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:

WEATHERFORD PUBLIC LIBRARY
1014 Charles Street
Weatherford, TX 76086

Thursday, June 11, 2026
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 March 12, 2026 Board of Directors meeting.

2. Planning & Operating Committee report relating to the May 14, 2026, June 8, 2026, and June 11, 2026 Committee meetings

3. Status report relating to mine reclamation and land matters

4. Status report relating to environmental and regulatory compliance matters

5. Status reports relating to Transmission Operations and the Five-Year Transmission Projects Plan

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

   A. Dudley v. TMPA, In the Tenth Court of Appeals, Docket No. 10-25-00265-CV (legal advice under Section 551.071, Government Code)

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

   C. Strategic plan relating to the transmission system (competitive matters under Section 551.086, Government Code, and legal advice under Section 551.071, Government Code, and value of real property under Section 551.072, 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.

7. Resolution No. 2026-6-2, authorizing a transmission line exchange transaction with Oncor Electric Delivery Company, LLC ("Oncor"), including the sale of certain transmission line assets to, and the purchase of certain transmission line assets from, Oncor; describing the conditions and circumstances for the exchange transaction, and the public purposes that will be achieved; amending the FY2026 Annual Transmission System Capital Budget by appropriating funds for the exchange transaction; and resolving matters incidental and related thereto.

8. Resolution No. 2026-6-3, amending the FY2026 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Transformer Dissolved Gas Monitor Project; and resolving matters incidental and related thereto.

9. Resolution No. 2026-6-4, amending the FY2026 Annual Transmission System Capital Budget by appropriating funds for the GEUS Generation Interconnection at Greenville Interchange Project; and resolving matters incidental and related thereto.

10. Resolution No. 2026-6-5, authorizing an extension to the terms of the Transmission Operator, Maintenance, and Construction Services Agreements with the cities of Garland and Denton; and resolving matters incidental and related thereto.

11. Audit and Budget Committee report relating to the results of the May 27, 2026 Committee meeting

12. FY26 Second Quarter Budget Status Report

13. FY27 Annual Budgets, including FY27 Budget Package

    A. Resolution No. 2026-6-6 adopting a Generation budget for FY27
    B. Resolution No. 2026-6-7 adopting a Mine budget for FY27
    C. Resolution No. 2026-6-8 adopting a Transmission budget for FY27

14. FY27 Budget Charges

    A. Resolution No. 2026-6-9 establishing Generation charges for FY27
    B. Resolution No. 2026-6-10 establishing Mine charges for FY27

15. Resolution No. 2026-6-11, adopting and approving an Annual Transmission System Capital Budget for the Agency for the Fiscal Year October 1, 2026 through September 30, 2027; and resolving matters incidental and related thereto.

16. Resolution No. 2026-6-12, defining TMPA as an entity qualified to participate in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts and requesting approval for participation in the Program.

17. Future Meeting Dates

18. Adjourn

TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING

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

City of Bryan
Bryan Municipal Building
Bryan, TX 77803
Thursday, March 12, 2026
10:30 AM

Mr. Register called the meeting to order at 10:30 AM.

The following people were present at the meeting.

Board Members:

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

Staff:

Daniel Meadows, Lyndi Birkhead and Susie Johnson

Others:

Carl Shahady – Tiemann, Shahady & Hamala, P.C.
Gary Miller - BTU
Tony Puente and Jerry Fielder – DME
Chris Lutrick - City of Denton
Darrell Cline, Tom Hancock, and Steve Martin – GP&L
Michelle Baccheschi – GEUS
Steven Adams - SPFI

Public Comments:

Mr. Register asked for comments, there were none.

1. **Consent Agenda Items:**

   A. **Consider approval of the meeting minutes of December 11, 2025 Board of Directors Meeting.**

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

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Absent

Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

2. Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of March 12, 2026

An update was provided by Mr. Miller.

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

An update was provided by Mr. Meadows.

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

An update was provided by Mr. Meadows.

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

An update was provided by Mr. Meadows.

6. FY26 First Quarter Budget Status Report

An update was provided by Ms. Birkhead

7. FY27 Budget Plan

An update was provided by Ms. Birkhead

8. Resolution No 2026-3-1, relating to the annual review of the Agency's Investment Policy; and resolving matters incidental and related thereto.

Mr. Jefferies moved, seconded by Mr. Cheek, approval of **Resolution No. 2026-3-1**

Motion carried; voting as follows:

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

9. Executive Session

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

The open session was recessed, and the executive session was called to order by Mr. Register at 10:40 AM.

The open session resumed at 11:26 AM.

10. **Resolution No. 2026-3-2, 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.**

Mr. Jefferies moved, seconded by Mr. Cheek, approval of **Resolution No. 2026-3-2**

Motion carried; voting as follows:

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

11. Future Meeting Dates

By general consensus of the Board, the next Board meeting is tentatively set for June 11, 2026.

12. Adjourn

By general consensus of the Board, the meeting adjourned at 11:30 AM.

June 11, 2026

AGENDA ITEM NO. 2

SUBJECT: Planning & Operating Committee report relating to the May 14, 2026, June 8, 2026 and June 11, 2026 Committee meetings.

DISCUSSION: The P&O Committee Chair will present major discussion topics and actions taken at previous P&O Committee meetings.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Gary Miller
6/11/2026

June 11, 2026

AGENDA ITEM NO. 3

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

DISCUSSION:

Bond Release Status

TMPA is preparing applications for bond release on the last bonded areas at the mine – Seep 1A (3.8 acres) and Seep 9A (24.4 acres). At the request of the Railroad Commission, the Agency submitted a bond release for these two areas informally in July 2025. This was to give the Commission time to decide on an approach for processing bond release on acid seeps, since this would be a first for the state and for the nation. Commission Staff advocated the establishment of a trust fund to replace the bonding. But TMPA views this as a stop-gap measure and sent the Commission a letter on 12/8/25 stating that: “TMPA’s strong preference is to proceed under the traditional bond release framework for several reasons grounded in existing law, long-term data, and the specific conditions present at Gibbons Creek.” At a meeting with the Commission on 01/13/26, TMPA confirmed that it would follow the standard bond release approach and would submit separate bond release applications for the two seeps when vegetation has greened up in the spring.

Seep 1A Mitigation

The Seep 1A area was mitigated in 2023 (Figure 1). Since then, vegetation has become established with the help of a hog fence that protects the area from livestock and wildlife and the recent well-distributed rains (Figures 2 and 3).

Figure 1 – Seep 1A mitigation in progress, wetland area to the left
(View northeast, 09/11/23)

Figure 2 – Seep 1A wetland treatment area
(View northeast, 05/11/26)

Figure 3 – Seep 1A – interior of wetland
(View northeast, 05/11/26)

Seep 9A Mitigation

In July 2002, TMPA started preparing to mitigate the Seep 9A area (Figure 4).

Figure 4 – Seep 9A just before start of mitigation
(View south looking upstream, 07/18/22)

Mitigation of Seep 9A was completed in 2023. Vegetation is now thriving in the area (Figure 5), which is also beginning to attract wildlife (Figure 6).

Figure 5 – Vegetation in Seep 9A area
(View south looking upstream, 05/11/26)

Figure 6 – Banded water snake in the Seep 9A mitigation area
(05/11/26)

Sale of Pond SP-50 Property (723 acres)

The sale of the Pond SP-50 property was completed on 05/11/26.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Jan K. Horbaczewski
05/27/26

June 11, 2026

AGENDA ITEM NO. 4

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. As a result, GCERG submitted bond reduction request. Upon review, TMPA and the Environmental Designee have considered the ash ponds, scrubber sludge pond, and Site F Landfill as being completed within the meaning of Section 9.06(a) of the APA.

On December 12, 2025, and based on that determination, TMPA communicated its willingness to sign an instrument reducing the bond after the post-closure financial assurance, acceptable to the TCEQ and required by the CCR Registration, is submitted to the TCEQ with copy to TMPA.

Effective April 27, 2026, the Regulatory Closure Bond was reduced from $32,558,000 to $15,804,500.

TMPA estimates that the remediation project is **97% 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:	15,804,500
Total Security Available:	**18,659,100**

BACKUP MATERIAL: None

ACTION REQUESTED: None

Daniel Meadows
5/27/2026

June 11, 2026

AGENDA ITEM NO. 5

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
6/11/2026

TRANSMISSION OPERATIONS STATUS REPORT

Outage Summary:

During the months of February, March and April 2026, TMPA had 10 planned outages on the 345kV system, 35 planned outages on the 138kV system and none on the 69kV system. There were no forced extensions on the 345kV system, 3 on the 138kV and none on the 69kV system. There were 8 unplanned outages on the 345kV system, 3 on the 138kV and none on the 69kV system.

The unplanned outages and forced extensions are detailed below:

The 345kV unplanned outages were associated with (1) a repair and testing of BRKR 5030 at Jack Creek, (2) a burned-up switch (8022) at Ben Davis, and (3) waiting on ONCOR to complete its portion of the Ben Davis to Royse Switch line.

The 138kV unplanned outages were associated with the burned-up switch (8022) at Ben Davis.

The 138kV system forced extensions were at Ben Davis and were associated with breaker testing and outage on the Ben Davis to Parker Maxwell Creek (ONCOR) line.

Personnel Summary:

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

Charles Chapman
Matt Carter
05/13/2026

TMPA Transmission Operations Report
2026

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026 Total
Planned Outages													
345 kV	12	1	3	6									**22**
138 kV	7	7	13	15									**42**
69 kV	0	0	0	0									**0**
Devices requested													**64**
Un-Planned Outages													
345 kV	0	5	2	1									**8**
138 kV	0	1	2	0									**3**
69 kV	0	0	0	0									**0**
													11
Forced Extension Outages													
345 kV	1	0	0	0									**1**
138 kV	1	1	0	2									**4**
69 kV	0	0	0	0									**0**
													5

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

Five-Year Transmission Projects Status Report as of May 2026

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	*$ 966,465*				
				$ 966,465				
Brazos Interconnection at Denton West Interchange	T24001	$ 3,530,400	$ 3,052,501	*$ 300,000*	*$ 1,302,501*			
					$ 2,080,400			
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	*$ 87,444*				
				$ 103,183				
Transformer Dissolved Gas Monitor	T24006	$ 108,750	$ 73,750	*$ 84,625*				
				$ 84,625				
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	*$ 3,894,925*				
				$ 3,894,925				
GC-Zenith Ckt 18 (CNP) Protection Scheme	T25002	$ 845,000	$ 835,533	*$ 835,533*				
				$ 845,000				
GC-Greens Prairie 138 kV Reconductor	T25003	$ 5,664,000	$ 4,054,465	*$ 4,548,328*				
				$ 5,279,863				
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		*$ 1,950,000*			
					$ 1,950,000			
GC Physical Security Enhancements	T25006	$ 3,606,400	$ 2,004,585	*$ 2,004,585*				
				$ 2,112,600				
Transformer Dissolved Gas Monitor SUPPLEMENTAL	T24006	$ 15,250	$ -	*$ 4,327*				
				$ 4,327				
GEUS Generation Interconnection at Greenville Interchange		$ 1,725,000	$ -		*$ 1,725,000*			
					$ 1,725,000			
JOF Dissolution & West Denton-Krum West Acquisition		$ 15,800,000			$ 15,800,000			
Denton Area Transmission Improvements		$ 111,222,439			$ 16,746,128	$ 14,688,288	$ 24,097,892	$ 34,017,036
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		
Buffalo Meadow Solar		$ 10,000,000			$ 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)				**$ 21,879,374**	**$ 24,549,841**	**$ 8,100,000**	**$ 5,700,000**	**$ -**
TMPA Investments Placed In-Service (Approved)				**$ 16,806,097**	**$ 28,288,200**	**$ 12,500,000**	**$ 5,700,000**	**$ -**

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		
Wixon Data Center (interconnection of BTU)		$ 10,000,000	$ -		$ 3,000,000	$ 7,000,000		

Project number not yet assigned/unapproved projects not included in totals

Projected dollars spent

Projected placed in-service

June 11, 2026

AGENDA ITEM NO. 6

SUBJECT: Executive Session

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

   A. Dudley v. TMPA, In the Tenth Court of Appeals, Docket No. 10-25-00265-CV (legal advice under Section 551.071, Government Code)

   B. TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D1-GN-22-004434, in the 126th District Court of Travis County, Texas (legal advice under Section 551.071, Government Code)

   C. Strategic plan relating to the transmission system (competitive matters under Section 551.086, Government Code, and legal advice under Section 551.071, Government Code, and value of real property under Section 551.072, 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.

June 11, 2026

AGENDA ITEM NO. 6A

SUBJECT: Dudley v. TMPA, In the Tenth Court of Appeals, Docket No. 10-25-00265-CV (legal advice under Section 551.071, Government Code)

DISCUSSION:

PRIVILEGED AND CONFIDENTIAL

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

After 5 years in the trial court, the Court signed a final judgment on September 30, 2023, awarding TMPA permanent injunctive relief, declaratory relief, and attorneys' fees, and denying the relief sought by Mr. Dudley. On December 22, 2023, Mr. Dudley appealed to the Tenth Court of Appeals (Waco) Oral arguments in the Court of Appeals were heard on April 15, 2026, and, on May 28, 2026, the Court of Appeals issued its decision, attached.

The decision affirms the trial court's judgment on the merits in all respects but modifies the award of attorneys' fees awarded for the trial court phase by reducing the award from $223,556.25 to $113,275. The court arrived at this figure by affirming all of the fees awarded for Fred Junkin's work, but disallowing an award of attorneys' fees for the work of Fred's associates and a paralegal. The court felt that the evidence on the credentials of the associates and the paralegal was insufficient to support an award of attorneys' fees for their work.

As modified by the Court of Appeals, the award of attorneys' fees is as follows:

$113,275 for the trial court phase, plus post-judgment interest;

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

$42,500 for the supreme court phase.

The award of attorneys' fees for the trial court phase accrues post-judgment interest commencing after September 30, 2023, at the rate of 8.5%, compounded annually.

The ruling on the merits by the Court of Appeals was very favorable to TMPA. The Court affirmed the award of permanent injunctive relief, and interpreted the easement consistent with TMPA's, and the trial court's, interpretation. The Court characterized as "absolute" TMPA's right to remove or prevent obstructions inside the easement. Importantly, the Court of Appeals soundly rejected Dudley's interpretations of the easement. Those erroneous interpretations included Dudley's claim that he could construct anything he wanted to inside the easement, subject only to TMPA's right to physically remove the obstruction after the fact.

TMPA has hundreds of easements containing the same language that the Court of Appeals has now construed. This decision establishes a judicial precedent that will be very useful to TMPA in dealing with landowners and their attorneys in the future.

Going forward, if Dudley decides to appeal to the Texas Supreme Court by filing a petition for review, Dudley must do so (i) by July 13, if no motion for rehearing is filed by June 12 or (ii) in the event a motion for rehearing is filed, within 45 days after the motion for rehearing is ruled on.

BACKUP MATERIAL: May 28, 2026 Opinion of the Court of Appeals

ACTION REQUESTED: None

Carl Shahady
5/28/2026

Court of Appeals
Tenth Appellate District of Texas

10-25-00265-CV

Richard Mark Dudley and Deanie Palmer Dudley,
Appellants

v.

Texas Municipal Power Agency,
Appellee

On appeal from the
272nd District Court of Brazos County, Texas
Judge John L. Brick, presiding
Trial Court Cause No. 18-001737-CV-272

JUSTICE SMITH delivered the opinion of the Court.

MEMORANDUM OPINION

Richard Mark Dudley and Deanie Palmer Dudley appeal from the trial court's adverse judgment in this declaratory judgment action brought by Texas Municipal Power Agency (TMPA).[1] Appellants raise ten issues attacking the declarations and injunctions in the judgment, as well as the award of attorneys'

[1] Pursuant to Subchapter C, Chapter 163 of the Texas Utilities Code, the cities of Bryan, Denton, Garland, and Greenville created a municipal power agency known as the Texas Municipal Power Agency. *See* TEX. UTIL. CODE ANN. §§ 163.051-.068.

fees. We modify the trial court's judgment to vacate the $110,281.25 award of attorneys' fees for the associate attorneys and paralegals and, as modified, affirm the remainder of the judgment.

BACKGROUND

In 1986, Appellants purchased property in Brazos County, Texas which is subject to a 1979 Easement granted to TMPA for electric power and communication lines. Pursuant to the Easement, TMPA has the right to access the property to maintain its lines. Appellants have the right to use the property but may not interfere with the exercise of TMPA's rights. Over the course of several years, Appellants placed a propane tank, a swing set, and other playground equipment in the Easement area, installed landscaping, including an oak tree, in the Easement area, and built a four-foot-tall retaining wall that extends into the Easement area. TMPA considered these items to be obstructions that were not allowed under the terms of the Easement. In June 2017, TMPA notified Appellants and asked them to remove the obstructions. Discussions between the parties did not lead to a resolution of the issue.

In 2018, TMPA filed suit against Appellants because they installed "various structures and other obstructions" within the Easement area. TMPA alleged a breach of contract cause of action and sought a declaration clarifying the rights of the parties pursuant to the Easement, as well as injunctive relief. TMPA later nonsuited the breach of contract claim.

On August 21, 2018, Appellants filed their answer asserting numerous affirmative defenses and a counterclaim for declaratory and injunctive relief. On July 26, 2019, TMPA filed its first combined traditional and no evidence motions for partial summary judgment requesting four specified declarations and a permanent injunction and asserting that Appellants' counterclaim and affirmative defenses fail as a matter of law. On September 3, 2019, Appellants filed an amended counterclaim for additional declarations, wrongful injunction, trespass, breach of contract, and easement abuse. They again sought injunctive relief.

On September 9, 2019, the trial court granted TMPA's first traditional and no evidence motions for partial summary judgment. On March 2, 2020, TMPA filed its second combined traditional and no evidence motions for partial summary judgment addressing the causes of action alleged in Appellants' amended counterclaim and asserting entitlement to judgment as a matter of law. The trial court granted these motions on April 7, 2020.

