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 BRYAN
BRYAN MUNICIPAL BUILDING
300 S. Texas Ave
Bryan Texas 77803

Thursday, December 11, 2025
10:00AM

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 September 11, 2025 and November 18-19, 2025 Board of Directors meetings.

2. Planning & Operating Committee report relating to the December 10, 2025 Committee meeting.

3. Audit and Budget Committee report relating to the December 11, 2025 Committee meeting.

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

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

6. Status reports relating to Transmission Operations and the Five-Year Transmission Capital Project Plan.

7. Resolution No. 2025-12-1, amending the FY2026 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Gibbons Creek Physical Security Enhancements Project and resolving matters incidental and related thereto.

8. Resolution No. 2025-12-2, amending the FY2026 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Gibbons Creek to Greens Prairie 138 kV Line Reconductor Project; and resolving matters incidental and related thereto.

9. FY25 Year-end Budget Status Report.

10. Resolution No. 2025-12-3, receiving the audited financial statements of the Agency for the fiscal year ended September 30, 2025.

11. Resolution No. 2025-12-4, approving the annual proportional share calculation of Member City ownership interests in Agency assets; and resolving matters incidental and related thereto.

12. Resolution No. 2024-12-5, authorizing a distribution of transmission funds to the Member Cities; and resolving matters incidental and related thereto.

13. Executive session will be held pursuant to the Open Meetings Act for the following items:

    A. Sale of the SP 50 Property (value of real property under Section 551.072, Government Code, and legal advice under Section 551.071, Government Code).

    B. Strategic plan relating to the transmission system (competitive matters under Section 551.086, Government Code, and legal advice under Section 551.071, Government Code)

    C. TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas; Gibbons Creek Coal Combustion Residuals Registration (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.

14. Resolution No. 2025-12-6, authorizing the sale of a 722.85-acre tract out of the former Gibbons Creek Lignite Mine (the “SP 50 Property); describing the conditions ad circumstances for the sale of the SP 50 Property, and the public purposes that will be achieved; and resolving matters incidental and related thereto.

15. Future Meeting Dates

16. Adjourn

TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING

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

Cambria Richardson
3605 Shire Blvd.
Richardson TX 75082
Thursday, September 11, 2025
9:00 AM

President Spurlock called the meeting to order at 9:04 AM.

The following people were present at the meeting.

Board Members:

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

Staff:

Daniel Meadows, Lyndi Birkhead and Susie Johnson

Others:

Carl Shahady – Tiemann, Shahady & Hamala, P.C.
Gary Miller - BTU
Antonio Puente and Mark Zimmerer – DME
Darrell Cline, Tom Hancock, and Steve Martin – GP&L
Michelle Baccheschi, Alicia Hooks and Bill Shepherd – GEUS
Debbie and Doyle Evans - TMPA

Public Comments:

Ms. Spurlock asked for comments, there were none.

1. **Resolution No. 2025-9-1, acknowledging the contributions of Alicia Hooks to the Agency; expressing the Agency's appreciation for 7 years of dedicated service; and expressing the hopes of the Agency for an enjoyable and fruitful future.**

Ms. Harting moved, seconded by Mr. Cheek, approval of **Resolution No. 2025-9-1**

Motion carried; voting as follows:

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

2. Annual Board Update relating to Fiscal Year 2025

An update was provided by Mr. Meadows.

3. Consent Agenda Items:

A. Consider approval of meeting minutes of the June 5, 2025, Board of Directors meeting.

M. Jefferies moved, seconded by Mr. Cheek, approval of all consent agenda items.

Motion carried; voting as follows:

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

4. Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of September 10, 2025

An update was provided by Mr. Cline.

5. Resolution No. 2025-9-2, expressing official intent to use proceeds of tax-exempt obligations to reimburse the Agency for costs incurred for electric transmission facilities; and resolving matters incidental and related thereto.

Mr. Ratliff moved, seconded by Mr. Jefferies, approval of all **Resolution No. 2025-9-2**

Motion carried; voting as follows:

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

6. FY25 Third Quarter Budget Status Report

An update was provided by Mrs. Birkhead.

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

An update was provided by Mr. Meadows.

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

An update was provided by Mr. Meadows.

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

An update was provided by Mr. Meadows.

10. Resolution No. 2025-9-3, amending the FY2025 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Pruitt 138 kV Terminal Addition Project; and resolving matters incidental and related thereto.

Mr. Ratliff moved, seconded by Ms. Harting, approval of **Resolution No. 2025-9-3**

Motion carried; voting as follows:

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

11. Resolution No. 2025-9-4, amending the FY2025 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Brand Road Pole Relocation Project; and resolving matters incidental and related thereto.

Ms. Harting moved, seconded by Mr. Davis, approval of **Resolution No. 2025-9-4**

Motion carried; voting as follows:

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

12. Executive Session.

Ms. Spurlock announced that the Board would convene in executive session pursuant to Sections 551.071, 551.072, 551.086, and 551.074, Government Code

The open session was recessed, and the executive session was called to order by Ms. Spurlock at 9:30 am.

The open session resumed at 11:11 AM.

Mr. Davis made a motion to approve a transmission study not to exceed $200,000 for the purposes discussed in Executive Session. Seconded by Mr. Ratliff.

Motion carried; voting as follows:

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

Mr. Jefferies made a motion to amend the General Manager Agreement within the parameters discussed in Executive Session. Seconded by Ms. Harting.

Motion carried; voting as follows:

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

13. <u>Election of Officers (President, Vice President, and Secretary) and approval of appointments to standing committees (Audit & Budget Committee and Personnel Committee) in accordance with Agency Rules & Regulations.</u>

Ms. Harting moved to use the normal rotation and nominated Mr. Nelson for the office of President, Mr. Davis for the office of Vice President, and Mr. Jefferies for the office of Secretary-Treasurer. It was seconded by Mr. Ratliff. Voting as follows:

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

Ms. Spurlock named the committees as follows:

Personnel – Nelson - Chair, Harting, Cheek, Jefferies
Audit & Budget – Davis - Chair, Spurlock, Ratliff, Register

Moved by Mr. Cheek, seconded by Mr. Jefferies, for approval of the committees. Voting as follows:

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

14. <u>Future Meeting Dates.</u>

By general consensus of the Board, the next Board meeting is tentatively set for December 11, 2025.

15. <u>Adjourn</u>

By general consensus of the Board, the meeting adjourned at 11:31 AM.

TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE CALL

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

BRYAN TEXAS UTILITIES
2611 NORTH EARL RUDDER FREEWAY
BRYAN, TX 77803

Tuesday November 18, 2025 at 1:00 PM and Wednesday November 19, 2025 at 4:30 PM

President Nelson called the meeting to order at 1:02 PM.

The following people were present at the meeting.

Board Members:

James Ratliff – City of Garland
Summer Spurlock and Sue Ann Harting – City of Greenville
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.
Gary Miller - BTU
Tony Puente - City of Denton
Bill Shepherd– GEUS
Tim Walton
Jeff Boswell - Republic Ranches
Drake Heller - Republic Ranches

Public Comments:

Mr. Nelson asked for comments, there were none.

1. Executive Session.

Mr. Nelson announced that the Board would convene in executive session pursuant to Sections 551.071 and 551.072, Government Code.

The open session was recessed, and the executive session was called to order by Mr. Nelson at 1:04 PM.

The open session resumed at 2:41 pm.

Meeting recessed until 4:30 PM November 19, 2025.

President Nelson called the meeting to order on November 19th at 4:33 PM.

The following people were present at the meeting.

Board Members:

James Ratliff and Tom Jefferies – City of Garland
Summer Spurlock and Sue Ann Harting – City of Greenville
Bill Cheek and Jesse Davis – 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.
Gary Miller - BTU
Drake Heller - Republic Ranches

2. Resolution No. 2025-11-1, authorizing the sale of a 722.85-acre tract out of the former Gibbons Creek Lignite Mine (the "SP 50 Property); describing the conditions ad circumstances for the sale of the SP 50 Property, and the public purposes that will be achieved; and resolving matters incidental and related thereto.

Ms. Harting made a motion, seconded by Mr. Jefferies, to approve Resolution No. 2025-11-1

Motion carried; voting as follows:

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

3. Adjourn

By general consensus of the Board, the meeting adjourned at 4:37 PM.

December 11, 2025

AGENDA ITEM NO. 2

SUBJECT: Planning & Operating Committee report relating to the December 10, 2025 Committee meeting.

DISCUSSION: The P&O Committee Chair will present major discussion topics and actions taken at the December 10, 2025 meeting.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Gary Miller
12/11/2025

December 11, 2025

AGENDA ITEM NO. 3

SUBJECT: Audit and Budget Committee report relating to the December 11, 2025 Committee meeting.

DISCUSSION: The Audit and Budget Committee meeting package can be viewed on the Board's secure website in the December 11, 2025 Board Meeting Folder.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Jesse Davis
12/1/2025

December 11, 2025

AGENDA ITEM NO. 4

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

DISCUSSION:

Bond Release Status

Following the bond release approved on 06/17/25, TMPA is down to 28.2 acres of land still under bond – Seep 1A (3.8 acres) and Seep 9A (24.4 acres).

On 07/30/25, TMPA applied for bond release on this remaining acreage. This was done unofficially to give Railroad Commission Staff time for review and the establishment of a procedure for approving mitigation of acid seeps, since this would be a first for Texas.

Seep 1A Mitigation

Moderate temperatures, the good quality of Seep 1A remediated water, and the hog fence built in spring 2025, have all helped to promote vigorous growth of vegetation (Figures 1 and 2).

Figure 1 – Vegetation in the Seep 1A wetland treatment area
(View northeast, 11/12/25)

Figure 2 – Vegetation inside the fenced wetland area at Seep 1A
(View northeast, 11/12/25)

Seep 9A Mitigation

The rock berms in the Seep 9A drainage have helped to prevent soil erosion. Vegetation is becoming well established in both sections, mitigated in 2022 and 2023 (Figures 3 and 4).

Figure 3 – Vegetation in section of Seep 9A mitigated in 2022
(Note rock erosion control berm. View south, 11/12/25)

Figure 4 – Vegetation in section of Seep 9A mitigated in 2023
(Note rock erosion control berm. View west, 11/12/25)

Sale of Pond SP-50 Property (723 acres)

The General Manager will report on the sale of the Pond SP-50 property.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Daniel Meadows, Jan K. Horbaczewski
12/1/25

December 11, 2025

AGENDA ITEM NO. 5

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. The physical work was considered complete by GCERG on August 31, 2024.

On November 14, 2025, the TCEQ approved the Coal Combustion Residuals Registration for the ash ponds, scrubber sludge pond, and Site F Landfill.

TMPA estimates that the remediation project is **96% complete** with only the final administrative and regulatory tasks remaining to close Site A Landfill, Site F Landfill, Scrubber Sludge Pond, and Ash Ponds.

The Escrow Balance is currently at $2.85 million, and per the APA, this balance will remain as retention until TMPA certifies that all post-closure bonds are in place. The current total security available is shown below.

Escrow Amount:	2,854,600
Regulatory Closure Bond Amount:	32,558,000
Total Security Available:	**35,412,600**

BACKUP MATERIAL: None

ACTION REQUESTED: None

Daniel Meadows
12/1/2025

December 11, 2025

AGENDA ITEM NO. 6

SUBJECT: Status reports relating to Transmission Operations and the Five-Year Transmission 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) Five-year Transmission Project Status Report

ACTION REQUESTED: None

Daniel Meadows
12/2/2025

TRANSMISSION OPERATIONS STATUS REPORT

Outage Summary:

During the months of August, September and October 2025, TMPA had 7 planned outages on the 345kV system, 18 planned outages on the 138kV system and no planned outages on the 69kV system. There were six forced extensions on the 345kV system, three on the 138kV and none on the 69kV system. There were two unplanned outages on the 345kV system, one on the 138kV and none on the 69kV system.

The unplanned outages and forced extensions are detailed below:

The two 345kV unplanned outages were at Jack Creek on breakers 5030 and 5050. The outages occurred on 10/25/25 due to a relay failure.

The one 138kV unplanned outage was at Ben Davis on breakers 8090 and 8100. The outage began on 10/27/25 to complete end-to-end testing with ONCOR at Parker Maxwell.

The six 345kV forced extensions were all at Ben Davis and related to the upgrade and commissioning of the new control enclosure.

The three 138kV forced extensions were also at Ben Davis and for the same reason as above.

Personnel Summary:

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

Steve Martin
Matt Carter
11/20/2025

TMPA Transmission Operations Report
2025

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2025 Total
Planned Outages													
345 Kv	4	1	5	8	2	2	4	0	2	5			**33**
138 Kv	2	1	2	13	0	6	7	9	6	3			**49**
69 Kv	0	1	0	0	0	0	0	0	0	0			**1**
Devices requested													**83**
Un-Planned Outages													
345 Kv	1	0	1	2	1	0	0	0	0	2			**7**
138 Kv	1	1	0	1	0	0	0	0	0	1			**4**
69 Kv	0	0	0	0	0	0	0	0	0	0			**0**
													11
Forced Extension Outages													
345 Kv	0	0	0	2	1	0	0	0	0	6			**9**
138 Kv	0	1	1	1	0	0	0	0	0	3			**6**
69 Kv	0	1	0	0	0	0	0	0	0	0			**1**
													16

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

Five-Year Transmission Projects Status Report as of December 2025

Project Name	Project No.	Total Approved / NOT Approved	Approved Funds Remaining as of 9/30/25 or Date of Approval (if later)	FY26	FY27	FY28	FY29	FY30
Steep Hollow to Keith Switch - Rebuild/Grounding Enhancement	T20002	$ 12,800,000	$ 3,329,418	*$ 817,000*				
				$ 817,000				
Ben Davis Breaker Replacement	T20004	$ 4,290,000	$ 2,302,076	*$ 908,631*				
				$ 1,059,233				
Pruitt 138kV Terminal Addition	T21005	$ 24,161,000	$ 22,748,940	*$ 3,500,000*	*$ 19,248,940*			
					$ 24,161,000			
Gibbons Creek Decommission Transmission Phase II	T21006	$ 5,910,000	$ -					
				$ 2,203				
Gibbons Creek Data Center Terminal Additions	T22002	$ 3,000,000	$ 3,000,000				*$ 3,000,000*	
							$ 3,000,000	
Dansby to Steep Hollow Rebuild	T22003	$ 21,500,000	$ -	*$ 1,600,000*				
				$ 1,600,000				
Greenville Interchange to Pruitt New Line & Station (Makalu)	T22004	$ 12,500,000	$ 12,342,438	*$ 2,242,438*	*$ 2,000,000*	*$ 8,100,000*		
						$ 12,500,000		
Rayburn Country 138kV POI	T22005	$ 4,062,500	$ 560,215	*$ 938,000*				
				$ 938,000				
Brazos Interconnection at Denton West Interchange	T24001	$ 3,530,400	$ 3,052,501	*$ 300,000*	*$ 1,500,000*	*$ 850,000*		
						$ 3,127,899		
Shelby to Nevada Transmission Line Extension	T24003	$ 2,700,000	$ 2,700,000			*$ 2,700,000*		
						$ 2,700,000		
Industrial Substation Bypass	T24004	$ 174,900	$ 159,161	*$ 159,161*				
				$ 174,900				
Transformer Dissolved Gas Monitor	T24006	$ 108,750	$ 73,750	*$ 67,000*				
				$ 67,000				
Relay Panel Replacement Project at Denton West	T24008	$ 96,800	$ 96,800	*$ 48,400*	*$ 48,400*			
					$ 96,800			
GC Switchyard Subsurface and Surface Modifications	T25001	$ 8,300,000	$ 3,198,197	*$ 3,198,197*				
				$ 3,198,197				
GC-Zenith Ckt 18 (CNP) Protection Scheme	T25002	$ 845,000	$ 835,533	*$ 835,533*				
				$ 845,000				
GC-Greens Prairie 138 kV Reconductor	T25003	$ 4,786,000	$ 4,054,465	*$ 4,054,465*				
				$ 4,786,000				
Nevada to Royse 138kV Conductor Replacement	T25004	$ 100,000	$ 41,001	*$ 41,000*				
				$ 41,000				
Lee Street Interconnecting Lines	T25005	$ 1,950,000	$ 1,950,000	*$ 1,755,000*	*$ 195,000*			
					$ 1,950,000			
GC Physical Security Enhancements	T25006	$ 2,112,600	$ 2,004,585	*$ 2,004,585*				
				$ 2,112,600				
GC-Greens Prairie 138 kV Reconductor (supplemental to T25003)	T25003	$ 878,000	$ -	*$ 878,000*				
				$ 878,000				
GC Physical Security Enhancements (supplemental to T25006)	T25006	$ 1,493,800	$ -	*$ 1,493,800*				
				$ 1,493,800				
Denton West-Roanoke (Related to Oncor Ramhorn-Dunham)		$ 15,800,000		$ 15,800,000				
Denton West Auto Transformer		$ 14,700,000		$ 2,300,000	$ 4,900,000	$ 5,400,000	$ 2,100,000	
Buffalo Prairie Storage (150 MW)		$ 10,200,000			$ 4,000,000	$ 6,200,000		
Little Ridge Storage (250 MW)		$ 9,500,000			$ 8,500,000	$ 1,000,000		
Wixon Data Center (interconnection of BTU)		$ 10,000,000			$ 3,000,000	$ 7,000,000		
Buffalo Meadow Solar		$ 1,000,000			$ 3,000,000	$ 7,000,000		
Texas Cotton Solar (Jack Creek)		$ 10,000,000					$ 5,000,000	$ 5,000,000
Spencer Interchange to Pockrus T-line Reconstruction		$ 7,290,000						$ 5,690,000
TMPA Capital Spending (Approved)				**$ 22,469,410**	**$ 22,992,340**	**$ 11,650,000**	**$ 3,000,000**	**$ -**
TMPA Investments Placed In-Service (Approved)				**$ 15,641,133**	**$ 26,207,800**	**$ 18,327,899**	**$ 3,000,000**	**$ -**

TXDOT Reimbursable Projects:								
State Highway 30 Pole Relocation Project	T24009	$ 6,050,000	$ 6,050,000		$ 6,050,000			
West Loop 288-West Denton to Fort Worth T-line Relocation		$ 3,300,000	$ -		$ 1,200,000	$ 2,100,000		
West Loop 288-Masch Branch to North Denton T-line Relocation		$ 3,300,000	$ -		$ 1,200,000	$ 2,100,000		
East Loop 288 and Hwy 380 TML Reroute		$ 2,300,000	$ -		$ 1,500,000	$ 800,000		

Project number not yet assigned/unapproved projects not included in totals
Projected dollars spent
Projected placed in-service

December 11, 2025

AGENDA ITEM NO. 7

SUBJECT: Resolution No. 2025-12-1, amending the FY2026 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Gibbons Creek Switchyard Physical Security Enhancements Project; and resolving matters incidental and related thereto.

