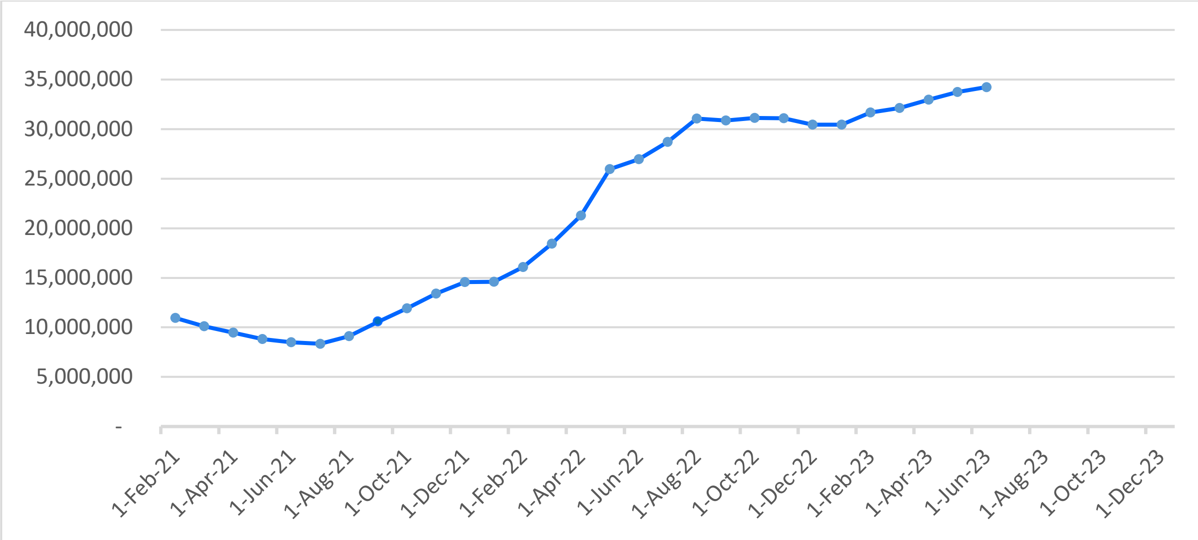
A new column (C-1) has been added to the spreadsheet to show the Escrow amounts released each period. The double payments are shaded green. The missed payments are shaded orange.

To date, the Remaining Closure Cost Estimate has been calculated by TMPA as the product of the Regulatory Closure Bond Amount and a detailed calculation of the percent completion, as determined by TMPA. As of the end of May 2023 (Period Ending 10-June-23; column F in Figure 1), TMPA *conservatively* calculates the current amount to be about **$6.9 million**. The current determination is that the Total Security Available is **$34.6 million** greater than the Remaining Closure Costs (Column G).

Figure 1 - Total Security Available and Remaining Closure Cost Estimate

A	B	C	C-1	D	E	F	G
Month	Period Ending	Escrow Amount Balance	Escrow Amount Released This Period	Regulatory Closure Bond Amount	**Total Security Available**	**Remaining Closure Cost Estimate** (based on Regulatory Closure Bond; est by TMPA)	Difference (Total Security - Remaining Closure Costs)
0	10-Feb-21	28,546,000	-	36,500,000	**65,046,000**	**54,100,000**	10,946,000
1	10-Mar-21	27,703,560	839,588	36,500,000	**64,203,560**	**54,100,000**	10,103,560
2	10-Apr-21	26,864,209	839,588	36,500,000	**63,364,209**	**53,900,000**	9,464,209
3	10-May-21	26,024,845	839,588	36,500,000	**62,524,845**	**53,700,000**	8,824,845
4	10-Jun-21	25,185,479	839,588	36,500,000	**61,685,479**	**53,200,000**	8,485,479
5	10-Jul-21	24,346,100	839,588	36,500,000	**60,846,100**	**52,500,000**	8,346,100
6	10-Aug-21	23,506,721	839,588	36,500,000	**60,006,721**	**50,900,000**	9,106,721
7	10-Sep-21	22,667,335	839,588	36,500,000	**59,167,335**	**48,600,000**	10,567,335
8	10-Oct-21	21,827,935	839,588	36,500,000	**58,327,935**	**46,400,000**	11,927,935
9	10-Nov-21	20,988,535	839,588	36,500,000	**57,488,535**	**44,100,000**	13,388,535
10	10-Dec-21	20,149,121	839,588	36,500,000	**56,649,121**	**42,100,000**	14,549,121
11	10-Jan-22	19,309,706	839,588	36,500,000	**55,809,706**	**41,200,000**	14,609,706
12	10-Feb-22	18,468,784	839,588	36,500,000	**54,968,784**	**38,900,000**	16,068,784
13	10-Mar-22	17,629,339	839,588	36,500,000	**54,129,339**	**35,700,000**	18,429,339
14	10-Apr-22	16,789,903	839,588	36,500,000	**53,289,903**	**32,000,000**	21,289,903
15	10-May-22	15,950,455	839,588	36,500,000	**52,450,455**	**26,500,000**	25,950,455
16	10-Jun-22	14,271,416	1,679,176	36,500,000	**50,771,416**	**23,800,000**	26,971,416
17	10-Jul-22	12,592,361	1,679,176	36,500,000	**49,092,361**	**20,400,000**	28,692,361
18	10-Aug-22	11,752,884	839,588	36,500,000	**48,252,884**	**17,200,000**	31,052,884
19	10-Sep-22	10,073,810	1,679,176	36,500,000	**46,573,810**	**15,700,000**	30,873,810
20	10-Oct-22	9,234,309	839,588	36,500,000	**45,734,309**	**14,600,000**	31,134,309
21	10-Nov-22	8,394,802	839,588	36,500,000	**44,894,802**	**13,800,000**	31,094,802
22	10-Dec-22	7,555,284	839,588	36,500,000	**44,055,284**	**13,600,000**	30,455,284
23	10-Jan-23	7,555,351	-	36,500,000	**44,055,351**	**13,600,000**	30,455,351
24	10-Feb-23	7,553,915	-	36,500,000	**44,053,915**	**12,400,000**	31,653,915
25	10-Mar-23	6,714,327	839,588	36,500,000	**43,214,327**	**11,100,000**	32,114,327
26	10-Apr-23	5,874,797	839,588	36,500,000	**42,374,797**	**9,400,000**	32,974,797
27	10-May-23	5,035,209	839,588	36,500,000	**41,535,209**	**7,500,000**	34,035,209
28	10-Jun-23	5,035,209	-	36,500,000	**41,535,209**	**6,900,000**	34,635,209
29	10-Jul-23						
30	10-Aug-23						

Figure 2 - Difference (Total Security minus Remaining Closure Costs)



BACKUP MATERIAL:

- None

ACTION REQUESTED:

- Review, discuss, and provide guidance, as necessary.

Daniel Meadows

05/26/2023

June 8, 2023

AGENDA ITEM NO. 7

SUBJECT: Resolution No. 2023-6-2, authorizing additional funding for the Acid Seep Project ("Project"); and resolving matters incidental and related thereto.

DISCUSSION: Funding for the Acid Seep Project was collected in previous years and set aside, pending development of an acceptable reclamation plan. Seep 9a work began in July 2022. Seep 1a construction is scheduled to begin in the summer of 2023. The funds originally collected for this Project were exhausted in FY22. At the Board meeting held on September 8, 2022, Resolution No. 2022-9-1 was approved which allowed the Agency to transfer excess FY22 and FY23 Mine O&M funds to the Project. However, notwithstanding the transfer of these funds, additional funding is still needed to complete the Project.

Capital funds of $600,000 are requested to complete the Project. Work on both seep areas is projected to be substantially completed by the end of calendar year 2023, depending on weather. Both seep areas will employ a limestone French drain system to provide long-term remediation for the seeps.

The total Project cost is estimated to be $1,094,000 upon completion. If bond release is obtained on some or all of these acid seep areas before October 1, 2026, some of this cost will be offset by the release of funds from an escrow account, described below.

When the Mine was sold, $1,711,247.16 was placed in an escrow account, primarily for the areas of the Mine that are still under bond. Funds are released from the escrow account as these areas are released from bonding. To be eligible for a release of escrow funds, the bond release must occur before October 1, 2026. To date, $1,091,312.88 has been released to the Agency from the escrow account.

The additional Project funds of $600,000 will be requested in one-time invoices to the Cities immediately following approval by the Board. This amendment has no impact on the monthly charge to the Member Cities.

BACKUP
MATERIAL: None.

ACTION
REQUESTED: Consideration and action on Resolution No. 2023-6-2.

Lyndi Birkhead
5/31/23

RESOLUTION NO. 2023-6-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY"); AUTHORIZING ADDITIONAL FUNDING FOR THE ACID SEEP PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Agency has in previous years set aside funding for the reclamation of acid seeps (the "Acid Seep Project") pending use until such time as the Railroad Commission concurred with a plan for such reclamation developed by the Agency;

WHEREAS, the Agency has developed and, in Fiscal Year 2022, the Railroad Commission concurred with, such a plan;

WHEREAS, in accordance with such reclamation plan, the Agency is in the process of reclaiming Seep 9a, and plans to commence work on the reclamation of Seep 1a this summer; and,

WHEREAS, in order to complete the reclamation plan for seeps 9a and 1a, additional funding is needed;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the amount authorized to be expended on the Acid Seeps Project is increased by $600,000;

3. That the additional $600,000 in funding shall be recovered in accordance with the Schedule of Charges attached hereto as Exhibit "A";

4. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law;

PASSED AND APPROVED THIS 8TH DAY OF JUNE 2023.

____
Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

EXHIBIT "A"

SCHEDULE OF RATES AND CHARGES

A one-time charge of $600,000, allocated in accordance with the percentages below, shall be invoiced and collected for purposes of the Acid Seeps Project:

Bryan	21.7%
Denton	21.3%
Garland	47.0%
Greenville	10.0%

June 8, 2023

AGENDA ITEM NO. 8

SUBJECT: FY23 Second Quarter Budget Status Report

DISCUSSION: This report, along with the attachments, provides a comparison of actual cost performance to budgets (approved 6/9/22; Mine budget amended 12/8/22) for each business unit of TMPA as of the end of Q2, as well as year-end projections. The year-end projections are summarized as follows:

GENERATION – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$1,132	$1,226	$94	8.3%
Other Revenues Excluding City Billings	($5)	($24)	($19)	(340.4%)
Total Budget Variance			**$76**	**6.7%**

MINE – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$811	$645	($166)	(20.4%)
Cash Fund Mine Bonding	$1,850	$1,600	($250)	(13.5%)
Other Revenues Excluding City Billings	($4)	($36)	($32)	(783.0%)
Total Budget Variance			**($447)**	**(16.8%)**

TRANSMISSION – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$6,996	$6,595	($401)	(5.7%)
Fixed Costs - Debt	$17,409	$16,185	($1,224)	(7.0%)
Other Revenues	($32,191)	($33,582)	($1,390)	(4.3%)
Total Budget Variance			**($3,015)**	**(38.7%)**
Debt Service Coverage	1.25X	2.11X		Exceeds requirement

A&G costs are projected to be lower ($67K) primarily due to reduced general legal services.

