TEXAS MUNICIPAL POWER AGENCY

PLANNING & OPERATING COMMITTEE

VIA VIDEO CONFERENCE CALL

Wednesday May 7, 2025

10:00 AM

1. **Finance:**
   A. Review Proposed FY26 Budget Package – Lyndi Birkhead 1A-1

2. **Administrative Business:**
   A. Other Business..2A-1
   B. Future Meeting Dates for P&O Committee 2B-1
   C. Adjournment:..NA

NOTE: Staff will provide any new information or updates related to the above reports after mail-out by email or at the meeting. As you review all meeting material, please provide any questions that arise to Staff as soon as possible to better manage discussion and meeting time length.

May 7, 2025

AGENDA ITEM NO. 1A

SUBJECT: Review Proposed FY26 Budget Package

DISCUSSION: Staff has prepared the FY26 Budget Package for the P&O Committee's review and comment. Please refer to the attached FY26 Budget Package for further information. The package was reviewed with the Financial Working Group on 4/23, and they recommended no changes.

BACKUP MATERIAL: FY26 Budget Package

ACTION REQUESTED: Review and approval to take the FY26 Budget forward to the ABC & Board.

Lyndi Birkhead
4/30/25

TEXAS MUNICIPAL POWER AGENCY

FY26 BUDGET PACKAGE

For Years FY26-35

Prepared by

TMPA Staff

April 2025

TEXAS MUNICIPAL POWER AGENCY
FY26 BUDGET PACKAGE

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TEXAS MUNICIPAL POWER AGENCY
FY26 BUDGET PACKAGE

EXECUTIVE SUMMARY & KEY BUDGET ASSUMPTIONS

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

Staff prepared the attached budgets based on discussions at the March 2025 P&O and Board meetings. Below is more detail on each business unit of TMPA:

- Generation – The remaining Generation function, after the sale of the plant in February 2021, is overseeing the demolition and remediation activities in accordance with the APA with GCERG. The Agency's General Manager oversees this activity as well any additional environmental and compliance issues related to the former plant site.

- Transmission – Management of the Transmission system will continue to be performed by TMPA, in collaboration with the Transmission Operation, Maintenance, and Construction Services Agreements currently in place with Garland Power & Light (GP&L) and Denton Municipal Electric (DME). TMPA will continue to invest in our current Transmission system, as well as actively pursue transmission investments outside of our current system.

- Mine – The majority of the mine land was sold in December 2021. The SP-50 property (723 acres) will continue to be marketed until sold. All mine areas, with the exception of the acid seeps and the mine reclamation shop area (72 acres), have received full bond release from the Railroad Commission of Texas. Continued work on the acid seep area is handled by the Agency's General Manager, in coordination with consulting by Jan Horbaczewski as needed.

- A&G – The Accounts Payable/Document Control Specialist plans to retire in December 2025 after 40 years of service to TMPA. At that time, her duties will shift primarily to the Executive Administrator and temporary staff (student workers), as needed. Remaining employees will consist of the General Manager, CFO/Director of Finance & Support Services, Accountant, and Executive Administrator.

Below is the TMPA headcount chart:

	TMPA Headcount		
RA	**Department**	**FY26**	**FY27-35**
1B	General Manager	1	1
2C	Finance & Document Control	3*	2
3E	Executive Administrator	1	1
		5	**4**

**Headcount reduces to 2 after FY26 Q1.*

Included in the budgets are estimates for employee retention bonuses and severance packages, as applicable. Retiree medical/dental benefits are assumed to remain in effect indefinitely.

GENERATION

GENERATION STRATEGY & KEY BUDGET ASSUMPTIONS

The primary function of the Generation business is to oversee matters related to the regulatory closure and post-closure of Gibbons Creek Steam Electric Station (GCSES) in accordance with the Asset Purchase Agreement (APA) with GCERG and the subsequent post-closure requirements from the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA).

Key Budget Assumptions

1) This function includes ensuring GCERG's performance of the remediation. In accordance with the APA, a professional engineer was contracted in FY21 to serve as the Environmental Designee to monitor and oversee the remediation by GCERG.

   The completion date of the physical remediation of Gibbons Creek was achieved in early 2025. However, the final Regulatory Closure will likely not be obtained until sometime in 2027.