DISCUSSION: On June 5, 2025, the Board appropriated $2,112,600 for the purpose of enhancing the physical security of the Gibbons Creek Switchyard, by constructing anti-climb fencing, and installing certain camera/surveillance infrastructure. Thereafter, competitive bids were solicited for this Project. Three bids were received, and the selected bid would cause the project to exceed the amount appropriated for this Project.

The bid exceeded the original estimate due to the following factors: (a) temporary fencing to maintain security during the replacement of the permanent fence and (b) an extension of the switchyard ground grid and related civil work necessary for the new fence.

This Resolution would increase the amount authorized to be expended on this Project from $2,112,600 to $3,606,400.

BACKUP MATERIAL: Capital Project Supplemental Proposal

ACTION REQUESTED: Consideration and action on Resolution No. 2025-12-1.

RESOLUTION NO. 2025-12-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY (“AGENCY”) AMENDING THE FY2026 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY INCREASING THE AMOUNT THAT IS AUTHORIZED TO BE EXPENDED ON THE GIBBONS CREEK SWITCHYARD PHYSICAL SECURITY ENANCEMENTS PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Board has previously appropriated funding for the Gibbons Creek Switchyard Physical Security Enhancements Project (the “Project”); and,

WHEREAS, because the competitive bids received have all exceeded the amount appropriated, it is necessary to increase the amount that is authorized to be expended on this 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 FY2026 Annual Transmission System Capital Budget is amended by increasing the amount that is authorized to be expended on the Project from $2,112,600 to $3,606,400;

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 11TH DAY OF DECEMBER 2025.

____
Andrew Nelson, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Tom Jefferies, Secretary
Board of Directors
Texas Municipal Power Agency

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROJECT SUPPLEMENTAL PROPOSAL

PROJECT TITLE: T25006	Gibbons Creek Physical Security Enhancements				
DATE OF REQUEST: 12-11-2025	**PROJECT MANAGER:** Eric Carter		✓ **GP&L** ☐ **DME**		
REVISED PROJECT COST: $ 3,606,400	**PREV. APPROVED:** $ 2,112,600	**START DATE:** July 2025	**CAPITAL PLAN YEAR:** 2026		
CASH FLOW $ SPENT	**FY26:** $ 3,496,400	**FY27:** $	**FY28:** $	**FY29:** $	**FY30:** $
YEAR(S) $ PLACED IN-SVC	**FY26:** $ 3,606,400	**FY27:** $	**FY28:** $	**FY29:** $	**FY30:** $

UPDATED DESCRIPTION OF PROJECT (INCLUDING BACKGROUND, ASSUMPTIONS, & PROJECT BENEFITS):

The scope of the project has been updated to include two new items:
- Temporary fencing to maintain security during the replacement of the permanent fence
- Additional civil work and extending the switchyard ground grid necessary for the new fence. This need was discovered during the course of another project at the switchyard in late 2025.

The Project Benefits have not changed and are as follows:

The project provides the switching station with physical security enhancements by replacing the existing chain-link fence with a 10' welded wire anti-climb/anti-cut fence to provide enhanced physical security for the substation. Lighting will be improved by illuminating the station from standards along the fence perimeter to provide sufficient lighting for night-time inspections and security camera requirements.

Note: There was $110,000 in spending in FY25.

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROJECT SUPPLEMENTAL PROPOSAL

COST BREAKDOWN:	ORIGINAL ESTIMATE	REVISIONS	NEW ESTIMATE
Labor	$ 25,000	$	$ 25,000
Materials	$ 595,100	$ -420,100	$ 175,000
Contract Services	$ 930,500	$ 1,795,500	$ 2,726,000
Engineering Consulting	$ 210,000	$	$ 210,000
Misc. Expenses	$ 352,000	$ 118,400	$ 470,400
TOTAL	$ 2,112,600	$ 1,493,800	$ 3,606,400

COST BREAKDOWN BASIS:

- Utilizes temporary fence (new)
- Additional civil and ground grid to facilitate new fence location (new)
- Contract Services line item now includes material for the Camera/Surveillance Infrastructure

Estimation Levels:
P1 = Budget/Preliminary (+/- 30%)
P2 = Conceptual (+/- 20%)
P3 = Detail Design (+/- 10%)

Level of Estimate: ○ P1 ○ P2 ◉ P3

EXPLANATION FOR REVISIONS:

Three bids were received for the material and installation of the anti-climb security fence and associated work (Contract Services). The revised cost reflects the anticipated costs from the successful bidder.

The cost changes include the following items:
- Original Estimate incorporated some of the material for the Camera/Surveillance Infrastructure installation in Materials; these materials were included in the bid responses and are now in the Contract Services line-item
- Additional civil work and grounding grid based on subsequent field investigation
- Addition of temporary fence material and labor
- P3 Detail Design contingency (10%) + 5% for overhead for Misc. Expenses

SIGNATURES	
Project Manager: [signature]	Date: 12-2-2025
Supervisor: Charles Chapman	Date: 12-02-2025
Utility General Manager: Darrell Cline	Date: 12/02/2025
TMPA CFO: Lyndi Birkhead	Date: 12.3.25
TMPA General Manager: Daniel Meadows	Date: 12-3-2025

December 11, 2025

AGENDA ITEM NO. 8

SUBJECT: Resolution No. 2025-12-2, amending the FY2026 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Gibbons Creek to Greens Prairie 138 kV Line Reconductor Project; and resolving matters incidental and related thereto.

DISCUSSION: On March 13, 2025, the Board authorized an asset exchange with the City of Bryan, under which TMPA acquired, among other transmission assets, the Gibbons Creek to Greens Prairie 138 kV Transmission Line.

Prior to the acquisition, Bryan had planned to reconductor the line (the "Reconductor Project"). As part of the exchange, TMPA acquired the rights to build the Reconductor Project. Accordingly, included in the March 13, 2025 Board approval of the asset exchange, was an appropriation of $4,786,000 for the Reconductor Project.

Approximately 1.5 miles of line to be reconductored, in association with this project, is owned by the City of College Station (the "College Station Portion"). Prior to the exchange with TMPA, Bryan and College Station had agreed that Bryan would construct the College Station Portion as part of Bryan's Reconductor Project. However, since TMPA Staff was not aware of the College Station Portion when the exchange transaction was presented to the Board on March 13, 2025, the estimated Reconductor Project cost, and the amount appropriated by the Board, did not include costs for the College Station Portion.

This Resolution amends the amount that is authorized to be expended on the Reconductor Project to account for the College Station Portion, from $4,786,000 to $5,664,000. Funds expended on the College Station Portion will be reimbursed by the City of College Station.

BACKUP MATERIAL: Capital Project Supplemental Proposal

ACTION REQUESTED: Consideration and action on Resolution No. 2025-12-2.

Daniel Meadows
12/1/2025

RESOLUTION NO. 2025-12-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AMENDING THE FY2026 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY INCREASING THE AMOUNT THAT IS AUTHORIZED TO BE EXPENDED ON THE GIBBONS CREEK TO GREENS PRAIRIE 138 KV LINE RECONDUCTOR PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Board has previously approved the Gibbons Creek to Greens Prairie 138 kV Line Reconductor Project (the "Reconductor Project"); and,

WHEREAS, because the amount originally appropriated for the Reconductor Project failed to include costs associated with the reconductoring of approximately 1.5 miles of line owned by the City of College Station, it is necessary to increase the amount that is authorized to be expended on the Reconductor 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 FY2026 Annual Transmission System Capital Budget is amended by increasing the amount that is authorized to be expended on the Reconductor Project from $4,786,000 to $5,664,000;

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 11TH DAY OF DECEMBER 2025.

____
Andrew Nelson, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ____________________________
Tom Jefferies, Secretary
Board of Directors
Texas Municipal Power Agency

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROJECT SUPPLEMENTAL PROPOSAL

PROJECT TITLE: T25003	Gibbons Creek-Greens Prairie 138kV Reconductor				
DATE OF REQUEST: 12-11-2025	**PROJECT MANAGER:** Eric Carter			✔ **GP&L** ☐ **DME**	
REVISED PROJECT COST: $ 5,664,000	**PREV. APPROVED:** $ 4,786,000	**START DATE:** 9/2/2024		**CAPITAL PLAN YEAR:** 2026	
CASH FLOW $ SPENT	**FY26:** $ 4,932,000	**FY27:** $	**FY28:** $	**FY29:** $	**FY30:** $
YEAR(S) $ PLACED IN-SVC	**FY26:** $ 5,664,000	**FY27:** $	**FY28:** $	**FY29:** $	**FY30:** $

UPDATED DESCRIPTION OF PROJECT (INCLUDING BACKGROUND, ASSUMPTIONS, & PROJECT BENEFITS):

The original scope of the project has not changed, and this supplemental is to add one new scope item and update costs.

Scope Addition: The Gibbons Creek to Greens Prairie 138 kV line is being reconductored as part of the original scope. The City of College Station owns 1.5 mile of transmission line (conductor only) that shares TMPA's structures on the Gibbons Creek to Greens Prairie 138 kV line. TMPA has agreed to replace this 1.5-mile portion of transmission conductor on behalf of College Station. College Station will reimburse TMPA for the expenses of this work which is estimated to be about $700,000.

Note: There was $732,000 in spending in FY25.

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROJECT SUPPLEMENTAL PROPOSAL

COST BREAKDOWN:	ORIGINAL ESTIMATE	REVISIONS	NEW ESTIMATE
Labor	$ 1,734,000	$ -1,734,000	$ 0
Materials	$ 2,034,000	$ - 234,000	$ 1,800,000
Contract Services	$ 0	$ 3,200,000	$ 3,200,000
Engineering Consulting	$ 394,000	$ 0	$ 394,000
Misc. Expenses	$ 624,000	$ - 354,000	$ 270,000
TOTAL	$ 4,786,000	$ 878,000	$ 5,664,000

COST BREAKDOWN BASIS:

The revised costs are based on actuals to date and a projection of the remaining costs.
The costs for labor and materials have been recategorized into materials and contract services.

Estimation Levels:
P1 = Budget/Preliminary (+/- 30%)
P2 = Conceptual (+/- 20%)
P3 = Detail Design (+/- 10%)

Level of Estimate: ○ P1 ○ P2 ◉ P3

EXPLANATION FOR REVISIONS:

The revised costs are based on actuals to date and the remaining costs to complete the scope based on the contractor's actual bid.

Labor - This cost are now included in Contract Services.
Materials - Some materials were included in the contractor's scope.
Contract Services - The additional $700,000 for the College Station portion is included in this line item.
Misc. Expenses - This amount, which is primarily contingency, is lowered to 5% of the revised project cost since construction is underway and the risk of unknowns is reduced.

SIGNATURES	
Project Manager:	**Date:**
Supervisor:	**Date:**
Utility General Manager:	**Date:**
TMPA CFO: Lyndi Birkhead	**Date:** 12.3.25
TMPA General Manager: Daniel Meadows	**Date:** 12-3-2025

December 11, 2025

AGENDA ITEM NO. 9

SUBJECT: FY25 Year-end Budget Status Report

DISCUSSION: This report, along with the attachments, provides a comparison of actual cost performance to budgets (approved 6/27/24) for each business unit of TMPA as of FY25 year-end. The year-end results are summarized as follows:

GENERATION – Year-end Results (in thousands)				
Cost Type	**Approved Budget**	**Actual**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$204	$77	($127)	(62.3%)
Other Revenues Excluding City Billings	($7)	($4)	$3	44.7%
Total Budget Variance			**($124)**	**(62.9%)**

MINE – Year-end Results (in thousands)				
Cost Type	**Approved Budget**	**Actual**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$638	$700	$62	9.7%
Other Revenues Excluding City Billings	($22)	($35)	($12)	(55.5%)
Total Budget Variance			**$49**	**8.0%**

TRANSMISSION – Year-end Results (in thousands)				
Cost Type	**Approved Budget**	**Actual**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$8,177	$7,012	($1,165)	(14.2%)
Fixed Costs - Debt	$18,115	$17,331	($784)	(4.3%)
Other Revenues	($35,742)	($36,577)	($835)	(2.3%)
Total Budget Variance			**($2,785)**	**(29.5%)**
Debt Service Coverage	1.25X	2.17X		Exceeds requirement

A&G costs were under budget ($200K) primarily due to reduced insurance premiums and the Agency now utilizing an IT consultant as opposed to a full-time employee.

Generation Division - Total Costs were under budget by $124K in FY25.

1. Consulting Services were $53K lower due to lower than projected activity by GCERG at the former plant site and slow progress with obtaining regulatory closure.
2. Legal Services were $40K lower as remediation continues to wrap up at the former plant site.

Mine Division - Total Costs were over budget by $49K in FY25.

1. Mine Maintenance was $73K higher as seep maintenance costs were higher than anticipated in Q1. Additionally, seep work was needed for hog repair and prevention.
2. Legal Services were $46K lower as mine work continues to wrap up.

Transmission Division - Total Costs were under budget by $2.8M in FY25.

1. Property Insurance was $92K lower as the market has softened, providing for reduced premiums.
2. Contractor Maintenance was $616K lower primarily due to vegetation management coming in lower than budgeted and some maintenance being delayed due to outage constraints.
3. Consulting Services were $82K higher due to efforts to research and develop opportunities in transmission projects throughout ERCOT and other various transmission-related consulting.
4. Other Fixed Costs – Non-Debt were $296K lower due to reduced material purchases as FY25 saw a lower need for reactionary maintenance.
5. Debt Service – Bonds were $893K lower as the issuance of the 2025 bonds closed on July 31, which was later in the fiscal year than budgeted.
6. Revolving Notes Interest was $109K higher for the same reason stated above. The longer the balance of outstanding Notes remains high, the higher the short-term interest cost.
7. Transmission System Revenue was $654K higher as the 2024 Average 4CP was higher than estimated.
8. Interest Income was $98K higher as interest rates were higher than budgeted.
9. Other Revenue was $83K higher primarily due to a gain recognized on the sale of land to GEUS related to the Lee Street project.

NOTE: There was no FY25 charge to the Member Cities for the Transmission division since revenues exceeded expenses.