Generation - Total Costs are projected to be over budget by $76K in FY23. This is primarily due to more of Daniel's labor being charged to Generation than the other business units.

Mine - Total Costs are projected to be under budget by $447K in FY23.

1. Mine Maintenance is $75K lower as a portion of this O&M budget will be transferred to the Acid Seep Project as permitted in Resolution 2022-9-1.
2. Contractor Maintenance is $45K lower as a portion of this O&M budget will be transferred to the Acid Seep Project as permitted in Resolution 2022-9-1.
3. Cash Fund Mine Bonding is $250K lower as a result of B2-8 being released from bonding on 12/13/22.
4. Interest Income is $23K higher as interest rates have risen significantly over the last year.

Transmission - Total Costs are projected to be under budget by $3.015M in FY23.

1. Bank Charges are $145K lower as a result of the new Note Program established in November with more favorable terms.
2. Contractor Maintenance is $297K lower as vegetation management is projected to be under budget in the Denton area.
3. Consulting Services are $75K higher due to fees related to the new Note Program established in November, as well as SPCC work.
4. Debt Service - Bonds are $1.4M lower as the budget anticipated a bond issuance in FY23 that should not be needed until at least FY24. Capital spending and the remaining capacity of the Note Program continue to be monitored closely.
5. Revolving Notes Interest is $185K higher as interest rates have risen significantly over the last year.
6. Transmission System Revenue is $906K higher as it is projected that the 2022 Average 4CP will be higher than estimated.
7. Interest Income is $472K higher as interest rates have risen significantly over the last year.

NOTE: There is no FY23 charge to the Member Cities for the Transmission division since revenues exceeded expenses.

BACKUP MATERIAL: **Attachment A:** Generation FY23 Q2 Key Budget Driver Rate Sheet
Attachment B: Mine FY23 Q2 Key Budget Driver Rate Sheet
Attachment C: Transmission FY23 Q2 Key Budget Driver Rate Sheet

ACTION REQUESTED: None. This item is presented for the Board's information.

Lyndi Birkhead
5/31/23

ATTACHMENT A

Generation

FY23 Q2 Key Budget Driver Rate Sheet

FY23 Approved Budget Compared to YTD March Actual and to Year-end Projection

	FY23 Budget Approved 6-9-22 YTD March	FY23 Actual YTD March	(Under) Over Budget	Percentage Change	FY23 Budget Approved 6-9-22	FY23 Year-end Projection as of March	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	51,904	88,760	36,856	71.0%	103,808	175,000	71,192	68.6%
L01 Retention Bonuses	-	-	-	0.0%	33,271	36,000	2,729	8.2%
S02 Consulting Services	70,000	55,123	(14,877)	-21.3%	140,000	140,000	-	0.0%
S04 Legal Services	260,000	64,506	(195,494)	-75.2%	520,000	520,000	-	0.0%
Other Fixed Costs - Non-Debt	5,220	1,598	(3,621)	-69.4%	8,439	8,439	-	0.0%
Allocation of A&G	149,498	117,084	(32,414)	-21.7%	326,566	346,898	20,332	6.2%
TOTAL FIXED COSTS	**$ 536,621**	**$ 327,072**	**$ (209,549)**	**-39.0%**	**$ 1,132,085**	**$ 1,226,337**	**$ 94,253**	**8.3%**
Other Revenues								
I73 Interest Income	(2,952)	(12,536)	(9,584)	-324.7%	(5,450)	(24,000)	(18,550)	-340.4%
TOTAL OTHER REVENUES	**$ (2,952)**	**$ (12,536)**	**$ (9,584)**	**-324.7%**	**$ (5,450)**	**$ (24,000)**	**$ (18,550)**	**-340.4%**
TOTAL COSTS	**$ 533,669**	**$ 314,536**	**$ (219,134)**	**-41.1%**	**$ 1,126,635**	**$ 1,202,337**	**$ 75,703**	**6.7%**

Mine

FY23 Q2 Key Budget Driver Rate Sheet

FY23 Amended Budget Compared to YTD March Actual and to Year-end Projection

	FY23 Budget Amended 12-8-22 YTD March	FY23 Actual YTD March	(Under) Over Budget	Percentage Change	FY23 Budget Amended 12-8-22	FY23 Year-end Projection as of March	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	17,301	9,755	(7,547)	-43.6%	34,603	26,000	(8,603)	-24.9%
M44 Mine Maintenance	87,500	80,133	(7,367)	-8.4%	175,000	100,000	(75,000)	-42.9%
R06 Bank Charges	30,000	33,553	3,553	11.8%	45,000	45,000	-	0.0%
R51 Contractor Maintenance	30,000	-	(30,000)	-100.0%	60,000	15,000	(45,000)	-75.0%
S02 Consulting Services	92,500	73,140	(19,360)	-20.9%	185,000	185,000	-	0.0%
S04 Legal Services	25,000	18,761	(6,239)	-25.0%	50,000	50,000	-	0.0%
Other Fixed Costs - Non-Debt	13,625	30,450	16,825	123.5%	20,250	25,233	4,983	24.6%
Allocation of A&G	110,317	109,619	(697)	-0.6%	240,978	198,818	(42,160)	-17.5%
Subtotal Fixed Costs	**$ 406,243**	**$ 355,412**	**$ (50,831)**	**-12.5%**	**$ 810,831**	**$ 645,051**	**$ (165,780)**	**-20.4%**
C03 Cash Fund Mine Bonding	1,850,000	1,600,000	(250,000)	-13.5%	1,850,000	1,600,000	(250,000)	-13.5%
Subtotal Cash Fund Mine Bonding	**$ 1,850,000**	**$ 1,600,000**	**$ (250,000)**	**0.0%**	**$ 1,850,000**	**$ 1,600,000**	**$ (250,000)**	**-13.5%**
TOTAL FIXED COSTS	**$ 2,256,243**	**$ 1,955,412**	**$ (300,831)**	**-13.3%**	**$ 2,660,831**	**$ 2,245,051**	**$ (415,780)**	**-15.6%**
Other Revenues								
I76 Interest Income	(2,178)	(14,630)	(12,452)	-571.6%	(4,022)	(27,000)	(22,978)	-571.4%
Other Revenue	-	(8,510)	(8,510)	-100.0%	-	(8,510)	(8,510)	-100.0%
TOTAL OTHER REVENUES	**$ (2,178)**	**$ (23,141)**	**$ (20,962)**	**-962.3%**	**$ (4,022)**	**$ (35,510)**	**$ (31,488)**	**-783.0%**
TOTAL COSTS	**$ 2,254,065**	**$ 1,932,271**	**$ (321,793)**	**-14.3%**	**$ 2,656,809**	**$ 2,209,541**	**$ (447,268)**	**-16.8%**

	Project Balance as of 9/30/22	Transfer of FY23 O&M Budgeted Funds**	Actual Spent in FY23 as of 3/31/23	Project Balance as of 3/31/23
Acid Seep Project*	242,596	112,000	232,771	121,825

** Expenses for the Project do NOT impact the FY23 budget and are NOT included in the analysis above.*

*** As permitted in Resolution 2022-9-1, available FY23 O&M budgeted funds will be transferred to the Project.*

Transmission

ATTACHMENT C

FY23 Q2 Key Budget Driver Rate Sheet

FY23 Approved Budget Compared to YTD March Actual and to Year-end Projection

	FY23 Budget Approved 6-9-22 YTD March	FY23 Actual YTD March	(Under) Over Budget	Percentage Change	FY23 Budget Approved 6-9-22	FY23 Year-end Projection as of March	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	368,723	323,434	(45,290)	-12.3%	732,867	732,867	-	0.0%
R06 Bank Charges	182,500	78,800	(103,700)	-56.8%	319,500	175,000	(144,500)	-45.2%
R41 Property Insurance	194,586	180,787	(13,799)	-7.1%	389,172	400,000	10,828	2.8%
R51 Contractor Maintenance	942,883	825,541	(117,342)	-12.4%	1,835,172	1,538,060	(297,112)	-16.2%
S02 Consulting Services	-	60,784	60,784	-100.0%	-	75,000	75,000	-100.0%
S04 Legal Services	102,500	114,159	11,659	11.4%	195,000	195,000	-	0.0%
Other Fixed Costs - Non-Debt	746,944	515,448	(231,496)	-31.0%	1,444,765	1,444,765	-	0.0%
Allocation of A&G	951,770	902,525	(49,245)	-5.2%	2,079,066	2,033,837	(45,229)	-2.2%
Subtotal Fixed Costs - Non-Debt	**$ 3,489,905**	**$ 3,001,477**	**$ (488,428)**	**-14.0%**	**$ 6,995,542**	**$ 6,594,529**	**$ (401,013)**	**-5.7%**
R57-R58 Debt Service - Bonds	6,410,808	5,880,346	(530,462)	-8.3%	13,169,709	11,761,333	(1,408,376)	-10.7%
R55 Revolving Notes Interest	407,650	437,248	29,598	7.3%	815,299	1,000,000	184,701	22.7%
R62 Debt Coverage Payment	1,712,062	1,712,062	-	0.0%	3,424,124	3,424,124	-	0.0%
Subtotal Fixed Costs - Debt	**$ 8,530,520**	**$ 8,029,655**	**$ (500,864)**	**-5.9%**	**$ 17,409,132**	**$ 16,185,457**	**$ (1,223,675)**	**-7.0%**
TOTAL FIXED COSTS	**$ 12,020,425**	**$ 11,031,132**	**$ (989,293)**	**-8.2%**	**$ 24,404,674**	**$ 22,779,986**	**$ (1,624,688)**	**-6.7%**
Other Revenues								
I50 Transmission System Revenue	(15,941,518)	(15,783,681)	157,837	1.0%	(32,040,872)	(32,946,778)	(905,906)	-2.8%
I70-I75 Interest Income	(30,235)	(281,756)	(251,522)	-831.9%	(60,959)	(532,500)	(471,541)	-773.5%
Other Revenue	(45,267)	(11,753)	33,514	74.0%	(89,490)	(102,230)	(12,740)	-14.2%
TOTAL OTHER REVENUES	**$ (16,017,019)**	**$ (16,077,191)**	**$ (60,172)**	**-0.4%**	**$ (32,191,321)**	**$ (33,581,508)**	**$ (1,390,187)**	**-4.3%**
TOTAL COSTS / (REVENUES)	**$ (3,996,594)**	**$ (5,046,058)**	**$ (1,049,464)**	**26.3%**	**$ (7,786,647)**	**$ (10,801,522)**	**$ (3,014,875)**	**-38.7%**

June 8, 2023

AGENDA ITEM NO. 9

SUBJECT: FY24 Annual Budgets, including FY24 Budget Package

DISCUSSION: Staff has prepared the FY24 Budget Package for the Board's review and approval. Please refer to the attached FY24 Budget Package for more information.

