

## M-S-R Public Power Agency

MEETING OF THE COMMISSION  
Wednesday, February 17, 2021, 12:00 Noon  
WEBINAR DIGITAL PLATFORM OR PHONE MEETING

GoTo Meeting Information:

<https://global.gotomeeting.com/join/918266421>

Telephonic Meeting Information:

United States: +1 (646) 749-3122

Access Code: 918-266-421

### AGENDA

#### Distribution:

#### Commissioners &

#### Alternate Commissioners

#### Others

#### Modesto:

James McFall<sup>1</sup> (V.P.)

Martin Caballero (Alt)

Steve Gross

Alan Hockenson

Martin Hopper<sup>1</sup>

Scott Van Vuren

Jill De Jong

Ana Vigil

Cindy Worley

Toxie Buriss

Tameka Garnett

#### Santa Clara:

Ann Hatcher<sup>2</sup>

Basil Wong (Alt)

Kevin Kolnowski (Alt)

Manual Pineda (Alt)

#### Redding:

Dan Beans<sup>3</sup> (President)

Nick Zettel (Alt)

Valerie Ibarra<sup>3</sup>

Skylar Noetzel

---

<sup>1</sup> Please post agenda

<sup>2</sup> Please post agenda

<sup>3</sup> Please post agenda

## M-S-R Public Power Agency

MEETING OF THE COMMISSION  
Wednesday, February 17, 2021, 12:00 Noon

WEBINAR DIGITAL PLATFORM OR PHONE MEETING

GoTo Meeting Information:  
<https://global.gotomeeting.com/join/918266421>

Telephonic Meeting Information:

United States: +1 (646) 749-3122  
Access Code: 918-266-421

### AGENDA

M-S-R Public Power Agency meetings are currently being conducted via webinar for all representatives pursuant to Executive Orders signed by Governor Gavin Newsom related to the ongoing COVID-19 pandemic. Members of the public may join the Committee meeting by utilizing GoTo Meeting's webinar feature or through a phone line provided in the meeting agenda. Members of the public will continue to have the opportunity to provide public input via the webinar or phone features. Members of the public may also email their comments to the General Manager by 3 p.m. on the day prior to the Committee meeting. Public comment can be emailed to [msr.general.manager@gmail.com](mailto:msr.general.manager@gmail.com). All public comments submitted by email on time will be read during the Committee meeting in the public input section of the agenda. Any member of the public who desires to address the Committee on any item considered by the Committee at this meeting before or during the Committee's consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so.

CALL TO ORDER

ROLL CALL

#### **CONSENT ITEMS 1 – 7: (All items are approved by a single action)**

**There will be no separate discussion of those items unless an item is removed at the request of any Commissioner or member of the public. Those items removed will be separately considered at the end of the consent agenda.**

1. Minutes of November 18, 2020
2. Report of Summary invoices paid for November – December 2020 and January 2021 totaling \$22,124,839.05 (summary attached)
3. November 2020, December 2020 and January 2021 Treasurer's Reports (attached, Scott VanVuren)
4. Big Horn Wind Energy Project Operations Statistics Report (attached, Martin Hopper)
5. February 2021 WREGIS REC Transfers Status Report (attached, Martin Hopper)
6. February 2021 Outside Services Budget Versus Actual Report (attached, Martin Hopper)

7. 2021 Investment Policy Guidelines (attached, Scott VanVuren)

END OF CONSENT ITEMS

**ACTION ITEMS 8 - 11:**

8. Discussion and Possible Action Regarding General Manager's Report (attached, Martin Hopper)
9. Discussion and Possible Action Regarding Annual Election of Officers (attached, Martin Hopper)
10. Discussion and Possible Action Regarding 10-Year Resource Cost Forecasts (attached, Martin Hopper)
11. Discussion and Possible Action Regarding San Juan Generation Station Continuing Coverage Insurance (attached, Martin Hopper)

**CONVENE CLOSED SESSION:**

- a. Existing Litigation: Government Code §54956.9 (d)(1) – 3 Cases (NM-PRC 20-00222-UT, BPA BP-20E-BPA, BPA BP-22-BPA)
- b. Threat To Public Services Or Facilities: Government Code §54957 (a)
- c. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8, Property: Lake and River Stations and connecting pipelines and rights-of-way, CR 6800 N, Waterflow, NM 87421. Negotiating Parties: Public Service Company of New Mexico and United States Bureau of Reclamation. Agency Negotiators: Martin Hopper, General Manager and Steve Gross, General Counsel. Under Negotiation: Purchase/Sale/Exchange/Lease of Real Property (provisions, price and terms of payment)

**RECONVENE OPEN SESSION**

ANNOUNCEMENTS FOLLOWING CLOSED SESSION

MEMBER REPORTS

PUBLIC COMMENT

CONFIRM DATE AND TIME OF NEXT MEETING

ADJOURN

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.
--

**M-S-R PUBLIC POWER AGENCY  
DRAFT MINUTES  
MEETING OF THE COMMISSION  
NOVEMBER 18, 2020**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met for a regular meeting on November 18, 2020 via webinar for all representatives pursuant to Executive Orders signed by Governor Gavin Newsom related to the ongoing COVID-19 pandemic. Present from Modesto Irrigation District was James McFall and Martin Caballero; present from Santa Clara was Ann Hatcher; and present from Redding was Dan Beans. Also present were General Manager Martin Hopper, and General Counsel Steve Gross.

Mr. Beans called the meeting to order at 12:06 PM. A quorum was attained with the voting representatives being Mr. McFall, Ms. Hatcher, and Mr. Beans.

The Commission then considered approval of the Consent Calendar Items. It was moved by Commissioner McFall and seconded by Commissioner Hatcher to approve the Consent Calendar consisting of Items 1, 2, 3, 4, 5, 6, 7, 8, and 9 as listed below. Upon the call of the roll, the motion carried unanimously.

1. Minutes of September 30, 2020 and October 28, 2020 – approved.
2. Report of Summary invoices paid for September – October 2020 totaling \$12,270,688.82 – noted and filed.
3. September – October 2020 Treasurer’s Reports – accepted.
4. Big Horn Wind Energy Project Operations Statistics Report – noted and filed.
5. November 2020 WREGIS REC Transfers Status Report – noted and filed.
6. November 2020 Outside Services Budget Versus Actual Report – noted and filed.
7. Annual Review of SB 272 Catalog of Electronic Enterprise Systems – approved.
8. 2021 Extension of Professional Financial Advisor Services Agreement – approved.
9. Engagement Letter with Baker Tilly Virchow Krause, LLP for Independent Accountant Services – approved.

The General Manager provided a report on his activities and those of the General Consultant for the past month. Mr. Hopper also reported on the proposed acquisition of PNM by Avangrid. He noted potential benefits of the transaction that may support the Agency's clean-break desires regarding San Juan Project Legacy Liabilities. Future actions by the Agency in the review and approval process for the transaction will be presented to the Commission as needed.

Mr. Hopper then presented the proposed 2021 M-S-R PPA Budget. Mr. Hopper noted the proposed budget shows reductions in controllable costs associated with Agency administrative and general functions and with regulatory and compliance activities. Mr. Hopper also noted that the Budget Staff Report includes tabulations of the status of the Agency's Strategic Reserves established pursuant to the recently adopted Working Capital Policy. The Commissioners noted their appreciation of the on-going cost reductions and requested the General Manager continue to diligently reduce expenses where prudent and possible. It was moved by Commissioner McFall and seconded by Commissioner Hatcher to adopt the proposed 2021 M-S-R PPA Annual Budget. Upon the call of the roll, the motion carried unanimously.

The Commission then reviewed the proposed schedule of meetings of the Commission, Technical Committee, and Financial Management Committee for 2021. Mr. Hopper noted that dates have been coordinated with other entities to avoid scheduling conflicts and all meetings are assumed to occur virtually until otherwise determined. Mr. Hopper also indicated Outlook appointments will be issued for all noticed meetings for the Commissioner's convenience. It was moved by Commissioner Hatcher and seconded by Commissioner McFall to adopt the proposed 2021 M-S-R PPA Meeting Schedule. Upon the call of the roll, the motion carried unanimously.

The Commission then retired into Closed Session pursuant to Government Code Section 54956.9(d)(1) – Conference with Legal Counsel – Existing Litigation – 2 Cases (BP-20E-BPA and BP-22-BPA), pursuant to Government Code Section 54957 (a) – Threat To Public Services or Facilities, pursuant to Government Code Section 54956.8 –

Conference with Real Property Negotiator – Property: Lake and River Stations and connecting pipelines and rights-of-way, CR 6800 N, Waterflow, NM 87421 – Negotiating Parties: Public Service Company of New Mexico and United States Bureau of Reclamation – Agency Negotiators: Martin Hopper, General Manager and Steve Gross, General Counsel – Under Negotiation: Purchase/Sale/Exchange/Lease of Real Property (provisions, price and terms of payment) and pursuant to Government Code Section 54957 – Public Employee Performance Evaluation – General Manager at 12:26 P.M. Upon the conclusion of the Closed Session at 1:12 P.M., General Counsel indicated there were no reportable items.

The Commission then considered an annual performance bonus for the General Manager. The Commission noted that Mr. Hopper had met or exceeded all Commission expectations and that it was appropriate to recognize his accomplishments over the past year. It was moved by Commissioner McFall and seconded by Commissioner Hatcher to approve an annual performance bonus as specified in Section 1 of Amendment 8 to Amended and Restated Management Services Agreement with Martin Hopper Energy Consulting (Management Services Agreement) for Mr. Hopper in the amount of 5% of the annual sum of the Monthly Fee specified in Section 4 (a) of the Management Services Agreement, payable on or before December 31, 2020. Upon the call of the roll, the motion carried unanimously.

The Chair then called for Member Reports. Mr. McFall noted MID's new General Manager, Bill Schwandt, will assume office on December 1, 2020. Ms. Hatcher noted that the Santa Clara City Council will have four new members and that their Joint Powers Agency Liaison, Council Member Teresa O'Neill, was not re-elected. Mr. Beans noted the Redding City Council will have one new member, but the electric utility liaison will remain Council Member Kristen Schreder.

The Chair then called for Public Comment and there being none, the Chair announced the next regular meeting of the Commission will be held virtually on Wednesday, February 17, 2021 at 12:00 Noon. The meeting was adjourned by the Chair at 1:17 P.M.

Martin R Hopper  
Assistant Secretary

DRAFT

**M-S-R Public Power Agency**  
**Report of Summary Invoices Paid**  
**November and December 2020 and January 2021**

<b>Payee</b>	<b>Description</b>	<b>Period Covered</b>	<b>Amount</b>
MID	Accounting and Coordination	Sep-20	\$ 43,336.28
Law Offices of Susie Berlin	Legal Services	Sep-20	\$ 2,724.00
Martin Hopper Energy	General Manager Services	Oct-20	\$ 20,132.91
Duncan, Weinberg, Genzer & Pemb	Legal Services	Sep-20	\$ 19,671.25
Porter Simon	General Legal Services	Oct-20	\$ 2,178.00
WREGIS	Transfer Volume Fee	Oct-20	\$ 235.33
KBT, LLC	Consulting Services	Oct-20	\$ 9,938.00
MID	GMEI Utility Maintenance	Oct-20	\$ 91.00
Westmoreland/San Juan Coal Com	Amended and Restated MRTFA	Oct-20	\$ 71,664.32
PNM	Exiting Participant's Insurance Coverage	Oct-20	\$ 15,567.87
PNM	San Juan MRTFA O&M - A&G Statement	Oct-20	\$ 3,130.15
ME SJ Operating	San Juan Decommissioning and Trust Fund Ac	Oct-20	\$ 337.38
Guidehouse	Commission Meeting Catering	Feb-20	\$ 426.69
US Bank NA	Debt Service Series 2018R	Oct-20	\$ 2,308,025.71
Avangrid Big Horn Wind Project	Firm Energy	Oct-20	\$ 3,075,848.26
Avangrid Renewables	Shaping Fee	Oct-20	\$ 578,450.81
Avangrid Renewables	Big Horn 2 Contract Power	Oct-20	\$ 212,442.72
Avangrid Renewables	Big Horn 2 Contract Power-Managed	Oct-20	\$ 1,491,855.43
MID	Accounting and Coordination	Oct-20	\$ 43,336.28
Law Offices of Susie Berlin	Legal Services	Oct-20	\$ 1,989.00
Martin Hopper Energy	General Manager Services	Nov-20	\$ 31,454.37
Duncan, Weinberg, Genzer & Pemb	Legal Services	Oct-20	\$ 24,528.50
Porter Simon	General Legal Services	Nov-20	\$ 1,782.00
US Bank NA	Fee Payment Series San Juan Reclamation Tr	Nov-20	\$ 4,000.00
US Bank NA	Fee Payment Series 2018R	Nov-20	\$ 2,800.00
Westmoreland/San Juan Coal Com	Amended and Restated MRTFA	Nov-20	\$ 68,605.12
WREGIS	Transfer Volume Fee	Nov-20	\$ 230.21
KBT, LLC	Consulting Services	Nov-20	\$ 8,392.00
Avangrid Big Horn Wind Project	Firm Energy	Nov-20	\$ 2,882,702.51
Avangrid Renewables	Shaping Fee	Nov-20	\$ 552,415.79
Avangrid Renewables	Big Horn 2 Contract Power	Nov-20	\$ 220,112.31
Avangrid Renewables	Big Horn 2 Contract Power-Managed	Nov-20	\$ 1,550,189.62
PNM	San Juan MRTFA O&M - A&G Statement	Nov-20	\$ 5,242.69
US Bank NA	Debt Service Series 2018R	Nov-20	\$ 2,308,025.71
Duncan, Weinberg, Genzer & Pemb	Legal Services	Nov-20	\$ 16,931.50
Law Offices of Susie Berlin	Legal Services	Nov-20	\$ 3,939.00
Martin Hopper Energy	General Manager Services	Dec-20	\$ 20,065.97
Westmoreland/San Juan Coal Com	Amended and Restated MRTFA	Dec-20	\$ 42,995.77
WREIGS	Transfer Volume Fee	Jan-21	\$ 321.02
Avangrid Big Horn Wind Project	Firm Energy	Dec-20	\$ 2,181,327.16
Avangrid Renewables	Shaping Fee	Dec-20	\$ 505,039.95
Avangrid Renewables	Big Horn 2 Contract Power	Dec-20	\$ 217,192.48
Avangrid Renewables	Big Horn 2 Contract Power-Managed	Dec-20	\$ 1,209,639.81
KBT, LLC	Consulting Services	Dec-20	\$ 13,702.00
MID	Accounting and Coordination	Nov-20	\$ 43,336.28
US Bank NA	Debt Service Series 2018R	Jan-21	\$ 2,308,322.64
ME SJ Operating	San Juan Decommissioning and Trust Fund Ac	Dec-20	\$ 163.25

**To Commission February 17, 2021**

**\$22,124,839.05**



The background features three blue circles of varying sizes, each with a white ring around its center. These circles are connected by thin lines: a light green line from the top left to the middle circle, a light grey line from the top left to the top circle, and a gold line from the top right to the bottom circle. The bottom circle is partially cut off by the right edge of the page.

# Treasurer's Report

NOVEMBER 2020



**M-S-R Public Power Agency  
Treasurer's Report  
Index**

Treasurer's Report for the Month of November 2020

Investment Portfolio Pie Chart

MSR / LAIF / US Treasury 2-Year

Average Maturity Report

General Fund:

    Portfolio Summary

    Portfolio Details – Investments

    Portfolio Details – Cash

    Investment Status Report – Investments

    Investment Status Report – Cash

    Activity by Type

    Activity Report LAIF

Trust Funds:

    Portfolio Summary

    Portfolio Details – Investments

    Portfolio Details – Cash

    Investment Status Report – Investments

    Investment Status Report – Cash

    Activity by Type

    Received Interest

    Maturity Report

    Realized Gains and Losses

**MSR PUBLIC POWER AGENCY  
TREASURER'S REPORT  
FOR THE MONTH OF NOVEMBER 2020**

**FUND BALANCES**

	10/31/2020			11/30/2020	11/30/2020 Reserves:	11/30/2020	Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Mkt Value*	Mkt. Value*	
<u>UNRESTRICTED FUNDS</u>							
General Fund	39,946,465	0	0	39,360,785			
Debt Service Coverage Revolving Fund	825,000	275,000	0	1,100,000			
	40,771,465	7,473,284	7,783,963	40,460,785		40,460,785	0
<u>RESTRICTED FUNDS</u>							
MSR 2018 Series R	9,368,104	4,616,022	2,307,780	11,676,347	0	11,676,347	0
MSR SJ Coal Reclamation Trust	17,272,383	3,022,545	3,028,464	17,266,464	0	17,306,905	40,441
MSR SJ Decommissioning Trust	2,191,852	64	337	2,191,578	0	2,191,578	0
	28,832,339	7,638,632	5,336,582	31,134,389	0	31,174,830	40,441
<b>TOTAL FUNDS</b>	<b>69,603,804</b>	<b>15,111,916</b>	<b>13,120,545</b>	<b>71,595,174</b>	<b>0</b>	<b>71,635,615</b>	<b>40,441</b>

**CASH & INVESTMENTS**

DEMAND ACCOUNTS

Union Bank - General Fund

94,596

INVESTMENTS (See Attached)

	Standard per Gov't Code	Actual	
Bankers Acceptances	40%	0.0%	0
Certificates of Deposit(Coll./Ins.)	No Limit	0.0%	0
Commercial Paper(A1/P1)	25%	0.0%	0
Corporate Notes-Medium Term	30%	0.0%	0
Federal Agencies	No Limit	5.2%	3,700,000
Local Agency Investment Fund	\$75,000,000	56.5%	40,378,968
Money Market Accounts	No Limit	38.4%	27,434,389
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	0.0%	0
<b>TOTAL INVESTMENTS</b>		<u>100.0%</u>	<u>71,513,357</u>

Add: Deposits in transit

0

Less: Outstanding checks

(12,778)

**TOTAL CASH & INVESTMENTS**

71,595,174

\* Source of Market Value Information is US Bank, Union Bank, and Bloomberg Financial Systems

We certify that this statement is a true and correct record of transactions in the Treasury since the prior report. The agency has sufficient liquid assets on deposit to meet its obligations over the next 6 months. All investments are in compliance with the agency's investment policy guidelines.

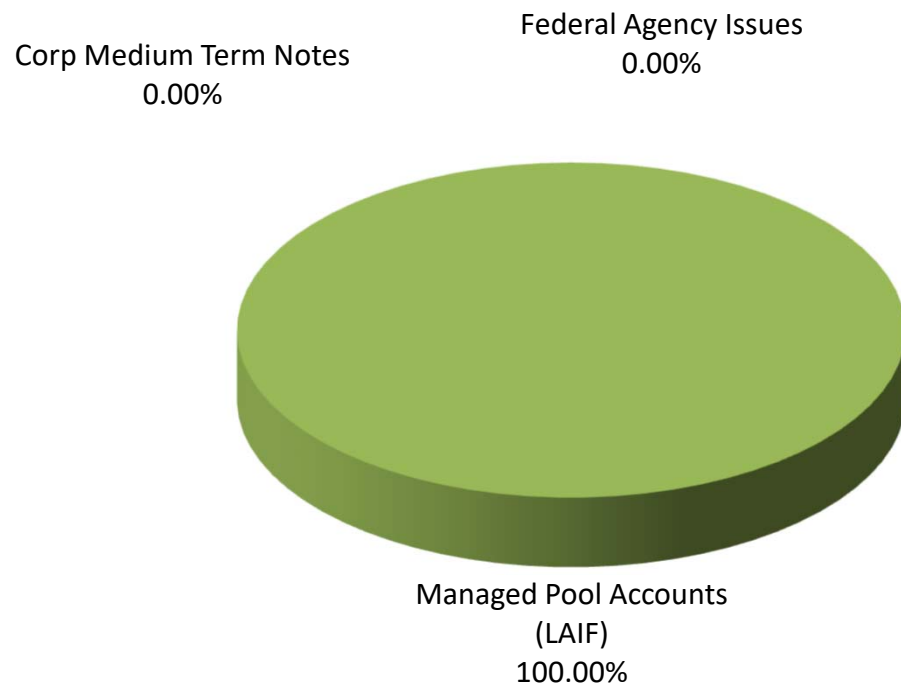


Scott Van Vuren -- Treasurer

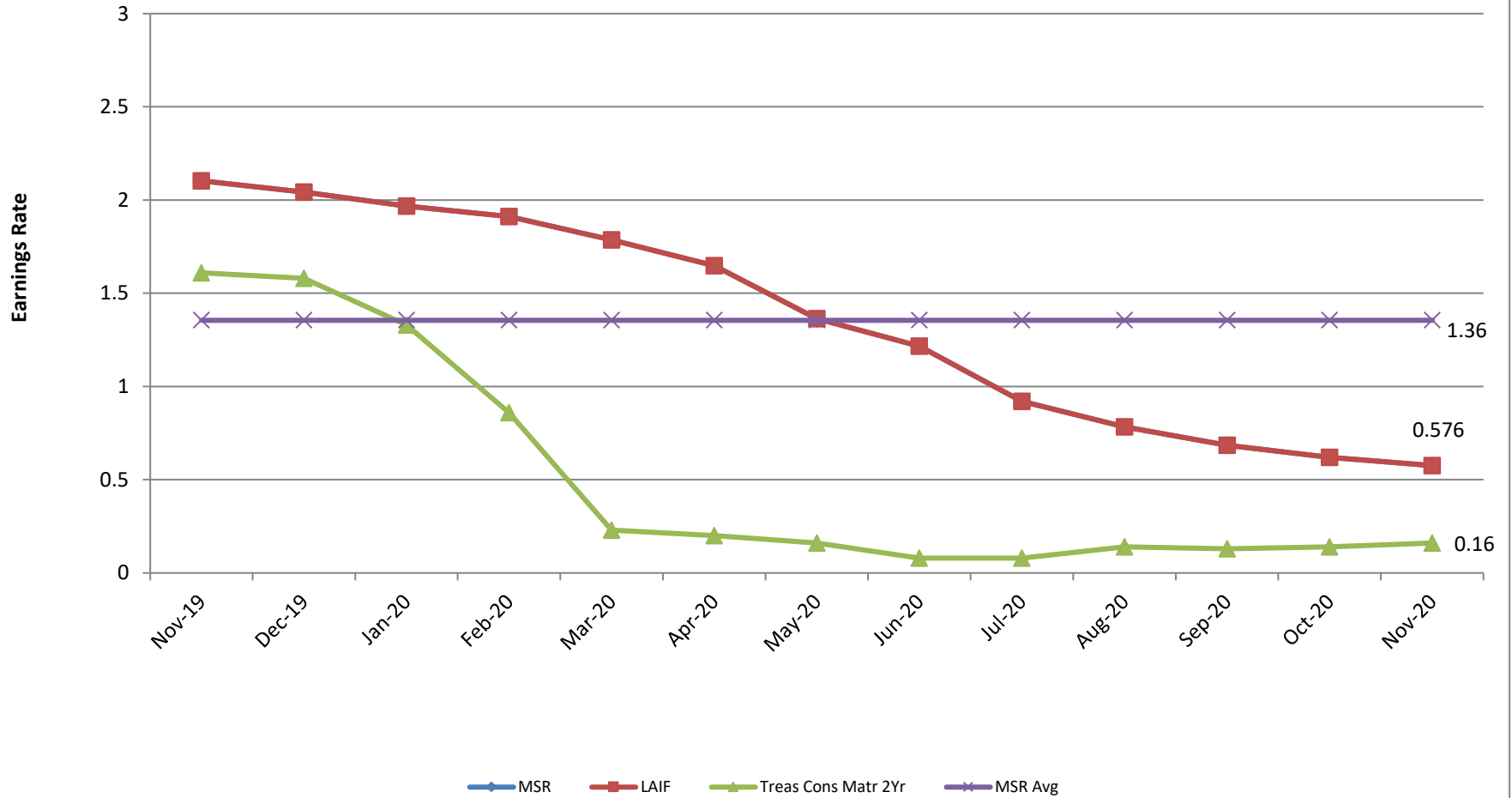


Ana Vigil -- Assistant Treasurer

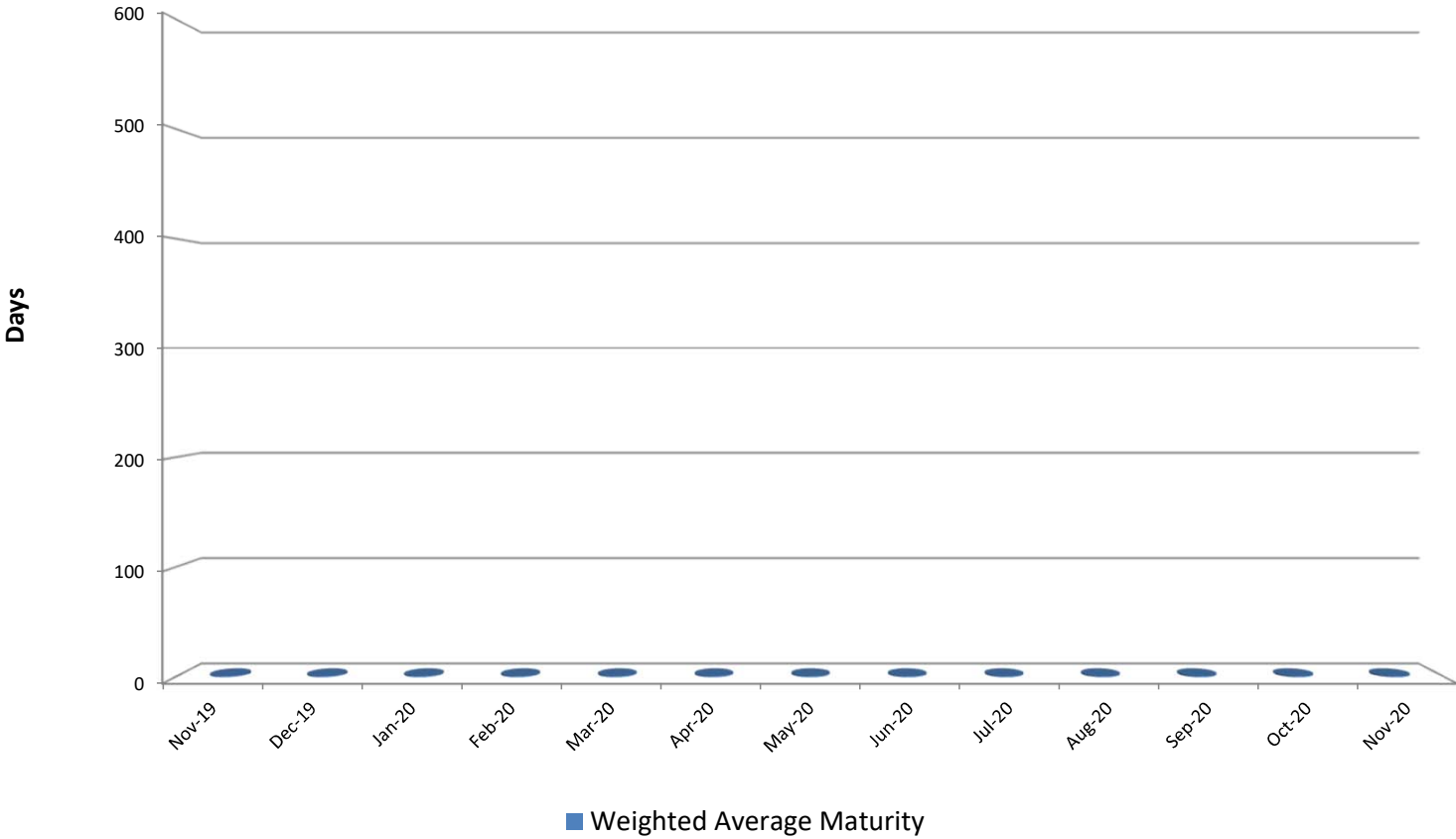
# M-S-R Public Power Agency Investment Portfolio November 2020



# MSR / LAIF / US Treasury 2-Year November 2020



# General Fund Portfolio Average Maturity Report





**MSR Public Power Agency**  
**Portfolio Management**  
**Portfolio Summary**  
**November 30, 2020**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Managed Pool Accounts	40,378,967.73	40,378,967.73	40,378,967.73	100.00	1	1	0.576
<b>Investments</b>	<b>40,378,967.73</b>	<b>40,378,967.73</b>	<b>40,378,967.73</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>0.576</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	81,817.50	81,817.50	81,817.50		1	1	0.000
<b>Total Cash and Investments</b>	<b>40,460,785.23</b>	<b>40,460,785.23</b>	<b>40,460,785.23</b>		<b>1</b>	<b>1</b>	<b>0.576</b>

<b>Total Earnings</b>	<b>November 30 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	19,116.40	482,811.08
<b>Average Daily Balance</b>	<b>40,761,108.59</b>	
<b>Effective Rate of Return</b>	<b>0.57%</b>	

Scott Van Vuren, Treasurer

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
November 30, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	Local Agency Investment Fund			40,378,967.73	40,378,967.73	40,378,967.73	0.576		0.576	1	
		<b>Subtotal and Average</b>	<b>40,378,967.73</b>		<b>40,378,967.73</b>	<b>40,378,967.73</b>	<b>40,378,967.73</b>			<b>0.576</b>	<b>1</b>	
		<b>Total and Average</b>	<b>40,761,108.59</b>		<b>40,378,967.73</b>	<b>40,378,967.73</b>	<b>40,378,967.73</b>			<b>0.576</b>	<b>1</b>	



**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Cash  
November 30, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYSGENERAL FUND	GENERAL	Union Bank of California		01/01/1999	81,817.50	81,817.50	81,817.50			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>40,761,108.59</b>		<b>40,460,785.23</b>	<b>40,460,785.23</b>	<b>40,460,785.23</b>			<b>0.576</b>	<b>1</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
November 30, 2020**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	LAIF	40,378,967.73	0.576			0.568	0.576	01/15 - Quarterly		40,378,967.73	40,378,967.73
<b>Managed Pool Accounts Totals</b>			<b>40,378,967.73</b>				<b>0.568</b>	<b>0.576</b>		<b>0.00</b>	<b>40,378,967.73</b>	<b>40,378,967.73</b>
<b>Investment Totals</b>			<b>40,378,967.73</b>				<b>0.568</b>	<b>0.576</b>		<b>0.00</b>	<b>40,378,967.73</b>	<b>40,378,967.73</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
November 30, 2020**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYSGENERAL FUND	GENERAL	UBC	81,817.50		01/01/1999	0.000	0.000		/ - Monthly		81,817.50	81,817.50
<b>Cash Totals</b>			<b>81,817.50</b>							<b>0.00</b>	<b>81,817.50</b>	<b>81,817.50</b>
<b>Total Cash and Investments</b>			<b>40,460,785.23</b>			<b>0.568</b>	<b>0.576</b>			<b>0.00</b>	<b>40,460,785.23</b>	<b>40,460,785.23</b>

**MSR Public Power Agency  
Portfolio Management  
Activity By Type  
November 1, 2020 through November 30, 2020**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
<b>Managed Pool Accounts (Monthly Summary)</b>								
		<b>Subtotal</b>	<b>40,378,967.73</b>					<b>40,378,967.73</b>
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL	Union Bank of California				0.00	310,679.34	
		<b>Subtotal</b>	<b>392,496.84</b>			<b>0.00</b>	<b>310,679.34</b>	<b>81,817.50</b>
		<b>Total</b>	<b>40,771,464.57</b>			<b>0.00</b>	<b>310,679.34</b>	<b>40,460,785.23</b>



**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**November 1, 2020 - November 30, 2020**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Issuer: Local Agency Investment Fund</b>									
<b>Managed Pool Accounts</b>									
				Subtotal and Balance					40,378,967.73
				Issuer Subtotal	99.798%		0.00	0.00	40,378,967.73
				Total			0.00	0.00	40,378,967.73



**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Summary  
November 30, 2020**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues - Coupon	3,700,000.00	3,740,441.00	3,700,000.00	100.00	1,826	302	1.450
<b>Investments</b>	<b>3,700,000.00</b>	<b>3,740,441.00</b>	<b>3,700,000.00</b>	<b>100.00%</b>	<b>1,826</b>	<b>302</b>	<b>1.450</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	27,434,389.10	27,434,389.10	27,434,389.10		1	1	0.030
<b>Total Cash and Investments</b>	<b>31,134,389.10</b>	<b>31,174,830.10</b>	<b>31,134,389.10</b>		<b>1,826</b>	<b>302</b>	<b>1.450</b>

<b>Total Earnings</b>	<b>November 30 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	51,855.79	222,080.14
<b>Average Daily Balance</b>	<b>29,267,772.39</b>	
<b>Effective Rate of Return</b>	<b>2.16%</b>	