There will be a distribution of transmission funds as of the end of FY25. This was discussed at the September Board meeting and will be reviewed in further detail in Agenda Item No. 12.

BACKUP MATERIAL: Attachment A: Generation FY25 Year-end Rate Sheet
Attachment B: Mine FY25 Year-end Rate Sheet
Attachment C: Transmission FY25 Year-end Rate Sheet

ACTION REQUESTED: None

Lyndi Birkhead
12/3/25

ATTACHMENT A

Generation

FY25 Year-end Key Budget Driver Rate Sheet
FY25 Approved Budget Compared to Year-end Actuals

	FY25 Budget Approved 6/27/24 YTD September	FY25 Year-end Actuals	(Under) Over Budget	Percentage Change
Fixed Costs				
S02 Consulting Services	85,000	32,404	(52,595)	-61.9%
S04 Legal Services	60,000	20,550	(39,450)	-65.7%
Other Fixed Costs - Non-Debt	2,500	43	(2,457)	-98.3%
Allocation of A&G	56,791	24,067	(32,724)	-57.6%
TOTAL FIXED COSTS	**$ 204,291**	**$ 77,065**	**$ (127,226)**	**-62.3%**
Other Revenues				
I73 Interest Income	(7,152)	(3,950)	3,202	44.8%
Other Revenue	-	(4)	(4)	-100.0%
TOTAL OTHER REVENUES	**$ (7,152)**	**$ (3,954)**	**$ 3,198**	**44.7%**
TOTAL COSTS	**$ 197,139**	**$ 73,111**	**$ (124,028)**	**-62.9%**

	Budget Approved in FY23**	Actual Spent in FY23-24	Actual Spent in FY25	Reserved Balance as of 9/30/25***
Site F Landfill Legal Costs*	500,000	144,752	4,274	350,974

** Expenses, up to the approved $500K, do NOT impact the FY25 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

FY25 Year-end Key Budget Driver Rate Sheet

FY25 Approved Budget Compared to Year-end Actuals

	FY25 Budget Approved 6/27/24 YTD September	FY25 Year-end Actuals	(Under) Over Budget	Percentage Change
Fixed Costs				
M44 Mine Maintenance	180,000	253,023	73,023	40.6%
R51 Contractor Maintenance	35,000	9,570	(25,430)	-72.7%
S02 Consulting Services	165,000	170,019	5,019	3.0%
S04 Legal Services	60,000	14,317	(45,683)	-76.1%
Other Fixed Costs - Non-Debt	20,630	27,555	6,925	33.6%
Allocation of A&G	177,354	225,340	47,986	27.1%
TOTAL FIXED COSTS	**$ 637,984**	**$ 699,824**	**$ 61,840**	**9.7%**
Other Revenues				
I76 Interest Income	(22,335)	(34,731)	(12,396)	-55.5%
TOTAL OTHER REVENUES	**$ (22,335)**	**$ (34,731)**	**$ (12,396)**	**-55.5%**
TOTAL COSTS	**$ 615,649**	**$ 665,093**	**$ 49,444**	**8.0%**

Transmission

FY25 Year-end Key Budget Driver Rate Sheet

FY25 Approved Budget Compared to Year-end Actuals

	FY25 Budget Approved 6/27/24 YTD September	FY25 Year-end Actuals	(Under) Over Budget	Percentage Change
Fixed Costs				
L01 Labor & Benefits	706,573	685,599	(20,974)	-3.0%
R06 Bank Charges	159,500	112,069	(47,431)	-29.7%
R41 Property Insurance	685,660	593,861	(91,799)	-13.4%
R51 Contractor Maintenance	2,014,100	1,398,219	(615,881)	-30.6%
S02 Consulting Services	-	81,627	81,627	-100.0%
S04 Legal Services	190,000	230,302	40,302	21.2%
Other Fixed Costs - Non-Debt	2,148,197	1,852,020	(296,177)	-13.8%
Allocation of A&G	2,273,199	2,058,428	(214,771)	-9.4%
Subtotal Fixed Costs - Non-Debt	**$ 8,177,230**	**$ 7,012,125**	**$ (1,165,105)**	**-14.2%**
R57-R58 Debt Service - Bonds	13,183,807	12,290,353	(893,453)	-6.8%
R55 Revolving Notes Interest	1,503,463	1,612,492	109,029	7.3%
R62 Debt Coverage Payment	3,427,790	3,427,790	-	0.0%
Subtotal Fixed Costs - Debt	**$ 18,115,059**	**$ 17,330,636**	**$ (784,424)**	**-4.3%**
TOTAL FIXED COSTS	**$ 26,292,289**	**$ 24,342,761**	**$ (1,949,528)**	**-7.4%**
Other Revenues				
I50 Transmission System Revenue	(34,925,265)	(35,579,337)	(654,072)	-1.9%
I70-I75 Interest Income	(714,289)	(812,616)	(98,326)	-13.8%
Other Revenue	(102,750)	(185,415)	(82,664)	-80.5%
TOTAL OTHER REVENUES	**$ (35,742,304)**	**$ (36,577,367)**	**$ (835,063)**	**-2.3%**
TOTAL COSTS / (REVENUES)	**$ (9,450,015)**	**$ (12,234,606)**	**$ (2,784,591)**	**-29.5%**

December 11, 2025

AGENDA ITEM NO. 10

SUBJECT: Resolution No. 2025-12-3, receiving the audited financial statements of the Agency for the fiscal year ended September 30, 2025; and resolving matters incidental and related thereto.

DISCUSSION: The Joint Operating Agreement requires that an audit of the Agency's financial statements be performed within 120 days of the close of each fiscal year. The audit for fiscal year 2025 has been completed, and the results will be presented to the Audit & Budget Committee in the meeting scheduled prior to the Board meeting on December 11, 2025. The attached resolution receives the audited financial statements of the Agency for fiscal year 2025 and directs that a copy of the audited financial statements be sent to each Member City.

BACKUP MATERIAL: Texas Municipal Power Agency Financial Statements for the Years Ended September 30, 2025 and 2024

ACTION REQUESTED: Consideration and action on Resolution No. 2025-12-3.

Lyndi Birkhead
12/3/2025

RESOLUTION NO. 2025-12-3

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") RECEIVING THE AUDITED FINANCIAL STATEMENTS OF THE AGENCY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Agency is required by the Joint Operating Agreement with the cities of Bryan, Denton, Garland, and Greenville, to cause the records and accounts and all transactions of the Agency relating to each business category to be subject to an annual audit by an independent certified public accountant within 120 days of the close of each Fiscal Year;

WHEREAS, the firm of Forvis Mazars has completed the audit as required for the fiscal year ended September 30, 2025;

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 audited financial statements of the Agency for the fiscal year ended September 30, 2025 are received;

3. That a copy of the audited financial statements shall be sent to each Member City;

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

PASSED AND APPROVED THIS 11TH DAY OF DECEMBER 2025.

____
Andrew Nelson, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Tom Jefferies, Secretary
Board of Directors
Texas Municipal Power Agency

Texas Municipal Power Agency
Independent Auditor’s Report and Financial Statements

For the Years Ended September 30, 2025 and 2024

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Required Supplementary Information (Unaudited)

Supplemental Schedule (Unaudited)

FINANCIAL SECTION

Forvis Mazars, LLP
14221 Dallas Parkway, Suite 400
Dallas, TX 75254
P 972.702.8262 | F 972.702.0673
forvismazars.us

Independent Auditor's Report

Members of the Board of Directors
Texas Municipal Power Agency
Bryan, Texas

Opinion

We have audited the financial statements of Texas Municipal Power Agency (TMPA), as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise TMPA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of TMPA, as of September 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TMPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TMPA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TMPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TMPA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise TMPA's basic financial statements. The combining statement of revenues, expenses and changes in net position is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statement of revenues, expenses and changes in net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

Dallas, Texas
November 25, 2025

Texas Municipal Power Agency
Management's Discussion and Analysis ("MD&A")
For the Years Ended September 30, 2025 and 2024
(Unaudited)

The objective of this discussion and analysis is to provide the reader with information relevant to an assessment of the financial condition and the results of operations of the Texas Municipal Power Agency ("Agency" or "TMPA"). This report contains supplemental information, which is essential to financial reporting and required by the Governmental Accounting Standards Board, in addition to the basic financial statements of the enterprise operation. TMPA's management encourages readers to refer to the accompanying basic financial statements and their related notes for more detailed information concerning the financial condition of the Agency. The basic financial statements are comprised of the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, and the related notes to financial statements.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Texas Municipal Power Agency, Finance Department, P.O. Box 7000, Bryan, Texas 77805 or visit our website at www.texasmpa.org.

Financial and Operational Highlights for Fiscal Year Ended September 30, 2025

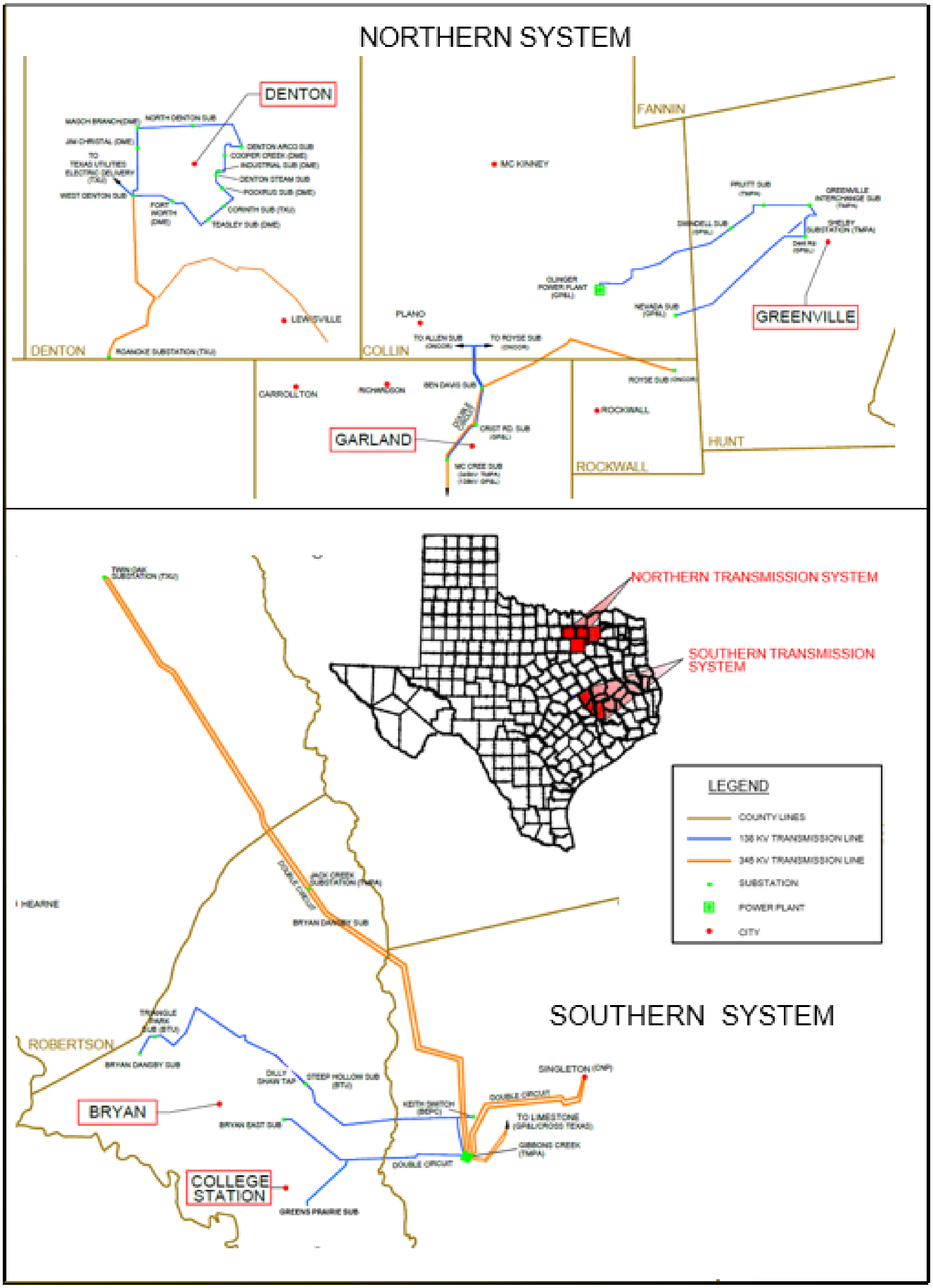
After 36 years of productive operations, a notification to ERCOT was made to remove Gibbons Creek from the ERCOT system. Thereafter, Gibbons Creek was removed from the ERCOT system, effective October 30, 2019. On February 10, 2021, Gibbons Creek was sold, and all decommissioning/environmental remediation liability transferred to the new owner. Since that time, TMPA and an appointed Environmental Designee have monitored the progress of the buyer's remediation activities pursuant to the Asset Purchase Agreement ("APA").

As of the end of FY 2025, the total of mined land remaining under a reclamation bond is 28 acres (4 acres at Seep 1A and 24 acres at Seep 9A). TMPA is in the process of filing a request for final bond release on these 28 acres. On December 21, 2021, approximately 11,000 acres of the mine property was sold. It is anticipated that the remaining 723 acres will be sold within the next couple of years.

TMPA has approximately 332 circuit miles of transmission lines (both 345kV and 138kV), 10 substations, and maintains additional transmission assets within jointly-owned transmission stations. TMPA is a registered Transmission Owner in ERCOT and is represented in various technical working groups which support the ongoing operation of the ERCOT grid. A map of the TMPA transmission system can be found on the following page.

A group of capital projects have been approved that will span the next several years with the goal of refurbishing, upgrading, and replacing aging transmission assets. These projects are needed to ensure system reliability as electricity usage increases and to accommodate changing generation patterns that drive expansion of the ERCOT transmission system.

Effective September 1, 2016, TMPA and the Member Cities entered into a Joint Operating Agreement ("JOA") addressing ownership, operational, and contractual issues associated with TMPA following the expiration of the Power Sales Contract ("PSC"). The PSC expired as to the City of Greenville on September 1, 2018 and expired as to the remaining Cities on September 30, 2018. Unless terminated earlier through the mutual consent of all parties, the JOA remains in effect until TMPA is dissolved.


NORTHERN SYSTEM
DENTON
FANNIN
MC KINNEY
GREENVILLE
PLANO
LEWISVILLE
DENTON
COLLIN
CARROLLTON
RICHARDSON
GARLAND
ROCKWALL
HUNT
NORTHERN TRANSMISSION SYSTEM
SOUTHERN TRANSMISSION SYSTEM
LEGEND
COUNTY LINES
138 KV TRANSMISSION LINE
345 KV TRANSMISSION LINE
SUBSTATION
POWER PLANT
CITY
HEARNE
SOUTHERN SYSTEM
ROBERTSON
BRYAN
COLLEGE STATION
SINGLETON (CNP)
DOUBLE CIRCUIT
GREENS PRAIRIE SUB

Texas Municipal Power Agency
Statements of Net Position
(Dollars in Thousands)

	September 30,		
	2025	2024	2023
Assets			
Assets			
Current Assets			
Current Unrestricted Assets	$ 23,512	$ 22,510	$ 23,730
Current Restricted Assets	1,332	980	980
Total Current Assets	24,844	23,490	24,710
Noncurrent Assets, Net			
Electric Transmission Plant	208,252	192,419	176,406
Other Assets	11,259	9,183	9,089
Total Noncurrent Assets	219,511	201,602	185,495
Total Assets	$ 244,355	$ 225,092	$ 210,205
Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)			
Liabilities			
Current Liabilities			
Current Liabilities	$ 32,941	$ 30,443	$ 24,244
Total Current Liabilities	32,941	30,443	24,244
Noncurrent Liabilities			
Long-Term Debt	218,584	199,737	202,668
Noncurrent Liabilities Other Than Debt	2,735	2,873	2,983
Total Noncurrent Liabilities	221,319	202,610	205,651
Total Liabilities	254,260	233,053	229,895
Deferred Inflows of Resources			
Deferred Gain on Refunding	4,864	5,190	5,516
Total Deferred Inflows of Resources	4,864	5,190	5,516
Net Position (Deficit)			
Net Investment in Capital Assets	(21,648)	(24,251)	(32,018)
Unrestricted	6,879	11,100	6,812
Total Net Position (Deficit)	(14,769)	(13,151)	(25,206)
Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	$ 244,355	$ 225,092	$ 210,205

Statements of Net Position Information
Explanations of Significant Variances Between FY 2024 and FY 2025

Current Unrestricted Assets increased $1.0 million (5%) due primarily to a higher cash balance in the operating account at TexPool at year-end partially offset by lower accounts receivable (both impacted by the timing of a TXDOT reimbursable project).