A trial before the court was held on July 1, 2021, solely on the issue of attorneys' fees. The court later invited briefing by the parties on the issue of reasonableness. There are no entries in the clerk's record between November

30, 2021 and January 9, 2023, at which time counsel for TMPA requested a setting for a status conference. The final judgment was finally signed on September 30, 2023. The final judgment 1) incorporated verbatim the declaratory and injunctive relief requested in TMPA's first combined traditional and no evidence motions for partial summary judgment and awarded in the September 9, 2019 summary judgment; 2) ordered that Appellants take nothing on their claims and causes of action as reflected in the court's April 7, 2020 summary judgment; and 3) awarded TMPA attorneys' fees in the amount of $223,556.25 as well as conditional fees if the case is appealed. The trial court also signed findings of fact and conclusions of law in support of the judgment. This appeal ensued.

DECLARATORY RELIEF

In their first issue, Appellants contend the trial court erred by awarding declaratory relief because those declarations conflict with the express language of the Easement. They argue that the trial court rewrote the Easement in TMPA's favor. They complain that the declarations 1) delete the limitation that TMPA can trim or cut down trees only to the extent necessary to prevent possible interference with the operation of any of the lines or to remove possible hazards to the lines; 2) prohibit Appellants from building anything on the easement property; 3) ignore Appellants' right to build fencing; and 4) impermissibly give TMPA the right, in its sole judgment, to remove the existing retaining wall.

Standard of Review

The purpose of a declaratory judgment action is to establish the existing rights, status, or other legal relationships between the parties. TEX. CIV. PRAC. & REM. CODE ANN. § 37.002(b); *Wright v. Jones*, 674 S.W.3d 704, 709 (Tex. App.—Waco 2023, no pet.). Declaratory judgments are reviewed under the same standards as other judgments and decrees. TEX. CIV. PRAC. & REM. CODE ANN. § 37.010. We look to the procedure used to resolve the issue at trial to determine the standard of review on appeal. *Wright*, 674 S.W.3d at 709.

We review the trial court's decision to grant summary judgment de novo. *Eagle Oil & Gas Co. v. TRO-X, L.P.*, 619 S.W.3d 699, 705 (Tex. 2021). The movant for traditional summary judgment has the burden of showing that there is no genuine issue of material fact, and it is entitled to judgment as a matter of law. TEX. R. CIV. P. 166a(h)(2); *Eagle Oil & Gas Co.*, 619 S.W.3d at 705. Once the movant establishes its right to summary judgment as a matter of law, the burden shifts to the nonmovant to present evidence sufficient to raise a genuine issue of material fact, thereby precluding summary judgment. *Lujan v. Navistar, Inc.*, 555 S.W.3d 79, 84 (Tex. 2018). To determine if the nonmovant has raised a fact issue, we review the evidence in the light most favorable to the nonmovant, crediting evidence favorable to that party if reasonable jurors could, and disregarding contrary evidence unless reasonable jurors could not. *B.C. v. Steak N Shake Operations, Inc.*, 512 S.W.3d 276, 279 (Tex. 2017).

Applicable Law

An easement is a nonpossessory property interest authorizing its holder to use another's property for particular purposes. *Lance v. Robinson*, 543 S.W.3d 723, 736 (Tex. 2018). The servient estate holder, that is, the owner of the underlying fee, cannot interfere with the dominant estate holder's use of an easement for the easement's purposes. *Target Corp. v. D&H Props., LLC*, 637 S.W.3d 816, 829 (Tex. App.—Houston [14th Dist.] 2021, pet. denied). Thus, any use by the servient estate holder that interferes with the exercise of the dominant estate holder's rights must yield. *Id.*

When construing an easement, "courts deploy the rules of contract interpretation and look to the easement's express terms to determine its scope." *Sw. Elec. Power Co. v. Lynch*, 595 S.W.3d 678, 686 (Tex. 2020). Courts look to the entirety of the easement and "harmonize its terms to give effect to all of the provisions." *Id.* The language in an easement is to be given its plain grammatical meaning unless to do so would defeat the parties' intent. *DeWitt Cty. Elec. Coop., Inc. v. Parks*, 1 S.W.3d 96, 101 (Tex. 1999). If the easement's terms can be given a definite or certain meaning, then the language is not ambiguous, and the court is obligated to interpret the contract as a matter of law. *Id*. at 100.

Discussion

The easement granted to TMPA provides in pertinent part, that the

> easement and right of way shall include the right of ingress and egress over and upon said land for the purpose of constructing, operating, . . . repairing, . . . maintaining and removing such electric power and communication lines, . . . the right to trim and cut down trees and shrubbery to the extent, in the sole judgment of the Agency necessary to prevent possible interference with the operation of any of said lines or to remove possible hazards thereto, and the right to remove or prevent the construction on said land of any or all buildings, structures and obstructions. If any such buildings, structures or obstructions are constructed or permitted by grantor to exist on said land without prior written consent of Agency then the Agency shall have the right to remove same from such land and Grantor agrees to pay to Agency the reasonable cost of such removal . . . .
>
> Grantor reserves the right to use said land for general agricultural and grazing purposes, provided such use shall not include the growing of trees thereon or any other use that might, in the sole judgment of Agency, interfere with the exercise by the Agency of the rights hereby granted. . . . Grantor also reserves the right to erect fences not more than 8 feet high across and upon said land provided all such fences shall have gates, openings or removable sections at least 10 feet wide which will permit Agency reasonable access to all parts of said land.

The trial court ordered declaratory relief as follows:

> The Dudleys were not entitled to place or construct and are not entitled to maintain the Obstructions within the Easement Area without TMPA's consent;
>
> The Easement vested TMPA with the right of ingress and egress over, across, and upon the Easement Area for the purposes, among others, of (i) trimming and cutting down trees and shrubbery within or extending into the Easement Area and (ii) removing the Obstructions;
>
> The Dudleys were not entitled to place or construct and are not entitled to maintain the retaining wall within the Easement Area without TMPA's consent; and
>
> If at any time in the future TMPA, in its sole judgment, determines that the retaining wall interferes with the exercise of its rights in and to the Easement Area, TMPA is entitled to remove the retaining wall.

1) Did the trial court delete a limitation regarding TMPA's right to trim and cut trees?

The Easement grants TMPA the right of ingress and egress and the right to trim and cut trees and shrubbery to the extent, in its sole judgment, TMPA deems necessary to prevent interference with the operation of the lines or to remove possible hazards. Because the trial court's declaration did not include a requirement that TMPA trim and cut trees and shrubbery only to the extent necessary, Appellants contend the declaration results in a removal of a limitation to TMPA's Easement rights.

As evidence supporting its motion for summary judgment, TMPA attached the transcript of testimony taken at the November 15, 2018 hearing on TMPA's request for a temporary injunction. Ross Owen, transmission and distribution director for Garland Power and Light, testified that, since 2013, Garland performs transmission operation, maintenance, and construction for TMPA. He explained that trees and landscaping in the Easement area are a problem because Garland does not have full access to its right-of-way to get vehicles, including very large trucks, up and down the line throughout the right-of-way. Additionally, he testified that Garland is regulated by the North American Electric Reliability Corporation, a governing body that audits how it maintains its right-of-ways, among other things. Garland is required to have a vegetation management plan. Maintenance of the right-of-way is important for reliability of the line and the ability to efficiently maintain the line. Furthermore, trees can present a safety risk because they can catch on fire.

The Easement gives TMPA the right to maintain the lines as it may find necessary and the right to trim and cut down trees and shrubbery to the extent, in its sole judgment, it deems necessary to prevent interference with the operation of the lines or to remove hazards. The Easement also provides that

Appellants cannot use the land in any way that interferes with TMPA's rights, including growing vegetation. Under the plain language of the Easement, what to cut has always been in TMPA's sole discretion. Construing the Easement in its entirety, the wording of the declaration does not exclude a limitation or increase TMPA's rights. *See Lynch*, 595 S.W.3d at 686.

2) Does the declaration prohibit Appellants from building anything on the easement property?

The Easement grants TMPA "the right to remove or prevent the construction on [the easement property] of any or all buildings, structures and obstructions." Further, if any buildings, structures, or obstructions are constructed without TMPA's prior written consent, TMPA has the right to remove them. The trial court's declaration provides that Appellants are not entitled to place or construct, and are not intitled to maintain, obstructions within the Easement area without TMPA's consent. The trial court also declared that TMPA has the right of ingress and egress for the purpose of removing obstructions. Appellants assert the trial court created a blanket prohibition against building in the Easement area.

Ross Owen testified that objects in the right-of-way block Garland's trucks and pose a safety hazard due to the possibility of downed power lines. His testimony explains the need for TMPA to have the right to remove all obstructions on the Easement property. The Easement specifically gives TMPA the right to "prevent the construction on said land of any or all buildings, structures and obstructions." Also, TMPA has the right to remove obstructions Appellants construct on the Easement property when Appellants fail to obtain prior written consent. Giving the words of the Easement their plain meaning, Appellants are not entitled to construct or maintain buildings, structures, or obstructions within the Easement area. We conclude the trial court did not create a blanket prohibition against building in the Easement area but merely interpreted the Easement. *See id.*; *Parks*, 1 S.W.3d at 101.

3) Does the declaration ignore Appellants' right to build fencing?

The Easement provides that Appellants reserve the right to erect fences not more than eight feet high across and upon the Easement property provided all such fences shall have gates, openings, or removable sections at least ten feet wide which will permit TMPA reasonable access to all parts of the Easement property. The declaration does not mention fences at all. The declaration provides that Appellants were not entitled to construct the retaining wall within the Easement area without TMPA's consent and TMPA is entitled to remove the retaining wall. Appellants assert this declaration misinterprets and rewrites the parties' rights relating to the retaining wall.

Appellants contend their retaining wall, a portion of which lies in the Easement area, is a "masonry fence" allowed by the Easement and that it does not block TMPA's access to the Easement property. The summary judgment evidence shows that Richard Dudley built the retaining wall in conjunction with a berm to control drainage. Installation of the retaining wall resulted in different elevations within the Easement area. He knew at the time he built the wall that a portion of it lies within the Easement property. At the hearing on the temporary injunction, Richard Dudley testified that, due to the retaining wall, a TMPA truck cannot pull into his driveway and go beyond the retaining wall into the Easement area. There is no gate in the retaining wall, and it is not built in a manner to allow sections to be removed.

The term "fence" is defined as a barrier intended to prevent escape or intrusion or to mark a boundary, especially such a barrier made of posts and wire or boards. *Fence*, MERRIAM-WEBSTER DICTIONARY, https://www.merriam-webster.com/dictionary/fence. A "retaining wall" is a wall that is built to keep the land behind it from sliding. *Retaining wall*, MERRIAM-WEBSTER DICTIONARY, https://www.merriam-webster.com/dictionary/retaining%20wall. We disagree with Appellants' argument that the retaining wall can be considered a fence and therefore allowed by the terms of the Easement. *See Melder v. Phillips Pipe Line Co.*, 539 S.W.2d 208, 211 (Tex. App.—Austin 1976, writ ref'd n.r.e.) (held that low rock wall erected to prevent soil erosion, referred to as retaining wall, is not considered to be a fence). The provision of the Easement allowing Appellants the right to build fences does not include the right to build retaining walls without TMPA's permission. The trial court's declaration that Appellants were not entitled to construct, and are not entitled to maintain, the retaining wall without TMPA's consent does not concern Appellants' right to build fences in the Easement area. This declaration applies the plain grammatical meaning of the terms of the Easement. *See Parks*, 1 S.W.3d at 101.

4) Does the declaration impermissibly give TMPA the right, in its sole judgment, to remove the existing retaining wall?

The Easement explicitly gives TMPA the right to remove or prevent the construction of any or all buildings, structures, and obstructions in the Easement area. Further, if any such buildings, structures, or obstructions are constructed or permitted by Appellants to exist in the Easement area without TMPA's prior written consent, the Easement gives TMPA the right to remove same from the Easement area.

The trial court declared that, in the future, TMPA may, in its sole discretion, remove the retaining wall if TMPA determines that it interferes with the exercise of TMPA's rights in and to the Easement area. Appellants contend this declaration rewrites the Easement by giving TMPA the right to make a determination in its sole judgment about whether the retaining wall interferes with the exercise of TMPA's rights in the Easement area.

The plain meaning of the term "structure" as used in the Easement includes the term "retaining wall." *See Parks*, 1 S.W.3d at 101. The Easement reserves the Appellants' right to use the land for certain specified uses but restricts them from "any other use that might, in the sole judgment of [TMPA], interfere with the exercise by [TMPA] of the rights hereby granted." Thus, the declaration accurately concluded that the Easement gives TMPA, in the absence of prior written consent, the right to remove the retaining wall. *See id.*

Summation

The trial court's declarations accurately interpreted the Easement to establish the existing rights between the parties. *See* TEX. CIV. PRAC. & REM. CODE ANN. § 37.002(b); *Lynch*, 595 S.W.3d at 686; *Wright*, 674 S.W.3d at 709. Accordingly, TMPA established its right to summary judgment on its declaratory judgment cause of action as a matter of law. *See Eagle Oil & Gas Co.*, 619 S.W.3d at 705. We overrule Appellants' first issue.

INJUNCTIVE RELIEF

In their second issue, Appellants contend the trial court erred by granting the permanent injunctions contained in the judgment. They complain that 1) the judgment does not set forth the reasons for the issuance of the permanent injunctions; 2) the injunctions are vague and unclear; 3) the injunctions are overly broad; 4) TMPA did not show irreparable injury that justified the imposition of the permanent injunctions; and 5) the Easement itself contains an adequate legal remedy.

Standard of Review

The grant of a permanent injunction is reviewed for abuse of discretion. *ORIX Capital Mkts., LLC v. La Villita Motor Inn, J.V.*, 329 S.W.3d 30, 44 (Tex. App.—San Antonio 2010, pet. denied). Generally, that discretion is abused and subject to reversal when the trial court misinterprets or misapplies the law or acts arbitrarily or unreasonably. *Tanglewood Homes Ass'n, Inc. v. Feldman*, 436 S.W.3d 48, 76 (Tex. App.—Houston [14th Dist.] 2014, pet. denied).

When the permanent injunction is issued pursuant to the trial court's grant of a motion for summary judgment, we also apply the summary judgment standard of review. *Jim Rutherford Invs., Inc. v. Terramar Beach Cmty. Ass'n*, 25 S.W.3d 845, 848-49 (Tex. App.—Houston [14th Dist.] 2000, pet. denied). The movant for traditional summary judgment has the burden of showing there is no genuine issue of material fact, and it is entitled to judgment as a matter of law. TEX. R. CIV. P. 166a(h)(2); *Eagle Oil & Gas Co.*, 619 S.W.3d at 705.

Applicable Law

An injunction is inherently forward-looking, intended to prohibit present or future conduct. *Luminant Energy Co. LLC v. Public Util. Comm'n of Tex.*, 665 S.W.3d 166, 181 (Tex. App.—Austin 2023), *rev'd on other grounds*, 691 S.W.3d 448 (Tex. 2024). To be entitled to a permanent injunction, a party must prove (1) a wrongful act, (2) imminent harm, (3) an irreparable injury, and (4) the absence of an adequate remedy at law. *Pike v. Tex. EMC Mgt., LLC*, 610 S.W.3d 763, 792 (Tex. 2020).

An injunction must be "in clear, specific and unambiguous terms" so that the party enjoined can understand the duties or obligations imposed by the injunction and so that the court can determine whether the injunction has been violated. *Ex part Blasingame*, 748 S.W.2d 444, 446 (Tex. 1988) (orig. proceeding). Further, an injunction must be narrowly tailored to address the offending conduct; it must not be so broad that it would enjoin a defendant from acting within its lawful rights. *TMRJ Holdings, Inc. v. Inhance Techs., LLC*, 540 S.W.3d 202, 212 (Tex. App.—Houston [1st Dist.] 2018, no pet.).

Discussion

1) Reasons for Issuance

Because the trial court's judgment does not include a statement of the reasons for granting the injunctions, Appellants contend the trial court's judgment does not comply with Rule 683's requirement that every order granting an injunction set forth the reasons for its issuance. *See* TEX. R. CIV. P. 683. Although the rule does not specify, the "reasons for issuance" requirement of Rule 683 applies only to temporary or ancillary injunctions and does not apply to permanent injunctions. *Vaughn v. Drennon*, 202 S.W.3d 308, 321 (Tex. App.—Tyler 2006, no pet.).

2) Vague and Unclear

Appellants assert the injunctions are both vague and unclear. Specifically, Appellants contend the prohibition against "interfering with TMPA's exercise of its easement rights in the future" is too vague. They contend the injunction fails to provide adequate notice of the specific acts they are enjoined from performing in terms not subject to reasonable disagreement. They also assert the injunction against "constructing and/or placing new obstructions within the Easement Area without TMPA's written consent" fails to adequately inform them of the obstructions that they cannot construct or place.

TMPA's petition and the evidence identified specific obstructions within the Easement area including playground equipment, a swing set, a propane tank, a retaining wall, and landscaping. Among the rights granted to TMPA by the Easement is the right to remove or prevent the construction of any and all buildings, structures, and obstructions from the Easement area. TMPA's concerns centered around TMPA's ability to access the electrical lines within the Easement area to ensure the safe and reliable operation of the transmission line. The trial court declared that Appellants are not entitled to place or construct or maintain obstructions within the Easement area. The injunction permanently enjoined Appellants from "constructing and/or placing new obstructions within the Easement Area without TMPA's written consent."