\_\_\_\_\_  
Scott Van Vuren, Treasurer

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Investments  
November 30, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3136G36J9	17314	Federal Nat'l Mig. Assoc.		09/29/2016	3,700,000.00	3,740,441.00	3,700,000.00	1.450		1.450	302	09/29/2021
		<b>Subtotal and Average</b>	<b>6,558,240.00</b>		<b>3,700,000.00</b>	<b>3,740,441.00</b>	<b>3,700,000.00</b>			<b>1.450</b>	<b>302</b>	
		<b>Total and Average</b>	<b>29,267,772.39</b>		<b>3,700,000.00</b>	<b>3,740,441.00</b>	<b>3,700,000.00</b>			<b>1.450</b>	<b>302</b>	

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
November 30, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust			13,566,464.16	13,566,464.16	13,566,464.16	0.030		0.030	1
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust			84,796.71	84,796.71	84,796.71	0.030		0.030	1
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust			1,075,172.16	1,075,172.16	1,075,172.16	0.030		0.030	1
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust			10,516,377.92	10,516,377.92	10,516,377.92	0.030		0.030	1
SYS776003 MONEY	776003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust			2,191,578.15	2,191,578.15	2,191,578.15	0.030		0.030	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>29,267,772.39</b>		<b>31,134,389.10</b>	<b>31,174,830.10</b>	<b>31,134,389.10</b>			<b>1.450</b>	<b>302</b>



**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
November 30, 2020**

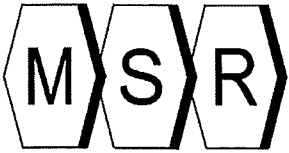
CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Federal Agency Issues - Coupon</b>												
3136G36J9	17314	FNMA	3,700,000.00	1.450	09/29/202	09/29/2016	1.430	1.450	03/29 - 09/29		3,700,000.00	3,700,000.00
<b>Federal Agency Issues - Coupon Totals</b>			<b>3,700,000.00</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>3,700,000.00</b>	<b>3,700,000.00</b>
<b>Investment Totals</b>			<b>3,700,000.00</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>3,700,000.00</b>	<b>3,700,000.00</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
November 30, 2020**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS33000MONEY	33000MONEY	USBANK	13,566,464.16	0.030			0.030	0.030	09/01 - Monthly		13,566,464.16	13,566,464.16
SYS7000MONEY	7000MONEY	USBANK	0.00	0.030			0.030	0.030	01/01 - Monthly		0.00	0.00
SYS776000 MONEY	776000 MONEY	USBANK	84,796.71	0.030			0.030	0.030	08/01 - Monthly		84,796.71	84,796.71
SYS776001 MONEY	776001 MONEY	USBANK	1,075,172.16	0.030			0.030	0.030	08/01 - Monthly		1,075,172.16	1,075,172.16
SYS776002 MONEY	776002 MONEY	USBANK	10,516,377.92	0.030			0.030	0.030	08/01 - Monthly		10,516,377.92	10,516,377.92
SYS776003 MONEY	776003 MONEY	USBANK	0.00	0.030			0.030	0.030	07/01 - Monthly		0.00	0.00
SYS8000MONEY	8000MONEY	USBANK	0.00	0.030			0.030	0.030	01/01 - Monthly		0.00	0.00
SYS88000MONEY	88000 MONEY	USBANK	2,191,578.15	0.030			0.030	0.030	04/01 - Monthly		2,191,578.15	2,191,578.15
<b>Cash Totals</b>			<b>27,434,389.10</b>							<b>0.00</b>	<b>27,434,389.10</b>	<b>27,434,389.10</b>
<b>Total Cash and Investments</b>			<b>31,134,389.10</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>31,134,389.10</b>	<b>31,134,389.10</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Activity By Type  
November 1, 2020 through November 30, 2020**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust		0.030		3,022,545.20	71,664.32	
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust		0.030		2,308,028.17	2,307,779.94	
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust		0.030		214,774.06	0.00	
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust		0.030		2,093,220.10	0.00	
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		0.030		64.02	337.38	
		<b>Subtotal</b>	<b>22,175,539.19</b>			<b>7,638,631.55</b>	<b>2,379,781.64</b>	<b>27,434,389.10</b>
<b>Federal Agency Issues - Coupon</b>								
3135G0F73	17244	Federal Nat'l Mtg. Assoc.		1.500	11/30/2020	0.00	2,956,800.00	
		<b>Subtotal</b>	<b>6,656,800.00</b>			<b>0.00</b>	<b>2,956,800.00</b>	<b>3,700,000.00</b>
		<b>Total</b>	<b>28,832,339.19</b>			<b>7,638,631.55</b>	<b>5,336,581.64</b>	<b>31,134,389.10</b>



**MSR Public Power Agency Trust**  
**Received Interest**  
**Sorted by Date Received**  
**Received November 1, 2020 - November 30, 2020**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

Date Received	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Due	Date Received	Interest		Variance
								Amount Due	Amount Received	
November 2020	3135G0F73	17244	FAC	3,000,000.00	1.500	11/30/2020	11/30/2020	22,500.00	22,500.00	-
							<b>Subtotal</b>	<b>22,500.00</b>	<b>22,500.00</b>	
							<b>Total</b>	<b>22,500.00</b>	<b>22,500.00</b>	
							<b>Total Cash Overpayment</b>	<b>0.00</b>		
							<b>Total Cash Shortfall</b>	<b>0.00</b>		

**MSR Public Power Agency Trust**  
**Received Interest**  
**Received November 1, 2020 - November 30, 2020**

Date Received	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest	
						Date Received	Amount Received
<b>Cash Accounts</b>							
<b>November 2020</b>	SYS33000MONEY	33000MONEY	PA1	10,543,964.16	0.030	11/02/2020	45.20
	SYS776000 MONEY	776000 MONEY	PA1	84,796.71	0.030	11/02/2020	2.46
	SYS776001 MONEY	776001 MONEY	PA1	1,075,172.16	0.030	11/02/2020	19.83
	SYS776002 MONEY	776002 MONEY	PA1	10,516,377.92	0.030	11/02/2020	194.39
	SYS88000MONEY	88000 MONEY	PA1	2,191,915.53	0.030	11/02/2020	64.02
						<b>Subtotal</b>	<b>325.90</b>
						<b>Total</b>	<b>325.90</b>



**MSR Public Power Agency Trust  
Maturity Report**

**Sorted by Maturity Date**

**Amounts due during November 1, 2020 - November 30, 2020**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
3135G0F73	17244	33000	FAC	FNMA	3,000,000.00	11/30/2020	11/30/2015	1.500	2,956,800.00	22,500.00	3,022,500.00	65,700.00
<b>Total Maturities</b>					<b>3,000,000.00</b>				<b>2,956,800.00</b>	<b>22,500.00</b>	<b>3,022,500.00</b>	<b>65,700.00</b>



**MSR Public Power Agency Trust  
Realized Gains and Losses  
Sorted By Maturity/Sale/Call Date**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

**Sales/Calls/Maturities: November 1, 2020 - November 30, 2020**

<u>Investment #</u>	<u>Inv. Type</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Sale Date</u>	<u>Days Held</u>							
<u>Issuer</u>			<u>Current Rate</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Book Value</u>	<u>Maturity/Sale Proceeds</u>	<u>Realized Gain/Loss</u>	<u>Total Earnings</u>	<u>Total Net Earnings</u>	<u>Total Yield</u>	<u>365</u>
17244	FAC	11/30/2015	3,000,000.00	11/30/2020	1,827	2,956,800.00	3,000,000.00	43,200.00	225,000.00	268,200.00	1.812	
Federal Nat'l Mtg. Assoc.			1.500	11/30/2020	1,827							
<b>Total Realized Gains/Losses</b>						<b>2,956,800.00</b>	<b>3,000,000.00</b>	<b>43,200.00</b>	<b>225,000.00</b>	<b>268,200.00</b>	<b>1.812</b>	

A decorative graphic on the right side of the page features three blue circles of varying sizes. The largest circle is at the top right, a medium-sized one is in the center, and another large one is at the bottom right. Thin lines in light green, grey, and gold extend from the top left towards these circles.

# Treasurer's Report

DECEMBER 2020





**M-S-R Public Power Agency  
Treasurer's Report  
Index**

Treasurer's Report for the Month of December 2020

Investment Portfolio Pie Chart

MSR / LAIF / US Treasury 2-Year

Average Maturity Report

Quarterly Comparison – Fourth Quarter

General Fund:

    Portfolio Summary

    Portfolio Details – Investments

    Portfolio Details – Cash

    Investment Status Report – Investments

    Investment Status Report – Cash

    Activity by Type

    Activity Report LAIF

Trust Funds:

    Portfolio Summary

    Portfolio Details – Investments

    Portfolio Details – Cash

    Investment Status Report – Investments

    Investment Status Report – Cash

    Activity by Type

    Received Interest

    Realized Gains and Losses

**MSR PUBLIC POWER AGENCY  
TREASURER'S REPORT  
FOR THE MONTH OF DECEMBER 2020**

**FUND BALANCES**

	11/30/2020			12/31/2020	12/31/2020	12/31/2020	Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Reserves: Mkt Value*	Mkt. Value*	
<u>UNRESTRICTED FUNDS</u>							
General Fund	39,360,785	0	0	39,318,448			
Debt Service Coverage Revolving Fund	1,100,000	275,000	0	1,375,000			
	40,460,785	7,994,954	7,762,292	40,693,448		40,693,448	0
<u>RESTRICTED FUNDS</u>							
MSR 2018 Series R	11,676,347	4,616,029	2,307,780	13,984,596	0	13,984,596	0
MSR SJ Coal Reclamation Trust	17,266,464	44	68,605	17,197,903	0	17,233,756	35,853
MSR SJ Decommissioning Trust	2,191,578	49	0	2,191,628	0	2,191,628	0
	31,134,389	4,616,122	2,376,385	33,374,126	0	33,409,979	35,853
<b>TOTAL FUNDS</b>	<b>71,595,174</b>	<b>12,611,077</b>	<b>10,138,677</b>	<b>74,067,574</b>	<b>0</b>	<b>74,103,427</b>	<b>35,853</b>

**CASH & INVESTMENTS**

DEMAND ACCOUNTS  
Union Bank - General Fund

448,102

INVESTMENTS (See Attached)

	Standard per Gov't Code	Actual	
Bankers Acceptances	40%	0.0%	0
Certificates of Deposit(Coll./Ins.)	No Limit	0.0%	0
Commercial Paper(A1/P1)	25%	0.0%	0
Corporate Notes-Medium Term	30%	0.0%	0
Federal Agencies	No Limit	5.0%	3,700,000
Local Agency Investment Fund	\$75,000,000	54.7%	40,253,968
Money Market Accounts	No Limit	40.3%	29,674,126
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	0.0%	0
<b>TOTAL INVESTMENTS</b>		<u>100.0%</u>	<u>73,628,094</u>

Add: Deposits in transit 0  
Less: Outstanding checks (8,622)

**TOTAL CASH & INVESTMENTS**

74,067,574

\* Source of Market Value Information is US Bank, Union Bank, and Bloomberg Financial Systems

We certify that this statement is a true and correct record of transactions in the Treasury since the prior report. The agency has sufficient liquid assets on deposit to meet its obligations over the next 6 months. All investments are in compliance with the agency's investment policy guidelines.

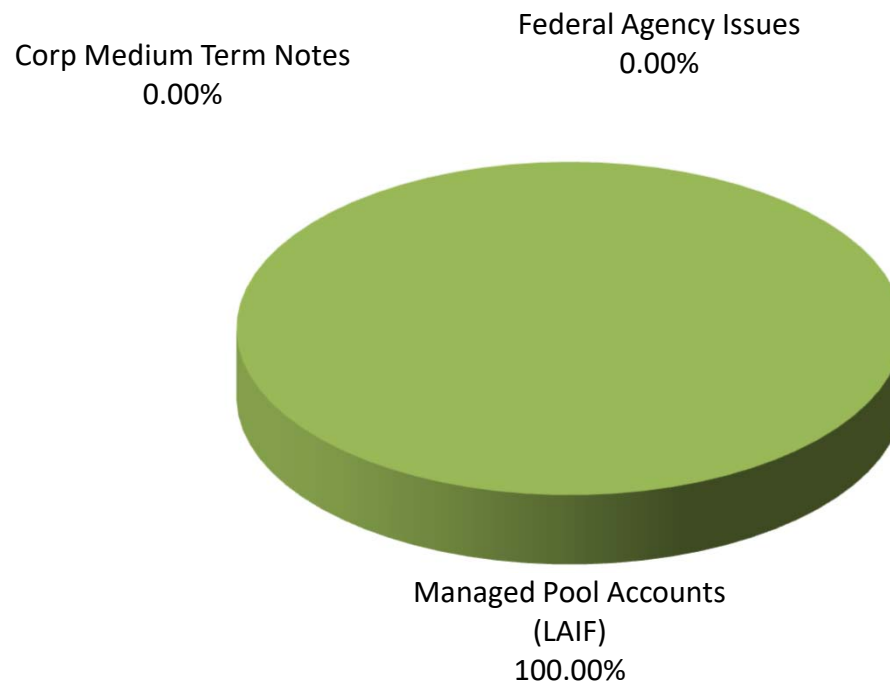


Scott Van Vuren -- Treasurer

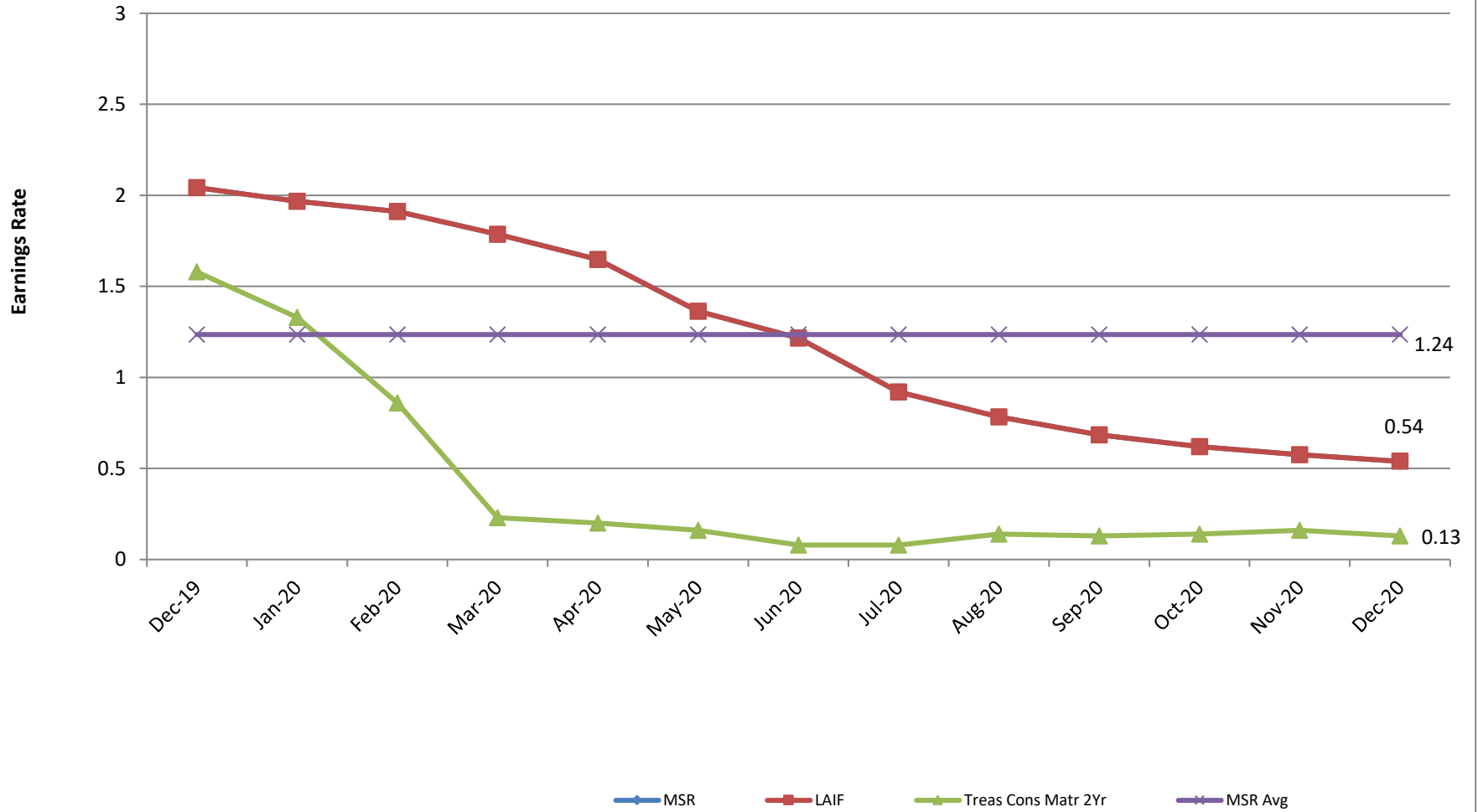


Ana Vigil -- Assistant Treasurer

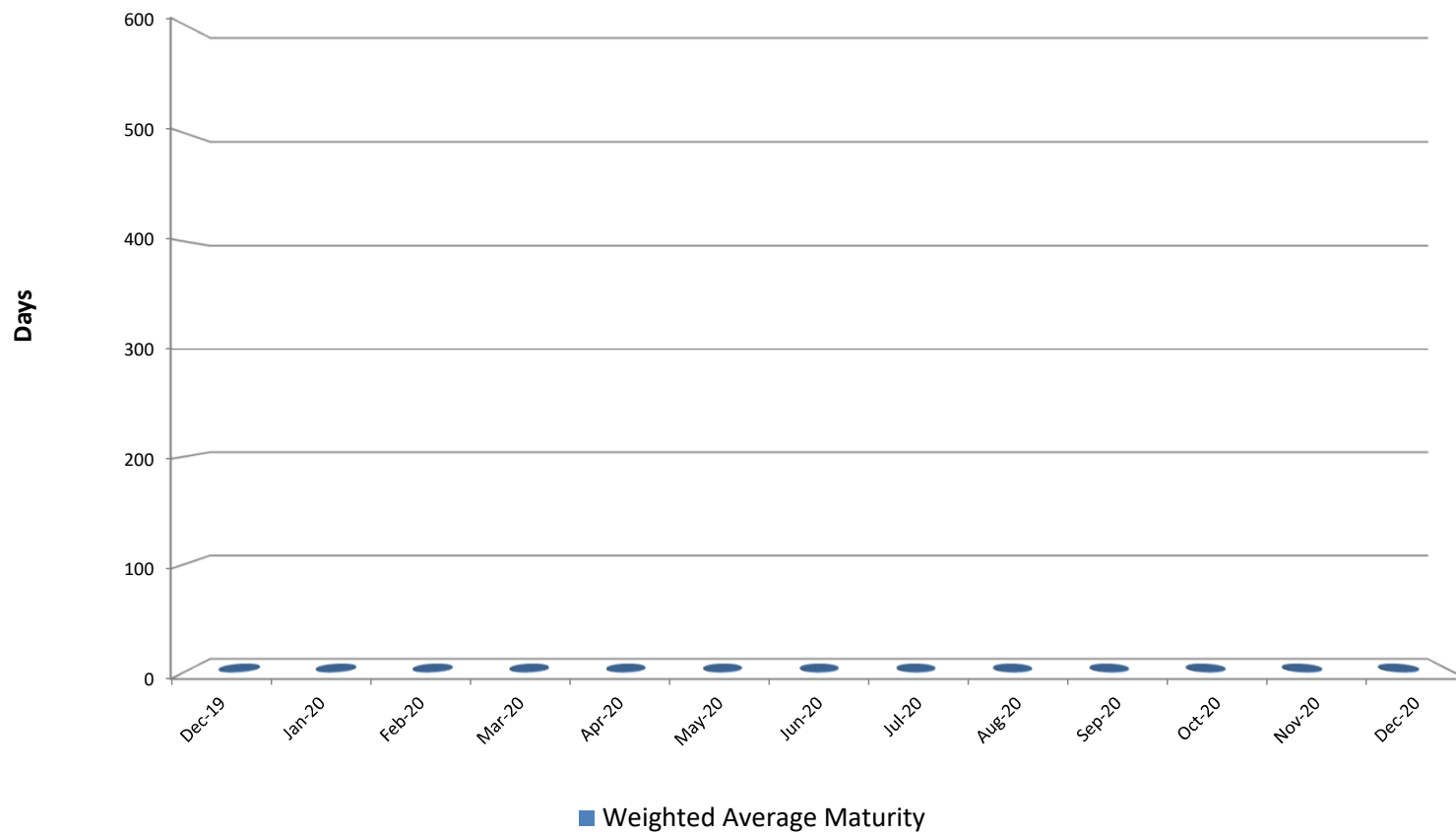
# M-S-R Public Power Agency Investment Portfolio December 2020



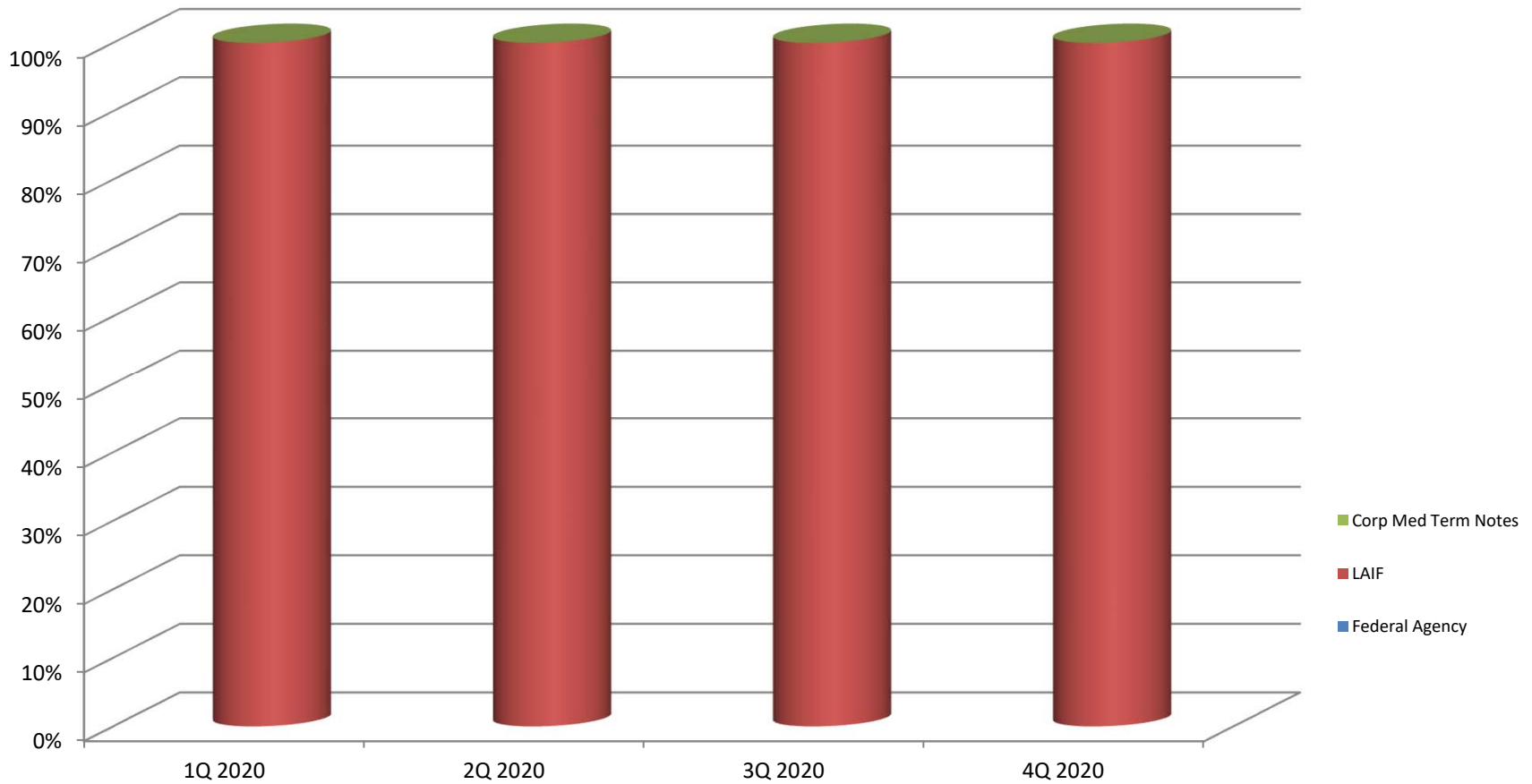
# MSR / LAIF / US Treasury 2-Year December 2020



## General Fund Portfolio Average Maturity Report



# M-S-R Public Power Agency Investment Portfolio Quarterly Comparison Fourth Quarter 2020





**MSR Public Power Agency  
Portfolio Management  
Portfolio Summary  
December 31, 2020**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Managed Pool Accounts	40,253,967.73	40,253,967.73	40,253,967.73	100.00	1	1	0.540
<b>Investments</b>	<b>40,253,967.73</b>	<b>40,253,967.73</b>	<b>40,253,967.73</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>0.540</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	439,479.97	439,479.97	439,479.97		1	1	0.000
<b>Total Cash and Investments</b>	<b>40,693,447.70</b>	<b>40,693,447.70</b>	<b>40,693,447.70</b>		<b>1</b>	<b>1</b>	<b>0.540</b>

<b>Total Earnings</b>	<b>December 31 Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year	18,465.38	501,276.46	501,276.46
<b>Average Daily Balance</b>	<b>40,355,387.25</b>		
<b>Effective Rate of Return</b>	<b>0.54%</b>		

\_\_\_\_\_  
Scott Van Vuren, Treasurer

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	Local Agency Investment Fund			40,253,967.73	40,253,967.73	40,253,967.73	0.540		0.540	1	
		<b>Subtotal and Average</b>	<b>40,262,032.25</b>		<b>40,253,967.73</b>	<b>40,253,967.73</b>	<b>40,253,967.73</b>			<b>0.540</b>	<b>1</b>	
		<b>Total and Average</b>	<b>40,355,387.25</b>		<b>40,253,967.73</b>	<b>40,253,967.73</b>	<b>40,253,967.73</b>			<b>0.540</b>	<b>1</b>	



**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Cash  
December 31, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYSGENERAL FUND	GENERAL	Union Bank of California		01/01/1999	439,479.97	439,479.97	439,479.97			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>40,355,387.25</b>		<b>40,693,447.70</b>	<b>40,693,447.70</b>	<b>40,693,447.70</b>			<b>0.540</b>	<b>1</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
December 31, 2020**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	LAIF	40,253,967.73	0.540			0.533	0.540	01/15 - Quarterly		40,253,967.73	40,253,967.73
<b>Managed Pool Accounts Totals</b>			<b>40,253,967.73</b>				<b>0.533</b>	<b>0.540</b>		<b>0.00</b>	<b>40,253,967.73</b>	<b>40,253,967.73</b>
<b>Investment Totals</b>			<b>40,253,967.73</b>				<b>0.533</b>	<b>0.540</b>		<b>0.00</b>	<b>40,253,967.73</b>	<b>40,253,967.73</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
December 31, 2020**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYSGENERAL FUND	GENERAL	UBC	439,479.97		01/01/1999		0.000	0.000	/ - Monthly		439,479.97	439,479.97
<b>Cash Totals</b>			<b>439,479.97</b>							<b>0.00</b>	<b>439,479.97</b>	<b>439,479.97</b>
<b>Total Cash and Investments</b>			<b>40,693,447.70</b>				<b>0.533</b>	<b>0.540</b>		<b>0.00</b>	<b>40,693,447.70</b>	<b>40,693,447.70</b>

**MSR Public Power Agency  
Portfolio Management  
Activity By Type  
December 1, 2020 through December 31, 2020**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
<b>Managed Pool Accounts (Monthly Summary)</b>								
SYSLAIF	LAIF	Local Agency Investment Fund		0.540		0.00	125,000.00	
		<b>Subtotal</b>	<b>40,378,967.73</b>			<b>0.00</b>	<b>125,000.00</b>	<b>40,253,967.73</b>
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL	Union Bank of California				357,662.47	0.00	
		<b>Subtotal</b>	<b>81,817.50</b>			<b>357,662.47</b>	<b>0.00</b>	<b>439,479.97</b>
		<b>Total</b>	<b>40,460,785.23</b>			<b>357,662.47</b>	<b>125,000.00</b>	<b>40,693,447.70</b>



**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**December 1, 2020 - December 31, 2020**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Issuer: Local Agency Investment Fund</b>									
<b>Managed Pool Accounts</b>									
SYSLAIF	LAIF	Local Agency Investment Fund			0.540		0.00	125,000.00	
		<b>Subtotal and Balance</b>		<b>40,378,967.73</b>			<b>0.00</b>	<b>125,000.00</b>	<b>40,253,967.73</b>
		<b>Issuer Subtotal</b>	<b>98.920%</b>	<b>40,378,967.73</b>			<b>0.00</b>	<b>125,000.00</b>	<b>40,253,967.73</b>
		<b>Total</b>		<b>40,378,967.73</b>			<b>0.00</b>	<b>125,000.00</b>	<b>40,253,967.73</b>



**MSR Public Power Agency Trust**  
**Portfolio Management**  
**Portfolio Summary**  
**December 31, 2020**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues - Coupon	3,700,000.00	3,735,853.00	3,700,000.00	100.00	1,826	271	1.450
<b>Investments</b>	<b>3,700,000.00</b>	<b>3,735,853.00</b>	<b>3,700,000.00</b>	<b>100.00%</b>	<b>1,826</b>	<b>271</b>	<b>1.450</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	29,674,126.49	29,674,126.49	29,674,126.49		1	1	0.030
<b>Total Cash and Investments</b>	<b>33,374,126.49</b>	<b>33,409,979.49</b>	<b>33,374,126.49</b>		<b>1,826</b>	<b>271</b>	<b>1.450</b>

<b>Total Earnings</b>	<b>December 31</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year		5,176.66	226,997.43	226,997.43
<b>Average Daily Balance</b>		<b>31,401,518.07</b>		
<b>Effective Rate of Return</b>		<b>0.19%</b>		

\_\_\_\_\_  
 Scott Van Vuren, Treasurer

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3136G36J9	17314	Federal Nat'l Mtg. Assoc.		09/29/2016	3,700,000.00	3,735,853.00	3,700,000.00	1.450		1.450	271	09/29/2021
<b>Subtotal and Average</b>			<b>3,700,000.00</b>		<b>3,700,000.00</b>	<b>3,735,853.00</b>	<b>3,700,000.00</b>			<b>1.450</b>	<b>271</b>	
<b>Total and Average</b>			<b>31,401,518.07</b>		<b>3,700,000.00</b>	<b>3,735,853.00</b>	<b>3,700,000.00</b>			<b>1.450</b>	<b>271</b>	

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
December 31, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust			13,497,902.84	13,497,902.84	13,497,902.84	0.030		0.030	1
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust			85,044.39	85,044.39	85,044.39	0.030		0.030	1
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust			1,289,946.94	1,289,946.94	1,289,946.94	0.030		0.030	1
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust			12,609,604.79	12,609,604.79	12,609,604.79	0.030		0.030	1
SYS776003 MONEY	776003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust			2,191,627.53	2,191,627.53	2,191,627.53	0.030		0.030	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>31,401,518.07</b>		<b>33,374,126.49</b>	<b>33,409,979.49</b>	<b>33,374,126.49</b>			<b>1.450</b>	<b>271</b>



**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
December 31, 2020**

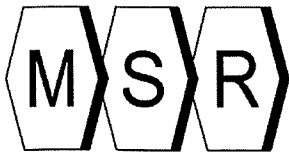
CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Federal Agency Issues - Coupon</b>												
3136G36J9	17314	FNMA	3,700,000.00	1.450	09/29/202	09/29/2016	1.430	1.450	03/29 - 09/29		3,700,000.00	3,700,000.00
<b>Federal Agency Issues - Coupon Totals</b>			<b>3,700,000.00</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>3,700,000.00</b>	<b>3,700,000.00</b>
<b>Investment Totals</b>			<b>3,700,000.00</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>3,700,000.00</b>	<b>3,700,000.00</b>

**MSR Public Power Agency Trust**  
**Portfolio Management**  
**Investment Status Report - Cash**  
**December 31, 2020**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS33000MONEY	33000MONEY	USBANK	13,497,902.84	0.030			0.030	0.030	09/01 - Monthly		13,497,902.84	13,497,902.84
SYS7000MONEY	7000MONEY	USBANK	0.00	0.030			0.030	0.030	01/01 - Monthly		0.00	0.00
SYS776000 MONEY	776000 MONEY	USBANK	85,044.39	0.030			0.030	0.030	08/01 - Monthly		85,044.39	85,044.39
SYS776001 MONEY	776001 MONEY	USBANK	1,289,946.94	0.030			0.030	0.030	08/01 - Monthly		1,289,946.94	1,289,946.94
SYS776002 MONEY	776002 MONEY	USBANK	12,609,604.79	0.030			0.030	0.030	08/01 - Monthly		12,609,604.79	12,609,604.79
SYS776003 MONEY	776003 MONEY	USBANK	0.00	0.030			0.030	0.030	07/01 - Monthly		0.00	0.00
SYS8000MONEY	8000MONEY	USBANK	0.00	0.030			0.030	0.030	01/01 - Monthly		0.00	0.00
SYS88000MONEY	88000 MONEY	USBANK	2,191,627.53	0.030			0.030	0.030	04/01 - Monthly		2,191,627.53	2,191,627.53
<b>Cash Totals</b>			<b>29,674,126.49</b>							<b>0.00</b>	<b>29,674,126.49</b>	<b>29,674,126.49</b>
<b>Total Cash and Investments</b>			<b>33,374,126.49</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>33,374,126.49</b>	<b>33,374,126.49</b>

**MSR Public Power Agency Trust**  
**Portfolio Management**  
**Activity By Type**  
**December 1, 2020 through December 31, 2020**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust		0.030		43.80	68,605.12	
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust		0.030		2,308,027.62	2,307,779.94	
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust		0.030		214,774.78	0.00	
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust		0.030		2,093,226.87	0.00	
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		0.030		49.38	0.00	
		<b>Subtotal</b>	<b>27,434,389.10</b>			<b>4,616,122.45</b>	<b>2,376,385.06</b>	<b>29,674,126.49</b>
<b>Federal Agency Issues - Coupon</b>								
		<b>Subtotal</b>	<b>3,700,000.00</b>					<b>3,700,000.00</b>
		<b>Total</b>	<b>31,134,389.10</b>			<b>4,616,122.45</b>	<b>2,376,385.06</b>	<b>33,374,126.49</b>



**MSR Public Power Agency Trust**  
**Received Interest**  
**Sorted by Date Received**  
**Received December 1, 2020 - December 31, 2020**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

Date Received	CUSIP	Investment #	Security Type	Par Value	Current Rate	Interest	
						Date Received	Amount Received
<b>Cash Accounts</b>							
December 2020	SYS33000MONEY	33000MONEY	PA1	13,497,902.84	0.030	12/01/2020	43.80
	SYS776000 MONEY	776000 MONEY	PA1	85,044.39	0.030	12/01/2020	1.81
	SYS776001 MONEY	776001 MONEY	PA1	1,289,946.94	0.030	12/01/2020	19.30
	SYS776002 MONEY	776002 MONEY	PA1	12,609,604.79	0.030	12/01/2020	188.86
	SYS88000MONEY	88000 MONEY	PA1	2,191,627.53	0.030	12/01/2020	46.82
						<b>Subtotal</b>	<b>300.59</b>
						<b>Total</b>	<b>300.59</b>



**MSR Public Power Agency Trust**  
**Realized Gains and Losses**  
 Sorted By Maturity/Sale/Call Date

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

Sales/Calls/Maturities: December 1, 2020 - December 31, 2020

<u>Investment #</u>	<u>Inv. Type</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Sale Date</u>	<u>Days Held</u>							
<u>Issuer</u>			<u>Current Rate</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Book Value</u>	<u>Maturity/Sale Proceeds</u>	<u>Realized Gain/Loss</u>	<u>Total Earnings</u>	<u>Total Net Earnings</u>	<u>Yield</u>	<u>365</u>
No Sales or Maturities			0.00		0	0.00	0.00	0.00	0.00	0.00		0.00

A decorative graphic on the right side of the page features three blue circles of varying sizes. The largest circle is at the top right, a medium-sized one is in the center, and another large one is at the bottom right. Three thin lines (one light green, one light grey, and one light gold) intersect at the center of the medium circle, extending towards the corners of the page.