Current Restricted Assets increased $0.4 million (36%) due primarily to the issuance of the Series 2025 refunding bonds.

Electric Transmission Plant increased by $15.8 million (8%) due primarily to a significant amount of transmission asset additions during the year.

Other Assets increased by $2 million (22%) due primarily to the issuance of the Series 2025 refunding bonds, which established a Reserve Fund.

Current Liabilities increased $2.5 million (8%) due primarily to higher accrued distributions to the Member Cities and the issuance of the Series 2025 refunding bonds partially offset by lower accounts payable at year-end ($11.8 million invoice from the City of Garland accrued in FY 2024 compared to $7.8 million in FY 2025).

Long-Term Debt increased $18.8 million (9%) due to the issuance of the Series 2025 refunding bonds.

Net Position (Deficit) decreased by $1.6 million (12%). Net position is comprised of two components: net investment in capital assets and unrestricted. The increase in the net deficit is primarily related to distributions to the Member Cities.

Statements of Net Position Information
Explanations of Significant Variances Between FY 2023 and FY 2024

Current Unrestricted Assets decreased $1.2 million (5%) due primarily to a lower cash balance in the operating account at TexPool at year-end partially offset by higher accounts receivable (both impacted by the timing of a TXDOT reimbursable project).

Electric Transmission Plant increased by $16.0 million (9%) due primarily to a significant amount of transmission asset additions during the year.

Current Liabilities increased $6.2 million (26%) due primarily to higher accounts payable at year-end ($11.8 million invoice from Garland accrued in FY 2024) partially offset by lower accrued distributions to the Member Cities.

Net Position (Deficit) improved by $12.1 million (48%). Net position is comprised of two components: net investment in capital assets and unrestricted. The improvement is primarily related to capital contributions and an overall reduction in distributions to members.

Texas Municipal Power Agency
Statements of Revenues, Expenses, and Changes in Net Position
(Dollars in Thousands)

	For the Years-Ended September 30, 2025	2024	2023
Operating Revenues			
Member City Billings	$ 813	$ 1,204	$ 1,933
Transmission Revenues	35,579	35,687	32,947
Other Operating Revenues	-	-	9
Total Operating Revenues	36,392	36,891	34,889
Operating Expenses			
Production - Operation and Maintenance	561	744	990
Transmission - Operation and Maintenance	4,954	6,978	4,133
Administrative and General	2,172	2,264	2,303
Depreciation Expense	6,134	5,742	8,746
Total Operating Expenses	13,821	15,728	16,172
Income from Operations	22,571	21,163	18,717
Other Income			
Investment Revenue	851	1,007	806
Capital Contributions	423	5,014	-
Gain on sale of capital assets	60	-	-
Miscellaneous Other Income, Net	103	644	115
Total Other Income	1,437	6,665	921
Interest Charges			
Interest Expense	6,059	4,835	4,490
Total Interest Charges	6,059	4,835	4,490
Impact of Regulatory Assets on Change in Net Position	(109)	(400)	(167)
Net Revenues before Distributions	17,840	22,593	14,981
Distributions to Member Cities	(19,458)	(10,538)	(16,221)
Change in Net Position before Gain on Sale of Mine	(1,618)	12,055	(1,240)
Gain on Sale of Mine	-	-	16
Change in Net Position (Deficit)	(1,618)	12,055	(1,224)
Net Position (Deficit)			
Beginning Balance	(13,151)	(25,206)	(23,982)
Ending Balance	$ (14,769)	$ (13,151)	$ (25,206)

Statements of Revenues, Expenses, and Changes in Net Position
Explanations of Significant Variances Between FY 2024 and FY 2025

Member City Billings decreased $0.4 million (32%) due to lower demand charges as activity at the former plant and mine sites continue to decline.

Production – Operations and Maintenance decreased $0.2 million (25%) due primarily to the winding down of activity at the former plant and mine sites.

Transmission – Operations and Maintenance decreased $2.0 million (29%) due primarily to large, out of the ordinary activity in fiscal year 2024: the moving and reinstallation of the Agency's spare transformer, purchases of materials needed for timely maintenance (due to long lead times), and unplanned transformer maintenance.

Capital Contributions decreased $4.6 million (92%) due primarily to reimbursement requested in FY 2024 for a TXDOT project**.**

Miscellaneous Other Income (Expense) decreased $0.5 million (84%) due primarily to the sale of environmental credits in November and December 2023.

Interest Expense on Debt increased $1.2 million (25%) due to the issuance of the Series 2025 refunding bonds.

Impact of Regulatory Assets on Change in Net Position decreased $0.3 million (73%) due primarily to changes in the Mine reclamation liability and recoveries and Other Post-Employment Benefits.

Distributions to Member Cities increased $8.9 million (85%) due primarily to the timing of a TXDOT reimbursable project (costs incurred in FY 2024; however, TXDOT did not reimburse until January 2025, at which time those funds were distributed to the Member Cities).

Statements of Revenues, Expenses, and Changes in Net Position
Explanations of Significant Variances Between FY 2023 and FY 2024

Member City Billings decreased $0.7 million (38%) due primarily to lower demand charges as activity at the former plant and mine sites continue to decline.

Transmission Revenues increased $2.7 million (8%) due to the extraordinarily high 2023 Four Coincident Peak (4CP) driven by load growth in the ERCOT market as well as weather conditions, which both impact revenues for Transmission Service Providers (TSPs).

Production – Operations and Maintenance decreased $0.2 million (25%) due primarily to the winding down of activity at the former plant and mine sites.

Transmission – Operations and Maintenance increased $2.8 million (69%) due primarily to the moving and reinstallation of the Agency's spare transformer, the institution of an equipment painting program, the planned purchases of materials needed for timely maintenance (due to long lead times), and unplanned transformer maintenance.

Depreciation Expense decreased $3.0 million (34%) due to the original transmission assets, placed in-service in 1983, becoming fully depreciated as of September 30, 2023.

Investment Revenue increased $0.2 million (25%) due to higher interest rates throughout FY 2024.

Capital Contributions increased $5.0 million (100%) due primarily to reimbursement requested in FY 2024 for a TXDOT project.

Miscellaneous Other Income (Expense) increased $0.5 million (459%) due to the sale of environmental credits in November and December 2023.

Impact of Regulatory Assets on Change in Net Position increased $0.2 million (140%) due primarily to changes in the Mine reclamation liability and recoveries and Other Post-Employment Benefits.

Distributions to Member Cities decreased $5.7 million (35%) due primarily to the timing of a TXDOT reimbursable project (costs incurred in FY 2024; however, TXDOT did not reimburse by the end of the fiscal year).

BASIC FINANCIAL STATEMENTS

Texas Municipal Power Agency
Statements of Net Position
(Dollars in Thousands)

Assets

	September 30, 2025	September 30, 2024
Assets		
Current Assets		
Current Unrestricted Assets		
Cash and Cash Equivalents	$ 16,099	$ 10,692
Accounts Receivable and Other	5,164	5,593
Intergovernmental Receivable	433	4,237
Asset Held for Sale	935	935
Mine Escrow Holdback	208	514
Prepaids	673	539
Total Current Unrestricted Assets	23,512	22,510
Current Restricted Assets		
Cash and Cash Equivalents	1,332	980
Total Current Restricted Assets	1,332	980
Total Current Assets	24,844	23,490
Noncurrent Assets		
Electric Transmission Plant		
In Service	361,941	343,169
Less Accumulated Depreciation	(156,754)	(156,632)
Total Net Plant	205,187	186,537
Construction Work in Progress	3,065	5,882
Total Electric Transmission Plant	208,252	192,419
Other Assets		
Restricted Cash and Cash Equivalents	8,239	6,053
Railroad Commission Mine Bonding	1,600	1,600
Regulatory Assets	1,420	1,530
Total Other Assets	11,259	9,183
Total Noncurrent Assets	219,511	201,602
Total Assets	$ 244,355	$ 225,092

The accompanying notes are an integral part of the financial statements.

Texas Municipal Power Agency
Statements of Net Position (Continued)
(Dollars in Thousands)

Liabilities and Net Position

	September 30, 2025	September 30, 2024
Liabilities		
Current Liabilities		
Current Maturities of Revenue Bonds	$ 7,950	$ 6,980
Accrued Interest Payable	607	577
Accounts Payable	8,447	12,400
Accrued Distribution to Member Cities	15,339	9,874
Accrued Compensation and Fringe Benefits	108	151
Accrued Mine Reclamation Cost	490	461
Total Current Liabilities	32,941	30,443
Noncurrent Liabilities		
Long-Term Debt		
Revenue Bonds	204,405	161,005
Unamortized Premium	7,579	5,632
Tax Exempt Commercial Paper	6,600	33,100
Total Long-Term Debt	218,584	199,737
Payable to Member Cities Related to Mine Bonding	1,600	1,600
Other Employee Retirement Benefits	931	1,069
Accrued Mine Escrow	204	204
Total Other Long-Term Obligations	2,735	2,873
Total Noncurrent Liabilities	221,319	202,610
Total Liabilities	254,260	233,053
Deferred Inflows of Resources		
Deferred Gain on Refunding	4,864	5,190
Total Deferred Inflows of Resources	4,864	5,190
Net Position (Deficit)		
Net Investment in Capital Assets	(21,648)	(24,251)
Unrestricted	6,879	11,100
Total Net Position (Deficit)	(14,769)	(13,151)
Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	$ 244,355	$ 225,092

The accompanying notes are an integral part of the financial statements.

Texas Municipal Power Agency
Statements of Revenues, Expenses, and Changes in Net Position
(Dollars in Thousands)

	For the Years Ended September 30, 2025	2024
Operating Revenues		
Member City Billings	$ 813	$ 1,204
Transmission Revenues	35,579	35,687
Total Operating Revenues	36,392	36,891
Operating Expenses		
Production - Operation and Maintenance	561	744
Transmission - Operation and Maintenance	4,954	6,978
Administrative and General	2,172	2,264
Depreciation Expense	6,134	5,742
Total Operating Expenses	13,821	15,728
Income from Operations	22,571	21,163
Other Income		
Investment Revenue	851	1,007
Capital Contributions	423	5,014
Gain on Sale of Capital Assets	60	-
Miscellaneous Other Income, Net	103	644
Total Other Income	1,437	6,665
Interest Charges		
Interest Expense	6,059	4,835
Total Interest Charges	6,059	4,835
Impact of Regulatory Assets on Change in Net Position	(109)	(400)
Net Revenues before Distributions	17,840	22,593
Distributions to Member Cities	(19,458)	(10,538)
Change in Net Position (Deficit)	(1,618)	12,055
Net Position (Deficit)		
Beginning Balance	(13,151)	(25,206)
Ending Balance	$ (14,769)	$ (13,151)

The accompanying notes are an integral part of the financial statements.

Texas Municipal Power Agency
Statements of Cash Flows
(Dollars in Thousands)

	For Years Ended September 30, 2025	For Years Ended September 30, 2024
Cash Flows from Operating Activities		
Cash Received from Member City Billings	$ 813	$ 1,204
Cash Received from Transmission Sales	36,009	34,112
Cash Received from Other Revenues	103	643
Cash Paid to Suppliers	(7,129)	(9,181)
Cash Paid to Employees	(1,013)	(1,087)
Net Cash Provided by Operating Activities	28,783	25,691
Cash Flows from Non-Capital and Related Financing Activities		
Distribution to Member Cities for Environmental Credits	-	(558)
Refunds to Member Cities for Seep Project	-	(176)
Net Cash Used for Non-Capital and Related Financing Activities	-	(734)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Issuance of Debt	83,124	5,200
Proceeds from Selling Assets to City of Bryan	3,578	-
Purchased Assets from City of Bryan	(2,260)	-
Construction Work in Progress	(26,964)	(10,175)
Payment of Principal on Debt	(10,280)	(6,780)
Payment to escrow agent for refunding bonds	(52,000)	-
Debt Issuance Costs Paid	(570)	-
Interest Paid on Debt	(6,811)	(6,325)
Refunds to Member Cities	(13,687)	(15,113)
Cash Received for Capital Contributions	4,182	777
Net Cash Used for Capital and Related Financing Activities	(21,688)	(32,416)
Cash Flows from Investing Activities		
Interest and Dividends on Investments	850	1,008
Net Cash Provided by Investing Activities	850	1,008
Net Increase (Decrease) in Cash and Cash Equivalents	7,945	(6,451)
Beginning Cash and Cash Equivalents Balance, including restricted cash and cash equivalents	17,725	24,176
Ending Cash and Cash Equivalents Balance, including restricted cash and cash equivalents	$ 25,670	$ 17,725

The accompanying notes are an integral part of the financial statements.

Texas Municipal Power Agency
Statements of Cash Flows (Continued)
(Dollars in Thousands)

	For Years Ended September 30, 2025	2024
Income From Operations	$ 22,571	$ 21,163
Adjustments to Reconcile Income from Operations to Net Cash Provided by Operating Activities:		
Depreciation Expense	6,134	5,742
Change in Accounts Receivables	296	(1,592)
Change in Accrued Mine Reclamation Cost	29	(114)
Change in Accounts Payable	(307)	(186)
Change in Accrued Compensation and Fringe Benefits	(43)	35
Miscellaneous Non-Operating Activities	103	643
	6,212	4,528
Total	$ 28,783	$ 25,691

Supplemental Cash Flows Information

Capital invoices totaling $8,012,197 and $11,796,631 are included in accounts payable at September 30, 2025 and 2024, respectively.

The accompanying notes are an integral part of the financial statements.

TEXAS MUNICIPAL POWER AGENCY

NOTES TO FINANCIAL STATEMENTS

Texas Municipal Power Agency
Notes to Financial Statements

Index

1. General

The Texas Municipal Power Agency ("TMPA" or the "Agency") was created on July 18, 1975 through the adoption of concurrent ordinances by the Texas cities of Bryan, Denton, Garland, and Greenville ("Cities" or "Member Cities"), pursuant to TMPA's enabling legislation, Acts 1975, 64th Leg., Ch. 143, Sec. 1, now codified in Subchapter C, Chapter 163, Utilities Code. In 2015, the Legislature enacted Subchapter C-1, Chapter 163, Utilities Code (the "Act"). The Act permits the Member Cities to adopt concurrent ordinances electing for TMPA to be governed by the Act, which was done by the Member Cities in 2016. Under the provisions of the Act, TMPA is a separate municipal corporation and political subdivision. TMPA is exempt from payment of federal income taxes under Section 115 of the Internal Revenue Code. In comparison to Subchapter C which previously governed TMPA, the Act, among other things, expands TMPA's authority in relation to the sale of electric facilities, authorizes the Member Cities to modify the governance structure of TMPA, and provides a procedure under which TMPA may be dissolved.

The Agency is governed by a Board of Directors made up of two representatives from each Member City and is empowered to plan, finance, acquire, construct, own, operate, and maintain facilities to be used in the business of generation and sale of electric energy to the Member Cities, and in the provision of wholesale transmission services in the Electric Reliability Council of Texas ("ERCOT").

In September 1976, TMPA entered into identical Power Sales Contracts (the "Contract") with each of the Cities for the purpose of obtaining for the Cities the economic advantages of jointly financing, constructing, and operating large electric generating units and related facilities to supply the Cities' future energy needs. Under the Contract, the Cities were required to pay, for the benefits received or to be received by them from such activities, an amount sufficient to pay TMPA's operating and maintenance expenses and TMPA's debts.

As originally written in September 1976, the Contract was a requirements contract, which obligated the Cities, with certain exceptions, to purchase their wholesale electricity requirements from TMPA. On November 5, 1997, the Contract was amended. Under the amendment, the Contract was converted from a requirements contract to a take-or-pay contract, under which each City was obligated to take or pay for a specified percentage of electricity from TMPA's generating facility. Those percentages were Bryan 21.7%, Denton 21.3%, Garland 47%, and Greenville 10%. The amendment confirmed the Cities' obligations, explained above, to pay all costs of TMPA.