Appellants point out that "obstructions" are not defined by the Easement. Accordingly, we apply the plain, ordinary, and generally accepted meaning of the term. *See Heritage Res., Inc. v. NationsBank*, 939 S.W.2d 118, 121 (Tex. 1996). Black's Law Dictionary defines "obstruction" as "something that impedes or hinders . . .; an obstacle." *Obstruction*, BLACK'S LAW DICTIONARY (12th ed. 2024). The injunction's prohibition against constructing or placing new obstructions in the Easement area necessarily refers to any object that would inhibit TMPA's ability to construct, operate, improve, reconstruct, increase or reduce the line's capability, repair, relocate, inspect, patrol, maintain, or remove the electric power and communication lines. In other words, Appellants cannot place anything in the Easement that would block TMPA's access. We conclude the language of the injunctions adequately identify the acts that are restrained and what obstructions are forbidden. The injunctions are therefore not vague and unclear.

3) Overly Broad

Appellants contend an injunction must not be so broad as to enjoin a defendant from activities that are a lawful and proper exercise of his rights. *See Villalobos v. Holguin*, 208 S.W.2d 871, 875 (Tex. 1948). They assert that the injunction, which enjoins them from constructing or placing new obstructions within the Easement area without TMPA's written consent, inappropriately forbids them from building anything in the Easement area although, they claim, the Easement does not include that prohibition.

The Easement gives TMPA the right to remove or *prevent* the construction of any or all buildings, structures, and obstacles. Further, the Easement provides that, if any such buildings, structures or obstructions are constructed or permitted by the landowner to exist in the Easement area without TMPA's written consent, then TMPA has the right to remove same from such land. Appellants are legally bound to comply with the terms of the Easement. *See Target Corp.*, 637 S.W.3d at 829. Based on the wording of the

Easement, the trial court did not enjoin Appellants from activities that are a lawful exercise of their legal rights. *See Parks*, 1 S.W.3d at 101.

Appellants also assert the injunction is overly broad because it gives TMPA the power to remove the retaining wall, if, in its sole judgment, TMPA determines that the retaining wall interferes with the exercise of its rights in and to the Easement property. Appellants argue that they "have the power to build fences under the Easement, so the 4-foot masonry fence complained about by TMPA was therefore a permissible fence under the Easement." As explained above, we disagree that the retaining wall is a "fence" as that term is used in the Easement.

Further, they contend the Easement does not give TMPA the power to make a determination in its sole judgment about whether any given fence meets the requirements of the Easement or whether something is an obstruction. The Easement provides that Appellants' right to use the Easement area is limited and they cannot use it for any use that might, in the sole judgment of TMPA interfere with TMPA's exercise of its rights. This includes placing a retaining wall in the Easement area to use it to control drainage. The Easement provides that if structures or obstructions are constructed in the Easement area without prior written consent of TMPA, then TMPA "shall have the right to remove same." Although the phrase "in its sole judgment" is absent from that sentence, looking at the entirety of the document, and giving effect to all the provisions, the Easement's language is clear and TMPA's right to identify and remove obstructions, including the retaining wall, is absolute. *See Lynch*, 595 S.W.3d at 686.

Additionally, Appellants assert that the injunction's prohibition from interfering with TMPA's right to remove and trim tree limbs within the Easement property is overly broad because it does not include the limitation that TMPA is only to remove or trim trees when necessary to prevent possible interference with the operation of the lines or to remove possible hazards.

The injunction provides that Appellants are enjoined from "interfering with TMPA's exercise of its easement rights in the future, including the removal and trimming of tree limbs within the Easement Area." As explained previously, TMPA's "easement rights" includes the right to maintain the lines as it may find necessary, and the right to trim and cut down trees and shrubbery to the extent, in its sole judgment, it deems necessary to prevent interference with the operation of the lines or to remove hazards. Therefore, the phrase Appellants refer to as a "limitation" is included within the group of "easement rights" provided to TMPA in the Easement and as that phrase is used in the injunction. The injunction is not overly broad.

4) Irreparable Injury

Appellants assert that TMPA did not provide summary judgment evidence showing an irreparable injury that justified the imposition of the permanent injunctions.

Appellants placed obstacles in the Easement area for a number of years and refused to remove them until ordered to by the trial court when it granted the temporary injunction. Where the evidence shows violations occurring and continuing up to or near the date of trial, the probability of the continuation of the prohibited practices is not a matter susceptible of direct proof and may justify injunctive relief notwithstanding a defendant's cessation of the activity or solemn promises to cease the activity. *Huynh v. Blanchard*, 694 S.W.3d 648, 676 (Tex. 2024).

Moreover, there is a potential for widespread damage due to electrical outages or fire. The evidence shows that the presence of playground equipment under the electric power lines within the Easement area created safety concerns for individuals using that equipment. Also, TMPA was concerned about the possibility of fires in the Easement area, especially due to the presence of the vegetation. Additionally, the propane tank was a safety hazard. Any obstacles in the right of way can be a hazard for repair crews, especially when working at night. If the right of way is not properly maintained, the integrity and reliability of the line and safety of employees and the public are at risk.

Further, the electrical lines crossing Appellants' property extend from their property on each side delivering electric power to Bryan, Texas and surrounding areas. An outage occurring on their property due to the obstructions would affect many other residents of Brazos County. The potential damages from all of these safety issues are incapable of calculation. Damages would not be an adequate remedy for these injuries. Therefore, TMPA has proven irreparable injury. *See Butnaru v. Ford Motor Co.*, 84 S.W.3d 198, 204 (Tex. 2002) (held that an irreparable injury occurs when the injured party cannot be adequately compensated in damages or the damage resulting from it cannot be measured by any pecuniary standard).

5) <u>Adequate Remedy at Law</u>

Appellants contend that the trial court abused its discretion in issuing the permanent injunction because TMPA has an adequate legal remedy. They assert that the Easement provides an express remedy because it gives TMPA the right to remove obstructions from the Easement area.

Generally, the existence of an adequate remedy at law will bar equitable relief. *Campbell v. Wilder*, 487 S.W.3d 146, 152 (Tex. 2016). A party has no adequate remedy at law, so as to support issuance of a permanent injunction, when damages are incapable of calculation or the party to be enjoined is incapable of responding in damages. *Recon Expl., Inc. v. Hodges*, 798 S.W.2d 848, 851 (Tex. App.—Dallas 1990, no writ). As explained above, TMPA's damages are incapable of calculation. Further, if an otherwise complete and adequate remedy at law will lead to a multiplicity of suits, that very fact prevents it from being complete and adequate. *Campbell*, 487 S.W.3d at 152. Here, if TMPA is required to sue Appellants each time they place an obstruction in the Easement area, its remedy at law would not be complete and adequate. *See Campbell*, 487 S.W.3d at 152.

Conclusion

The trial court was not required to set forth in its order the reasons for granting the injunctions, the injunctions are not vague and unclear or overly broad, and TMPA proved irreparable injury and that it had no adequate remedy at law. TMPA proved entitlement to summary judgment as a matter of law. *See Eagle Oil & Gas Co.*, 619 S.W.3d at 705. Accordingly, the trial court did not abuse its discretion by granting the permanent injunctions. *See ORIX Capital Mkts., LLC,* 329 S.W.3d at 44. We overrule Appellants' second issue.

ATTORNEYS' FEES

In their third issue, Appellants contend the evidence is legally and factually insufficient to support a finding that TMPA incurred $223,556.25 in reasonable and necessary attorneys' fees. In their fourth issue, they contend the trial court abused its discretion by awarding attorneys' fees in the amount of $223,556.25 when there was insufficient evidence that the fees were reasonable and necessary.

Appellants contend there is no evidence showing the rates charged by TMPA's attorneys were in line with those prevailing in Brazos County for similar services by lawyers of reasonably comparable skill, experience, and reputation. Additionally, Appellants assert that, while TMPA presented testimony as to the qualifications of lead counsel Frederick Junkin, it presented no evidence of the qualifications of any other individual who worked on the case.

They further assert that the number of hours worked was not reasonable. Contending that TMPA's billing records show excessive, redundant, or unnecessary hours worked, Appellants identified ten instances where, they argue, the charges are not justified by the evidence. Appellants also assert that TMPA's expert witness, Junkin, did not offer any non-conclusory testimony to explain the reasonableness of the fees requested, hourly rates, or number of hours worked.

Appellants also assert that TMPA presented no evidence of several of the lodestar factors, and the trial court did not properly apply the lodestar method to ascertain an appropriate attorneys' fee award. Therefore, they argue, the trial court abused its discretion in awarding attorneys' fees when there was insufficient evidence that the fees were reasonable and necessary.

In their fifth issue, Appellants assert the trial court did not explicitly state in its findings of fact or conclusions of law that it was applying the lodestar method. Referencing finding of fact thirteen, which refers to "*Arthur Andersen* factors," Appellants contend the trial court abused its discretion if it did not follow the lodestar method but instead used an alternative method.

Standard of Review

The Declaratory Judgments Act provides that in any proceeding under the Act "the court may award costs and reasonable and necessary attorney's fees as are equitable and just." TEX. CIV. PRAC. & REM. CODE ANN. § 37.009. Thus, the Act entrusts attorney fee awards to the trial court's sound discretion, subject to the requirements that any fees awarded be reasonable and necessary, which are matters of fact, and to the additional requirements that fees be equitable and just, which are matters of law. *Bocquet v. Herring*, 972

S.W.2d 19, 21 (Tex. 1998). It is an abuse of discretion for a trial court to rule arbitrarily, unreasonably, or without regard to guiding legal principles or to rule without supporting evidence. *Id.* In reviewing an attorney fee award under the Declaratory Judgments Act, the court of appeals must determine whether the trial court abused its discretion by awarding fees when there was insufficient evidence that the fees were reasonable and necessary, or when the award was inequitable or unjust. *Id.*

While evidentiary-sufficiency issues are not independent grounds for review under the abuse of discretion standard, evidentiary sufficiency remains relevant in assessing whether the trial court erred in applying its discretion. *See Westheimer v. Ziemer*, 702 S.W.3d 621, 628 (Tex. App.—Houston [1st Dist.] 2024, no pet.). A party who challenges the legal sufficiency of the evidence to support an issue upon which it did not have the burden of proof at trial must demonstrate on appeal that there is no evidence to support the adverse finding. *Exxon Corp. v. Emerald Oil & Gas Co.*, 348 S.W.3d 194, 215 (Tex. 2011). If there is any evidence of probative force to support the finding, i.e. more than a scintilla, we will overrule the issue. *Haggar Clothing Co. v. Hernandez*, 164 S.W.3d 386, 388 (Tex. 2005) (per curiam). If a party is attacking the factual sufficiency of the evidence to support an adverse finding on an issue on which the other party had the burden of proof, the attacking party must demonstrate that there is insufficient evidence to support the adverse finding. *Capps v. Nexion Health at Southwood, Inc.*, 349 S.W.3d 849, 855 (Tex. App.—Tyler 2011, no pet.). The verdict should be set aside only if it is so contrary to the overwhelming weight of the evidence as to be clearly wrong and unjust. *Cain v. Bain*, 709 S.W.2d 175, 176 (Tex. 1986) (per curiam).

Applicable Law

Texas courts apply the lodestar method to determine what constitutes reasonableness and necessity when awarding attorneys' fees. *Rohrmoos Venture v. UTSW DVA Healthcare, LLP*, 578 S.W.3d 469, 498 (Tex. 2019). The fact finder's starting point for calculating an attorneys' fee award is determining the reasonable hours worked multiplied by a reasonable hourly rate, the product of which is the base fee or lodestar. *Id.* The fee claimant bears the burden of providing sufficient evidence on both counts. *Id*. Sufficient evidence includes evidence of (1) particular services performed, (2) who performed those services, (3) approximately when the services were performed, (4) the reasonable amount of time required to perform the services, and (5) the reasonable hourly rate for each person performing such services. *Id*. Charges for duplicative, excessive, or inadequately documented work should be excluded. *Id*. at 498-99.

The base lodestar calculation usually includes consideration of at least the following relevant factors to determine a reasonable time and rate:

> the time and labor required, the novelty and difficulty of the questions involved, the skill required to perform the legal service properly, the fee customarily charged in the locality for similar legal services, the amount involved, the experience, reputation, and ability of the lawyer or lawyers performing the services, whether the fee is fixed or contingent on results obtained, the uncertainty of collection before the legal services have been rendered, and results obtained.

Rohrmoos Venture, 578 S.W.3d at 500 (quoting *Arthur Andersen & Co. v. Perry Equip. Corp.*, 945 S.W.2d 812, 818 (Tex. 1997)); *see also* TEX. DISCIPLINARY RULES PROF'L CONDUCT R. 1.04. However, courts are not required to receive evidence on each factor before awarding attorneys' fees. *Halsey v. Halter*, 486 S.W.3d 184, 189 (Tex. App.—Dallas 2016, no pet.) (mem. op.).

There is a presumption that the base lodestar calculation, when supported by sufficient evidence, reflects the reasonable and necessary attorneys' fees that can be shifted to the non-prevailing party. *Rohrmoos Venture*, 578 S.W.3d at 499. The fact finder may adjust the base lodestar up or down if relevant factors indicate an adjustment is necessary to reach a reasonable fee in the case. *Id.* at 502.

Discussion

A bench trial was held on July 1, 2021, solely on the issue of attorneys' fees. TMPA's lead counsel, Frederick Junkin, testified at length about his credentials and the work he and his team performed on this case. He has over thirty years of experience as a lawyer and is a partner in a Houston firm. Most of his work is in eminent domain and land related litigation. He also has handled commercial disputes, construction disputes, and title insurance matters. He has handled cases in most areas of the state of Texas including in and around Brazos County. He has been doing legal work for TMPA since 2004.

Junkin explained that, in 2017, TMPA notified Appellants regarding the need to clear the Easement area. Appellants responded with the threat of litigation. Junkin stated that litigation would not have been necessary if Appellants had voluntarily removed the objects and vegetation and agreed to TMPA's proposal to reimburse Appellants for removing the obstructions. After the trial court granted the temporary injunction, Appellants cleared the Easement. TMPA proposed a settlement agreement to bring the litigation to a close. Appellants did not agree to a settlement, and TMPA proceeded to prepare for trial or summary judgment.

Junkin testified that TMPA accomplished its goals in this litigation, and the work performed was necessary to assure that it achieved those results. The billing records reflect that the lawyers and paralegals spent a total of 745 hours working on the case, up to but not including the hearing on attorneys' fees. Junkin explained that they are not seeking attorneys' fees for some of the fees billed because those charges do not relate to TMPA's claim for declaratory relief. Junkin asserted that fees in the amount of approximately $223,000 are attributable to the claims for declaratory relief.

Junkin testified that he and the other lawyers who worked on this matter have the requisite skills to perform the legal services properly. Regarding the rates customarily charged, Junkin explained that there is a range of fees that are charged by firms that practice in Brazos County and surrounding counties that are similar in makeup to Brazos County. He thinks his fees are within the range of fees charged by firms that practice in Brazos County, and his certainly would not be the highest fees or the lowest fees charged by firms that practice in Brazos County. Regarding his fees, Junkin testified as follows:

> [my fees] were certainly consistent with the fees that the firms I have worked for have charged for other clients in Brazos County, other work in Brazos and surrounding counties. As to my fee, it's less than what I'm charging for work for other clients in Brazos and surrounding counties.

He testified that the fees were reasonable and necessary in light of the results obtained. Contrary to Appellants' assertion, this evidence is sufficient to show that TMPA's requested rates are in line with those prevailing in the community for similar services by lawyers of reasonably comparable skill, experience, and reputation. *See Blum v. Stenson*, 465 U.S. 886, 895 n.11 (1984). A rate determined in this way is normally deemed to be reasonable. *Id.*

Junkin testified that the "time was necessary given the nature of the issues, the arguments that were made in the case, and the analysis that was necessary in order to resolve both the substantive claims as well as the related claim for attorney's fees." Junkin testified that the hours spent at the temporary injunction hearing were reasonable and necessary due to the safety concerns regarding the playground equipment, swing set, and propane tank in the Easement area. He testified that the time spent addressing Appellants' special exceptions was reasonable and necessary. Appellants asserted a number of affirmative defenses and claims, and TMPA had to conduct discovery with respect to those and prepare for litigation on the merits. Junkin testified that the hours spent at the hearings on the two motions for summary judgment were reasonable and necessary. He said all of the time spent addressing Appellants' new claims was reasonable and necessary. Junkin testified that he and his team worked a total of 489.85 hours on the claims for declaratory relief through the beginning of the trial on attorneys' fees.

Junkin testified that TMPA submitted a document to the court, a demonstrative, that sets forth what fees are attributable to the claims for declaratory relief. Through the last invoice, which is dated May 25, 2021, the fees charged for work on the declaratory claims totaled $208,443.75. For time that has not been invoiced, through July 1, 2021, the date of the trial, fees for trial preparation and appearance at trial for Junkin and one associate, totaled $15,112.50. Therefore, fees charged for the declaratory claims totaled $223,556.25. Junkin also testified that TMPA is requesting conditional appellate fees totaling $72,500.

The record includes invoices sent to TMPA for legal work done by Junkin and his team dating from March 11, 2019 through May 25, 2021. The invoices identify the lawyer or paralegal who did the work, the date it was done, a description of the work performed, and the amount of time billed. Junkin testified that associate attorney Leah Nommensen was licensed to practice law in 2016, and Rolf Krueger was licensed in 2012. He stated that Dawn Bebell has been a paralegal longer than he has been a lawyer and Craig Judge has been a paralegal for about as long as he has been a lawyer. Junkin charges

$500 per hour for his work, $450 per hour for Nommensen, $325 an hour for Krueger, $175 or $200 an hour for Bebell, and $175 an hour for Judge.

Appellants contend that Junkin's testimony regarding rates charged and number of hours worked is conclusory. We disagree. Junkin described the history of the case, the pleadings and motions filed, and the hearings that were conducted, all of which are supported by documentation in the record. Junkin explained that TMPA made several attempts to resolve the conflict before and during litigation, but Appellants refused to work with TMPA to avoid or shorten the litigation. Therefore, all steps taken in court were necessary, and all hours worked toward the litigation were also necessary. Although rooted in the attorney's experience and expertise, an attorney's testimony about the reasonableness of his own fees consists of the attorney's personal knowledge about the underlying work and its particular value to the client. *Garcia v. Gomez*, 319 S.W.3d 638, 641 (Tex. 2010). Additionally, Junkin's testimony was supported by invoices identifying the individual who did the work, describing the work done, and specifying the hours spent on the work. The invoices provide evidence of $103,525 in fees to Junkin. The record further provides evidence of $9,750 in fees to Junkin for the time period following the final invoice through the trial on attorneys' fees. Therefore, the evidence shows fees charged for Junkin's work on the declaratory claims totaled $113,275.