The package was reviewed with the Financial Working Group on 4/26, the P&O Committee on 5/10, and the Audit & Budget Committee (ABC) on 5/24. The ABC recommended approval of the FY24 budget as presented to them on 5/24.

BACKUP MATERIAL: FY24 Budget Package

ACTION REQUESTED: Consideration and action on:
Resolution No. 2023-6-3 adopting a Generation budget for FY24
Resolution No. 2023-6-4 adopting a Mine budget for FY24
Resolution No. 2023-6-5 adopting a Transmission budget for FY24

There are a number of other agenda items related to the budget of which approval will be requested. They are:

1) FY24 Generation Charges – Agenda Item No. 10 (open session).
2) FY24 Mine Charges – Agenda Item No. 10 (open session).
3) FY24 Transmission System Capital Budget – Agenda Item No. 11 (open session).

Lyndi Birkhead
5/31/23

TEXAS MUNICIPAL POWER AGENCY

FY24 BUDGET PACKAGE

For Years FY24-33

Prepared by

TMPA Staff

May 2023

TEXAS MUNICIPAL POWER AGENCY
FY24 BUDGET PACKAGE

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TEXAS MUNICIPAL POWER AGENCY
FY24 BUDGET PACKAGE

EXECUTIVE SUMMARY & KEY BUDGET ASSUMPTIONS

The primary goals of the TMPA budget process continue to be reducing costs in accordance with the business plans of our Member Cities, while maintaining the reliability of the transmission system, wrapping up matters related to the mine land, and overseeing the demolition and remediation activities in accordance with the Asset Purchase Agreement (APA) with Gibbons Creek Environmental Redevelopment Group (GCERG), all while achieving a compliant and safe working environment.

Staff prepared the attached budgets based on discussions at the February P&O and Board meetings.

Below is more detail on each business unit of TMPA:

- Generation – The only Generation function remaining, after the sale of the plant in February 2021, is overseeing the demolition and remediation activities in accordance with the APA with GCERG. The Agency's Compliance, Land & Mine Manager will oversee this activity, as well any additional environmental and compliance issues related to the prior plant site.

- Transmission – It is assumed that the transmission business will remain with TMPA for the foreseeable future, being managed as it is currently with Garland Power & Light (GP&L) and Denton Municipal Electric (DME) under Transmission Operation, Maintenance, and Construction Services Agreements. The Transmission business continues to be a profitable division for TMPA.

- Mine – The majority of the mine land was sold in December 2021. All mine areas, with the exception of the acid seeps and the mine reclamation shop area (73 acres), have received full bond release from the Railroad Commission of Texas. Continued work on the acid seep area will be handled by the Agency's Compliance, Land & Mine Manager in FY23 and beyond, in coordination with consulting by Jan Horbaczewski as needed.

- A&G – The AP/Document Control Specialist plans to retire by the end of FY24. At that time, her duties will shift to the HR/Administrative Specialist. It is assumed that the General Manager will be retained until December 2024. Remaining A&G employees will be retained until TMPA "dissolves" (CFO/Director of Finance & Support Services, Senior Accountant, HR/Administrative Specialist, IT Specialist, and Executive Assistant).

On the following page is the TMPA headcount chart to illustrate the staffing needs of each department.

	TMPA Headcount			
RA	**Department**	**FY24**	**FY25**	**FY26-33**
	A&G			
1B	General Manager	2	2*	1
2C	Finance & Document Control	3	2	2
3B	IT	1	1	1
3E	HR & Administrative	1	1	1
	Generation & Mine			
6D	Compliance, Land & Mine Mgr	1	1	1
		8	**7***	**6**
**Headcount reduces by one in January 2025.*				

Included in the budgets are estimates for employee retention bonuses and severance packages, as applicable. The details of these incentives are discussed below. Under TMPA's current circumstances, there is concern that employees will seek employment elsewhere. However, these incentives, as applied in FY17-22, proved effective in retaining staff. It is management's belief that continuing with these incentives will preserve the knowledge and skills necessary for the Agency to function with a much reduced staff. The General Manager is excluded from both the retention bonus and severance package.

> <u>Retention bonus period</u>: Annually, October 1 – September 30
> <u>Retention bonus:</u> 20% of actual gross wages (less prior retention payments) during the bonus period. If the employee is released by TMPA prior to September 30, the employee will receive a retention bonus for actual gross wages earned through the date of release.
>
> <u>Severance package:</u> Severance is budgeted for all remaining, full-time employees in the year it would be expensed. Severance packages are equal to one week of pay for every year of service up to a maximum of 15 years.

Retiree medical/dental benefits are assumed to remain in effect until TMPA "dissolves".

GENERATION

GENERATION STRATEGY & KEY BUDGET ASSUMPTIONS

The Generation business unit consists of a single responsibility area under the administration of the Compliance, Land & Mine Manager. The primary function of this department is to oversee matters related to the regulatory closure of Gibbons Creek Steam Electric Station (GCSES) in accordance with the Asset Purchase Agreement (APA) with GCERG and the subsequent post-closure requirements from the Texas Commission on Environmental Quality (TCEQ). This department will be maintained as TMPA's sole technical resource.

Key Budget Assumptions

1) The primary function of the Generation business unit is to ensure GCERG's performance of the remediation. In accordance with the APA, a professional engineer was contracted in FY21 to serve as the Environmental Designee to monitor the progress of the remediation work, suspend payments from escrow when work falls behind schedule, review correspondence between GCERG and regulatory authorities, and collaborate with TMPA on project matters.

   The projected completion date of the physical remediation of Gibbons Creek is June 2023. However, it is assumed that the responsibilities of the Environmental Designee to evaluate the completion of Regulatory Closure will extend into FY24.

   The requirements of post-closure care and maintenance has not been determined by the TCEQ. TMPA assumes there will be some monitoring requirements that will be performed by the Environmental Designee.

2) The APA related to the sale of GCSES contains a provision pertaining to the cost of the Preliminary Regulatory Closure of Site F Landfill. It states that if the actual costs incurred by GCERG to close Site F Landfill are less than the $13.6 million estimate, TMPA will receive the difference at the end of the remediation project. At the time of the FY24 budget development, TMPA has filed suit against GCERG over this matter. Legal expenses were budgeted for this purpose in FY23. TMPA will retain the funds collected in FY23, as needed, to pay for these litigation costs.

   The amount or timeline related to the return of funds to TMPA for Site F Closure Costs under $13.6 million may not be known until FY24. Due to the uncertainty of resolution, no revenue projection is included in the FY24 budget.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY23's Approved Budget - Generation

	FY23 Approved Budget	FY24 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
L01 Labor & Benefits	103,808	157,073	53,265	51.3%	1
L01 Retention Bonuses	33,271	36,598	3,327	10.0%	
S02 Consulting Services	140,000	85,000	(55,000)	-39.3%	2
S04 Legal Services	520,000	60,000	(460,000)	-88.5%	3
Other Fixed Costs	8,439	8,803	364	4.3%	
Allocation of A&G	326,566	158,743	(167,823)	-51.4%	4
TOTAL FIXED COSTS	**$ 1,132,084**	**$ 506,218**	**$ (625,866)**	**-55.3%**	
OTHER REVENUES					
Interest Income	(5,450)	(14,595)	(9,145)	-167.8%	
TOTAL OTHER REVENUES	**$ (5,450)**	**$ (14,595)**	**$ (9,145)**	**-167.8%**	
TOTAL COSTS	**$ 1,126,634**	**$ 491,623**	**$ (635,011)**	**-56.4%**	

* Explanations are provided for changes over $25K AND 5%.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY23's Approved Budget – Generation

Fixed Costs

1) Labor & Benefits increased as the budget for Daniel Meadows, Compliance, Land & Mine Manager, is allocated among the three divisions, with 65% being allocated to Generation. More time is being allocated to Generation this year as compared to last year.

2) Consulting Services decreased as the cost of the Environmental Designee will continue to decrease over the next several years.

3) Legal Services decreased significantly as Site F Landfill litigation costs were budgeted last year. TMPA will retain the funds collected in FY23 for this purpose, as needed, to pay for these litigation costs.

4) Allocation of A&G decreased primarily due to the Site F Landfill litigation costs being budgeted last year.

TEXAS MUNICIPAL POWER AGENCY
FY24-33 Generation Budget Pro Forma

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY24-33 Total
FIXED COSTS											
L01 Labor & Benefits	157,073	161,785	166,639	171,638	176,787	182,091	187,554	193,180	198,976	204,945	1,800,668
L01 Retention Bonuses	36,598	37,696	38,827	39,992	41,192	42,427	43,700	45,011	46,361	47,752	419,557
S02 Consulting Services	85,000	46,125	47,278	26,922	27,595	28,285	28,992	29,717	30,460	31,221	381,595
S04 Legal Services	60,000	25,625	26,266	26,922	27,595	28,285	28,992	29,717	30,460	31,221	315,083
Other Fixed Costs	8,803	9,133	9,474	9,835	10,210	10,605	11,017	11,450	11,904	12,381	104,812
Allocation of A&G	158,743	111,695	112,939	107,318	113,437	117,258	120,410	125,528	128,904	133,255	1,229,488
TOTAL FIXED COSTS	**$ 506,218**	**$ 392,059**	**$ 401,423**	**$ 382,627**	**$ 396,816**	**$ 408,951**	**$ 420,664**	**$ 434,604**	**$ 447,065**	**$ 460,775**	**$ 4,251,203**
OTHER REVENUES											
Interest Income	(14,595)	(11,859)	(12,529)	(12,142)	(13,146)	(13,796)	(14,451)	(15,239)	(15,908)	(16,582)	(140,246)
TOTAL OTHER REVENUES	**$ (14,595)**	**$ (11,859)**	**$ (12,529)**	**$ (12,142)**	**$ (13,146)**	**$ (13,796)**	**$ (14,451)**	**$ (15,239)**	**$ (15,908)**	**$ (16,582)**	**$ (140,246)**
TOTAL COSTS	**$ 491,623**	**$ 380,200**	**$ 388,894**	**$ 370,485**	**$ 383,670**	**$ 395,155**	**$ 406,214**	**$ 419,365**	**$ 431,157**	**$ 444,194**	**$ 4,110,957**
Monthly Charge	**$ 40,969**	**$ 31,683**	**$ 32,408**	**$ 30,874**	**$ 31,972**	**$ 32,930**	**$ 33,851**	**$ 34,947**	**$ 35,930**	**$ 37,016**	

TRANSMISSION

TRANSMISSION STRATEGY & KEY BUDGET ASSUMPTIONS

TMPA's transmission system will continue to be maintained for safety, reliability, and operational compliance requirements.