Effective June 24, 2010, the Contract was amended to enable TMPA to issue debt secured by transmission revenues ("Transmission Debt"). Transmission Debt issued prior to September 1, 2018, was to be secured by Net Revenues until September 1, 2018, and solely by transmission revenues thereafter. Transmission Debt issued after September 1, 2018, must be secured solely by transmission revenues. On August 30, 2010, pursuant to the amendment to the Contract, TMPA issued its first series of Transmission Debt. The final maturity date of such series of Transmission Debt was September 1, 2040. Two additional series of Transmission Debt, one of which is a revolving note program, were issued on December 1, 2017. On July 29, 2021, TMPA issued an additional series of Transmission Debt. Proceeds from this series were used to refund the two previously issued series of long-term Transmission Debt and a portion of the revolving note program. On November 2, 2022, and on October 28, 2024, TMPA adopted new revolving note programs to refund and replace the previous revolving note programs. On July 31, 2025, TMPA issued an additional series of Transmission Debt. Proceeds from this series were used to refund a portion of the revolving note program.

The term of the Contract was for a period of 35 years from September 1, 1976, or until all bonds and certain other indebtedness of the Agency were paid, whichever occurred later. On September 1, 2018, the "Debt Discharge Date" occurred, i.e., the date on which all Generation Debt of TMPA was paid off. On this date, the Contract expired as to the City of Greenville, but was extended by, and only as to, the cities of Bryan, Denton, and Garland pursuant to the Joint Operating Agreement, discussed below, to September 30, 2018. As of September 30, 2018, the Contract had expired as to all four Cities.

Effective on September 1, 2018, budgets and charges to recover TMPA's costs began to be adopted pursuant to a Joint Operating Agreement between TMPA and the Member Cities, which became effective on September 1, 2016. See Note 7 for a description of the Joint Operating Agreement.

Until September 18, 2018, TMPA operated the Gibbons Creek Steam Electric Station ("GCSES"), a coal-fired generating plant located in Grimes County, Texas with a net generating capability of 470 megawatts. The plant began commercial operation on October 1, 1983. On June 6, 2019, the TMPA Board of Directors voted to permanently retire GCSES. On February 10, 2021, pursuant to an Asset Purchase Agreement ("APA"), TMPA sold GCSES to Gibbons Creek Environmental Redevelopment Group ("GCERG"). Under the APA, GCERG is responsible for the decommissioning and environmental remediation of GCSES.

The initial fuel source for GCSES was an adjacent lignite mine owned by TMPA. Production of lignite from the mine ceased in 1996 when TMPA switched fuels to Powder River Basin coal. Since then, the mine has been undergoing reclamation operations. On December 21, 2021, approximately 11,000 acres of the mine property were sold. In order to continue reclamation operations following such sale, TMPA reserved from the conveyance necessary reclamation and access easements.

TMPA continues to own and operate electric transmission assets in the State of Texas. These assets provide wholesale transmission services to the Member Cities and other distribution service providers in the ERCOT system.

Regulation

The Agency's Board of Directors monitors the decommissioning activities required of GCERG. Transmission activities are regulated by ERCOT and the PUCT. Each transmission service provider in ERCOT is required to provide non-discriminatory access to the electric grid in ERCOT. As compensation for this service, each transmission service provider annually receives its Transmission Cost of Service ("TCOS"), which is set by the PUCT. The reclamation of the mine is regulated by the Railroad Commission of Texas.

2. Summary of Significant Accounting Policies

System of Accounts

The accounting records of TMPA are maintained substantially in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission ("FERC") for Class A and Class B Public Utilities and Licensees.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounts of TMPA are organized and operated based on account groups in a fund. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in accounting for resources.

TMPA maintains an Enterprise Fund to account for its operations. An Enterprise Fund, which is a Proprietary Fund type, is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of management is to finance the costs of providing services to the public primarily through user charges.

Accounting and Financial Reporting

The Agency's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB").

The Agency presents its financial statements in accordance with GASB Statement No. 34 ("GASB 34"), Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments as amended.

The Agency follows the provisions of GASB Statement No. 62 ("GASB 62"), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. In general, GASB 62 permits an entity with cost-based rates to defer certain costs or income, which would otherwise be recognized when incurred. Costs are deferred to the extent that the rate-regulated entity is recovering or expects to recover such amounts through rates charged to customers while receipts are deferred to the extent that they are expected to cover costs to be incurred in the future.

GASB Pronouncements Effective in FY 2025

In June 2022, GASB issued Statement No. 101 ("GASB 101"), *Compensated Absences*. The statement was issued to meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. GASB 101 is effective for the fiscal year ended September 30, 2025; however, implementation had no impact on the Agency's beginning of year net position.

In December 2023, GASB issued Statement No. 102 ("GASB 102"), *Certain Risk Disclosures*. The statement required governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. GASB 102 is effective for the fiscal year ended September 30, 2025; however, implementation had no impact on the Agency's beginning of year net position.

GASB Pronouncements Effective in FY 2024

In June 2022, GASB issued Statement No. 100 ("GASB 100"), *Accounting Changes and Error Corrections.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB 100 was effective for the fiscal year ended September 30, 2024; however, implementation had no impact on the Agency.

GASB Pronouncements Issued but Not Yet Effective

In April 2024, GASB issued Statement No. 103, ("GASB 103"), *Financial Reporting Model Improvements*, which will be effective for the Agency's September 30, 2026 year-end. The objective of GASB 103 is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision-making and assessing an entity's accountability. The Agency is in the process of determining the impact of this statement on its financial reporting.

In September 2024, GASB issued Statement No. 104, ("GASB 104"), *Disclosure of Certain Capital Assets*, which will be effective for the Agency's September 30, 2026 year-end. The objective of GASB 104 is to provide users of government financial statements with essential information about certain types of capital assets. GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures and requires additional disclosures for capital assets held for sale. The Agency is in the process of determining the impact of this statement on its financial reporting.

Accounts Receivable

TMPA reports transmission accounts receivable for services rendered at net realizable amounts from third-party payors. TMPA provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions. For the years ended September 30, 2025 and 2024, no allowance was deemed necessary.

Transmission Electric Plant

Electric transmission plant is stated at historical cost. Donated capital assets are recorded at acquisition value. Upon retirement of the electric transmission plant, the original cost thereof and the cost of removal, less salvage, are charged to accumulated depreciation. The Agency's capitalization policy requires expenditures exceeding $50,000 that are capital in nature and that have a useful life greater than one year to be capitalized.

Electric plant components, net of accumulated depreciation as of September 30, 2025 and 2024 are as follows (in thousands):

Summary of Additions, Less Transfers and Retirements to Plant

	Oct. 1, 2024	Additions	Transfers	Retirements /Disposals	Sept. 30, 2025
Electric Transmission Plant					
Transmission	$ 342,257	$ 2,305	$ 29,672	$ (13,235)	$ 360,999
Intangible Assets	912	-	30	-	942
Total Electric Transmission Plant	343,169	2,305	29,702	(13,235)	361,941
Accumulated Depreciation					
Transmission	(156,632)	(6,134)	(3,705)	9,717	(156,754)
Total Accumulated Depreciation	(156,632)	(6,134)	(3,705)	9,717	(156,754)
Construction Work in Progress	5,882	23,180	(25,997)	-	3,065
Total Electric Transmission Plant, Net of Accumulated Depreciation	$ 192,419	$ 19,351	$ -	$ (3,518)	$ 208,252

	Oct. 1, 2023	Additions	Transfers	Retirements /Disposals	Sept. 30, 2024
Electric Transmission Plant					
Transmission	$ 323,889	$ -	$ 18,576	$ (208)	$ 342,257
Other	2,725	-	-	(2,725)	-
Intangible Assets	912	-	-	-	912
Total Electric Transmission Plant	327,526	-	18,576	(2,933)	343,169
Accumulated Depreciation					
Transmission	(151,098)	(5,742)	-	208	(156,632)
Other	(2,725)	-	-	2,725	-
Total Accumulated Depreciation	(153,823)	(5,742)	-	2,933	(156,632)
Construction Work in Progress	2,703	21,755	(18,576)	-	5,882
Total Electric Transmission Plant, Net of Accumulated Depreciation	$ 176,406	$ 16,013	$ -	$ -	$ 192,419

Depreciation

Depreciation is calculated using the straight-line method over the estimated useful lives of the transmission assets (40 years).

Annual depreciation provisions expressed as a percentage of average depreciable plant were approximately 1.7% and 1.8% in fiscal years 2025 and 2024, respectively. During fiscal years 2025 and 2024, depreciation expense was $6,133,704 and $5,741,665, respectively.

Investments

Investments are stated at amortized cost and consist of investments in the Texas Local Government Investment Pool ("TexPool") and a money market account held by a broker.

Funds invested in TexPool represent ownership of a pro-rata share of the underlying assets of the pool. The pool invests primarily in obligations of the U.S. Government, the State of Texas, or its agencies and instrumentalities, repurchase agreements, and other highly rated instruments as authorized by state law. TexPool is controlled by the State Comptroller of Public Accounts of Texas and only invests in assets that are authorized under both the Public Funds Investment Act and the TexPool Investment Policy. TexPool is measured at amortized cost as the pool meets the requirements of GASB No. 79. Investment objective and strategies are to seek preservation of principal, liquidity, and current income. The pool offers same day access to investment funds.

Charges

TMPA's charges billed to the Cities are designed to cover annual costs as defined in the Resolutions and the Joint Operating Agreement. In general, costs are defined to include TMPA's costs of operations (except for depreciation and amortization). It is the Agency's practice to budget approximately 1.26 times debt service requirements. The charges are set by the Board of Directors annually and are required to be reviewed on an annual basis. TMPA's practice is to periodically distribute excess funds to the Cities after ensuring that debt service coverage requirements are met, and certain reserves are maintained.

Revenues

Revenues are based on a fixed amount established for the fiscal year, which is recognized ratably throughout the year. Beginning September 1, 2018, in accordance with the Joint Operating Agreement, these fixed costs are charged separately by business unit: Generation, Transmission, and Mine. Transmission revenues are determined by the PUCT annually based on regulatory filings and are recognized ratably throughout the year by the Agency.

The Agency distinguishes between operating and non-operating revenues and expenses consistent with the criteria used to identify cash flows from operating activities in the Statement of Cash Flows. Generally, the Agency classifies revenues generated from transmission usage along with ancillary services as operating revenues. Production operating and maintenance, transmission operating and maintenance, general and administrative, and depreciation on the Agency's electric transmission plant assets are classified as operating expenses. All other income and expenses, including investment revenues, interest expense, amortization of debt premiums and deferred gain on refunding, regulatory assets recovered in the current year, contributions, and distributions to Member Cities are considered non-operating activity. Although GCSES has been sold, the Generation division continues to incur expenses related to overseeing the decommissioning of the assets as completed by the new owner (as required by the Asset Purchase Agreement). These expenses are recovered as part of the charges to the Member Cities. Although the majority of the mine land has been sold, the Mine division continues to incur expenses related to maintaining the land that is still under bonding with the Railroad Commission of Texas ("RCT").

Capital Contributions

Capital assets received from third parties who constructed and/or made improvements to the Agency's Transmission system are classified as capital contributions. These funds are recognized at acquisition value in the year in which they are received. Additionally, grants/contracts received from governmental entities that are used for capital additions are also recorded as capital contributions as eligible costs are incurred. During fiscal year 2024, the Agency requested reimbursement of (in thousands) $4,237 in relation to a TXDOT project, which was recorded as an intergovernmental receivable in the accompanying Statements of Net Position. TMPA received 90% payment in fiscal year 2025, leaving $424 (in thousands) as a receivable as of year-end. Also in fiscal year 2025, there were capital contributions of (in thousands) $44, $369, and $10, with only the $10 remaining as a receivable at year-end.

Regulatory Assets

TMPA is subject to the accounting requirements of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Accordingly, certain costs may be capitalized as regulatory assets that would otherwise be charged to expense. Such regulatory assets are recorded when it is probable that future revenue in an amount at least equal to the capitalized costs will result from inclusion of those costs in future rates. Types of costs deferred include other postemployment benefits. Estimated mine reclamation costs will be recovered through fiscal budget components.

Debt-Related Costs

Bond premiums and discounts are amortized over the terms of related bond issues under the effective interest method. Excess cost on advance refunding of debt is amortized using the straight-line method over the term through when the last of the refunding bonds would have matured.

Statements of Cash Flows

The Agency considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2025 and 2024, cash equivalents include amounts held at TexPool.

Net Position

Net position is displayed in two components – net investment in capital assets and unrestricted. Components of net investment in capital assets include electric transmission plant and intangible assets net of depreciation, which are reduced by outstanding bond and commercial paper liabilities related to those assets. The outstanding liabilities are calculated net of the investments included in restricted and capital assets.

Unrestricted net position is comprised of those assets and liabilities that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as needed.

3. Restricted Assets

Restricted assets include those assets comprising the Bond and Reserve funds, which are principally established and maintained pursuant to the Resolutions. Transmission System Revenue Refunding Bond Fund (Series 2021 Bonds) assets are for use in paying the interest and principal of outstanding Series 2021 Bonds. Transmission System Revenue Refunding Bond and Reserve Fund (Series 2025 Bonds) assets are for use in paying the interest and principal of outstanding Series 2025 Bonds.

Restricted assets also include the Indemnity Reserve Account, held in escrow, as required by Section 6.5 of the JOA. The purpose of these assets is to fund TMPA's defense and indemnity obligations to the Member Cities under Section 6.3 of the JOA.

The aggregate amount in each of these funds as of September 30 is as follows (in thousands):

Fund Type:	2025	2024
Transmission System Revenue Refunding Bond Fund (Series 2021 Bonds)	$ 1,689	$ 1,476
Transmission System Revenue Refunding Bond Fund (Series 2025 Bonds)	301	-
Reserve Fund (Series 2025 Bonds)	1,756	-
FAB Revenue Account	-	39
Indemnity Reserve Account	5,764	5,518
Total Funds	$ 9,510	$ 7,033

4. Investments

As of September 30, 2025 and 2024, the Agency's portfolio is invested in the Texas Local Government Investment Pool ("TexPool"), a local government investment pool, and a money market account. These investments are stated at amortized cost. Balances maintained at TexPool as of September 30, 2025 and 2024 were (in thousands) $18,989 and $11,254, respectively and are included in both unrestricted and restricted cash and cash equivalents in the accompanying statements of net position. Balances held in money markets as of September 30, 2025 and 2024, were (in thousands) $5,764 and $5,518, respectively.

TexPool is not managed by the Agency and the Agency does not possess securities that exist in either physical or book entry form. Under the Texas Public Funds Investment Act, government investment pools must maintain an AAA or equivalent rating from at least one nationally recognized rating agency. Standard & Poor's currently rates TexPool AAAm.

Interest Rate Risk

The Agency minimizes the risk associated with the decline in market value of securities due to rising interest rates (interest rate risk) by maintaining a "buy and hold" strategy, whereby securities are purchased with the intent to hold the securities in the portfolio until maturity. The Agency does not participate in derivatives to hedge interest rate risk or any other risk.

Credit Risk and Concentration of Credit Risk

The Agency's investment policy limits investments to obligations of the United States of America and its agencies, investment quality obligations of states, agencies, counties, cities, and other political subdivisions of any state, fully insured Certificates of Deposit, and commercial paper that has maturity of 270 days or less and a rating of A-1 or P-1.

Custodial Risk

Custodial risk is the risk that in the event of a bank or counterparty failure, the Agency's deposits or investments may not be returned. The investment policy states that all bank deposits of Agency funds be secured by pledged collateral with a market value equal to no less than 102 percent of the principal plus accrued interest less an amount insured by the Federal Deposit Insurance Corporation ("FDIC"). Investment securities are delivered-versus-payment to the Agency's bank for safekeeping as evidenced by safekeeping receipts issued by the bank.

Deposits

The bond resolutions require that deposits be placed in a bank or trust company organized under the laws of the State of Texas or a national banking association located within the State of Texas. Deposits are insured by the FDIC or collateralized by U.S. Government obligations or its Agencies and Instrumentalities; or direct obligations of Texas or its Agencies or Instrumentalities that have a market value of not less than the principal amount on deposit and rated "A" or better by Moody's or Standard and Poor's. The pledged collateral was held at the Federal Home Loan Bank of Dallas under a joint safekeeping account with the Agency's deposit institution in the Agency's name.

As of September 30, 2025 and 2024, TMPA had recorded cash deposits of $0.86 million and $0.95 million, respectively. Bank statement balances as of September 30, 2025 and 2024, were $1.00 million and $1.06 million, respectively, with the differences being comprised of outstanding checks and deposits in transit.