2) After Regulatory Closure is obtained, TMPA and the Environmental Designee will continue to oversee the post-closure care and maintenance requirements established by the TCEQ. The amount of oversight will be significantly less than was necessary for Regulatory Closure. The post-closure period is expected to be 30 years for Site A and Site F Landfill.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY25's Approved Budget - Generation

	FY25 Approved Budget	FY26 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
S02 Consulting Services	85,000	85,000	-	0.0%	
S04 Legal Services	60,000	50,000	(10,000)	-16.7%	
Other Fixed Costs	2,500	-	(2,500)	-100.0%	
Allocation of A&G	56,791	52,775	(4,016)	-7.1%	
TOTAL FIXED COSTS	**$ 204,291**	**$ 187,775**	**$ (16,516)**	**-8.1%**	
OTHER REVENUES					
Interest Income	(7,152)	(6,187)	965	13.5%	
TOTAL OTHER REVENUES	**$ (7,152)**	**$ (6,187)**	**$ 965**	**13.5%**	
TOTAL COSTS	**$ 197,139**	**$ 181,588**	**$ (15,551)**	**-7.9%**	

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

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY25's Approved Budget – Generation

There are no significant variances to discuss.

TEXAS MUNICIPAL POWER AGENCY
FY26-35 Generation Budget Pro Forma

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY26-35 Total
FIXED COSTS											
S02 Consulting Services	85,000	46,125	26,266	26,922	27,595	28,285	28,992	29,717	30,460	31,221	360,583
S04 Legal Services	50,000	25,625	26,266	26,922	27,595	28,285	28,992	29,717	30,460	31,221	305,083
Allocation of A&G	52,775	27,281	20,604	21,518	22,791	23,480	25,494	25,375	25,889	27,020	272,229
TOTAL FIXED COSTS	**$ 187,775**	**$ 99,031**	**$ 73,136**	**$ 75,362**	**$ 77,981**	**$ 80,050**	**$ 83,478**	**$ 84,809**	**$ 86,809**	**$ 89,462**	**$ 937,895**
OTHER REVENUES											
Interest Income	(6,187)	(3,217)	(2,430)	(2,551)	(2,780)	(2,975)	(3,178)	(3,353)	(3,494)	(3,702)	(33,869)
TOTAL OTHER REVENUES	**$ (6,187)**	**$ (3,217)**	**$ (2,430)**	**$ (2,551)**	**$ (2,780)**	**$ (2,975)**	**$ (3,178)**	**$ (3,353)**	**$ (3,494)**	**$ (3,702)**	**$ (33,869)**
TOTAL COSTS	**$ 181,588**	**$ 95,814**	**$ 70,706**	**$ 72,811**	**$ 75,200**	**$ 77,075**	**$ 80,300**	**$ 81,456**	**$ 83,315**	**$ 85,760**	**$ 904,026**
Monthly Charge	**$ 15,132**	**$ 7,985**	**$ 5,892**	**$ 6,068**	**$ 6,267**	**$ 6,423**	**$ 6,692**	**$ 6,788**	**$ 6,943**	**$ 7,147**	

TRANSMISSION

TRANSMISSION STRATEGY & KEY BUDGET ASSUMPTIONS

TMPA's transmission system will continue to be maintained for safety, reliability, and operational compliance requirements. TMPA will continue to invest in our current Transmission system, as well as actively pursue transmission investments outside of our current system. TMPA staff, in collaboration with the Member Cities, will continue to monitor for new projects required for system reliability. GP&L and DME will continue to provide transmission operator, maintenance, compliance, and construction services under their agreements with TMPA.