GP&L, in collaboration with the other Member Cities, and TMPA staff will continue to monitor for new projects required for system reliability. These will be assessed project-by-project to determine if it is better for the project to be pursued by TMPA or a Member City.

GP&L will continue to provide transmission operator, maintenance, compliance, and construction services under the agreement with TMPA. DME has a similar transmission operator agreement for the transmission assets in the Denton area. Denton only charges incremental, third-party costs under its contract.

The Transmission business continues to be a profitable division for TMPA. The Member Cities can decide to acquire the transmission assets at any time. The Cities currently wish to have the assets remain with TMPA for the foreseeable future.

Key Budget Assumptions

1) Identified the Transmission Capital Plan needed for safe, compliant, reliable operations.
2) In November 2022, the previous Series "A" Notes with Bank of America expired. Concurrently, TMPA entered into a new agreement, with more favorable terms, for Notes with PNC Bank for $60M in capacity ($23.1M currently outstanding).
3) For budgeting purposes, a fix-out of a portion of the Notes into long-term bonds is assumed in FY24. Fix-outs become necessary when a significant amount of short-term Note funded assets are placed in service and/or when the Agency is nearing capacity of the Notes.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY23's Approved Budget - Transmission

	FY23 Approved Budget	FY24 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
L01 Labor & Benefits	732,866	674,300	(58,566)	-8.0%	1
R06 Bank Charges	319,500	120,500	(199,000)	-62.3%	2
R41 Insurance Premiums	389,172	597,609	208,437	53.6%	3
R51 Contractor Maintenance	1,835,172	1,534,000	(301,172)	-16.4%	4
S04 Legal Services	195,000	190,000	(5,000)	-2.6%	
Other Fixed Costs	1,444,765	1,408,451	(36,314)	-2.5%	
Allocation of A&G	2,079,066	2,310,537	231,471	11.1%	5
Subtotal Fixed Costs - Non-Debt	**$ 6,995,541**	**$ 6,835,397**	**$ (160,144)**	-2.3%	
R57-R58 Debt Service - Bonds	13,169,709	13,439,108	269,399	2.0%	
R55 Interest on Short-term Notes	815,299	1,290,707	475,408	58.3%	6
I62 Debt Coverage Payment (DCP)	3,424,124	3,494,168	70,044	2.0%	
Subtotal Fixed Costs - Debt	**$ 17,409,132**	**$ 18,223,983**	**$ 814,851**	4.7%	
TOTAL FIXED COSTS	**$ 24,404,673**	**$ 25,059,380**	**$ 654,707**	**2.7%**	
OTHER REVENUES					
I50 Transmission System Revenue	(32,040,872)	$ (33,907,736)	(1,866,864)	-5.8%	7
Interest Income	(60,959)	$ (646,608)	(585,649)	-960.7%	8
Other Revenue	(89,490)	(94,318)	(4,828)	-5.4%	
TOTAL OTHER REVENUES	**$ (32,191,321)**	**$ (34,648,662)**	**$ (2,457,341)**	**-7.6%**	
TOTAL COSTS / (REVENUE)	**$ (7,786,648)**	**$ (9,589,282)**	**$ (1,802,634)**	**-23.2%**	

* Explanations are provided for changes over $25K AND 5%.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY23's Approved Budget – Transmission

Fixed Costs – Non-Debt

1) Labor & Benefits decreased due to Jeremy Harrelson's move to GP&L. This is offset slightly by a charge-in of labor expenses for TMPA activities Jeremy is still involved with.

2) Bank Charges decreased due to more favorable terms on the Note agreement with PNC Bank that was entered into in November 2022.

3) Insurance Premiums increased as the property premium is expected to increase in August 2023. TMPA is currently having the transmission assets appraised, as requested by our current insurance carrier. The last appraisal was completed in 2010, and replacement values are expected to increase in the current market.

4) Contractor Maintenance decreased primarily because of reduced vegetation management expected in the Denton area.

5) Allocation of A&G increased due to reduced fixed costs for Generation and Mine as compared to last year.

Fixed Costs – Debt

6) Interest on Short-term Notes increased as interest rates have risen significantly.

Other Revenues

7) Transmission System Revenue increased because the Average 4CP increased 5.8% from the 2022 to the 2023 Matrix.

8) Interest Income increased as interest rates have risen significantly.

TEXAS MUNICIPAL POWER AGENCY
FY24-33 Transmission Budget Pro Forma

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY24-33 Total
FIXED COSTS											
L01 Labor & Benefits	674,300	694,529	715,364	736,825	758,930	781,698	805,149	829,303	854,183	879,808	7,730,089
R06 Bank Charges	120,500	123,513	126,600	129,766	133,011	136,334	139,743	143,236	146,817	150,488	1,350,008
R41 Insurance Premiums	597,609	612,549	627,863	643,559	659,649	676,139	693,043	710,370	728,128	746,331	6,695,240
R51 Contractor Maintenance	1,534,000	1,572,350	1,611,659	1,651,951	1,693,249	1,735,580	1,778,970	1,823,444	1,869,030	1,915,756	17,185,988
S04 Legal Services	190,000	194,750	199,620	204,609	209,724	214,966	220,342	225,850	231,496	237,284	2,128,641
Other Fixed Costs	1,408,451	1,443,662	1,479,754	1,516,747	1,554,666	1,593,533	1,633,371	1,674,205	1,716,061	1,758,962	15,779,412
Allocation of A&G	2,310,537	2,136,313	2,153,706	2,227,144	2,346,244	2,417,105	2,473,678	2,570,049	2,630,110	2,709,530	23,974,416
Subtotal Fixed Costs - Non-Debt	**$ 6,835,397**	**$ 6,777,665**	**$ 6,914,565**	**$ 7,110,601**	**$ 7,355,474**	**$ 7,555,354**	**$ 7,744,297**	**$ 7,976,458**	**$ 8,175,824**	**$ 8,398,159**	**$ 74,843,794**
R57-R58 Debt Service - Bonds	13,439,108	14,629,580	14,630,072	14,629,667	14,631,955	14,628,325	14,627,922	14,630,441	14,635,172	14,636,696	145,118,938
R55 Interest on Short-term Notes	1,290,707	1,032,447	1,087,160	1,197,363	1,329,621	1,430,750	1,639,618	1,895,006	2,046,655	2,166,009	15,115,334
I62 Debt Coverage Payment (DCP)	3,494,168	3,803,691	3,803,819	3,803,713	3,804,308	3,803,365	3,803,260	3,803,915	3,805,145	3,805,541	37,730,925
Subtotal Fixed Costs - Debt	**$ 18,223,983**	**$ 19,465,718**	**$ 19,521,051**	**$ 19,630,743**	**$ 19,765,884**	**$ 19,862,440**	**$ 20,070,800**	**$ 20,329,362**	**$ 20,486,972**	**$ 20,608,246**	**$ 197,965,197**
TOTAL FIXED COSTS	**$ 25,059,380**	**$ 26,243,383**	**$ 26,435,616**	**$ 26,741,344**	**$ 27,121,358**	**$ 27,417,794**	**$ 27,815,096**	**$ 28,305,819**	**$ 28,662,796**	**$ 29,006,405**	**$ 272,808,990**
OTHER REVENUES											
Transmission System Revenue	(33,907,736)	(34,585,891)	(35,277,609)	(35,983,161)	(36,702,824)	(37,436,880)	(38,185,618)	(38,949,330)	(39,728,317)	(40,522,883)	(371,280,249)
Interest Income	(646,608)	(698,493)	(735,809)	(774,079)	(819,211)	(856,913)	(894,612)	(934,954)	(972,749)	(1,010,541)	(8,343,969)
Other Revenue	(94,318)	(96,677)	(99,092)	(101,570)	(104,109)	(106,712)	(109,380)	(112,113)	(114,917)	(117,790)	(1,056,678)
TOTAL OTHER REVENUES	**$ (34,648,662)**	**$ (35,381,061)**	**$ (36,112,509)**	**$ (36,858,810)**	**$ (37,626,143)**	**$ (38,400,505)**	**$ (39,189,610)**	**$ (39,996,397)**	**$ (40,815,983)**	**$ (41,651,214)**	**$ (380,680,895)**
TOTAL COSTS / (REVENUE)	**$ (9,589,282)**	**$ (9,137,678)**	**$ (9,676,893)**	**$ (10,117,466)**	**$ (10,504,786)**	**$ (10,982,711)**	**$ (11,374,514)**	**$ (11,690,578)**	**$ (12,153,188)**	**$ (12,644,809)**	**$ (107,871,905)**
Monthly Charge	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

TEXAS MUNICIPAL POWER AGENCY
FY24-33 Transmission Capital Plan

NEW DEBT FUNDED TRANSMISSION PROJECTS	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	10-YEAR TOTALS
DME											
Underwood Substation - Transmission Tie-in	1,350,000	150,000									1,500,000
West Denton - Erosion on South Side of Station	200,000										200,000
West Denton - Construct Two New 138kV Terminals to Serve Two New Brazos T-lines			1,250,000	1,050,000							2,300,000
West Denton - Replace Three Circuit Breakers		600,000									600,000
West Loop 288 - West Denton to Fort Worth T-line relocation for New ROW	1,300,000	2,100,000									3,400,000
West Loop 288 - Masch Branch to North Denton T-line Relocation for New ROW	1,300,000	2,100,000									3,400,000
Spencer Interchange to Pockrus T-line Reconstruction							5,690,000	1,600,000			7,290,000
I-35W - 345kV West Denton to Roanoke Relocation	1,300,000	2,100,000									3,400,000
East Loop 288 and Hwy 380 TML Reroute		1,500,000	800,000								2,300,000
West Denton - Security Wall and XFMR Physical Protection	1,400,000										1,400,000
GP&L											
T21005 Pruitt 138kV Terminal Addition (Pink Solar Termination & Line)	1,000,000										1,000,000
T22003 Steep Hollow to Dansby - Rebuild Transmission Leaning Structures	8,500,000										8,500,000
T22004 GNIN to Pruitt New Line & Station (Makalu Solar)	10,200,000										10,200,000
Buffalo Prairie Storage (150 MW) ISD 4/1/2025	8,200,000	2,000,000									10,200,000
Lavon Storage (250 MW) ISD 1/15/2025	8,500,000	1,000,000									9,500,000
Misc. capital projects, failed equipment, modifications, instrument transformer replacements	1,000,000	1,000,000	1,000,000	1,000,000							4,000,000
TOTAL DEBT FUNDING REQUIREMENT	**$44,250,000**	**$12,550,000**	**$ 3,050,000**	**$ 2,050,000**	**$ -**	**$ -**	**$ 5,690,000**	**$ 1,600,000**	**$ -**	**$ -**	**$69,190,000**

