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:

CITY OF GARLAND CITY HALL
CITY COUNCIL CHAMBER
200 N. FIFTH STREET
GARLAND, TX 75040

Thursday, February 8, 2024
10:30AM

Preliminary matters:

- Call to order
- Public comments

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

1. Consent Agenda Items:

    A. Consider approval of meeting minutes of the December 14, 2023 Board of Directors meeting.

2. Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of February 8, 2024

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

4. Resolution No. 2024-2-1, amending the FY2024 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Phase Two Gibbons Creek Decommission Transmission Project; and resolving matters incidental and related thereto.

5. Resolution No. 2024-2-2, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the Shelby to Nevada Transmission Line Extension Project; and resolving matters incidental and related thereto.

6. Status report relating to mine reclamation and land matters

7. Status report relating to environmental and regulatory compliance matters

8. FY24 First Quarter Budget Status Report

9. FY25 Budget Plan

10. Resolution No. 2024-2-3, relating to the annual review of the Agency's Investment Policy; and resolving matters incidental and related thereto.

11. 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 (legal advice under Section 551.071, Government Code)

    B. Status report relating to the sale of SP-50 (value of real property under Section 551.072, Government Code)

    C. Dudley v. TMPA, In the Tenth Court of Appeals, Docket No. 10-23-00422-CV (legal advice under Section 551.071, Government Code)

    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.

12. Future Meeting Dates

13. Adjourn

February 8, 2024

AGENDA ITEM NO. 1

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: Minutes of the December 14, 2023 Board of Directors meeting.

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

TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE CALL
LOCATION AT WHICH MEMBERS OF THE PUBLIC WERE INVITED TO ATTEND:

CITY OF GARLAND CITY HALL
CITY COUNCIL CHAMBER
200 N. FIFTH STREET
GARLAND, TX 75040

Thursday, December 14, 2023
10:00 AM

President Jefferies called the meeting to order at 10:00 AM.

The following people were present at the meeting.

Board Members:

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

Staff:

Daniel Meadows, Lyndi Birkhead and Susie Johnson

Others:

Carl Shahady – Tiemann, Shahady & Hamala, P.C.
Jose de la Fuente – Lloyd, Gosselink, Rochelle & Townsend, P.C.
Gary Miller - BTU
Antonio Puente, Jerry Fielder, Mark Zimmerer, and Vis Bouaphanthavong – Denton Municipal Electric
Darrell Cline, Tom Hancock, and Steve Martin – Garland Power & Light
Alicia Hooks and Patricia Albrecht – GEUS
Jan Horbaczewski

Public Comments:

Mr. Jefferies asked for comments, there were none.

1. **Consent Agenda Items:**

   A. **Consider approval of meeting minutes of the September 14, 2023, Board of Directors meeting.**

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

   Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Aye	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

2. **Audit and Budget Committee report relating to the December 14, 2023 Committee meeting.**

   An update was provided by Ms. Spurlock.

3. **Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of December 13, 2023**

   An update was provided by Mr. Cline.

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

   An update was provided by Mr. Martin.

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

   An update was provided by Mr. Horbaczewski.

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

   An update was provided by Mr. Meadows.

7. **Resolution No. 2023-12-1, electing an Assistant Secretary to the Board of Directors.**

   Mr. Ratliff moved, seconded by Mr. Davis, approval of Resolution No. 2023-12-1.

   Motion carried; voting as follows:

Cheek – Aye	Nelson – Aye
Davis – Aye	Ratliff – Aye
Harting – Aye	Register – Aye
Jefferies – Aye	Spurlock – Aye

8. **FY23 Year-end Budget Status Report.**

   An update was provided by Ms. Birkhead.

9. **Resolution No. 2023-12-2, receiving the audited financial statements of the Agency for the fiscal year ended September 30, 2023; and resolving matters incidental and related thereto.**

Mr. Cheek moved, seconded by Ms. Spurlock, approval of Resolution No. 2023-12-2.

Motion carried; voting as follows:

Cheek – Aye	Nelson – Aye
Davis – Aye	Ratliff – Aye
Harting – Aye	Register – Aye
Jefferies – Aye	Spurlock – Aye

10. **Resolution No. 2023-12-3, authorizing a distribution of transmission funds to the Member Cities; and resolving matters incidental and related thereto.**

Ms. Harting moved, seconded by Mr. Nelson, approval of Resolution No. 2023-12-3.

Motion carried; voting as follows:

Cheek – Aye	Nelson – Aye
Davis – Aye	Ratliff – Aye
Harting – Aye	Register – Aye
Jefferies – Aye	Spurlock – Aye

11. **Resolution No. 2023-12-4, approving the annual proportional share calculation of Member City ownership interests in Agency assets; and resolving matters incidental and related thereto.**

Mr. Ratliff moved, seconded by Mr. Nelson, approval of Resolution No. 2023-12-4.

Motion carried; voting as follows:

Cheek – Aye	Nelson – Aye
Davis – Aye	Ratliff – Aye
Harting – Aye	Register – Aye
Jefferies – Aye	Spurlock – Aye

12. **Resolution No. 2023-12-5, authorizing a distribution to the Member Cities of excess funds relating to the Acid Seeps Project; and resolving matters incidental and related thereto.**

Mr. Ratliff moved, seconded by Ms. Harting, approval of Resolution No. 2023-12-5.

Motion carried; voting as follows:

Cheek – Aye	Nelson – Aye
Davis – Aye	Ratliff – Aye
Harting – Aye	Register – Aye
Jefferies – Aye	Spurlock – Aye

13. **Resolution No. 2023-12-6, authorizing a distribution to the Member Cities of proceeds from the sale of environmental credits; and resolving matters incidental and related thereto.**

Mr. Nelson moved, seconded by Ms. Spurlock, approval of Resolution No. 2023-12-6.

Motion carried; voting as follows:

Cheek – Aye	Nelson – Aye
Davis – Aye	Ratliff – Aye
Harting – Aye	Register – Aye
Jefferies – Aye	Spurlock – Aye

14. Executive Session.

Mr. Jefferies announced that the Board would convene in executive session pursuant to Section 551.071 Government Code.

The open session was recessed, and the executive session was called to order by Mr. Jefferies at 10:19 AM.

The open session resumed at 10:40 AM.

15. Future Meeting Dates.

By general consensus of the Board, the next Board meeting is tentatively set for February 8, 2024.

16. Adjourn

By general consensus of the Board, the meeting adjourned at 10:43 AM.

February 8, 2024

AGENDA ITEM NO. 2

SUBJECT: Planning & Operating report relating to the results of the February 8, 2024 Planning & Operating Committee meeting.

DISCUSSION: The P&O Committee Chair will present major discussion topics and action items taken at the February 8, 2024 meeting.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Darrell Cline
2/8/2024

February 8, 2024

AGENDA ITEM NO. 3

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 Report
2) Transmission Capital Project Status Report

ACTION REQUESTED: None

Steve Martin
1/24/2024

TRANSMISSION OPERATIONS STATUS REPORT

January 24, 2024

Outage Summary:
During the months of November and December 2023, TMPA had 8 planned outages on the 345kV system, 22 planned outages on the 138kV system and 0 planned outages on the 69kV system. There was one forced extension on the 345kV system, and none on the138kV or 69kV system. There were 2 unplanned outages on the 345kV and none on the 138kV or 69kV system.

The two unplanned outages and forced extension are outlined below:

12/22/23 Gibbons Creek Breakers 5050 & 5060 locked out at 08:39. They were closed back at 08:42. There was heavy fog in the area and buzzard contamination on the insulators.

12/22/23 Jack Creek Breakers 5050 & 5030 locked out at 10:01. They were closed back at 12:03. There was heavy fog in the area and buzzard contamination on the insulators.

11/09/23 The forced extension was on GCSW 5032 on the Gibbons Creek to Jack Creek 345kV line. The extension was needed to allow extra time for testing of the Wavetrap/Carrier equipment on the line. The switch was returned to service on 11/09/23.

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

Steve Martin
Matt Carter
1/24/24

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	5	3	9	6	0	2	1	1	7	**45**
138 Kv	2	1	4	8	2	3	6	0	4	5	7	15	**57**
69 Kv	1	0	1	2	0	0	0	0	0	0	0	0	**4**
Devices requested													**106**
Un-Planned Outages													
345 Kv	0	0	0	0	0	0	0	0	1	0	0	2	**3**
138 Kv	0	0	0	0	1	1	2	1	2	0	0	0	**7**
69 Kv	0	0	0	0	0	0	0	0	0	0	0	0	**0**
													10
Forced Extension Outages													
345 Kv	0	0	0	0	0	0	0	0	0	1	1	0	**2**
138 Kv	0	0	0	0	0	0	0	0	0	0	0	0	**0**
69 Kv	0	0	0	0	0	0	0	0	0	0	0	0	**0**
													2

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

Steve Martin
1/24/24

TRANSMISSION FIVE-YEAR PROJECTS PLAN STATUS REPORT

January 2024

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 2024 through 2028. 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 is given.

Steve Martin
1/24/24

Transmission Project Status Report
January 2024

Projects	Priority	Original Proposed Completion Date	Projected or Actual Completion Date	Original Approved Budget/Cost Estimate	Current Approved Budget/Cost Estimate	FY2024	FY2025	FY2026	FY2027	FY2028	Total Estimated Expenditures FY24-FY28	Comments
T13001 Breaker Replacements	H	Sep-17	May-24	$ 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	$ 1,800,000					$ 1,800,000	Use for addition of SCADA to Garland TOP for Bryan East and Dansby.
T20004 Ben Davis Breaker Replacement Project	M	Dec-21	Sep-25	$ 4,290,000	$ 4,290,000	$ 1,347,047	$ 1,300,000				$ 2,647,047	345 kV breakers installed in May 2022. Add Capacitance to 138kV busses.
T21005 Pruitt 138 kV Terminal Addition (Pink Solar)	H	Dec-22	Oct-24	$ 3,700,000	$ 3,700,000	$ 1,000,000	$ 2,500,000	$ 200,000			$ 3,700,000	Inverter change will require new FIS studies. IA will be amended to include Transmission Line.
T21006 Gibbons Creek Decommission Phase 2	M	Sep-21	Jun-24	$ 1,760,000	$ 1,760,000	$ 540,897					$ 540,897	Spring 2024 construction
T22003 Dansby to Steep Hollow T-Line Rebuild	M	Apr-24	Sep-25	$ 21,500,000	$ 21,500,000	$ 11,820,000	$ 7,881,000				$19,701,000	Material and structures on order
T22004 Greenville Intch to Pruitt New Line and Station (Makalu Solar)	H	Oct-23	May-27	$ 12,500,000	$ 12,500,000	$ 200,000	$ 2,000,000	$ 8,100,000	$ 2,000,000		$12,300,000	Study Agreement signed and funded
T22005 Rayburn Country 138kV POI	M	Dec-23	Dec-24	$ 2,750,000	$ 2,750,000	$ 1,750,000	$ 75,000				$ 1,825,000	Design and Procurement complete. All material on-order.
T24001 Brazos Interconnection at West Denton	M	Sep-26	Sep-26	$ 3,530,400	$ 3,530,400	$ 2,401,000	$ 1,129,400				$ 3,530,400	Breakers on-order (~18mo delivery)
T24002 Spencer Intch Transformer/line upgrade	H	May-25	May-24	$ 1,800,000	$ 1,800,000	$ 1,800,000					$ 1,800,000	Target transformer move for Seasonal Mothball of Spencer Generation (Dec 1 - March 31)
				Totals	**$ 71,584,415**	**$ 22,911,944**	**$ 14,885,400**	**$ 8,300,000**	**$ 2,000,000**		**$48,097,344**	

February 8, 2024

AGENDA ITEM NO. 4

SUBJECT: Resolution No. 2024-2-1, amending the FY2024 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Phase Two Gibbons Creek Decommission Transmission Project; and resolving matters incidental and related thereto.