# Treasurer's Report

JANUARY 2021



**M-S-R Public Power Agency  
Treasurer's Report  
Index**

Treasurer's Report for the Month of January 2021

Investment Portfolio Pie Chart

MSR / LAIF / US Treasury 2-Year

Average Maturity Report

General Fund:

Portfolio Summary

Portfolio Details – Investments

Portfolio Details – Cash

Investment Status Report – Investments

Investment Status Report – Cash

Activity by Type

Received Interest

Activity Report LAIF

Trust Funds:

Portfolio Summary

Portfolio Details – Investments

Portfolio Details – Cash

Investment Status Report – Investments

Investment Status Report – Cash

Activity by Type

Received Interest

Realized Gains and Losses

**MSR PUBLIC POWER AGENCY  
TREASURER'S REPORT  
FOR THE MONTH OF JANUARY 2021**

**FUND BALANCES**

	12/31/2020			1/31/2021		1/31/2021		Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Reserves: Mkt Value*	Mkt. Value*		
<u>UNRESTRICTED FUNDS</u>								
General Fund	39,318,448	0	0	39,793,616				
Debt Service Coverage Revolving Fund	1,375,000	275,000	0	1,650,000				
	40,693,448	9,072,689	8,322,520	41,443,616		41,443,616		0
<u>RESTRICTED FUNDS</u>								
MSR 2018 Series R	13,984,596	4,616,910	3,598,198	15,003,308	0	15,003,308		0
MSR SJ Coal Reclamation Trust	17,197,903	57	42,996	17,154,964	0	17,187,857		32,893
MSR SJ Decommissioning Trust	2,191,628	48	163	2,191,513	0	2,191,513		0
	33,374,126	4,617,015	3,641,357	34,349,785	0	34,382,678		32,893
<b>TOTAL FUNDS</b>	<b>74,067,574</b>	<b>13,689,704</b>	<b>11,963,877</b>	<b>75,793,402</b>	<b>0</b>	<b>75,826,295</b>		<b>32,893</b>

**CASH & INVESTMENTS**

DEMAND ACCOUNTS

Union Bank - General Fund 143,829

INVESTMENTS (See Attached)

	Standard per Gov't Code	Actual	
Bankers Acceptances	40%	0.0%	0
Certificates of Deposit(Coll./Ins.)	No Limit	0.0%	0
Commercial Paper(A1/P1)	25%	0.0%	0
Corporate Notes-Medium Term	30%	0.0%	0
Federal Agencies	No Limit	4.9%	3,700,000
Local Agency Investment Fund	\$75,000,000	54.6%	41,317,750
Money Market Accounts	No Limit	40.5%	30,649,785
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	0.0%	0
<b>TOTAL INVESTMENTS</b>		<u>100.0%</u>	<u>75,667,535</u>

Add: Deposits in transit 0  
Less: Outstanding checks (17,962)

**TOTAL CASH & INVESTMENTS** 75,793,402

\* Source of Market Value Information is US Bank, Union Bank, and Bloomberg Financial Systems

We certify that this statement is a true and correct record of transactions in the Treasury since the prior report. The agency has sufficient liquid assets on deposit to meet its obligations over the next 6 months. All investments are in compliance with the agency's investment policy guidelines.

  
\_\_\_\_\_  
Scott Van Vuren -- Treasurer

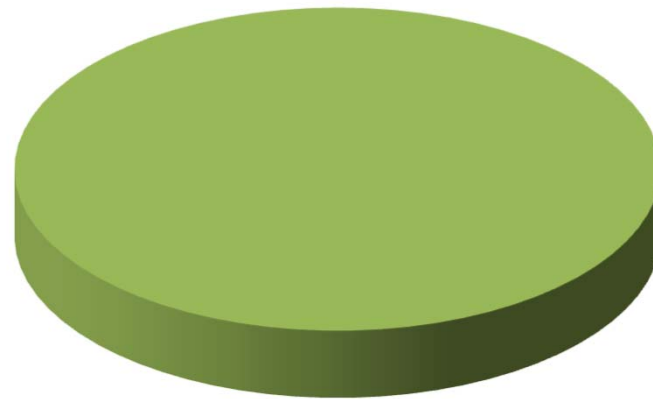
  
\_\_\_\_\_  
Ana Vigil -- Assistant Treasurer



# M-S-R Public Power Agency Investment Portfolio January 2021

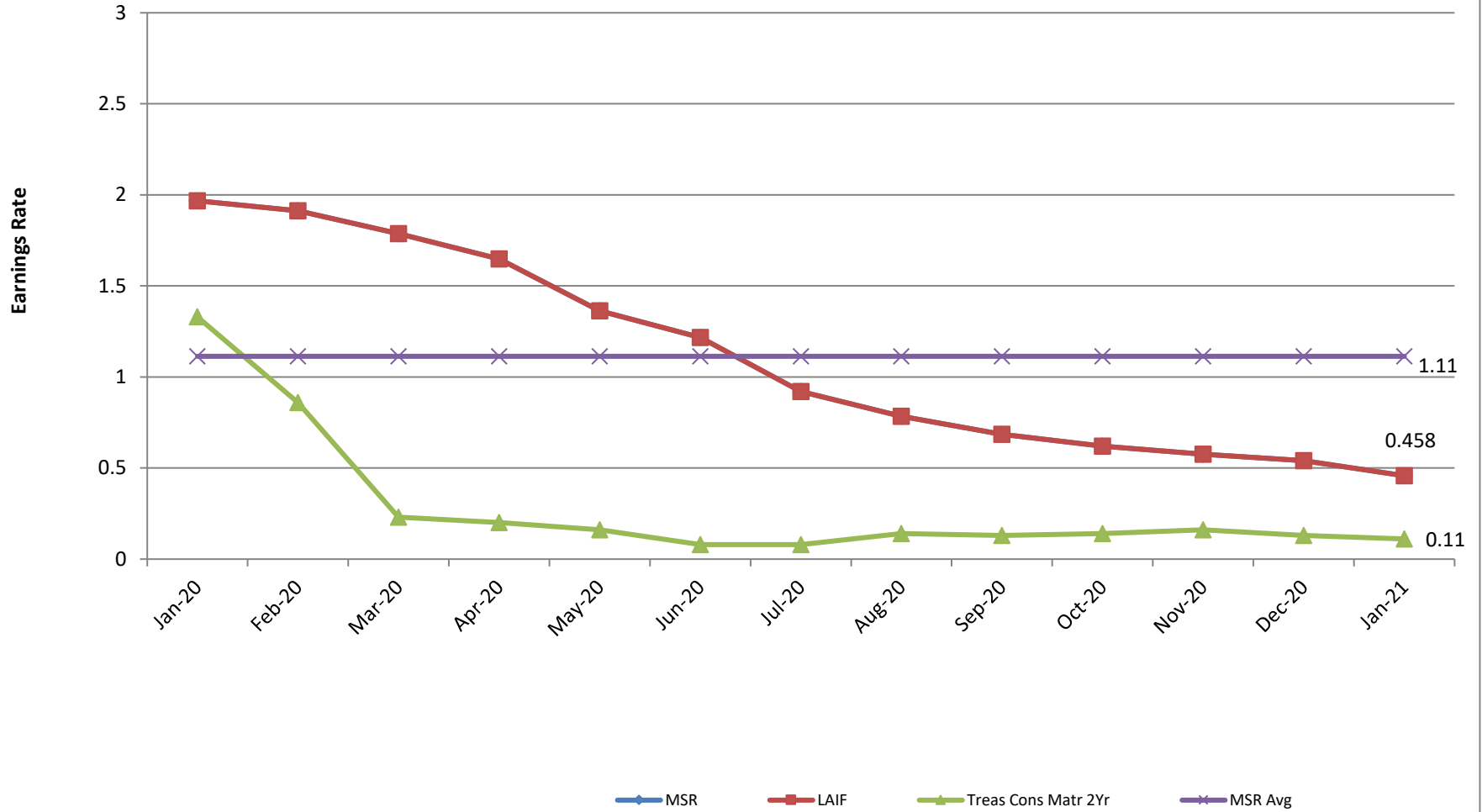
Corp Medium Term  
Notes  
0.00%

Federal Agency Issues  
0.00%

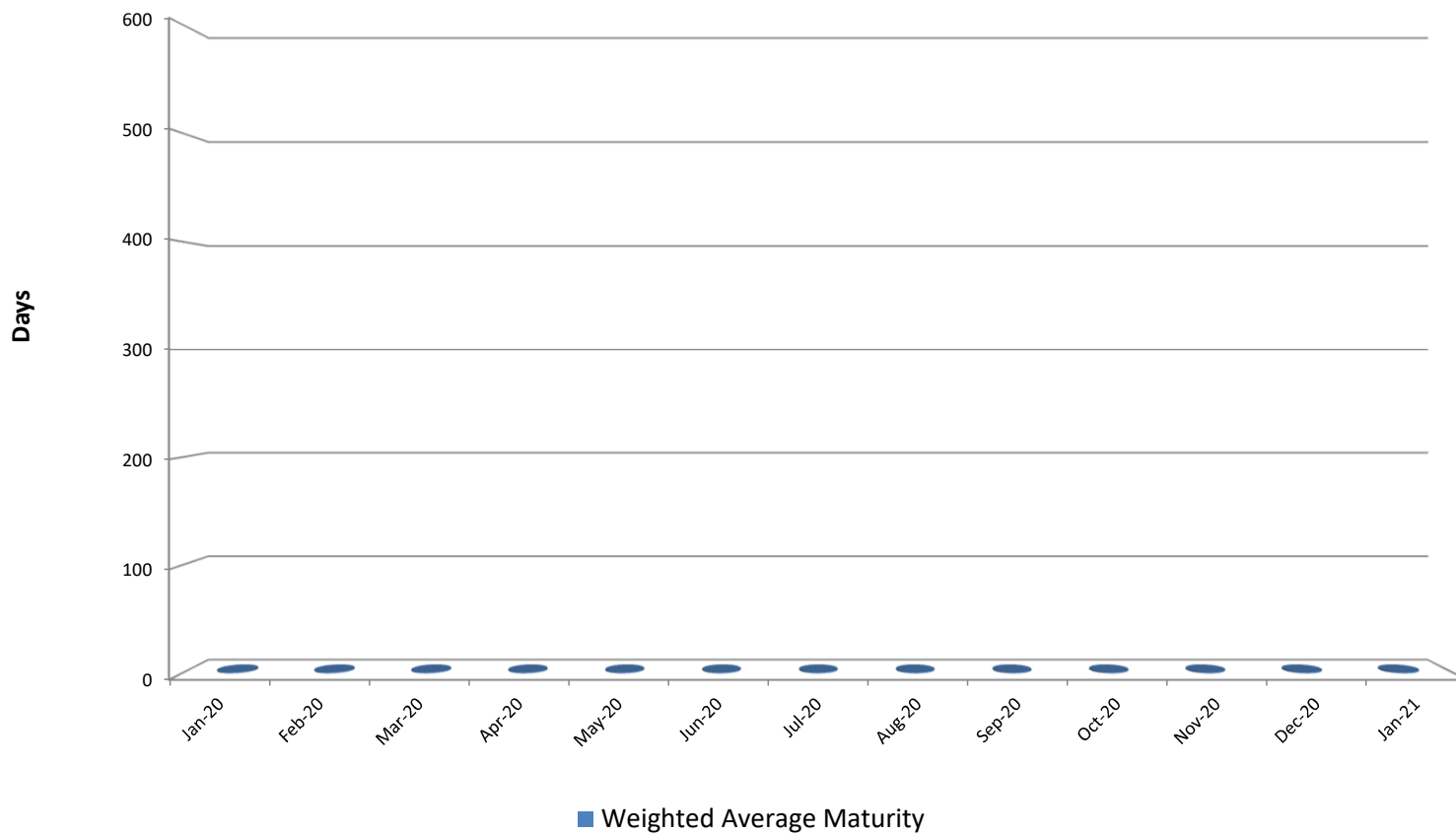


Managed Pool Accounts  
(LAIF)  
100.00%

# MSR / LAIF / US Treasury 2-Year January 2021



## General Fund Portfolio Average Maturity Report





**MSR Public Power Agency  
Portfolio Management  
Portfolio Summary  
January 31, 2021**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Managed Pool Accounts	41,317,749.68	41,317,749.68	41,317,749.68	100.00	1	1	0.458
<b>Investments</b>	<b>41,317,749.68</b>	<b>41,317,749.68</b>	<b>41,317,749.68</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>0.458</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	125,866.81	125,866.81	125,866.81		1	1	0.000
<b>Total Cash and Investments</b>	<b>41,443,616.49</b>	<b>41,443,616.49</b>	<b>41,443,616.49</b>		<b>1</b>	<b>1</b>	<b>0.458</b>

<b>Total Earnings</b>	<b>January 31 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	15,619.15	15,619.15
<b>Average Daily Balance</b>	<b>40,582,824.47</b>	
<b>Effective Rate of Return</b>	<b>0.45%</b>	

\_\_\_\_\_  
Scott Van Vuren, Treasurer

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
January 31, 2021**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	Local Agency Investment Fund			41,317,749.68	41,317,749.68	41,317,749.68	0.458		0.458	1	
		<b>Subtotal and Average</b>	<b>40,153,461.06</b>		<b>41,317,749.68</b>	<b>41,317,749.68</b>	<b>41,317,749.68</b>			<b>0.458</b>	<b>1</b>	
		<b>Total and Average</b>	<b>40,582,824.47</b>		<b>41,317,749.68</b>	<b>41,317,749.68</b>	<b>41,317,749.68</b>			<b>0.458</b>	<b>1</b>	

**MSR Public Power Agency  
 Portfolio Management  
 Portfolio Details - Cash  
 January 31, 2021**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYSGENERAL FUND	GENERAL	Union Bank of California		01/01/1999	125,866.81	125,866.81	125,866.81			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>40,582,824.47</b>		<b>41,443,616.49</b>	<b>41,443,616.49</b>	<b>41,443,616.49</b>			<b>0.458</b>	<b>1</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
January 31, 2021**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	LAIF	41,317,749.68	0.458			0.452	0.458	01/15 - Quarterly		41,317,749.68	41,317,749.68
<b>Managed Pool Accounts Totals</b>			<b>41,317,749.68</b>				<b>0.452</b>	<b>0.458</b>		<b>0.00</b>	<b>41,317,749.68</b>	<b>41,317,749.68</b>
<b>Investment Totals</b>			<b>41,317,749.68</b>				<b>0.452</b>	<b>0.458</b>		<b>0.00</b>	<b>41,317,749.68</b>	<b>41,317,749.68</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
January 31, 2021**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYSGENERAL FUND	GENERAL	UBC	125,866.81		01/01/1999	0.000	0.000		/ - Monthly		125,866.81	125,866.81
<b>Cash Totals</b>			<b>125,866.81</b>							<b>0.00</b>	<b>125,866.81</b>	<b>125,866.81</b>
<b>Total Cash and Investments</b>			<b>41,443,616.49</b>				<b>0.452</b>	<b>0.458</b>		<b>0.00</b>	<b>41,443,616.49</b>	<b>41,443,616.49</b>



**MSR Public Power Agency  
Portfolio Management  
Activity By Type  
January 1, 2021 through January 31, 2021**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
<b>Managed Pool Accounts (Monthly Summary)</b>								
SYSLAIF	LAIF	Local Agency Investment Fund		0.458		2,863,781.95	1,800,000.00	
		<b>Subtotal</b>	<b>40,253,967.73</b>			<b>2,863,781.95</b>	<b>1,800,000.00</b>	<b>41,317,749.68</b>
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL	Union Bank of California				0.00	313,613.16	
		<b>Subtotal</b>	<b>439,479.97</b>			<b>0.00</b>	<b>313,613.16</b>	<b>125,866.81</b>
		<b>Total</b>	<b>40,693,447.70</b>			<b>2,863,781.95</b>	<b>2,113,613.16</b>	<b>41,443,616.49</b>



**MSR Public Power Agency**

**Received Interest**

**Sorted by Date Received**

**Received January 1, 2021 - January 31, 2021**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

Date Received	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Received	Interest Amount Received
<b>Cash Accounts</b>							
January 2021	SYSLAIF	LAIF	LA1	41,317,749.68	0.458	01/15/2021	63,781.95
						<b>Subtotal</b>	<b>63,781.95</b>
						<b>Total</b>	<b>63,781.95</b>



**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**January 1, 2021 - January 31, 2021**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Issuer: Local Agency Investment Fund</b>									
<b>Managed Pool Accounts</b>									
SYSLAIF	LAIF	Local Agency Investment Fund			0.458		2,863,781.95	1,800,000.00	
		<b>Subtotal and Balance</b>		<b>40,253,967.73</b>			<b>2,863,781.95</b>	<b>1,800,000.00</b>	<b>41,317,749.68</b>
		<b>Issuer Subtotal</b>	<b>99.696%</b>	<b>40,253,967.73</b>			<b>2,863,781.95</b>	<b>1,800,000.00</b>	<b>41,317,749.68</b>
		<b>Total</b>		<b>40,253,967.73</b>			<b>2,863,781.95</b>	<b>1,800,000.00</b>	<b>41,317,749.68</b>



**MSR Public Power Agency Trust**  
**Portfolio Management**  
**Portfolio Summary**  
**January 31, 2021**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues - Coupon	3,700,000.00	3,732,893.00	3,700,000.00	100.00	1,826	240	1.450
<b>Investments</b>	<b>3,700,000.00</b>	<b>3,732,893.00</b>	<b>3,700,000.00</b>	<b>100.00%</b>	<b>1,826</b>	<b>240</b>	<b>1.450</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	30,649,785.09	30,649,785.09	30,649,785.09		1	1	0.030
<b>Total Cash and Investments</b>	<b>34,349,785.09</b>	<b>34,382,678.09</b>	<b>34,349,785.09</b>		<b>1,826</b>	<b>240</b>	<b>1.450</b>

<b>Total Earnings</b>	<b>January 31 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	5,210.06	5,210.06
<b>Average Daily Balance</b>	<b>32,712,594.87</b>	
<b>Effective Rate of Return</b>	<b>0.19%</b>	

\_\_\_\_\_  
 Scott Van Vuren, Treasurer

**MSR Public Power Agency Trust  
 Portfolio Management  
 Portfolio Details - Investments  
 January 31, 2021**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3136G36J9	17314	Federal Nat'l Mtg. Assoc.		09/29/2016	3,700,000.00	3,732,893.00	3,700,000.00	1.450		1.450	240	09/29/2021
		<b>Subtotal and Average</b>	<b>3,700,000.00</b>		<b>3,700,000.00</b>	<b>3,732,893.00</b>	<b>3,700,000.00</b>			<b>1.450</b>	<b>240</b>	
		<b>Total and Average</b>	<b>32,712,594.87</b>		<b>3,700,000.00</b>	<b>3,732,893.00</b>	<b>3,700,000.00</b>			<b>1.450</b>	<b>240</b>	

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
January 31, 2021**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust			13,454,964.39	13,454,964.39	13,454,964.39	0.030		0.030	1
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust			85,046.26	85,046.26	85,046.26	0.030		0.030	1
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust			215,059.40	215,059.40	215,059.40	0.030		0.030	1
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust			14,703,202.39	14,703,202.39	14,703,202.39	0.030		0.030	1
SYS776003 MONEY	776003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	0.030		0.030	1
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust			2,191,512.65	2,191,512.65	2,191,512.65	0.030		0.030	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>32,712,594.87</b>		<b>34,349,785.09</b>	<b>34,382,678.09</b>	<b>34,349,785.09</b>			<b>1.450</b>	<b>240</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
January 31, 2021**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Federal Agency Issues - Coupon</b>												
3136G36J9	17314	FNMA	3,700,000.00	1.450	09/29/202	09/29/2016	1.430	1.450	03/29 - 09/29		3,700,000.00	3,700,000.00
<b>Federal Agency Issues - Coupon Totals</b>			<b>3,700,000.00</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>3,700,000.00</b>	<b>3,700,000.00</b>
<b>Investment Totals</b>			<b>3,700,000.00</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>3,700,000.00</b>	<b>3,700,000.00</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
January 31, 2021**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase	YTM 360	YTM 365	Payment Dates	Accrued Interest	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS33000MONEY	33000MONEY	USBANK	13,454,964.39	0.030			0.030	0.030	09/01 - Monthly		13,454,964.39	13,454,964.39
SYS7000MONEY	7000MONEY	USBANK	0.00	0.030			0.030	0.030	01/01 - Monthly		0.00	0.00
SYS776000 MONEY	776000 MONEY	USBANK	85,046.26	0.030			0.030	0.030	08/01 - Monthly		85,046.26	85,046.26
SYS776001 MONEY	776001 MONEY	USBANK	215,059.40	0.030			0.030	0.030	08/01 - Monthly		215,059.40	215,059.40
SYS776002 MONEY	776002 MONEY	USBANK	14,703,202.39	0.030			0.030	0.030	08/01 - Monthly		14,703,202.39	14,703,202.39
SYS776003 MONEY	776003 MONEY	USBANK	0.00	0.030			0.030	0.030	07/01 - Monthly		0.00	0.00
SYS8000MONEY	8000MONEY	USBANK	0.00	0.030			0.030	0.030	01/01 - Monthly		0.00	0.00
SYS88000MONEY	88000 MONEY	USBANK	2,191,512.65	0.030			0.030	0.030	04/01 - Monthly		2,191,512.65	2,191,512.65
<b>Cash Totals</b>			<b>30,649,785.09</b>							<b>0.00</b>	<b>30,649,785.09</b>	<b>30,649,785.09</b>
<b>Total Cash and Investments</b>			<b>34,349,785.09</b>				<b>1.430</b>	<b>1.450</b>		<b>0.00</b>	<b>34,349,785.09</b>	<b>34,349,785.09</b>



**MSR Public Power Agency Trust  
Portfolio Management  
Activity By Type  
January 1, 2021 through January 31, 2021**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust		0.030		57.32	42,995.77	
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust		0.030		2,308,324.51	2,308,322.64	
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust		0.030		214,987.46	1,289,875.00	
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust		0.030		2,093,597.60	0.00	
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		0.030		48.37	163.25	
		<b>Subtotal</b>	<b>29,674,126.49</b>			<b>4,617,015.26</b>	<b>3,641,356.66</b>	<b>30,649,785.09</b>
<b>Federal Agency Issues - Coupon</b>								
		<b>Subtotal</b>	<b>3,700,000.00</b>					<b>3,700,000.00</b>
		<b>Total</b>	<b>33,374,126.49</b>			<b>4,617,015.26</b>	<b>3,641,356.66</b>	<b>34,349,785.09</b>



**MSR Public Power Agency Trust**  
**Received Interest**  
**Sorted by Date Received**  
**Received January 1, 2021 - January 31, 2021**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)526-7308

Date Received	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Received	Interest Amount Received
<b>Cash Accounts</b>							
January 2021	SYS33000MONEY	33000MONEY	PA1	13,454,964.39	0.030	01/04/2021	57.32
	SYS776000 MONEY	776000 MONEY	PA1	85,046.26	0.030	01/04/2021	1.87
	SYS776001 MONEY	776001 MONEY	PA1	215,059.40	0.030	01/04/2021	24.34
	SYS776002 MONEY	776002 MONEY	PA1	14,703,202.39	0.030	01/04/2021	238.08
	SYS88000MONEY	88000 MONEY	PA1	2,191,512.65	0.030	01/04/2021	48.37
						<b>Subtotal</b>	<b>369.98</b>
						<b>Total</b>	<b>369.98</b>



**MSR Public Power Agency Trust**  
**Realized Gains and Losses**  
**Sorted By Maturity/Sale/Call Date**

Modesto Irrigation District  
1231 - 11th St.  
Modesto, CA 95352  
(209)526-7308

**Sales/Calls/Maturities: January 1, 2021 - January 31, 2021**

<u>Investment #</u>	<u>Inv. Type</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Sale Date</u>	<u>Days Held</u>						
<u>Issuer</u>			<u>Current Rate</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Book Value</u>	<u>Maturity/Sale Proceeds</u>	<u>Realized Gain/Loss</u>	<u>Total Earnings</u>	<u>Total Net Earnings</u>	<u>Total Yield 365</u>
No Sales or Maturities			0.00		0	0.00	0.00	0.00	0.00	0.00	0.00

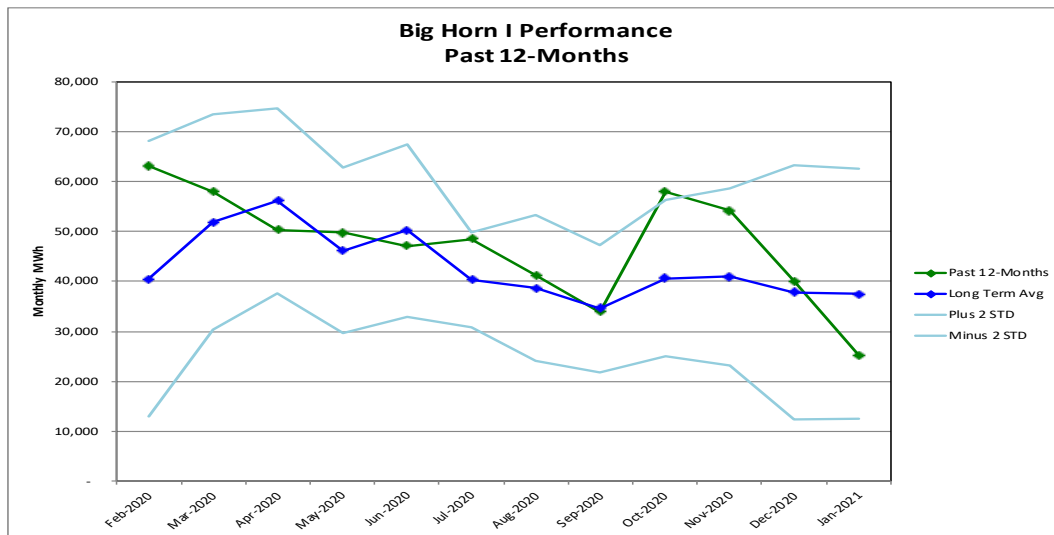
## M-S-R Public Power Agency Big Horn Operations

**Date:** February 10, 2021  
**From:** Martin Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** Big Horn Operations Statistics

### Energy Production Statistics for the Big Horn Wind Energy Project:

Big Horn I Operations	Production (MWh)	Monthly % of Contract Forecast	Cumulative Wind Year <sup>1</sup> (MWh)	Residual Energy Owing <sup>2</sup> (MWh)
November	54,166	140.7%	112,234	90,275
December	39,997	113.6%	152,230	91,862
January	25,227	74.4%	177,457	80,017
Contract Forecast	N/A	N/A	501,381	N/A
Annual Budget Forecast	N/A	N/A	510,000	N/A
Life of Project	N/A	N/A	7,311,119	N/A

For calendar year 2020, Big Horn I energy production (601,602 MWh) was the highest quantity achieved in the history of the project. This year-long run of significantly higher than average energy production has led to an accumulation of undelivered Residual Energy due to delivery rate constraints. However, January 2021 energy production was the third lowest on record.



2/9/21

Past 12 Thru Jan 2021

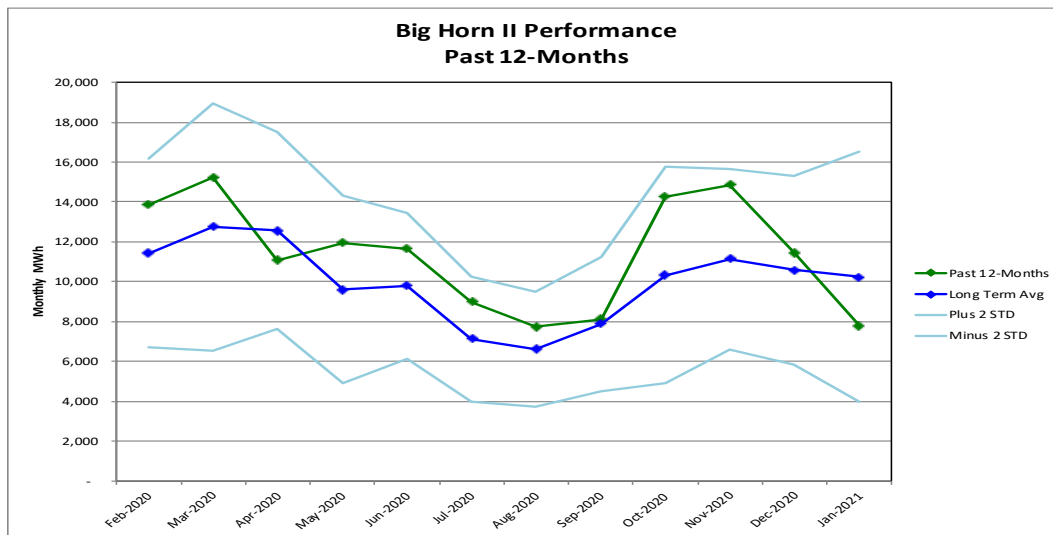
Big Horn I Projections 2021.xlsx

<sup>1</sup> Big Horn I Wind Year runs October 1 through September 30.

<sup>2</sup> Positive number owed by Avangrid. Negative number owed to Avangrid.

<b>Big Horn II Operations</b>	<b>Production (MWh)</b>	<b>Monthly % of Contract Forecast</b>	<b>Cumulative Wind Year<sup>3</sup> (MWh)</b>
November	14,843	138.1%	14,843
December	11,468	114.4%	26,311
January	7,794	76.7%	34,105
Contract Forecast	N/A	N/A	123,088
Annual Budget Forecast	N/A	N/A	115,000
Life of Project Production	N/A	N/A	1,232,054

For calendar year 2020, Big Horn II energy production (145,162 MWh) was also the highest quantity achieved in the history of the project. However, January 2021 energy production was the fourth lowest on record.