Key Budget Assumptions

1) Identified the Transmission Capital Plan needed for safe, compliant, and reliable operations.
2) TMPA currently has a Note Program with Truist Bank for $60M in capacity ($44.9M currently outstanding) with the purpose of funding the Transmission Capital Plan. A bond issuance has been approved by TMPA's Board and will close in the summer of 2025. This will free up capacity in our Note Program for continued growth.
3) For budgeting purposes, a fix-out of a portion of the Notes into long-term bonds is assumed in FY27 and again in FY30. Fix-outs become necessary when a significant amount of short-term, Note-funded assets are placed in service and/or when the Agency is nearing capacity of the Notes.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY25's Approved Budget - Transmission

	FY25 Approved Budget	FY26 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
L01 Labor & Benefits	706,574	666,699	(39,875)	-5.6%	1
R06 Bank Charges	159,500	122,000	(37,500)	-23.5%	2
R41 Insurance Premiums	685,660	685,257	(403)	-0.1%	
R51 Contractor Maintenance	2,014,100	1,870,600	(143,500)	-7.1%	3
S02 Consulting Services	-	144,700	144,700	100.0%	4
S04 Legal Services	190,000	210,000	20,000	10.5%	
Other Fixed Costs	2,148,197	2,015,486	(132,711)	-6.2%	5
Allocation of A&G	2,273,199	2,234,049	(39,150)	-1.7%	
Subtotal Fixed Costs - Non-Debt	**$ 8,177,230**	**$ 7,948,791**	**$ (228,439)**	-2.8%	
R57-R58 Debt Service - Bonds	13,183,807	15,476,690	2,292,883	17.4%	6
R55 Interest on Short-term Notes	1,503,463	1,100,121	(403,343)	-26.8%	7
I62 Debt Coverage Payment (DCP)	3,427,790	4,023,939	596,149	17.4%	6
Subtotal Fixed Costs - Debt	**$ 18,115,060**	**$ 20,600,750**	**$ 2,485,690**	13.7%	
TOTAL FIXED COSTS	**$ 26,292,290**	**$ 28,549,540**	**$ 2,257,250**	**8.6%**	
OTHER REVENUES					
I50 Transmission System Revenue	(34,925,265)	$ (35,696,819)	(771,554)	-2.2%	
Interest Income	(714,289)	$ (676,950)	37,339	5.2%	8
Other Revenue	(102,750)	(57,107)	45,643	44.4%	9
TOTAL OTHER REVENUES	**$ (35,742,304)**	**$ (36,430,876)**	**$ (688,572)**	**-1.9%**	
TOTAL COSTS / (REVENUE)	**$ (9,450,014)**	**$ (7,881,336)**	**$ 1,568,678**	**16.6%**	

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

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY25's Approved Budget – Transmission

Fixed Costs – Non-Debt

1) Labor & Benefits decreased as several available positions are assumed to be filled at entry-level pay rates.

2) Bank Charges decreased as TMPA established a new Note Program in FY25, and an issuance of bonds will be completed in FY25, both as budgeted. Similar bank charges related to these activities are not necessary in FY26.

3) Contractor Maintenance decreased because of (a) reduced vegetation management and (b) reduced HB4150 analysis services (required safety inspections of transmission lines).

4) Consulting Services increased because (a) an interim filing is planned for the spring of 2026 and, (b) TMPA is engaging consultants as we pursue transmission investments outside of our current system.

5) Other Fixed Costs decreased primarily because the purchase of a skid steer was budgeted in FY25, which in turn also decreases rental expenses.

Fixed Costs – Debt

6) Debt Service – Bonds increased as an issuance of bonds will be completed in the summer of 2025, as approved by TMPA's Board in March 2025.

7) Interest on Short-term Notes decreased as the balance of Notes outstanding will greatly reduce will the upcoming bond issuance.

Other Revenues

8) Interest Income decreased as interest rates are expected to gradually reduce over the next several quarters.

9) Other Revenue decreased as one of the transmission tower agreements near Ben Davis terminated in 2024. The tower and all associated equipment have been removed.