5. Long-Term Debt

The Agency's long-term debt consists of the following at September 30, 2025 and 2024 (in thousands):

	Outstanding October 1, 2024	Issued/ Increased	Redeemed/ Decreased	Accretion/ Amortization Premium/ Discount	Outstanding September 30, 2025	Principal Due Within One Year
Revenue Bonds Series						
2021	$ 173,617	$ -	$ (6,980)	$ (991)	$ 165,646	$ 7,190
2025	-	54,324	-	(36)	54,288	760
Total Revenue Bonds	173,617	54,324	(6,980)	(1,027)	219,934	7,950
Series "A" Revolving Notes	33,100	28,800	(55,300)	-	6,600	-
Total Long-term Debt	$ 206,717	$ 83,124	$ (62,280)	$ (1,027)	$ 226,534	$ 7,950

	Outstanding October 1, 2023	Issued/ Increased	Redeemed/ Decreased	Accretion/ Amortization Premium/ Discount	Outstanding September 30, 2024	Principal Due Within One Year
Revenue Bonds Series						
2021	$ 181,548	$ -	$ (6,780)	$ (1,151)	$ 173,617	$ 6,980
Total Revenue Bonds	181,548	-	(6,780)	(1,151)	173,617	6,980
Series "A" Revolving Notes	27,900	5,200	-	-	33,100	-
Total Long-term Debt	$ 209,448	$ 5,200	$ (6,780)	$ (1,151)	$ 206,717	$ 6,980

Revenue Bonds outstanding, as of September 30, 2025 and 2024, respectively, are (in thousands):

Series	Current Amount Outstanding 2025	Long-Term Amount Outstanding 2025	Maturity From	Maturity To	Range of Interest Rates From	Range of Interest Rates To	Earliest Redemption Date
2021	$ 7,190	$ 153,815	2021	2051	2.000	3.000	2024
2025	760	50,590	2025	2055	5.000	5.500	2034
Total	$ 7,950	$ 204,405					

Series	Current Amount Outstanding 2024	Long-Term Amount Outstanding 2024	Maturity From	Maturity To	Range of Interest Rates From	Range of Interest Rates To	Earliest Redemption Date
2021	$ 6,980	$ 161,005	2021	2051	2.000	3.000	2024
Total	$ 6,980	$ 161,005					

Debt service requirements for the revenue bonds for the next thirty years as of September 30, 2025, are as follows (in thousands):

Year	Principal	Interest	Total
2026	$ 7,950	$ 7,302	$ 15,252
2027	8,200	7,048	15,248
2028	8,465	6,786	15,251
2029	8,735	6,515	15,250
2030	9,010	6,236	15,246
2031 - 2035	49,430	26,830	76,260
2036 - 2040	57,320	18,928	76,248
2041 - 2045	24,550	11,752	36,302
2046 - 2050	22,405	6,898	29,303
2051 - 2055	16,290	2,578	18,868
	212,355	$ 100,873	$ 313,228
Unamortized Premium	7,579		
Total	$ 219,934		

On December 1, 2017, TMPA issued an initial installment of $10,100,000 of Subordinated System Net Revenue/Transmission Revenue Converting Security Direct Purchase Revolving Notes, Series A Notes. Proceeds from this issuance were used to pay for ongoing Transmission projects that had not yet been placed in service. On August 1, 2018, August 1, 2019, and August 4, 2020, TMPA issued additional installments of $9,400,000, $3,900,000, and $7,700,000, respectively. As part of the issuance of the Series 2021 Bonds, discussed below, $30,000,000 of the Series A Notes were refunded on July 29, 2021. On August 10, 2021, November 24, 2021, and August 25, 2022, TMPA issued additional installments of $8,300,000, $5,000,000, and $8,700,000, respectively. On November 2, 2022, upon expiration of the previous agreement, TMPA entered into a similar agreement with a different bank. All outstanding Notes at that time remained outstanding, and capacity remained at $60,000,000. On August 29, 2023 and September 26, 2024, TMPA issued additional installments of $4,800,000 and $5,200,000, respectively. On October 28, 2024, upon expiration of the previous agreement, TMPA entered into a similar agreement with a different bank. All outstanding Notes at that time remained outstanding, and capacity remained at

$60,000,000. On October 24, 2024 and June 12, 2025, TMPA issued additional installments of $11,800,000 and $11,600,000, respectively. With the issuance of the Series 2025 Bonds, discussed below, $52,000,000 of the Series A Notes were refunded on July 31, 2025. On August 28, 2025, TMPA paid down $3,300,000 of the Series A Notes. On September 29, 2025, TMPA issued an additional installment of $5,400,000. With capacity of $60,000,000, TMPA will continue to issue the Series A Notes as funds are necessary for future Transmission projects.

On July 29, 2021, TMPA issued $192,510,000 of Transmission Refunding Bonds, Series 2021. These bonds were issued at a premium of $9,846,294. Proceeds from this issuance were used to refund the Series 2010 and 2017 Bonds and $30 million of the Series A Notes. The Series 2021 Bonds are secured by a pledge of net revenues of the Agency's transmission system.

On July 31, 2025, TMPA issued $51,350,000 of Transmission Refunding Bonds, Series 2025. These bonds were issued at a premium of $2,973,894. Proceeds from this issuance were used to refund $52 million of the Series A Notes. The Series 2025 Bonds are secured by a pledge of net revenues of the Agency's transmission system.

The Series 2021 and Series 2025 Bonds are subject to optional redemption prior to their scheduled maturity dates of September 30, 2051 and September 30, 2055, respectively, subject to stated call premiums. Principal payments are due on September 1 each year. Interest payments are due on March 1 and September 1 each year.

The Resolutions contain certain restrictions and covenants including TMPA's covenant to establish and maintain charges to produce revenues sufficient to pay operating and maintenance expenses (exclusive of depreciation and amortization), to produce net revenues sufficient to pay the amounts required to be deposited in the debt service funds, and to produce net revenues equal to at least 1.25 times the annual debt service to be paid for the then outstanding bonds.

6. Employee Benefit Plans

Defined Contribution Plan

TMPA has a single employer defined contribution retirement plan covering all full-time employees which requires TMPA to contribute an amount equal to 10% of gross wages to a third-party trustee for the benefit of plan participants (the "Plan"). Chapter 810, Government Code, and other state laws relating to political subdivisions such as the Agency, authorize the establishment and amendment of a pension plan by the Agency's Board of Directors. The Plan is administered by the TMPA Employees Pension Plan Administrative Committee and Charles Schwab serves as the trustee. Employees may contribute, on a voluntary basis, an additional amount up to 50% of earnings. Employees direct both their employer and employee investments based on investment options available to them in the Plan. Vesting, with respect to employer contributions, is based on years of continuous service where participants become vested at 20% per year of credited service up to 100%. Beginning October 1, 2017, the Plan was amended to vest participants at 100% when they voluntarily sever service. Participants are immediately vested in their voluntary contributions plus actual earnings thereon.

Membership in the plan was 29 and 33 participants as of September 30, 2025 and 2024, respectively.

Retirement plan costs for 2025 and 2024 were as follows (in thousands):

		2025	%		2024	%
Agency's Total Payroll	$	869	-	$	951	-
Agency's Covered Payroll	$	828	100%	$	910	100%
Agency's Contribution	$	83	10%	$	91	10%
Employee's Contribution	$	6	0.7%	$	12	1.4%

Loan provisions, which were established in 1999, provide that employee loans from the employee's employer-contribution account ("Account") may not exceed the lesser of $50,000 or 50% of the present value of the employee's vested Account. Loan repayment is generally within a 1-5 year timeframe with specific use qualifications for payback periods up to fifteen years. Loan interest rates are established according to loan provision guidelines.

Deferred Compensation Plan

In November 1997, the Board of Directors adopted an Internal Revenue Code Section 457 deferred compensation plan for Agency employees. This plan is in the form of the ICMA/Mission Square Retirement Corporation Deferred Compensation Plan and Trust and is administered by the ICMA/Mission Square Retirement Corporation. The funds held under this plan are invested in the ICMA/Mission Square Retirement Trust; a trust established by public employers for the collective investment of funds held under their retirement and deferred compensation plans. Employees may contribute up to 100% of pre-deferral taxable income to a maximum of $23,500 and $23,000 for calendar years 2025 and 2024, respectively. A "catch-up" provision, which allows an additional contribution of $7,500 and $7,500 for 2025 and 2024, respectively, is available for employees over 50 years of age. A "super catch-up" provision, which allows an additional contribution of $3,750 for 2025 (not previously available) is available for employees aged 60 to 63 years of age. Employees direct the investment allocation, contributions, and payout option of their individual plans. For the years ended September 30, 2025 and 2024, participants numbered 5 and 4, respectively, and participant contributions were $114,445 and $53,609, respectively.

Other Postemployment Benefits

Texas Municipal Power Agency Postemployment Benefits Plan is a single employer plan that covers all full-time, regular employees. The plan is a defined benefit plan and the cost for each employee is paid on a pay-as-you-go basis. Benefits for retirees consist of medical and dental insurance coverage and are referred to as Other Postemployment Benefits (OPEB). For retiree medical, the Agency contributes a set monthly allowance to the employee and dependent, if elected, through a Retiree Health Reimbursement Account ("HRA"). Employees are eligible for normal retirement at age 65 or early retirement at age 55 with 20 years of service or age 60 with 10 years of service. The Agency does not issue a publicly available actuarial report of its plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75.

For active employees, the Agency paid 100% of the cost of life insurance. Effective the beginning of FY 2021, TMPA no longer offers life insurance coverage for retirees. For active employees in 2025, the Agency paid 92% and 85% of the cost of employee medical and dental benefits, respectively. For active employees in 2024, the Agency paid 89% and 84% of the cost of employee medical and dental benefits, respectively. For retired employees in 2025 and 2024, the Agency paid 82% and 77% of the cost of dental benefits, respectively. As discussed above, for retiree medical, the Agency contributes a set monthly allowance to the employee and dependent, if elected, through a Retiree HRA.

A measurement date of May 1, 2025 was used for the September 30, 2025 liability and expense. The information that follows was determined as of a valuation date of May 1, 2024.

Membership in the OPEB by membership class at May 1, 2024 are as follows:

	Medical and/or Dental
Active employees	1
Inactive employees or beneficiaries currently receiving benefits	59
Total	60

Contributions: For the years ended September 30, 2025 and 2024, the Agency contributed $88,350 and $95,675, respectively, to retirees' HRA accounts. Contributions are made on a pay as you go basis.

Actuarial Assumptions: The total OPEB liability in the May 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Projected salary increase	3.40%
Discount Rate	The discount rate used to measure the Total OPEB Liability as of May 1, 2025 was 5.14%. The discount rate used to measure the Total OPEB Liability as of May 1, 2024 was 4.07%.
Actuarial cost method	Entry Age Normal
Eligibility	a. Full-time regular employees who were hired prior to October 1, 1993 and are age 55 or older with at least 20 years of service at retirement. b. Full-time regular employees who are both age 60 or older and have at least 10 years of service as of October 1, 2016. c. Employees not meeting a. or b. are not eligible for retiree benefits (medical, dental, or life insurance).
Mortality	<u>Pre-Retirement Mortality:</u> Pri-2012 Total Dataset Employee Table projected from the 2012 base year using the Scale MP-2021 mortality improvement rates <u>Post-Retirement Mortality:</u> <u>Retired Members:</u> Pri-2012 Total Dataset Retiree Table projected from the 2012 base year using the Scale MP-2021 mortality improvement rates <u>Spouses of Retired Members:</u> Pri-2012 Total Dataset Retiree Table prior to Retired Member death and Total Dataset Contingent Survivor Table after Retired Member death projected from the 2012 base year using the Scale MP-2021 mortality improvement rates

Discount Rate: The discount rate was based on the municipal bond rate in the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality.

Changes in the Total OPEB Liability: Changes in the total OPEB liability through the year ended September 30, 2025 were as follows:

	Increase (Decrease) Total OPEB Liability
Balance as of 9/30/24 (Based on 5/1/24 Measurement Date)	$ 1,068,983
Changes for the year:	
Interest on Total OPEB Liability	41,318
Changes in Assumptions	(71,992)
Benefit Payments	(107,634)
Net changes	(138,308)
Balance as of 9/30/25 (Based on 5/1/25 Measurement Date)	$ 930,675

Changes in the Total OPEB Liability: Changes in the total OPEB liability through the year ended September 30, 2024 were as follows:

	Increase (Decrease) Total OPEB Liability
Balance as of 9/30/23 (Based on 5/1/23 Measurement Date)	$ 1,179,255
Changes for the year:	
Interest on Total OPEB Liability	39,572
Difference Between Expected and Actual Experience	30,956
Changes in Assumptions	(64,330)
Benefit Payments	(116,470)
Net Changes	(110,272)
Balance as of 9/30/24 (Based on 5/1/24 Measurement Date)	$ 1,068,983

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates: The total OPEB liability of the Agency has been calculated using a discount rate of 5.14%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 997,647	$ 930,675	$ 871,561

The total OPEB liability of the Agency has been calculated using health care cost trend rates of 5%. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	$ 918,002	$ 930,675	$ 944,966

OPEB Expense: For the years ended September 30, 2025 and 2024, the Agency recognized OPEB expense/(income), as measured in accordance with GASB Statement No. 75, of ($30,674) and $6,198, respectively.

In accordance with rate making methodology, the cost of this Program is unfunded until benefits are needed. Thus, unfunded expenses are treated as regulatory assets similar to other long-term obligations.

Medical and Dental Benefits

The Agency's medical and dental plan is administered by large insurance companies. For active employees in 2025 and 2024, $98,609 and $110,598 was paid in medical expenses based on an average of 4 and 5 participants, respectively. Active participant medical premiums collected by the Agency in 2025 and 2024 were $7,958 and $12,230 resulting in a total cost to the Agency of $90,651 and $98,368, respectively. For retired employees in 2025 and 2024, $88,350 and $95,675, respectively, was contributed by the Agency to the retired employees and dependents, if elected, through a Retiree HRA. For active employees in 2025 and 2024, $5,484 and $5,981 was paid in dental expenses based on an average of 4 and 5 participants, respectively. Active participant dental premiums collected by the Agency in 2025 and 2024 were $844 and $970 resulting in a total cost to the Agency of $4,640 and $5,011, respectively. For retired employees in 2025 and 2024, $22,649 and $22,529 was paid in dental expenses based on an average of 22 and 23 participants, respectively. Retiree participant dental premiums collected by the Agency in 2025 and 2024 were $4,131 and $5,126 resulting in a total cost to the Agency of $18,518 and $17,403, respectively.

Vision Benefit

Beginning in 2014, the Agency offered a vision plan to its employees and retirees, which the costs of the premiums are 100% paid by employees and retirees electing such coverage.

Compensated Absences

TMPA accumulates PTO and vacation time for all full-time employees, of which only earned vacation leave is recorded as a liability and reported as part of accrued compensation and pension benefits along with certain salary-related expenses.

TMPA pays accumulated vacation upon termination, but since TMPA does not pay employees for unused accumulated PTO upon termination, no related liability is recorded. A summary of changes in accrued vacation for the years ended September 30, 2025 and 2024 is as follows (in thousands):

Fiscal Year	Beginning Liability	Vacation Accrued	Vacation Taken	Ending Liability
2025	$ 79	$ 50	$ (60)	$ 69
2024	$ 78	$ 51	$ (50)	$ 79

7. Commitments and Contingencies

A. During 1995, TMPA authorized the conversion of its fuel source from locally-mined lignite to sub-bituminous coal from the Powder River Basin ("PRB"). TMPA recorded an accrual for reclamation costs related to the lignite mine operations and updates this accrual for changes in estimates of the expected ultimate liability.

B. In connection with the Gibbons Creek Lignite Mine, TMPA is required to submit to the Texas Railroad Commission reclamation bonds to ensure that TMPA will reclaim all lands disturbed by mining operations in accordance with all applicable Federal and State laws. For this purpose, TMPA has on file with the Railroad Commission a cash bond in the amount of $1,600,000 that was funded by Member contributions and recorded as an asset (Railroad Commission Mine Bonding) and a liability (Payable to Member Cities Related to Mine Bonding) in the accompanying statements of net position. The bond will be returned to TMPA once reclamation is complete.

C. During 1999, the Texas Legislature enacted legislation, SB 7, implementing retail competition in the electric utility industry commencing on January 1, 2002. Although participation by investor-owned utilities in retail competition is required, participation by municipally owned utilities ("MOUS") is on a voluntary basis. Utilities which participate in retail competition, including MOUS which decide to participate in retail competition, are authorized to recover stranded costs, and may utilize securitization provisions contained in the legislation. Unlike investor-owned utilities, MOUS and electric cooperatives are not required to unbundle their generation functions from transmission and distribution functions into separate companies. However, same as investor-owned utilities, rates for wholesale transmission services provided by MOUS and electric cooperatives are determined by the PUCT. Rates for the use of the distribution systems of MOUS and electric cooperatives are determined by such entities. As of September 30, 2025, none of the Member Cities have elected to open their service territory to retail competition, but the respective Member Cities could determine to make such election in the future.