DISCUSSION: As a result of the decommissioning of Gibbons Creek, it is necessary to make modifications to the Gibbons Creek Substation.

Phase One of this project involved the electrical disconnection of the substation from the plant. The second phase, initially authorized in the amount of $1,760,000 in September 2021, involves, among other things, the construction of drainage improvements, the regrading of the site to restore erosion control and improve water flow, the modification of storm water and spill prevention plans, and the modification of electrical connections. Because construction costs for drainage work, grading, and oil containment are anticipated to exceed the original amount budgeted, additional funding is needed to complete this project.

The Resolution increases the amount that is authorized to be expended on this project from $1,760,000 million to $5,910,000.

BACKUP MATERIAL: Capital Proposal

ACTION REQUESTED: Consideration and action on Resolution No. 2024-2-1.

Steve Martin
1/24/2024

RESOLUTION NO. 2024-2-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AMENDING THE FY2024 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY INCREASING THE AMOUNT THAT IS AUTHORIZED TO BE EXPENDED ON THE PHASE TWO GIBBONS CREEK DECOMMISSION TRANSMISSION PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, as a result of the decommissioning of Gibbons Creek Steam Electric Station, the Board previously authorized a project to make modifications to the Gibbons Creek Substation (the "Phase Two Gibbons Creek Decommission Transmission Project");

WHEREAS, additional funding is needed to complete the Phase Two Gibbons Creek Decommission Transmission 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 FY2024 Annual Transmission System Capital Budget is amended by increasing to $5,910,000 the amount that is authorized to be expended on the Phase Two Gibbons Creek Decommission Transmission Project;

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 FEBRUARY 2024.

____
Tom Jefferies, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Andrew Nelson, Secretary
Board of Directors
Texas Municipal Power Agency

TEXAS MUNICIPAL POWER AGENCY
CAPITAL SUPPLEMENTAL UPDATE

PROJECT TITLE:	PROJECT MANAGER:	DATE:
Gibbons Creek Decommission Transmission Phase 2	Tim Littlefield	January 16, 2024

PROJECT NO.	RISK LEVEL:	RISK TYPE:	FERC ACCOUNT:	FUNDING:
T21006				☐ Rate ☑ Debt

SCHEDULE DATES

START DATE: February 2024	**ESTIMATED IN-SERVICE DATE:** October 2024

☑ **Capital**	☐ **Annual Need** ☑ **One Time Need** ☐ **Cyclical Need**	Capital Plan Year: 2024

Total Costs:	Previously Approved:					
$5,910,000	$ 1,760,000	FY24 $ 4,150,0	FY25	FY26:	FY27:	FY28:

UPDATED DESCRIPTION OF PROJECT:

The scope of this project modifies Transmission assets in the Gibbons Creek Station due to the decommissioning of Power Production. This is the second phase of this project to modify electrical connection, relaying, and storm water and spill prevention plans. Significant drainage improvements are required. This includes installing drainage pipe, regrading the site to restore erosion and improve water flow, and installing a custom SCM Flow solution for transformer oil containment.

IMPLICATION CHANGES:

1. Change in Environmental Impact?	Yes	☑	No	☐
2. Change in Safety Impact?	Yes	☐	No	☑
3. Change in Purchasing Implications?	Yes	☐	No	☑

If yes to any question, review by appropriate department required.

TEXAS MUNICIPAL POWER AGENCY
CAPITAL SUPPLEMENTAL UPDATE

COST ESTIMATES

	ORIGINAL ESTIMATE	REVISIONS	NEW ESTIMATE
Costs: Current Year Only			
TMPA Labor Hours =			
TMPA Labor	$	$ 150,000	$ 150,000
Materials	$ 250,000	$	$ 250,000
Contract Services	$ 1,050,000	$ 4,000,000	$ 5,050,000
Engineering Consultant	$ 300,000	$	$ 300,000
Misc. Expenses	$ 160,000	$	$ 160,000
Labor Loadings (50%)	$	$	$ 0
TOTAL	$ 1,760,000	$ 4,150,000	$ 5,910,000

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

Level of Estimate: P1 ☐ P2 ☑ P3 ☐

Over $100K in professional services ☑ Yes ☐ No

EXPLANATION FOR REVISIONS:

Expected construction costs for drainage, grading and oil containment exceeded original budget. Internal GPL crew(s) will complete the remaining electrical work.

SIGNATURES

Project Manager: Tim Littlefield	**Date:**
Supervisor:	**Date:** 1-18-2024
Division Manager: Steve Martin	**Date:** 1-18-2024
General Manager:	**Date:**

Budgeting: _____

TEXAS MUNICIPAL POWER AGENCY
CAPITAL SUPPLEMENTAL UPDATE

DATE: January 16, 2024	**PROJECT TITLE:** Gibbons Creek Decommission Transmission Pl
PROJECT MANAGER: Tim Littlefield	
START DATE: February 2024	**ESTIMATED IN-SERVICE DATE:** October 2024

PURCHASING IMPLICATIONS:

1. Will professional services such as Architectural, Engineering, or Surveying be required?	**Yes**	☑	**No**	☐
(If over $100,000 relating to Architectural and Engineering Services, will require Board approval)				
2. Is this project construction of an improvement greater than $20,000?	**Yes**	☑	**No**	☐
(Reference Purchasing's Competitive Bidding Procedure)				
3. Will installation contract costs be greater than $25,000 to any contractor?	**Yes**	☑	**No**	☐
A Payment Bond will be required if the contract cost is between $25,000 and $99,999.99				
4. Will installation contract costs be greater than $100,000 to any contractor?	**Yes**	☑	**No**	☐
A Performance Bond and Payment Bond will be required if the contract cost is greater than $100,000				
5. Is this project schedule critical (Fast Track, Critical Path)?	**Yes**	☐	**No**	☑
6. Will equipment purchase be greater than $250,000 to any vendor?	**Yes**	☐	**No**	☑
7. Will installation contract costs be greater than $250,000 to any contractor?	**Yes**	☑	**No**	☐
8. Will scrap, surplus and salvage equipment and materials be involved?	**Yes**	☑	**No**	☐
(Reference Investment Recovery Procedure IR-0003)				
If yes to any question, Purchasing review is required.				

Comments:

_______________________________ Date: _______________

Procurement Manager

February 8, 2024

AGENDA ITEM NO. 5

SUBJECT: Resolution No. 2024-2-2, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the Shelby to Nevada Transmission Line Extension Project; and resolving matters incidental and related thereto.

DISCUSSION: GEUS is in the process of upgrading its system to include 138 kV assets. As part of this effort, it is necessary to extend, for about 0.4 miles, TMPA's existing 138 kV Shelby to Nevada transmission line to an existing GEUS substation. Additional right of way will need to be acquired for this Project.

This Resolution amends the Annual Transmission System Capital Budget by appropriating $2,700,000 for this Project.

BACKUP MATERIAL: Capital Proposal

ACTION REQUESTED: Consideration and action on Resolution No. 2024-2-2.

RESOLUTION NO. 2024-2-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AMENDING THE FY2024 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY APPROPRIATING FUNDS FOR THE SHELBY TO NEVADA TRANSMISSION LINE EXTENSION PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Greenville Electric Utility System ("GEUS") is upgrading its transmission system to include 138 kV assets;

WHEREAS, in order to accommodate the above efforts, it is necessary to extend TMPA's 138 kV Shelby to Nevada Transmission Line to interconnect with an existing GEUS substation (the "Shelby to Nevada Transmission Line Extension 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 FY2024 Annual Transmission System Capital Budget is amended by appropriating $2,700,000 for the Shelby to Nevada Transmission Line Extension Project;

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 FEBRUARY 2024.

____
Tom Jefferies, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Andrew Nelson, Secretary
Board of Directors
Texas Municipal Power Agency

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROPOSAL

PROJECT TITLE:	PROJECT MANAGER:	DATE:
GEUS Interconnection Request - Industrial Park	Kevin Saygi	January 8, 2024

PROJECT NO.	RISK LEVEL:	RISK TYPE:	FERC ACCOUNT:	FUNDING: ☐ Rate ☐ Debt

SCHEDULE DATES

START DATE: March 2024	**ESTIMATED IN-SERVICE DATE:** October 2025

☑ **Capital**	☐ **Annual Need** ☑ **One Time Need** ☐ **Cyclical Need**	Capital Plan Year: 2024

Total Cost:	Prev Amt Appr:	FY24:	FY25:	FY26:	FY27:
$2,700,000		$ 700,000	$ 2,000,000		

DESCRIPTION OF PROJECT:

Extend the 138kV Nevada to Shelby transmission to an upgraded Industrial Park station to provide a 138kV interconnection with GEUS. The existing line would be bisected between structures 18/4 and 18/5 and TMPA would construct an "in and out" connection to Industrial Park on double circuit structures. The "in and out" extention would be approximately 0.4 miles in length and would require the acquisition of new ROW. A CCN should not be required due to the extention being less than the exemption allowed by the PUCT.

PROJECT BENEFITS & JUSTIFICATION (OUTCOME):

GEUS has requested an interconnection with TMPA on the 138kV Nevada to Shelby line at structures 18/4 and 18/5. TMPA will provide a double circuit line to connect the GEUS Industrial Park station creating Nevada to Industrial and Industrial to Shelby 138kV transmission lines.

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROPOSAL

BACKGROUND:

GEUS is upgrading their electric system to include 138kV. This project is in response to the GEUS interconnect request dated 9-12-2023.

ALTERNATIVES:

1. GEUS constructs the In/Out from Industrial to structures 18/4 and 18/5

2.

3.

COST/BENEFIT WORKSHEET

ECONOMIC ASSESSMENT:

Costs: Current Year Only

Costs			Benefits:$/Year
TMPA Labor Hours =			
TMPA Labor	**$**	25,000	**Reliability -**
Materials	**$**	700,000	**Capability -**
Contract Services	**$**	1,400,000	**Labor Savings -**
Engineering Consultant	**$**	300,000	**Heat Rate Improvement -**
Misc. Expenses	**$**	275,000	**Non Labor O&M Savings -**
Labor Loadings (50%)	**$**		**Total Benefit $**
TOTAL	**$**	2,700,000	**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: 40 yrs

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

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROPOSAL

ASSUMPTIONS:

CCN not required.
ROW can be acquired without condemnation.