***Does not yet have Board approval**
*Projects to be reimbursed by TXDOT

MINE

MINE STRATEGY & KEY BUDGET ASSUMPTIONS

Bond Release

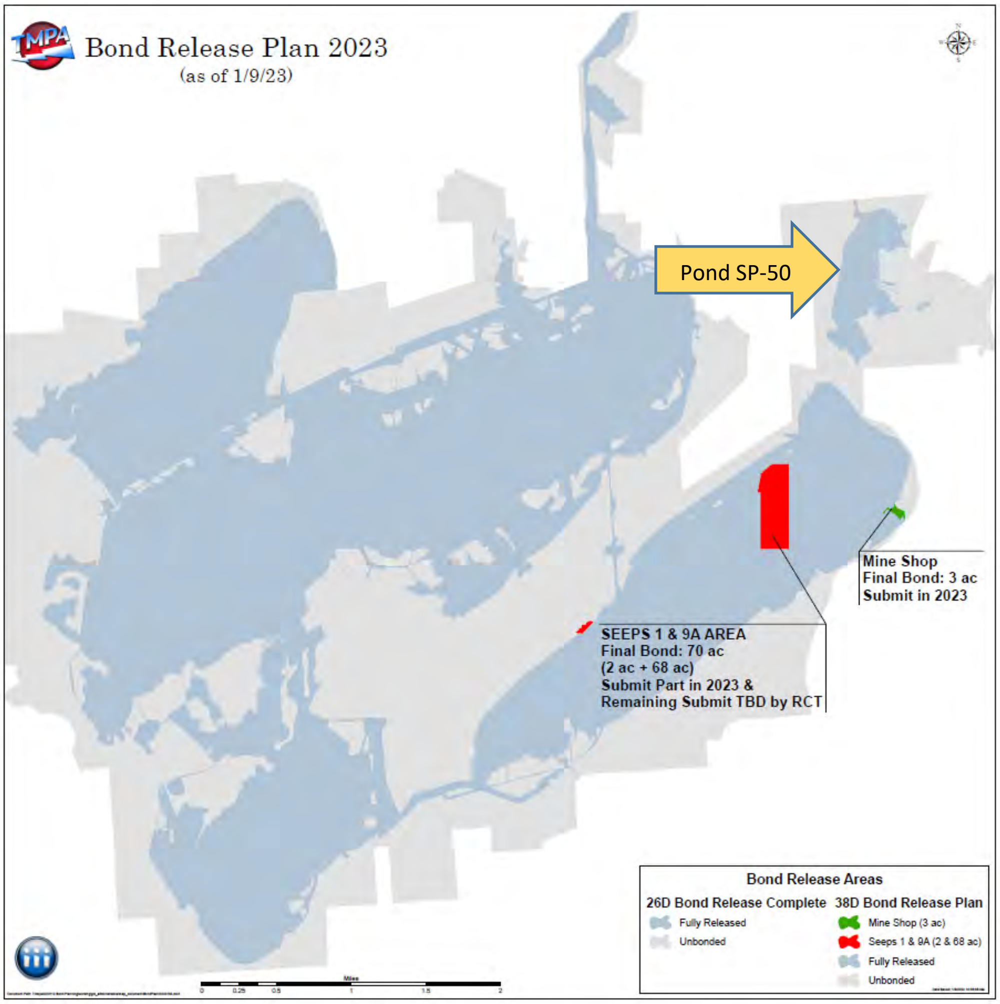
TMPA's plan for the release of reclamation bonds on the Gibbons Creek Lignite Mine property is summarized in Table 1 and depicted on the map (Figure 1). Items shown in the table in green have been completed; items in red remain to be submitted.

Table 1 – Plan and Status of Final Bond Release (as of 2/20/23)

Packet(s)	TMPA property (acres)	Leased property (acres)	Total (acres)	Status
26D – Mine shop facilities	0	71	71	Released 2000
26D – Gas well pads and roads	74	24	98	Released 2001-2006
26D – A1 Block	343	561	904	Released 1/15/13
38D – Rev. 14 (map adjustments)	257	38	295	Released 7/31/13
26D – Rev. 21 (map adjustments)	212	42	254	Released 12/8/14
26D – Falco + Ciesielski property	0	111	111	Released 8/25/15
38D – Rail spur (Permit 38D part)	55	0	55	Released 10/20/15
38D – Rev. 35 (map adjustments)	82	29	111	Released 2/7/17
26D – Rev. 40 (map adjustments)	3	0	3	Released 2/23/18
26D – Kolbachinski property	0	7	7	Released 2/27/18
26D – Rail spur (Permit 26D part)	131	0	131	Released 6/5/18
38D – A2/A3 core area	957	14	971	Released 6/18/19
26D – "Big" application	4,045	248	4,293	Released 1/14/20
38D – A2/A3 peripheral area	544	10	554	Released 1/26/21
26D – Area B2-7 + B2-9	85	0	85	Released 10/12/21
26D – Moody property	0	453	453	Released 04/12/22
38D – Pond SP-50 + Area A2-4	198	0	198	Released 09/20/22
26D – Area B2-8	146	0	146	Released 12/13/22
Total Released	**7,132 ac (99.0% of former TMPA property)**	**1,608 ac (100% of leased property)**	**8,740 ac (99.2% of total)**	
38D – Seep 9A south half (35 ac) + Mine Shop (3 ac)	38	0	38	Submit 2023
38D – Seep 9A north half (33 ac) + Seep 1A area (2 ac)	35	0	35	Submit – TBD
TOTAL (both permits)	**7,205 (TMPA property)**	**1,608 (Leased property)**	**8,813 (Total bonded)**	

The duration of the bond release approval process for each application has been in the range of 9-20 months.

Figure 1 – Plan for Final Bond Release



Seeps 1A and 9A – Mitigation Approach

The mitigation of acid seeps (acid mine drainage) is not standard mine reclamation, and therefore bond release on such areas is handled on a case-by-case basis. The Railroad Commission of Texas is the main regulatory authority, but the federal regulatory authority (the Office of Surface Mining Reclamation and Enforcement of the U.S. Department of the Interior) has oversight over the state program and may also become involved. Both regulatory authorities want to be assured that the seeps have been permanently mitigated and that there will be no long-term issues after bond release. As always, the burden of proof that permanent mitigation has been achieved rests with the permittee.

At the national level, the acid seeps at Gibbons Creek mine, and at other Texas mines, are minor. An estimated 12,000 miles of streams in the Appalachian coal fields are affected by acid mine drainage. That is where the federal regulatory authority is concentrating its oversight efforts.

There are two basic approaches to mitigation of acid seeps. The active approach is to periodically treat the acid water with a neutralizer such as lime on an as-needed basis. This is a continual process with long-term expenses and long-term liabilities. The other approach is to install a passive system that will modify the hydrology so that natural chemical and biological processes neutralize the acidity. This involves up-front costs to modify the hydrology of seep sites but is designed to eliminate long-term costs and facilitate bond release.

TMPA is using the passive treatment approach for Seep 9A and plans to use a similar approach for Seep 1A.

Seeps 1A and 9A – Bond Release

TMPA will file a bond release application for the south part (35 acres) of the Seep 9A area and the mine reclamation shop area (3 acres) in summer 2023. Construction work on the north part of the Seep 9A area (33 ac) should be complete by the end of FY23, allowing a bond release application to be filed in the spring of 2024.

TMPA plans to start mitigation work on the Seep 1A area (2 ac) in the summer of 2023 and monitor the results in FY24. It may be feasible to file a bond release application for this area in FY25.

Sale of Mine Property

Within the mine property sold on 12/22/21, only 73 acres remain bonded (Seep 1A, Seep 9A, and the mine reclamation shop area).

Land Ownership

The Pond SP-50 property (723 acres) is still owned by TMPA. It was not part of the mine sale on 12/22/21 because it is physically separate from the rest of the mine (Figure 1) and because Pond SP-50 is classified by TCEQ as a “High Hazard” structure because of its potential to cause damage downstream if breached. This area was released from the mine reclamation bond on 9/20/22. It is therefore now completely unencumbered by any reclamation liabilities.

TMPA received authorization from the Board to hire a real-estate broker to sell this property in June 2022 (Resolution No. 2022-6-1). However, the market has since become soft, and it was agreed at the December 2022 Board meeting to wait for an improvement in offers.

Budget for the Mine Business Unit

Permit 26D, which lies north of Gibbons Creek, has been completely released from mine reclamation bonding. The last area to be released was the B2-8 Area (146 acres) on 12/13/22.

Permit 38D, which lies south of Gibbons Creek, has 73 acres under mine reclamation bond. TMPA is working on a plan to achieve bond release on the 73 acres, but parts of this area may be subject to monitoring for an extended period. The FY24 Mine budget pro forma provides a budget out to FY30 to cover potential expenses associated with sampling of seeps, groundwater monitoring wells, and wastewater discharges from Pond SP-20, monthly Railroad Commission inspections, annual mine reclamation bonding renewals, annual mine permit fees, and associated reporting.

Since there are now only 73 acres that require mine reclamation bonding, TMPA decided to start collateralizing the bonds with cash instead of Letters of Credit in FY23. This has resulted in much smaller expenses. A cash bond of $1.6 million was filed with the Commission on 02/7/23 for the June 2023–June 2024 bonding term, and will be reduced as more bonds are released.

Dissolution of the Mine Business Unit

Following the sale of the mine property in December 2021, the mine business unit has reduced its scope, staffing, and budget. The Land Administrator, Murphy Hawkins, retired at the end of FY21. The Mine and Land Manager, Jan Horbaczewski, retired at the end of June 2022 and is now providing support as a consultant.

Residual work of the Mine Business Unit (summarized below) is being managed by Daniel Meadows, Compliance, Land & Mine Manager:

- Long-term maintenance and monitoring plan for the lignite mine acid seep areas.
- Safeguarding of the regulatory records of the mine.
- Final closure / notification to regulatory authorities with jurisdiction over the mine, such as the Railroad Commission, the Texas Commission on Environmental Quality (TCEQ), the federal Office of Surface Mining and Reclamation Enforcement, the US Environmental Protection Agency, the US Army Corps of Engineers, Homeland Security, the US Fish and Wildlife Service, the Texas Parks and Wildlife Department, and the Texas Historical Commission.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY23's Amended Budget - Mine

	FY23 Amended Budget	FY24 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
L01 Labor & Benefits	34,603	36,248	1,645	4.8%	
M44 Mine Maintenance	175,000	165,000	(10,000)	-5.7%	
R06 Bank Charges	45,000	-	(45,000)	-100.0%	1
R51 Contractor Maintenance	60,000	35,000	(25,000)	-41.7%	2
S02 Consulting Services	185,000	165,000	(20,000)	-10.8%	
S04 Legal Services	50,000	65,000	15,000	30.0%	
Other Fixed Costs	20,250	20,295	45	0.2%	
Allocation of A&G	240,978	248,444	7,466	3.1%	
Subtotal Fixed Costs	**$ 810,831**	**$ 734,987**	**$ (75,844)**	**-9.4%**	
C03 Cash Fund Mine Bonding**	1,850,000	-	(1,850,000)	100.0%	3
Subtotal Cash Fund Mine Bonding	**$ 1,850,000**	**$ -**	**$ (1,850,000)**	**100.0%**	
TOTAL FIXED COSTS	**$ 2,660,831**	**$ 734,987**	**$ (1,925,844)**	**-72.4%**	
OTHER REVENUES					
Interest Income	(4,022)	(22,842)	(18,820)	-467.9%	
TOTAL OTHER REVENUES	**$ (4,022)**	**$ (22,842)**	**$ (18,820)**	**-467.9%**	
TOTAL COSTS	**$ 2,656,809**	**$ 712,145**	**$ (1,944,664)**	**-73.2%**	

* Explanations are provided for changes over $25K AND 5%.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY23's Amended Budget – Mine

Fixed Costs

1) Bank Charges reduced to zero as the Agency began cash funding the bonding requirements with the Railroad Commission beginning in 2023.