TEXAS MUNICIPAL POWER AGENCY
FY26-35 Transmission Budget Pro Forma

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY26-35 Total
FIXED COSTS											
L01 Labor & Benefits	666,699	683,367	700,451	717,962	735,911	754,309	773,167	792,496	812,308	832,616	7,469,285
R06 Bank Charges	122,000	176,300	171,778	131,381	189,856	184,985	141,483	145,020	199,208	152,361	1,614,372
R41 Insurance Premiums	685,257	702,388	719,947	737,947	756,396	775,304	794,688	814,554	834,918	855,792	7,677,191
R51 Contractor Maintenance	1,870,600	1,917,365	1,965,299	2,014,432	2,064,792	2,116,412	2,169,323	2,223,556	2,279,144	2,336,123	20,957,046
S02 Consulting Services	144,700	107,318	110,001	112,750	115,569	118,459	121,420	124,456	127,567	130,755	1,212,995
S04 Legal Services	210,000	266,500	267,909	226,148	286,992	288,508	243,536	249,624	310,692	262,261	2,612,170
Other Fixed Costs	2,015,486	2,065,873	2,117,520	2,170,458	2,224,719	2,280,337	2,337,345	2,395,779	2,455,674	2,517,065	22,580,255
Allocation of A&G	2,234,049	2,250,612	2,374,114	2,442,189	2,632,246	2,705,534	2,893,453	2,879,984	2,983,077	3,066,738	26,461,997
Subtotal Fixed Costs - Non-Debt	**$ 7,948,791**	**$ 8,169,723**	**$ 8,427,019**	**$ 8,553,267**	**$ 9,006,481**	**$ 9,223,848**	**$ 9,474,415**	**$ 9,625,469**	**$ 10,002,588**	**$ 10,153,711**	**$ 90,585,310**
R57-R58 Debt Service - Bonds	15,476,690	17,121,550	18,634,442	18,767,851	20,410,866	21,921,879	21,924,571	21,926,409	21,922,346	21,925,313	200,031,917
R55 Interest on Short-term Notes	1,100,121	1,029,979	1,049,346	1,662,016	1,223,709	575,136	644,006	681,755	719,505	757,254	9,442,824
I62 Debt Coverage Payment (DCP)	4,023,939	4,451,603	4,844,955	4,879,641	5,306,825	5,699,689	5,700,388	5,700,866	5,699,810	5,700,581	52,008,297
Subtotal Fixed Costs - Debt	**$ 20,600,750**	**$ 22,603,132**	**$ 24,528,743**	**$ 25,309,508**	**$ 26,941,400**	**$ 28,196,704**	**$ 28,268,965**	**$ 28,309,030**	**$ 28,341,661**	**$ 28,383,148**	**$ 261,483,038**
TOTAL FIXED COSTS	**$ 28,549,540**	**$ 30,772,854**	**$ 32,955,761**	**$ 33,862,774**	**$ 35,947,881**	**$ 37,420,552**	**$ 37,743,379**	**$ 37,934,499**	**$ 38,344,248**	**$ 38,536,859**	**$ 352,068,348**
OTHER REVENUES											
Transmission System Revenue	(35,696,819)	(35,254,217)	(36,840,657)	(38,498,487)	(40,230,918)	(42,041,310)	(43,933,169)	(45,910,161)	(47,976,119)	(50,135,044)	(416,516,900)
Interest Income	(676,950)	(690,560)	(724,069)	(759,737)	(831,930)	(892,667)	(954,735)	(1,018,226)	(1,083,197)	(1,149,577)	(8,781,649)
Other Revenue	(57,107)	(58,535)	(59,998)	(61,498)	(63,036)	(64,612)	(66,226)	(67,883)	(69,579)	(71,318)	(639,792)
TOTAL OTHER REVENUES	**$ (36,430,876)**	**$ (36,003,313)**	**$ (37,624,724)**	**$ (39,319,722)**	**$ (41,125,885)**	**$ (42,998,589)**	**$ (44,954,130)**	**$ (46,996,270)**	**$ (49,128,894)**	**$ (51,355,939)**	**$ (425,938,341)**
TOTAL COSTS / (REVENUE)	**$ (7,881,336)**	**$ (5,230,458)**	**$ (4,668,963)**	**$ (5,456,948)**	**$ (5,178,004)**	**$ (5,578,037)**	**$ (7,210,751)**	**$ (9,061,772)**	**$ (10,784,646)**	**$ (12,819,079)**	**$ (73,869,993)**
Monthly Charge	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