If alternative #1 is selected, project costs would change as follows:

Materials - $250,000
Contract Services - $600,000
Engineering Consultant - $50,000
Misc. Expenses - $50,000

Total - $950,000

SIGNATURES	
Project Manager:	**Date:** 1-24-2024
Supervisor:	**Date:** 1-24-2024
Division Manager: Steve Martin	**Date:** 1-24-2024
General Manager:	**Date:**

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROPOSAL

DATE: January 8, 2024	**PROJECT TITLE:** GEUS Interconnection Request - Industrial Park
PROJECT MANAGER: Kevin Saygi	
START DATE: March 2024	**ESTIMATED IN-SERVICE DATE:** October 2025

PURCHASING IMPLICATIONS:

	Yes		No	
1. Will professional services such as Architectural, Engineering, or Surveying be required?	**Yes**	☑	**No**	☐
(If over $100,000 relating to Architectural and Engineering Services, will require Board approval)				
2. Is this project construction of an improvement greater than $20,000?	**Yes**	☑	**No**	☐
(Reference Purchasing's Competitive Bidding Procedure)				
3. Will installation contract costs be greater than $25,000 to any contractor?	**Yes**	☑	**No**	☐
A Payment Bond will be required if the contract cost is between $25,000 and $99,999.99				
4. Will installation contract costs be greater than $100,000 to any contractor?	**Yes**	☑	**No**	☐
A Performance Bond and Payment Bond will be required if the contract cost is greater than $100,000				
5. Is this project schedule critical (Fast Track, Critical Path)?	**Yes**	☐	**No**	☑
6. Will equipment purchase be greater than $250,000 to any vendor?	**Yes**	☑	**No**	☐
7. Will installation contract costs be greater than $250,000 to any contractor?	**Yes**	☑	**No**	☐
8. Will scrap, surplus and salvage equipment and materials be involved?	**Yes**	☑	**No**	☐
(Reference Investment Recovery Procedure IR-0003)				

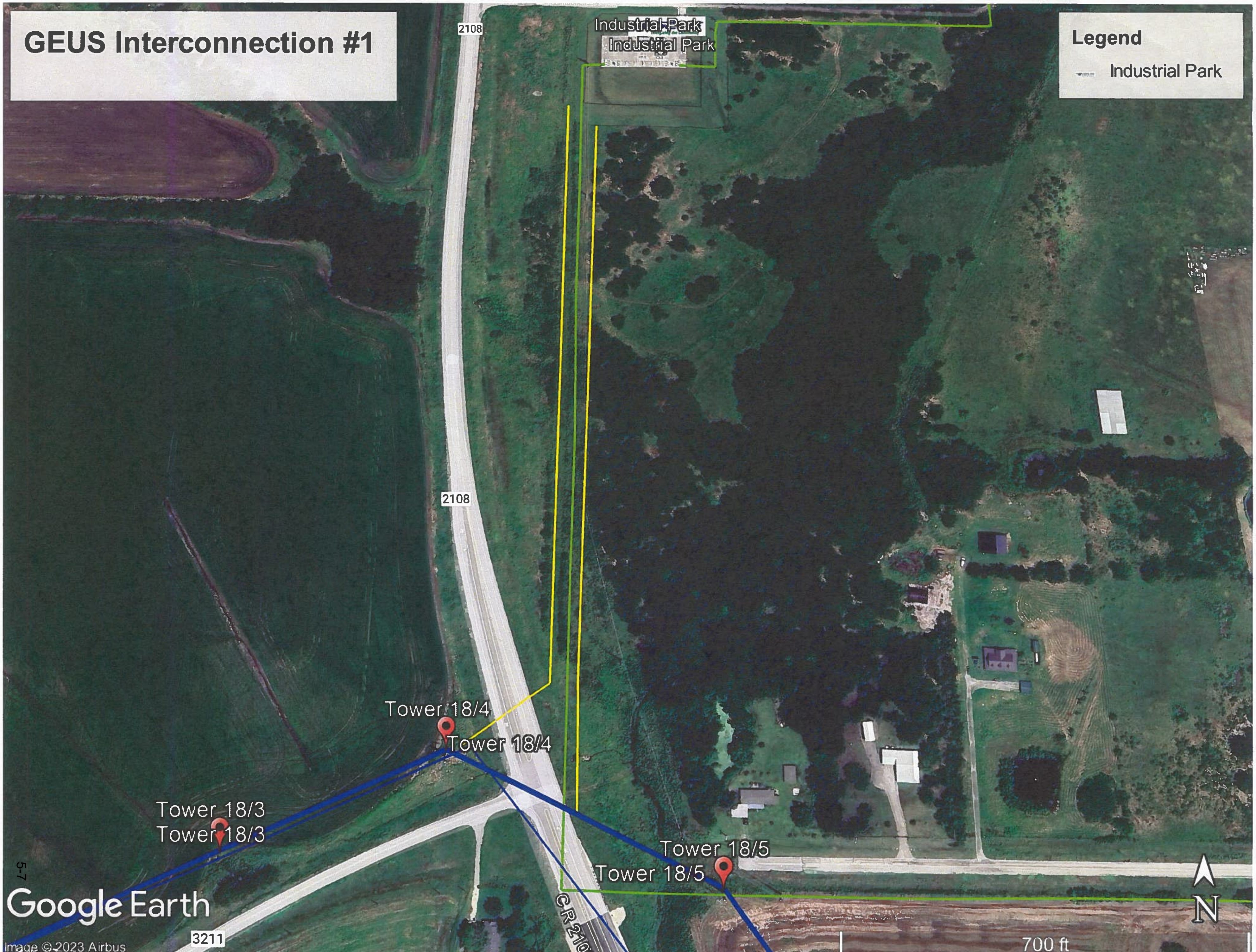
If yes to any question, Purchasing review is required.

Comments:

______________________________ Date: ______________

Procurement Manager

GEUS Interconnection #1



February 8, 2024

AGENDA ITEM NO. 6

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

DISCUSSION:

Status of Bond Release in Permit 38D

All the land in Permit 38D (3,900 acres) has been fully released from bond except for 75 acres:

- Seep 9A (67 acres)
- Seep 1A (5 acres)
- Mine Reclamation Shop (3 acres).

Seep 9A Area (67 acres)

The Seep 9A mitigation project started in July 2022 and was completed in August 2023. TMPA is preparing a bond release application for the side slopes (approximately 45 acres) in this area (Figure 1). Bond release of the flatter, bottom area (approximately 22 acres) will be requested once there is an adequate vegetative cover (including woody vegetation).

Figure 1 – Middle section of Seep 9A drainage, reclaimed in 2022
(view north, 12/20/23)

Vegetation in the bottom area is becoming established relatively quickly as evident in the growth during just one year (Figure 2).

Figure 2 – Seep 9A – arrow divides reclamation in 2022 (left) from 2023 (right)
(view southwest, 12/20/23)

Rain that started on 01/22/24 has totaled about 8 inches as of 01/24/24. The berms that were constructed with rock and silt fences to control rainfall runoff have been effective at controlling erosion (Figure 3).

Figure 3 – Lowermost berm with greatest flow in Seep 9A drainage
(Green stand-pipe marks location of original V-notch weir monitoring station;
view south, 01/24/24 at 9:45 AM)

Preliminary results of the treated water (now flowing underground and no longer visible at the surface), are encouraging with pH values at neutrality. TMPA will continue monitoring to acquire sufficient data in support of full bond release.

<u>Seep 1A Area (5 acres)</u>

The Seep 1A mitigation project started in August 2023 and was completed in November 2023. The reclaimed area has started greening up (Figure 4).

Figure 4 – Seep1A – buried French drain (left) and buried gravel bed (right)
(view southwest, 12/20/23)

Preliminary results of the treated water at Seep 1A are also encouraging with pH values at neutrality. As with Seep 9A, TMPA will continue monitoring to acquire sufficient data in support of full bond release.

Sale of Pond SP-50 Property (723 acres)

Discussions with the real estate broker (Republic Ranches) and Tim Walton (TMPA's real estate consultant) suggest that the condition of the Pond SP-50 property be evaluated in spring 2024.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Jan K. Horbaczewski
01/24/24

February 8, 2024

AGENDA ITEM NO. 7

SUBJECT: Status report relating to environmental and regulatory compliance matters

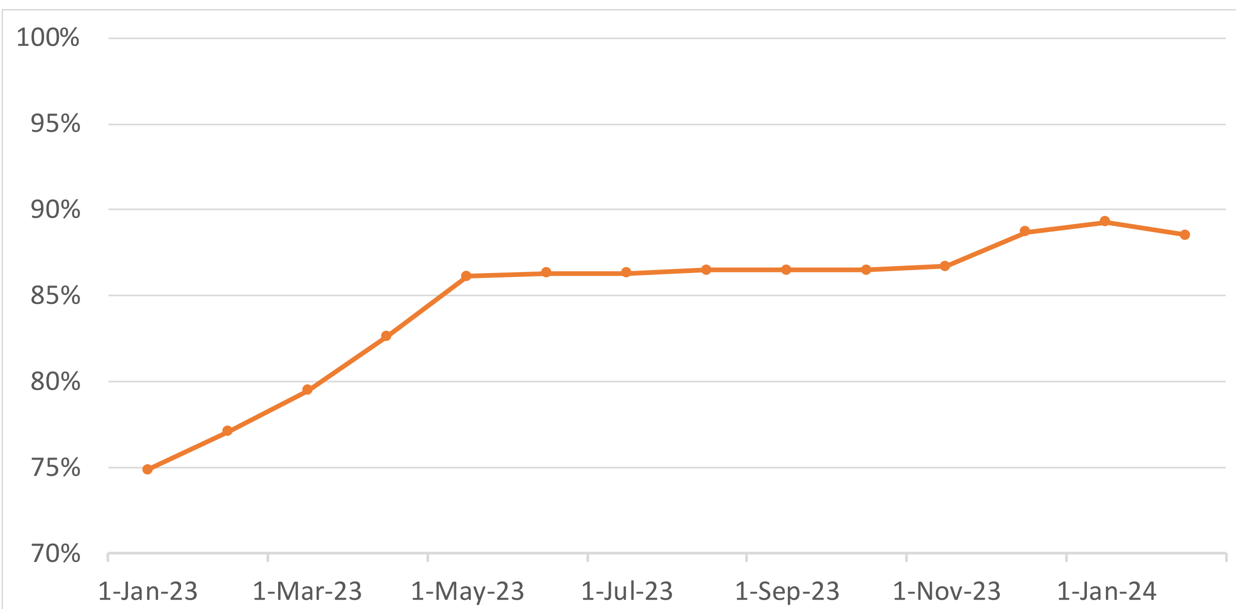
DISCUSSION: On February 10, 2021, the sale of GCSES and Gibbons Creek Reservoir to Gibbons Creek Environmental Redevelopment Group, LLC (GCERG) was finalized.

Remediation and Demolition of Gibbons Creek

The physical work was recently projected by GCERG to be complete in January 2024. Wet weather in December and early-January slowed work progress, and heavy rains totaling 8 to 10 inches at the end of January have caused extensive erosion issues at Site A Landfill. While the schedule impact is not known at the time of this report, repairs will likely extend well into the summer. Regulatory Closure for all areas is not expected to be achieved until late-Summer 2024 at the earliest.

TMPA estimates that the project is 89% complete, including final administrative and regulatory tasks. Figure 1 shows the completion progress since January 2023 as calculated by TMPA.

Figure 1 – Completion Percentage Over the Course of the Remediation Project



Update of the Physical Remediation Work by Area

- Site A Landfill remediation was essentially complete in mid-January 2024, but erosion due to heavy rains at the end of January erased the progress made over the last 6-8 months. TMPA projects Site A Landfill at 87% complete. Photo 1 shows the state of vegetation on the top and the in-progress repair of the side slopes as of December 2023 before the heavy rains. A photo of the recent stormwater erosion will be provided in an upcoming Board update.

Photo 1: Site A Landfill – Vegetation becoming established on top and repairs to side slopes in progress (December 2023)

- GCERG projects that the landfill will continue to produce leachate for the next 1 to 2 years. GCERG is completing the construction of a collection system that will remain in place until there is no more leachate.
- Site F Landfill remediation is about 86% complete. Work progress resumed in mid-November and is projected to be complete in March 2024.
- GCERG has announced that they will have personnel onsite until May 2024.

Performance to Schedule and Escrow Payments

In December 2023, GCERG received their first escrow payment since July 2023. The Escrow Balance is currently at $3.75 million (see Figure 2 below). There is a requirement in the APA preventing the Escrow Balance from decreasing below $2.85 million until TMPA certifies that all post-closure bonds are in place as required by the APA. Therefore, GCERG is only eligible to receive an additional $0.9 million from now until they receive the final escrow payment which will likely be in late-2024.

Regulatory Closure Update and Post-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 Leachate Ponds. At this time, there is no indication that GCERG is close to obtaining Regulatory Closure on any part of the project.

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.