Junkin testified as to his experience and familiarity with rates charged in and around Brazos County, stating that his fees are within the range of fees charged by other firms in the area. *See Tex. Commerce Bank, Nat'l Ass'n v. New*, 3 S.W.3d 515, 517-18 (Tex. 1999) (testimony not conclusory where attorney testified he was a duly licensed attorney, familiar with usual and customary attorneys' fees in the area, and that based on his knowledge of the services rendered, the disputed fee was reasonable). Furthermore, the attorney's testimony is not objectionable as merely conclusory because the opposing party, or that party's attorney, likewise has some knowledge of the time and effort involved. *Garcia*, 319 S.W.3d at 641.

Junkin explained his personal knowledge of the facts of the case, and opinions about the reasonableness of the fees requested, hourly rates, and number of hours worked. Therefore, his testimony regarding fees charged for his work, and the reasonableness of the hours he worked, was not conclusory. *See Windrum v. Kareh*, 581 S.W.3d 761, 768 (Tex. 2019) (held that a conclusory statement asserts a conclusion with no basis or explanation).

Appellants contend that TMPA did not present evidence of some of the lodestar factors and therefore those factors cannot support the reasonableness of the hourly rates and hours worked. As set out above, TMPA presented evidence of many of the lodestar factors. A trial court need not receive evidence on each factor and may look at the entire record, the evidence presented on reasonableness, the amount in controversy, the common knowledge of the participants as lawyers and judges, and the relative success of the parties. *Jarvis v. Rocanville Corp.*, 298 S.W.3d 305, 318 (Tex. App.—Dallas 2009, pet. denied).

In its thirteenth finding of fact, the trial court indicated that it was applying the factors for assessing claims for attorneys' fees outlined in *Arthur Andersen*. *See Arthur Andersen & Co.,* 945 S.W.2d at 818. Appellants contend this may indicate the trial court did not follow the lodestar method. We disagree. The *Arthur Andersen* factors are subsumed within the lodestar method and are therefore properly considered while applying the lodestar method. *See Rohrmoos Venture*, 578 S.W.3d at 500.

Junkin provided non-conclusory testimony of his credentials and the work he did on the declaratory claims, including the rate he charged, hours worked, and tasks he performed. Further, this testimony is supported by detailed invoices. We conclude there is legally and factually sufficient evidence to support the $113,275 in attorneys' fees awarded to compensate TMPA for Junkin's work. *See Cain*, 709 S.W.2d at 176; *Hernandez*, 164 S.W.3d at 388. Thus, the trial court did not abuse its discretion in awarding the portion of the total award attributable to work done by Junkin. *See Bouquet*, 972 S.W.2d at 21.

The same cannot be said for the fees awarded for work done by other individuals named in the invoices. To be entitled to attorneys' fees, an attorney must present evidence of his experience, reputation, and ability to perform the legal services involved. *See Rohrmoos Venture*, 578 S.W.3d at 500 (explaining that the base lodestar calculation includes certain factors). The record contains no evidence of experience, qualifications, or reputation of the associate attorneys who worked on this case. This evidence is necessary to show that the fees sought for these individuals were reasonable. *See Aleman v. Standard Cas. Co.*, No. 01-23-00572-CV, 2025 WL 2445991, at*24 (Tex. App.—Houston [1st Dist.] August 26, 2025, no pet.) (mem. op.). Accordingly, the evidence is legally insufficient to support the portion of the attorneys' fee award attributable to the two associate attorneys who worked on this case. *Id.* at 25.

Furthermore, when a party seeks payment for work completed by paralegals, courts require information such as the qualifications of the paralegals to perform substantive legal work, that the paralegal performed substantive legal work under the direction and supervision of an attorney, the nature of the legal work performed, the paralegal's hourly rate, and the number of hours expended by the paralegal. *El Apple I, Ltd. v. Olivas*, 370 S.W.3d 757, 763 (Tex. 2012). Here, while the invoices identify the nature of the work, the hourly rate, and the number of hours worked by paralegals, there is no evidence in the record of the paralegals' qualifications or that they worked under the supervision of an attorney. In the absence of evidence of the paralegals' qualifications, it is impossible for the trial court to determine the reasonableness of the rates charged or hours worked. *Westheimer*, 702 S.W.3d at 633-34. Therefore, the portion of the attorneys' fee awarded to TMPA for work done by paralegals is legally insufficient. *See Exxon Corp.*, 348 S.W.3d at 215.

As reflected by the invoices covering March 11, 2019 through May 25, 2021, the total attorneys' fee award includes $100,547.50 for work done by two associate attorneys and $4,371.25 for work done by two paralegals during this time period. Further, TMPA was awarded fees in the amount of $5,362.50 for work done by an associate attorney between the end of May through trial on July 1, 2021. Accordingly, the evidence is legally insufficient to support $110,281.25 of the total attorneys' fee award, and the trial court abused its discretion in awarding this amount to TMPA. *See Bouquet*, 972 S.W.2d at 21; *Exxon Corp.*, 348 S.W.3d at 215. When the evidence is legally insufficient, the appropriate disposition is to render judgment. *See Holt Atherton Indus., Inc.*

v. Heine, 835 S.W.2d 80, 86 (Tex. 1992); *All Seasons Windows & Door Mfg., Inc. v. Red Dot Corp.*, 181 S.W.3d 490, 505 (Tex. App.—Texarkana 2005, no pet.). We overrule Appellants' third and fourth issues to the extent they complain of attorneys' fees awarded to TMPA to compensate Junkin in the amount of $113,275. We sustain Appellants' issues three and four in part because the trial court erred in awarding attorneys' fees in the amount of $110,281.25 for work done by associate attorneys and paralegals. We overrule Appellants' issue five because the record does not show the trial court did not follow the lodestar method.

In their sixth issue, Appellants contend the award of attorneys' fees is not equitable or just. They assert the trial court did not consider the entirety of the circumstances or, if it did, the trial court did not properly weigh such circumstances. Whether it is equitable and just to award any portion of reasonable and necessary attorneys' fees depends, not on direct proof, but on the concept of fairness, in light of all the circumstances of the case. *Ridge Oil Co. v. Guinn Invs., Inc.*, 148 S.W.3d 143, 162 (Tex. 2004).

The record shows that Appellants had numerous opportunities to avoid, or end, litigation yet they chose to prolong and complicate the conflict. In June 2017, TMPA contacted Appellants asking them to remove the structures that were in the Easement area. TMPA attempted to resolve the matter for approximately one year before determining that it must proceed with litigation. In response, Appellants filed special exceptions to TMPA's petition and application for temporary and permanent injunctions. They also filed their answer, containing ten affirmative defenses, and, separately, their counterclaims for declaratory judgment and injunctive relief.

After the trial court granted the temporary injunction, and Appellants removed the propane tank, playground equipment, and swing set from the Easement area, TMPA attempted to resolve the lawsuit through a settlement. Appellants did not respond. Therefore, TMPA engaged in discovery and filed its first traditional and no-evidence motions for summary judgment addressing its pending claims for declaratory and injunctive relief and Appellants' counterclaims and affirmative defenses. After Appellants amended their counterclaim to add new claims, TMPA filed its second traditional and no-evidence motions for summary judgment. More than a year after the second summary judgment was granted, the issue of attorneys' fees was tried before the court. More than two years after the trial, on September 25, 2023, the trial court signed the final judgment. This was more than six years after TMPA's initial contact with Appellants regarding the obstructions in the Easement area.

The trial court was free to conclude that Appellants' litigation strategy contributed to the expenses incurred. *See Tex. Health Harris Methodist Hosp. Fort Worth v. Featherly*, No. 02-24-00572-CV, 2025 WL 3723946, at *20 (Tex. App.—Fort Worth December 23, 2025, no pet.) (mem. op.). Considering the record and all the circumstances of the case, we cannot conclude that the trial court abused its discretion by determining that an award of attorneys' fees to TMPA was equitable and just. *See Ridge Oil Co.*, 148 S.W.3d at 162. We overrule Appellants' sixth issue.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

In their seventh issue, Appellants contend that three of the trial court's findings of fact are merely evidentiary and cannot form the basis for TMPA's attorneys' fee award. One of the findings finds TMPA's evidence to be credible and reliable while the other two find that Appellants' evidence was not credible or persuasive.

In a bench trial, the trial court is the sole judge of the credibility of witnesses. *Golden Eagle Archery, Inc. v. Jackson*, 116 S.W.3d 757, 761 (Tex. 2003). The trial court's findings of fact are not conclusive when the appellate record contains a complete reporter's record, and an appellant may challenge those findings for evidentiary sufficiency. *Miranda v. Byles*, 390 S.W.3d 543, 553 (Tex. App.—Houston [1st Dist.] 2012, pet. denied) (op. on reh'g).

Appellants attacked the sufficiency of the evidence to support the award of attorneys' fees in their third and fourth issues. Their issue seven presents nothing for review, and we overrule it.

In their eighth issue, Appellants contend the trial court erred in refusing to make requested additional findings of fact and conclusions of law relating to the lodestar calculation and equitable arguments for adjustment. They assert they requested additional findings and conclusions to address the lack of specificity as to how attorneys' fees were calculated.

A party may request additional findings of fact and conclusions of law if the party believes that the court's findings and conclusions are deficient in some way. *Zhang v. Capital Plastic & Bags, Inc.*, 587 S.W.3d 82, 88 (Tex. App.—Houston [14th Dist.] 2019, pet. denied). The trial court has no duty to make additional findings that are unnecessary or contrary to its judgment; a trial court is only required to make additional findings and conclusions that are appropriate. *Id.* Failure to make additional findings and conclusions may constitute reversible error if the appellant is prevented from adequately presenting the matter being complained of on appeal. *Id.* at 88-89.

Appellants admit they were able to present their arguments on appeal on the attorneys' fee issue even in the absence of the requested additional findings. We conclude the record sufficiently shows the basis of the trial court's award of attorneys' fees even in the absence of the requested additional findings of fact and conclusions of law. Accordingly, we overrule Appellants' eighth issue.

TEXAS RULE OF CIVIL PROCEDURE 47

In their ninth issue, Appellants contend the attorneys' fee award in the final judgment is void because it does not conform to TMPA's pleadings. Specifically, they assert that TMPA's petition stated that TMPA sought "monetary relief of $100,000 or less and non-monetary relief." Because the fee award is greater than $100,000, the argument continues, the judgment does not conform to the pleadings and must be reversed.

In the section of its petition entitled "Jurisdiction and Venue," TMPA states that it "seeks monetary relief of $100,000 or less and non-monetary relief. This Court has jurisdiction of the matters in controversy because the damages and relief sought are within the jurisdictional limits of the Court." In other sections of the petition, TMPA requested an award of reasonable and necessary attorneys' fees pursuant to the Texas Declaratory Judgments Act.

Rule of Civil Procedure 47 provides that an original pleading which sets forth a claim for relief shall contain, in addition to other requirements not at issue here, and with one exception not applicable here, a statement that the party seeks one of five categories of relief. *See* TEX. R. CIV. P. 47(c) (amended

2020).[2] This statement of relief ensures that parties will plead into or out of the expedited actions process in Texas Rule of Civil Procedure 169. *See* TEX. R. CIV. P. 169 (amended 2020); 47 cmt. (2013). Pursuant to the 2013 version of Rule 47(c)(1), if the party seeks only monetary relief of $100,000 or less, including damages of any kind, penalties, costs, expenses, pre-judgment interest, and attorney fees, that suit is governed by the expedited actions process in Rule 169 and the discovery limitations in Rule 190.2. *See id*. R. 169(a), (d)(1); 190.2(a)(1); 47 cmt. (2013). The specific statements of relief under Rule 47(c)(2) to (5), including the statement in TMPA's petition, provide information on the nature of the case and do not affect a party's substantive rights. *See id*. R. 47 cmt. (2013).

We conclude that the statement that TMPA seeks monetary relief of $100,000 or less does not include its request for attorneys' fees. TMPA pled for attorneys' fees pursuant to the Declaratory Judgments Act. *See* TEX. CIV. PRAC. & REM. CODE ANN. § 37.009. Accordingly, the trial court's judgment conformed to the pleading. We overrule Appellants' ninth issue.

CONCLUSION

The trial court did not err in granting the declaratory judgment and permanent injunctions in favor of TMPA. Because the trial court abused its

[2] Because this case was filed before January 1, 2021, the 2013 version of Rule 47 applies here. Our discussion refers to the 2013 version.

discretion with regard to a portion of the attorneys' fees awarded to TMPA, we modify the trial court's judgment to vacate the $110,281.25 award of attorneys' fees for the associate attorneys and paralegals. We affirm the remainder of the judgment as modified.[3]

STEVE SMITH
Justice

OPINION DELIVERED and FILED: May 28, 2026

Before Chief Justice Johnson,
Justice Smith, and
Justice Harris
Modified in part, affirmed as modified
CV06

[3] We need not reach Appellants' tenth issue. *See* TEX. R. APP. P. 47.1.

June 11, 2026

AGENDA ITEM NO. 6B

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

TMPA's lawsuit against GCERG, filed in 2022, asserts three claims. First, the Asset Purchase Agreement ("APA") requires that escrow payments to GCERG be used only for remediation projects at Gibbons Creek. Contrary to this requirement, GCERG was using escrow payments for Charah projects at other locations. As a result, GCERG's contractors at Gibbons Creek were not being paid.

Second, the APA requires that, in the event the costs to close Site F Landfill come in under $13.6 million, GCERG must refund to TMPA the difference. To avoid this, GCERG was assigning to Site F costs that should not be attributable to Site F.

Third, the APA requires GCERG to submit to TMPA for review any contract to sell a tract containing recognized environmental conditions. Such a contract must satisfy a number of requirements in the APA. Contrary to these requirements, GCERG executed a deed of trust relating to the Site F and Site A landfill tracts.

These three claims are now moot. GCERG and TMPA entered into a Rule 11 agreement obligating GCERG to use escrow funds only for Gibbons Creek and to account to TMPA concerning its use of escrow funds. GCERG complied with the Rule 11 agreement and the monthly escrow payments have all been made.

Due to long delays associated with the closure of the Site F Landfill, closure costs, which TMPA considers are legitimately assigned to Site F, have exceeded $13.6 million.

The deed of trust was released in 2025.

The purpose of this agenda item is to discuss whether TMPA should voluntarily dismiss the lawsuit against GCERG. In FY23, $500K was budgeted specifically for legal costs related to the Site F Landfill litigation. As of 5/31/2026, $155K has been spent leaving $345K currently in reserve.

BACKUP MATERIAL: None

ACTION REQUESTED: Adoption of a motion in open session: "I MOVE TO AUTHORIZE A REFUND TO THE MEMBER CITIES OF UNUSED REVENUES COLLECTED FOR THE COSTS OF THE GCERG LAWSUIT."

Carl Shahady
05/27/26

June 11, 2026

AGENDA ITEM NO. 6C

CONFIDENTIAL - COMPETITIVE MATTER

SUBJECT: Resolution No. 2026-6-1, authorizing the expenditure of funds for transmission strategic planning purposes; authorizing the development of a project for presentation to and approval by ERCOT; and resolving matters incidental and related thereto.

DISCUSSION: At the September 2025 TMPA Board meeting, the Board authorized the expenditure of up to $200,000 for the purpose of transmission planning, specifically related to participation in the Texas 765 kV Strategic Transmission Expansion Plan ("TX 765 kV STEP Project").

Subsequently, TMPA engaged consultants, engineers, and subject matter experts to investigate, analyze, and develop transmission investment opportunities related to the TX 765 kV STEP Project.

As a result of these studies, Staff believes that a 765kV project at Gibbons Creek is viable. As currently envisioned, this project would involve the construction of two substations in the vicinity of the Gibbons Creek Substation, including transmission lines terminating into the substations (the "Gibbons Creek Additions Project").

In connection with this agenda item, TMPA Staff will present to the Board detailed information on the recommended course of action for this and other investment opportunities. TMPA Staff will provide updates on the following:

1. Scope, cost, and considerations for each investment opportunity

2. Financial analysis related to the various investment opportunities which total approximately $1.4 billion over the FY26 to FY33 period.

3. Proposed schedule and plans for upcoming actions. These activities include:
    a. Continue the evaluation and development of transmission investments opportunities.
    b. Engage consultants as needed, such as transmission planners and public relations, to assist TMPA through these processes.
    c. Negotiate project ownership and coordination with other Transmission Service Providers.
    d. Submit projects to the ERCOT Regional Planning Group for the purpose of obtaining, as necessary, ERCOT Board, Technical Advisory Committee, and Public Utility Commission approval.
    e. Respond to ERCOT and stakeholder inquiries as required.

The Resolution would authorize (i) an increase in transmission investment planning spending from $200,000 to $350,000 and (ii) Staff to present for approval to ERCOT and, if necessary, the PUCT, the Gibbons Creek Additions Project.

If the Gibbons Creek Additions Project is approved, a similar substation and other related projects planned by other transmission service providers (TSPs) will become unnecessary. As a result, there is a possibility that certain TSPs will oppose this Project. In addition, other projects in the planning stage to be discussed with the Board may similarly impact investment opportunities of other TSPs. Consequently, this agenda item summary, the Resolution, and the presentation are considered competitive matters.

BACKUP MATERIAL: Additional information will be presented to the Board at the June 11 meeting.