2/9/21

Past 12 Thru Jan 2021

Big Horn II Projections 2021.xlsx

### **Transmission Curtailments:**

<b>Curtailments</b>	<b>On-Peak (MWh)</b>	<b>Off-Peak (MWh)</b>	<b>Total (MWh)</b>
November	8	41	49
December	1	38	39
January	16	0	16
Year To Date	16	0	16
Historic Annual Average	1,332	801	2,133

Curtailments in 2020 were the lowest recorded since 2016 and were 35.5% of the average annual curtailments for the period 2017-2019.

<sup>3</sup> Big Horn II Wind Year runs November 1 through October 31.

## **M-S-R Public Power Agency Staff Report**

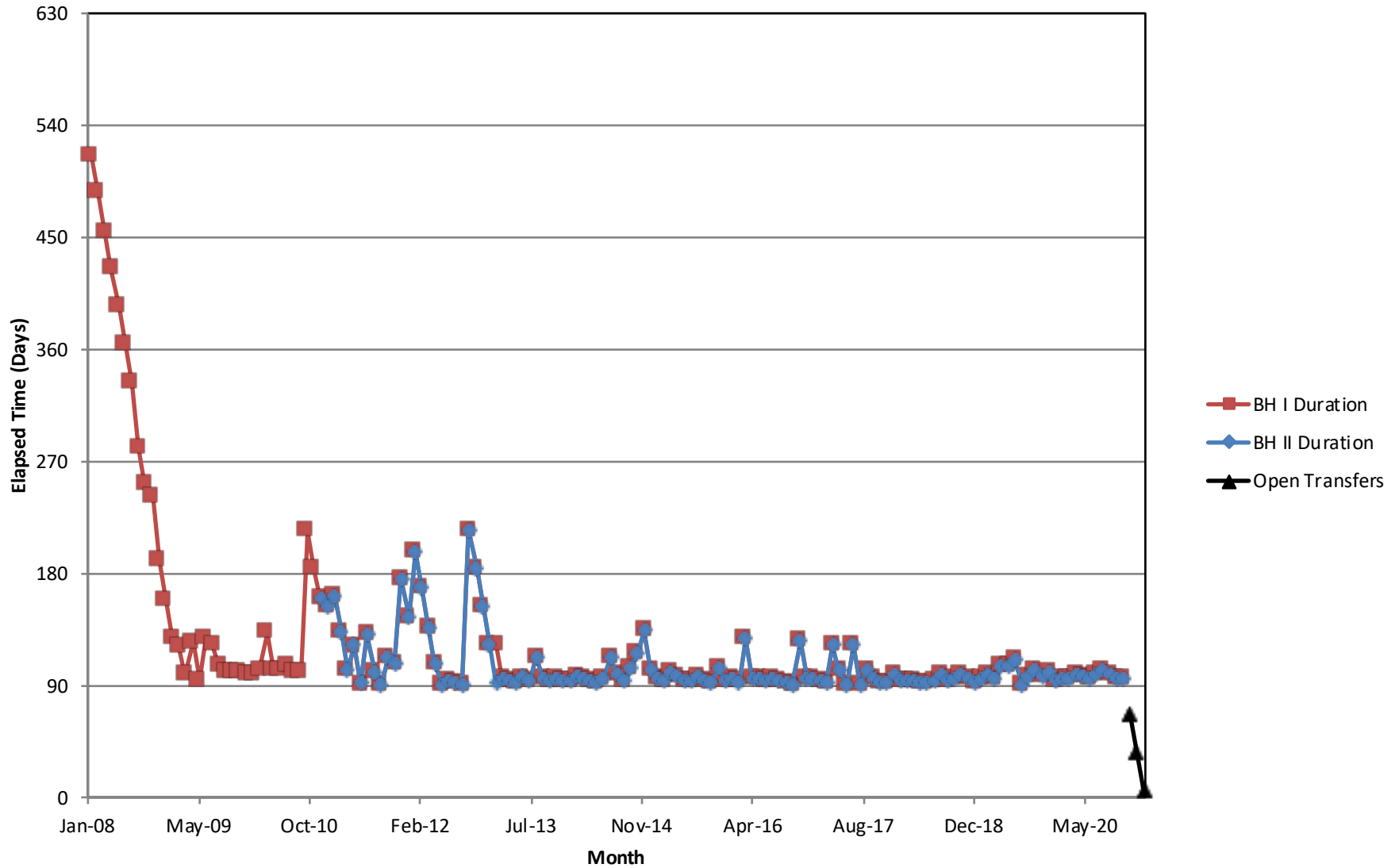
**Date:** February 8, 2021  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** February 2021 WREGIS REC Transfers Status Report

---

In 2013, the General Manager met with Iberdrola Renewables, Inc (now Avangrid Renewables, Inc.) regarding the status of its transfers of Western Renewable Energy Generation Information System (WREGIS) Renewable Energy Credits (RECs) for the Big Horn I and Big Horn II Wind Energy Projects to M-S-R PPA. Ideally, the WREGIS timelines would allow transfers of RECs to M-S-R PPA about 90-days after the close of a reporting month. At the time of that meeting, some transfers were as many as 215-days outstanding. Avangrid subsequently reviewed its internal procedures and has generally completed Big Horn I and Big Horn II transfers in a timely manner. The attached chart illustrates current and historic status of REC transfers. As requested by the Commission, this report will be updated and presented at each regular meeting.

I recommend the Commission note and file the February 2021 WREGIS REC Transfers Status Report.

# Big Horn I & II REC Transfers



## M-S-R Public Power Agency Staff Report

**Date:** February 10, 2021  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** February 2021 Outside Services Budget versus Actual Report

---

### **FISCAL YEAR 2020:**

#### Major Legal Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	December 31, 2020
Law Offices of Susie Berlin:	Through:	November 30, 2020
Porter Simon:	Through:	December 31, 2020

#### Major Consulting Providers Reporting Are:

Navigant Consulting:	Through:	December 31, 2020
KBT LLC:	Through:	December 31, 2020

#### Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	December 31, 2020
Reclamation:	Through:	December 31, 2020
Decommissioning:	Through:	December 31, 2020

### **FISCAL YEAR 2021:**

#### Major Legal and Consulting Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	N/A
Law Offices of Susie Berlin:	Through:	N/A
Porter Simon:	Through:	January 31, 2021
KBT LLC:	Through:	Estimated

#### Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	N/A
Reclamation:	Through:	January 31, 2021
Decommissioning:	Through:	N/A



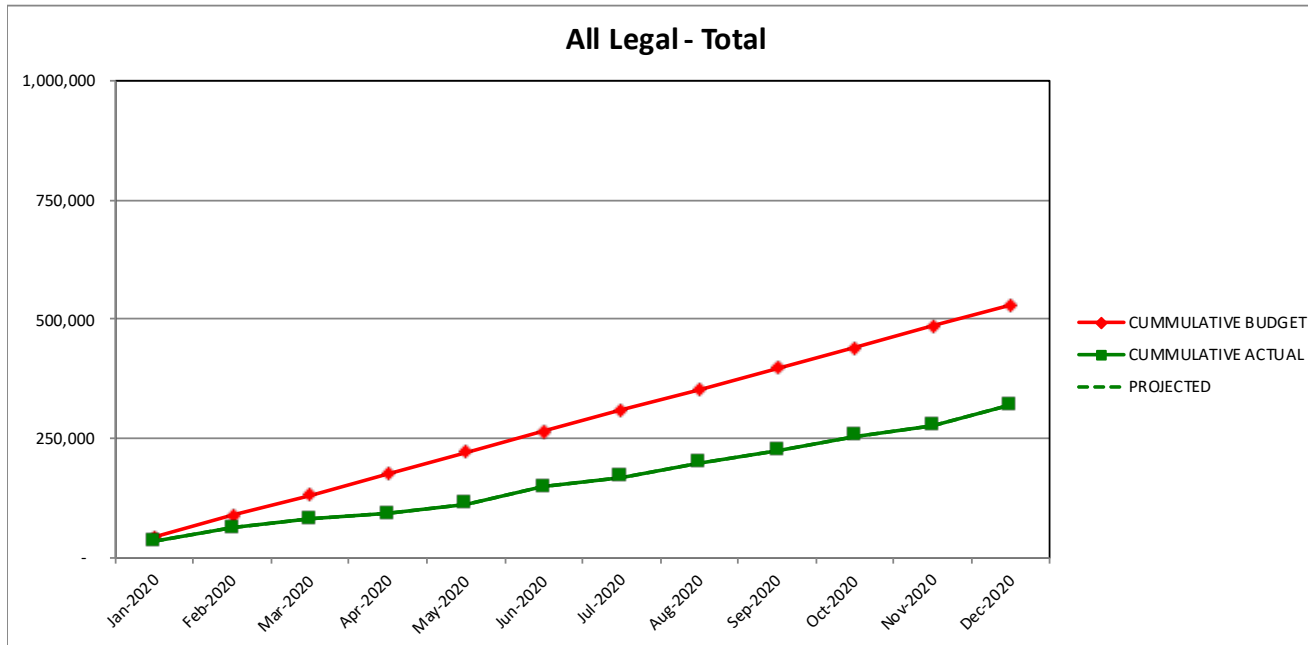
Detailed charts of monthly budget versus actual cost comparisons for each provider are attached. Please note the charts now include projected costs through year-end. Note: Any current period expenditures shown in attachments and printed in ***bold italics*** are estimates.

**Recommendation:**

I recommend the Commission note and file this report.

## M-S-R PPA All Legal Summary

Month of: **Dec-2020**



#### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	1,012	1,071	49%
Gen - Other	1,250	678	572	54%
Renewables	2,250	1,400	850	62%
Rens - Other	22,917	33,801	(10,884)	147%
Reg & Comp	14,667	6,410	8,257	44%
Administrative	1,000	0	1,000	0%
<b>Total</b>	<b>44,167</b>	<b>43,300</b>	<b>866</b>	<b>98%</b>

#### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	25,000	20,786	4,215	83%
Gen - Other	15,000	15,471	(471)	103%
Renewables	27,000	21,352	5,648	79%
Rens - Other	275,000	172,456	102,544	63%
Reg & Comp	176,000	80,229	95,771	46%
Administrative	12,000	10,501	1,499	88%
<b>Total</b>	<b>530,000</b>	<b>320,794</b>	<b>209,206</b>	<b>61%</b>

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	31,500	37,211	(5,711)	118%
Berlin	8,083	<b>4,400</b>	3,683	54%
Porter Simon	3,333	1,012	2,321	30%
Others	1,250	678	572	54%
<b>Total</b>	<b>44,167</b>	<b>43,300</b>	<b>866</b>	<b>98%</b>

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	378,000	226,930	151,070	60%
Berlin	97,000	<b>48,928</b>	48,072	50%
Porter Simon	40,000	29,465	10,535	74%
Others	15,000	15,471	(471)	103%
<b>Total</b>	<b>530,000</b>	<b>320,794</b>	<b>209,206</b>	<b>61%</b>

# M-S-R PPA Duncan Summary

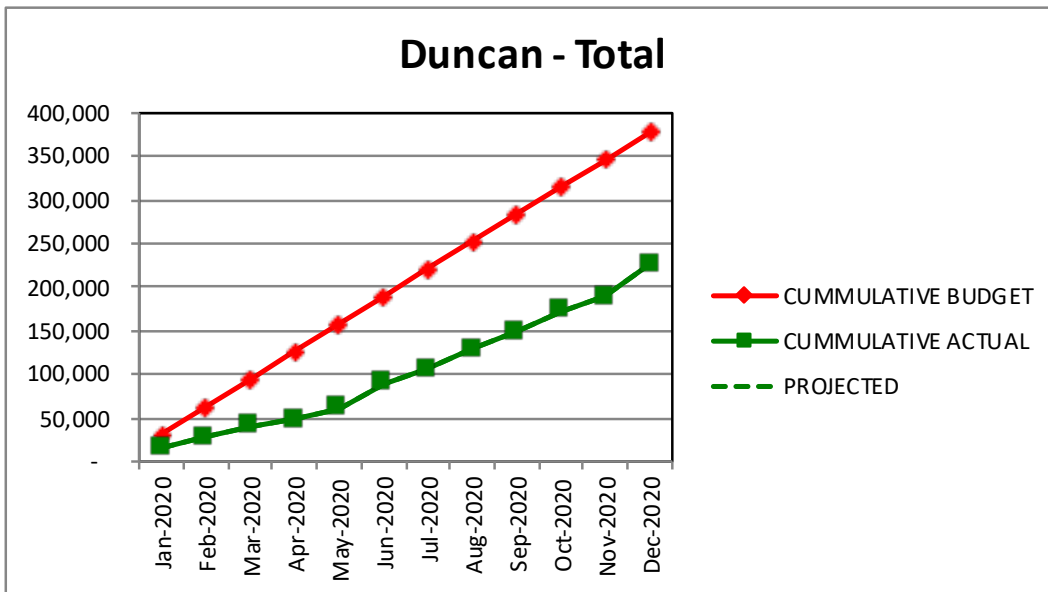
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	250	0	250	0%
Rens - Other	22,917	33,801	(10,884)	147%
Reg & Comp	8,333	3,410	4,923	41%
Administrative	0	0	0	0%
<b>Total</b>	<b>31,500</b>	<b>37,211</b>	<b>(5,711)</b>	<b>118%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	1,910	(1,910)	#DIV/0!
Gen - Other	0	0	0	0%
Renewables	3,000	0	3,000	0%
Rens - Other	275,000	172,456	102,544	63%
Reg & Comp	100,000	52,564	47,436	53%
Administrative	0	0	0	0%
<b>Total</b>	<b>378,000</b>	<b>226,930</b>	<b>151,070</b>	<b>60%</b>



# M-S-R PPA Berlin Summary

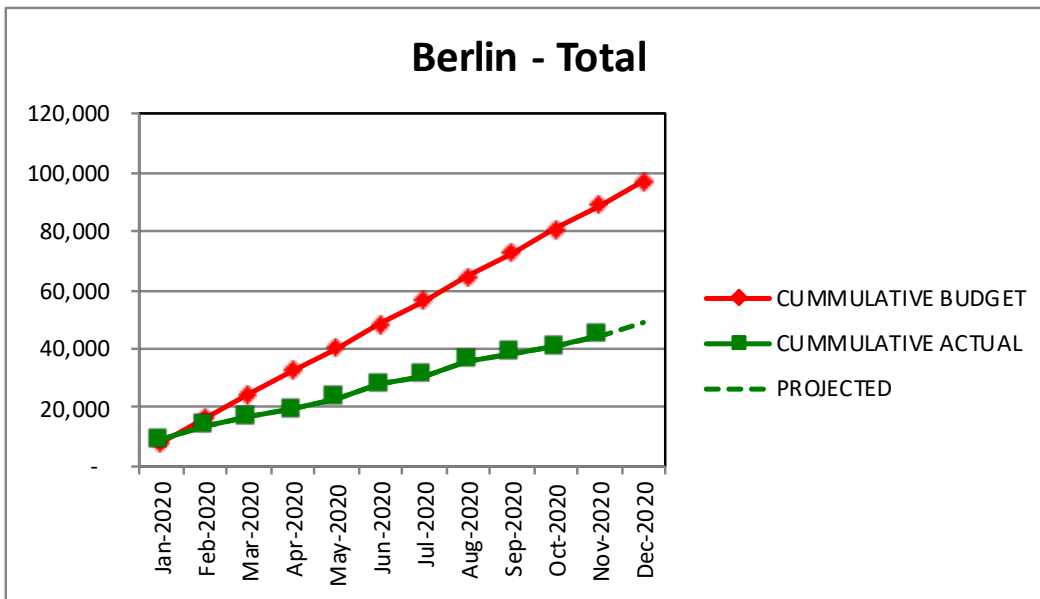
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,833	<b>1,400</b>	433	76%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	<b>3,000</b>	3,250	48%
Administrative	0	0	0	0%
<b>Total</b>	<b>8,083</b>	<b>4,400</b>	<b>3,683</b>	<b>54%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	22,000	21,264	736	97%
Rens - Other	0	0	0	0%
Reg & Comp	75,000	27,665	47,335	37%
Administrative	0	0	0	0%
<b>Total</b>	<b>97,000</b>	<b>48,928</b>	<b>48,072</b>	<b>50%</b>



# M-S-R PPA Misc Legal Summary

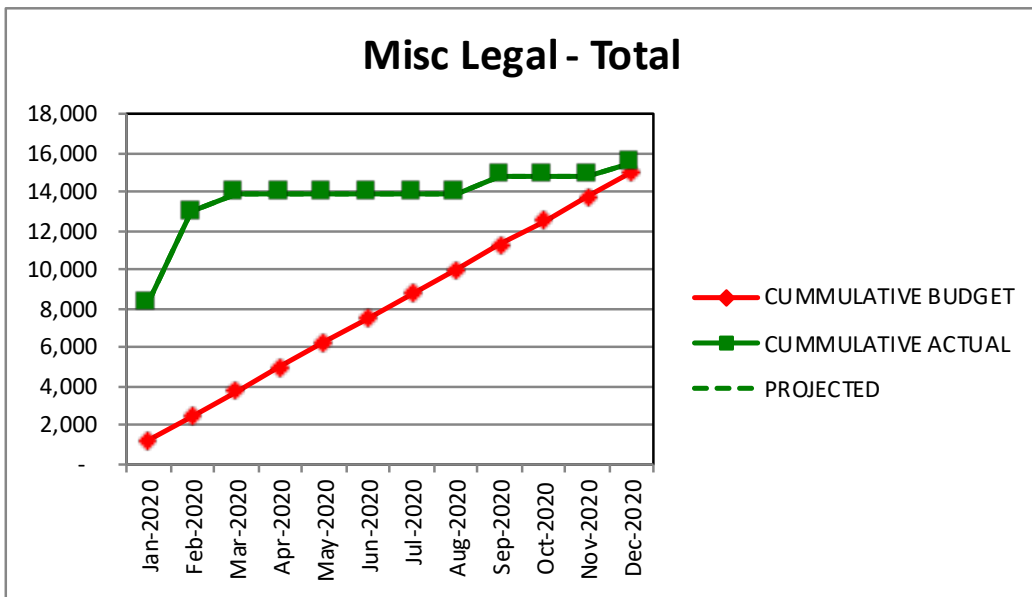
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	1,250	678	572	54%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>1,250</b>	<b>678</b>	<b>572</b>	<b>54%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	15,000	15,471	(471)	103%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>15,000</b>	<b>15,471</b>	<b>(471)</b>	<b>103%</b>



# M-S-R PPA Porter Simon Summary

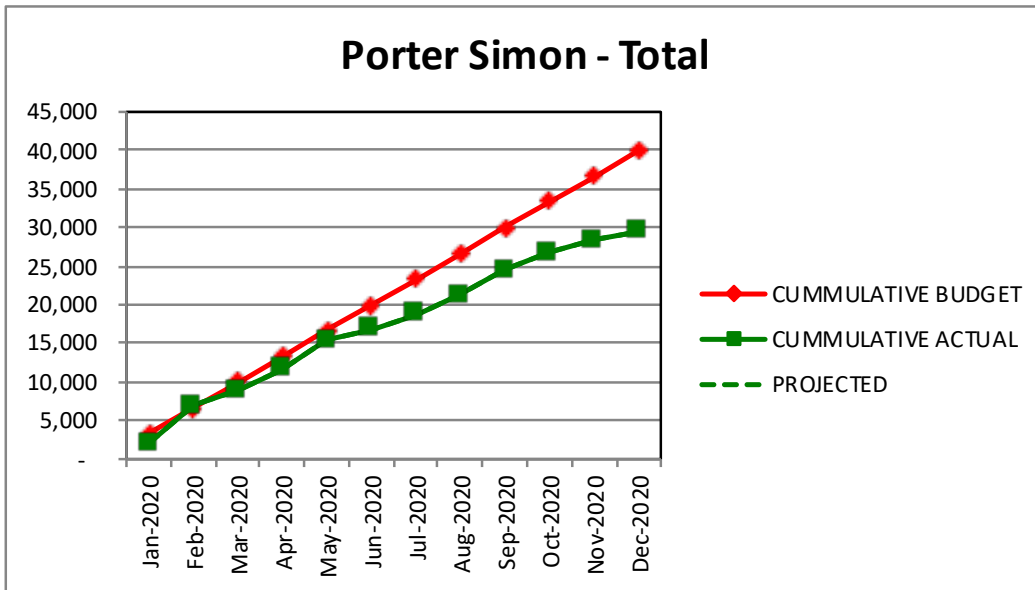
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	1,012	1,071	49%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	83	0	83	0%
Administrative	1,000	0	1,000	0%
<b>Total</b>	<b>3,333</b>	<b>1,012</b>	<b>2,321</b>	<b>30%</b>

## YEAR TO DATE

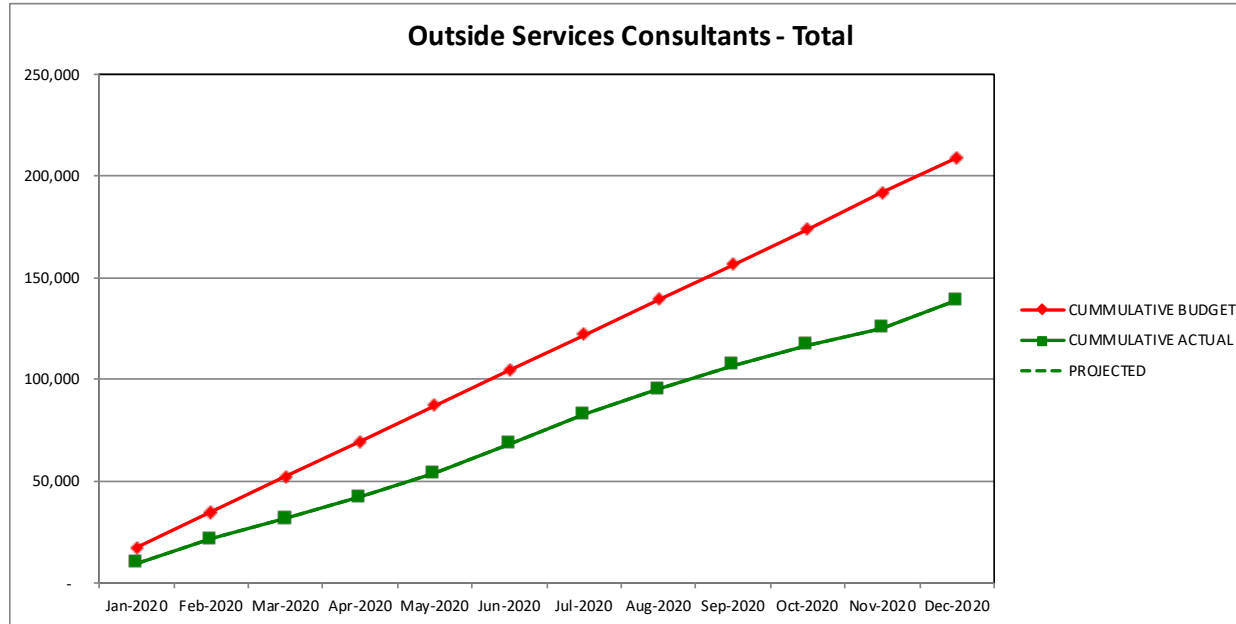
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	25,000	18,876	6,124	76%
Gen - Other	0	0	0	0%
Renewables	2,000	88	1,912	4%
Rens - Other	0	0	0	0%
Reg & Comp	1,000	0	1,000	0%
Administrative	12,000	10,501	1,499	88%
<b>Total</b>	<b>40,000</b>	<b>29,465</b>	<b>10,535</b>	<b>74%</b>



	2020 Budget	Reallocated Budget	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Total	Average	Year-End Projection	Notes
Legal Costs - 2020			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				
<b>Italics = Estimates</b>																		
<b>DWG&amp;P</b>																		
<b>Generation</b>																		
SJGS Agreements	-	-	-	-	-	-	-	-	-	-	1,910	-	-	-	1,910	159	1,910	
<b>Renewables</b>																		
BPA/PNW Gen1	10,000	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Rens - Other</b>																		
BPA Rate Cases	275,000	275,000	7,903	8,930	4,494	3,486	7,560	21,742	12,482	21,169	15,419	20,795	14,676.50	33,800.50	172,456	14,371	172,456	
<b>Regulatory &amp; Comp</b>																		
FERC Gen'l	100,000	100,000	7,655	3,422	8,478	3,823	5,058	7,087	3,046	2,254	2,343	3,734	2,255.00	3,410.00	52,564	4,380	52,564	
	<b>385,000</b>	<b>378,000</b>	<b>15,558</b>	<b>12,352</b>	<b>12,972</b>	<b>7,309</b>	<b>12,618</b>	<b>28,829</b>	<b>15,528</b>	<b>23,423</b>	<b>19,671</b>	<b>24,529</b>	<b>16,931.50</b>	<b>37,210.50</b>	<b>226,930</b>	<b>18,911</b>	<b>226,930</b>	<b>60%</b>
			4.12%	7.38%	10.82%	12.75%	16.09%	23.71%	27.82%	34.02%	39.22%	45.71%	50.19%	60.03%				
<b>Law Offices of Susie Berlin</b>																		
<b>Generation</b>																		
RES/RPS	15,000	22,000	2,847	2,223	273	195	2,379	3,432	1,807	2,847	1,560.00	975	1,326.00	1,400	21,264	1,772	21,264	
<b>Regulatory &amp; Comp</b>																		
AB32/Cap & Trade/I	75,000	75,000	6,369	2,457	2,663	2,145	1,521	1,521	936	2,262	1,164.00	1,014	2,613.00	3,000	27,665	2,305	27,665	
	<b>92,000</b>	<b>97,000</b>	<b>9,216</b>	<b>4,680</b>	<b>2,936</b>	<b>2,340</b>	<b>3,900</b>	<b>4,953</b>	<b>2,743</b>	<b>5,109</b>	<b>2,724.00</b>	<b>1,989</b>	<b>3,939.00</b>	<b>4,400</b>	<b>48,928</b>	<b>4,077</b>	<b>48,928</b>	<b>50%</b>
			9.50%	14.33%	17.35%	19.76%	23.79%	28.89%	31.72%	36.99%	39.79%	41.84%	45.91%	50.44%				
<b>Others</b>																		
<b>Generation - Other</b>																		
Najjar & Virtue	15,000	15,000	8,331	4,650	936	-	-	-	-	-	876	-	-	677.73	15,471	1,289	15,471	Richard Virtue
	15,000	15,000	8,331	4,650	936	-	-	-	-	-	876	-	-	677.73	15,471	1,289	15,471	
			55.54%	86.54%	92.78%	92.78%	92.78%	92.78%	92.78%	92.78%	98.62%	98.62%	98.62%	103.14%				103%
<b>Sub Total</b>	<b>492,000</b>	<b>490,000</b>	<b>33,105</b>	<b>21,682</b>	<b>16,843</b>	<b>9,649</b>	<b>16,518</b>	<b>33,782</b>	<b>18,270</b>	<b>28,532</b>	<b>23,271</b>	<b>26,518</b>	<b>20,871</b>	<b>42,288</b>	<b>291,329</b>	<b>24,277</b>	<b>291,329</b>	<b>59%</b>
			6.76%	11.18%	14.62%	16.59%	19.96%	26.85%	30.58%	36.40%	41.15%	46.57%	50.82%	59.45%				
<b>Porter Simon</b>																		
<b>M-S-R PPA</b>																		
<b>Generation</b>	15,000	25,000	2,046	2,090	1,716.00	2,728	1,848.00	1,408	1,474.00	1,540	1,408	990	616	1,012.00	18,876	1,573	18,876	
<b>Renewables</b>	2,000	2,000	-	-	-	-	-	-	-	88	-	-	-	-	88	7	88	
<b>Regulatory &amp; Comp</b>	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>A&amp;G</b>	30,000	12,000	-	2,779	242.00	22	1,892.00	110	440.00	880	1,782	1,188	1,166	-	10,501	875	10,501	
	<b>48,000</b>	<b>40,000</b>	<b>2,046</b>	<b>4,869</b>	<b>1,958.00</b>	<b>2,750</b>	<b>3,740.00</b>	<b>1,518</b>	<b>1,914.00</b>	<b>2,508</b>	<b>3,190</b>	<b>2,178</b>	<b>1,782</b>	<b>1,012.00</b>	<b>29,465</b>	<b>2,455</b>	<b>29,465</b>	<b>74%</b>
			5.12%	17.29%	22.18%	29.06%	38.41%	42.20%	46.99%	53.26%	61.23%	66.68%	71.13%	73.66%				
<b>GRAND TOTAL</b>	<b>540,000</b>	<b>530,000</b>	<b>35,151</b>	<b>26,552</b>	<b>18,801</b>	<b>12,399</b>	<b>20,258</b>	<b>35,300</b>	<b>20,184</b>	<b>31,040</b>	<b>26,461</b>	<b>28,696</b>	<b>22,653</b>	<b>43,300</b>	<b>320,794</b>	<b>26,733</b>	<b>320,794</b>	
			6.63%	11.64%	15.19%	17.53%	21.35%	28.01%	31.82%	37.68%	42.67%	48.08%	52.36%	60.53%				
	Legal Original 2020 Budget	Legal Revised 2020 Budget																
G	15,000	25,000													20,786		20,786	
G - Other	15,000	15,000													15,471		15,471	
R	27,000	27,000													21,352		21,352	
R - Other	275,000	275,000													172,456		172,456	
R&C	176,000	176,000													80,229		80,229	
A	32,000	12,000													10,501		10,501	
	<b>540,000</b>	<b>530,000</b>													<b>320,794</b>		<b>320,794</b>	
50/35/15	62,000	52,000													46,758		46,758	
Renew	302,000	302,000													193,808		193,808	

## M-S-R PPA Total Outside Consult Summary

Month of: **Dec-2020**



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,000	2,756	244	92%
Gen - Other	0	0	0	0%
Renewables	5,750	2,332	3,418	41%
Rens - Other	5,833	8,190	(2,357)	140%
Reg & Comp	1,583	0	1,583	0%
Administrative	1,250	424	826	34%
<b>Total</b>	<b>17,417</b>	<b>13,702</b>	<b>3,715</b>	<b>79%</b>

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	36,000	34,768	1,232	97%
Gen - Other	0	0	0	0%
Renewables	69,000	43,682	25,319	63%
Rens - Other	70,000	42,952	27,048	61%
Reg & Comp	19,000	5,098	13,903	27%
Administrative	15,000	12,499	2,501	83%
<b>Total</b>	<b>209,000</b>	<b>138,998</b>	<b>70,002</b>	<b>67%</b>

CURRENT MONTH				
By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Navigant	250	0	250	0%
KBT	14,000	13,702	298	98%
Others	3,167	0	3,167	0%
<b>Total</b>	<b>17,417</b>	<b>13,702</b>	<b>3,715</b>	<b>79%</b>

YEAR TO DATE				
By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Navigant	3,000	839	2,161	28%
KBT	168,000	127,964	40,036	76%
Others	38,000	10,195	27,805	27%
<b>Total</b>	<b>209,000</b>	<b>138,998</b>	<b>70,002</b>	<b>67%</b>



# M-S-R PPA KBT Summary

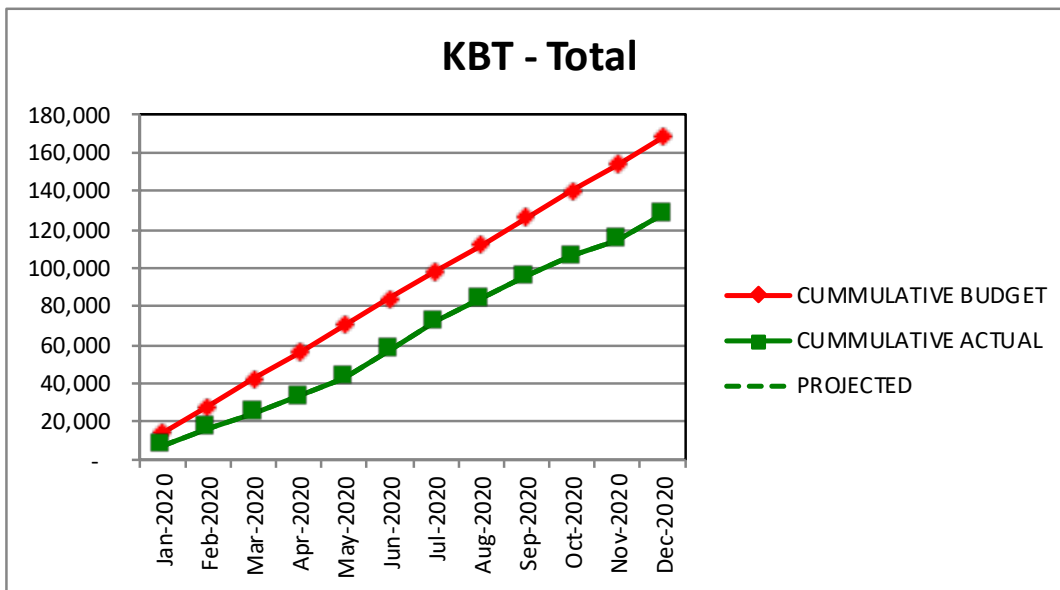
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,000	2,756	244	92%
Gen - Other	0	0	0	0%
Renewables	4,167	2,332	1,835	56%
Rens - Other	5,833	8,190	(2,357)	140%
Reg & Comp	0	0	0	0%
Administrative	1,000	424	576	42%
<b>Total</b>	<b>14,000</b>	<b>13,702</b>	<b>298</b>	<b>98%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	36,000	34,768	1,232	97%
Gen - Other	0	0	0	0%
Renewables	50,000	38,584	11,416	77%
Rens - Other	70,000	42,952	27,048	61%
Reg & Comp	0	0	0	0%
Administrative	12,000	11,660	340	97%
<b>Total</b>	<b>168,000</b>	<b>127,964</b>	<b>40,036</b>	<b>76%</b>