2) Contractor Maintenance decreased as mine activities continue to decrease following the sale of the mine in December 2021.

3) Cash Fund Mine Bonding was a one-time charge in FY23. The cash funding amount, which ended up being $1.6M, was wired directly to the Railroad Commission and will be reduced and returned to the Cities as bond release is achieved over the remaining years.

TEXAS MUNICIPAL POWER AGENCY
FY24-33 Mine Budget Pro Forma

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY24-33 Total
FIXED COSTS											
L01 Labor & Benefits	36,248	37,335	38,455	39,609	40,797	42,021	43,282	44,580	45,917	47,295	415,539
M44 Mine Maintenance	165,000	169,125	173,353	177,688	99,342	101,826	104,371	55,868	57,265	58,698	1,162,536
R51 Contractor Maintenance	35,000	35,875	36,772	37,691	33,114	33,942	34,790	35,660	36,552	37,466	356,862
S02 Consulting Services	165,000	169,125	173,354	177,687	121,419	124,454	127,566	130,755	134,024	137,375	1,460,759
S04 Legal Services	65,000	66,625	68,291	69,998	55,190	56,570	57,984	59,434	60,920	62,443	622,455
Other Fixed Costs	20,295	20,803	21,322	21,856	22,403	22,962	23,537	23,719	24,314	24,921	226,132
Allocation of A&G	248,444	229,627	231,412	239,216	174,363	179,592	183,758	166,387	170,256	175,375	1,998,431
TOTAL FIXED COSTS	**$ 734,987**	**$ 728,515**	**$ 742,960**	**$ 763,745**	**$ 546,628**	**$ 561,367**	**$ 575,288**	**$ 516,404**	**$ 529,248**	**$ 543,573**	**$ 6,242,714**
OTHER REVENUES*											
Interest Income	(22,842)	(24,381)	(25,672)	(27,065)	(20,206)	(21,130)	(22,053)	(20,199)	(21,011)	(21,823)	(226,382)
TOTAL OTHER REVENUES*	**$ (22,842)**	**$ (24,381)**	**$ (25,672)**	**$ (27,065)**	**$ (20,206)**	**$ (21,130)**	**$ (22,053)**	**$ (20,199)**	**$ (21,011)**	**$ (21,823)**	**$ (226,382)**
TOTAL COSTS	**$ 712,145**	**$ 704,135**	**$ 717,288**	**$ 736,680**	**$ 526,422**	**$ 540,237**	**$ 553,234**	**$ 496,204**	**$ 508,237**	**$ 521,750**	**$ 6,016,332**
Monthly Charge	**$ 59,345**	**$ 58,678**	**$ 59,774**	**$ 61,390**	**$ 43,868**	**$ 45,020**	**$ 46,103**	**$ 41,350**	**$ 42,353**	**$ 43,479**	

SUPPLEMENTAL INFORMATION

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY23's Approved Budget - A&G

	FY23 Approved Budget	FY24 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
L01 Labor & Benefits	1,074,511	1,123,094	48,583	4.5%	
L01 Retention Bonuses	137,267	142,933	5,666	4.1%	
L01 Severance Packages	-	20,393	20,393	100.0%	
R06 Bank Charges	10,500	5,500	(5,000)	-47.6%	
R27 Maintenance Agreements	48,570	25,650	(22,920)	-47.2%	
R41 Insurance Premiums	631,277	764,439	133,162	21.1%	1
S02 Consulting Services	232,315	222,145	(10,170)	-4.4%	
S04 Legal Services	78,375	32,375	(46,000)	-58.7%	2
Other Fixed Costs	433,795	381,196	(52,599)	-12.1%	3
TOTAL FIXED COSTS	**$ 2,646,610**	**$ 2,717,725**	**$ 71,115**	**2.7%**	
TOTAL COSTS	**$ 2,646,610**	**$ 2,717,725**	**$ 71,115**	**2.7%**	

* Explanations are provided for changes over $25K AND 5%.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY23's Approved Budget – A&G

Fixed Costs

1) Insurance Premiums increased primarily due to the anticipated addition of cyber coverage. Staff is currently working with our broker on coverage terms.

2) Legal Services decreased as it is now budgeted directly in the business unit it serves. Anticipated general legal services has decreased steadily over the last several years.

3) Other Fixed Costs decreased as staff continues to make every effort to reduce support costs where possible.

TEXAS MUNICIPAL POWER AGENCY
FY24-33 A&G Budget Pro Forma

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY24-33 Total
FIXED COSTS											
L01 Labor & Benefits	1,123,094	870,840	858,973	884,743	911,285	938,623	966,782	995,785	1,025,659	1,056,429	9,632,214
L01 Retention Bonuses	142,933	131,769	135,722	139,793	143,987	148,307	152,756	157,339	162,059	166,921	1,481,585
L01 Severance Packages	20,393	-	-	-	-	-	-	-	-	-	20,393
R06 Bank Charges	5,500	5,638	5,778	5,922	6,071	6,223	6,378	6,537	6,701	6,868	61,616
R27 Maintenance Agreements	25,650	26,291	26,948	27,623	28,313	29,020	29,746	30,490	31,252	32,034	287,367
R41 Insurance Premiums	764,439	783,551	803,140	823,217	843,797	864,894	886,514	908,677	931,395	954,681	8,564,305
S02 Consulting Services	222,145	235,900	233,391	247,841	245,206	260,389	257,621	273,571	270,662	287,420	2,534,146
S04 Legal Services	32,375	33,184	34,014	34,864	35,736	36,629	37,544	38,483	39,446	40,432	362,707
Other Fixed Costs	381,196	390,462	400,091	409,675	419,649	429,870	440,505	451,083	462,095	473,376	4,258,002
TOTAL FIXED COSTS	**$ 2,717,725**	**$ 2,477,635**	**$ 2,498,057**	**$ 2,573,678**	**$ 2,634,044**	**$ 2,713,955**	**$ 2,777,846**	**$ 2,861,965**	**$ 2,929,269**	**$ 3,018,160**	**$ 27,202,335**
TOTAL COSTS	**$ 2,717,725**	**$ 2,477,635**	**$ 2,498,057**	**$ 2,573,678**	**$ 2,634,044**	**$ 2,713,955**	**$ 2,777,846**	**$ 2,861,965**	**$ 2,929,269**	**$ 3,018,160**	**$ 27,202,335**

RESOLUTION NO. 2023-6-3

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ADOPTING AND APPROVING AN ANNUAL BUDGET FOR THE GENERATION BUSINESS FOR THE FISCAL YEAR OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024; APPROPRIATING FUNDS THEREFORE; PROVIDING FOR SAID BUDGET ADMINISTRATION; PROVIDING FOR SEVERABILITY; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, an Annual Generation Budget for the Fiscal Year October 1, 2023 through September 30, 2024 has been prepared by the General Manager, as reflected in the FY24 column of page 7 of the attached FY24 Budget Package;

WHEREAS, after full and final consideration it is the opinion of this Board that the said Annual Generation Budget should be adopted and approved, and funds appropriated therefore;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That this Board of Directors of the Agency adopts and approves the Annual Generation Budget for the Fiscal Year October 1, 2023 through September 30, 2024, and further appropriates the funds therefore, subject to the provisions of the Rules & Regulations and General Policy of the Agency;

3. That the costs of the Fiscal Year 2024 Generation Budget shall be allocated to the Member Cities based on their ownership shares in the Generation Assets, such allocation to be calculated as provided in the Joint Operating Agreement;

4. That the General Manager shall be responsible for administering the Fiscal Year 2024 Annual Generation Budget and all funds appropriated thereunder, subject to the provisions of the Rules & Regulations and General Policy of the Agency;

5. That should any portion of this Resolution or the Fiscal Year 2024 Annual Generation Budget be declared invalid, the invalidity of that portion shall not affect the remainder of this Resolution or the Annual Generation Budget, which shall remain valid;

6. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 8TH DAY OF JUNE 2023.

____

Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________

Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

RESOLUTION NO. 2023-6-4

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ADOPTING AND APPROVING AN ANNUAL BUDGET FOR THE MINE BUSINESS FOR THE FISCAL YEAR OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024; APPROPRIATING FUNDS THEREFORE; PROVIDING FOR SAID BUDGET ADMINISTRATION; PROVIDING FOR SEVERABILITY; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, an Annual Mine Budget for the Fiscal Year October 1, 2023 through September 30, 2024 has been prepared by the General Manager, as reflected in the FY24 column of page 21 of the attached FY24 Budget Package;

WHEREAS, after full and final consideration it is the opinion of this Board that the said Annual Mine Budget should be adopted and approved, and funds appropriated therefore;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That this Board of Directors of the Agency adopts and approves the Annual Mine Budget for the Fiscal Year October 1, 2023 through September 30, 2024, and further appropriates the funds therefore subject to the provisions of the Rules & Regulations and General Policy of the Agency;

3. That the General Manager shall be responsible for administering the Fiscal Year 2024 Annual Mine Budget and all funds appropriated thereunder, subject to the provisions of the Rules & Regulations and General Policy of the Agency;

4. That should any portion of this Resolution or the Fiscal Year 2024 Annual Mine Budget be declared invalid, the invalidity of that portion shall not affect the remainder of this Resolution or the Annual Mine Budget, which shall remain valid;

5. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 8TH DAY OF JUNE 2023.