ACTION REQUESTED:

1. Consideration and action on Resolution No. 2026-6-1.

RESOLUTION NO. 2026-6-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") INCREASING THE AMOUNT THAT IS AUTHORIZED TO BE EXPENDED ON TRANSMISSION STRATEGIC PLANNING; AUTHORIZING THE DEVELOPMENT AND PRESENTATION TO ERCOT OF CERTAIN TRANSMISSION PROJECTS; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Board has previously authorized an expenditure of funds for the employment of engineers and consultants to assist the Agency's staff in the development of projects relating to the expansion of the Agency's transmission system (the "Strategic Plan Studies");

WHEREAS, the Board desires to increase the amount that is authorized to be expended on the Strategic Plan Studies;

WHEREAS, one of the potential projects included in the Strategic Plan Studies relates to the Texas 765 kV Strategic Transmission Expansion Plan currently under consideration by ERCOT, and would involve the construction of additional substations in the vicinity of Gibbons Creek, including the construction of transmission lines that terminate into those substations (the "Gibbons Creek Additions Project"); and,

WHEREAS, the Board desires to authorize Staff to present for approval the Gibbons Creek Additions Project to ERCOT and, if necessary, to the PUCT;

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

1. That the above recitals are true and correct;

2. That the amount that is authorized to be expended on the Strategic Plan Studies is increased from $200,000 to $350,000;

3. That the General Manager, or person acting at his direction, is authorized to present for approval to ERCOT and, if necessary, the PUCT, the Gibbons Creek Additions Project;

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 JUNE, 2026.

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

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

June 11, 2026

AGENDA ITEM NO. 7

SUBJECT: Resolution No. 2026-6-2, authorizing a transmission line exchange transaction with Oncor Electric Delivery Company, LLC ("Oncor"), including the sale of certain transmission line assets to, and the purchase of certain transmission line assets from, Oncor; describing the conditions and circumstances for the exchange transaction, and the public purposes that will be achieved; amending the FY 2026 Annual Transmission System Capital Budget by appropriating funds for the exchange transaction; and resolving matters incidental and related thereto.

DISCUSSION: In this exchange transaction, the assets to be acquired and sold, and the amounts to be paid by the Agency and Oncor, are set forth in Exhibit "A", attached to the Resolution.

This exchange was negotiated between TMPA and Oncor based on a dollar-for-dollar methodology under which both parties receive equivalent values, based on respective book values, for the sum of the current and future assets. Due to certain factors, such as the date of closing's effect on the value due to depreciation, the exact values and mileages presented below, and in the Resolution, may vary slightly from those at closing. The asset exchange values are approximately as follows:

Oncor Conveyed Assets described in Exhibit A, Section B(1):	$ 14,900,000
TMPA Conveyed Assets described in Exhibit A, Section B(2):	$ 4,500,000
Difference:	$ 10,400,000
Estimated Cash Payment from TMPA to Oncor :	$ 10,400,000

This exchange transaction benefits TMPA in the following ways:

TMPA jointly owns with Oncor the Northwest Carrollton-Roanoke 345 kV transmission line, with Oncor owning a 59.3% undivided interest and the Agency owning a 40.7% undivided interest. Oncor is modifying the jointly owned line as part of a larger project involving the construction of a 20-mile transmission line and two new switching stations. The larger project involves Oncor crossing over and under TMPA transmission lines at multiple locations.

Neither of TMPA's transmission operators agree with the design of these crossings, but negotiations with Oncor to modify the design have not been successful. The exchange transaction contemplated by this Resolution eliminates this issue by conveying to Oncor the lines being crossed by Oncor, thus rendering the wire crossing issue moot as to TMPA.

TMPA has a right to participate in the modification of the jointly owned line. However, acquisition of a significant portion of Oncor's two Krum West to West Denton lines would be a much more advantageous outcome for the Agency as it will better position the Agency in regard to the future growth and expansion of its Transmission System.

TMPA currently pays Oncor approximately $116,000 per year to maintain the jointly owned line. Conveyance of its undivided interest in the jointly owned line to Oncor will eliminate this annual cost.

BACKUP MATERIAL: None

ACTION REQUESTED: Consideration and action on Resolution No. 2026-6-2.

Daniel Meadows
5/31/2026

RESOLUTION NO. 2026-6-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AUTHORIZING A TRANSMISSION LINE EXCHANGE TRANSACTION WITH ONCOR ELECTRIC DELIVERY COMPANY, LLC ("ONCOR"), INCLUDING THE SALE OF CERTAIN TRANSMISSION LINE ASSETS TO, AND THE PURCHASE OF CERTAIN TRANSMISSION LINE ASSETS FROM, ONCOR; DESCRIBING THE CONDITIONS AND CIRCUMSTANCES FOR THE EXCHANGE TRANSACTION, AND THE PUBLIC PURPOSES THAT WILL BE ACHIEVED; AMENDING THE FY 2026 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY APPROPRIATING FUNDS FOR THE EXCHANGE TRANSACTION; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, pursuant to the Interconnection Agreement, dated October 28, 1997, as amended, the Agency and Oncor jointly own the Northwest Carrollton-Roanoke 345 kV transmission line, with Oncor owning an undivided 59.3% interest, and the Agency owning an undivided 40.7% interest (the "Jointly Owned Facility" or "JOF");

WHEREAS, Oncor desires to make substantial modifications to the JOF in order to terminate the JOF into a new switching station to be owned by Oncor (the "JOF Modification"); and,

WHEREAS, in lieu of exercising the Agency's right to finance and own an undivided interest in the JOF Modification, it would, for the reasons set forth herein, including in Exhibit "A", be advantageous to the Agency's Transmission System for the Agency to sell to Oncor the Agency's undivided interest in the JOF and TMPA's right of participation in the JOF Modification, along with certain of the Agency's other transmission line assets in the vicinity of the JOF, and, in exchange, to purchase from Oncor certain of Oncor's transmission assets, all as described in Exhibit "A" (the "JOF Dissolution and West Denton-Krum West Acquisition");

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 authorizes the General Manager, or a person acting at his direction, to execute agreements and other documents necessary, desirable, or required to consummate the JOF Dissolution and West Denton-Krum West Acquisition;

3. That, as required by bond covenants associated with the Agency's transmission debt, the closing of the JOF Dissolution and West Denton-Krum West Acquisition shall not take place until after at least 30 days following the passage of this Resolution and, as required by the Joint Operating Agreement, the closing of the JOF Dissolution and West Denton-Krum West Acquisition shall not take place unless and until the JOF Dissolution and West Denton-Krum West Acquisition is approved by all Member Cities of the Agency;

4. That, for purposes of Section 272.001(k), Local Government Code: (i) the conditions and circumstances for the JOF Dissolution and West Denton-Krum West Acquisition are as set forth in Exhibit "A" and (ii) the public purposes that will be achieved include: the establishment of a clear delineation between the transmission assets owned by Oncor and the transmission assets owned by the Agency; the elimination of maintenance costs associated with

the JOF; the rendering moot of the wire crossing issues described in Exhibit "A"; and the acquisition of transmission line assets that are better suited than the JOF to accommodate the future growth and expansion of the Agency's Transmission System;

5. That the General Manager, or a person acting at his direction, may take such actions as are necessary, desirable, or required in order to consummate and complete the JOF Dissolution and West Denton-Krum West Acquisition including, as necessary, the employment of attorneys, engineers, and other consultants;

6. That the FY2026 Annual Transmission System Capital Budget is amended by appropriating $14,900,000 for the JOF Dissolution and West Denton-Krum West Acquisition Project;

7. 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 JUNE, 2026.

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

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

EXHIBIT "A"

CONDITIONS AND CIRCUMSTANCES OF THE JOF DISSOLUTION AND WEST DENTON-KRUM WEST ACQUISITION

A.
CIRCUMSTANCES

The JOF Modification is part of a larger Oncor project involving, among other things, the construction of a 20-mile transmission line and two new switching stations. This larger project requires Oncor to cross the Agency's transmission lines in multiple locations in the vicinity of the JOF. Neither of the Agency's transmission operators are in agreement with the engineering design of these crossings. Negotiations between the Agency and Oncor to modify the design of these crossings have not been successful. The sale to Oncor of the Agency transmission lines identified in Part B below will result in Oncor crossing Oncor lines, thus mooting the crossing design issue as to the Agency.

While the Agency has a right under the Interconnection Agreement to participate in the JOF Modification, foregoing this right of participation, selling the Agency's undivided interest in the JOF, and acquiring the two Oncor Krum West lines, described in Part B below, will better position the Agency in relation to the future growth and expansion of its Transmission System.

The sale of the Agency's undivided interest in the JOF will also eliminate maintenance costs associated with the JOF, which are approximately $116,000 per year.

B.
CONDITIONS

The JOF Dissolution and West Denton-Krum West Acquisition includes the following purchases and sales of transmission assets:

1. Oncor will convey to the Agency:

    a. 345kV Dunham-Krum West – Oncor's wholly owned interest of this line section from Dunham 345 kV line to a new point of interconnection terminating just south of Krum West (approximately 14.86 miles of transmission line and related assets)

    b. 345kV Denton West-Krum West - Oncor's wholly owned interest of this line section from Denton West to a new point of interconnection terminating just south of Krum West (approximately 14.86 miles of transmission line and related assets)

2. The Agency will convey to Oncor:

    a. 345kV Roanoke-NW Carrollton - TMPA's undivided 40.7% interest in the current JOF assets (approximately 26.5 miles of transmission line and related assets).

b. 345kV Roanoke-Denton West – A section of TMPA's wholly owned interest (approximately 7.9 miles of transmission line and related assets)

c. 345kV Krum West-JOF Junction – A section of TMPA's wholly owned interest (approximately 1.6 miles of transmission line and related assets)

3. The Agency will relinquish the following investment opportunities of the JOF Modification Project:

   a. 40.7% interest in the future JOF Modification

      i. 345kV Roanoke-Dunham extension (approximately 1.1 miles of transmission line and related assets)
      ii. 345kV Lewisville-Dunham extension (approximately 1.1 miles of transmission line and related assets)

   b. 345kV JOF Junction-Dunham – Extension of the Agency's wholly owned line (approximately 1.1 miles of conductor only)

At closing, TMPA will pay Oncor approximately $10,400,000, which is the amount by which the net book value of the assets being received by the Agency exceeds the net book value of the assets being conveyed to Oncor. At closing, this dollar amount is subject to adjustment upwards or downwards based on net book values on the closing date.

The Interconnection Agreement between the Agency and Oncor will be modified to accommodate the system changes above and to eliminate the JOF provisions.

As required by bond covenants associated with the Agency's transmission debt, the closing of the sale of Agency transmission assets will not occur until after at least 30 days following the adoption of this Resolution, and only after:

> "the Agency shall have received a certificate executed by the Chief Financial Officer stating (A) that the Transmission System will not be materially adversely affected by the sale or exchange of such property or facilities and such sale or exchange will not materially adversely affect the rates and charges charged by the Agency for the services provided by the Transmission System and (B) in the opinion of the Chief Financial Officer, that the sale or exchange of such property or facilities will not impair the ability of the Agency to comply during the current or any future year with the provisions of Section 5.02."

(Note: The quote is from Section 5.09 of the Bond Resolution. Section 5.02, referenced in the quote, contains minimum rate requirements, including debt service coverage requirements.)

As required by the Joint Operating Agreement, since the net book value of the transmission assets being sold by the Agency exceeds, in the aggregate, $500,000, and since the amount to be paid by the Agency exceeds $10 million, the sale and purchase of such assets will not occur until after each of the Member Cities has approved the transaction.

June 11, 2026

AGENDA ITEM NO. 8

SUBJECT: Resolution No. 2026-6-3, amending the FY2026 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Transformer Dissolved Gas Monitor Project; and resolving matters incidental and related thereto.

DISCUSSION: Dissolved gases in autotransformer insulating oil is an indication of degradation of the transformer's insulating system, which can lead to electrical arcing within the transformer and eventual electrical failure. On June 20, 2024, the Board appropriated $108,750 to acquire a dissolved gas monitor to monitor for these gases.

The purpose of this Resolution is to increase the amount that is authorized to be expended on this Project from $108,750 to $124,000. The increase in cost is due to a tariff on products imported from Canada, additional GP&L labor, and unanticipated expenses for commissioning the monitor and training in the operation and maintenance of the monitor.

BACKUP MATERIAL: Capital Project Supplemental Proposal

ACTION REQUESTED: Consideration and action on Resolution No. 2026-6-3.

RESOLUTION NO. 2026-6-3

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 TRANSFORMER DISSOLVED GAS MONITOR PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Board has previously appropriated funding for the Transformer Dissolved Gas Monitor Project (the "Project"); and,

WHEREAS, because of unanticipated increases in material and labor costs, 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 $108,750 to $124,000;

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 JUNE 2026.

____
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: T24006 Transformer Dissolved Gas Monitor					
DATE OF REQUEST: June 11, 2026	**PROJECT MANAGER:** Eric Carter	✓ GP&L ☐ DME			
REVISED PROJECT COST: $ 124,000	**PREV. APPROVED:** $ 108,750	**START DATE:** 6-15-2024	**CAPITAL PLAN YEAR:** 2026		
CASH FLOW $ SPENT	**FY26:** $ 89,000	**FY27:** $	**FY28:** $	**FY29:** $	**FY30:** $
YEAR(S) $ PLACED IN-SVC	**FY26:** $ 124,000	**FY27:** $	**FY28:** $	**FY29:** $	**FY30:** $

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

PROJECT BENEFITS:

A dissolved gas monitor provides continuous analysis of multiple gases produced by the degradation of a transformer's insulation system (paper, moisture, etc.) which leads to electrical arcing within the transformer and eventual electrical failure. Monitoring provides alarming through SCADA when specified thresholds are exceeded allowing immediate analysis of trends of specific gas creation and assistance in determination of the cause.

The monitor can be uninstalled and be reinstalled at any TMPA location.

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROJECT SUPPLEMENTAL PROPOSAL

COST BREAKDOWN:	ORIGINAL ESTIMATE	REVISIONS	NEW ESTIMATE
Labor	$ 3,750	$ 540	$ 4,290
Materials	$ 75,000	$ 9,710	$ 84,710
Contract Services	$ 20,000	$ 2,000	$ 22,000
Engineering Consulting	$	$	$
Misc. Expenses	$ 10,000	$ 3,000	$ 13,000
TOTAL	$ 108,750	$ 15,250	$ 124,000

COST BREAKDOWN BASIS:

Materials - Difference in original estimate including 25% tariff
Contract Services - Additional commissioning expense with vendor
Misc. Expenses - Additional installation expenses not included in vendor's commissioning service

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

Level of Estimate: ○ P1 ○ P2 ● P3

EXPLANATION FOR REVISIONS:

The Calisto R9 DGA Monitor was subject to a 25% tariff for products shipped to the United States from Canada. Additional GP&L labor and unanticipated expenses for commissioning the monitor and training in the operation and maintenance of the monitor.

SIGNATURES

Project Manager:	Eric Carter	Eric Carter Eric Carter (May 7, 2026 13:51:19 CDT)	**Date:** 05/07/2026
Supervisor:	Charles Chapman	Charles Chapman	**Date:** 05/07/2026
Utility General Manager:	Darrell Cline	Darrell Cline	**Date:** 05/07/2026
TMPA CFO:	Lyndi Birkhead	Lyndi Birkhead	**Date:** 05/08/2026
TMPA General Manager:	Daniel Meadows	Daniel Meadows	**Date:** 05/08/2026

June 11, 2026

AGENDA ITEM NO. 9

SUBJECT: Resolution No. 2026-6-4, amending the FY2026 Annual Transmission System Capital Budget by appropriating funds for the GEUS Generation Interconnection at Greenville Interchange Project; and resolving matters incidental and related thereto.

DISCUSSION: GEUS has requested to interconnect its new 104.5 MW power plant to the Agency's Greenville Interchange Substation. GEUS is proposing to construct and own the 138 kV transmission line connecting the new plant to the substation. In order to accommodate this interconnection, it is necessary for the Agency to add one bay to the substation. The Project scope includes the installation of one 138 kV breaker, associated relaying, and other necessary modifications.

This Resolution would appropriate $1,725,000 for this Project.

BACKUP MATERIAL: Capital Project Proposal

ACTION REQUESTED: Consideration and action on Resolution No. 2026-6-4.

RESOLUTION NO. 2026-6-4

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AMENDING THE FY2026 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY APPROPRIATING FUNDS FOR THE GEUS GENERATION INTERCONNECTION AT GREENVILLE INTERCHANGE PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, in order to accommodate an interconnection with a new 104.5 MW power plant owned by GEUS, it is necessary make certain additions to the Agency's Greenville Interchange Substation, including a new bay, a 138 kV breaker, associated relaying, and other modifications (the "GEUS Generation Interconnection at Greenville Interchange Project" or "Project"); and,

WHEREAS, the Board desires to appropriate funds for the Project;

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

1. That the above recitals are true and correct;

2. That the FY2026 Annual Transmission System Capital Budget is amended by appropriating $1,725,000 for the Project;

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

PASSED AND APPROVED THIS 11TH DAY OF JUNE 2026.

____
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 PROPOSAL

PROJECT TITLE:
GEUS Generation interconnection at Greenville Interchange

DATE OF REQUEST: 5/19/2026	**PROJECT MANAGER:** ☑ **GP&L** ☐ **DME**

TOTAL PROJECT COST: $	**START DATE:** 5/19/2026	**CAPITAL PLAN YEAR:** FY27

	FY26:	FY27:	FY28:	FY29:	FY30:
CASH FLOW $ SPENT	$ 0	$ 1,725,000	$	$	$
YEAR(S) $ PLACED IN-SVC	$ 0	$ 1,725,000	$	$	$

☐ **UPGRADE**
☐ **REPLACEMENT**
☑ **NEW CONSTRUCTION**
☐ **Reimbursable by TXDOT**
☐ **Reimbursable by ____________**

EXISTING TMPA ASSETS RELATED TO THIS PROJECT:
Greenville Interchange Substation

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

Greenville Electric Utility System (GEUS) has requested to interconnect their new 104.5 MW power plant to TMPA's Greenville Interchange (GNIN) substation. This project will add one bay to serve this interconnection. The scope includes the installation of one 138kV breaker, associated relaying, and other necessary modifications.