# M-S-R PPA Navigant Summary

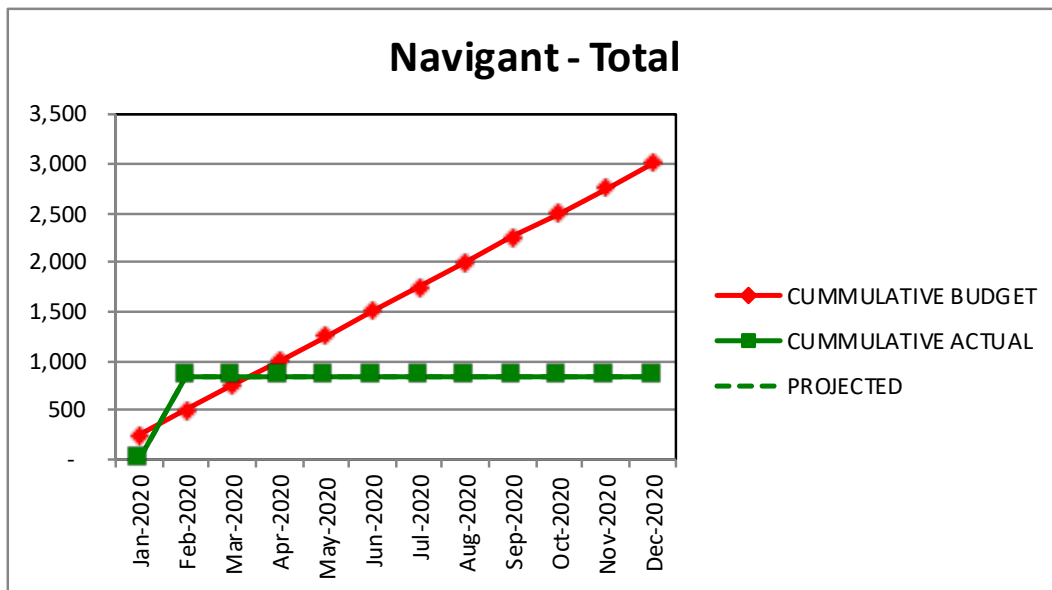
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	250	0	250	0%
<b>Total</b>	<b>250</b>	<b>0</b>	<b>250</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	3,000	839	2,161	28%
<b>Total</b>	<b>3,000</b>	<b>839</b>	<b>2,161</b>	<b>28%</b>



# M-S-R PPA

## Misc Outside Services Summary

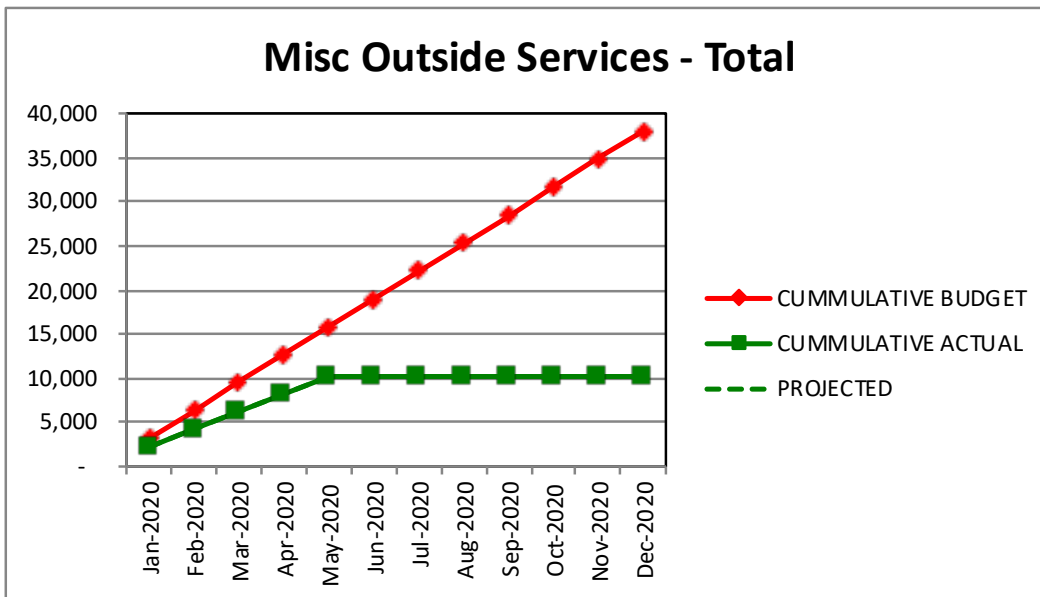
Month of: **Dec-2020**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,583	0	1,583	0%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	0	1,583	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>0</b>	<b>3,167</b>	<b>0%</b>

### YEAR TO DATE

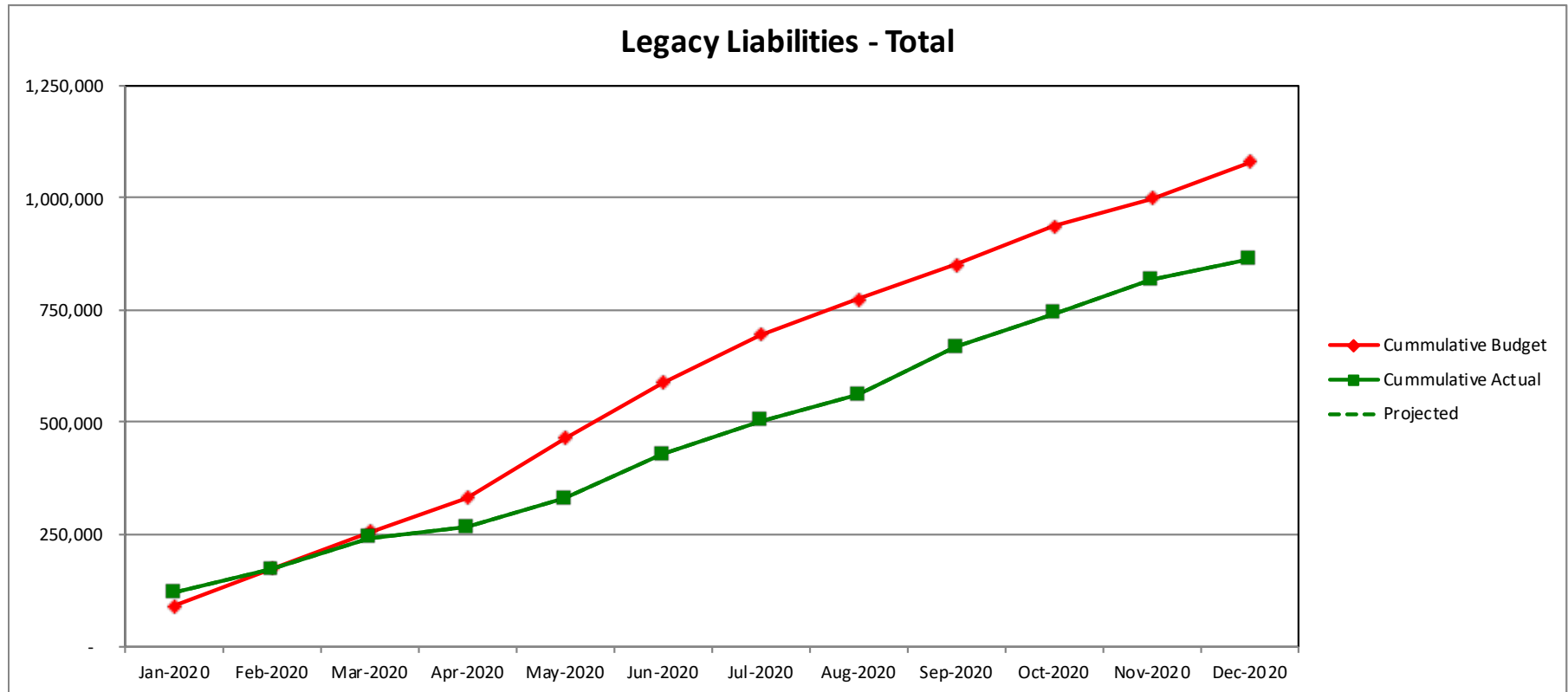
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	19,000	5,098	13,903	27%
Rens - Other	0	0	0	0%
Reg & Comp	19,000	5,098	13,903	27%
Administrative	0	0	0	0%
<b>Total</b>	<b>38,000</b>	<b>10,195</b>	<b>27,805</b>	<b>27%</b>



Consultant Costs - 2020	2020 Budget	Revised Budget	Task Orders	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Total	Average	Year-End	Notes
<b>Italics = Estimates</b>				8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				Projection
<b>Navigant</b>																			
<b>Generation</b>																			
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Administrative</b>	5,000	3,000	-	-	838.83	-	-	-	-	-	-	-	-	-	-	839	70	839	
	5,000	3,000	-	-	839	-	-	-	-	-	-	-	-	-	-	839	70	839	
				0.00%	27.96%	27.96%	27.96%	27.96%	27.96%	27.96%	27.96%	27.96%	27.96%	27.96%	27.96%				28%
<b>KBT</b>																			
<b>Generation</b>																			
General	21,000	36,000		2,120	3,180	3,392	2,120	3,816	3,816	1,696	2,544	3,392	3,392.00	2,544.00	2,756.00	34,768	2,897	34,768	
<b>Gen - Other</b>																			
SJGS Disposition				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																			
General	50,000	50,000		3,604	3,604	2,968	3,816	3,180	2,544	4,452	2,544	2,544	3,604.00	3,392.00	2,332.00	38,584	3,215	38,584	
<b>Rens - Other</b>																			
BP-20 Rate Case	70,000	70,000														-			BP-20 Rate Case
KBT 2020-01			2,912	728	1,638											2,366	1,183	2,366	Jan - Feb
KBT 2020-02			2,912			637	910									1,547	774	1,547	Mar - Apr
KBT 2020-03			12,740					2,184	7,644							9,828	4,914	9,828	May - Jun
KBT 2020-04			21,840							5,733	5,278					11,011	5,506	11,011	Jul - Aug
KBT 2020-05			21,840									5,460	2,730.00			8,190	4,095	8,190	Sep - Oct
KBT 2020-06			21,840											1,820.00	8,190.00	10,010	5,005	10,010	Nov - Dec
Sum			84,084													42,952		42,952	
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>	15,000	12,000		848	848	848	1,908	636	424	2,544	1,908	424	212.00	636.00	424.00	11,660	972	11,660	
	156,000	168,000	84,084	7,300	9,270	7,845	8,754	9,816	14,428	14,425	12,274	11,820	9,938.00	8,392.00	13,702.00	127,964	28,560	127,964	
				4.35%	9.86%	14.53%	19.74%	25.59%	34.17%	42.76%	50.07%	57.10%	63.02%	68.01%	76.17%				76%
<b>SUBTOTAL</b>	161,000	171,000		7,300	10,109	7,845	8,754	9,816	14,428	14,425	12,274	11,820	9,938	8,392	13,702	128,803	28,630	128,803	
				4.53%	10.81%	15.69%	21.12%	27.22%	36.18%	45.14%	52.76%	60.11%	66.28%	71.49%	80.00%				75%
<b>Outside Services</b>																			
<b>Generation</b>																			
<b>Renewables</b>																			
Ferguson Group	5,000	5,000		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Politico Group	14,000	14,000		1,098	1,000	1,000	1,000	1,000	-	-	-	-	-	-	-	5,098	425	5,098	
<b>Rens - Other</b>																			
Ferguson Group	5,000	5,000		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Politico Group	14,000	14,000		1,098	1,000	1,000	1,000	1,000	-	-	-	-	-	-	-	5,098	425	5,098	
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>	38,000	38,000		2,195	2,000	2,000	2,000	2,000	-	-	-	-	-	-	-	10,195	850	10,195	
				5.78%	11.04%	16.30%	21.57%	26.83%	26.83%	26.83%	26.83%	26.83%	26.83%	26.83%	26.83%				27%
<b>GRAND TOTAL</b>	199,000	209,000		9,495	12,109	9,845	10,754	11,816	14,428	14,425	12,274	11,820	9,938	8,392	13,702	138,998	29,480	138,998	
				4.77%	10.86%	15.80%	21.21%	27.15%	34.40%	41.64%	47.81%	53.75%	58.75%	62.96%	69.85%				67%
	Original 2020 Budget	Revised 2020 Budget																	
G	21,000	36,000																	34,768
G - Other	-	-																	-
R	69,000	69,000																	43,682
R - Other	70,000	70,000																	42,952
R&C	19,000	19,000																	5,098
A	20,000	15,000																	12,499
	199,000	209,000																	138,998
	50/35/15 Renew	41,000 51,000																	47,267
		139,000 139,000																	86,634

## Legacy Liability - Total

Month of: **Dec-2020**



CURRENT MONTH					YEAR TO DATE				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %	By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	3,500	4,436	(936)	127%	PNM - Reclamation	42,000	39,196	2,804	93%
SJCC - Reclamation	74,000	42,996	31,004	58%	SJCC - Reclamation	1,033,000	786,476	246,524	76%
PNM - Decommission	1,906	163	1,743	9%	PNM - Decommission	3,812	38,024	(34,212)	998%
<b>Total</b>	<b>79,406</b>	<b>47,595</b>	<b>31,810</b>	<b>60%</b>	<b>Total</b>	<b>1,078,812</b>	<b>863,696</b>	<b>215,115</b>	<b>80%</b>

# PNM - Reclamation

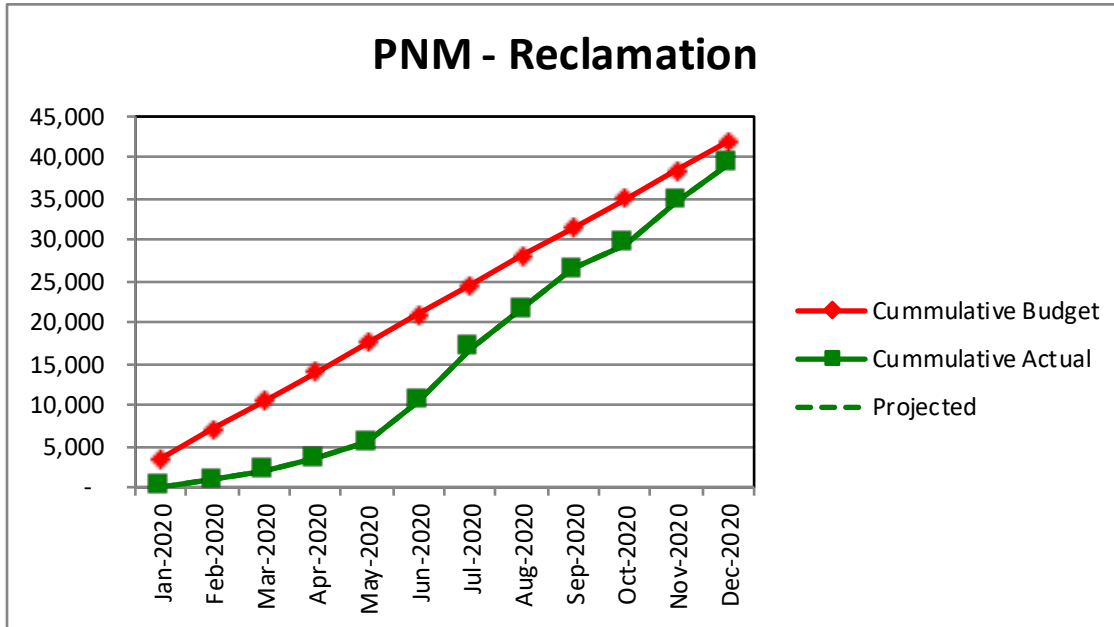
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,500	4,436	(936)	127%
<b>Total</b>	<b>3,500</b>	<b>4,436</b>	<b>(936)</b>	<b>127%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	42,000	39,196	2,804	93%
<b>Total</b>	<b>42,000</b>	<b>39,196</b>	<b>2,804</b>	<b>93%</b>



# SJCC - Reclamation

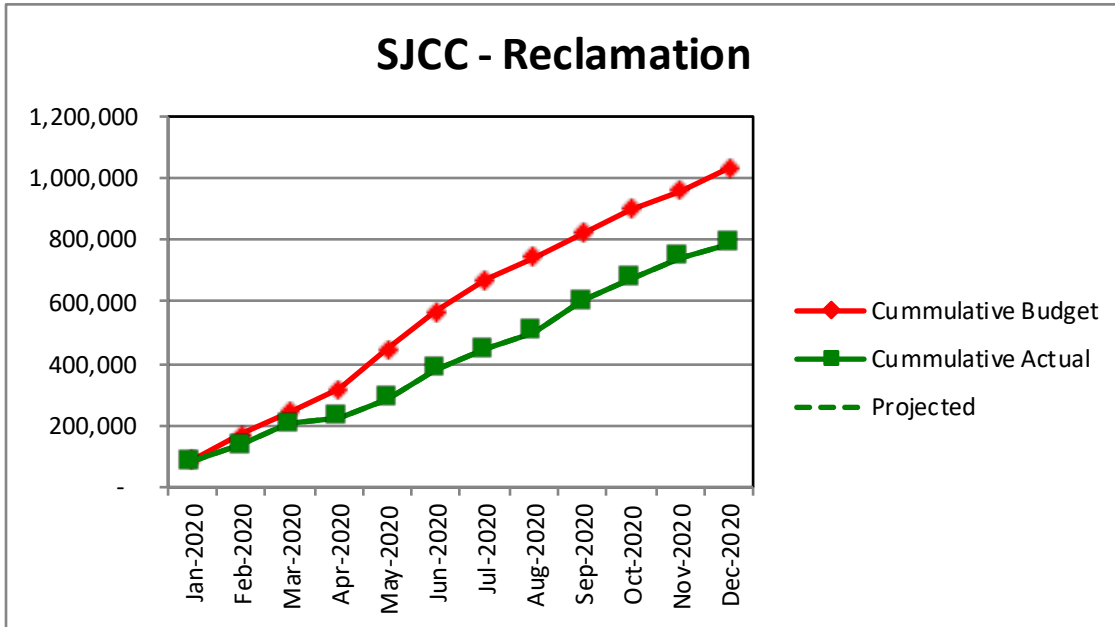
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	74,000	42,996	31,004	58%
<b>Total</b>	<b>74,000</b>	<b>42,996</b>	<b>31,004</b>	<b>58%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	1,033,000	786,476	246,524	76%
<b>Total</b>	<b>1,033,000</b>	<b>786,476</b>	<b>246,524</b>	<b>76%</b>



# PNM - Decommissioning

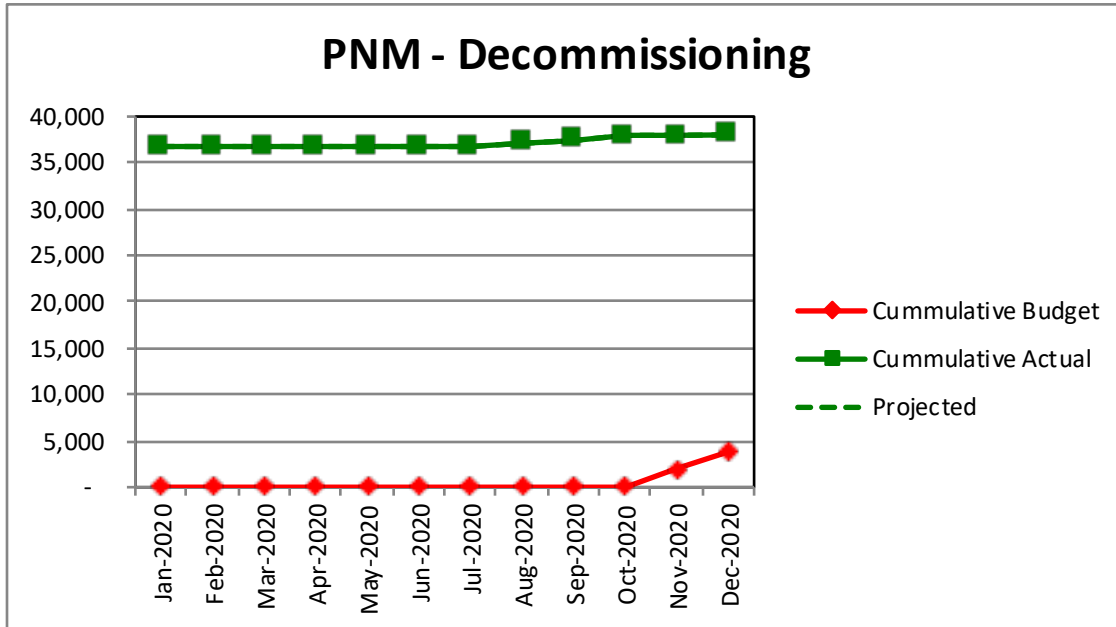
Month of: **Dec-2020**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,906	163	1,743	9%
<b>Total</b>	<b>1,906</b>	<b>163</b>	<b>1,743</b>	<b>9%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	3,812	38,024	(34,212)	998%
<b>Total</b>	<b>3,812</b>	<b>38,024</b>	<b>(34,212)</b>	<b>998%</b>

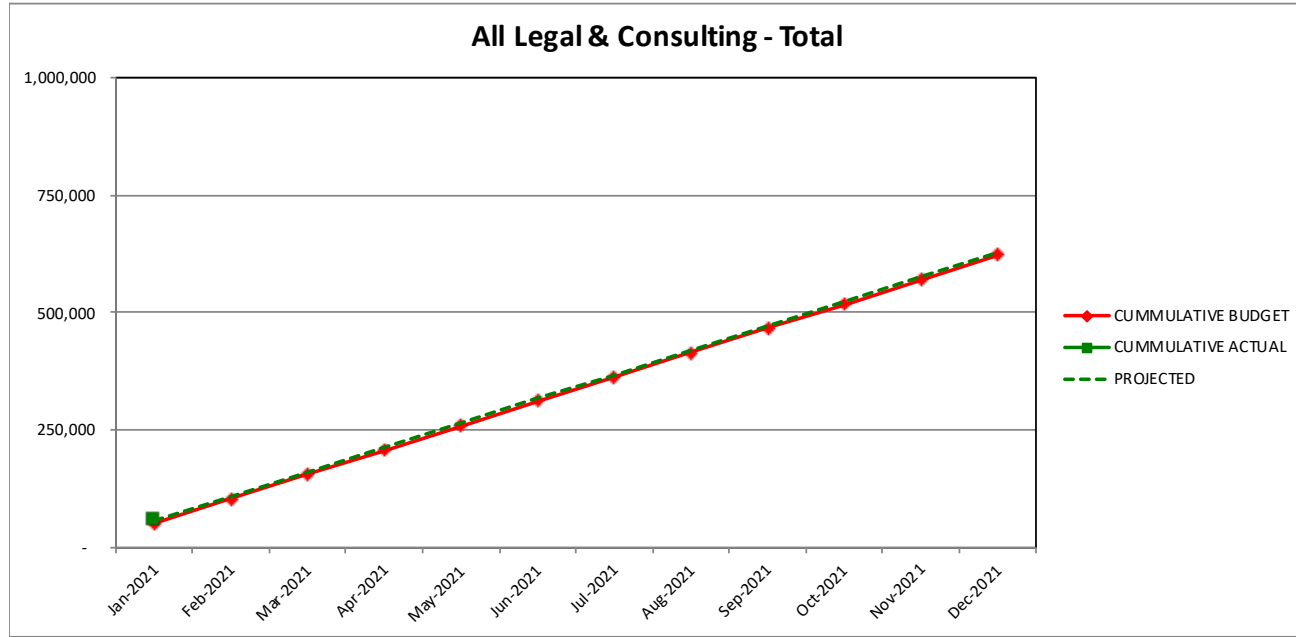




Legacy Liability Costs - 2020	M-S-R 2020 Budget	Revised or A.O.P	Jan-2020 8.33%	Feb-2020 16.67%	Mar-2020 25.00%	Apr-2020 33.33%	May-2020 41.67%	Jun-2020 50.00%	Jul-2020 58.33%	Aug-2020 66.67%	Sep-2020 75.00%	Oct-2020 83.33%	Nov-2020 91.67%	Dec-2020 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	42,000	42,000	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000		
<b>Cummulative Budget</b>			3,500	7,000	10,500	14,000	17,500	21,000	24,500	28,000	31,500	35,000	38,500	42,000			
<b>Reclamation Trust Funds</b>																	
<b>Operating Agent</b>			-	930	1,012	1,490	1,912	5,144	6,477	4,574	4,846	3,130	5,243	4,436.46	39,196	3,266	39,196
<b>Cummulative Actual</b>	42,000	42,000	-	930	1,943	3,432	5,345	10,489	16,966	21,540	26,387	29,517	34,760	39,196			93%
			0.00%	2.22%	4.63%	8.17%	12.73%	24.97%	40.40%	51.29%	62.83%	70.28%	82.76%	93.32%			
<b>SJCC - Reclamation - Budget</b>			88,000	80,000	76,000	74,000	130,000	120,000	102,000	76,000	74,000	81,000	58,000	74,000	1,033,000		
<b>Cummulative Budget</b>			88,000	168,000	244,000	318,000	448,000	568,000	670,000	746,000	820,000	901,000	959,000	1,033,000			
<b>San Juan - Surface</b>	1,033,000	1,033,000	84,228	50,500	68,861	22,783	61,560	92,613	67,827	54,039	100,801	71,664	68,605	42,995.77	786,476	65,540	786,476
<b>San Juan - Underground</b>			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cummulative Actual</b>	1,033,000	1,033,000	84,228	50,500	68,861	22,783	61,560	92,613	67,827	54,039	100,801	71,664	68,605	42,995.77	786,476	65,540	786,476
			8.15%	13.04%	19.71%	21.91%	27.87%	36.84%	43.40%	48.64%	58.39%	65.33%	71.97%	76.14%			76%
<b>PNM - Decommissioning</b>	-	3,812	-	-	-	-	-	-	-	-	-	-	1,906	1,906	3,812		
<b>Cummulative Budget</b>			-	-	-	-	-	-	-	-	-	-	1,906	3,812			
<b>Initial Decommissioning</b>			36,768	-	-	-	-	-	-	429	326	337	-	163.25	38,024	3,169	38,024
<b>Cummulative Actual</b>	-	3,812	36,768	36,768	36,768	36,768	36,768	36,768	36,768	37,197	37,523	37,861	37,861	38,024	38,024	3,169	38,024
			964.61%	964.61%	964.61%	964.61%	964.61%	964.61%	964.61%	975.86%	984.43%	993.28%	993.28%	997.56%			997.56%
<b>Total Legacy Liability</b>		1,078,812	120,996	51,430	69,873	24,272	63,472	97,757	74,304	59,042	105,974	75,132	73,848	47,595	863,696	71,975	863,696
			120,996	172,426	242,299	266,572	330,044	427,800	502,105	561,147	667,121	742,253	816,101	863,696			80%
			11.22%	15.98%	22.46%	24.71%	30.59%	39.65%	46.54%	52.02%	61.84%	68.80%	75.65%	80.06%			
<b>Cummulative Budget</b>			91,500	175,000	254,500	332,000	465,500	589,000	694,500	774,000	851,500	936,000	999,406	1,078,812			
<b>Cummulative Actual</b>			120,996	172,426	242,299	266,572	330,044	427,800	502,105	561,147	667,121	742,253	816,101	863,696			

*Italics = Estimated*

Month of: **Jan-2021**



**CURRENT MONTH**

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	5,000	5,672	(672)	113%
Gen - Other	83	1,175	(1,092)	1410%
Renewables	5,167	4,847	320	94%
Rens - Other	28,750	35,293	(6,543)	123%
Reg & Comp	9,667	9,583	83	99%
Administrative	3,167	1,114	2,053	35%
<b>Total</b>	<b>51,833</b>	<b>57,684</b>	<b>(5,851)</b>	<b>111%</b>

**YEAR TO DATE**

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	5,000	5,672	(672)	113%
Gen - Other	83	1,175	(1,092)	1410%
Renewables	5,167	4,847	320	94%
Rens - Other	28,750	35,293	(6,543)	123%
Reg & Comp	9,667	9,583	83	99%
Administrative	3,167	1,114	2,053	35%
<b>Total</b>	<b>51,833</b>	<b>57,684</b>	<b>(5,851)</b>	<b>111%</b>

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	29,167	29,167	0	100%
Berlin	5,000	5,000	0	100%
Porter Simon	4,000	2,508	1,492	63%
KBT	13,333	20,676	(7,343)	155%
Others	333	333	(0)	100%
<b>Total</b>	<b>51,833</b>	<b>57,684</b>	<b>(5,851)</b>	<b>111%</b>

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	29,167	29,167	0	100%
Berlin	5,000	5,000	0	100%
Porter Simon	4,000	2,508	1,492	63%
KBT	13,333	20,676	(7,343)	155%
Others	333	333	(0)	100%
<b>Total</b>	<b>51,833</b>	<b>57,684</b>	<b>(5,851)</b>	<b>111%</b>

# M-S-R PPA Duncan Summary

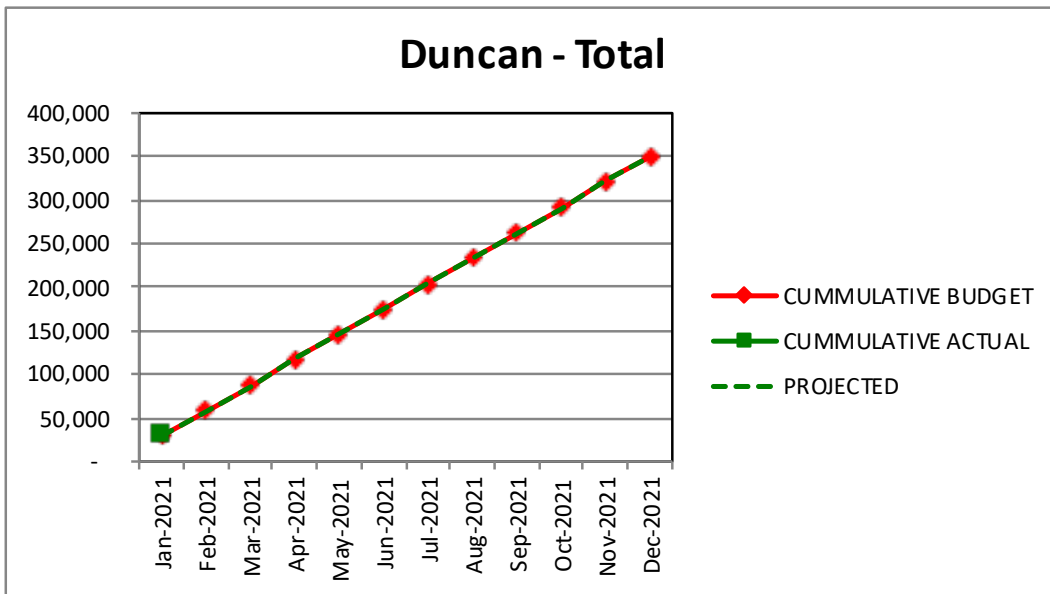
Month of: **Jan-2021**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	0	0	0	0%
Rens - Other	22,917	<b>22,917</b>	0	100%
Reg & Comp	6,250	<b>6,250</b>	0	100%
Administrative	0	0	0	0%
<b>Total</b>	<b>29,167</b>	<b>29,167</b>	<b>0</b>	<b>100%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	0	0	0	0%
Rens - Other	22,917	22,917	0	100%
Reg & Comp	6,250	6,250	0	100%
Administrative	0	0	0	0%
<b>Total</b>	<b>29,167</b>	<b>29,167</b>	<b>0</b>	<b>100%</b>