____
Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

RESOLUTION NO. 2023-6-5

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ADOPTING AND APPROVING AN ANNUAL BUDGET FOR THE TRANSMISSION BUSINESS FOR THE FISCAL YEAR OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024; APPROPRIATING FUNDS THEREFORE; PROVIDING FOR SAID BUDGET ADMINISTRATION; PROVIDING FOR SEVERABILITY; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, an Annual Transmission Budget for the Fiscal Year October 1, 2023 through September 30, 2024 has been prepared by the General Manager, as reflected in the FY24 column of page 12 of the attached FY24 Budget Package;

WHEREAS, after full and final consideration it is the opinion of this Board that the said Annual Transmission Budget should be adopted and approved, and funds appropriated therefore;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That this Board of Directors of the Agency adopts and approves the Annual Transmission Budget for the Fiscal Year October 1, 2023 through September 30, 2024, and further appropriates the funds therefore subject to the provisions of the Rules & Regulations and General Policy of the Agency;

3. That the General Manager shall be responsible for administering the Fiscal Year 2024 Annual Transmission Budget and all funds appropriated thereunder, subject to the provisions of the Rules & Regulations and General Policy of the Agency;

4. That should any portion of this Resolution or the Fiscal Year 2024 Annual Transmission Budget be declared invalid, the invalidity of that portion shall not affect the remainder of this Resolution or the Annual Transmission Budget, which shall remain valid;

5. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 8TH DAY OF JUNE 2023.

____
Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

June 8, 2023

AGENDA ITEM NO. 10

SUBJECT: FY24 Rates and Charges

Resolution No. 2023-6-6, establishing charges for the Generation business; designating an effective date for the charges; authorizing and directing that written notice be mailed to the Member Cities setting forth the charges; and resolving matters incidental and related thereto.

Resolution No. 2023-6-7, establishing charges for the Mine business; designating an effective date for the charges; authorizing and directing that written notice be mailed to the Member Cities setting forth the charges; and resolving matters incidental and related thereto.

DISCUSSION: The purpose of this item is to request that the Board adopt charges for the Generation Business and Mine Business consistent with the FY24 Budget for each business. The new charges will go into effect on October 1, 2023. No charges are proposed for the Transmission Business because Transmission revenues are projected to be sufficient to pay for the annual costs of the Transmission business.

BACKUP MATERIAL: Written Notice to Member Cities

ACTION REQUESTED: Consideration and action on:
Resolution No. 2023-6-6 establishing Generation charges for FY24
Resolution No. 2023-6-7 establishing Mine charges for FY24

Lyndi Birkhead
5/31/23

SERVING THE CITIES OF BRYAN, DENTON, GARLAND & GREENVILLE

June 8, 2023

City of _________________
ATTN: Utility Director

Re: TMPA Rate Adjustment

Dear _____________:

On June 8, 2023, the Texas Municipal Power Agency's Board of Directors adopted new charges to recover the generation costs associated with fiscal year 2024. The new charges are effective on October 1, 2023 and will be effective for fiscal year 2024. A copy of the resolution is enclosed herein.

The new generation charge is, in the aggregate for all Cities, **$40,969/month**, which shall be allocated among the Cities in accordance with the Joint Operating Agreement.

A copy of this notice has been mailed simultaneously to each Member City.

Sincerely,

____
Bob Kahn
General Manager

SERVING THE CITIES OF BRYAN, DENTON, GARLAND & GREENVILLE

June 8, 2023

City of _________________
ATTN: Utility Director

Re: TMPA Rate Adjustment

Dear _____________:

On June 8, 2023, the Texas Municipal Power Agency's Board of Directors adopted new charges to recover the mine costs associated with fiscal year 2024. The new charges are effective on October 1, 2023 and will be effective for fiscal year 2024. A copy of the resolution is enclosed herein.

The new mine charge is, in the aggregate for all Cities, **$59,345/month**, which shall be allocated among the Cities in accordance with the Joint Operating Agreement.

A copy of this notice has been mailed simultaneously to each Member City.

Sincerely,

____
Bob Kahn
General Manager

TEXAS MUNICIPAL POWER AGENCY P.O. BOX 7000 BRYAN, TEXAS 77805-7000 (936) 873-2013

RESOLUTION NO. 2023-6-6

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ESTABLISHING CHARGES FOR THE GENERATION BUSINESS; DESIGNATING AN EFFECTIVE DATE FOR THE CHARGES, AUTHORIZING AND DIRECTING THAT WRITTEN NOTICE BE MAILED TO THE MEMBER CITIES SETTING FORTH THE CHARGES; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, pursuant to Section 2.6.1.2 of the Joint Operating Agreement between the Agency and the Cities of Bryan, Denton, Garland, and Greenville (the "Member Cities"), the Agency is empowered to set charges to recover the costs of the Generation business;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the Schedule of Charges attached hereto as Exhibit "A" is adopted and approved as the charges for the Generation business;

3. That the effective date for the charges hereby adopted shall be October 1, 2023, and such charges shall be effective for Fiscal Year 2024;

4. That it is expressly found that the charges approved herein are non-discriminatory, fair, reasonable, based upon the costs of the Generation Business, and adequate to pay or make provision for paying the costs of the Generation Business;

5. That the General Manager of the Agency is authorized and directed to simultaneously mail, on behalf of the Agency, notices to the Member Cities setting out the charges;

6. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 8TH DAY OF JUNE 2022.

____
Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

SCHEDULE OF RATES AND CHARGES

1. Commencing on October 1, 2023, the Cities shall pay, in the aggregate, a monthly Generation charge of $40,969. The charge shall be payable on the twenty-fifth of the said month.

2. The charges shall be allocated to the Member Cities on the following basis:

Bryan	21.24%
Denton	21.45%
Garland	47.30%
Greenville	10.01%

EXHIBIT "A" TO RESOLUTION NO. 2023-6-6

RESOLUTION NO. 2023-6-7

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ESTABLISHING CHARGES FOR THE MINE BUSINESS; DESIGNATING AN EFFECTIVE DATE FOR THE CHARGES, AUTHORIZING AND DIRECTING THAT WRITTEN NOTICE BE MAILED TO THE MEMBER CITIES SETTING FORTH THE CHARGES; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, pursuant to Section 2.6.1.2 of the Joint Operating Agreement between the Agency and the Cities of Bryan, Denton, Garland, and Greenville (the "Member Cities"), the Agency is empowered to set charges to recover the costs of the Mine business;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the Schedule of Charges attached hereto as Exhibit "A" is adopted and approved as the charges for the Mine business;

3. That the effective date for the charges hereby adopted shall be October 1, 2023, and such charges shall be effective for Fiscal Year 2024;

4. That it is expressly found that the charges approved herein are non-discriminatory, fair, reasonable, based upon the costs of the Mine business, and adequate to pay or make provision for paying the costs of the Mine business;

5. That the General Manager of the Agency is authorized and directed to simultaneously mail, on behalf of the Agency, notices to the Member Cities setting out the charges;

6. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 8TH DAY OF JUNE 2023.

____
Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

SCHEDULE OF RATES AND CHARGES

1. Commencing on October 1, 2023, the Cities shall pay, in the aggregate, a monthly Mine charge of $59,345. The charge shall be payable on the twenty-fifth of the said month.

2. The charge shall be allocated to the Member Cities on the following basis:

Bryan	21.7%
Denton	21.3%
Garland	47.0%
Greenville	10.0%

EXHIBIT "A" TO RESOLUTION NO. 2023-6-7

June 8, 2023

AGENDA ITEM NO. 11

SUBJECT: Resolution No. 2023-6-8, adopting and approving an Annual Transmission System Capital Budget for the Agency for the Fiscal Year October 1, 2023 through September 30, 2024; and resolving matters incidental and related thereto.

DISCUSSION: This Resolution adopts the FY24 Annual Transmission System Capital Budget.

BACKUP MATERIAL: None.

ACTION REQUESTED: Consideration and action on Resolution No. 2023-6-8.

Lyndi Birkhead
5/31/23

RESOLUTION NO. 2023-6-8

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ADOPTING AND APPROVING A TRANSMISSION SYSTEM CAPITAL PLAN FOR THE FISCAL YEARS BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2033 INCLUSIVE, ADOPTING AND APPROVING THE FIRST YEAR THEREOF AS THE ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024, APPROPRIATING FUNDS AND PROVIDING FOR ADMINISTRATION OF THE ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, pursuant to Article VI, Section 7, of the Rules & Regulations, the City of Garland, as Transmission Operator of the Agency, has prepared a Transmission System Capital Plan for the Fiscal Years beginning October 1, 2023 and ending September 30, 2033, inclusive, with the first year thereof designated the Annual Transmission System Capital Budget, as reflected on page 13 of the attached FY24 Budget Package;

WHEREAS, after full and final consideration, it is the opinion of this Board that the said Transmission Capital Plan should be adopted and approved; and

WHEREAS, it is further the opinion of this Board that the first year of the Transmission Capital Plan should be adopted as the Annual Transmission System Capital Budget for Fiscal Year 2024 and funds appropriated therefore;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That this Board of Directors of the Agency adopts and approves the Transmission Capital Plan for the Fiscal Years beginning October 1, 2023 and ending September 30, 2033, inclusive;

2. That this Board of Directors of the Agency adopts and approves the first year of the Transmission Capital Plan as the Annual Transmission System Capital Budget for the Fiscal Year October 1, 2023 through September 30, 2024, and further appropriates the funds therefore subject to the provisions of the Rules & Regulations and General Policy of the Agency;

4. That should any portion of this Resolution, the Fiscal Year 2024 Annual Transmission System Capital Budget, or the Transmission Capital Plan be declared invalid, the invalidity of that portion shall not affect the remainder of this Resolution, Annual Transmission System Capital Budget, or Transmission Capital Plan, which shall remain valid;

5. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 8th DAY OF JUNE 2023.

____
Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

June 8, 2023

AGENDA ITEM NO. 12

SUBJECT: Status report relating to the TMPA transmission operations and five-year transmission capital project plan.

DISCUSSION: The purpose of this agenda item is to provide two routine reports to the Board.

BACKUP MATERIAL:
1) Transmission Operations Status Reports
2) Transmission Capital Project Status Report

ACTION REQUESTED: None.

TRANSMISSION OPERATIONS STATUS REPORT
MAY 25, 2023

Outage Summary:

During the months of January, February and March 2023, TMPA had 11 planned outages on the 345kV system, 7 planned outages on the 138kV system and 2 planned outages on the 69kV system. There were no forced extensions on the 345kV, 138kV or 69kV system. There were no unplanned outages on the 345kV ,138kV or 69kV system.

Personnel Summary:
Every TMPA operator is NERC-certified and current with all continuing education requirements.

Steve Martin
Matt Carter
5/25/23

TMPA Transmission Operations Report
2023

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 Total
Planned Outages													
345 Kv	4	1	6										**11**
138 Kv	2	1	4										**7**
69 Kv	1	0	1										**2**
Devices requested													**20**
Un-Planned Outages													
345 Kv	0	0	0										**0**
138 Kv	0	0	0										**0**
69 Kv	0	0	0										**0**
													0
Forced Extension Outages													
345 Kv	0	0	0										**0**
138 Kv	0	0	0										**0**
69 Kv	0	0	0										**0**
													0

Note: Outages are counted by the number of entries in the ERCOT Outage Scheduler.