GEUS proposes to build and own the 138kV transmission line (approximately 1,200 ft) between their generator step-up transformer to a dead-end structure at the fenceline outside of TMPA's GNIN substation.

GEUS plans to commission the power plant in the Spring/Summer of 2027. Due to the short timeline for this project, the performance of the engineering and construction will be coordinated between TMPA/GP&L and GEUS.

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROJECT PROPOSAL

Will this project require a new Interconnection Agreement (IA) or changes to an existing IA? ◉ Yes ○ No

Explain:

The point of interconnection of GNIN for the new bay will be defined as part of the project.

Will this project increase/decrease oil storage or hazardous chemical inventory or capacity? ○ Yes ◉ No

Explain:

Were security improvements evaluated in the project scope? ○ Yes ◉ No

Explain:

There are no additional security needs due to this project.

COST BREAKDOWN

Labor	$ 600,000
Materials	$ 750,000
Contract Services	$ 100,000
Engineering Consulting	$ 100,000
Misc. Expenses	$ 175,000
TOTAL	$ 1,725,000

COST BREAKDOWN BASIS:

This estimate was prepared by GEUS.

Estimation Levels:

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

Estimate Level:

○ **P1** ◉ **P2** ○ **P3**

Is land acquisition or right of ways procurement required? ◉ **Yes** ○ **No**

Does project involve asset retirement? If yes, please provide detail: ○ **Yes** ◉ **No**

SIGNATURES

Project Manager:	**Date:**
Supervisor:	**Date:**
Utility General Manager:	**Date:**
TMPA CFO: Lyndi Birkhead	**Date:** 5.27.26
TMPA General Manager: David Marlow	**Date:** 6-3-2026

June 11, 2026

AGENDA ITEM NO. 10

SUBJECT: Resolution No. 2026-6-5, authorizing an extension to the terms of the Transmission Operator, Maintenance, And Construction Services Agreements with the cities of Garland and Denton; and resolving matters incidental and related thereto.

DISCUSSION: The Transmission Operator, Maintenance, and Construction Services Agreement between the Agency and the City of Garland obligates Garland to operate and maintain the Agency's transmission assets, except for assets in the Denton area. The Denton area transmission assets are operated and maintained by the City of Denton under an Amended and Restated Transmission Operator, Maintenance, and Construction Services Agreement between the Agency and the City of Denton. Both of these agreements are scheduled to expire on September 1, 2026. Under the Joint Operating Agreement, the Agency may not make a contractual commitment exceeding two years without obtaining Member City approval. Consequently, this Resolution authorizes an extension of these contracts to September 1, 2028.

BACKUP MATERIAL: None

ACTION REQUESTED: Consideration and action on Resolution No. 2026-6-5.

RESOLUTION NO. 2026-6-5

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AUTHORIZING AN EXTENTION TO THE TERMS OF THE TRANSMISSION OPERATOR, MAINTENANCE, AND CONSTRUCTION SERVICES AGREEMENTS WITH THE CITIES OF GARLAND AND DENTON; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Agency has entered into a Transmission Operator, Maintenance, and Construction Services Agreement, dated March 27, 2013, with the City of Garland and an Amended and Restated Transmission Operator, Maintenance, and Construction Services Agreement, dated September 12, 2024 with the City of Denton (as amended, the "Transmission Operator Agreements");

WHEREAS, the Transmission Operator Agreements are scheduled to expire on September 1, 2026, and the Board desires to authorize an extension of their terms;

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 person acting at his direction, is authorized to execute an extension to the terms of the Transmission Operator Agreements to September 1, 2028;

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 JUNE, 2026.

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

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

June 11, 2026

AGENDA ITEM NO. 11

SUBJECT: Audit and Budget Committee report relating to the May 27, 2026 Committee meeting.

DISCUSSION: The Audit and Budget Committee meeting package can be viewed on the Board's secure website in the May 27, 2026 Board Meeting Folder.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Jesse Davis
5/27/2026

June 11, 2026

AGENDA ITEM NO. 12

SUBJECT: FY26 Second Quarter Budget Status Report

DISCUSSION: This report, along with the attachments, provides a comparison of actual cost performance to budgets (approved 6/5/25) for each business unit of TMPA as of the end of Q2, as well as year-end projections. The year-end projections are summarized as follows:

GENERATION – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$188	$125	($63)	(33.4%)
Other Revenues Excluding City Billings	($6)	($16)	($10)	(161.6%)
Total Budget Variance			**($73)**	**(40.0%)**

MINE – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$681	$591	($91)	(13.3%)
Other Revenues Excluding City Billings	($22)	($22)	$0	0.0%
Total Budget Variance			**($91)**	**(13.7%)**

TRANSMISSION – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$7,949	$8,179	$230	2.9%
Fixed Costs - Debt	$20,601	$20,163	($438)	(2.1%)
Other Revenues	($36,431)	($36,411)	$20	0.1%
Total Budget Variance			**($188)**	**(2.4%)**
Debt Service Coverage	1.25X	1.76X		Exceeds requirement

A&G costs are projected to be over budget ($125K) primarily due to (a) a higher excess liability insurance premium than budgeted and (b) Debbie Evans' retirement date being delayed until the end of February.

Generation Division - Total Costs are projected to be under budget by $73K in FY26.

1. Consulting Services are $45K lower as costs related to the Environmental Designee are low due to slow progress by GCERG to complete the regulatory closure at the former plant site.

Mine Division - Total Costs are projected to be under budget by $91K in FY26.

1. Mine Maintenance is $17K lower as there has been reduced work in the field for acid seeps.
2. Contractor Maintenance is $20K lower as SP-50 was sold in May.

Transmission Division - Total Costs are projected to be under budget by $188K in FY26.

1. Contractor Labor is $100K higher as there was an increase to O&M projects and equipment demolition work that took place in Q2.
2. Property Insurance is $85K lower as property insurance premiums are less than anticipated.
3. Debt Service - Bonds are $88K lower due to interest rate savings on the Series 2025 Bonds issued in July 2025.
4. Revolving Notes Interest is $350K lower as the balance of Notes outstanding is lower than anticipated.
5. Transmission System Revenue is $449K lower as the draft 2025 Average 4CP is lower than estimated.
6. Interest Income is $93K higher primarily due to the Reserve account for the Series 2025 Bonds, which was not included in the budget.
7. Other Revenue is $335K higher due primarily to the sale of scrap metal.

NOTE: There is no FY26 charge to the Member Cities for the Transmission division since revenues exceed expenses.

BACKUP MATERIAL: Attachment A: Generation FY26 Q2 Rate Sheet
Attachment B: Mine FY26 Q2 Rate Sheet
Attachment C: Transmission FY26 Q2 Rate Sheet

ACTION REQUESTED: None

Lyndi Birkhead
6/3/2026

Generation

ATTACHMENT A

FY26 Q2 Key Budget Driver Rate Sheet

FY26 Approved Budget Compared to YTD March Actual and to Year-end Projection

	FY26 Budget Approved 6/5/25 YTD March	FY26 Actual YTD March	(Under) Over Budget	Percentage Change	FY26 Budget Approved 6/5/25	FY26 Year-end Projection as of March	(Under) Over Budget	Percentage Change
Fixed Costs								
S02 Consulting Services	42,500	13,067	(29,433)	-69.3%	85,000	40,000	(45,000)	-52.9%
S04 Legal Services	25,000	22,216	(2,784)	-11.1%	50,000	50,000	-	0.0%
Allocation of A&G	25,536	15,664	(9,872)	-38.7%	52,775	35,111	(17,664)	-33.5%
TOTAL FIXED COSTS	**$ 93,036**	**$ 51,136**	**$ (41,900)**	**-45.0%**	**$ 187,775**	**$ 125,111**	**$ (62,664)**	**-33.4%**
Other Revenues								
I73 Interest Income	(2,569)	(1,500)	1,069	41.6%	(6,187)	(6,187)	-	0.0%
Other Revenue	-	(10,000)	(10,000)	-100.0%	-	(10,000)	(10,000)	-100.0%
TOTAL OTHER REVENUES	**$ (2,569)**	**$ (11,500)**	**$ (8,931)**	**-347.6%**	**$ (6,187)**	**$ (16,187)**	**$ (10,000)**	**-161.6%**
TOTAL COSTS	**$ 90,466**	**$ 39,636**	**$ (50,830)**	**-56.2%**	**$ 181,588**	**$ 108,924**	**$ (72,664)**	**-40.0%**

	Budget Approved in FY23**	Actual Spent in FY23-25	Actual Spent in FY26 as of 3/31/26	Reserved Balance as of 3/31/26***
Site F Landfill Legal Costs*	500,000	149,026	5,974	345,001

** Expenses, up to the approved $500K, do NOT impact the FY26 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
FY26 Q2 Key Budget Driver Rate Sheet
FY26 Approved Budget Compared to YTD March Actual and to Year-end Projection

	FY26 Budget Approved 6/5/25 YTD March	FY26 Actual YTD March	(Under) Over Budget	Percentage Change	FY26 Budget Approved 6/5/25	FY26 Year-end Projection as of March	(Under) Over Budget	Percentage Change
Fixed Costs								
M44 Mine Maintenance	97,000	48,416	(48,584)	-50.1%	212,000	195,000	(17,000)	-8.0%
R51 Contractor Maintenance	20,000	-	(20,000)	-100.0%	40,000	20,001	(19,999)	-50.0%
S02 Consulting Services	89,500	73,391	(16,109)	-18.0%	179,000	179,000	-	0.0%
S04 Legal Services	20,000	16,975	(3,025)	-15.1%	40,000	40,000	-	0.0%
Other Fixed Costs - Non-Debt	17,688	20,649	2,961	16.7%	18,813	21,706	2,893	15.4%
Allocation of A&G	92,650	55,913	(36,737)	-39.7%	191,481	135,061	(56,420)	-29.5%
TOTAL FIXED COSTS	**$ 336,838**	**$ 215,344**	**$ (121,494)**	**-36.1%**	**$ 681,294**	**$ 590,768**	**$ (90,526)**	**-13.3%**
Other Revenues								
I76 Interest Income	(9,323)	(5,770)	3,553	38.1%	(22,448)	(22,448)	-	0.0%
TOTAL OTHER REVENUES	**$ (9,323)**	**$ (5,770)**	**$ 3,553**	**38.1%**	**$ (22,448)**	**$ (22,448)**	**$ -**	**0.0%**
TOTAL COSTS	**$ 327,516**	**$ 209,574**	**$ (117,942)**	**-36.0%**	**$ 658,846**	**$ 568,320**	**$ (90,526)**	**-13.7%**

Transmission

FY26 Q2 Key Budget Driver Rate Sheet

FY26 Approved Budget Compared to YTD March Actual and to Year-end Projection

	FY26 Budget Approved 6/5/25 YTD March	FY26 Actual YTD March	(Under) Over Budget	Percentage Change	FY26 Budget Approved 6/5/25	FY26 Year-end Projection as of March	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Contractor Labor	332,767	433,440	100,673	30.3%	666,699	766,699	100,000	15.0%
R06 Bank Charges	51,000	54,947	3,947	7.7%	122,000	122,000	-	0.0%
R41 Property Insurance	342,628	277,722	(64,906)	-18.9%	685,256	600,000	(85,256)	-12.4%
R51 Contractor Maintenance	847,762	922,369	74,607	8.8%	1,870,600	1,870,600	-	0.0%
S02 Consulting Services	93,200	73,120	(20,080)	-21.5%	144,700	144,700	-	0.0%
S04 Legal Services	105,000	112,657	7,657	7.3%	210,000	225,000	15,000	7.1%
Other Fixed Costs - Non-Debt	993,683	997,996	4,313	0.4%	2,015,486	2,016,486	1,000	0.0%
Allocation of A&G	1,080,971	1,127,341	46,369	4.3%	2,234,049	2,433,204	199,155	8.9%
Subtotal Fixed Costs - Non-Debt	**$ 3,847,011**	**$ 3,999,591**	**$ 152,581**	**4.0%**	**$ 7,948,790**	**$ 8,178,689**	**$ 229,899**	**2.9%**
R57-R58 Debt Service - Bonds	7,669,836	7,625,888	(43,949)	-0.6%	15,476,690	15,388,593	(88,097)	-0.6%
R55 Revolving Notes Interest	418,630	251,497	(167,133)	-39.9%	1,100,121	750,000	(350,121)	-31.8%
R62 Debt Coverage Payment	2,011,970	2,011,970	-	0.0%	4,023,939	4,023,939	-	0.0%
Subtotal Fixed Costs - Debt	**$ 10,100,436**	**$ 9,889,354**	**$ (211,082)**	**-2.1%**	**$ 20,600,750**	**$ 20,162,532**	**$ (438,218)**	**-2.1%**
TOTAL FIXED COSTS	**$ 13,947,446**	**$ 13,888,946**	**$ (58,501)**	**-0.4%**	**$ 28,549,540**	**$ 28,341,221**	**$ (208,319)**	**-0.7%**
Other Revenues								
I50 Transmission System Revenue	(18,042,854)	(17,645,823)	397,031	2.2%	(35,696,819)	(35,248,176)	448,643	1.3%
I70-I75 Interest Income	(303,395)	(338,286)	(34,891)	-11.5%	(676,950)	(770,000)	(93,050)	-13.7%
Other Revenue	10,949	(331,211)	(342,160)	3124.9%	(57,107)	(392,374)	(335,267)	-587.1%
TOTAL OTHER REVENUES	**$ (18,335,299)**	**$ (18,315,320)**	**$ 19,979**	**0.1%**	**$ (36,430,876)**	**$ (36,410,550)**	**$ 20,326**	**0.1%**
TOTAL COSTS / (REVENUES)	**$ (4,387,853)**	**$ (4,426,374)**	**$ (38,521)**	**-0.9%**	**$ (7,881,337)**	**$ (8,069,329)**	**$ (187,992)**	**-2.4%**

June 11, 2026

AGENDA ITEM NO. 13

SUBJECT: FY27 Annual Budgets, including FY27 Budget Package

DISCUSSION: Staff has prepared the FY27 Budget Package for the Board's review and approval. Please refer to the attached FY27 Budget Package for more information.

The package was reviewed with the Financial Working Group on 4/29, the P&O Committee on 5/14, and the Audit & Budget Committee (ABC) on 5/27. The ABC recommended approval of the FY27 budget as presented to them on 5/27.

BACKUP MATERIAL: FY27 Budget Package

ACTION REQUESTED: Consideration and action on:
Resolution No 2026-6-6 adopting a Generation budget for FY27
Resolution No 2026-6-7 adopting a Mine budget for FY27
Resolution No 2026-6-8 adopting a Transmission budget for FY27

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

1) FY27 Generation Charges – Agenda Item 14
2) FY27 Mine Charges – Agenda Item 14
3) FY27 Transmission System Capital Plan – Agenda Item 15

Lyndi Birkhead
6/3/2026

TEXAS MUNICIPAL POWER AGENCY

FY27 BUDGET PACKAGE

For Years FY27-36

Prepared by

TMPA Staff

May 2026

TEXAS MUNICIPAL POWER AGENCY
FY27 BUDGET PACKAGE

TABLE OF CONTENTS

TEXAS MUNICIPAL POWER AGENCY
FY27 BUDGET PACKAGE

EXECUTIVE SUMMARY & KEY BUDGET ASSUMPTIONS

The primary goals of the TMPA budget process continue to be managing 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 regulatory closure and post-closure requirements 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 2026 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 regulatory closure and post-closure requirements in accordance with the APA with GCERG. The Agency's General Manager oversees this activity as well as 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 system expansion and transmission investments outside of our current system.

- Mine – The majority of the mine land was sold in December 2021. The sale of the SP-50 property (723 acres) closed on May 11, 2026. All mine areas, with the exception of the acid seeps (28 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 A&G staff consists of the General Manager, CFO/Director of Finance & Support Services, Accountant, and Executive Administrator/Document Control Specialist.

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 thirty years for Site A and Site F Landfill.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY26's Approved Budget - Generation

	FY26 Approved Budget	FY27 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
S02 Consulting Services	85,000	45,000	(40,000)	-47.1%	1
S04 Legal Services	50,000	62,000	12,000	24.0%	
Allocation of A&G	52,775	39,777	(12,998)	-24.6%	
TOTAL FIXED COSTS	**$ 187,775**	**$ 146,777**	**$ (40,998)**	**-21.8%**	
OTHER REVENUES					
Interest Income	(6,187)	(6,181)	6	0.1%	
TOTAL OTHER REVENUES	**$ (6,187)**	**$ (6,181)**	**$ 6**	**0.1%**	
TOTAL COSTS	**$ 181,588**	**$ 140,596**	**$ (40,992)**	**-22.6%**	

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

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY26's Approved Budget – Generation

Fixed Costs

1) Consulting Services decreased as the environmental designee will shift focus to post-closure monitoring. These services will decrease further in future years.