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. See Figure 2. As of the end of January 2023 (Period Ending 10-Feb-24; column F in Figure 2), TMPA calculates the Remaining Closure Cost to be about $6.2 million. The current determination is that the Total Security Available (Column G) is $34.0 million greater than the Remaining Closure Costs. Column C-1 shows the Escrow releases each period. The missed payments are shaded orange.

Figure 2 - 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	Regulatory Closure Bond Amount	**Total Security Available**	**Remaining Closure Cost Estimate** (based on	Difference (Total Security - Remaining Closure
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	6,714,377	839,588	36,500,000	**43,214,377**	**11,100,000**	32,114,377
26	10-Apr-23	5,874,847	839,588	36,500,000	**42,374,847**	**9,400,000**	32,974,847
27	10-May-23	5,035,303	839,588	36,500,000	**41,535,303**	**7,500,000**	34,035,303
28	10-Jun-23	5,035,338	-	36,500,000	**41,535,338**	**7,400,000**	34,135,338
29	10-Jul-23	4,195,791	839,588	36,500,000	**40,695,791**	**7,400,000**	33,295,791
30	10-Aug-23	4,195,821	-	36,500,000	**40,695,821**	**7,300,000**	33,395,821
31	10-Sep-23	4,195,858	-	36,500,000	**40,695,858**	**7,300,000**	33,395,858
32	10-Oct-23	4,195,888	-	36,500,000	**40,695,888**	**7,300,000**	33,395,888
33	10-Nov-23	4,195,923	-	36,500,000	**40,695,923**	**7,200,000**	33,495,923
34	10-Dec-23	4,195,923	-	36,500,000	**40,695,923**	**6,100,000**	34,595,923
35	10-Jan-24	3,747,923	448,000	36,500,000	**40,247,923**	**5,800,000**	34,447,923
36	10-Feb-24	3,747,923	-	36,500,000	**40,247,923**	**6,200,000**	34,047,923

BACKUP MATERIAL: None

ACTION REQUESTED: None

Daniel Meadows
1/31/2024

February 8, 2024

AGENDA ITEM NO. 8

SUBJECT: FY24 First Quarter Budget Status Report

DISCUSSION: This report, along with the attachments, provides a comparison of actual cost performance to budgets (approved 6/8/23) for each business unit of TMPA as of the end of Q1, 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	$506	$514	$8	1.6%
Other Revenues Excluding City Billings	($15)	($30)	($15)	(105.6%)
Total Budget Variance			**($8)**	**(1.5%)**

MINE – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$735	$651	($84)	(11.4%)
Other Revenues Excluding City Billings	($23)	($30)	($7)	(31.3%)
Total Budget Variance			**($91)**	**(12.7%)**

TRANSMISSION – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$6,835	$6,483	($353)	(5.2%)
Fixed Costs - Debt	$18,224	$16,662	($1,562)	(8.6%)
Other Revenues	($34,649)	($36,510)	($1,861)	(5.4%)
Total Budget Variance			**($3,775)**	**(39.4%)**
Debt Service Coverage	1.25X	2.28X		Exceeds requirement

A&G costs are projected to be under budget ($398K) primarily due to reduced labor charges following Bob and Tracy's departures from TMPA and reduced insurance premiums for general coverages.

Generation Division - Total Costs are projected to be under budget by $8K in FY24. There are no significant variances to discuss at this time.

Mine Division - Total Costs are projected to be under budget by $91K in FY24. There are no significant variances to discuss at this time.

Transmission Division - Total Costs are projected to be under budget by $3.8M in FY24.

1. Debt Service - Bonds are $1.7M lower as the budget anticipated a bond issuance in FY24 that should not be necessary until FY25. Capital spending and the remaining capacity of the Note Program continue to be monitored closely.
2. Revolving Notes Interest is $109K higher as interest rates have risen over the last year.
3. Transmission System Revenue is $1.7M higher as the 2023 Average 4CP was higher than estimated.
4. Interest Income is $127K higher as interest rates have risen over the last year.

NOTE: There is no FY24 charge to the Member Cities for the Transmission division since revenues exceeded expenses.

BACKUP MATERIAL: Attachment A: Generation FY24 Q1 Rate Sheet
Attachment B: Mine FY24 Q1 Rate Sheet
Attachment C: Transmission FY24 Q1 Rate Sheet

ACTION REQUESTED: None

Lyndi Birkhead
1/31/2024

Generation

ATTACHMENT A

FY24 Q1 Key Budget Driver Rate Sheet
FY24 Approved Budget Compared to YTD December Actual and to Year-end Projection

	FY24 Budget Approved 6/8/23 YTD December	FY24 Actual YTD December	(Under) Over Budget	Percentage Change	FY24 Budget Approved 6/8/23	FY24 Year-end Projection as of December	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	42,289	40,132	(2,157)	-5.1%	193,671	203,370	9,699	5.0%
S02 Consulting Services	31,250	23,122	(8,128)	-26.0%	85,000	85,000	-	0.0%
S04 Legal Services	15,000	17,341	2,341	15.6%	60,000	60,000	-	0.0%
Other Fixed Costs - Non-Debt	3,313	127	(3,186)	-96.2%	8,803	8,803	-	0.0%
Allocation of A&G	40,133	36,949	(3,184)	-7.9%	158,743	156,910	(1,833)	-1.2%
TOTAL FIXED COSTS	**$ 131,985**	**$ 117,670**	**$ (14,315)**	**-10.8%**	**$ 506,217**	**$ 514,083**	**$ 7,866**	**1.6%**
Other Revenues								
I73 Interest Income	(5,865)	(14,012)	(8,146)	-138.9%	(14,595)	(30,000)	(15,405)	-105.6%
TOTAL OTHER REVENUES	**$ (5,865)**	**$ (14,012)**	**$ (8,146)**	**-138.9%**	**$ (14,595)**	**$ (30,000)**	**$ (15,405)**	**-105.6%**
TOTAL COSTS	**$ 126,120**	**$ 103,658**	**$ (22,461)**	**-17.8%**	**$ 491,623**	**$ 484,083**	**$ (7,539)**	**-1.5%**

	Budget Approved in FY23**	Actual Spent in FY23	Actual Spent in FY24 as of 12/31/23	Reserved Balance as of 12/31/23***
Site F Landfill Legal Costs*	500,000	116,565	9,121	374,314

** Expenses, up to the approved $500K, do NOT impact the FY24 budget and are NOT included in the analysis above.*

*** In FY23, $500K was budgeted specifically for legal costs related to the Site F Landfill litigation.*

**** TMPA will retain funds until (i) funds are exhausted or (ii) litigation is settled (any remaining funds will be reimbursed to the Cities).*

Mine

ATTACHMENT B

FY24 Q1 Key Budget Driver Rate Sheet

FY24 Approved Budget Compared to YTD December Actual and to Year-end Projection

	FY24 Budget Approved 6/8/23 YTD December	FY24 Actual YTD December	(Under) Over Budget	Percentage Change	FY24 Budget Approved 6/8/23	FY24 Year-end Projection as of December	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	9,759	7,898	(1,861)	-19.1%	36,248	36,248	-	0.0%
M44 Mine Maintenance	48,750	21,903	(26,847)	-55.1%	165,000	135,000	(30,000)	-18.2%
R51 Contractor Maintenance	8,750	662	(8,088)	-92.4%	35,000	65,000	30,000	85.7%
S02 Consulting Services	41,250	31,685	(9,565)	-23.2%	165,000	165,000	-	0.0%
S04 Legal Services	16,250	8,495	(7,755)	-47.7%	65,000	65,000	-	0.0%
Other Fixed Costs - Non-Debt	9,070	18,958	9,888	109.0%	20,295	20,295	-	0.0%
Allocation of A&G	62,811	38,815	(23,996)	-38.2%	248,444	164,836	(83,608)	-33.7%
TOTAL FIXED COSTS	**$ 196,640**	**$ 128,416**	**$ (68,224)**	**-34.7%**	**$ 734,987**	**$ 651,379**	**$ (83,608)**	**-11.4%**
Other Revenues								
I76 Interest Income	(9,180)	(14,720)	(5,540)	-60.3%	(22,842)	(30,000)	(7,158)	-31.3%
TOTAL OTHER REVENUES	**$ (9,180)**	**$ (14,720)**	**$ (5,540)**	**-60.3%**	**$ (22,842)**	**$ (30,000)**	**$ (7,158)**	**-31.3%**
TOTAL COSTS	**$ 187,460**	**$ 113,696**	**$ (73,763)**	**-39.3%**	**$ 712,145**	**$ 621,379**	**$ (90,766)**	**-12.7%**

	Project Balance as of 9/30/23	Actual Spent in FY24	Reimb. To Member Cities on 12/18/23	Project Balance as of 12/31/23**
Acid Seep Project*	263,734	88,212	175,522	-

** Expenses for the Project do NOT impact the FY24 budget and are NOT included in the analysis above.*

*** As of 12/18/23, this project is closed. No further reporting will be made going forward.*

Transmission

ATTACHMENT C

FY24 Q1 Key Budget Driver Rate Sheet

FY24 Approved Budget Compared to YTD December Actual and to Year-end Projection

	FY24 Budget Approved 6/8/23 YTD December	FY24 Actual YTD December	(Under) Over Budget	Percentage Change	FY24 Budget Approved 6/8/23	FY24 Year-end Projection as of December	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	161,750	193,756	32,006	19.8%	674,299	674,299	-	0.0%
R06 Bank Charges	27,500	14,766	(12,734)	-46.3%	120,500	90,000	(30,500)	-25.3%
R41 Property Insurance	149,402	147,828	(1,574)	-1.1%	597,609	597,609	-	0.0%
R51 Contractor Maintenance	322,656	313,935	(8,721)	-2.7%	1,534,000	1,484,000	(50,000)	-3.3%
S02 Consulting Services	-	11,703	11,703	-100.0%	-	40,000	40,000	-100.0%
S04 Legal Services	38,750	28,091	(10,659)	-27.5%	190,000	190,000	-	0.0%
Other Fixed Costs - Non-Debt	374,130	376,150	2,020	0.5%	1,408,451	1,408,451	-	0.0%
Allocation of A&G	584,140	470,551	(113,590)	-19.4%	2,310,537	1,998,296	(312,241)	-13.5%
Subtotal Fixed Costs - Non-Debt	**$ 1,658,328**	**$ 1,556,779**	**$ (101,549)**	**-6.1%**	**$ 6,835,396**	**$ 6,482,655**	**$ (352,741)**	**-5.2%**
R57-R58 Debt Service - Bonds	2,942,109	2,942,109	0	0.0%	13,439,108	11,768,155	(1,670,953)	-12.4%
R55 Revolving Notes Interest	322,677	360,296	37,619	11.7%	1,290,706	1,400,000	109,294	8.5%
R62 Debt Coverage Payment	873,542	873,542	-	0.0%	3,494,168	3,494,168	-	0.0%
Subtotal Fixed Costs - Debt	**$ 4,138,328**	**$ 4,175,947**	**$ 37,620**	**0.9%**	**$ 18,223,983**	**$ 16,662,323**	**$ (1,561,660)**	**-8.6%**
TOTAL FIXED COSTS	**$ 5,796,656**	**$ 5,732,726**	**$ (63,930)**	**-1.1%**	**$ 25,059,379**	**$ 23,144,979**	**$ (1,914,400)**	**-7.6%**
Other Revenues								
I50 Transmission System Revenue	(8,351,659)	(8,351,646)	13	0.0%	(33,907,736)	(35,641,520)	(1,733,784)	-5.1%
I70-I75 Interest Income	(177,096)	(281,477)	(104,381)	-58.9%	(646,608)	(773,264)	(126,656)	-19.6%
Other Revenue	16,529	10,868	(5,660)	34.2%	(94,318)	(94,786)	(468)	-0.5%
TOTAL OTHER REVENUES	**$ (8,512,227)**	**$ (8,622,255)**	**$ (110,028)**	**-1.3%**	**$ (34,648,662)**	**$ (36,509,570)**	**$ (1,860,908)**	**-5.4%**
TOTAL COSTS / (REVENUES)	**$ (2,715,571)**	**$ (2,889,529)**	**$ (173,957)**	**6.4%**	**$ (9,589,283)**	**$ (13,364,591)**	**$ (3,775,308)**	**-39.4%**

February 8, 2024

AGENDA ITEM NO. 9

SUBJECT: FY25 Budget Plan

DISCUSSION: The FY25 budget cycle will kick off following this meeting as we obtain direction from the P&O Committee and Board. Staff proposes the following assumptions:

- Like last year, a 10-year pro forma will be provided for each business unit – Generation, Mine, and Transmission.
- Generation activities, namely environmental and compliance, will continue until the dissolution of TMPA.
- Mine activities will continue related to the maintenance of the remaining bonded acreage, namely the acid seeps.
- Transmission will remain with TMPA for the foreseeable future. The Cities may opt to make decisions regarding the Transmission business at any time.
- Daniel Meadows, General Manager, will continue to oversee all Generation and Mine activities. His time will also be partially allocated to Transmission and to A&G for general TMPA work. He will be retained until TMPA is dissolved.
- Debbie Evans, Accounts Payable/Document Control Specialist, will retire at the end of FY25. Her position will be absorbed by Susie Johnson, Executive Administrator, beginning in FY26.
- Remaining A&G staff (4) will be retained until TMPA is dissolved. This includes:
    - Lyndi Birkhead, Director of Finance & Support Services
    - Gwen Conlee, General Accountant
    - Troy Brown, IT Specialist, and
    - Susie Johnson, Executive Administrator.