TEXAS MUNICIPAL POWER AGENCY
FY26-35 Transmission Capital Plan

Project Name: DEBT-FUNDED PROJECTS	Project No.	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	10-YEAR TOTALS
Steep Hollow to Keith Switch - Rebuild/Grounding Enhancement	T20002	3,800,000									3,800,000
Ben Davis Breaker Replacement	T20004	855,000									855,000
Pruitt 138kV Terminal Addition	T21005	2,000,000	250,000								2,250,000
Gibbons Creek Data Center Terminal Additions	T22002	3,000,000									3,000,000
Greenville Interchange to Pruitt New Line & Station (Makalu)	T22004	2,000,000	8,100,000								10,100,000
Rayburn Country 138 kV POI	T22005	3,100,000									3,100,000
Brazos Interconnection at Denton West Interchange	T24001	733,234	1,566,318	850,000							3,149,552
Shelby to Nevada Transmission Line Extension	T24003	700,000	2,000,000								2,700,000
Relay Panel Replacement Project at Denton West	T24008	96,800									96,800
GC-Zenith Ckt 18 (CNP) Protection Scheme	T25002	295,000									295,000
GC-Greens Prairie 138 kV Reconductor**	T25003	2,393,000									2,393,000
Gibbons Creek Physical Security Enhancements		2,500,000									2,500,000
Denton West-Roanoke (Related to Oncor Ramhorn-Dunham)		6,100,000									6,100,000
Lee Street Interconnecting Lines		1,500,000									1,500,000
POI at Pruitt Switching Station (supplemental to T21005)		2,000,000	2,000,000								4,000,000
Denton West Auto Transformer		2,300,000	4,900,000	5,400,000	2,100,000						14,700,000
Buffalo Prairie Storage (150 MW)			4,000,000	6,200,000							10,200,000
Little Ridge Storage (250 MW)			8,500,000	1,000,000							9,500,000
Holly Branch Solar/Battery				6,000,000	6,000,000						12,000,000
Texas Cotton Solar (Jack Creek)					5,000,000	5,000,000					10,000,000
Spencer Interchange to Pockrus T-line Reconstruction						5,690,000	1,600,000				7,290,000
TOTAL DEBT FUNDING REQUIREMENT		**$33,373,034**	**$31,316,318**	**$19,450,000**	**$13,100,000**	**$10,690,000**	**$ 1,600,000**	**$ -**	**$ -**	**$ -**	**$ 109,529,352**

Project Name: TXDOT REIMBURSABLE PROJECTS	Project No.	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	10-YEAR TOTALS
State Highway 30 Pole Relocation Project	T24009	2,200,000									2,200,000
West Loop 288-West Denton to Fort Worth T-line Relocation		1,200,000	2,100,000								3,300,000
West Loop 288-Masch Branch to North Denton T-line Relocation		1,200,000	2,100,000								3,300,000
East Loop 288 and Hwy 380 TML Reroute		1,500,000	800,000								2,300,000
TOTAL TXDOT REIMBURSABLE PROJECTS		**$ 6,100,000**	**$ 5,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 11,100,000**

**Does not yet have Board approval*
***This project is not officially approved until the transfer of assets closes between TMPA and Bryan, as approved at the March 2025 Board meeting.*