TEXAS MUNICIPAL POWER AGENCY
FY27-36 Generation Budget Pro Forma

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY27-36 Total
FIXED COSTS											
S02 Consulting Services	45,000	25,625	26,266	26,922	27,595	28,285	28,992	29,717	30,460	31,221	300,083
S04 Legal Services	62,000	25,625	26,266	26,922	27,595	28,285	28,992	29,717	30,460	31,221	317,083
Allocation of A&G	39,777	19,725	20,479	20,927	22,538	23,321	23,614	24,788	25,465	25,983	246,617
TOTAL FIXED COSTS	**$ 146,777**	**$ 70,975**	**$ 73,011**	**$ 74,771**	**$ 77,728**	**$ 79,891**	**$ 81,598**	**$ 84,222**	**$ 86,385**	**$ 88,425**	**$ 863,783**
OTHER REVENUES											
Interest Income	(6,181)	(2,827)	(2,948)	(3,040)	(3,398)	(3,609)	(3,765)	(4,029)	(4,239)	(4,387)	(38,421)
TOTAL OTHER REVENUES	**$ (6,181)**	**$ (2,827)**	**$ (2,948)**	**$ (3,040)**	**$ (3,398)**	**$ (3,609)**	**$ (3,765)**	**$ (4,029)**	**$ (4,239)**	**$ (4,387)**	**$ (38,421)**
TOTAL COSTS	**$ 140,596**	**$ 68,149**	**$ 70,063**	**$ 71,732**	**$ 74,329**	**$ 76,282**	**$ 77,833**	**$ 80,193**	**$ 82,146**	**$ 84,039**	**$ 825,362**
Monthly Charge	**$ 11,716**	**$ 5,679**	**$ 5,839**	**$ 5,978**	**$ 6,194**	**$ 6,357**	**$ 6,486**	**$ 6,683**	**$ 6,845**	**$ 7,003**	

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 ($23.8M currently outstanding) with the purpose of funding the Transmission Capital Plan. TMPA is considering entering into a new, similar Note program with increased capacity.
3) For budgeting purposes, a fix-out of a portion of the Notes into long-term bonds is assumed in FY27 and then in each year FY29-31. 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 FY26's Approved Budget - Transmission

	FY26 Approved Budget	FY27 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
L01 Contractor Labor	666,699	621,936	(44,763)	-6.7%	1
R06 Bank Charges	122,000	215,000	93,000	76.2%	2
R41 Insurance Premiums	685,257	622,109	(63,148)	-9.2%	3
R51 Contractor Maintenance	1,870,600	2,199,300	328,700	17.6%	4
S02 Consulting Services	144,700	79,700	(65,000)	-44.9%	5
S04 Legal Services	210,000	255,000	45,000	21.4%	6
Other Fixed Costs	2,015,486	2,072,995	57,509	2.9%	
Allocation of A&G	2,234,049	2,255,025	20,976	0.9%	
Subtotal Fixed Costs - Non-Debt	**$ 7,948,791**	**$ 8,321,065**	**$ 372,274**	4.7%	
R57-R58 Debt Service - Bonds	15,476,690	16,993,004	1,516,314	9.8%	7
R55 Interest on Short-term Notes	1,100,121	1,584,107	483,986	44.0%	8
I62 Debt Coverage Payment (DCP)	4,023,939	4,418,181	394,242	9.8%	7
Subtotal Fixed Costs - Debt	**$ 20,600,750**	**$ 22,995,292**	**$ 2,394,542**	11.6%	
TOTAL FIXED COSTS	**$ 28,549,541**	**$ 31,316,357**	**$ 2,766,816**	**9.7%**	
OTHER REVENUES					
I50 Transmission System Revenue	(35,696,819)	$ (36,435,548)	(738,729)	-2.1%	
Interest Income	(676,950)	$ (858,426)	(181,476)	-26.8%	9
Other Revenue	(57,107)	(66,042)	(8,935)	-15.6%	
TOTAL OTHER REVENUES	**$ (36,430,876)**	**$ (37,360,016)**	**$ (929,140)**	**-2.6%**	
TOTAL COSTS / (REVENUE)	**$ (7,881,335)**	**$ (6,043,659)**	**$ 1,837,676**	**23.3%**	

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

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY26's Approved Budget – Transmission

Fixed Costs – Non-Debt

1) Contractor Labor decreased as no temporary labor was budgeted in FY27.

2) Bank Charges increased as TMPA is considering a new, short-term Note program with increased capacity.

3) Insurance Premiums decreased as property rates have dropped over the last year and continue to do so into 2026.

4) Contractor Maintenance increased primarily due to increased vegetation control and right-of-way gate clearing.

5) Consulting Services decreased as TMPA now has a better understanding of our consulting needs as we pursue transmission investments beyond upgrading/maintaining our current system.

6) Legal Services increased as TMPA is considering a new, short-term Note program with increased capacity.

Fixed Costs – Debt

7) Debt Service – Bonds increased as a bond issuance is expected in FY27. There was no bond issuance budgeted in FY26.

8) Interest on Short-term Notes increased as our investment level is projected to increase over the next several years.

Other Revenues

9) Interest Income increased as the balances in our bond and reserve accounts are projected to increase due to raised investment levels.

TEXAS MUNICIPAL POWER AGENCY
FY27-36 Transmission Budget Pro Forma

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY27-36 Total
FIXED COSTS											
L01 Contractor Labor	621,936	637,485	653,422	669,758	686,501	703,664	721,256	739,287	757,769	776,713	6,967,791
R06 Bank Charges	215,000	177,838	182,284	231,532	191,512	196,299	249,334	206,237	211,392	268,505	2,129,933
R41 Insurance Premiums	622,109	637,662	653,604	669,944	686,693	703,859	721,456	739,492	757,979	776,929	6,969,727
R51 Contractor Maintenance	2,199,300	2,254,283	2,310,640	2,368,406	2,427,616	2,488,306	2,550,514	2,614,277	2,679,633	2,746,624	24,639,598
S02 Consulting Services	79,700	81,693	83,735	85,828	87,974	90,173	92,428	94,738	97,107	99,534	892,910
S04 Legal Services	255,000	215,250	220,631	274,608	231,801	237,596	295,722	249,623	255,864	318,461	2,554,556
Other Fixed Costs	2,072,995	2,124,819	2,177,940	2,232,388	2,288,198	2,345,403	2,404,038	2,464,139	2,525,743	2,588,886	23,224,550
Allocation of A&G	2,255,025	2,358,957	2,449,048	2,538,950	2,695,336	2,788,945	2,864,882	2,964,401	3,045,424	3,152,390	27,113,358
Subtotal Fixed Costs - Non-Debt	**$ 8,321,065**	**$ 8,487,987**	**$ 8,731,303**	**$ 9,071,414**	**$ 9,295,632**	**$ 9,554,246**	**$ 9,899,629**	**$ 10,072,194**	**$ 10,330,911**	**$ 10,728,043**	**$ 94,492,423**
R57-R58 Debt Service - Bonds	16,993,004	18,642,386	20,918,873	25,739,462	30,107,583	31,762,619	31,763,600	31,759,072	31,761,973	31,759,684	271,208,256
R55 Interest on Short-term Notes	1,584,107	2,428,274	2,620,103	1,567,349	510,764	334,987	630,868	667,934	705,001	742,067	11,791,452
I62 Debt Coverage Payment (DCP)	4,418,181	4,847,020	5,438,907	6,692,260	7,827,972	8,258,281	8,258,536	8,257,359	8,258,113	8,257,518	70,514,147
Subtotal Fixed Costs - Debt	**$ 22,995,292**	**$ 25,917,680**	**$ 28,977,883**	**$ 33,999,071**	**$ 38,446,319**	**$ 40,355,887**	**$ 40,653,004**	**$ 40,684,365**	**$ 40,725,087**	**$ 40,759,269**	**$ 353,513,855**
TOTAL FIXED COSTS	**$ 31,316,357**	**$ 34,405,666**	**$ 37,709,186**	**$ 43,070,484**	**$ 47,741,951**	**$ 49,910,133**	**$ 50,552,633**	**$ 50,756,559**	**$ 51,055,998**	**$ 51,487,312**	**$ 448,006,279**
OTHER REVENUES											
Transmission System Revenue	(36,435,548)	(39,822,941)	(45,515,902)	(48,411,606)	(53,763,551)	(61,785,880)	(64,149,172)	(64,149,172)	(64,149,172)	(64,149,172)	(542,332,115)
Interest Income	(858,426)	(767,800)	(833,518)	(869,702)	(940,354)	(998,544)	(1,056,788)	(1,114,924)	(1,173,115)	(1,231,368)	(9,844,540)
Other Revenue	(66,042)	(67,693)	(69,386)	(71,120)	(72,898)	(74,721)	(76,589)	(78,503)	(80,466)	(82,477)	(739,895)
TOTAL OTHER REVENUES	**$ (37,360,016)**	**$ (40,658,434)**	**$ (46,418,806)**	**$ (49,352,427)**	**$ (54,776,803)**	**$ (62,859,145)**	**$ (65,282,550)**	**$ (65,342,600)**	**$ (65,402,753)**	**$ (65,463,017)**	**$ (552,916,550)**
TOTAL COSTS / (REVENUE)	**$ (6,043,659)**	**$ (6,252,768)**	**$ (8,709,620)**	**$ (6,281,943)**	**$ (7,034,852)**	**$ (12,949,012)**	**$ (14,729,916)**	**$ (14,586,041)**	**$ (14,346,755)**	**$ (13,975,705)**	**$ (104,910,272)**
Monthly Charge	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

TEXAS MUNICIPAL POWER AGENCY
FY27-36 Transmission Capital Plan

Project Name: DEBT-FUNDED PROJECTS	Project No.	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	10-YEAR TOTALS
Pruitt 138kV Terminal Addition	T21005	19,248,940										19,248,940
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
Brazos Interconnection at Denton West Interchange	T24001	1,302,501										1,302,501
Shelby to Nevada Transmission Line Extension	T24003		2,700,000									2,700,000
Relay Panel Replacement Project at Denton West	T24008	48,400										48,400
Lee Street Interconnecting Lines	T25005	1,950,000										1,950,000
JOF Dissolution & West Denton-Krum West Acquisition		15,800,000										15,800,000
Denton Area Transmission Improvements		16,746,128	14,688,288	24,097,892	34,017,036	18,332,132	3,340,963					111,222,439
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
Buffalo Meadow Solar		3,000,000	7,000,000									10,000,000
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		**$72,595,969**	**$39,688,288**	**$32,097,892**	**$44,707,036**	**$19,932,132**	**$ 3,340,963**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 212,362,280**

Project Name: CONTRIBUTED CAPITAL PROJECTS	Project No.	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	10-YEAR TOTALS
State Highway 30 Pole Relocation Project	T24009	6,050,000										6,050,000
Wixon Creek Data Center (interconnection with BTU)		3,000,000	7,000,000									10,000,000
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 CONTRIBUTED CAPITAL PROJECTS		**$12,950,000**	**$12,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 24,950,000**

**Does not yet have Board approval*

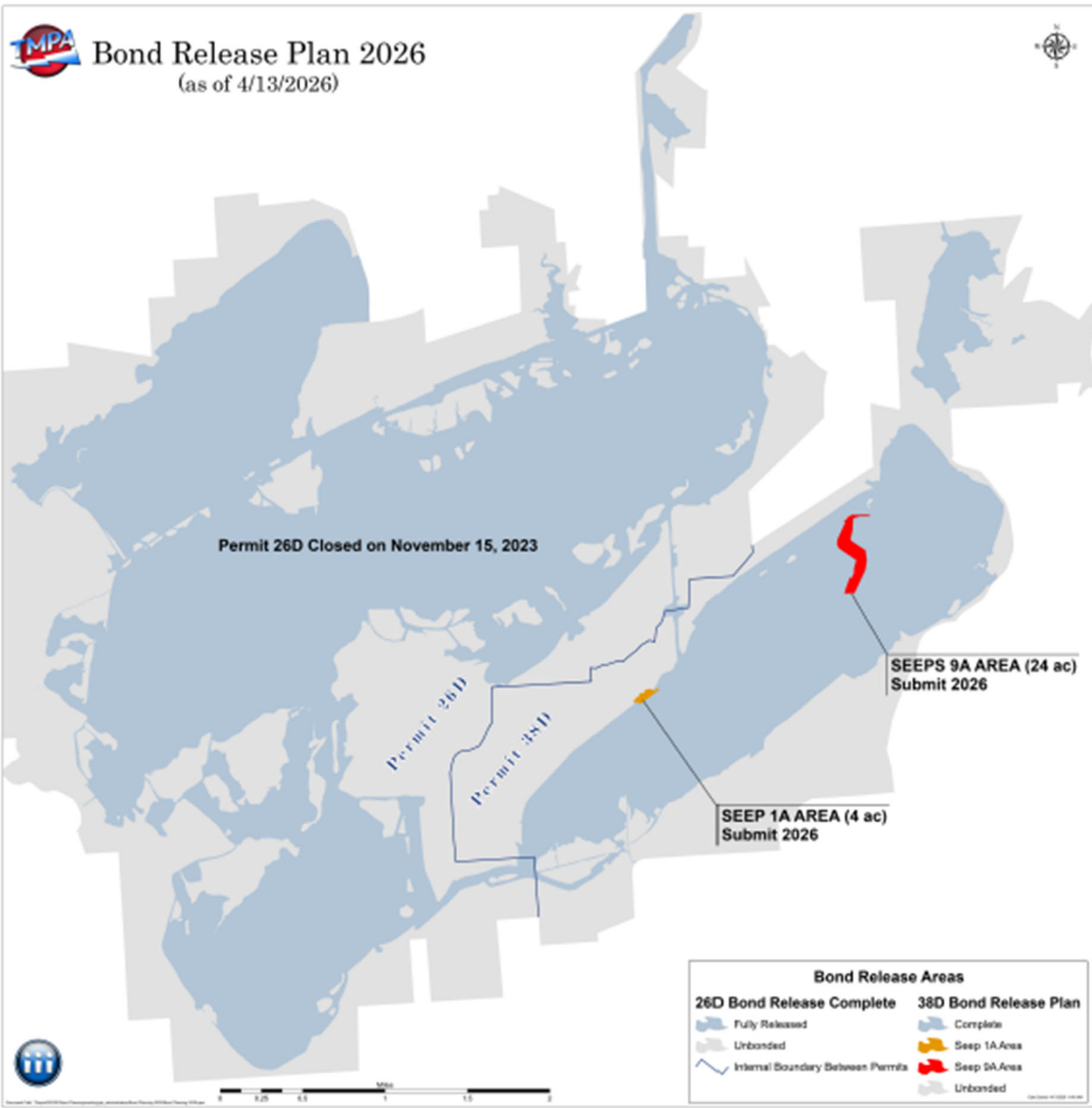
MINE

MINE STRATEGY & KEY BUDGET ASSUMPTIONS

Bond Release

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

Figure 1 – Plan for Final Bond Release



On 7/30/25, TMPA informally submitted a bond release application for the remaining areas – the Seep 1A area (4 acres), depicted in orange on the map and the Seep 9A area (24 acres), depicted in red.

The submittal was made informally to give the Commission time to develop a procedure since this will be the first bond release of mitigated acid seeps in Texas and, apparently, in the nation.

This informal submittal was followed by a series of meetings with Commission Staff to clarify details. TMPA now plans to submit a formal application in late spring / early summer 2026 after vegetation has sufficiently greened up.

Table 1 – Plan and Status of Final Bond Release (as of 3/26/26)

Bond Release applications	TMPA property (acres)	Leased property (acres)	Total (acres)	Status
Total Released in Permits 26D and 38D	7,177 acres (99.0% of former TMPA property)	1,608 acres (100% of leased property)	8,785 acres (99.2% of total)	Released
38D – Seep 9A (24 acres) + Seep 1A (4 acres)	**28**	**0**	**28**	**Submit in May 2026**
TOTAL (both permits)	**7,205 (TMPA property)**	**1,608 (Leased property)**	**8,813 (Total bonded)**	

Land Ownership

A contract was approved by the TMPA Board on 3/12/2026 for the sale of the SP-50 property. The sale of the property closed on 5/11/2026. The FY27 Budget assumes all costs related to SP-50 are no longer needed.

Budget for the Mine Business Unit

With the closure of Permit 26D in November 2023, TMPA is only concerned with the remaining 28 acres of bonded land in Permit 38D, consisting of Seeps 1A and 9A.

TMPA is preparing to apply for final bond release on the last 28 acres, but the Railroad Commission has been hesitant to give TMPA clear direction regarding the release of the acid seeps. The FY27 Mine budget pro forma provides a budget through FY30 assuming all regulatory requirements have been satisfied, and all bonding has been released. However, there is a possibility that part of this acreage may be subject to monitoring for an extended period. While unlikely, the Railroad Commission could impose requirements for further field work that is not covered in the FY27 budget. If so, a budget amendment or capital project may be necessary.

The FY27 budget 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.

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; the General Manager, Daniel Meadows, provides partial support and Jan Horbaczewski also provides partial support as a consultant.

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY26's Approved Budget - Mine

	FY26 Approved Budget	FY27 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
M44 Mine Maintenance	212,000	126,000	(86,000)	-40.6%	1
R51 Contractor Maintenance	40,000	20,000	(20,000)	-50.0%	
S02 Consulting Services	179,000	154,000	(25,000)	-14.0%	2
S04 Legal Services	40,000	30,000	(10,000)	-25.0%	
Other Fixed Costs	18,813	16,417	(2,396)	-12.7%	
Allocation of A&G	191,481	128,779	(62,702)	-32.7%	
TOTAL FIXED COSTS	**$ 681,294**	**$ 475,196**	**$ (206,098)**	**-30.3%**	
OTHER REVENUES					
Interest Income	(22,448)	(20,010)	2,438	10.9%	
TOTAL OTHER REVENUES	**$ (22,448)**	**$ (20,010)**	**$ 2,438**	**10.9%**	
TOTAL COSTS	**$ 658,846**	**$ 455,186**	**$ (203,660)**	**-30.9%**	

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

<u>Fixed Costs</u>

1) Mine Maintenance decreased now that the acid seeps remediation work is complete. The remaining costs cover the maintenance and upkeep of the seeps until final bond release is obtained.

2) Consulting Services have decreased primarily due to the sale of SP-50 on May 11, 2026. The sale was approved by the TMPA Board in March 2026.