# M-S-R PPA Berlin Summary

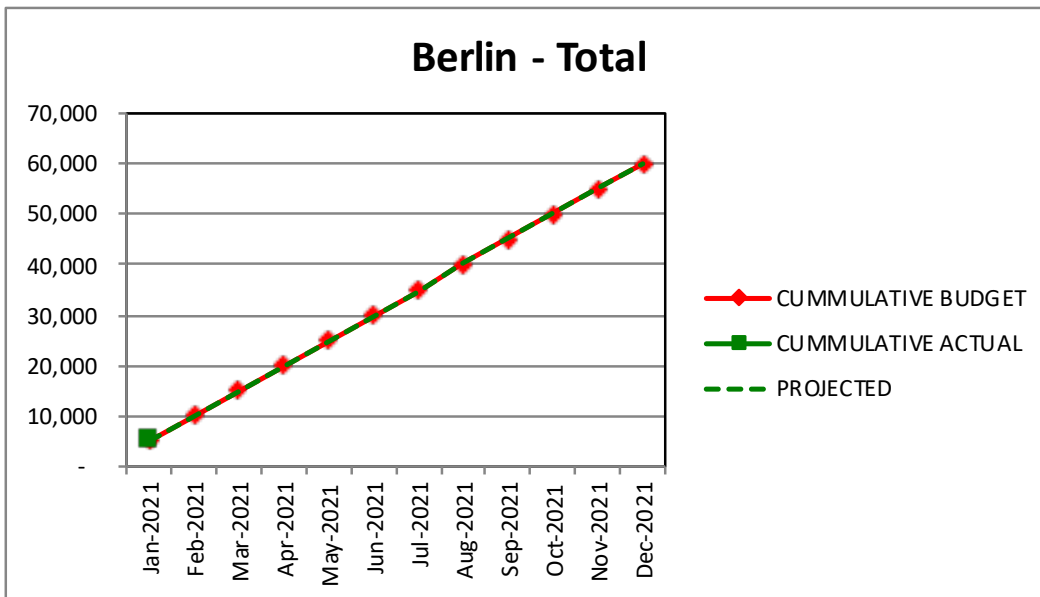
Month of: **Jan-2021**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,667	<b>1,667</b>	0	100%
Rens - Other	0	<b>0</b>	0	0%
Reg & Comp	3,333	<b>3,333</b>	0	100%
Administrative	0	0	0	0%
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>100%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,667	1,667	0	100%
Rens - Other	0	0	0	0%
Reg & Comp	3,333	3,333	0	100%
Administrative	0	0	0	0%
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>100%</b>



# M-S-R PPA Misc Legal & Consult Summary

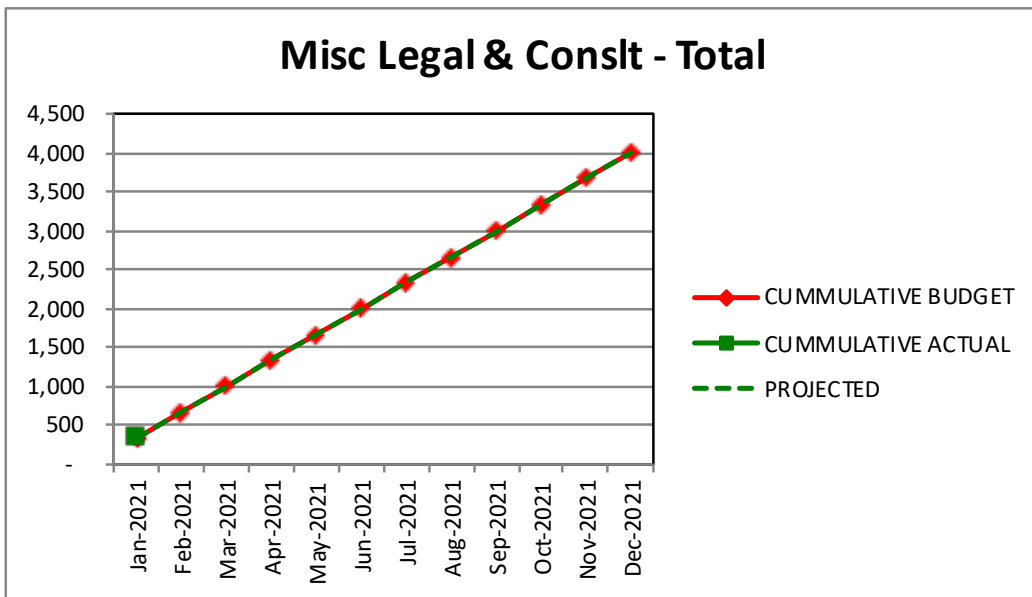
Month of: **Jan-2021**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	83	83	0	100%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	250	250	0	100%
<b>Total</b>	<b>333</b>	<b>333</b>	<b>0</b>	<b>100%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	83	83	0	100%
Renewables	0	0	0	0%
Rens - Other	0	0	0	0%
Reg & Comp	0	0	0	0%
Administrative	250	250	0	100%
<b>Total</b>	<b>333</b>	<b>333</b>	<b>0</b>	<b>100%</b>



# M-S-R PPA Porter Simon Summary

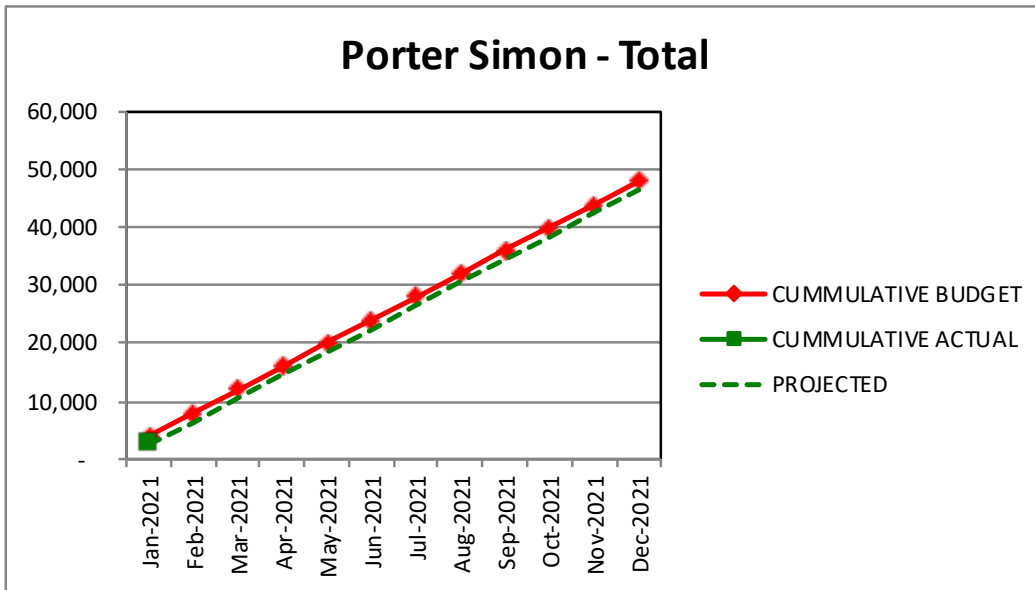
Month of: **Jan-2021**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	2,068	15	99%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	83	0	83	0%
Administrative	1,667	440	1,227	26%
<b>Total</b>	<b>4,000</b>	<b>2,508</b>	<b>1,492</b>	<b>63%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	2,083	2,068	15	99%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	83	0	83	0%
Administrative	1,667	440	1,227	26%
<b>Total</b>	<b>4,000</b>	<b>2,508</b>	<b>1,492</b>	<b>63%</b>



# M-S-R PPA KBT Summary

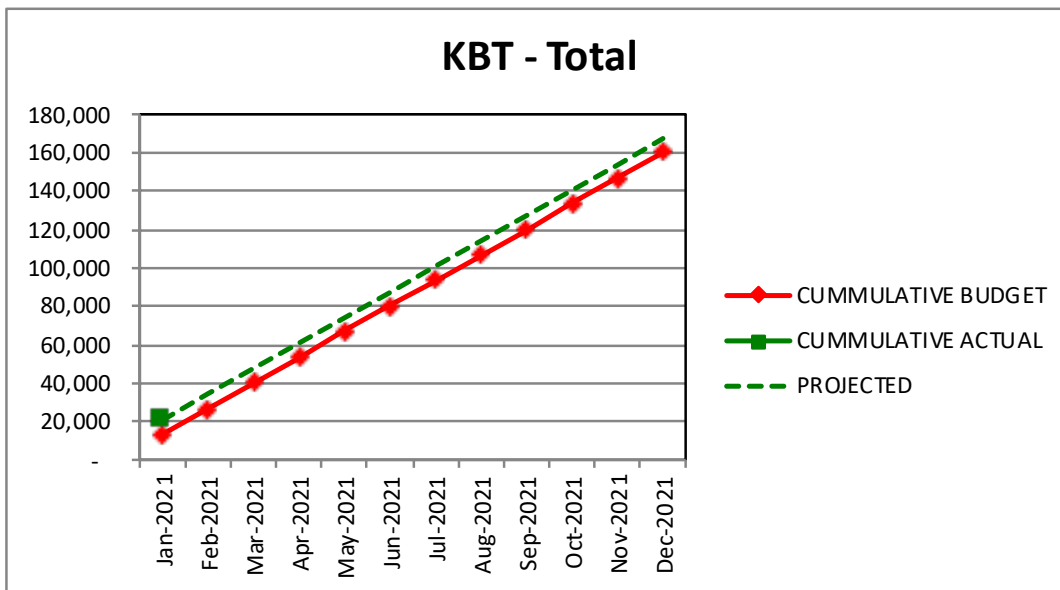
Month of: **Jan-2021**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,917	<b>3,604</b>	(687)	124%
Gen - Other	0	<b>1,092</b>	(1,092)	#DIV/0!
Renewables	3,333	<b>3,180</b>	153	95%
Rens - Other	5,833	<b>12,376</b>	(6,543)	212%
Reg & Comp	0	0	0	0%
Administrative	1,250	<b>424</b>	826	34%
<b>Total</b>	<b>13,333</b>	<b>20,676</b>	<b>(7,343)</b>	<b>155%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	2,917	3,604	(687)	124%
Gen - Other	0	1,092	(1,092)	#DIV/0!
Renewables	3,333	3,180	153	95%
Rens - Other	5,833	12,376	(6,543)	212%
Reg & Comp	0	0	0	0%
Administrative	1,250	424	826	34%
<b>Total</b>	<b>13,333</b>	<b>20,676</b>	<b>(7,343)</b>	<b>155%</b>

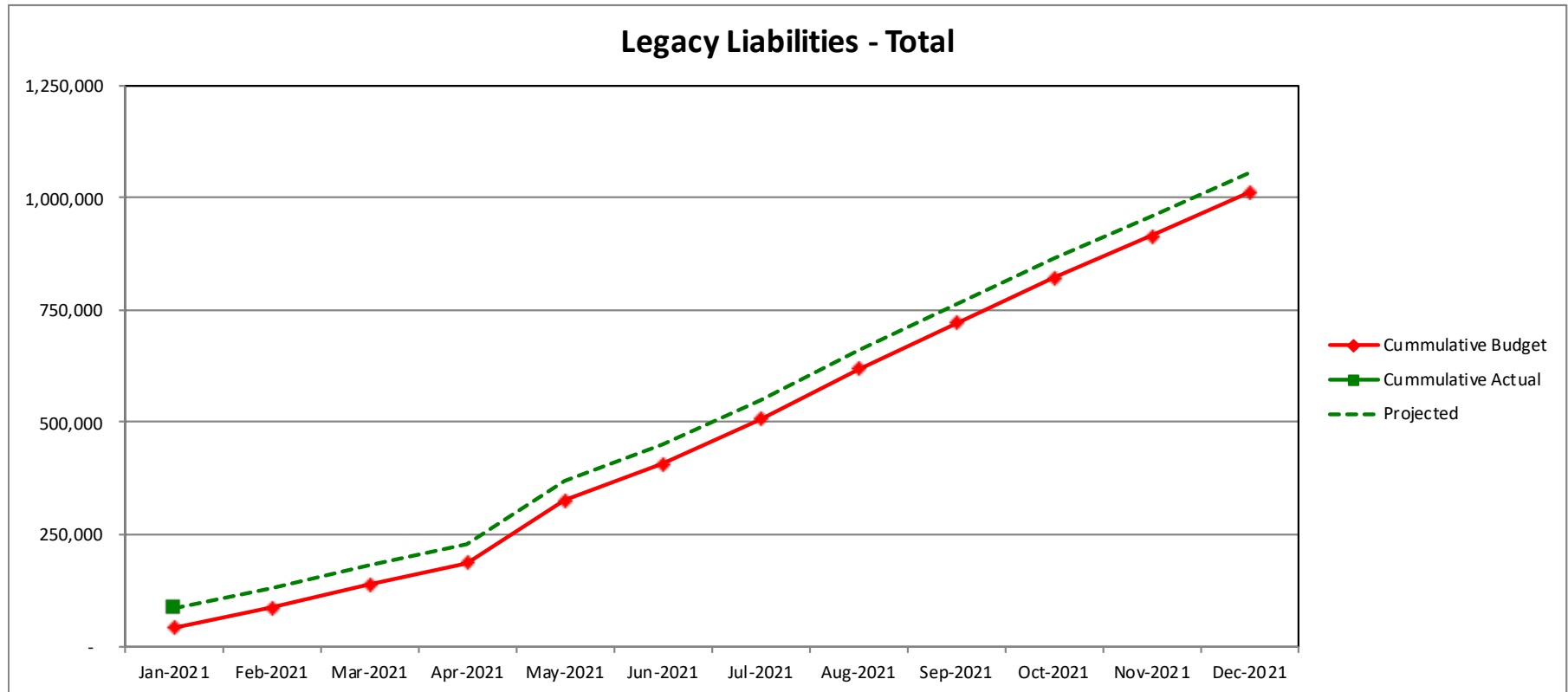


	2021 Budget	Reallocated Budget	Jan-2021 8.33%	Feb-2021 16.67%	Mar-2021 25.00%	Apr-2021 33.33%	May-2021 41.67%	Jun-2021 50.00%	Jul-2021 58.33%	Aug-2021 66.67%	Sep-2021 75.00%	Oct-2021 83.33%	Nov-2021 91.67%	Dec-2021 100.00%	Total	Average	Year-End Projection	Notes
<b>Legal Costs - 2021</b>																		
<i>Italics = Estimates</i>																		
<b>Legal</b>																		
<b>DWG&amp;P</b>																		
<b>Generation</b>																		
SJGS Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																		
BPA/PNW Gen1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rens - Other</b>																		
BPA Rate Cases	275,000	275,000	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	275,000	22,917	275,000	
<b>Regulatory &amp; Comp</b>																		
FERC Gen1	75,000	75,000	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000	6,250	75,000	
	350,000	350,000	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	29,167	350,000	29,167	350,000	100%
			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				
<b>Law Offices of Susie Berlin</b>																		
<b>Generation</b>																		
<b>Renewables</b>																		
RES/RPS	20,000	20,000	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000	1,667	20,000	
<b>Regulatory &amp; Comp</b>																		
AB32/Cap & Trade/A&G	40,000	40,000	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000	3,333	40,000	
	60,000	60,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	5,000	60,000	100%
			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				
<i>Italics = Estimates</i>																		
<b>Others</b>																		
<b>Generation - Other</b>																		
Najjar & Virtue	1,000	1,000	83	83	83	83	83	83	83	83	83	83	83	83	1,000	83	1,000	Richard Virtue
	1,000	1,000	83	83	83	83	83	83	83	83	83	83	83	83	1,000	83	1,000	
			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				100%
<b>Sub Total</b>	<b>411,000</b>	<b>411,000</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>34,250</b>	<b>411,000</b>	<b>34,250</b>	<b>411,000</b>	<b>100%</b>
			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				
<b>General Counsel</b>																		
<b>Porter Simon</b>																		
<b>M-S-R PPA</b>																		
<b>Generation</b>																		
<b>Renewables</b>																		
RES/RPS	25,000	25,000	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	24,985	2,082	24,985	
BPA/PNW Gen1	2,000	2,000	167	167	167	167	167	167	167	167	167	167	167	167	1,833	153	1,833	
<b>Regulatory &amp; Comp</b>																		
A&G	1,000	1,000	83	83	83	83	83	83	83	83	83	83	83	83	917	76	917	
	20,000	20,000	440.00	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	18,773	1,564	18,773	
	48,000	48,000	2,508.00	4,000	4,000.00	4,000	4,000.00	4,000	4,000.00	4,000	4,000.00	4,000	4,000.00	4,000.00	46,508	3,876	46,508	97%
			5.23%	13.56%	21.89%	30.23%	38.56%	46.89%	55.23%	63.56%	71.89%	80.23%	88.56%	96.89%				
<b>Consulting</b>																		
<b>KBT</b>																		
<b>Generation</b>																		
General	35,000	35,000	3,604.00	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	35,687	2,974	35,687	
<b>Gen - Other</b>																		
SJGS Disposition			1,092.00	-	-	-	-	-	-	-	-	-	-	-	1,092	91	1,092	
<b>Renewables</b>																		
General	40,000	40,000	3,180.00	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,847	3,321	39,847	
<b>Rens - Other</b>																		
BP-22 Rate Case	70,000	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	BP-22 Rate Case
KBT 2021-01			21,840	12,376.00	5,833	5,833	5,833								18,209	9,105	18,209	Jan - Feb
KBT 2021-0x			-	-	-	-	-	5,833	5,833						11,667	5,833	11,667	Mar - Apr
KBT 2021-0x			-	-	-	-	-	-	5,833	5,833					11,667	5,833	11,667	May - Jun
KBT 2021-0x			-	-	-	-	-	-	-	5,833	5,833				11,667	5,833	11,667	Jul - Aug
KBT 2021-0x			-	-	-	-	-	-	-	-	5,833	5,833			11,667	5,833	11,667	Sep - Oct
KBT 2021-0x			-	-	-	-	-	-	-	-	-	5,833	5,833		11,667	5,833	11,667	Nov - Dec
Sum		21,840													76,543		76,543	
<b>Regulatory &amp; Comp</b>																		
Administrative	15,000	15,000	424.00	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	14,174	1,181	14,174	
	160,000	160,000	21,840	20,676.00	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	167,343	45,838	167,343	105%
			12.92%	21.26%	29.59%	37.92%	46.26%	54.59%	62.92%	71.26%	79.59%	87.92%	96.26%	104.59%				
														167,343				
<i>Italics = Estimates</i>																		
<b>Others</b>																		
<b>Administrative</b>																		
Navigant/Guidehou	3,000	3,000	250	250	250	250	250	250	250	250	250	250	250	250	3,000	250	3,000	Meetings
	3,000	3,000	250	250	250	250	250	250	250	250	250	250	250	250	3,000	250	3,000	
			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%				100%
<b>Sub Total</b>	<b>163,000</b>	<b>163,000</b>	<b>20,926</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>13,583</b>	<b>170,343</b>	<b>46,088</b>	<b>170,343</b>	<b>105%</b>
			12.84%	21.17%	29.50%	37.84%	46.17%	54.50%	62.84%	71.17%	79.50%	87.84%	96.17%	104.50%				
<b>GRAND TOTAL</b>	<b>622,000</b>	<b>622,000</b>	<b>57,684</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>51,833</b>	<b>627,851</b>	<b>84,214</b>	<b>627,851</b>	<b>100.94%</b>
			9.27%	17.61%	25.94%	34.27%	42.61%	50.94%	59.27%	67.61%	75.94%	84.27%	92.61%	100.94%				



# Legacy Liability - Total

Month of: Jan-2021



CURRENT MONTH					YEAR TO DATE				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %	By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	3,333	<b>3,333</b>	0	100%	PNM - Reclamation	3,333	3,333	0	100%
WSJM - Reclamation	35,000	<b>78,389</b>	(43,389)	224%	WSJM - Reclamation	35,000	78,389	(43,389)	224%
PNM - Decommission	4,000	<b>4,000</b>	0	100%	PNM - Decommission	4,000	4,000	0	100%
<b>Total</b>	<b>42,333</b>	<b>85,723</b>	<b>(43,389)</b>	<b>202%</b>	<b>Total</b>	<b>42,333</b>	<b>85,723</b>	<b>(43,389)</b>	<b>202%</b>

# PNM - Reclamation

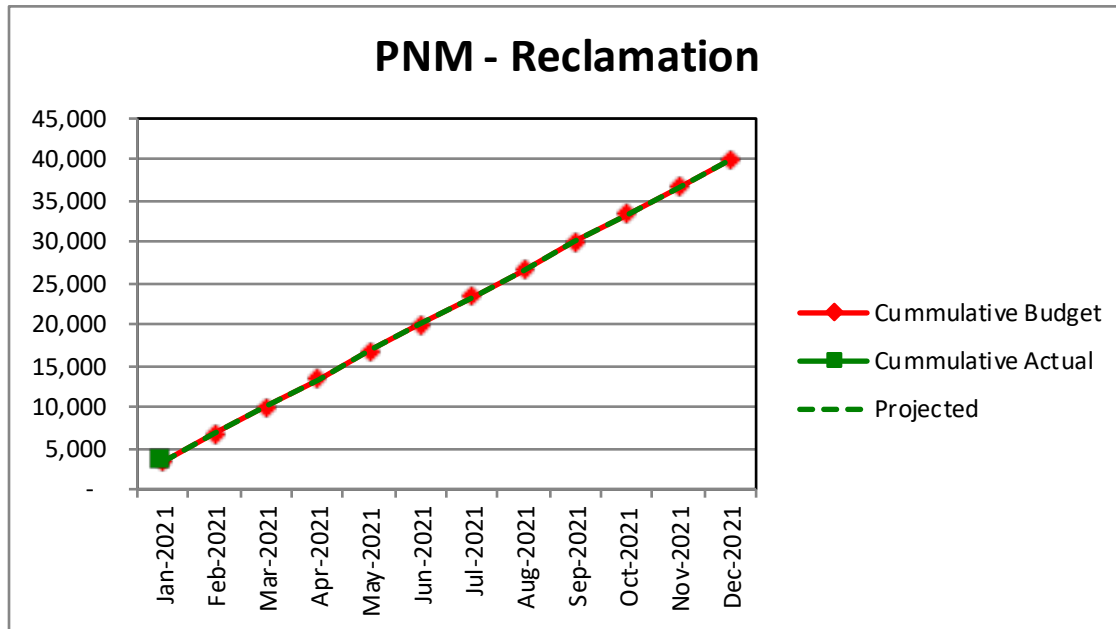
Month of: **Jan-2021**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	3,333	<b>3,333</b>	0	100%
<b>Total</b>	<b>3,333</b>	<b>3,333</b>	<b>0</b>	<b>100%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	3,333	3,333	0	100%
<b>Total</b>	<b>3,333</b>	<b>3,333</b>	<b>0</b>	<b>100%</b>



# WSJM - Reclamation

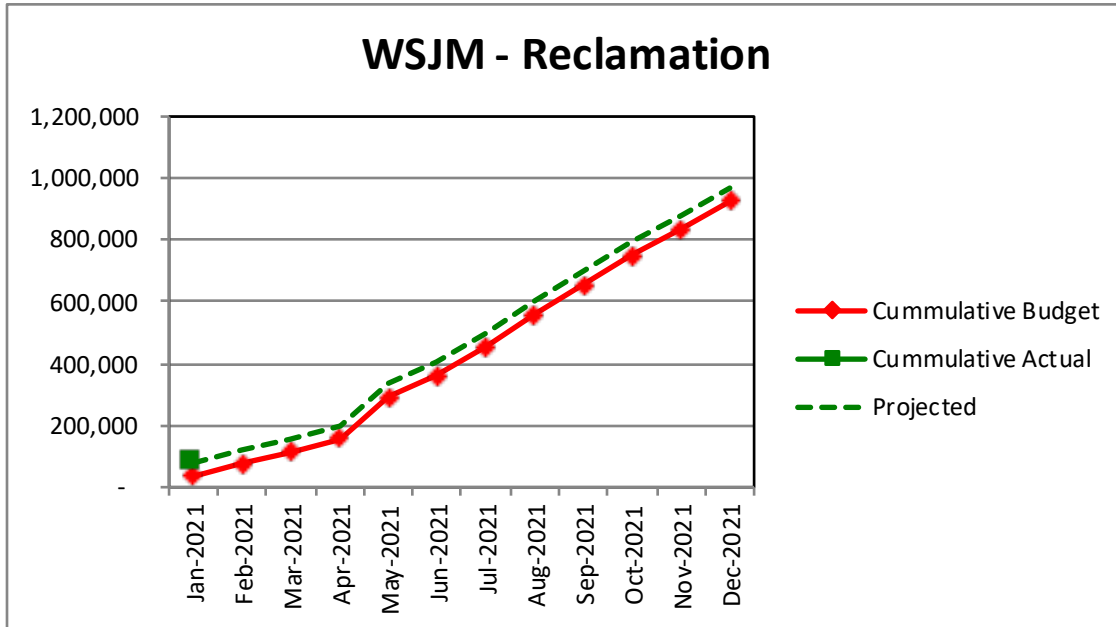
Month of: **Jan-2021**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	35,000	<b>78,389</b>	<b>(43,389)</b>	224%
Total	35,000	78,389	<b>(43,389)</b>	224%

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	35,000	78,389	<b>(43,389)</b>	224%
Total	35,000	78,389	<b>(43,389)</b>	224%



# PNM - Decommissioning

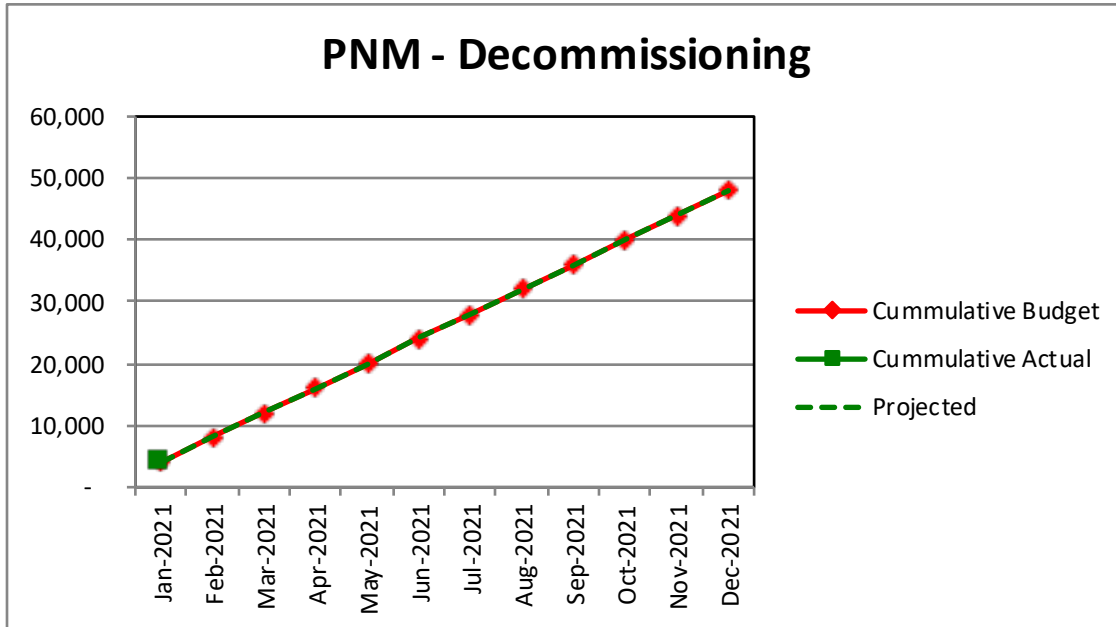
Month of: **Jan-2021**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	4,000	<b>4,000</b>	0	100%
Total	4,000	4,000	0	100%

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	4,000	4,000	0	100%
Total	4,000	4,000	0	100%



Legacy Liability Costs - 2021	M-S-R 2021 Budget	Revised or A.O.P	Jan-2021 8.33%	Feb-2021 16.67%	Mar-2021 25.00%	Apr-2021 33.33%	May-2021 41.67%	Jun-2021 50.00%	Jul-2021 58.33%	Aug-2021 66.67%	Sep-2021 75.00%	Oct-2021 83.33%	Nov-2021 91.67%	Dec-2021 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	40,000	40,000	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000	3,333	40,000
<b>Cummulative Budget</b>			3,333	6,667	10,000	13,333	16,667	20,000	23,333	26,667	30,000	33,333	36,667	40,000			
<b>Reclamation Trust Funds Operating Agent</b>			<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>3,333</b>	<b>40,000</b>	<b>3,333</b>	<b>40,000</b>
<b>Cummulative Actual</b>	40,000	40,000	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333.33	3,333.33	3,333	40,000	3,333	40,000
			3,333	6,667	10,000	13,333	16,667	20,000	23,333	26,667	30,000	33,333	36,667	40,000			100%
			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%			
<b>WSJM - Reclamation - Budget</b>			35,000	38,000	42,000	42,000	133,000	72,000	93,000	105,000	94,000	93,000	87,000	91,000	925,000		
<b>Cummulative Budget</b>			35,000	73,000	115,000	157,000	290,000	362,000	455,000	560,000	654,000	747,000	834,000	925,000			
<b>San Juan - Surface</b>	925,000	925,000	78,389	<b>38,000</b>	<b>42,000</b>	<b>42,000</b>	<b>133,000</b>	<b>72,000</b>	<b>93,000</b>	<b>105,000</b>	<b>94,000</b>	<b>93,000</b>	<b>87,000</b>	<b>91,000</b>	968,389	80,699	968,389
<b>San Juan - Underground</b>		-	-												-	-	-
<b>Cummulative Actual</b>	925,000	925,000	78,389	38,000	42,000	42,000	133,000	72,000	93,000	105,000	94,000	93,000	87,000.00	91,000	968,389	80,699	968,389
			78,389	116,389	158,389	200,389	333,389	405,389	498,389	603,389	697,389	790,389	877,389	968,389			105%
			8.47%	12.58%	17.12%	21.66%	36.04%	43.83%	53.88%	65.23%	75.39%	85.45%	94.85%	104.69%			
<b>PNM - Decommissioning</b>	48,000	48,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000	4,000	48,000
<b>Cummulative Budget</b>			4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000	36,000	40,000	44,000	48,000			
<b>Initial Decommissioning</b>			<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>48,000</b>	<b>4,000</b>	<b>48,000</b>
<b>Cummulative Actual</b>	48,000	48,000	4,000	4,000	4,000.00	4,000	4,000	4,000.00	4,000	4,000	4,000	4,000.00	4,000.00	4,000	48,000	4,000	48,000
			4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000	36,000	40,000	44,000	48,000			
			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%			100.00%
<b>Total Legacy Liability</b>	1,013,000	1,013,000	85,723	45,333	49,333	49,333	140,333	79,333	100,333	112,333	101,333	100,333	94,333	98,333	1,056,389	88,032	1,056,389
			85,723	131,056	180,389	229,723	370,056	449,389	549,723	662,056	763,389	863,723	958,056	1,056,389			
			8.46%	12.94%	17.81%	22.68%	36.53%	44.36%	54.27%	65.36%	75.36%	85.26%	94.58%	104.28%			104%
<b>Cummulative Budget</b>			42,333	87,667	137,000	186,333	326,667	406,000	506,333	618,667	720,000	820,333	914,667	1,013,000			
<b>Cummulative Actual</b>			85,723	131,056	180,389	229,723	370,056	449,389	549,723	662,056	763,389	863,723	958,056	1,056,389			

*Italics = Estimated*



# Public Power Agency

P.O. Box 4060

• Modesto, California 95352

• (209) 526-7373

## Staff Report

Date: February 8, 2021  
From: Scott Van Vuren, Treasurer  
To: M-S-R PPA Commission  
Subject: Investment Policy Guidelines of the M-S-R Public Power Agency – 2021

---

The California Government Code section 53646(a)(1) requires that the Treasurer submit a statement of investment policy to the governing body annually and review any modifications or amendments the legislature may have enacted. The Investment Guidelines provide a set of written guidelines for the orderly and efficient conduct of business and control all aspects of the investment activity including allowable investments, collateral requirements, maximum maturity, and internal controls for safekeeping cash and investments, performance standards and reporting requirements.

The 2021 Investment Policy Guidelines have been updated to reflect Senate Bill 998: An act to amend Section 6509.7 of, and to amend, repeal, and add Sections 53601 and 53601.6 of, the Government Code, relating to local government that was signed into law on September 28, 2020 by Governor Newsom. This bill took effect on January 1, 2021 and shall be in effect until January 1, 2026. This law includes the following amendments that impact the Agency's Policy:

1. Allows local agencies that have more than \$100 million of investment assets under management to invest up to 40% in commercial paper (the existing limit is 25% for all agencies, other than a county or a city and county);
2. It prohibits a local agency, other than a county or a city and a county, from investing more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer; and
3. It allows investments in securities issued or backed by the U.S. government that could result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

I recommend that you approve the 2021 M-S-R Public Power Agency Investment Policy Guidelines.

cc: Ana Vigil

**Investment Policy Guidelines  
of the  
M-S-R Public Power Agency**

**20202021**

(Approved by Commission on ~~02-19-2020~~)



Table of Contents

A.	Policy .....	1
B.	Scope .....	1
C.	Funds .....	1
D.	Prudence .....	1
E.	Objective .....	1
F.	Delegation of Authority .....	<u>22</u>
G.	Ethics and Conflicts of Interest .....	<u>22</u>
H.	Authorized Financial Dealers and Institutions .....	<u>22</u>
I.	Authorized and Suitable Investments .....	<u>33</u>
J.	Prohibited Investments .....	<u>66</u>
K.	Investment Pools .....	<u>66</u>
L.	Collateral Requirements .....	<u>77</u>
M.	Safekeeping and Custody .....	<u>77</u>
N.	Delivery .....	<u>77</u>
O.	Diversification .....	<u>887</u>
P.	Maximum Maturity .....	<u>887</u>
Q.	Internal Control .....	<u>887</u>
R.	Other Guidelines .....	<u>998</u>
S.	Strategy .....	<u>99</u>
T.	Performance Standards .....	<u>10109</u>
U.	Reporting .....	<u>1040</u>
V.	Investment Policy Adoption .....	<u>111110</u>
	Glossary .....	<u>121211</u>
	Sources .....	<u>171716</u>



## A. Policy

It is the policy of the M-S-R Public Power Agency to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Agency and conforming to all state and local statutes governing the investment of public funds.