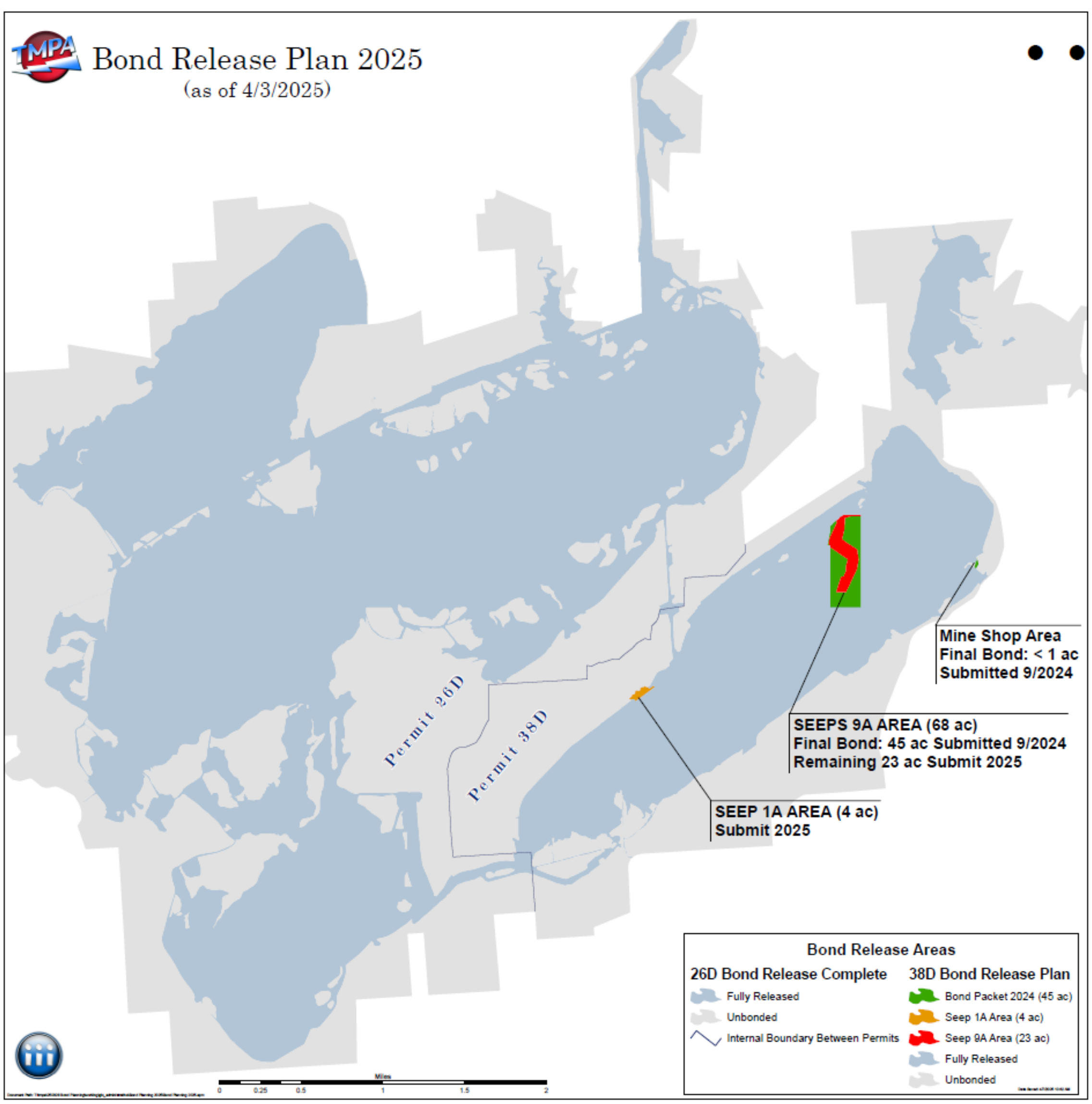
MINE

MINE STRATEGY & KEY BUDGET ASSUMPTIONS (as of 04/7/25)

Bond Release

TMPA's plan for the release of reclamation bonds on the Gibbons Creek Lignite Mine property is depicted in Figure 1 and summarized in Table 1.

Figure 1 – Plan for Final Bond Release



A bond release application for the areas depicted in green (45 acres) is pending at the Railroad Commission. It was submitted on 9/10/24, declared administratively complete on 1/8/25, and passed to the Hearings Division on 1/16/25. It is currently in the hands of the Administrative Law Judge who is preparing a draft Order for approval by the Commissioners. TMPA expects this application to be approved by summer 2025.

TMPA is preparing the next bond release application for submittal to the Commission in May 2025. This will be for all the remaining bonded areas – the Seep 1A area depicted in orange (4 acres) and the Seep 9A bottom area depicted in red (23 acres). This is the first attempt in Texas for the release of mine reclamation obligations on acid seeps and there is, therefore, no guarantee that the Commission will approve final bond release on all 27 acres.

Table 1 – Plan and Status of Final Bond Release (as of 4/7/25)

Bond Release applications	TMPA property (acres)	Leased property (acres)	Total (acres)	Status
Total Released in Permits 26D and 38D	7,132 acres (99.0% of former TMPA property)	1,608 acres (100% of leased property)	8,740 acres (99.2% of total)	Released
38D – Seep 9A sides slopes (45 acres) + Mine Reclamation Shop (< 1 acre)	**45**	**0**	**45**	**Pending (Submitted 09/10/24)**
38D – Seep 9A bottom (23 acres) + Seep 1A (4 acres)	**27**	**0**	**27**	**Submit in May 2025**
TOTAL (both permits)	**7,204 (TMPA property)**	**1,608 (Leased property)**	**8,812 (Total bonded)**	

Land Ownership

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

TMPA received authorization from the Board to hire a real-estate broker to sell this property in June 2022 (Resolution No. 2022-6-1). This work is ongoing.