D. The Energy Policy Act of 2005 authorized the North American Reliability Corporation ("NERC") to promulgate transmission reliability standards which, once approved by the Federal Energy Regulatory Commission ("FERC"), are enforceable by FERC and NERC. NERC has promulgated reliability standards pursuant to this law and new standards are anticipated. FERC and NERC have enforcement powers to ensure compliance with these standards.

   TMPA has implemented measures to comply with the existing standards and expects to remain in compliance as standards are promulgated in the future.

SB 3, enacted by the Texas Legislature and effective June 8, 2021, adds Section 38.075 to the Utilities Code. This new section (i) applies to MOU's, such as TMPA, that provide transmission service in the ERCOT power region (ii) requires the PUCT to adopt reliability standards to prepare for weather emergencies (iii) requires ERCOT to inspect the covered entities for compliance (iv) requires ERCOT to inform the PUCT of violations and (v) authorizes the PUCT to impose an administrative penalty for each violation that is not cured within a reasonable time. SB 3 required the PUCT to adopt the reliability standards within 6 months after the effective date of SB 3. On October 21, 2021, the PUCT complied with SB 3 by adopting a rule on weatherization, Substantive Rule 25.55. Substantive Rule 25.55 requires a transmission service provider among other things to: utilize best efforts to implement weather emergency preparation measures; confirm the ability of cold weather critical components to ensure the operation of substations during cold weather events; utilize best efforts to address any critical component failures that occurred due to winter weather conditions between November 30, 2020 and March 1, 2021; and provide training on winter weather preparations to relevant operational personnel. Under the Rule, each transmission service provider was required to file with the PUCT a compliance report by December 1, 2021. TMPA's transmission service operator routinely carries out the measures required by the Rule and consequently TMPA does not anticipate any issues with compliance.

E. In 2016 and 2017, the Agency issued requests for proposals ("RFPs") regarding the proposed sale of the Agency's generation assets and a portion of the Agency's transmission assets. Certain proposals received in connection with the 2016 and 2017 RFPs were pursued, but negotiations were ultimately discontinued. In 2019, the Agency issued an RFP involving only the sale of generation assets. Proposals were received in August 2019, and, on February 10, 2021, TMPA sold the GCSES to one of the proposers, the Gibbons Creek Environmental Redevelopment Group, LLC ("GCERG"). The sale was pursuant to an Asset Purchase Agreement with GCERG, dated February 10, 2021 (the "APA"). Pursuant to the APA, (i) GCERG is obligated to remediate and close all Coal Combustion Residuals (CCR) units within a period of 34 months pursuant to a work schedule included in the APA and, following such closure, to perform any required post closure monitoring and care, (ii) a $28.546 million escrow fund has been established to fund in part GCERG's environmental remediation obligations ($2.855 million remains available as of September 30, 2025), (iii) a performance bond, in the amount of $36.5 million has been provided by GCERG to TMPA, to secure GCERG's performance of its remediation obligations ($32.558 million in bonding remains available as of September 30, 2025), and (iv) a $25 million pollution legal liability insurance policy has been provided by GCERG, naming TMPA and the Member Cities as additional insureds. Under the APA, TMPA is permitted to appoint an Environmental Designee. The Environmental Designee monitors the progress of GCERG's remediation activities. Equal monthly disbursements from the escrow fund were made to the purchaser to fund the purchaser's environmental remediation obligations. Now that work in the field is substantially complete, the amount remaining in escrow (10% of the original amount) will be retained in escrow until all post-closure bonds are provided by GCERG.

One of the remediation activities addressed in the APA is preliminary regulatory closure of the Site F Landfill. The APA recites an estimated cost of $13.6 million to achieve preliminary regulatory closure of the Site F Landfill and requires that (i) in the event actual costs are greater than the $13.6 million estimate, then GCERG must absorb the additional cost and (ii) in the event actual costs are less than the $13.6 million estimate, then GCERG must refund the difference to TMPA. The Site F Landfill remediation is in progress but not yet complete. TMPA and GCERG are engaged in a dispute concerning how to determine the actual costs of the Site F Landfill remediation. This dispute has resulted in the filing of a lawsuit by TMPA against GCERG on September 9, 2022. The lawsuit is pending in Travis County District Court.

F. Effective September 1, 2016, TMPA and the Member Cities entered into a Joint Operating Agreement ("JOA"). In general, the purposes of the JOA include: (i) funding TMPA operations such as mine reclamation, transmission service, and plant decommissioning following expiration of the Power Sales Contract ("PSC"), (ii) subject to certain exceptions, requiring Member City approval for the issuance of new debt, the execution of certain significant contracts, and the sale of property exceeding $10 million in value, (iii) specifying provisions for determining how costs of TMPA and proceeds from the sale of assets are to be allocated among the Member Cities, (iv) providing for the establishment by TMPA of reserve funds for the decommissioning of the plant and the indemnification of TMPA Board Members and Member City officials, employees, contractors, and agents, and (v) dividing the operations of TMPA into three business functions-mine, generation, and transmission-and requiring separate budgets and books for each business function.

The PSC provided that upon dissolution of TMPA, the assets of TMPA would automatically be transferred to the Member Cities, with each Member City receiving an undivided interest in the assets of TMPA in proportion to the amount paid by the Member City to TMPA. The JOA, for purposes of implementing the automatic transfer of assets upon dissolution of TMPA, requires TMPA to periodically make this calculation for each business unit, and sets out formulas for making these calculations. Under the JOA, these ownership calculations are relevant not only to the allocation of assets upon dissolution of TMPA, but also to the allocation of certain proceeds from the sale of assets, and in some cases, the allocation of TMPA costs.

If a majority of the Member Cities request it, TMPA is required by the JOA to transfer a divided interest in the transmission system to each Member City. Under this partition process, the general objective is for each City to receive ownership of transmission facilities in the geographic area of the Member City, and in proportion to the Member City's ownership interest in the transmission business. Any such transfer of transmission assets must be in compliance with relevant bond covenants, including those requiring defeasance of all or a portion of transmission debt.

The JOA includes a reclamation plan for the mine, requires the development of a decommissioning plan, and sets out standards for environmental remediation. TMPA is required to comply with these plans and standards.

Under the JOA, in discharging its contractual obligations, including mine reclamation, decommissioning, transmission service, environmental remediation, indemnification, and other obligations, TMPA is rendering services to the Member Cities. The JOA obligates each Member City to pay the cost of these services, and to collect rates and charges for electric service sufficient to enable it to pay to TMPA all amounts due under the JOA for these services. A Member City's payment obligations under the JOA are payable exclusively from such electric utility revenues and constitute an operating expense of its electric system.

Unless terminated earlier through the mutual consent of all parties, the JOA remains in effect indefinitely. Effective September 1, 2016, the JOA was amended ("Amendment No. 1"). The primary purposes of the amendment were to authorize the sale of Gibbons Creek and the sale of the Southern 345 kV Transmission System, and to authorize the issuance of refunding bonds in connection with such sales. Since the sale contemplated by Amendment No. 1 did not occur, Amendment No. 1, by its own terms, ceased to have any force or effect. Effective September 22, 2017, the JOA was amended a second time ("Amendment No. 2"). The purposes of Amendment No. 2 were to: continue TMPA's authority to issue Mine Reclamation Bonds as had been contemplated in Amendment No. 1; revise the dates on which the separate budgets of the JOA became effective; authorize the Agency to sell certain mining and transmission assets, provided the sales do not exceed in value certain financial thresholds, and provided the sales comply with bond covenants; and allow for an extension to the term of the PSC, applicable only to the Cities notifying TMPA of the extension, in order to complete a period of seasonal operation in 2018, or such other period of time as desired by the notifying Cities. Pursuant to the immediately foregoing provision, the cities of Bryan, Denton, and Garland extended the PSC from September 1, 2018, to September 30, 2018, in order to complete the period of 2018 seasonal operation. The PSC expired as to the City of Greenville on September 1, 2018 and expired as to the remaining Cities on September 30, 2018. Effective September 17, 2019, the JOA was amended a third time ("Amendment No. 3"). The purposes of Amendment No. 3 were to: clarify that all Board Members may vote on matters involving the decommissioning and/or sale of GCSES; delete a requirement that TMPA obtain Member City approval of certain budget increases attributable to mine reclamation bonding; and authorize the sale of mine tracts that are under mine bonding provided a lease, easement, or other property right is reserved that would enable TMPA to complete reclamation and obtain bond release. Effective June 28, 2021, the JOA was amended a fourth time ("Amendment No. 4"). Prior to Amendment No. 4, the JOA provided that a Member City exiting the Mine Business would remain responsible for its share of the costs of the Mine Business until all mining assets were sold. Amendment No. 4 extended the duration of this obligation until a time when all obligations are discharged with respect to the Agency's mine reclamation bonds and other financial commitments providing financial security in relation to the Agency's mine reclamation responsibilities. Amendment No. 4 also permits the sale of the Mine as a whole. Prior to the Amendment, no sale of an individual Mine tract could exceed $250,000, and multiple sales in a fiscal year could not exceed $500,000. Amendment No. 4 eliminated these restrictions.

G. On July 15, 2021, the Board of Directors authorized the Gibbons Creek Lignite Mine to be sold to 3S Real Estate Investments, LLC ("3S"). On August 26, 2021, TMPA and 3S entered into a Farm and Ranch Contract to effect the sale. The sale, involving the conveyance of approximately 11,000 acres, closed on December 21, 2021, which resulted in a gain of $58 million. Following the closing, TMPA has continued to conduct mine reclamation activities pursuant to reserved access and reclamation easements, which easements will remain in effect until all bonded areas are released from bonding. As part of this transaction, TMPA entered into an Escrow Holdback Agreement under which $1.7 million was retained in escrow to account for the acreage that remained under reclamation bonding. The Agreement permits TMPA to request the release of escrow funds as acreages are released from bond by the Railroad Commission of Texas. The escrow balance as of September 30, 2025 is $208,000.

8. Related-Party Transactions

Effective September 1, 2016, TMPA and the Member Cities entered into a Joint Operating Agreement (see Note 7.F for further detail). For the years ended September 30, 2025 and 2024, 2% and 3% of total operating revenue, respectively, was attributable to the Member Cities.

The construction and maintenance of certain electric plant transmission assets are outsourced to the Cities of Garland and Denton. For the years ended September 30, 2025 and 2024, $21,968,448 and $17,504,854 of electric plant transmission assets and construction work in progress, respectively, were constructed by the City of Garland. As of September 30, 2025 and 2024, $8,087,846 and $12,172,444, respectively, was due to the City of Garland. For the years ended September 30, 2025 and 2024, $479,764 and $4,250,904 of electric plant transmission assets and construction work in progress, respectively, were constructed by the City of Denton. In fiscal year 2025, the City of Bryan began work on a project that was subsequently transferred to the City of Garland for completion as a TMPA project. For the year ended September 30, 2025, $731,535 of electric plant transmission assets and construction work in progress were constructed by the City of Bryan. As of September 30, 2025, $252,117 was due to the City of Bryan. For the years ended September 30, 2025 and 2024, 68% and 72%, respectively, of Transmission – Operation and Maintenance expense was attributable to the City of Garland. For the years ended September 30, 2025 and 2024, 2% and 3%, respectively, of Transmission – Operation and Maintenance expense was attributable to the City of Denton.

Additionally, in fiscal year 2023, the Member Cities contributed a total of $600,000 to TMPA to be utilized in addressing the seeps at the mine. Unspent amounts as of September 30, 2023 were included in cash and cash equivalents and accrued mine reclamation costs in the accompanying statements of net position. As of September 30, 2024, the seep project was completed and remaining funds were distributed back to the Member Cities.

REQUIRED SUPPLEMENTARY INFORMATION

Texas Municipal Power Agency
Required Supplementary Information
Postretirement Benefits Plan
For the Year Ended September 30, 2025

Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years

	Measurement Year 2025	Measurement Year 2024	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018
Total OPEB Liability								
Service Cost	$ -	$ -	$ -	$ 1,568	$ 1,431	$ 2,738	$ 2,492	$ 2,527
Interest Cost	41,318	39,572	39,530	35,006	44,803	71,862	76,714	77,956
Changes of Benefit Terms	-	-	-	-	(157,996)	6,597	-	-
Difference Between Expected and Actual Experience of the Total OPEB Liability	-	30,956	-	(118,581)	-	(194,424)	-	(6,724)
Changes of Assumptions	(71,992)	(64,330)	(30,561)	(98,463)	41,060	111,600	32,760	(28,900)
Benefit Payments	(107,634)	(116,470)	(122,328)	(134,892)	(140,000)	(146,108)	(150,807)	(155,595)
Net Change in Total OPEB Liability	(138,308)	(110,272)	(113,359)	(315,362)	(210,702)	(147,735)	(38,841)	(110,736)
Total OPEB Liability (Beginning)	1,068,983	1,179,255	1,292,614	1,607,976	1,818,678	1,966,413	2,005,254	2,115,990
Total OPEB Liability (Ending)	$ 930,675	$ 1,068,983	$ 1,179,255	$ 1,292,614	$ 1,607,976	$ 1,818,678	$ 1,966,413	$ 2,005,254
Covered Payroll	$ -	$ -	$ 242,601	$ 234,624	$ 122,354	$ 118,331	$ 414,530	$ 400,899
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	486.09%	550.93%	1,314.20%	1,536.94%	474.37%	500.19%

Note to schedule:
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.97
2019	3.79
2020	2.56
2021	2.27
2022	3.21
2023	3.53
2024	4.07
2025	5.14

The information in this schedule has been determined as of the measurement date (May 31) of the Agency's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods for which such information is available are presented.

TEXAS MUNICIPAL POWER AGENCY

SUPPLEMENTAL SCHEDULE

Texas Municipal Power Agency
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2025

	Generation	Transmission	Mine	Combined
Operating Revenues				
Member City Billings	$ 197	$ -	$ 616	$ 813
Transmission Revenues	-	35,579	-	35,579
Total Operating Revenues	197	35,579	616	36,392
Operating Expenses				
Production - Operation and Maintenance	57	-	504	561
Transmission - Operation and Maintenance	-	4,954	-	4,954
Administrative and General	23	1,961	188	2,172
Depreciation Expense	-	6,134	-	6,134
Total Operating Expenses	80	13,049	692	13,821
Income (Loss) from Operations	117	22,530	(76)	22,571
Other Income				
Investment Revenue	4	815	33	851
Capital Contributions	-	423	-	423
Gain on Sale of Capital Assets	-	60	-	60
Miscellaneous Other Income, Net	-	103	-	103
Total Other Income	4	1,401	33	1,437
Interest Charges				
Interest Expense on Debt	-	6,059	-	6,059
Total Interest and Finance Charges	-	6,059	-	6,059
Impact of Regulatory Assets in Change in Net Position	(1)	(125)	17	(109)
Net Revenues Before Distributions	120	17,747	(26)	17,840
Distributions to Member Cities	-	(19,152)	(306)	(19,458)
Change in Net Position (Deficit)	$ 120	$ (1,405)	$ (332)	$ (1,618)

December 11, 2025

AGENDA ITEM NO. 11

SUBJECT: Resolution No. 2025-12-4, approving the annual proportional share calculation of Member City ownership interests in Agency assets; and resolving matters incidental and related thereto.

DISCUSSION: Section 2.5 of the Joint Operating Agreement requires the Staff to prepare, and the Board to approve, on an annual basis, the Member City ownership shares in Agency assets by business category. Staff has prepared the recalculation as of September 30, 2025. The recalculation did not result in any changes to the ownership shares. The Resolution approves the recalculation, which is attached as an exhibit to the Resolution.

BACKUP MATERIAL: Updated Schedule E of the JOA as of 9/30/25

ACTION REQUESTED: Consideration and action on Resolution No. 2025-12-4.