Staff proposes the attached FY25 budget schedule.

Once the budget review process begins, like last year, the review sequence will be: Financial Working Group, P&O Committee, Audit and Budget Committee, Board of Directors.

BACKUP MATERIAL: FY25 Budget Schedule

ACTION REQUESTED: Guidance on the FY25 budget schedule and proposed assumptions.

Lyndi Birkhead
1/31/24

FY25 BUDGET SCHEDULE

FY25 Budget Kick-off 2/13/24

RA Managers Finalize Budgets 3/05/24

Email DRAFT ONE to Senior Managers 3/12/24

Senior Manager Review Meeting 3/19/24

Email DRAFT TWO to Senior Managers 3/26/24

Senior Manager Review Meeting 4/02/24

Release to FWG 4/08/24

FWG Zoom Meeting 4/17/24

Proposed P&O Zoom Meeting 5/15/24

Proposed ABC Zoom Meeting 5/29/24

Board Meeting – Approve FY25 Budget 6/13/24

February 8, 2024

AGENDA ITEM NO. 10

SUBJECT: Resolution No. 2024-2-3, relating to the annual review of the Agency's Investment Policy; and resolving matters incidental and related thereto.

DISCUSSION: The Public Funds Investment Act (the "Act") requires the Agency to review its Investment Policy each year, adopt a resolution each year stating that the Policy, including investment strategies contained therein, have been reviewed and, if changes to the Investment Policy are needed, to record the changes in the Resolution. The purpose of this Resolution is to satisfy these requirements.

Staff engaged Hilltop Securities to perform a review of the Agency's Investment Policy to ensure compliance with the Act. Since there have been no changes to the Act subsequent to the last review of the Investment Policy, the Policy remains in compliance with the Act, and no changes to the Policy are recommended at this time.

BACKUP MATERIAL: Exhibit A to Resolution 2024-2-3

ACTION REQUESTED: Consideration and action on Resolution No. 2024-2-3

Lyndi Birkhead
1/31/2024

RESOLUTION NO. 2024-2-3

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") RELATING TO THE ANNUAL REVIEW OF THE AGENCY'S INVESTMENT POLICY; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Public Funds Investment Act requires the Board (i) to conduct an annual review of the Agency's Investment Policy, (ii) to state, through formal action, that the Board has conducted its annual review of the Agency's Investment Policy, and (iii) if changes are needed, to record changes to the Investment Policy;

WHEREAS, the Board desires to comply with the Public Funds Investment Act through adoption of this Resolution;

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 Board has conducted the annual review of the Investment Policy, attached as Exhibit "A", including the investment strategies contained therein, and has determined that no changes are needed;

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 FEBRUARY 2024.

____
Tom Jefferies, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Andrew Nelson, Secretary
Board of Directors
Texas Municipal Power Agency

Exhibit A

TEXAS MUNICIPAL POWER AGENCY

INVESTMENT POLICY

Reviewed and Adopted:

February 8, 2018

PREFACE

It is the policy of Texas Municipal Power Agency (the "Agency") that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and the adopted Investment Policy including the Investment Strategy Statement. The purpose of this Investment Policy is to establish cash management and investment guidelines for the transfer and investment of Agency funds with emphasis on safety and liquidity.

Effective cash management is recognized as essential to good fiscal management. Aggressive cash management and effective investment strategy development will be pursued to take advantage of interest earnings as viable and material revenue to all Agency funds. The Agency's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with this Investment Policy.

Investment shall be made with the primary objectives of:

- Preservation of capital
- Safety of Agency funds
- Maintenance of sufficient liquidity
- Maximization of return within acceptable risk constraints
- Diversification of investments

INVESTMENT POLICY

TABLE OF CONTENTS

I. PURPOSE

A. Formal Adoption

This Investment Policy is authorized by the Texas Municipal Power Agency Board of Directors in accordance with Chapter 2256, Texas Government Code, the Public Funds Investment Act.

B. Scope

This Investment Policy applies to the investment activities of all funds of the Agency, except those monies held in the TMPA Employees Pension Plan Fund which are directed by the Pension Plan Trustee Committee and except any monies held in a Section 457 deferred compensation plan. The management of proceeds from the sale of bonds to establish the Agency's Self-Insurance and Risk Management Program are also exempted from this policy because investment directives are provided elsewhere in specific policies relative to those funds. If an investment is donated to the Agency for a particular purpose or under terms of use specified by the donor, the donated investment is exempt from provisions of this Investment Policy.

All financial assets of the funds listed below and all financial assets of any new funds not specifically exempted, shall be administrated in accordance with the provisions of this Investment Policy:

Bond Fund
Construction Fund
Contingency Fund
Reserve Fund
Revenue Fund

C. Review and Amendment

This Investment Policy, including the Investment Strategy Statement, shall be reviewed annually by the Board of Directors. At that time, the Board of Directors shall adopt a resolution which (1) states it has reviewed the Investment Policy and the Investment Strategy Statement and (2) describes what, if any, changes were made to the Investment Policy or the Investment Strategy Statement.

This Policy may be amended from time-to-time as directed by the Board of Directors or as mandated by State law. Amendments must be approved and adopted by the Board of Directors.

D. Investment Strategy Statement

The Investment Strategy Statement must describe the investment objectives for each particular fund according to the following priorities:

1. Investment suitability,
2. Preservation and safety of principal,
3. Liquidity,
4. Marketability prior to maturity of each investment,
5. Diversification, and
6. Yield.

II. INVESTMENT OBJECTIVES

A. Safety of Principal

The primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are avoided, whether they be from securities defaults or erosion of market value.

B. Maintenance of Adequate Liquidity

The investment portfolio shall remain sufficiently liquid to meet the cash flow requirements of the Agency. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements, investing in securities with active secondary markets, and maintaining appropriate portfolio diversification.

III. INVESTMENT POLICY

A. Authorized Investments

The investments described below are authorized by the Public Funds Investment Act as eligible securities for the Agency. The purchase of specific securities shall be restricted or prohibited by the Agency's Bond Resolution definition of "Investment Securities" (Appendix B).

Direct obligations of the State of Texas, or its agencies and instrumentalities.

Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities. The Agency expressly prohibits, both as direct investments and collateral, all types of Collateralized Mortgage Obligations (CMOs), including IO's, PO's and Inverse Floaters.

Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated not less than "A" or its equivalent by a nationally recognized investment rating firm.

Fully Collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas, and secured by a combination of cash and obligations of the United States or its agencies and instrumentalities which are eligible investments under the Public Funds Investment Act, pledged with a third party approved by the Agency, and having a market value equal to or greater than the principal amount of the funds disbursed plus all accrued interest. The term includes reverse repurchase agreements only obtained in connection with investment by the Agency in an eligible Investment Pool or Money Market Mutual Fund. All Agency repurchase agreement transactions shall be governed by a signed Master Repurchase Agreement or form compliant with the Master Repurchase Agreement.

Certificates of deposit issued by state and national banks and savings banks doing business in Texas that are:

a. Guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, secured by obligations that are described by paragraph 1-4 above, which are intended to include all direct Federal Agency or instrumentality issued mortgage backed securities, but excluding those mortgage backed securities of the nature described in Section 2256.009(b) of the Texas Government Code, that have a market value of not less than the principal amount of the certificates or in any other manner and amount provided by law for deposits of the Agency;

b. Governed by a Depository Contract, as described in B.4. of this section, that complies with Federal and state regulation to properly secure a pledged security interest; and

c. Solicited for bid orally, in writing, electronically, or any combination of those methods.

Banker's acceptances that:

a. Have stated maturities of 270 days or fewer;

b. Will be liquidated in full at maturity;

c. Are eligible for collateral borrowing from a Federal Reserve Bank; and

d. Are accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of the bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

Commercial Paper with a stated maturity of 270 days or less from the date of issuance that either:

a. Is rated not less than A-1, P-1, or the equivalent by at least two nationally recognized credit rating agencies; or

b. Is rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.

Money Market mutual funds registered with the Securities & Exchange Commission, with a dollar-weighted average portfolio maturity of 60 days or less; that fully invest dollar-for-dollar all Agency funds without sales commissions or loads; and whose investment objectives include seeking to maintain a stable net asset value of $1 per share. Additionally, the money market mutual fund must provide the Agency with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940. The Agency may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.

Eligible Investment Pools organized and operating in compliance with the Public Funds Investment Act that have been authorized by the Board of Directors and whose investment philosophy and strategy are consistent with this Investment Policy and the Investment Strategy Statement of the Agency.

Guaranteed Investment Contracts are authorized investments for bond proceeds if the Guaranteed Investment Contracts have a defined termination date, are secured by obligations in the amounts and of the types required by the Public Funds Investment Act, are pledged to the Agency, are deposited with the Agency or with a third party approved by the Agency, and meet all other applicable requirements of the Act.

Bonds issued, assumed, or guaranteed by the State of Israel.

Interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor.

B. Protection of Principal

1. Diversification by Investment Type

Diversification by investment type shall be established by the following maximum percentages of investment type of the total Agency investment portfolio at the time of the purchase of the investment:

a.	U.S. Treasury Bills/Notes/Bonds	100%
b.	U.S. Agencies & Instrumentalities	75%
c.	Certificates of Deposit	50%
d.	Eligible Investments Pools	50%
e.	Money Market Mutual Funds	50%
f.	Repurchase Agreements	50%
g.	Banker's Acceptances	20%
h.	Commercial Paper	20%
i.	States, Counties, Cities & Other	20%

Bond proceeds may be invested in a single security or investment if the Investment Committee determines that such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record-keeping and calculation. The maximum percentage specified above for eligible investment pools may be exceeded for purposes of paying debt or a debt service obligation relating to the Series 1989 or Series 1993 capital appreciation bonds.