Budget for the Mine Business Unit

With the closure of Permit 26D in November 2023, TMPA is only concerned with the remaining 72 acres of bonded land in Permit 38D, consisting of Seeps 1A and 9A. Of this, 45 acres are expected to be released from bond by summer 2025, leaving 27 acres.

TMPA is preparing to apply for bond release on the 27 acres, but there is a possibility that part of this acreage may be subject to monitoring for an extended period. The FY26 Mine budget pro forma provides a budget through FY29 assuming all regulatory requirements have been satisfied, and all bonding has been released. This covers potential expenses associated with sampling of seeps, groundwater monitoring wells, and wastewater discharges from Pond SP-20, monthly

Railroad Commission inspections, annual mine reclamation bonding renewals, annual mine permit fees, and associated reporting.

The budget continues to reflect the reduced workload for the mine reclamation contractor. The mine reclamation contractor started working in FY25 with a reduced labor force to manage only essential activities such as erosion repair and vegetation maintenance in the remaining bonded areas.

Since the area that requires mine reclamation bonding has been significantly reduced, TMPA decided to start collateralizing the bonds with cash instead of Letters of Credit in FY23. This has resulted in much lower expenses. A cash bond of $1.6 million was filed with the Commission on 2/7/23 and will be reduced as more bonding is released.

Following the sale of the mine property in December 2021, the mine business unit has reduced its scope, staffing, and budget. It has no full-time employees; Daniel Meadows provides partial support as the General Manager, and Jan Horbaczewski provides partial support as a consultant.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY25's Approved Budget - Mine

	FY25 Approved Budget	FY26 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
M44 Mine Maintenance	180,000	212,000	32,000	17.8%	1
R51 Contractor Maintenance	35,000	40,000	5,000	14.3%	
S02 Consulting Services	165,000	179,000	14,000	8.5%	
S04 Legal Services	60,000	40,000	(20,000)	-33.3%	
Other Fixed Costs	20,630	18,813	(1,817)	-8.8%	
Allocation of A&G	177,354	191,481	14,127	8.0%	
TOTAL FIXED COSTS	**$ 637,984**	**$ 681,295**	**$ 43,311**	**6.8%**	
OTHER REVENUES					
Interest Income	(22,335)	(22,448)	(113)	-0.5%	
TOTAL OTHER REVENUES	**$ (22,335)**	**$ (22,448)**	**$ (113)**	**-0.5%**	
TOTAL COSTS	**$ 615,649**	**$ 658,847**	**$ 43,198**	**7.0%**	

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

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY25's Approved Budget – Mine

<u>Fixed Costs</u>

1) Mine Maintenance increased to support focused efforts to obtain full bond release for as much of the remaining bonded acreage as possible before October 2026.

TEXAS MUNICIPAL POWER AGENCY
FY26-35 Mine Budget Pro Forma

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY26-35 Total
FIXED COSTS											
M44 Mine Maintenance	212,000	107,626	63,038	64,612	-	-	-	-	-	-	447,276
R51 Contractor Maintenance	40,000	41,000	42,026	43,076	-	-	-	-	-	-	166,102
S02 Consulting Services	179,000	132,225	99,809	102,303	-	-	-	-	-	-	513,337
S04 Legal Services	40,000	41,000	31,518	21,538	-	-	-	-	-	-	134,056
Other Fixed Costs	18,813	19,284	18,715	19,183	-	-	-	-	-	-	75,995
Allocation of A&G	191,481	129,709	100,060	100,193	-	-	-	-	-	-	521,443
TOTAL FIXED COSTS	**$ 681,295**	**$ 470,844**	**$ 355,166**	**$ 350,905**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,858,209**
OTHER REVENUES*											
Interest Income	(22,448)	(15,296)	(11,803)	(11,877)	-	-	-	-	-	-	(61,423)
TOTAL OTHER REVENUES*	**$ (22,448)**	**$ (15,296)**	**$ (11,803)**	**$ (11,877)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (61,423)**
TOTAL COSTS	**$ 658,847**	**$ 455,548**	**$ 343,363**	**$ 339,028**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,796,786**
Monthly Charge	**$ 54,904**	**$ 37,962**	**$ 28,614**	**$ 28,252**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