## B. Scope

This investment policy applies to all moneys (surplus financial assets) of the Agency. These moneys are accounted in the monthly financial reports and the comprehensive annual financial report of Agency financial activities.

## C. Funds

The guidelines outlined in this document shall apply to the general fund portfolio and other moneys under the Treasurer's span of control unless specifically exempted by statute or resolution. The investment of bond proceeds in the custody of a Trustee shall be governed in accordance with the investment guidelines contained in the bond indenture. This Policy is applicable to:

- General Fund

## D. Prudence

The standard of prudence to be used by investment officials in the management of Agency moneys shall be the "prudent investor" standard which shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with the care, skill, prudence and diligence, under circumstances then prevailing, including the general economic conditions and the anticipated needs of the Agency, which persons of prudence, discretion and intelligence acting in a like capacity and familiarity with those matters would use in the conduct of moneys of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

It is the Agency's intent, at the time of purchase, to hold all investments until maturity. However, investments may be sold prior to maturity for cash flow purposes or to take advantage of principal appreciation.

## E. Objective

The primary objectives, in priority order, of M-S-R's investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. **Liquidity:** The Agency's investment portfolio will remain sufficiently liquid to enable the Agency to meet all operating requirements which might be reasonably anticipated.
3. **Return on Investments:** The Agency's investment portfolio shall be designed with the objective of attaining a rate of return commensurate with the Agency's investment risk constraints and the cash flow characteristics of the portfolio.

## **F. Delegation of Authority**

Authority to manage the Agency's investment program is derived from Title 5, Division 2, Part 1, Chapter 4 of the California Government Code, commencing with Section 53600. Management responsibility for the investment program is hereby delegated, pursuant to Section 53607 of the Government Code, to the Agency Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. This responsibility includes authority to select Brokers, establish safekeeping accounts, enter into wire transfer agreements, banking service contracts, and collateral/depository agreement. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. This delegation shall be for no greater than one year and may be revoked at any time, or, upon review, renewed each year.

## **G. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. They shall disclose to the Agency's General Manager any material financial interests in financial institutions that conduct business with the Agency and all potential conflicts of interest, and, where appropriate, provide this information in an annual disclosure statement. They must also not engage in outside employment or personal activities which conflict with Agency employment or provide financial gain at the Agency's expense. Additionally, the Treasurer and the Assistant Treasurer are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC) and/or the Agency's Conflict of Interest Code.

## **H. Authorized Financial Dealers and Institutions**

The Agency shall transact business only with banks, associations, and with broker/dealers licensed by the State of California, and who are licensed and in good standing with the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations. The broker/dealers should be primary government dealers regularly reporting to the New York Federal Reserve Bank. The Treasurer will maintain a list of authorized broker/dealers and financial institutions that are approved for the investment process. They shall be selected for credit worthiness and must be authorized to provide investment services in the State of California.

Before a financial institution or broker/dealer is used, they are subject to investigation and approval by the Treasurer or his/her designated representative, and must submit the Broker/Dealer Questionnaire and Certification to the Agency's Treasury Department that includes:

1. Certification of reading MSR's investment policy by all representatives servicing the Agency's account(s);
2. Proof of Federal Investment Regulatory Authority (FINRA) certification;
3. Proof of State of California registration;
4. Certified audited financial statements for the institution's last three years;
5. References of other public-sector clients that similar services are provided to.

Investment staff shall investigate dealers who wish to do business with the District to determine if they are adequately capitalized, have pending legal action against the firm or the individual broker and are active in the securities appropriate to the Agency's needs.

The Agency Treasurer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the Agency. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the Agency's investment policies and intends to sell the Agency only appropriate investments authorized by this investment policy.

## **I. Authorized and Suitable Investments**

All investment vehicles allowed by Sections 53601 and 53635 of the California Government Code may be used by the M-S-R Public Power Agency.

**GOVERNMENT AGENCY ISSUES:** As authorized in Government Code Sections 53601 (a) through (f), this category includes a wide variety of government securities. There are no special portfolio limitations on the amount or maturity period for these investment vehicles, which include the following:

1. California local government agency bonds, notes, warrants or other indebtedness;
2. California State warrants, notes, bonds or other indebtedness;
3. Bonds issued by the Agency;
4. U.S. Treasury notes, bonds, bills or other certificates of indebtedness secured by the full faith and credit of the federal government;
5. Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or U.S. government-sponsored enterprises.

**BANKERS ACCEPTANCES:** As provided in Government Code Section 53601 (g), up to 40% of the Agency's moneys may be invested in Bankers Acceptances [that are eligible for purchase by the Federal Reserve System], although no more than 30% of the moneys may be invested in Bankers Acceptances of any one commercial bank. Additionally, the maturity period of any Bankers Acceptance shall not exceed 180 days.

**COMMERCIAL PAPER:** As authorized in Government Code Section 53601 (h), ~~up to 25% of~~ the Agency's moneys may be invested in "prime" commercial paper of quality of the highest ranking or of the highest letter and number rating provided by a nationally recognized statistical-rating organization (NRSRO). However, the Agency will only recognize the rankings or ratings provided by Moody's Investors Service, Inc. and Standard and Poor's or Fitch Financial Services, Inc. Issuing corporation must meet all of the following conditions in either paragraph (1) or paragraph (2):

- (1) The entity meets the following criteria:
  - (A) Is organized and operating in the United States as a general corporation.
  - (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
  - (C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

- (2) The entity meets the following criteria:
- (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
  - (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
  - (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

~~Agency shall not purchase more than 10% of the outstanding commercial paper of any one issuer.~~ Maturities may not exceed 270 days.

~~Senate Bill 998 amends Section 4 Government Code 53601 (h) to allow the Agency to invest up to 40% of the Agency's moneys (as long as it has one hundred million dollars (\$100,000,000) or more of investment assets under management otherwise the Agency's investable limit is 25%) in eligible commercial paper. The Agency may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer. This amendment shall remain in effect only until January 1, 2026 and as of that date is repealed.~~

~~As of January 1, 2026, the Agency may invest no more than 25 percent of their moneys in eligible commercial paper. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.~~

**NEGOTIABLE CERTIFICATES OF DEPOSIT:** As authorized in Government Code Section 53601 (i), up to 30% of Agency's moneys may be invested in negotiable certificates of deposit issued by nationally or state-chartered commercial banks, federally insured credit unions, or the state licensed branch of a foreign bank. There is no limitation on the maturity period for this investment vehicle except for the overall investment constraints.

**REPURCHASE AGREEMENTS, REVERSE REPURCHASE AGREEMENTS, OR SECURITIES LENDING AGREEMENTS:** As authorized in Government Code Section 53601 (j), Agency may invest in repurchase agreements, reverse repurchase agreements, or securities lending agreements of any securities authorized in the Government Code Section 53601 (a) to (j) or (m) or (n) provided that a master repurchase agreement that complies with the TBMA Model has been executed with the contra-party. These investment vehicles are agreements between the Agency and the seller for the purchase of government securities to be resold on or before a specified date and for a specified amount. The market value of the securities that underlie the repurchase agreement shall be valued at 102% or greater of the moneys borrowed against those securities, adjusted no less than quarterly. As provided in Government Code Section 53601(j) (4) (A), investing in reverse repurchase agreements or securities lending agreements may only be made upon prior approval of the Commission. The proceeds from a reverse repurchase agreement shall solely supplement the income normally received from the underlying securities.

Also:

1. The maturity of the reverse repurchase agreement must match the maturity of the securities purchased with the proceeds from the sale of the securities on the reverse repurchase agreement, and shall not exceed a term of 92 days, unless

the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

2. The total amount invested in reverse repurchase agreements shall not exceed 20% of the base value of the portfolio.
3. The securities to be sold on the reverse repurchase agreement or securities lending agreement must be owned and fully paid for by the Agency for a minimum of 30 days prior to the settlement of the reverse repurchase agreement.
4. Repurchase agreements, reverse repurchase agreements, or securities lending agreements may only be made with primary dealers of the Federal Reserve Bank of New York.

The Commission must specifically authorize the Treasurer to enter into reverse repurchase agreements or securities lending agreements pursuant to the limitations described herein.

**MEDIUM-TERM CORPORATE NOTES OR BONDS:** As authorized in Government Code Section 53601 (k), up to 30% of Agency's moneys may be invested in medium term corporate notes. Maturities may not exceed five years. The issuing corporation must be organized and operating within the U.S. and must be rated "A" or better by a nationally recognized rating service.

**SHARES OF BENEFICIAL INTEREST:** As authorized by Government Code Section 53601 (l), up to 20% of Agency's moneys may be invested in shares of beneficial interest issued by diversified management companies investing in securities authorized by Government Code Section 53601 (a) to (k), inclusive, and (m) to (o), inclusive, and shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940.

If the investment is in shares by a company that invests in securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, the company must have attained the highest ranking or the highest letter and numerical rating provided by two nationally recognized statistical rating organizations or retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with at least five (5) years investing the securities authorized by subdivisions (a) to (k), inclusive, and (m) to (o), inclusive, or experience managing money market mutual funds and with assets under management in excess of five hundred million dollars (\$500,000,000.00).

The purchase price of shares shall not include any commission and no more than 10% of the moneys may be invested in shares of any one mutual fund.

**MORTGAGE PASS-THROUGH SECURITIES:** As authorized in Government Code Section 53601 (o) up to 20% of the Agency's moneys may be invested in mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds of a maximum of five years maturity.

Securities eligible for investment under this provision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service.

**FINANCIAL FUTURES AND FINANCIAL OPTION CONTRACTS:** As permitted in Government Code Section 53601.1, Agency may invest in financial futures or financial option contracts in any of the above investment categories, subject to the same overall portfolio limitations.

**TIME CERTIFICATES OF DEPOSIT:** As authorized in Government Code Section 53630 and following, Agency may invest moneys in non-negotiable, fixed-term Certificates of Deposit collateralized in accordance with the Government Code requirements. In order to secure such deposits, an institution shall maintain in the collateral pool securities having a market value of at least 10% in excess of the total amount deposited (50% in excess of the total amount of deposits secured by promissory notes secured by first mortgages and first trust deeds). Agency is permitted to waive the first \$100,000 of collateral security for such deposits if the institution is insured pursuant to federal law. There are no special portfolio limits on the amount or maturity for this investment vehicle. TCD's may be purchased from banks, associations, federally insured credit unions, and federally insured industrial loan companies which meet the requirements set forth in the Government Code.

**CERTAIN OBLIGATIONS OF SUPRANATIONALS:** Must be United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

**LAIF:** Deposits with the Local Agency Investment Fund, which is managed by the California State Treasurer's Office, are also permitted. This investing is authorized by Government Code Section 16429.1. The Agency is a current participant in this fund.

## **J. Prohibited Investments**

The Agency shall not invest any moneys pursuant to Government Code 53601.6 or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips that are derived from a pool of mortgages, or reverse repurchase agreements. ~~Nor shall the Agency invest in any security that could result in zero interest accrual if held to maturity.~~

Senate Bill 998 amends Section 4 Government Code 53601.6 to permit a local agency to invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. A local agency may hold these instruments until their maturity dates. This amendment shall remain in effect only until January 1, 2026 and as of that date is repealed.

## **K. Investment Pools**

The Treasurer shall have a thorough understanding of the operational areas listed below for each pool and/or fund prior to investing, and on a continual basis.

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how interest is distributed, and how gains and losses are treated.



- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program is audited.
- A description of who may invest in the program, how often, and the permissible size of deposit and withdrawal.
- A schedule for receiving statements and portfolio listings.
- A description of how reserves, retained earnings, etc. are utilized by the pool/fund.
- A fee schedule, and when and how it is assessed.
- A description of eligibility for the pool/fund to receive bond proceeds and/or will it accept such proceeds.

#### **L. Collateral Requirements**

Collateral is required for investments in certificates of deposit, repurchase agreements and reverse repurchase agreements. In order to reduce market risk, the collateral level will be at least 102% of market value of principal and accrued interest.

The only securities acceptable as collateral shall be direct obligations which are fully guaranteed as to principal and interest by the United States Government or any agency or government-sponsored enterprise of the United States.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

#### **M. Safekeeping and Custody**

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the Agency shall be held in safekeeping by a third party custodian, acting as agent for the Agency under the terms of a custody agreement or TBMA agreement executed by the Treasurer. All security transactions will settle delivery vs. payment (DVP) through the Agency's safekeeping agent. Securities purchased from brokers/dealers shall be held in third party safekeeping by the trust department of the Agency's main bank, or by another third party trustee designated by the Treasurer.

Securities held in custody for the Agency shall be independently audited annually to verify investment holdings.

#### **N. Delivery**

The purchase of an eligible security shall require delivery of the securities to the Agency, including those purchased for the Agency by financial advisors, consultants, or managers using the Agency's moneys, by book entry, physical delivery, or by third party custodial agreement. The transfer of securities to the counter party bank's customer book entry account may be used for book entry delivery. A counter party bank's trust department or separate safekeeping department may be used for the physical delivery of the security if it is held in the Agency's name.

**O. Diversification**

The Agency will diversify its investments by security type, issuer and maturity. With the exception of U.S. Treasury Securities, U.S. Agency and U.S. Government-sponsored enterprises, no more than 40% of the total investment portfolio will be invested in a single security type or with a single financial institution and no more than 15% of the total investment portfolio will be placed with any one issuer.

**P. Maximum Maturity**

Pursuant to Government Code Section 53601 where the Government Code does not specify a limitation on the maturity term of a security, the Treasurer is authorized, as part of the Agency's investment program set forth herein, to invest in individual instruments in the portfolio to a maximum maturity of five (5) years.

**Q. Internal Control**

Separation of functions between the Treasurer's Office and the Controller's Office is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Existing procedures require all wire transfers to be approved by the Treasurer and Controller. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Controller's office on a monthly basis.

All employees involved in the investment of Agency moneys are properly bonded.

Confirmation letters are mailed to the financial institution with the details of the investment transaction. The letters are signed by the Treasurer with copies to the Accounting Division and the Assistant Treasurer. In the absence of the Treasurer, the Assistant Treasurer may sign the confirmation letter for investments previously authorized. The Treasurer will review the letter signed during his absence by the Assistant Treasurer.

Agency receives confirmations from the financial institutions. All investment confirmations received from financial institutions are reviewed for accuracy and filed with the Agency's letter of confirmation in the Treasurer's office. These files are available for review by the Controller's staff.

The Agency investment accounting software package meets all legal reporting requirements. It has the capability of generating a variety of reports for monitoring and controlling investment activity. The Month-End Investment Inventory Report is reconciled with the Controller's office.

An independent confirmation by an external auditor is conducted annually to review internal control, account activity and compliance with policies and procedures. On an annual basis, the external auditors present audit results and findings to the Commission for their review and understanding.



## R. Other Guidelines

1. **Pooled Cash:** Cash for all M-S-R Public Power Agency moneys are consolidated into one general bank account (except bond proceeds) and invested on a pooled concept basis.
2. **Liquidity:** Liquidity refers to the ability to convert investment holdings to cash immediately with minimal loss of principal or accrued interest. This quality is important when the need for unexpected moneys suddenly occurs. The secondary duty of the Treasurer is to insure that the liquidity needs of the Agency are met.
3. **Sale of Investments Before Maturity:** Investments may be sold prior to maturity for cash flow or appreciation purposes.
4. **NCD Evaluation:** Negotiable Certificates of Deposit (NCD) are evaluated in terms of the credit worthiness of the issuer, as these deposits are unsecured and uncollateralized promissory notes.
5. **Time Deposit Placement:** Time deposits (insured and collateralized certificates of deposit) are not placed with banks, credit unions and/or associations unless an office is maintained in the State of California.
6. **TCD Evaluation:** Time Certificates of Deposit (TCD) are evaluated in terms of FDIC coverage. For deposits in excess of the insured maximum of \$100,000 approved levels of collateral at full market value are required, as prescribed in the California Government Code.
7. **Security Marketability:** The marketability (salability) of a security is considered at the time of purchase, as the security may have to be sold prior to maturity in order to meet unanticipated cash demands.
8. **Cash Flow Requirements Used to Establish Maturity:** Projected cash flow requirements and the overall weighted average maturity of the Agency's investment portfolio are the primary factors to be used in determining investment maturity terms.

## S. Strategy

Strategy refers to the ability to manage the Agency's financial resources in the most advantageous manner.

1. **Economic Forecasts:** The Treasurer obtains economic forecasts periodically from economists and financial experts through bankers and brokers to assist with the formulation of an investment strategy for the Agency.
2. **Developing the Investment Plan:** The Treasurer should anticipate changes in interest rates, inflation, monetary and/or fiscal policy, and other economic indicators and evaluate their impact on the Agency's portfolio.
  - a. Consider the phase of the business cycle and its effect on future interest rates;
  - b. Consider the nature of the yield curve, i.e., normal versus inverted;

- c. Evaluate the spread between U.S. Treasury and other securities daily in order to be informed regarding the particular issue that is "cheap to the Market";
- d. Evaluate the effect of interest compounding on portfolio yields;
- e. Utilize the following investment techniques to increase yield and maintain a fully invested position;
  - (i) Use of daily and weekend repurchase agreement investments.
  - (ii) Evaluate portfolio for potential swaps and trades.
  - (iii) Use of reverse repurchase agreement investments and securities lending agreements.
- f. A good swap or trade will have two important characteristics:
  - (i) Increase the yield on holdings
  - (ii) Generate takeout cash which can be reinvested.

## **T. Performance Standards**

Investment performance and compliance with the Investment Policy is continually monitored and evaluated by the Treasurer. Investment performance statistics and activity reports are generated monthly for presentation to the General Manager and the Commission.

The performance of the investment portfolio shall be measured against a market-average rate of return of the U.S. Constant Maturity Treasury (CMT) which is the closest to the weighted average maturity of the Agency's portfolio and to the earnings on the LAIF Pooled Investment Fund.

Compliance with the Investment Policy will be reviewed to ensure proper types of investments, maturity dates, investment ratings, and average maturity of portfolio meet the standards set forth in the policy. Instruments that fall out of compliance will be analyzed. The asset(s) will be replaced within six months for a security that meets compliance standards.

## **U. Reporting**

1. **Monthly Report:** Government Code Section 53607 requires the Treasurer to make a monthly report to the Commission of transactions made pursuant to the Investment Policy. The report includes days to maturity and effective rate of return of the portfolio.
2. **Quarterly Report:** Government Code Section 53646 requires the Treasurer to issue a quarterly report within 30 days following the end of the quarter, to the General Manager, the Agency's internal auditor, and the Commissioners, showing the type of investment, issuer and/or institution, date of maturity, amount of investment, current market value for all securities, rate of interest, and other relevant data that may be required. The quarterly report shall state compliance of the investment portfolio with the Investment Policy and shall include a statement denoting the ability of the Agency to meet its pool expenditure requirements for the next six months. The Treasurer shall also submit the investment policy annually to the Commission, disclose the source of market value information, confirm compliance with the guidelines or explain the

differences, and affirm the agency's ability to meet its obligations over the next six months.

3. **Audited Financials:** On a yearly basis, the external auditors will present audit results to the Commission. Auditors review internal controls, security ratings, account activity and compliance with policies and procedures.

## V. Investment Policy Adoption

The Agency's investment policy guidelines shall be adopted annually. However, changing economic conditions may make it advisable to review the guidelines during the year. Legislative changes affecting public agency investment practices may also need to be incorporated into the policy statement prior to year-end. It is anticipated that most changes will be processed at the end of the calendar year. However, if it appears that the Agency could incur a loss in earnings, a modification will be processed promptly.

### **Glossary**

Accrued Interest	Interest that has accumulated between the most recent payment and the sale of a bond or other fixed income security. At the time of sale, the buyer pays the seller the bond's price plus accrued interest.
Agencies	Securities issued by government-sponsored corporations or agencies of the U.S. Government such as the Federal Home Loan Banks, the Federal Farm Credit Banks Small Business Administration, Department of Housing and Urban Development.
Amortize	Accounting method whereby the cost of acquisition of an asset gradually is reduced to reflect the theoretical resale value of the asset.
Asked Price	The price at which securities are offered for sale. Also called the Ask Price, Asking Price, or Ask.
Bankers' Acceptance	A draft or bill of exchange accepted by a bank or trust company. It is the customary means of effecting payment for merchandise sold in import-export transactions and a source of financing used extensively in international trade.
Basis Point	.01% of yield (1/100 of 1%) on a fixed-income security.
Bear Market	Prolonged period of falling prices. A bear market in stocks is usually brought on by the anticipation of declining economic activity, and a bear market in bonds is caused by rising interest rates.
Bearish	Having the opinion that securities will fall in market value.
Bid	The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.
Bond	Any interest-bearing or discounted government or corporate security that obligates the issuer to pay the bondholder a specified sum of money, usually at specific intervals, and to repay the principal amount of the loan at maturity.
Book Entry	Holdings of the securities are recorded on the books of the Federal Reserve Bank of New York for the issuer. Interest and principal payments are sent to the investor when due. No physical certificates are issued or delivered to the investor. Bonds issued in book entry form are transferred via the Federal Reserve wire or book entry system to member financial institutions. Book entry securities are said to be wireable.
Book Value	Value at which an asset is carried on the balance sheet.
Broker	A person who acts as an intermediary between a buyer and seller.
Bull Market	Prolonged rise in the prices of stocks, bonds, or commodities. Bull markets usually last at least a few months and are characterized by high trading volume.
Bullish	The belief that prices will rise or will continue to rise.

Call	The action whereby a company elects to redeem a security prior to its maturity date.
Callable Bond	Bond that may be called (redeemed) by the issuer on or after a specified date before maturity.
Certificate of Deposit (CD)	A time deposit with a specific maturity evidenced by a certificate.
Collateral	Securities, evidenced of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
Commercial Paper	Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing.
Confirmation	Formal memorandum from a broker to a client giving details of a securities transaction.
Consumer Price Index (CPI)	Measure of change in consumer prices, as determined by a monthly survey of the U.S. Bureau of Labor Statistics.
Coupon	(a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.
Current Yield	The annual interest received on a bond in relation to the amount paid for the bond expressed as a percentage.
Debenture	A bond secured only by the general credit of the issuer.
Delivery Versus Payment (DVP)	There are two methods of delivering securities: delivery versus payment (DVP) and delivery versus receipt. DVP is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.
Depository Trust Company (DTC)	A central securities certificate depository and member of the Federal Reserve System, through which members may arrange deliveries of securities between each other through computerized debit and credit entries without physical delivery of the certificates.
Derivatives	(1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).
Discount	The difference between the cost price of a security and its maturity amount when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Rates	Interest rate that the Federal Reserve charges member banks for loans, using government securities or eligible paper as collateral.
Discount Securities	Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.
Diversification	Dividing investment funds among a variety of securities offering independent returns.
Face Value	Value of a bond stated on the bond certificate.
Fed Wire	Computerized network linking the Fed with its district banks, member banks, and primary dealers in government securities.
Federal Deposit Insurance Corporation (FDIC)	A federal agency that insures bank deposits, currently up to \$100,000 per deposit.
Federal Funds Rate	Interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements.
Federal Home Loan Banks (FHLB)	Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.
Federal National Mortgage Association (FNMA)	FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.
Federal Open Market Committee (FOMC)	Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.
Federal Reserve System	The central bank of the United States created by Congress to regulate the U.S. monetary and banking system.
Flat	A bond that is sold without accrued interest.

Government National Mortgage Association (GNMA or Ginnie Mae)	A government-owned corporation, nicknamed Ginnie Mae, which is an agency of the U.S. Department of Housing and Urban Development. GNMA guarantees, with the full faith and credit of the U.S. Government, full and timely payment of all monthly principal and interest payments on the mortgage-backed pass-through securities of registered holders.
Illiquid	Used when a security that does not enjoy an active secondary market; thus, the holder may find it difficult to sell the security and thereby go back to cash.
Know Your Customer	Industry obligation that requires a brokerage firm and its registered representatives to know the important facts about the customer with whom they do business.
Liquidity	A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.
Local Government Investment Pool (LGIP)	The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. In California it is called the Local Agency Investment Fund (LAIF).
Market Value	The price at which a security is trading and could presumably be purchased or sold.
Master Repurchase Agreement	A written contract covering all future transactions between the parties to repurchase -- reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.
Maturity Date	The specified day on which the issuer of a debt security is obligated to repay the principal amount, or face value, of a security.
Money Market	The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.
New Issue	Popular term for any new security offered for sale by the issuer.
Odd Lot	Transactions that are for less than the typical unit of trading.
Offer	The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.
Open Market Operations	Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.
Paper Loss	An unrealized loss on a security position. Paper losses become realized losses only if the security is sold.

Par	Any security whose market or offering price is the same as its face value at the time of redemption.
Portfolio	Collection of securities held by an investor.
Premium	The dollar amount by which the market price of a bond exceeds its par value.
Primary Dealer	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.
Prime Rate	Interest rate banks charge to their most creditworthy customers.
Prudent Person Rule	An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state -- the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.
Quote	A statement of the highest bid and lowest offer for the security.
Rally	Industry term for a sharp rise in the price of the security.
Rate Of Return	The yield obtainable on a security based on its purchase price or its current market price.
Rating	Judgment of creditworthiness of an issuer made by an accepted rating service.
Registered Bond	A bond that is recorded in the name of the holder on the books of the issuer or the issuer's Registrar and can be transferred to another owner only when endorsed by the registered owner.
Repurchase Agreement (RP or Repo)	A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.
Reverse Repurchase Agreements	Whereby dealers agree to buy the securities and the investor agrees to repurchase them at a later date.
Safekeeping	A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.
Secondary Market	A market made for the purchase and sale of outstanding issues following the initial distribution.



Securities Lending Agreement	An agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.
Settlement Date	The date on which a securities contract, by prearranged agreement, must be cleared or settled.
Spread	The difference between yields on various fixed-income securities.
Subject	Term used of a quote made by a dealer, whether a bid or an offer or both, that must be reviewed before a final decision to buy or sell is made.
Swap	Industry jargon for the sale of one security and the purchase of another.
The Bond Marketing Association (TBMA)	A trade association representing banks, dealers, and brokers who underwrite and trade municipals, governments, and federal agency securities.
Treasury Bills	A non-interest bearing discount security issued by the U.S. Treasury. Most bills are issued to mature in three months, six months, or one year, in minimum denominations of \$10,000.
Treasury Bonds	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities 10 years or longer issued in minimum denominations of \$1,000.
Treasury Notes	Intermediate securities with maturities of 1 to 10 years.
Yield	The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.
Yield to Maturity	A measurement of the compound rate of return that an investor in a bond with a maturity of more than one year will receive if: (1) the investor holds the security to maturity and (2) reinvests all cash flows at the same market rate of interest.

## Sources

1. *Dictionary of Finance and Investment Terms, Second Edition*, John Downes and Jordan Elliot Goodman.
2. *Debt Securities, A Handbook for State and Local Government Portfolio Managers*, Keith Williams.
3. Municipal Treasurers' Association of the United States and Canada, Investment Policy Guidelines.

## **M-S-R Public Power Agency Staff Report**

**Date:** February 10, 2021  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** February 2021 General Manager Report

---

### **Overview:**

This report will provide an overview of the General Manager's major activities and those of specified Agency contractors and consultants. Based on feedback from Commissioners and interested parties, the format and content of these reports will evolve.

### **General Manager:**

#### Administrative Activities – January 2021 (Approx. 38 hours)

The General Manager reviewed and approved Check Requests prepared by the Administrative Assistant and updated Budget v. Actuals Reports.

Prepared for and conducted monthly status call with Commission President.

Continued coordination with contractor regarding website overhaul project. Reviewed initial drafts and implemented e-mail migration.

Prepared 2021 Budget v. Actual tracking models re Legal and Consulting, and Legacy Liabilities.

Prepare PPA & EA Technical C'tee packages for February 4, 2021 meetings.

Review draft MID Preliminary Official Statement section regarding M-S-R projects and activities and provide mark-ups regarding the same.

Participated in CMUA Capitol Day and Board virtual meetings. Included briefings on legislative and regulatory matters for coming year.

Prepared 10-Year Resource Cost forecasts for Legacy Liability and Big Horn Wind Energy Projects.

The General Manger also provided direction to consultants and counsel re emergent filings and regulatory matters. Reports on reclamation issues, decommissioning activities, and project status were requested and prepared.

Project Activities:

San Juan – January 2021 (Approx. 61 hours):

Detailed review of Continuing Coverage insurance program with PNM and corresponding requirements of Restructuring, Reclamation and Decommissioning Agreements regarding liability, indemnity and insurance provisions. Revised drafts and coordinated review by Counsel and Insurance Broker. Prepared draft report and recommendations re same for consideration by Technical Committee.

Reviewed filings regarding proposed PNM/Avangrid merger. Attended (telephonic) meetings with PNM/Avangrid regarding proposed merger. Research and draft cites re Reply Brief to Bernallio County objection to M-S-R intervention. Initial review of possible testimony with expert witness re SJGS decommissioning and rate-making implications in merger.

Reviewed WSJM Reclamation buyout proposal status and prepared comments re draft Special Counsel report and response to WSJM re issues and conditions. Coordinated same w/ General Counsel.

Attend San Juan Decommissioning C'tee virtual meeting re Evaporation Pond Bonds and update to Decommissioning Study. Coord w/ Hockenson re same.

Big Horn – January 2021 (Approx 23 hours):

Reviewed materials and coordinated with FERC Counsel regarding review of BPA BP-22 Initial Proposal and preparation of expert testimony. Participated in BPA teleconference presentations re same.

Reviewed Big Horn energy production records and trends and updated periodic status reports. Reviewed historic data and prepared presentation regarding Residual Energy accumulation issue pertaining to Big Horn I Wind Energy Project.

Key Meetings – January 2021 (All telephonic)

Commission President, Telephonic, January 6 2021. Key Issues: PNM/Avangrid Merger, San Juan insurance review, and BPA Rate Case economics.

PNM/Avangrid Merger Virtual Workshops, January 11 and 15, 2021. Key Issues: Merger motivations, economics, and environmental considerations.

CMUA Capitol Day and Board Meetings, Telephonic, January 25 and 26, 2021.  
Key Issues: 2021 Legislative and regulatory priorities.

San Juan Decommissioning Committee, Telephonic, January 28, 2021. Key  
Issues: Evaporation Pond Bonds and Decommissioning Study issues.

**General Consultant:**

The General Consultant regularly prepares a summary of his activities as part of his monthly billing process. A copy of General Consultant's February 2021 report is attached regarding 34 hours of support in January regarding San Juan, Renewable, and Administrative issues.

**BPA Consultant:**

A copy of BPA Consultant's February 2021 report regarding December (45 Hours) and January (68 hours) activities regarding BPA Rate Case and Testimony preparation and regarding potential testimony regarding PNM/Avangrid merger (6 hours) is attached.

## **M-S-R Public Power Agency Staff Report**

**Date:** February 1, 2021  
**From:** Alan Hockenson  
**To:** Martin Hopper  
**Subject:** Specific Work Tasks for January 2021

---

During January, I spent time working on specific tasks on behalf of the M-S-R Public Power Agency (M-S-R PPA). These activities can be segregated into the categories of Generation, Renewable, and Administrative. There was no activity in the category of Transmission.

Generation (17 hours) – There were three specific lines of activity related to the decommissioning of the San Juan Generating Station (San Juan). All scheduled Reclamation Committee meetings were cancelled.

The San Juan Generating Station Decommissioning Committee (SJDC) finally held a meeting on January 28<sup>th</sup>. This was the first meeting since October 2020. Numerous communications had been conducted with the Decommissioning Agent with input from the General Manager. The Decommissioning Agent, the Public Service Company of New Mexico (PNM), appears to have shifted its approach to decommissioning since the sale of its parent company has been announced. PNM is now treating the decommissioning as it is a retirement order project rather than an investigation on the dismantlement timing options. PNM has initiated an effort to refresh the most recent Decommissioning Study. However, PNM was reminded that it was previously agreed no additional study work would be performed until a formal declaration of decommissioning is made pursuant to the Decommissioning Agreement. As PNM is in the process of changing personnel, a response was deferred until the scheduled meeting at the end of February.

Another ongoing issue is the New Mexico Environmental Department (NMED) requirement of a Surety Bond in conjunction with the water treatment ponds at San Juan. The Agency was invoice for related charges from January 2020 and paid its share under protest. Numerous times PNM was advised to not pay for a Surety Bond in January 2021 unless it was discussed among the San Juan Participants. PNM has not conducted meetings as had been requested but indicated it is making progress with the NMED on this issue. PNM then admitted it had purchased another Surety Bond as requested by the NMED. PNM is anticipating that it may get a partial refund on the Surety Bond cost if NMED agrees with its position. Upon further questioning, PNM staff admitted the requirement of the bonds was to continue to operate San Juan pursuant to the NMED permits. This should lead to a questioning of the validity of these costs when the audit of Decommissioning Work is finally conducted.