TEXAS MUNICIPAL POWER AGENCY
FY27-36 Mine Budget Pro Forma

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY27-36 Total
FIXED COSTS											
M44 Mine Maintenance	126,000	128,125	78,797	80,766	-	-	-	-	-	-	413,688
R51 Contractor Maintenance	20,000	20,500	10,506	10,769	-	-	-	-	-	-	61,775
S02 Consulting Services	154,000	98,400	90,354	82,919	-	-	-	-	-	-	425,673
S04 Legal Services	30,000	30,750	31,518	32,306	-	-	-	-	-	-	124,574
Other Fixed Costs	16,417	15,802	16,197	16,602	-	-	-	-	-	-	65,018
Allocation of A&G	128,779	112,993	88,638	86,813	-	-	-	-	-	-	417,223
TOTAL FIXED COSTS	**$ 475,196**	**$ 406,570**	**$ 316,010**	**$ 310,175**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,507,951**
OTHER REVENUES*											
Interest Income	(20,010)	(16,192)	(12,758)	(12,610)	-	-	-	-	-	-	(61,569)
TOTAL OTHER REVENUES*	**$ (20,010)**	**$ (16,192)**	**$ (12,758)**	**$ (12,610)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (61,569)**
TOTAL COSTS	**$ 455,186**	**$ 390,378**	**$ 303,252**	**$ 297,565**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,446,381**
Monthly Charge	**$ 37,932**	**$ 32,532**	**$ 25,271**	**$ 24,797**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

SUPPLEMENTAL INFORMATION

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY26's Approved Budget - A&G

	FY26 Approved Budget	FY27 Projection	(Under) Over Budget	% Change	Explanation Reference*
FIXED COSTS					
L01 Labor & Benefits	1,067,107	1,017,839	(49,268)	-4.6%	
R06 Bank Charges	1,750	2,000	250	14.3%	
R41 Insurance Premiums	577,140	644,992	67,852	11.8%	1
S02 Consulting Services	316,975	309,466	(7,509)	-2.4%	
S04 Legal Services	42,375	42,375	-	0.0%	
Other Fixed Costs	472,959	406,909	(66,050)	-14.0%	2
TOTAL FIXED COSTS	**$ 2,478,306**	**$ 2,423,581**	**$ (54,725)**	**-2.2%**	
TOTAL COSTS	**$ 2,478,306**	**$ 2,423,581**	**$ (54,725)**	**-2.2%**	

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

TEXAS MUNICIPAL POWER AGENCY
Comparison to FY26's Approved Budget – A&G

Fixed Costs

1) Insurance Premiums increased primarily due to standard market increases to excess liability rates based on prior year exposures.

2) Other Fixed Costs decreased as server replacements were budgeted in FY26.

TEXAS MUNICIPAL POWER AGENCY
FY27-36 A&G Budget Pro Forma

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY27-36 Total
FIXED COSTS											
L01 Labor & Benefits	1,017,839	1,053,463	1,090,334	1,128,496	1,167,993	1,208,873	1,251,184	1,294,975	1,340,299	1,387,210	11,940,665
R06 Bank Charges	2,000	2,051	2,101	2,153	2,208	2,263	2,320	2,377	2,437	2,497	22,407
R41 Insurance Premiums	644,992	661,117	677,645	694,585	711,949	729,749	747,993	766,693	785,860	805,508	7,226,091
S02 Consulting Services	309,466	329,610	331,817	353,489	356,355	379,716	383,365	408,591	413,160	440,455	3,706,024
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	406,909	402,000	411,747	422,335	432,595	443,722	454,493	466,183	477,503	489,784	4,407,271
TOTAL FIXED COSTS	**$ 2,423,581**	**$ 2,491,675**	**$ 2,558,164**	**$ 2,646,691**	**$ 2,717,874**	**$ 2,812,266**	**$ 2,888,496**	**$ 2,989,189**	**$ 3,070,889**	**$ 3,178,374**	**$ 27,777,198**
TOTAL COSTS	**$ 2,423,581**	**$ 2,491,675**	**$ 2,558,164**	**$ 2,646,691**	**$ 2,717,874**	**$ 2,812,266**	**$ 2,888,496**	**$ 2,989,189**	**$ 3,070,889**	**$ 3,178,374**	**$ 27,777,198**

RESOLUTION NO. 2026-6-6

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ADOPTING AND APPROVING AN ANNUAL BUDGET FOR THE GENERATION BUSINESS FOR THE FISCAL YEAR OCTOBER 1, 2026 THROUGH SEPTEMBER 30, 2027; APPROPRIATING FUNDS THEREFORE; PROVIDING FOR SAID BUDGET ADMINISTRATION; PROVIDING FOR SEVERABILITY; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, an Annual Generation Budget for the Fiscal Year October 1, 2026 through September 30, 2027 has been prepared by the General Manager, as reflected in the FY27 column of page 6 of the attached FY27 Budget Package;

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

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

1. That the above recitals are true and correct;

2. That this Board of Directors of the Agency adopts and approves the Annual Generation Budget for the Fiscal Year October 1, 2026 through September 30, 2027, and further appropriates the funds therefore, subject to the provisions of the Rules & Regulations and General Policy of the Agency;

3. That the costs of the Fiscal Year 2027 Generation Budget shall be allocated to the Member Cities based on their ownership shares in the Generation Assets, such allocation to be calculated as provided in the Joint Operating Agreement;

4. That the General Manager shall be responsible for administering the Fiscal Year 2027 Annual Generation Budget and all funds appropriated thereunder, subject to the provisions of the Rules & Regulations and General Policy of the Agency;

5. That should any portion of this Resolution or the Fiscal Year 2027 Annual Generation Budget be declared invalid, the invalidity of that portion shall not affect the remainder of this Resolution or the Annual Generation Budget, which shall remain valid;

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

PASSED AND APPROVED THIS 11TH DAY OF JUNE 2026.

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

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

RESOLUTION NO. 2026-6-7

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ADOPTING AND APPROVING AN ANNUAL BUDGET FOR THE MINE BUSINESS FOR THE FISCAL YEAR OCTOBER 1, 2026 THROUGH SEPTEMBER 30, 2027; APPROPRIATING FUNDS THEREFORE; PROVIDING FOR SAID BUDGET ADMINISTRATION; PROVIDING FOR SEVERABILITY; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, an Annual Mine Budget for the Fiscal Year October 1, 2026 through September 30, 2027 has been prepared by the General Manager, as reflected in the FY27 column of page 19 of the attached FY27 Budget Package;

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

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

1. That the above recitals are true and correct;

2. That this Board of Directors of the Agency adopts and approves the Annual Mine Budget for the Fiscal Year October 1, 2026 through September 30, 2027, and further appropriates the funds therefore subject to the provisions of the Rules & Regulations and General Policy of the Agency;

3. That the General Manager shall be responsible for administering the Fiscal Year 2027 Annual Mine Budget and all funds appropriated thereunder, subject to the provisions of the Rules & Regulations and General Policy of the Agency;

4. That should any portion of this Resolution or the Fiscal Year 2027 Annual Mine Budget be declared invalid, the invalidity of that portion shall not affect the remainder of this Resolution or the Annual Mine Budget, which shall remain valid;

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

PASSED AND APPROVED THIS 11TH DAY OF JUNE 2026.

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

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

RESOLUTION NO. 2026-6-8

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ADOPTING AND APPROVING AN ANNUAL BUDGET FOR THE TRANSMISSION BUSINESS FOR THE FISCAL YEAR OCTOBER 1, 2026 THROUGH SEPTEMBER 30, 2027; APPROPRIATING FUNDS THEREFORE; PROVIDING FOR SAID BUDGET ADMINISTRATION; PROVIDING FOR SEVERABILITY; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, an Annual Transmission Budget for the Fiscal Year October 1, 2026 through September 30, 2027 has been prepared by the General Manager, as reflected in the FY27 column of page 11 of the attached FY27 Budget Package;

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

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

1. That the above recitals are true and correct;

2. That this Board of Directors of the Agency adopts and approves the Annual Transmission Budget for the Fiscal Year October 1, 2026 through September 30, 2027, and further appropriates the funds therefore subject to the provisions of the Rules & Regulations and General Policy of the Agency;

3. That the General Manager shall be responsible for administering the Fiscal Year 2027 Annual Transmission Budget and all funds appropriated thereunder, subject to the provisions of the Rules & Regulations and General Policy of the Agency;

4. That should any portion of this Resolution or the Fiscal Year 2027 Annual Transmission Budget be declared invalid, the invalidity of that portion shall not affect the remainder of this Resolution or the Annual Transmission Budget, which shall remain valid;

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

PASSED AND APPROVED THIS 11TH DAY OF JUNE 2026.

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

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

June 11, 2026

AGENDA ITEM NO. 14

SUBJECT: FY27 Budget Charges

Resolution No. 2026-6-9, establishing charges for the Generation business; designating an effective date for the charges; authorizing and directing that written notice be mailed to the Member Cities setting forth the charges; and resolving matters incidental and related thereto.

Resolution No. 2026-6-10, establishing charges for the Mine business; designating an effective date for the charges; authorizing and directing that written notice be mailed to the Member Cities setting forth the charges; and resolving matters incidental and related thereto.

DISCUSSION: The purpose of this item is to request that the Board adopt charges for the Generation Business and Mine Business consistent with the FY27 Budget for each business. The new charges will go into effect on October 1, 2026. No charges are proposed for the Transmission Business because Transmission revenues are projected to be sufficient to pay for the annual costs of the Transmission business.

BACKUP MATERIAL: Written Notice to Member Cities

ACTION REQUESTED: Consideration and action on:
Resolution No 2026-6-9 establishing Generation charges for FY27
Resolution No 2026-6-10 establishing Mine charges for FY27

Lyndi Birkhead
6/3/2026

Serving the Cities of Bryan, Denton, Garland & Greenville

June 11, 2026

City of ________________
ATTN: Utility Director

Re: TMPA Rate Adjustment

Dear ____________:

On June 11, 2026, the Texas Municipal Power Agency's Board of Directors adopted new charges to recover the generation costs associated with fiscal year 2027. The new charges are effective on October 1, 2026 and will be effective for fiscal year 2027. A copy of the resolution is enclosed herein.

The new generation charge is, in the aggregate for all Cities, **$11,716/month**, which shall be allocated among the Cities in accordance with the Joint Operating Agreement.

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

Sincerely,

____
Daniel Meadows
General Manager

Texas Municipal Power Agency P.O. Box 7000 Bryan, Texas 77805 (936) 873-2013

Serving the Cities of Bryan, Denton, Garland & Greenville

June 11, 2026

City of ________________
ATTN: Utility Director

Re: TMPA Rate Adjustment

Dear ____________:

On June 11, 2026, the Texas Municipal Power Agency's Board of Directors adopted new charges to recover the mine costs associated with fiscal year 2027. The new charges are effective on October 1, 2026 and will be effective for fiscal year 2027. A copy of the resolution is enclosed herein.

The new mine charge is, in the aggregate for all Cities, **$37,932/month**, which shall be allocated among the Cities in accordance with the Joint Operating Agreement.

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

Sincerely,

____
Daniel Meadows
General Manager

RESOLUTION NO. 2026-6-9

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

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

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

1. That the above recitals are true and correct;

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

3. That the effective date for the charges hereby adopted shall be October 1, 2026, and such charges shall be effective for Fiscal Year 2027;

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

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

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

PASSED AND APPROVED THIS 11TH DAY OF JUNE 2026.

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

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

SCHEDULE OF RATES AND CHARGES

1. Commencing on October 1, 2026, the Cities shall pay, in the aggregate, a monthly Generation charge of $11,716. The charge shall be payable on the twenty-fifth of the said month.

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

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

EXHIBIT "A" TO RESOLUTION NO. 2026-6-9

RESOLUTION NO. 2026-6-10

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

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

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

1. That the above recitals are true and correct;

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

3. That the effective date for the charges hereby adopted shall be October 1, 2026, and such charges shall be effective for Fiscal Year 2027;

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

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

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

PASSED AND APPROVED THIS 11TH DAY OF JUNE 2026.

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

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

SCHEDULE OF RATES AND CHARGES

1. Commencing on October 1, 2026, the Cities shall pay, in the aggregate, a monthly Mine charge of $37,932. The charge shall be payable on the twenty-fifth of the said month.

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

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

EXHIBIT "A" TO RESOLUTION NO. 2026-6-10

June 11, 2026

AGENDA ITEM NO. 15

SUBJECT: Resolution No. 2026-6-11, adopting and approving an Annual Transmission System Capital Budget for the Agency for the Fiscal Year October 1, 2026 through September 30, 2027; and resolving matters incidental and related thereto.

DISCUSSION: This Resolution adopts the FY27 Annual Transmission System Capital Budget.

BACKUP MATERIAL: None

ACTION REQUESTED: Consideration and action on Resolution No. 2026-6-11.

Lyndi Birkhead
6/3/2026

RESOLUTION NO. 2026-6-11

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") ADOPTING AND APPROVING A TRANSMISSION SYSTEM CAPITAL PLAN FOR THE FISCAL YEARS BEGINNING OCTOBER 1, 2026 AND ENDING SEPTEMBER 30, 2036 INCLUSIVE, ADOPTING AND APPROVING THE FIRST YEAR THEREOF AS THE ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2026 THROUGH SEPTEMBER 30, 2027, APPROPRIATING FUNDS AND PROVIDING FOR ADMINISTRATION OF THE ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, pursuant to Article VI, Section 7, of the Rules & Regulations, the City of Garland and the City of Denton, as Transmission Operators of the Agency, have prepared a Transmission System Capital Plan for the Fiscal Years beginning October 1, 2026 and ending September 30, 2036, inclusive, with the first year thereof designated the Annual Transmission System Capital Budget, as reflected on page 12 of the attached FY27 Budget Package;

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

WHEREAS, it is further the opinion of this Board that the first year of the Transmission Capital Plan should be adopted as the Annual Transmission System Capital Budget for Fiscal Year 2027 and funds appropriated therefore;

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

1. That the above recitals are true and correct;

2. That this Board of Directors of the Agency adopts and approves the Transmission Capital Plan for the Fiscal Years beginning October 1, 2026 and ending September 30, 2036, inclusive;

3. That this Board of Directors of the Agency adopts and approves the first year of the Transmission Capital Plan as the Annual Transmission System Capital Budget for the Fiscal Year October 1, 2026 through September 30, 2027, and further appropriates the funds therefore subject to the provisions of the Rules & Regulations and General Policy of the Agency;

4. That should any portion of this Resolution, the Fiscal Year 2027 Annual Transmission System Capital Budget, or the Transmission Capital Plan be declared invalid, the invalidity of that portion shall not affect the remainder of this Resolution, Annual Transmission System Capital Budget, or Transmission Capital Plan, which shall remain valid;

5. That the Fiscal Year 2027 Annual Transmission System Capital Budget is intended to satisfy the official intent requirements set forth in U.S. Internal Revenue Service Treasury Regulations Section 1.150-2;

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

PASSED AND APPROVED THIS 11th DAY OF JUNE 2026.

Andrew Nelson, President
Board of Directors
Texas Municipal Power Agency

ATTEST:

Tom Jefferies, Secretary
Board of Directors
Texas Municipal Power Agency

June 11, 2026

AGENDA ITEM NO. 16

SUBJECT: Resolution No. 2026-6-12, defining TMPA as an entity qualified to participate in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts and requesting approval for participation in the Program.

DISCUSSION: As part of the process of renewing TMPA's credit card program, TMPA must renew its SmartBuy membership. Texas SmartBuy is a membership program managed by the Texas Comptroller's office and serves as a trusted marketplace for governmental entities to streamline purchasing and reduce costs. Membership is a requirement of the new program. There is an annual fee of $100.

The attached form must be submitted to renew our membership. This form is in lieu of a traditional TMPA resolution.

BACKUP MATERIAL: None

ACTION REQUESTED: Consideration and action on Resolution No. 2026-6-12.

RESOLUTION NO. 2026-6-12

Texas SmartBuy Membership Program

Resolution

State of Texas, County of Brazos
(County Entity Located In)

Whereas, the Texas Comptroller of Public Accounts is authorized to provide purchasing services for local governments **pursuant to §§271.082 and 271.083 of the Local Government Code**.

Whereas, the Board of Directors
(Enter Board of Directors, City Council, Commissioner's Court, School Board, etc..)

of Texas Municipal Power Agency, is a:
(Enter Name of Qualified Applicant/Entity)

(Check One of the Following)

- ○ Appraisal District
- ○ Community Supervision/Corrections Department
- ○ County
- ○ Fire Prevention District
- ○ Judicial District
- ○ Library District
- ○ Municipality
- ○ State-funded Assistance Organization
- ✔ Special District
  - ○ Emergency Service
  - ○ Housing
  - ✔ Political Subdivision
  - ○ Port or Transportation Authority
- ○ Workforce Development Board
- ○ Charter/Academy School
- ○ Council of Governments/Planning Commissions
- ○ Education Service Center
- ○ Hospital District
- ○ Junior/Community College
- ○ Mental Health/Mental Disability Organization
- ○ School District
- ○ Texas Rising Star Care Provider
- ○ Utility District
  - ○ Drainage
  - ○ Municipal
  - ○ Special

defined as an entity qualified to participate in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts pursuant to §271.081 of the Local Government Code.

Susie Johnson, Executive Administrator and
Primary Contact and Title

Lyndi Birkhead, CFO/Director of Finance & Support Services
Secondary Contact and Title

is/are authorized to execute all documentation for Texas Municipal Power Agency *(Entity Name)* pertaining to its participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program; and

Whereas, Texas Municipal Power Agency *(Entity Name)* acknowledges its obligation to pay annual participation fees established by the Texas Comptroller of Public Accounts.

Now, Therefore Be it Resolved, that request be made to the Texas Comptroller of Public Accounts to approve Texas Municipal Power Agency *(Entity Name)* for participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program.

Adopted this ________ day of ____________, __________ by Texas Municipal Power Agency *(Entity Name)*

By: ______________________________
Signature of Chair

Andrew Nelson, TMPA Board President
Printed Name and Title of Chair

____
Signature of Primary Contact

Susie Johnson, Executive Administrator
Printed Name and Title of Primary Contact

____
Signature of Secondary Contact

Lyndi Birkhead, CFO/Director of Finance
Printed Name and Title of Secondary Contact

June 11, 2026

AGENDA ITEM NO. 17

SUBJECT: Future Meeting Dates

DISCUSSION: The date for the next regularly scheduled Board Committee meeting is September 10, 2026 in Greenville.

TENTATIVE	December 10, 2026
MEETING	March 11, 2027
DATES:	June 10, 2027

Daniel Meadows
6/5/2026