SUPPLEMENTAL INFORMATION

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY25's Approved Budget - A&G

	FY25 Approved Budget	FY26 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
L01 Labor & Benefits	1,277,006	1,067,107	(209,899)	-16.4%	1
R06 Bank Charges	500	1,750	1,250	250.0%	
R27 Maintenance Agreements	25,650	5,670	(19,980)	-77.9%	
R41 Insurance Premiums	595,486	577,140	(18,346)	-3.1%	
S02 Consulting Services	230,705	316,975	86,270	37.4%	2
S04 Legal Services	39,375	42,375	3,000	7.6%	
Other Fixed Costs	338,623	467,289	128,666	38.0%	3
TOTAL FIXED COSTS	**$ 2,507,345**	**$ 2,478,306**	**$ (29,039)**	**-1.2%**	
TOTAL COSTS	**$ 2,507,345**	**$ 2,478,306**	**$ (29,039)**	**-1.2%**	

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

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY25's Approved Budget – A&G

Fixed Costs

1) Labor & Benefits decreased because (a) the IT Specialist position was eliminated in September 2024, and (b) the Accounts Payable/Document Control Specialist will retire in December 2025.

2) Consulting Services increased due to engaging an IT consultant following the elimination of the IT Specialist position.

3) Other Fixed Costs increased primarily due to new host servers needed onsite and at our offsite IT backup location.

TEXAS MUNICIPAL POWER AGENCY
FY26-35 A&G Budget Pro Forma

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY26-35 Total
FIXED COSTS											
L01 Labor & Benefits	1,067,107	1,054,031	1,096,192	1,140,040	1,185,642	1,233,067	1,282,390	1,333,686	1,387,033	1,442,514	12,221,702
R06 Bank Charges	1,750	1,794	1,838	1,884	1,932	1,980	2,030	2,080	2,132	2,185	19,605
R27 Maintenance Agreements	5,670	5,812	5,957	6,106	6,259	6,415	6,575	6,740	6,909	7,081	63,524
R41 Insurance Premiums	577,140	591,570	606,358	621,516	637,054	652,981	669,305	686,038	703,189	720,770	6,465,921
S02 Consulting Services	316,975	315,676	333,021	331,655	349,881	348,447	367,593	366,085	386,202	384,618	3,500,153
S04 Legal Services	42,375	43,434	44,520	45,633	46,774	47,943	49,141	50,370	51,630	52,920	474,740
Other Fixed Costs	467,289	395,286	406,892	417,066	427,495	438,181	541,913	460,361	471,871	483,670	4,510,023
TOTAL FIXED COSTS	**$ 2,478,306**	**$ 2,407,603**	**$ 2,494,778**	**$ 2,563,900**	**$ 2,655,037**	**$ 2,729,014**	**$ 2,918,947**	**$ 2,905,360**	**$ 3,008,966**	**$ 3,093,758**	**$ 27,255,669**
TOTAL COSTS	**$ 2,478,306**	**$ 2,407,603**	**$ 2,494,778**	**$ 2,563,900**	**$ 2,655,037**	**$ 2,729,014**	**$ 2,918,947**	**$ 2,905,360**	**$ 3,008,966**	**$ 3,093,758**	**$ 27,255,669**

May 7, 2025

AGENDA ITEM NO. 2A

SUBJECT: Other Business

DISCUSSION: Other Business as needed

BACKUP MATERIAL: None

ACTION REQUESTED: None

Daniel Meadows
5/7/2025

May 7, 2025

AGENDA ITEM NO. 2B

SUBJECT: Future Meeting Dates

DISCUSSION: The date for the next regularly scheduled P&O Committee meeting is Thursday, June 5, via video conference.

TENTATIVE MEETING DATES:
September 10, 2025
December 10, 2025
March 12, 2026

Daniel Meadows
5/7/2025