2. Diversification by Investment Maturity

In order to minimize risk of loss due to interest rate fluctuations, investment maturities shall not exceed the anticipated cash flow requirements of the applicable fund. Maturity guidelines by fund are as follows:

a. Bond Fund

The Bond Fund shall be invested to ensure adequate funding for each consecutive debt service payment. The Investment Officers shall invest in such a manner as not to exceed an “unfunded” debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

b. Construction Fund

The investment maturity of the Construction Fund shall generally be limited to the anticipated cash flow requirement or the “temporary period,” as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the fund and market conditions to achieve compliance with the applicable regulations. The maximum maturity for construction proceeds shall be five years.

c. Contingency Fund

The maximum allowable maturity for the Contingency Fund portfolio shall be five years.

d. Reserve Fund

Market conditions, Bond Resolution constraints and Arbitrage regulation compliance will be considered when formulating Reserve Fund strategy. Maturity limitations shall generally not exceed the call provisions of the Bond Resolution and shall not exceed the final maturity of the bond issue.

e. Revenue Fund

The maximum allowable maturity for the Revenue Fund portfolio shall be two years. The anticipated cash requirements will govern the appropriate maturity mix.

3. Liquidity

Liquidity shall be achieved by anticipating cash flow requirements, by investing in securities with active secondary markets and by investing a portion of the Agency's funds in short-term investments.

A security may be liquidated to meet unanticipated cash requirements, to redeploy cash into other investments expected to outperform current holdings, or to otherwise adjust the portfolio.

4. Depository and Repurchase Agreements

Consistent with the requirements of State law, the Agency requires all bank and savings and loan association deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as Agency Depositories will be required to sign a Depository Agreement with the Agency and the Agency's safekeeping agent. The safekeeping portion of the Agreement shall define the Agency's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement has to be executed by the Depository and the Agency contemporaneously with the acquisition of the asset;
- the Agreement must be approved by the Board of Directors or the loan committee of the Depository and a copy of the meeting minutes must be delivered to the Agency; and
- the Agreement must be part of the Depository's "official record" continuously since its execution.

Repurchase agreements must also be secured in accordance with State law. Each counter party to a repurchase transaction is required to sign a copy of the Master Repurchase Agreement as approved by the Agency. An executed copy of this Agreement must be on file before the Agency will enter into any transactions with a counter party. All Master Repurchase Agreements must be approved by the Agency's Attorney.

a. Allowable Collateral

Collateral securities are defined by the Bond Resolution as (i) Investment Securities and (ii) obligations issued or guaranteed by any state of the United States or District of Columbia, or any political subdivision of any such state or Agency, provided such obligations are rated for investment purposes at not less than "A" or its equivalent by a nationally recognized rating service such as Moody's Investors Service, Inc. or Standard & Poor's Corporation; and (iii) repurchase agreements with solvent banking or other financial institutions with respect to any of the obligations or securities referred to herein.

(1) Collateralized Deposits

Eligible securities for collateralization of deposits are defined by the Public Funds Collateral Act, as amended, and meet the constraints of this Policy.

(2) Repurchase Agreements

Securities underlying repurchase agreements are limited to U.S. Government, Agencies and Instrumentalities obligations, which are eligible for wire transfer (i.e., book entry) to the Agency's designated safekeeping agent through the Federal Reserve System and meet the constraints of this Policy.

b. Collateral Levels

(1) Collateralized Deposits

The market value of the principal portion of collateral pledged for certificates of deposit must at all times be equal to or greater than the par value of the certificate of deposit plus accrued interest, less the applicable level of FDIC insurance.

(2) Repurchase Agreements

A repurchase agreement's "purchased security" market value must be maintained at the following minimum levels in excess of the principal value of the transaction plus accrued interest:

Agreement Maturities Greater Than One Business Day	
U.S. Treasury Securities	102%
U.S. Agency and Instrumentalities	103%
Mortgage Backed Securities	105%

Agreement Maturities of One Business Day	
All Securities	100%

c. Monitoring Collateral Adequacy

(1) Collateralized Deposits

The Agency shall require monthly reports with market values of pledged securities from all financial institutions with which the Agency has collateralized deposits. The Investment Officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

(2) Repurchase Agreements

Monthly monitoring by the Investment Officers of market values of all underlying securities purchased for Agency repurchase transactions is required. More frequent monitoring may be necessary during periods of market volatility.

d. Additional Collateral and Securities

(1) Collateralized Deposits

If the collateral pledged for a deposit falls below the par value of the deposit, plus accrued interest less FDIC insurance, the institution holding the deposit will be notified by the Investment Officers and will be required to pledge additional securities no later than the end of the next succeeding business day.

(2) Repurchase Agreements

If the value of the securities underlying a repurchase agreement falls below the margin maintenance levels specified above, the Investment Officers will request additional securities. If the repurchase agreement is scheduled to mature within five business days and the amount is deemed to be immaterial, then the request is not necessary.

e. Security Substitution

Collateralized deposits and repurchase agreements often require substitution of securities. The substituted security's value will be calculated and substitution will be allowable if its value is equal to or greater than the required security level. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems.

5. Safekeeping

a. Safekeeping Agreement

The Agency shall contract with a bank or banks for the safekeeping of securities either owned by the Agency as a part of its investment portfolio or as part of its depository and repurchase agreements.

b. Safekeeping of Deposit Collateral

All collateral securing bank deposits must be held by a third-party banking institution acceptable to and under contract with the Agency, or by the Federal Reserve Bank.

c. Safekeeping of Repurchase Agreement Securities

The securities purchased under repurchase agreements must be delivered to a third-party custodian with which the Agency has established a safekeeping agreement.

6. Downgrade Provision for Investment Ratings

The Agency shall monitor the credit ratings on securities that require minimum ratings. This may be accomplished through research, or with the assistance of investment advisors, broker dealers, banks or safekeeping agents. An Investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Agency shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

C. Investment Advisors and Investment Providers

Investment Advisors shall adhere to the spirit, philosophy and specific terms of this Policy and shall invest within the same "Standard of Care." Investment Providers shall adhere to the spirit and philosophy of this Investment Policy and shall avoid recommending or suggesting transactions outside that "Standard of Care."

Selection of Investment Advisors and Investment Providers will be performed by the Investment Committee. The Investment Committee will establish criteria to evaluate Investment Advisors and Investment Providers, including:

a. Adherence to the Agency's policies and strategies;

b. Investment performance and transaction pricing within accepted risk constraints;

c. Responsiveness to the Agency's request for services, Information and open communication;

d. Understanding of public funds; and

e. Similarity in philosophy and strategy with the Agency's investment objectives.

Selected Investment Advisors and Investment Providers shall provide timely transaction confirmations and monthly transaction reports.

Investment Providers eligible to transact investment business with the Agency or offering to engage in an investment transaction with the Agency will be presented a written copy of this Investment Policy. Additionally, a qualified representative (as defined in the Public Funds Investment Act) of the business organization seeking to transact investment business shall execute a written instrument in a form acceptable to the Agency and the business organization substantially to the effect that the qualified representative has:

a. received and reviewed this Investment Policy, and

b. acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment activities with the Agency that are not authorized by this Investment Policy, except to the extent this authorization is dependent on an analysis of the makeup of the Agency's entire portfolio or requires an interpretation of subjective investment standards.

The Agency shall not enter into an investment transaction with an Investment Provider prior to receiving the written instrument described above.

D. Responsibility and Controls

1. Responsibility

   Except for the TMPA Employees Pension Plan, management responsibility for the investment program of the Agency is delegated to the General Manager. Daily cash management, disbursements, and portfolio investments shall be performed at the direction of the Chief Financial Officer.

   For the purpose of this policy, the Chief Financial Officer is the individual having the principal duties and responsibilities to account for all funds and property of the Agency and the maintenance of books, accounts and records pertaining to the financial transactions of the Agency, independent of actual title.

2. Authority to Invest

   The Chief Financial Officer is an investment officer ex-officio. The General Manager may designate additional Investment Officers of the Agency. As Investment Officers they are authorized to deposit, withdraw, invest, transfer, execute documentation, and otherwise manage Agency funds in accordance with this Investment Policy.

   The Investment Officers will form the Investment Committee. The Investment Committee shall review the investment portfolio's status and performance, determine and implement appropriate portfolio adjustments, oversee the Agency's Investment Advisor, monitor compliance with the Investment Policy and the Investment Strategy Statement, and perform other duties as necessary to manage the Agency's funds. In addition, at least annually, the Investment Committee shall review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Agency.

   Within twelve months of assuming these duties, the Investment Officers shall attend at least one training session and receive not less than ten hours of instruction that addresses investment controls, security risks, strategy risks, market risks, diversification of investment portfolios and compliance with the Public Funds Investment Act.

   Additionally, the Investment Officers shall attend an investment training session not less than once in a two-year period ending August 31, and receive not less than eight hours of instruction relating to investment responsibilities from an independent source approved by the Investment Committee.

3. Prudent Investment Management

The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility, rather than the prudence of a single investment, shall be considered. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability.

4. Standard of Care

The standard of care used by the Agency shall be the "prudent investor rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Public Fund Investment Act states:

"In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity."

5. Standards of Ethics

The designated Investment Officers shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, all Investment Officers shall file with the Texas Ethics Commission and the Agency a statement disclosing any personal business relationship with a business organization offering to engage in an investment transaction with the Agency or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the Agency.

An Investment Officer has a personal business relationship with a business organization if:

a. The Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

b. Funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or

c. The Investment Officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for his/her personal account.

6. Internal Controls

The General Manager shall establish and approve a system of written internal controls for cash management, disbursements, and investments. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent Actions of Agency employees. This Investment Policy is considered part of that written system of internal controls.

7. Market Value

The Investment Officers shall determine the market value of each investment and of all collateral pledged to secure deposits of Agency funds at least quarterly and at a time as close as practicable to the closing date of the reporting period. These values shall be included on the investment report. The following methods shall be used:

a. Certificates of deposit shall be valued at face value plus accrued but unpaid interest;

b. Shares in money market mutual funds and investment pools shall be valued at par plus any accrued but unpaid interest;

c. Other investment securities may be valued in any of the following ways:

(1) The lowest of three bids obtained from securities broker/dealers for such securities;

(2) The average of the bid and ask prices for such investment securities as published in The Wall Street Journal;

(3) The bid price published by any nationally recognized security pricing service;

(4) The market value quote established by an independent third-party pricing agent; or

(5) The market value quoted by any other recognized industry sources.

8. Reporting

Investment performance shall be monitored and evaluated by the Investment Officers. The Investment Officers will provide to the Board of Directors a comprehensive quarterly report signed by all Investment Officers. This investment report shall:

a. Describe in detail the investment position of the Agency;

b. Contain a summary statement for each pooled fund group that states the: reporting period beginning market value; reporting period ending market value; and fully accrued interest for the reporting period.

c. State the reporting period ending market value and book value for each investment security by asset type and fund type;

d. State the maturity date of each investment security;

e. State the fund for which each investment security was purchased; and

f. State the compliance of the investment portfolio with the Agency's Investment Policy, including the Investment Strategy Statement, and the Public Funds Investment Act.

These quarterly reports shall be formally reviewed by the External Auditor at least annually, and the results of the review shall be reported to the Board of Directors.

The Agency, in conjunction with its annual financial audit, shall have the External Auditor perform a compliance audit of management controls on investments and adherence to the Agency's Investment Policy and Investment Strategy Statement.

APPENDIX A – DESCRIPTION OF FUNDS

Bond Fund – The Bond Fund shall be held in trust as an account of the Agency by the custodian of the Fund designated in the Bond Resolutions. The Bond Fund shall be held in trust for the benefit of the Bondholders. At any time, the Agency may remove the designated custodian for cause and designate another bank within the State of Texas as custodian of the Bond Fund.