The third item of interest is the potential sale of land and facilities for delivery of raw water to the United States Bureau of Reclamation (USBR). PNM staged the negotiations with USBR in two sequential phases, one for the land, and one for the facilities. The transition between phases was anticipated to be at year's end. However, the process is running late and the facilities negotiation phase has not begun.

A brief weekly monitoring of PNM's public activities was undertaken to assure PNM is still willing and capable of performing its duties as the San Juan Decommissioning Agent and living up to its obligations under the Trust Agreements for both Decommissioning and Reclamation. In addition, a viewing of a public presentation by the City of Farmington on the progress of its carbon sequestration project was conducted.

Renewable (15 hours) – Monthly operating data was received from Avangrid Renewables, Inc. (AR), and was reviewed. In addition, an investigation of the variability in month to month energy delivers for 2019 and 2020 was conducted at the request of, and results delivered to, the General Manager. Draft testimony associated with the Bonneville Power Administration (BPA) rate case was reviewed.

The WECC is the key forum for utility discussions and policy determinations in the Western Interconnection. Policies that emanate from the WECC can affect transmission providers and balancing authorities in how business is transacted. The weekly summaries of activities and meetings issued by the WECC were briefly reviewed. I researched the activities of the Federal Energy Regulatory Commission (FERC) to assure I am familiar with the issues of importance to M-S-R PPA.

Administrative (2 hours) – The activity in January was limited to updating the status report on Renewables and reviewing administrative documentation as requested by the General Manager.

All meetings were attended telephonically.

To: Martin Hopper, GM, M-S-R

From: David Arthur

Subject: BPA/San Juan updates December-January

Date: February 4, 2021

December and January were very active months with respect to the BPA BP-22 rate case. In early December BPA published its Initial Proposal (the Proposal) for the BP-22 rate case. For most of the remainder of December I reviewed several hundreds of pages of BPA's testimony.

The Proposal contained a number of far-reaching changes from past BPA proposals:

- Introduction of significant revenue financing (potentially \$450 million over 4 years)
- Introduction of capacity charge(s) for transmission losses
- Suspension of any leasing for long-term BPA transmission asset expenditures
- Declaration that BPA was over leveraged
- Declaration that BPA had nearly exhausted its Federal borrowing authority
- Requesting funding for a major project that has not yet been approved or vetted by customers (Vancouver Control Center-\$500 million project)
- Separation of costs from benefits in violation of BPA's cost causation principle.

In January as a result of these changes and the associated double digit increase in proposed transmission rates, I forwarded to M-S-R's BPA attorney some 200+ data requests. Other customers also made significant data requests during this period. During the middle of January I reviewed BPA's response to hundreds of data requests in preparation for drafting my testimony.

For the remainder of January I drafted and revised my testimony in cooperation with M-S-R's BPA attorney. The testimony is quite extensive and addresses a number of significant issues. It also offers a number of constructive suggestions regarding resolution of issues raised in BPA's testimony.

From time to time during January M-S-R's BPA attorney and I had discussions with representatives from Avangrid regarding our respective concerns with BPA's Proposal. It appears that Avangrid is quite concerned about the extent of BPA's insensitivity to BPA transmission rates, but also is focusing its corporate attention elsewhere. It is uncertain how this may influence their testimony.

Also, during January I reviewed a number of documents regarding the future of the San Juan facility including documents regarding Iberdrola's announced intention to acquire Public Service Company of New Mexico.

Overall January was a very active month with considerable implications for future transmission costs billable to M-S-R by Avangrid.

I spent some 74 hours on M-S-R business (68 hours BPA related, 6 hours San Juan related).

I do not think this level of effort will be required in future months, but I think it was appropriate in January given the severity of BPA's December Proposal.



## M-S-R Public Power Agency Staff Report

**Date:** February 8, 2021  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** Annual Election of Officers

---

Resolution 2013 – 01 Regarding The Election And Duties Of Officers specifies:

“An election of officers by the Commission shall be held on the date of the first regular or adjourned regular meeting in January of each calendar year. Each officer shall hold office at the pleasure of the Agency. All officers for the Agency, except the Treasurer, the Controller, the General Manager, and the General Counsel, shall be elected at the January meeting.”

Recent elected officers of the Agency have been:

	2017	2018	2019	2020
President	Barry Tippin – Redding	James McFall – Modesto	John Roukema – Santa Clara	Dan Beans – Redding
Vice President	James McFall – Modesto	Pat Kolstad – Santa Clara	Dan Beans – Redding	James McFall – Modesto

The appointed officers of the Agency are:

Secretary:	Steve Gross	Reappointed by Commission January 30, 2013
Assistant Secretary:	Martin Hopper	Reappointed by Commission January 30, 2013
Treasurer:	Scott van Vuren	Appointed by Modesto as MID Treasurer
Controller:	Jill De Jong	Appointed by Modesto as MID Controller

At the March 20, 2013 meeting when Resolution 2013 – 01 was adopted, it was suggested that the Commission rotate the officers through the membership of the Commission on an ongoing basis. A rotation of the officers would suggest that Modesto’s Commissioner become the President and Santa Clara’s Commissioner become the Vice President.

I recommend the Commission that the Commission conduct its annual election of officers for the offices of President and Vice President.

## **M-S-R Public Power Agency Staff Report**

**Date:** February 8, 2021

**From:** Martin R. Hopper, General Manager

**To:** M-S-R PPA Commission

**Subject:** 2021 M-S-R Public Power Agency Ten-Year Resource and Legacy Liability Cost Forecasts

---

### **Background:**

M-S-R PPA's former interests in Unit No. 4 of the coal-fired San Juan Generating Station (SJGS) located in New Mexico and certain Legacy Liabilities pertaining to Mine Reclamation and Plant Decommissioning are referred to as the San Juan Project. As of July 1, 2021, there will be about \$26 million of outstanding bonded indebtedness associated with the San Juan Project. As of December 31, 2020, there are between \$20 and \$40 million of outstanding Legacy Liabilities associated with Mine Reclamation and Plant Decommissioning. The effective terms of the Big Horn I and Big Horn II Wind Energy Projects run through September 30, 2031 and October 31, 2035 respectively. These renewable energy contracts are structured on a take-and-pay basis for all associated energy, delivery, and environmental attributes (RECs).

### **Purpose and Use of Forecast:**

During the operating period for the San Juan Project, the annual Ten-Year San Juan Cost Forecast was prepared to allow the Members to project and budget for long-term San Juan cost trends. Similarly, the Members have a need to project and budget for long-term Big Horn Wind Energy Project cost trends. The Member's obligations to pay for San Juan Project and the Big Horn Wind Energy Projects' costs flow from the underlying Project Agreements and this forecast is for information and budgeting purposes and is not a binding commitment or guarantee by M-S-R PPA. The forecast is designed to provide a reasonable estimate of the likely costs to be incurred to satisfy known energy and capacity costs, legacy obligations and associated Trust requirements.

### **Issues and Assumptions:**

1. San Juan Legacy Costs
  - a. Legacy costs pertaining to Mine Reclamation liabilities as enumerated in the Amended and Restated Mine Reclamation And Trust Funds Agreement have been computed on the basis of the funding curves adopted by the Reclamation Investment Committee in December 2020 and such expenses are funded through

the Trust and/or paid from Agency reserves. PNM's administrative costs of about \$25,000 per year to M-S-R PPA are assumed to also be paid from Agency reserves and are shown in this forecast for information purposes only. Additional annual insurance costs, in amounts currently estimated at \$15,000, are to also be paid from Agency reserves.

- b. Legacy costs pertaining to Plant Decommissioning liabilities have been estimated on the basis of the Decommissioning And Trust Funds Agreement (Decommissioning Agreement) shares and an assumed full station shut-down in 2022. Generally only mandatory ARO activities are assumed to be performed in the near future. Any costs associated with brown/green-fielding activities were assumed to be incurred subsequent to the period of this forecast. In 2019 a study by Burns & McDonnell Engineering Company Inc. provided updated estimates of various decommissioning scenarios. For purposes of GASB-83 Asset Retirement Obligation (ARO) estimates for the Agency's Financial Statements, San Juan Decommissioning Legacy Liabilities are to be made on a current year (rather than nominal) basis. For the Agency's 2019 Financial Statements, the ARO estimate was made on the basis of an initial retirement-in-place followed 25-years later by full demolition and will thus be \$9.7 million (\$2019.) All expenses pertaining to decommissioning activities are funded through the Trust and/or paid from Agency Reserves and are shown in this forecast for information purposes only.
2. Big Horn Wind Energy Project Costs
    - a. Big Horn I Wind Energy Project costs are based on the contract terms for amounts related to energy and firming and shaping services and those costs adjusted by changes in BPA rates are based on published BPA rates or forecasts of future BPA rates. For simplifying purposes changes in BPA rates, or the beginning of the Extension Term (effective October 1, 2026 through September 30, 2031) are applied on the first day of the calendar year. With the exception of BP-22, BPA rate increases are held to general inflation consistent with the commitments made in BPA's Strategic Plan goals. For BP-22, we have assumed the Rate Case settles at the requested 11.6% average weighted increase less a 4% adjustment. The O&M component of the energy rate is implicit prior to the Extension Term and explicit thereafter. Starting Point is \$12.38/MWh in \$2005 (PSA Attachment 1 per Amendment No. 1) and escalated at general inflation. The market price comparator for the Extension Term is based on the Navigant Task 3 Nominal Cost Annual Average Base Case (See NCI 2017 Repower Study §3.2.1) and is only found to be applicable in the year 2030 for 50% of the generated energy (PSA Attachment 1 per Amendment 1).
    - b. Big Horn II Wind Energy Project costs are based on the contract terms for amounts related to energy and firming and shaping services and those costs which are based on BPA rates or passed-through are based on published BPA rates or forecasts of future BPA rates. For simplifying purposes changes in BPA rates are applied on the first day of the calendar year. With the exception of BP-22, BPA rate increases are

held to general inflation consistent with the commitments made in BPA's Strategic Plan goals. For BP-22, we have assumed the Rate Case settles at the requested 11.6% average weighted increase less a 4% adjustment. The O&M component of the energy rate is escalated at general inflation. The market price comparator for the final 5-years of the contract is based on the Navigant Task 3 Nominal Cost Annual Average Base Case (See NCI 2017 Repower Study §3.2.1) and was found not to be applicable in any forecast year.

The above assumptions were presented to the Technical Committee at its February 4, 2021, meeting. The attached forecasts incorporate these assumptions and are suitable for the Member's analysis of long-term San Juan Project economics.

**Recommendation:**

I recommend the M-S-R PPA Commission note and file the 2021 M-S-R Public Power Agency Ten-Year Resource and Legacy Liability Cost Forecasts Report.

/Users/martinhopper/My Laptop Documents/M-S-R Public Power Agency/Administrative/Staff Reports/Staff Report Re 2021 MSR Ten Year Cost Forecasts.docx

**SAN JUAN 10-YEAR LEGACY LIABILITY COST FORECAST:**

Year	Reclamation Trust Funds Operating Agent Costs 1_ /	Legacy Liabilities: Mine Reclamation 2_ /	Legacy Liabilities: Plant Decomm 3_ /	Insurance Cost 4_ /	Total Legacy Liability Cost
	\$	\$	\$	\$	\$
2021	21,000	910,000	0	15,000	946,000
2022	53,000	1,480,000	130,000	16,000	1,679,000
2023	22,000	1,890,000	1,520,000	16,000	3,448,000
2024	23,000	2,080,000	1,620,000	16,000	3,739,000
2025	23,000	2,020,000	460,000	17,000	2,520,000
2026	24,000	2,100,000	130,000	17,000	2,271,000
2027	25,000	2,160,000	130,000	17,000	2,332,000
2028	25,000	2,000,000	130,000	18,000	2,173,000
2029	26,000	670,000	130,000	18,000	844,000
2030	27,000	130,000	140,000	18,000	315,000

1\_ / Operating Agent Costs per PNM forecast - paid from reserves.

2\_ / Based on 2022 Four Unit shutdown - Expenses paid from Trusts - all years.

3\_ / Based on 2022 Four-Unit shutdown - Expenses paid from Trusts - all years.

ARO Costs only per Burns & McDonnell Table D-7 - does not include site brownfielding costs in 2040 and 2046 - 2049. M-S-R share post-2022 costs at 7.6%.

4\_ / Allocations of insurance costs are currently under dispute with PNM, but are expected to be approximately \$15,000 per year for environmental coverage only.

## BIG HORN I FORECAST

Member Rates:	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Modesto:</b>										
Base Energy \$MWh	37.95	37.95	37.95	37.95	37.95	37.95	37.95	37.95	37.95	37.95
O&M Component \$MWh	12.38	12.38	12.38	12.38	12.38	12.38	19.14	19.52	19.91	20.31
Extension Adder \$MWh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
Shaping \$MWh	13.15	13.47	13.47	13.79	13.79	14.17	14.17	14.56	14.56	14.97
Total Energy \$MWh	63.48	63.80	63.80	64.12	64.12	64.50	71.26	72.03	72.42	73.72
WIC \$/kW-mo	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
<b>Santa Clara:</b>										
Base Energy \$MWh	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
O&M Component \$MWh	12.38	12.38	12.38	12.38	12.38	12.38	19.14	19.52	19.91	20.31
Extension Adder \$MWh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
Shaping \$MWh	13.15	13.47	13.47	13.79	13.79	14.17	14.17	14.56	14.56	14.97
Total Energy \$MWh	62.53	62.85	62.85	63.18	63.18	63.55	70.31	71.09	71.48	72.77
WIC \$/kW-mo	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
<b>Redding:</b>										
Base Energy \$MWh	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
O&M Component \$MWh	12.38	12.38	12.38	12.38	12.38	12.38	19.14	19.52	19.91	20.31
Extension Adder \$MWh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
Shaping \$MWh	13.15	13.47	13.47	13.79	13.79	14.17	14.17	14.56	14.56	14.97
Total Energy \$MWh	62.53	62.85	62.85	63.18	63.18	63.55	70.31	71.09	71.48	72.77
WIC \$/kW-mo	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01

**BIG HORN II FORECAST**

Member Rates:	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Modesto:</b>										
Base Energy \$/MWh	83.05	83.05	83.05	83.05	83.05	83.05	83.05	83.05	83.05	83.05
O&M Component \$/MWh	18.09	18.45	18.82	19.20	19.58	19.97	20.37	20.78	21.20	21.62
Year 21 - 25 Adder: \$/MWh	0	0	0	0	0	0	0	0	0	0
Redelivery Energy \$/MWh	4.49	4.56	4.56	4.63	4.63	4.69	4.69	4.76	4.76	4.83
Total Energy \$/MWh	105.63	106.06	106.43	106.87	107.26	107.71	108.11	108.59	109.01	109.50
Redelivery Capacity \$/kW-mo	3.25	3.50	3.50	3.64	3.64	3.79	3.79	3.94	3.94	4.10
WIC \$/kW-mo	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
<b>Santa Clara:</b>										
Base Energy \$/MWh	83.05	83.05	83.05	83.05	83.05	83.05	83.05	83.05	83.05	83.05
O&M Component \$/MWh	18.09	18.45	18.82	19.20	19.58	19.97	20.37	20.78	21.20	21.62
Year 21 - 25 Adder: \$/MWh	0	0	0	0	0	0	0	0	0	0
Redelivery Energy \$/MWh	4.49	4.56	4.56	4.63	4.63	4.69	4.69	4.76	4.76	4.83
Total Energy \$/MWh	105.63	106.06	106.43	106.87	107.26	107.71	108.11	108.59	109.01	109.50
Redelivery Capacity \$/kW-mo	3.25	3.50	3.50	3.64	3.64	3.79	3.79	3.94	3.94	4.10
WIC \$/kW-mo	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05

## **M-S-R Public Power Agency Staff Report**

**Date:** February 12, 2021

**To:** M-S-R PPA Commission

**From:** Martin Hopper, General Manager

**Subject:** Discussion and Possible Action Regarding San Juan Generating Station Continuing Coverage Insurance and Resolution 2021-01

---

### **Introduction:**

M-S-R Public Power Agency (M-S-R PPA) has maintained Continuing Coverage insurance regarding certain exposures related to its former interests in the San Juan Generating Station (SJGS). We have reviewed current insurance coverages and costs, potential theories of liability, and alternate means to mitigate liability. Although M-S-R PPA found it economic to elect to participate in Continuing Coverage insurance in 2017, not all portions of this program remain economic given the diminishing liabilities faced by the Agency. Therefore, we recommend termination of certain insurance coverage and an assumption of some remaining risks through self-insurance.

### **Contractual Insurance Requirements:**

Although M-S-R PPA is no longer responsible for liabilities resulting from SJGS plant operations or ownership after the Exit Date (Restructuring Agreement §20.3), the Agency retains potential liabilities arising from either SJGS plant operations or ownership<sup>1</sup> prior to the Exit Date, based on M-S-R PPA's respective pre-Exit Date Ownership Interests in the facilities giving rise to the liability (Restructuring Agreement §20.2). Section 8.09 of the Subordinate Lien Bond Indenture required the Agency to maintain insurance on the Improvements (such as Boiler and Machinery coverage) prior to the Exit Date and requires the Agency to continue to maintain other insurance (such as General Liability and Environmental Liability) as deemed advisable or necessary to protect its interests and the interests of the Bond Holders. The Subordinate Lien Bond Indenture §8.09(b) permits the Agency to maintain self-insurance for the latter categories of insurance. The Subordinate Lien Indenture terminates upon the final maturity of the Series 2018R Bonds on July 1, 2022 and any insurance requirements therein become moot.

---

<sup>1</sup> An example of a retained liability relating to former ownership may include a CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act -- otherwise known as CERCLA or Superfund) claim related to environmental contamination.



**Current Insurance Coverage and Costs:**

M-S-R PPA elected to maintain Continuing Coverage insurance<sup>2</sup> regarding San Juan Generating Station (SJGS) general and environmental liabilities pursuant to Restructuring Agreement §21.2.3.3, Decommissioning Agreement §3.2.2.23, and an Insurance Letter dated August 24, 2017 (Insurance Letter) and agreed to pay a proportionate cost of same. Analysis performed at that time indicated the potential cost of maintaining Continuing Coverage insurance through on-going participation in the Public Service Company of New Mexico (PNM)'s insurance program would be significantly less costly than independently procuring such insurance (then estimated at about \$140,000 per annum.)

We agreed in the Insurance Letter and Restructuring Agreement Section 21.2.3.2 to pay an allocated share of the premium on the basis that “The determination of the allocated share will be based on factors customarily employed, including the property affected, exposures, loss experience and severity and frequency of loss.” However, we believe the premium costs<sup>3</sup> subsequently allocated by PNM to M-S-R PPA through participation in the Continuing Coverage insurance program are greater than required by the agreements and by the Insurance Letter.

Pursuant to the requirements of Restructuring Agreement §21.2.3.3 and Decommissioning Agreement §9.1 M-S-R PPA notified PNM beginning in 2018 (both formally and informally<sup>4</sup>) that:

1. Allocation of Continuing Coverage insurance premium costs did not meet the requirement of the Restructuring Agreement to be “based on factors customarily employed, including the property affected, exposures, loss experience and severity and frequency of loss” because the allocation did not distinguish between costs of insurance attributable to Operating Work (paid by Remaining Participants only) and attributable to Decommissioning Work

---

<sup>2</sup> The Continuing Coverage insurance, as specified in Restructuring Agreement §21.2.2, provides coverage on a claims-made, rather than occurrence basis.

<sup>3</sup> Premium costs of Continuing Coverage insurance allocated to M-S-R PPA include:

<b>Renewal Period</b>	<b>General and Excess Liability</b>	<b>Environmental Liability</b>	<b>Total Premiums</b>
2018/2019	\$59,244	\$14,302	\$73,546
2019/2020	\$62,197	\$14,951	\$77,148
2020/2021	\$71,846	\$14,315	\$86,161

<sup>4</sup> Insurance costs and allocation methods continue to be raised at the Decommissioning Committee and with SJGS Plant Manager Omni Warner as recently as December 10, 2020.

- (paid by both Exiting Participants and Remaining Participants) or attributable to pre-Exit Date activities (paid by both Exiting Participants and Remaining Participants),
2. Continuing Coverage insurance premium costs payable by M-S-R PPA were not being allocated pursuant to the schedule provided in Exhibit “A” to the Decommissioning Agreement, and
  3. No protocols or procedures for making insurance premium cost allocations had been recommended by PNM pursuant to Restructuring Agreement §21.2.3.2 or adopted by either the Engineering and Operating Committee or the Decommissioning Committee.

### **Insurance Cost Allocation to SJGS (Station-Wide):**

Representatives of PNM and M-S-R PPA (including M-S-R PPA’s insurance broker) met numerous times in 2018 and 2019 and determined that PNM was allocating insurance cost internally to SJGS using algorithms that assigned corporate insurance cost to San Juan on the basis of a ratio of prior coverage-year SJGS generation to PNM fleet-wide generation. Subsequently, we were informed PNM began allocating insurance cost on a “field payroll” basis.

Based on a “field payroll” or labor allocation, we would have expected to have seen substantial reductions to the liability renewal costs given the significant reductions in SJGS staffing from roughly 480 FTEs in 2017 to about 176 today<sup>5</sup>.

### **General and Excess Liability Allocation to M-S-R (Within Station):**

Prior to the Exit Date, insurance cost (Liability, Environmental, and Boiler and Machinery<sup>6</sup>) was allocated within the SJGS on “Plant Common” percentage shares. Allocations of premium cost for liability insurance renewals for SJGS under the Continuing Coverage insurance program continue to be sub-allocated to M-S-R PPA based on our former 8.7% Plant Common share.

---

<sup>5</sup> Pursuant to NM-PRC Case 20-00222-UT Interrogatory Response NEE 2-31, SJGS employment as of December 1, 2020 includes 154 employees in plant operations, and an additional 22 employees in support functions. Although PNM has not proposed a Decommissioning Plan, they have stated in public commentary that 60 employees will initially be retained for decommissioning activities.

<sup>6</sup> Effective with 2018/2019 renewals, M-S-R was not allocated any Boiler and Machinery policy cost and we believe we are no longer a named-insured. We have no information as to whether we were removed as a named-insured effective with our December 31, 2017 divestiture or at the subsequent renewal.

An 8.7% Plant Common share allocation as currently made by PNM, does not reflect the fact that the addition of a named-insured does not increase the exposure to PNM and the Remaining Participants. As noted above, new liability can only be created by actions of PNM and the Remaining Participants in the post-Exit operations of the SJGS. PNM orally acknowledged during our January 24, 2019 meeting that general liability exposure does not increase due to our participation in the Continuing Coverage insurance program and that any tail-exposures on this claims-made policy diminish through time. However, no reduction in allocation has been made subsequent to that meeting and PNM continues to allocate the General Liability element of Continuing Coverage insurance premiums at pre-Exit Date Plant Common shares.

### **Mitigation of On-Going General Liability:**

To the extent that Decommissioning Work may create liabilities which could extend to the Parties to the Decommissioning Agreement (which include both Exiting and Remaining Participants), PNM as Decommissioning Agent is required to “Procure appropriate insurance covering Decommissioning Work to provide coverage for risks for which the Parties have or may have responsibility under this Decommissioning Agreement” (see Decommissioning Agreement §3.2.2.23).

At the next renewal of the claims-made General Liability policies (June 1, 2021), 41 months will have elapsed from the Exit Date. Although a formal analysis of New Mexico law has not been made, the vast majority of, if not all, possible General Liability claims related to pre-Exit Date operations would appear to be time-barred<sup>7</sup>. Given the fact that no claims have been made to date implicating M-S-R PPA, and the limited likelihood that a personal property damage claim greater than the \$500,000 self-insured retention under the existing policies might be made related to a yet undiscovered occurrence dating between June 1, 2017 and December 31, 2017, there appears to be little benefit in maintaining Continuing Coverage insurance for General Liability claims<sup>8</sup>. The primary

---

<sup>7</sup> For actions governed by a four-year statute of limitations, claims could be made related to occurrences between June 1, 2017 and December 31, 2017 no later than June 1, 2021 and December 31, 2021 respectively. For actions governed by a three-year statute of limitations, claims can no longer be made related to occurrences prior to December 31, 2017. In New Mexico, we understand the state's civil statute of limitations is three years for personal injury and four years for injury to personal property and most other civil claims. Although longer periods may apply to claims related to breaches of contract or to injuries to persons or property resulting from defective or unsafe condition of physical improvements to real property, the most recent major improvements to SJGS related to M-S-R PPA's ownership were the pollution control system modifications (baghouses) completed in November 2007.

<sup>8</sup> If M-S-R PPA's 2021/2022 general liability renewal premium was about \$75,000, a liability claim perfected during this 7-month period would need to exceed \$1.5 million

need for the General Liability coverage under the Continuing Coverage insurance program was to provide protection from claims related to pre-Exit Date occurrences, and such need has now been met.

M-S-R PPA will retain its existing General Liability and Directors and Officer's coverage to continue to defend any claims made regarding the Agency's conduct. We have not located any requirements in those policies requiring M-S-R PPA's continued participation in the San Juan Continuing Coverage insurance program.

### **Future General Liability Insurance Coverage:**

If M-S-R PPA terminates its designation as a named-insured in PNM's General Liability policies through the Continuing Coverage insurance program<sup>9</sup>, such action is not intended to waive PNM's requirement to procure appropriate insurance under the Decommissioning Agreement. Section 3.2.3 of the Decommissioning Agreement provides that PNM is to be reimbursed for its reasonable costs and expenses at the Decommissioning Share then in effect. Although the Decommissioning Agreement sheds no light on how PNM is to allocate any of its general insurance costs to coverage required pursuant to Decommissioning Agreement §3.2.2.23, only de minimus decommissioning work will be performed in the near future unless PNM, with the concurrence of the other eight parties to the Decommissioning Agreement, determines to commence SJGS demolition. Major decommissioning and demolition activities will be needed to be performed by licensed, bonded, and insured third party vendors, the costs thereof allocated at the Decommissioning Share then in effect.

### **Environmental Liability Allocation to M-S-R (Within Station):**

Unlike general liability matters discussed above, environmental liability claims (particularly under CERCLA) may not be time-barred. Therefore, the need for environmental liability coverage will not cease.

While the Baseline Environmental Studies (BES) performed in 2015 and updated in 2017 would appear to absolve M-S-R PPA of any environmental liability for occurrences subsequent to the Exit Date by documenting environmental conditions prior to the Exit Date (most particularly the absence of indications of unremediated contamination), M-S-R PPA still requires defense of claims made subsequent to the Exit Date –

---

before triggering a self-insurance contribution by M-S-R PPA exceeding the foregone premium.

<sup>9</sup> The Insurance Letter provides "However, all Exiting Participants will continue to be Named Insureds on any replacement policies with carriers for these coverages unless an Exiting Participant notifies PNM not less than sixty (60) days before a policy renewal that it does not wish to remain a Named Insured under such policy."

particularly as may be made on a CERCLA basis where time-related bars may not be applicable. Although PNM (and the Remainers) have assumed all contractual liability for occurrences post-Exit Date (see Restructuring Agreement §20.3), M-S-R PPA could still face defense costs to protect its own interests related to such occurrences.

PNM continues to allocate the premiums for environmental renewals under the Continuing Coverage insurance program to M-S-R PPA based on our former 8.7% Plant Common share. As discussed above, the former 8.7% Plant Common share allocation does not reflect the distinctions between pre and post-Exit Date liabilities.

Decommissioning Agreement Exhibit “A” shares which are allocated on a megawatt-years of ownership basis capture a time-weighted contribution to environmental liability and implicitly recognize the diminishing likelihood of claims with the passage of time. Therefore, an allocation of environmental liability insurance cost based on megawatt-years of ownership (see Decommissioning Agreement §5.3 and Exhibit “A”) could be appropriate and will harmonize with the requirements of Decommissioning Agreement §§ 3.2.2.23 and 3.2.3.

#### **Allocation of Coverage:**

Our insurance broker raised an additional issue for consideration. If there is a catastrophic claim whereby the insurance proceeds are inadequate (General Liability above \$185 million or Environmental Liability above \$35 million), then in that event all insureds on the PNM program may have to agree on an allocation of the available insurance to the extent not previously defined in either the Restructuring or Decommissioning Agreements. If we argue for a very low premium contribution now, and insurance is inadequate at the time of the loss, the same allocation that determined premium allocation could arguably be used to share available coverage. Mitigating this risk is the fact that liabilities of M-S-R PPA under the Decommissioning Agreement are limited by its express terms to be several and not joint and allocated as specified in Exhibit “A” to the Decommissioning Agreement, and are further limited by application of California Government Claims Act (Government Code §§ 810 – 998.3) as set forth in §23.1 of the Decommissioning Agreement.

This report was presented to the Technical Committee at its February 4, 2021, meeting and the Committee recommended the Commission consider to discontinuing the General Liability portion of the Continuing Coverage insurance at its next renewal.

**Recommendation:**

I recommend M-S-R PPA adopt Resolution 2021-01 which sets forth the following actions:

1. On or prior to April 1, 2021, provide notice pursuant to the Insurance Letter that effective June 1, 2021, M-S-R PPA is no longer to be a Named Insured on PNM's General Liability Primary, 1st Excess Liability, 2nd Excess Liability, 3rd Excess Liability, and 4th Excess Liability Policies.
2. Determine that pursuant to Subordinate Lien Bond Indenture §8.09(b) M-S-R PPA will "self-insure" for its share of any residual general liability risk formerly covered under PNM's General Liability Primary, 1st Excess Liability, 2nd Excess Liability, 3rd Excess Liability, and 4th Excess Liability Policies, and to consider M-S-R PPA's \$40 million Strategic Reserve balance as credit support for a self-insurance program.
3. M-S-R PPA to remain a Named Insured on PNM's Environmental Primary, and Excess Environmental Policies as provided in the Insurance Letter. However, M-S-R PPA to continue to dispute premium cost allocations greater than Decommissioning Shares specified in Exhibit "A" to the Decommissioning Agreement.
4. M-S-R PPA to notify PNM that although it is discontinuing its participation in Continuing Coverage insurance regarding General Liability, it does not waive the requirement in Decommissioning Agreement §3.2.2.23 that PNM procure appropriate insurance covering Decommissioning Work to provide coverage for risks for which the Parties have or may have responsibility under the Decommissioning Agreement.

RESOLUTION No. 2021 – 01

RESOLUTION OF THE COMMISSION OF THE  
M-S-R PUBLIC POWER AGENCY  
REGARDING SAN JUAN PROJECT  
CONTINUING COVERAGE INSURANCE

WHEREAS, M-S-R Public Power Agency has maintained Continuing Coverage insurance regarding certain exposures related to its former interests in the San Juan Generating Station; and

WHEREAS, M-S-R Public Power Agency has reviewed current insurance coverages and costs, potential theories of liability, and alternate means to mitigate liability; and

WHEREAS, although M-S-R PPA found it economic to elect to participate in Continuing Coverage insurance in 2017, not all portions of this program remain economic given the diminishing liabilities faced by the Agency; and

Whereas, M-S-R Public Power Agency has determined that termination of certain insurance coverage and an assumption of some remaining risks through self-insurance would be prudent.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION of the M-S-R PUBLIC POWER AGENCY that:

1. M-S-R Public Power Agency take the following actions:
  - a. On or prior to April 1, 2021, provide notice pursuant to the Insurance Letter dated August 24, 2017, that effective June 1, 2021, M-S-R PPA is no longer to be a Named Insured on Public Service Company of New Mexico's General Liability Primary, 1st Excess Liability, 2nd Excess Liability, 3rd Excess Liability, and 4th Excess Liability Policies.
  - b. Determine that pursuant to Subordinate Lien Bond Indenture §8.09(b) M-S-R PPA will "self-insure" for its share of any residual general liability risk formerly covered under Public Service Company of New Mexico's General Liability Primary, 1st Excess Liability, 2nd Excess Liability, 3rd Excess Liability, and 4th Excess Liability Policies, and to consider M-S-R PPA's \$40 million Strategic Reserve balance as credit support for a self-insurance program.
  - c. Remain a Named Insured on Public Service Company of New Mexico's Environmental Primary, and Excess Environmental Policies as provided in the Insurance Letter. However, M-S-R Public Power Agency is to continue to dispute premium cost allocations greater than Decommissioning Shares specified in Exhibit "A" to the Decommissioning Agreement.
  - d. Notify Public Service Company of New Mexico that although it is discontinuing its participation in Continuing Coverage insurance regarding General Liability, M-S-R Public Power Agency does not waive the requirement in

Decommissioning Agreement §3.2.2.23 that Public Service Company of New Mexico procure appropriate insurance covering Decommissioning Work to provide coverage for risks for which the Parties have or may have responsibility under the Decommissioning Agreement.

PASSED AND ADOPTED this 17<sup>th</sup> day of February, 2021 upon the following vote of the Members:

Modesto Irrigation District  
City of Santa Clara  
City of Redding

ATTEST:

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
SECRETARY