Lyndi Birkhead
12/3/25

RESOLUTION NO. 2025-12-4

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY (“AGENCY”) APPROVING THE ANNUAL PROPORTIONAL SHARE CALCULATION OF MEMBER CITY OWNERSHIP INTERESTS IN AGENCY ASSETS; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, Agency Staff has prepared its annual calculation of Member City ownership interests in Agency assets by business category, as required by Section 2.5 of the Joint Operating Agreement;

WHEREAS, the Board has reviewed the calculation and desires to approve the calculation as required by the Joint Operating Agreement;

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 approves the annual calculation of Member City ownership interests in Agency assets by business category, as shown in Exhibit “A”;

3. That, as required by Section 2.5 of the Joint Operating Agreement, the Board directs the Agency Staff, following the end of Fiscal Year 2026, to prepare the annual calculation of Member City ownership interests in Agency assets by business category, and to bring the calculation to the Board for approval;

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

PASSED AND APPROVED THIS 11TH DAY OF DECEMBER 2025.

____
Andrew Nelson, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Tom Jefferies, Secretary
Board of Directors
Texas Municipal Power Agency

Exhibit A

Texas Municipal Power Agency Schedule E
Amount Paid to the Agency by Member Cities

		Amounts Paid to Agency by Member Cities			
Fiscal Year	**Power Sales**	**Bryan**	**Denton**	**Garland**	**Greenville**
1984	85,191,000	17,191,554	17,924,151	41,794,703	8,280,592
1985	187,737,000	37,885,348	39,499,787	92,103,769	18,248,096
1986	191,180,000	38,580,146	40,224,193	93,792,904	18,582,757
1987	188,454,000	36,842,848	40,743,630	92,530,880	18,336,642
1988	190,654,000	36,586,438	41,486,357	93,096,337	19,484,868
1989	175,652,000	34,392,712	38,327,234	84,488,553	18,443,500
1990	168,889,000	33,456,809	37,155,622	79,901,366	18,375,202
1991	168,096,000	33,102,531	36,632,258	79,753,773	18,607,437
1992	167,464,000	33,241,574	36,138,761	79,511,963	18,571,702
1993	171,910,000	35,568,069	36,049,571	81,313,510	18,978,850
1994	174,147,000	38,312,365	38,312,365	81,849,115	15,673,155
1995	171,898,000	37,817,507	37,817,507	80,792,055	15,470,931
1996	163,661,000	35,899,681	35,758,679	76,920,733	15,081,907
1997	158,202,000	34,329,834	33,697,026	74,354,940	15,820,200
1998	168,103,000	36,478,351	35,805,939	79,008,410	16,810,300
1999	168,886,000	36,648,262	35,972,718	79,376,420	16,888,600
2000	165,097,000	35,826,049	35,165,661	77,595,590	16,509,700
2001	179,943,000	39,047,631	38,327,859	84,573,210	17,994,300
2002	185,758,000	40,230,765	39,651,078	87,302,902	18,573,255
2003	194,790,000	42,404,888	41,689,440	91,286,470	19,409,203
2004	200,208,000	43,420,423	42,845,792	93,962,319	19,979,465
2005	209,439,000	45,453,431	44,733,031	98,344,467	20,908,072
2006	217,762,000	47,334,078	46,472,327	102,223,519	21,732,076
2007	221,824,000	48,155,447	47,417,590	104,068,163	22,182,800
2008	236,311,000	51,245,680	50,565,371	110,901,555	23,598,394
2009	197,392,000	42,591,301	42,859,565	92,115,984	19,825,150
2010	211,684,000	45,721,786	45,649,213	99,040,992	21,272,009
2011	138,069,000	29,974,786	29,580,070	64,673,450	13,840,694
2012	112,265,000	24,371,669	23,942,382	52,722,458	11,228,491
2013	219,311,000	47,665,306	46,871,131	103,107,975	21,666,588
2014	225,769,032	49,120,056	48,184,087	106,285,320	22,179,569
2015	230,094,555	50,001,738	49,075,365	108,084,122	22,933,330
2016	228,896,963	49,553,715	48,639,634	107,912,078	22,791,536
2017	230,754,586	50,342,790	49,402,413	107,888,879	23,120,505
2018 *(bundled*)*	125,977,894	27,346,953	26,836,017	59,228,237	12,566,687
	6,431,470,030	1,366,142,522	1,379,453,824	3,041,907,122	643,966,563
2018 *(unbundled*)* :					
Sept-18 Energy		730,874	718,743	1,583,054	-
Sept-18 Gen (Prod)		210,125	206,637	455,124	-
Total Sept-18 Generation	3,904,557	940,998	925,380	2,038,179	-
Sept-18 Transmission	18,843	4,089	4,014	8,856	1,884
Sept-18 Mine	170,762	37,055	36,372	80,258	17,076
2019 Generation**	4,042,164	858,556	867,044	1,911,944	404,621
2019 Mine	3,203,604	695,182	682,368	1,505,694	320,360
2020 Generation**	12,895,992	2,739,109	2,766,190	6,099,804	1,290,889
2020 Mine	3,090,456	670,629	658,267	1,452,514	309,046
2021 Generation**	2,801,076	594,949	600,831	1,324,909	280,388
2021 Sale of the Plant	28,146,238	5,978,261	6,037,368	13,313,171	2,817,438
2021 Mine	2,748,168	596,352	585,360	1,291,639	274,817
2022 Generation**	749,160	159,122	160,695	354,353	74,991
2022 Mine	2,096,172	454,869	446,485	985,201	209,617
2023 Generation**	1,126,632	239,297	241,663	532,897	112,776
2023 Mine	806,808	175,077	171,850	379,200	80,681
2024 Generation**	491,628	104,422	105,454	232,540	49,212
2024 Mine	712,140	154,534	151,686	334,706	71,214
2025 Generation**	197,136	41,872	42,286	93,245	19,733
2025 Mine	615,648	133,596	131,133	289,355	61,565

	Generation	
Total:	**Sales**	**PPE Interest**
Bryan	1,377,799,106	21.24%
Denton	1,391,200,734	21.45%
Garland	3,067,808,163	47.30%
Greenville	649,016,610	10.01%
Total	6,485,824,613	100.00%

** Prior to 9/1/18, all charges to the Cities were bundled for the Agency as a whole. Beginning 9/1/18, the JOA required that the Agency bill the Cities by business category (Generation, Transmission, & Mine).*
***These are non-production costs as the plant did not operate after FY18 and was sold in February 2021.*

E

Texas Municipal Power Agency Schedule E
Amount Paid to the Agency by Member Cities

(0)

Transmission		
Total:	**Sales**	**PPE Interest**
Bryan	1,366,146,611	21.24%
Denton	1,379,457,837	21.45%
Garland	3,041,915,978	47.30%
Greenville	643,968,447	10.01%
Total	6,431,488,873	100.00%

(0)

Mine		
Total:	**Sales**	**PPE Interest**
Bryan	1,369,059,818	21.24%
Denton	1,382,317,344	21.45%
Garland	3,048,225,688	47.30%
Greenville	645,310,939	10.01%
Total	6,444,913,788	100.00%

(0)

December 11, 2025

AGENDA ITEM NO. 12

SUBJECT: Resolution No. 2025-12-5, authorizing a distribution of transmission funds to the Member Cities; and resolving matters incidental and related thereto.

DISCUSSION: Section 4.2 of the JOA provides in pertinent part:

> Effective September 2, 2018, all net proceeds from the annual operations of the Transmission Business category (after payment of the annual costs of the Transmission System and debt service on Transmission Debt) shall be used: (i) first, to fund the Decommissioning Reserve Account up to the cap for that account as stated in Section 5.5, and (ii) then, to the Indemnity Reserve Account up to the cap for that account as stated in Section 6.5. Any net proceeds remaining after the obligations described in (i)-(ii) shall be apportioned to each Participating Public Entity based on the following percentages: Bryan - 21.7%; Denton - 21.3%; Garland - 47%; Greenville - 10%.

Since the cap of the Decommissioning Reserve was reduced to $0.00 in December 2021, and since the Indemnity Reserve has already been funded (escrow account established at UMB), there are available for refund to the Member Cities (after deduction of a 120-day cash reserve for FY26 operating expenses) transmission funds in the amount of $15,338,693. The Resolution authorizes the distribution of these transmission funds to the Cities.

Approved FY25 Transmission Budget - Net Revenue	9,450,015
FY25 Debt Service Coverage	3,427,790
FY25 Year-end Under Budget Variance	2,784,591
Subtotal	15,662,396
TXDOT Reimb – 10% of T21004 (not rec'd by 9/30/25)	(423,703)
Release of Previous Year's Cash Reserve	2,750,000
Cash Reserve (120 days FY26 operating expenses)	(2,650,000)
FY25 Transmission Distribution	15,338,693

BACKUP MATERIAL: None

ACTION REQUESTED: Consideration and action on Resolution No. 2025-12-5.

Lyndi Birkhead
12/3/25

RESOLUTION NO. 2025-12-5

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AUTHORIZING A DISTRIBUTION OF TRANSMISSION FUNDS TO THE MEMBER CITIES; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, as of the end of Fiscal Year 2025, $15,338,693 in transmission funds are available for distribution to the Member Cities as contemplated by Section 4.2 of the Joint Operating Agreement (the "Transmission Net Proceeds");

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 General Manager, or a person acting at his direction, is authorized to distribute to the Member Cities the Transmission Net Proceeds;

3. That the Transmission Net Proceeds shall be allocated to the Cities as follows:

Bryan	21.7%	$ 3,328,496
Denton	21.3%	$ 3,267,142
Garland	47.0%	$ 7,209,186
Greenville	10.0%	$ 1,533,869

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

PASSED AND APPROVED THIS 11TH DAY OF DECEMBER 2025.

____
Andrew Nelson, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ____________________________
Tom Jefferies, Secretary
Board of Directors
Texas Municipal Power Agency

December 11, 2025

AGENDA ITEM NO. 13

SUBJECT: Executive Session

Executive session will be held pursuant to the Open Meetings Act (Chapter 551, Government Code, legal advice under Section 551.071, Government Code, value of real property under Section 551.072, Government Code, and competitive matters under Section 551.086, Government Code) for the following items:

A. Sale of the SP 50 Property (value of real property under Section 551.072, Government Code, and legal advice under Section 551.071, Government Code).

B. Strategic plan relating to the transmission system (competitive matters under Section 551.086, Government Code, and legal advice under Section 551.071, Government Code)

C. TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas; Gibbons Creek Coal Combustion Residuals Registration (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.

December 11, 2025

AGENDA ITEM NO. 13A

SUBJECT: Sale of the SP 50 Property (value of real property under Section 551.072, Government Code, and legal advice under Section 551.071, Government Code).

DISCUSSION: Following the Board Meeting of November 19, the Farm & Ranch Contract was fully signed. November 24 was the buyer's deadline to deposit the Earnest Money, $80,000, with the Escrow Agent in Houston.

On November 25, TMPA's broker, Jeff Boswell, notified the team that the Earnest Money had not been paid, that his efforts to contact the buyer, 1836 Ranch, had failed, and that, since he was being ignored by the buyer, he was recommending termination of the Farm & Ranch Contract.

Daniel urged Jeff to continue efforts to contact the buyer, and give the buyer more time. Thereafter, except for one conversation with the buyer's spouse, in which she blamed the Earnest Money lapse on a bank not following instructions, Jeff was unable to make contact with the buyer.

On December 1, 2025, after receiving no response to his phone calls, emails, and text messages to the buyer, and thinking that the Farm & Ranch Contract was void due to the buyer's failure to deposit the Earnest Money, Jeff began contacting other potential buyers, essentially putting the SP 50 property back on the market.

After he was informed of this, Daniel, on December 2, 2025, sent to 1836 Ranch a notice, terminating the Farm & Ranch Contract. Immediately following the termination of the Farm & Ranch Contract, the buyer finally responded to Jeff, giving somewhat vague reasons for his failure to provide the Earnest Money, stating that he and his wife were still interested in purchasing the property, and indicating that he was hopeful of providing Jeff a timeline by the end of the week.

Additional information relating to this matter will be provided at the Board Meeting.

BACKUP MATERIAL: None.

ACTION REQUESTED: None.

Carl Shahady
12-2-2025

December 11, 2025

AGENDA ITEM NO. 13B

SUBJECT: Strategic plan relating to the transmission system (competitive matters under Section 551.086, Government Code, and legal advice under Section 551.071, Government Code)

DISCUSSION: At the September 2025 Board meeting, the Board authorized the General Manager to spend up to $200,000 for the purpose of investigating the potential transmission projects.

An update and additional information relating to this matter will be provided at the Board Meeting.

BACKUP MATERIAL: None.

ACTION REQUESTED: None.

Daniel Meadows
12-2-2025

December 11, 2025

AGENDA ITEM NO. 13C

SUBJECT: TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas; Gibbons Creek Coal Combustion Residuals Registration (legal advice under Section 551.071, Government Code)

DISCUSSION:

PRIVILEGED AND CONFIDENTIAL

A. The Deed of Trust issue has been resolved.

Before GCERG may sell a tract having a recognized environmental condition, the Asset Purchase Agreement ("APA") requires that GCERG provide TMPA an opportunity to review the unsigned contract documents to ensure that they contain certain protections for TMPA.

GCERG complied with the foregoing requirement except with respect to Tract 5, containing the Site A Landfill, and Tract 6, containing the Site F Landfill. In September, 2022, without providing TMPA the opportunity to review the contract documents, GCERG executed a deed of trust which pledged Tracts 5 and 6 as collateral to secure a loan.

At the December 14, 2023, Board Meeting, it was recommended that TMPA refrain from bringing into the lawsuit GCERG's lender, out of concern it could result in the acceleration of the underlying debt, maturing in December 2025.

At the September 11, 2025, Board Meeting, the Board was briefed on GCERG's new plan to pay off the underlying debt by selling land from a different project. The Board was also briefed on TMPA's plan to seek injunctive relief, to enjoin foreclosure of the deed of trust in the event of GCERG's failure to pay the underlying debt.

Fortunately, it has turned out that no such injunction was necessary. On September 30, 2025, the deed of trust was released in its entirety.

B. Bond Reduction Request-Coal Combustion Residuals Registration

The Regulatory Performance Bond currently provides bonding in the amount of $32.558 million. The APA allows for the Bond to be reduced in increments as individual projects are "completed (as determined in writing by the Environmental Designee)". The APA does not otherwise define the term "completed" in the context of a bond reduction request.

On November 14, 2025, the TCEQ approved the Coal Combustion Residuals Registration for the ash ponds, scrubber sludge pond, and Site F Landfill. In this document, the TCEQ classifies the foregoing CCR units as "closed", states that they are subject to post-closure requirements, and requires that GCERG submit post-closure bonding in the amount of $3,524,682.

Based on the issuance of this decision by the TCEQ, GCERG, has requested a bond reduction in the amount of $16,753,500, the maximum amount authorized by the APA.

The bond reduction request is currently undergoing evaluation. Additional information will be provided at the Board Meeting.

Carl Shahady
12/01/25

December 11, 2025

AGENDA ITEM NO. 14

SUBJECT: Resolution No. 2025-12-6, authorizing the sale of a 722.85-acre tract out of the former Gibbons Creek Lignite Mine (the "SP 50 Property"); describing the conditions and circumstances for the sale of the SP 50 Property, and the public purposes that will be achieved; and resolving matters incidental and related thereto.

DISCUSSION: This Resolution authorizes the sale of the "SP 50 Property".

On June 9, 2022, the Board authorized a contract with Republic Ranches, LLC ("Republic") for real estate brokerage services relating to the sale of the SP 50 Property. Since then, Republic has marketed the SP 50 Property and has received a number of proposals.

Following the Board Meeting of November 19, 2025, a Farm & Ranch Contract with 1836 Ranch LLC was fully signed. Due to the failure of 1836 Ranch LLC to submit earnest money and failure to communicate with TMPA's brokerage team, TMPA terminated the Farm & Ranch Contract on December 2, 2025.

TMPA is receiving interest from multiple buyers and is accepting offers. If a viable offer is received prior to the December 11, 2025 Board meeting, TMPA will present the offer for Board consideration as part of this agenda item.

Prior to the Board meeting, TMPA will provide the Board with the Resolution describing the conditions and circumstances for the sale, and the public purposes that will be achieved, as required by law.

BACKUP MATERIAL: None.

ACTION REQUESTED: Consideration and action on Resolution No. 2025-12-6. (to be submitted at a later date)

Daniel Meadows
12/2/2025

December 11, 2025

AGENDA ITEM NO. 15

SUBJECT: Future Meeting Dates

DISCUSSION: The date for the next regularly scheduled Board Committee meeting is March 12, 2026 via Zoom.

TENTATIVE	June 11, 2026
MEETING	September 10, 2026 in Greenville
DATES:	December 10, 2026

Daniel Meadows
12/11/2025