In conjunction with the preparation of the Annual Budget, and immediately following the delivery of a Series of Bonds, a determination shall be made of the amount then on deposit in the Bond Fund for the purpose of paying interest on Outstanding Bonds to become due and the principal on Outstanding Bonds to become due, by reason of maturity or mandatory redemption. At the same time, a determination shall be made of the amount required to be deposited each month so as to provide the full amount required to pay the principal, interest, and premium, if any, on Outstanding Bonds as these payments become due. The amount of this deposit shall be made in equal monthly installments on or before the 25th day of each month by a transfer from the Revenue Fund to the Bond Fund.

In addition to the amounts provided for Bond interest and principal requirements, the Agency shall make appropriate arrangements for meeting the fees and charges of the Paying Agents.

In the event the amount on hand and available in the Revenue Fund for transfer to the Bond Fund is insufficient to permit the required deposit in full in accordance with the aforementioned provisions, the amount of any deficiency shall be transferred to the Bond Fund from other Funds as provided by the Bond Resolutions.

<u>Construction Fund</u> – The Construction Fund shall be held by a Depository. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Bond Resolution and any moneys from other sources which the Board of Directors may elect to deposit therein. Amounts in the Construction Fund, except as otherwise provided herein, shall be applied to the payment of the Cost of Acquisition and Construction.

The Agency may establish within the Construction Fund a separate project account for each project of the Agency but in any event shall provide for accounting controls with respect to the expenditures of amounts from the Construction Fund as to assure application of moneys therein as required by the Bond Resolution and applicable law.

The proceeds of insurance maintained pursuant to the Bond Resolution against physical loss of or damage to the System, or of contractors' performance bonds with respect thereto, pertaining to the period of construction thereof of any project shall be paid into the Construction Fund.

Notwithstanding any other provisions for the Construction Fund, to the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of the principal, interest and premium, if any, on Bonds when due.

The substantial completion of construction or reconstruction of each project shall be evidence by certificate of the Authorized Officer (the Engineer in case of a Project), which shall be filed with the Depository of the Construction Fund, stating (a) that such project has been completed substantially in accordance with the plans and specifications applicable thereto, (b) the date of such substantial completion, and (c) the amount, if any, required (in his opinion) for the payment of any remaining part of Cost of Acquisition and Construction of such project. Upon the filing of such certificate, the balance in the Construction Fund allocable to such project in excess of the amount, if any, stated in such certificate shall be deposited in the Bond Fund or Reserve Fund, to the extend of any deficiencies therein, and to the extent there are no such deficiencies, may be deposited in the Bond Fund or Reserve Fund, to the extent of any deficiencies there, and to the extent there are no such deficiencies, may be deposited in the Bond Fund for use in retiring Bonds in advance of their regularly scheduled maturity or used for the payment of the cost of Acquisition and Construction as the Agency may direct.

Contingency Fund – The Contingency Fund shall be held by a Depository. The initial funding of the Contingency Fund in the amount of $2,000,000 occurred prior to the date of commercial operation as specified in the Bond Resolutions. The amount to be accumulated and maintained in this Fund may be increased if the same is accomplished in the manner provided in the Power Sales Contract.

In the event the amount on hand in this Fund is less than the Contingency Fund Requirement, monthly deposits shall be made from the Revenue Fund on or before the 25th day of each month (not more than 36 equal monthly installments) until the full amount required to be on deposit in the Contingency Fund has been restored.

Any amount on deposit in the Contingency Fund which is in excess of the Contingency Fund Requirement shall be transferred to the Bond Fund or Reserve Fund to make up any deficiency therein, and if there be no such deficiency, shall be transferred to the Revenue Fund.

If the amount of money on hand in the Bond Fund and the Reserve Fund is not sufficient to pay the principal, interest, or premium, if any, on the Bonds when due, amounts on hand in the Contingency Fund shall be transferred to the Bond Fund to cure the Deficiency.

Money in the Contingency Fund may be used, if funds are not otherwise available for such purpose, for any one or more of the following purposes:

1. To pay the cost of extraordinary renewals, replacements and additions to and extensions of the System which are required for the continuing operation of the System or any part thereof;

2. To pay the cost of extraordinary operation and maintenance costs, including extraordinary costs of fuel and the cost of preventing or correcting any unusual loss or damage (including major of fuel and the cost of preventing or correcting any unusual loss or damage (including major repairs), to the System, or the retirement from service, decommissioning or disposal of facilities of the System; and

3. For the security and payment of the bonds when there is a deficiency of money available for such purpose in the Bond Fund, the Reserve Fund, either or both.

Reserve Fund – The Reserve Fund shall be held in trust as an account of the Agency by the Custodian of the Fund designated in the Bond Resolutions. The Reserve Fund shall be held in trust for the benefit of the Bondholders. At any time, the Agency may remove the designated custodian for cause and designate another bank within the State of Texas as custodian of the Reserve Fund.

The amount to be accumulated and maintained in the Reserve Fund shall be the Average Annual Debt Service of the Bonds Outstanding calculated as of the date of, and giving effect to, the last Series of Bonds delivered.

In the event moneys in the Revenue Fund are not adequate to fully make any required transfer to the Bond Fund, an amount equal to the deficiency shall be transferred to the Bond Fund from the Reserve Fund unless such amount has been transferred to the Bond Fund from the Contingency Fund.

In the event money in the Reserve Fund is transferred to the Bond Fund, monthly deposits into the Reserve Fund shall be made on or before the 25th day of each month (note more than 36 equal monthly installments) until the a mount required to be on deposit in the Reserve Fund has been restored.

Any amounts on deposit in the Reserve Fund which are in excess of the amount required to be on deposit therein shall be transferred to the Bond Fund to make up any deficiency therein, and if there be no such deficiency, may be transferred to the Revenue Fund.

Revenue Fund – The Revenue Fund shall be held by a Depository. The Gross Revenues of the Agency shall be deposited, as received, into the Revenue Fund. Money in the Revenue Fund shall be used in the following order of priority:

1. For the payment of Operating and Maintenance Expenses as these become due.

2. For deposits into the Bond Fund for the payment of the principal of, premium, if any, and interest on the Bonds as these become due or are required to be called for redemption, and to the purchase of Bonds for delivery to the Paying Agent as permitted by the Bond Resolutions authorizing Previously Issued Bonds which are subject to mandatory redemption.

3. For deposits into the Reserve Fund for the security and payment of the Bonds when there is a deficiency of money available for such purpose in the Bond Fund.

4. For deposits into the Contingency Fund as specified in the Bond Resolutions.

5. To cure a deficiency in the Bond Fund, the Reserve Fund, and the Contingency Fund in that order.

6. For any lawful purpose, including (a) deposits into a Fuel Reserve Account for use in paying the cost of fuel acquisition or replacement or fuel working capital, and uninvested money therein shall be applied only to the cost of acquisition, leasing, reprocessing and replacement and disposal of fuel and fuel resources, assemblies, materials, services and components; and (b) for distribution to the Member Cities on such basis as the Board of Directors may determine would be fair and equitable if the Board determines an amount of money (and investments) will not be required for the aforementioned purposes.

Other Funds – The Investment Strategy in Appendix C applicable to the Revenue Fund shall apply to any fund not specifically described in this Appendix A-Description of Funds.

APPENDIX B – AUTHORIZED INVESTMENT SECURITIES

“Investment Securities” (as defined in the Bond Resolutions) are any of the following securities, if and to the extent that the same are at the time legal for investment of Agency funds:

1. Direct obligations of the United States of America; obligations which in the opinion of the Attorney General of the United States are general obligations of the United States and backed by it full faith and credit; obligations guaranteed by the Untied States of America;

2. Evidences of indebtedness of the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Federal National Mortgage Association, Federal Financing Bank Participation Certificates in the Federal Assets Financing Trust, New Housing Authority Bonds and Project Notes Fully secured by contracts with the United States of America, or any other agency or instrumentality of the United States of America; bonds secured by the general credit of the State of Texas; and deposits which are fully secured (to the extent not insured by a corporation, instrumentality or agency of the United States of America) by obligations in which the Agency may invest under the provisions of this definition;

3. With respect to proceeds of any series of Bonds delivered subsequent to the Series 1982A Bonds, obligations of the Student Loan Marketing Association;

4. With respect to the proceeds of any series of Bonds delivered subsequent to the Series 1986 Bonds, any obligations issued or guaranteed by any state of the United States of America, or any political subdivision there of which are rated single A or its equivalent or higher by a nationally recognized rating agency.

5. With respect to any series of Bonds delivered subsequent to the Series 1986A Bonds, any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association or government bond dealer reporting to, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in (1), (2), or (4) above, and with the securities delivered to and held by a Depository, as custodian;

6. With respect to the proceeds of any series of Bonds delivered subsequent to the Series 1986A Bonds, Certificates of Deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association provided that such certificates of deposit shall be purchased directly from such bank, trust company or national banking association and shall be either (a) continuously and fully insured by the FDIC or (b) continuously and fully secured by such securities defined as “Collateral Securities” which shall have a market value (inclusive of the FDIC coverage) at all times at least equal to the principal amount of such certificates of deposit, and such Collateral Securities shall be delivered to and held by a Depository, as custodian; and

7. With respect to a special fund held by a Depository for the purpose of providing a self insurance fund, in addition to the foregoing, money in such fund may also be invested in (a) corporate bonds, debentures or obligations (other than common or preferred stock) of the United States corporations which, at the time of the investment are (I) rated at least "A" by a nationally recognized rating agency, or (ii) are scheduled to mature in less than one year and are of the highest rating available by a nationally recognized rating agency, and (b) guaranteed investment contracts for a period not in excess of three (3) years at any one time which investment contract has been approved by the Board of Directors as a prudent investment and is executed on behalf of an entity which has the highest rating available by a nationally recognized rating agency for either (I) its claims paying ability or (ii) its debt having a term of not longer than the investment contract.

APPENDIX C - INVESTMENT STRATEGY STATEMENT

PREFACE

It is the policy of Texas Municipal Power Agency (the "Agency") that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and the adopted Investment Policy including the Investment Strategy Statement.

In accordance with the Public Funds Investment Act, Agency investment strategies shall address the following priorities in order of importance:

- Understanding the suitability of the investment to the financial requirements of the Agency
- Preservation and safety of principal
- Liquidity
- Marketability of the investment prior to maturity
- Diversification of the investment portfolio
- Yield

Each Fund has varying cash flow requirements and liquidity needs. Therefore, specific strategies shall be implemented considering the Fund's unique requirements.

INVESTMENT STRATEGY STATEMENT

Effective investment strategy development coordinates the primary objectives of the Agency's Investment Policy and cash management procedures to enhance interest earnings and reduce investment risk. Aggressive cash management will increase the available "investment period" and subsequently interest earnings. Maturity selections shall be based on cash flow and market conditions to take advantage of various interest rate cycles. The Agency's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the Investment Policy.

The Agency shall purchase securities with the intent to hold those securities in safekeeping until maturity.

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines shall be established for each fund.

Bond Fund

Suitability – Any investment eligible in the Investment Policy and allowed by the Bond Resolution is suitable for the Bond Fund.

Safety of Principal – All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur, but managing the Bond Fund's portfolio not to exceed the debt service schedule will minimize the market risk of the overall portfolio.

Liquidity – The Bond Fund has a predictable draw down schedule. Therefore, investment maturities shall not exceed the anticipated cash flow requirements of the semi-annual debt service payments.

Marketability – Securities with less active and efficient secondary markets are acceptable for the Bond Fund because of the predictable cash flow of the debt service schedule.

Diversification – Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" debt service payment date. Generally, if investment rates are trending down, it is best to lock in the investment. If interest rates are flat or trending up, concurrent market conditions will determine the attractiveness of extending maturity or investing in shorter alternatives. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury bill portfolio shall be the minimum yield objective.

Construction Fund

Suitability – Any investment eligible in the Investment Policy and allowed by the Bond Resolution is suitable for the Construction Fund.