TRANSMISSION FIVE-YEAR PROJECTS PLAN STATUS REPORT
May 2023

SUBJECT: Status report relating to the TMPA five-year transmission capital project plan.

DISCUSSION: The attached five-year Transmission Project Status Report forecasts expenditures for Fiscal Years 2023 through 2027. Projects reported as "Completed" in a previous report have been removed from this report.

Additional capital projects are being reviewed and discussed within the Transmission Engineering Working Group (TEWG) that could potentially affect the number of projects and capital investment on the Transmission Project Status Report.

Staff will update the Transmission Project Status Report and present to the P&O and Board as future capital projects are vetted and direction given.

Steve Martin
5/24/2023

Transmission Project Status Report
May 2023

Projects	Priority	Original Proposed Completion Date	Projected or Actual Completion Date	Original Approved Budget/Cost Estimate	Current Approved Budget/Cost Estimate	FY2023	FY2024	FY2025	FY2026	FY2027	Total Estimated Expenditures FY23-FY27	Comments
T11009 CIP Substation Security	H	Dec-11	Sep-23	$ 1,250,700	$ 1,250,700						$ -	Close-out Project
T13001 Breaker Replacements	H	Sep-17	Sep-23	$ 12,201,239	$ 12,201,239	$ 253,000					$ 253,000	Project to install breaker disconnect switches on the Reserve AUX transformer breakers and the replacement of the Voltage transformers on the Keith Switch line.
T13002 Relay and SCADA Upgrade	M	Sep-17	May-23	$ 7,552,776	$ 7,552,776	$ 200,000					$ 200,000	Complete
T17007 Brand Rd. Pole Reroute	L	Sep-17	Sep-23	$ 192,000	$ 192,000	$ 510,000					$ 510,000	Project required for street improvements and cost will be reimbursed by City of Garland.
T20004 Ben Davis Breaker Replacement Project	H	Dec-21	May-24	$ 4,290,000	$ 4,290,000	$ 2,000,000	$ 700,000				$ 2,700,000	345 kV breakers installed in May 2022. 138 kV breaker requirements under review.
T21002 Shelby-Nevada elevation for SS1570	H	Jun-21	Jun-23	$ 600,000	$ 600,000						$ -	TxDOT has canceled project; GP&L requesting reimbursement
T21004 I35 - Masch Br to Denton North TML Reroute	H	May-22	May-23	$ 5,210,000	$ 5,210,000	$ 1,250,000					$ 1,250,000	Complete
T21005 Pruitt 138 kV Terminal Addition (Pink Solar)	H	Dec-22	Jun-24	$ 3,700,000	$ 3,700,000	$ 2,700,000	$ 1,000,000				$ 3,700,000	Studies are underway. Project Kick off upon Interconnection Agreement approval.
T21006 Gibbons Creek Decommission Phase 2	H	Sep-21	Sep-23	$ 1,760,000	$ 1,760,000	$ 760,000					$ 760,000	In-Progress
T22003 Dansby to Steep Hollow T-Line Rebuild	H	Apr-24	Apr-24	$ 21,500,000	$ 21,500,000	$ 11,000,000	$ 8,500,000				$ 19,500,000	Material on order
T22004 Greenville Intch to Pruitt New Line and Station (Makalu Solar)	H	Oct-23	May-24	$ 12,500,000	$ 12,500,000	$ 10,200,000	$ 2,000,000				$ 12,200,000	In-Progress
				Totals	**$ 70,756,715**	**$ 28,873,000**	**$ 12,200,000**	**$ -**	**$ -**		**$ 41,073,000**	

June 8, 2023

AGENDA ITEM NO. 13

SUBJECT: Resolution No. 2023-6-9, amending the FY2023 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Brand Road Pole Relocation Project; and resolving matters incidental and related thereto.

DISCUSSION: On March 9, 2017, in order to accommodate the expansion of Brand Road in the City of Garland, the Board appropriated $192,000 for the purpose of relocating a steel tangent suspension structure.

Construction of the relocation project was originally scheduled to occur during FY2017. However, construction has been delayed pending the completion of a study by the City of Garland. As a result of the delay, construction, material, and engineering costs have increased. To cover the increase in costs, this Resolution amends the capital budget by increasing the amount that is authorized to be expended on the project by $506,196, from $192,000 to $698,196.

Upon completion of the project, the costs of the project will be reimbursed to the Agency by the City of Garland.

BACKUP MATERIAL: Brand Rd Pole Reroute Capital Proposal

ACTION
REQUESTED: Consideration and action on Resolution No. 2023-6-9

RESOLUTION NO. 2023-6-9

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AMENDING THE FY2023 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY INCREASING THE AMOUNT THAT IS AUTHORIZED TO BE EXPENDED ON THE BRAND ROAD POLE RELOCATION PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, pursuant to Resolution No. 2017-3-4, the Board previously authorized the appropriation of funds for the relocation of a transmission line structure for the purpose of accommodating the expansion of Brand Road in the City of Garland (the "Brand Road Pole Relocation Project" or "Project");

WHEREAS, due to delays in construction of the Project, costs for construction, materials, and engineering have increased, making it necessary to authorize the expenditure of additional funds for the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the FY2023 Annual Transmission System Capital Budget is amended by increasing the amount that is authorized to be expended on the Project, from $192,000 to $698,196;

3. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 8TH DAY OF JUNE 2023.

____
Bill Cheek, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROPOSAL

PROJECT TITLE: Brand Rd Pole Reroute			PROJECT MANAGER: Robert Cerrato		DATE: April 20, 2023
PROJECT NO. T17007	RISK LEVEL:	RISK TYPE:	FERC ACCOUNT:		FUNDING: ☐ Rate ☐ Debt

SCHEDULE DATES

START DATE: February 2017	ESTIMATED IN-SERVICE DATE: September 2023	
☑ Capital	☐ Annual Need ☑ One Time Need ☐ Cyclical Need	Capital Plan Year: 2023

Total Cost:	Prev Amt Appr:	FY23:	FY24:	FY25:	FY26:
$698,196	192,000.00	$ 510,000			

DESCRIPTION OF PROJECT:

Relocation of TMPA structure due to widening of City of Garland Brand Rd.

PROJECT BENEFITS & JUSTIFICATION (OUTCOME):

Structure needs to be relocated to be ahead of the road construction.

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BACKGROUND:

Brand Rd. is being widened and the TMPA structure is in the way. Project was proposed for 2017 and was delayed due City Of Garland conducting a study. Construction and Material Cost have risen considerably along with the additional Engineering costs due to the delay.

Original Proposal Cost $192,000.00

FY23 Proposal Cost $698,196.00

ALTERNATIVES:

1.

2.

3.

COST/BENEFIT WORKSHEET

ECONOMIC ASSESSMENT:

Costs: Current Year Only

TMPA Labor Hours =			**Benefits:$/Year**
TMPA Labor	$		**Reliability -**
Materials	$	6,196	**Capability -**
Contract Services	$	647,000	**Labor Savings -**
Engineering Consultant	$	35,000	**Heat Rate Improvement -**
Misc. Expenses	$	10,000	**Non Labor O&M Savings -**
Labor Loadings (50%)	$		**Total Benefit $**
TOTAL	$	698,196	**Cost / Benefit =**

Estimation Levels:
P1 = Budget/Preliminary
P2 = Conceptual
P3 = Detail Design

Staff will measure improvement of completed project: ☐ **Yes** ☐ **No**

Level of Estimate: P1 ☐ **P2** ☐ **P3** ☐

Over $100K in professional services: ☐ **Yes** ☐ **No**

Estimated life of asset:

Is land acquisition or right of ways procurement required: ☐ **Yes** ☐ **No**

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ASSUMPTIONS:

Prevents any delay of the plan for the widening. This project is 100% reimbursable bythe City of Garland.

Original		Adjusted	
Materials	$15,00.00	Materials	$6196.00
Construction	$100,00.00	Construction	$647,000.00
Engineering	$50,000.00	Engineering	$35,000.00
Misc.	$17,500.00	Misc.	$10,000.00
GP&L Engineering	$10,000.00		
Total	192,500.00	Total	$698,196.00

SIGNATURES

Project Manager:		**Date:**	05/24/2023
Supervisor:		**Date:**	5-24-2023
Division Manager:	Steve Martin	**Date:**	5-25-2023
General Manager:	Bob Kahn	**Date:**	5/29/2023

June 8, 2023

AGENDA ITEM NO. 14

SUBJECT: Executive Session

Executive session will be held pursuant to the Open Meetings Act (Chapter 551, Government Code) for the following items:

A. TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas.

B. Amendment of the General Manager Agreement.

C. Appointment of Acting General Manager.

In the Board's discretion, the Board may discuss and/or take action on one or more of the above executive session items in open meeting. In regard to items scheduled on this Agenda for discussion and/or action in the open portion of the meeting, the Board may, in its discretion, address one or more of such items in executive session if and to the extent permitted by the Texas Open Meetings Act.

June 8, 2023

AGENDA ITEM NO. 14A

SUBJECT: TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas.

DISCUSSION: The purpose of this agenda item is to discuss with the Board the May 11 mediation (previously summarized in a memorandum to the Board from Carl Shahady, dated May 12, 2023), and developments that have occurred subsequently to the mediation.

ACTION REQUESTED: None.

June 8, 2023

AGENDA ITEM NO. 14B

SUBJECT: Amendment of the General Manager Agreement (personnel matter under Section 551.074, Government Code, and legal advice under Section 551.071, Government Code).

DISCUSSION: The purpose of this agenda item is to discuss with the Board a potential amendment of the General Manager Agreement.

ACTION REQUESTED: If the Board desires to amend the Agreement, then, in open session, adoption of a motion authorizing amendment(s) to the General Manager Agreement within the parameters discussed in executive session.

June 8, 2023

AGENDA ITEM NO. 14C

SUBJECT: Appointment of Acting General Manager (personnel matter under Section 551.074, Government Code, and legal advice under Section 551.071, Government Code).

DISCUSSION: Under the Rules & Regulations, when there is a vacancy in the office of General Manager, an Acting General Manager may be appointed by the Board or by the Board President. The purpose of this agenda item is to provide the Board the opportunity to discuss such appointment in executive session. In the event the Board desires to appoint an Acting General Manager, the vote would need to occur in open session.

ACTION REQUESTED: If the Board desires to appoint an Acting General Manager, then, in open session, adoption of a motion appointing an Acting General Manager.

June 8, 2023

AGENDA ITEM NO. 15

SUBJECT: Future meeting dates and subjects

DISCUSSION: The date for the next scheduled Board meeting is **September 14, 2023.**

TENTATIVE MEETING DATES FOR 2023 and 2024: December 14, 2023

February 8, 2024
June 13, 2024
September 12, 2024
December 12, 2024