Safety of Principal – All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur, but managing the Construction Fund's portfolio not to exceed the anticipated expenditure schedule will minimize the market risk of the overall portfolio.

Liquidity – The Construction Fund has a reasonably predictable draw down schedule. Therefore, investment maturities shall generally follow the anticipated cash flow requirements of the fund. Short-term investment pools, money market mutual funds and repurchase agreements shall provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

Diversification – Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. If investment rates exceed the applicable arbitrage yield, it is best to lock in most investments. If the arbitrage yield cannot be exceeded, concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter alternatives. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield – Achieving a positive spread to the applicable arbitrage yield is the desired objective for bond proceeds. For non-bond proceed funds, attaining a competitive market yield for comparable security-types is the desired objective.

Contingency Fund

Suitability – Any investment eligible in the Investment Policy and allowed by the Bond Resolution is suitable for the Contingency Fund.

Safety of Principal – All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur, but intent is to hold the investments until maturity thereby eliminating market risk. No investment maturity shall exceed the final maturity of the bond issue.

Liquidity – The Contingency Fund has no anticipated expenditures. The funds are deposited to cure any deficiency in the Bond Fund or the Reserve Fund as provided in the Bond Resolution. Investment maturities shall not exceed five years in accordance with the Investment Policy.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

Diversification – Adhering to the Investment Policy's maximum investment-type limits shall restrict the exposure of the fund to any one market sector.

Yield – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling six-month Treasury bill portfolio shall be the minimum yield objective.

Reserve Fund

Suitability – Any investment eligible in the Investment Policy and allowed by the Bond Resolution is suitable for the Reserve Fund.

Safety of Principal – All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur, but managing the Reserve Fund's portfolio to not exceed the call provisions of the bond issue will reduce the investment's market risk if the Agency's bonds are called and the reserve fund liquidated. No investment maturity shall exceed the final maturity of the bond issue. Annual market-to-market requirements or specific maturity and average life limitations within the bond issues' documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

Liquidity – The Reserve Fund has no anticipated expenditures. The funds are deposited to provide annual debt service payment protection to the Agency's bond holders. The funds are "returned" to the Agency at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, it is best to lock in the investment and reduce liquidity. If the arbitrage yield cannot be exceeded, concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Marketability – Securities with less active and efficient secondary markets are acceptable for the Reserve Fund.

Diversification – Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for the Reserve Fund. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield – Achieving a positive spread to the applicable arbitrage yield is the desired objective. Negative arbitrage portfolio management shall operate to the limit of the Investment Policy's risk constraints. Positive arbitrage portfolio management will allow tighter constraints than allowed by the Investment Policy.

Revenue Fund

Suitability – Any investment eligible in the Investment Policy and allowed by the Bond Resolution is suitable for the Revenue Fund.

Safety of Principal – All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur, but restricting the maximum allowable maturity to two years will minimize the price volatility of the overall portfolio.

Liquidity – The Revenue Fund requires the greatest short-term liquidity of any of the fund types. Short-term investment pools, money market mutual funds and repurchase agreements shall provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

Diversification – Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the Agency. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years. Adhering to the Investment Policy's maximum investment-type limits shall restrict the exposure of the fund to any one market sector.

Yield – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury bill portfolio shall be the minimum yield objective.

February 8, 2024

AGENDA ITEM NO. 11

SUBJECT: Executive session

DISCUSSION: 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 (legal advice under Section 551.071, Government Code).

B. Status report relating to the sale of SP-50 (value of real property under Section 551.072, Government Code)

C. Dudley v. TMPA, In the Tenth Court of Appeals, Docket No. 10-23-00422-CV (legal advice under Section 551.071, Government Code)

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.

February 8, 2024

AGENDA ITEM NO. 11C

SUBJECT: Dudley v. TMPA, In the Tenth Court of Appeals, Docket No. 10-23-00422-CV (legal advice under Section 551.071, Government Code)

DISCUSSION: After a year of unsuccessful negotiations, TMPA, on July 3, 2018, brought suit in Brazos County District Court against a College Station landowner, Mr. Mark Dudley, to enjoin him from interfering with vegetation management activities in TMPA's power line easement. The lawsuit also sought to require the removal of obstructions placed by Mr. Dudley in the easement, including a propane tank, swing set, and metallic playground. After TMPA obtained a temporary injunction in 2018, Mr. Dudley removed the propane tank, swing set, and metallic playground from the easement, and allowed TMPA to complete its vegetation management activities. Mr. Dudley then filed counterclaims for damages.

After 5 years in the trial court, and 7 hearings, the Court signed a final judgment on September 30, 2023, awarding TMPA permanent injunctive relief, declaratory relief, and attorneys' fees, and denying the relief sought by Mr. Dudley. On December 22, 2023, Mr. Dudley appealed to the Tenth Court of Appeals (Waco) and, on January 30, 2024, the Tenth Court of Appeals ordered the parties to mediation.

The attorneys' fees awarded to TMPA pertain only to TMPA's claim for declaratory relief, and do not cover other aspects of the litigation, such as TMPA's claim for injunctive relief, and defending against Dudley's claim for monetary damages. The award of attorneys' fees, which was not required by law, but was discretionary with the trial court, includes:

$223,556.25 for the trial court phase;

$30,000 for the court of appeals phase; and,

$42,500 for the supreme court phase.

Mr. Dudley attacks all aspects of the trial court's final judgment, including the award of attorneys' fees. Mr. Dudley claims that TMPA's vegetation management activities in 2018 were more extensive than in the past, and that the past activities established a precedent, in essence, modifying the terms of the easement. Mr. Dudley also claims that TMPA owes monetary damages, in excess of $200,000, for the loss of the aesthetic value of the trees that were cut down and/or trimmed, and for the costs he incurred in removing the swing set, propane tank, and metallic playground from the easement.

The purpose of this agenda item is to discuss this litigation, primarily the order directing the parties to mediation.

BACKUP MATERIAL: Order Directing the Parties to Mediation; June 23, 2017 Demand Letter from Mr. Dudley's Attorney

ACTION REQUESTED: Discuss Order Directing the Parties to Mediation.

IN THE
TENTH COURT OF APPEALS

No. 10-23-00422-CV

RICHARD MARK DUDLEY AND
DEANIE PALMER DUDLEY,

Appellants

v.

TEXAS MUNICIPAL POWER AGENCY,

Appellee

From the 272nd District Court
Brazos County, Texas
Trial Court No. 18-001737-CV-272

REFERRAL TO MEDIATION ORDER

The Legislature has provided for the resolution of disputes through alternative dispute resolution (ADR) procedures. *See* TEX. CIV. PRAC. & REM. CODE ANN. §§ 154.001-154.073. The policy behind ADR is stated in the statute: "It is the policy of this state to encourage the peaceable resolution of disputes . . . and the early settlement of pending litigation through voluntary settlement procedures." *Id.* § 154.002. Mediation is a form of ADR. Mediation is a mandatory but non-binding settlement conference, conducted with the assistance of a mediator. Mediation is private, confidential, and privileged.

We find that this appeal is appropriate for mediation. *See id.* § 154.021(a).

The parties are ordered to confer and attempt to agree upon a mediator. Within twenty-one days after the date of this Order, Appellants are ordered to file a notice with the Clerk of this Court that either identifies the agreed-upon mediator or states that Appellants and Appellee are unable to agree upon a mediator. If the notice states that the parties are unable to agree on a mediator, this Court will assign a mediator.

Mediation must occur within sixty days after the date of the above-referenced notice agreeing to a mediator is filed or, if no mediator is agreed upon, within sixty days after the date of the order assigning a mediator.

No less than seven calendar days before the first scheduled mediation session, each party must provide the mediator and all other parties with an information sheet setting forth the party's positions about the issues that need to be resolved. At or before the first session, all parties must produce all information necessary for the mediator to understand the issues presented. The mediator may require any party to supplement the information required by this Order.

The mediator may make any orders determined to be necessary or appropriate to conduct the ordered mediation in such a way that the mediation has the best opportunity to reach a successful result. The mediator's orders may include, but are not limited to, ordering the mediation to occur entirely via Zoom or some other media option, ordering the mediation to occur entirely in person at a place and time that the mediator determines is reasonable in light of the timing of the issues that need to be resolved, and/or assessing the cost of mediation other than equally if one of the parties seeks accommodations that the mediator determines are not of equal benefit to all the parties.

Named parties must be present during the entire mediation process, and each party that is not a natural person must be represented by an employee, officer, agent, or representative with authority to bind the party to settlement.

Immediately after mediation, the mediator must advise this Court, in writing, only that the case did or did not settle and the amount of the mediator's fee paid by each party. The mediator's fee will be taxed as costs. Unless the mediator agrees to mediate without fee or other arrangements are negotiated or ordered by the mediator as authorized above, the mediator must negotiate a reasonable fee with the parties, and the parties must each pay one-half of the agreed-upon fee directly to the mediator.

Failure or refusal to attend the entire mediation as scheduled may result in the imposition of sanctions, as permitted by law.

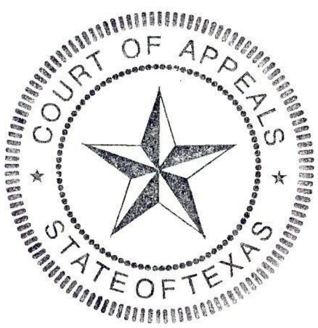
Any objection to this Order must be filed with this Court and served upon all parties within ten days after the date of this Order, or it is waived.

We refer this appeal to mediation.

The appeal and all appellate deadlines are suspended as of the date of this Order. The suspension of this appeal is automatically lifted when the mediator's report to the Court is received. If the matter is not resolved at mediation, any deadline that began to run and had not expired by the date of this Order will begin anew as of the date the Court receives the mediator's report. Any document filed by a party after the date of this Order and prior to the filing of the mediator's report will be deemed filed on the same day, but after, the mediator's report is received.

PER CURIAM

Before Chief Justice Gray,
Justice Johnson, and
Justice Smith
Referred to mediation
Order issued and filed January 30, 2024
[RWR]



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Holly Mills, Legal Secretary

June 23, 2017

Grant Winans
GARLAND POWER & LIGHT
T&D VEGETATION MANAGEMENT SPECIALIST
510 W. Avenue B
Garland, Texas 75040

VIA EMAIL gwinans@gpltexas.org

Re: TMPA Transmission Line Easement and Richard and Deanie Dudley, Jay and Lee Ann Drgak and Richard and June Dudley

Dear Mr. Winans:

I represent Richard and Deanie Dudley, Jay and Lee Ann Drgak and Richard and June Dudley with regards to the above referenced matter. Please direct all communications concerning this matter to my attention.

As we discussed, I have been directed to institute a lawsuit with regards to your letter of June 16, 2017 unless we can reach an amicable resolution. For now, a temporary resolution would consist of my clients allowing TMPA to trim the easement as it has in the past and nothing more until we have had time to have more significant discussions about the rights of my clients and the alleged rights of TMPA. While I understand TMPA claims to have authority to do whatever it so desires, I respectfully disagree based on the past and current actions of TMPA.

Based on our discussion, it is my understanding that you will present this matter to your supervisor and notify legal of my clients' position.

Thank you for your immediate attention to this time sensitive matter. If you have any questions or would like to discuss this issue further, please contact my office.

Very truly yours,

Robert A. Swearingen

Robert A. Swearingen

RAS/hm
Z:\Clients\Dudley (General) 1071\TMPA Easement\Winans Ltr 06 23 17.wpd

February 8, 2024

AGENDA ITEM NO. 12

SUBJECT: Future Meeting Dates

DISCUSSION: The date for the next regularly scheduled Board Committee meeting is June 13, 2024

TENTATIVE MEETING DATES:	September 12, 2024 December 12, 2024 March 13, 2025

Daniel Meadows
1/31/2024