

# MSR Public Power Agency

## MEETING OF THE COMMISSION

Wednesday, February 20, 2019, 12:00 p.m.  
Navigant Consulting, Inc.  
35 Iron Point Circle, Suite 225  
Folsom, CA 95630

### **AGENDA** **Distribution:**

#### Commissioners & Alternate Commissioners

#### Others

##### Modesto:

James McFall (President)  
Martin Caballero (Alt)

Steve Gross  
Alan Hockenson  
Martin Hopper<sup>1</sup>  
Scott Van Vuren  
Jill De Jong  
Ana Vigil  
Cindy Worley  
Toxie Buriss

##### Santa Clara:

Pat Kolstad<sup>2</sup> (V.P)  
Alan Kurotori (Alt)

John Roukema  
Ann Hatcher  
Kathleen Hughes  
Deanna Santana  
Teresa O'Neill

##### Redding:

Dan Beans<sup>3</sup>  
Nick Zettel (Alt)

Ann Czerwonka<sup>3</sup>  
Valerie Ibarra  
Tara Mikkelsen<sup>3</sup>  
Carmen Bahr

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<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 20, 2019, 12:00 Noon  
Navigant Consulting, Inc.  
35 Iron Point Circle, Suite 225  
Folsom, California

### **AGENDA**

Any member of the public who desires to address the Commission on any item considered by the Commission at this meeting before or during the Commission'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 – 8 (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 28, 2018 and January 14, 2019
2. Report of Summary invoices paid for November – December 2018 and January 2019 totaling \$11,489,227.36 (summary attached)
3. November and December 2018 and January 2019 Treasurer's Reports (attached, Scott VanVuren)
4. February 2019 WREGIS REC Transfers Status Report (attached, Martin Hopper)
5. February 2019 Outside Services Budget Versus Actual Report (attached, Martin Hopper)
6. 2019 Investment Policy Guidelines (attached, Scott VanVuren)
7. Extension of Financial Advisor Agreement (attached, Martin Hopper)
8. San Juan Ten-Year Forecast (attached, Martin Hopper)

END OF CONSENT ITEMS

#### **ACTION ITEMS 9 - 11:**

9. Status Reports (attached, Martin Hopper)
  - a. Agency Status Report
  - b. San Juan Project Status Report

- c. Pacific Northwest Projects Status Report
10. February 2019 General Manager Report (attached, Martin Hopper)
11. Discussion and Possible Action Regarding Annual Election of Officers (attached, Martin Hopper)

**CONVENE CLOSED SESSION:**

- a. Existing Litigation: Government Code §54956.9 (d)(1) – 3 Cases (BP-16-BPA, BP-18-BPA, BP-20-BPA)
- b. Decision on Whether to Initiate Litigation: Government Code Section 54956.9(d)(4) – 3 Cases
- c. Public Employee Performance Evaluation: Government Code §54957 – General Manager

**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.
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**M-S-R PUBLIC POWER AGENCY  
DRAFT MINUTES  
MEETING OF THE COMMISSION  
NOVEMBER 19, 2018**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met on November 28, 2018 at the offices of Navigant Consulting, Inc. (NCI), 35 Iron Point Circle, Suite 225, Folsom, CA, 95630. Present from Modesto Irrigation District (MID) were James McFall, and Martin Caballero; present from Santa Clara were John Roukema, Pat Kolstadt, and Manuel Pineda; present from Redding was Dan Beans. Also present were General Manager Martin Hopper, and General Counsel Steve Gross.

President McFall called the meeting to order at 12:32 P.M. A quorum was attained with the voting representatives being Mr. McFall, Mr. Kolstad, and Mr. Beans.

The Commission then considered approval of the Consent Calendar Items. It was moved by Commissioner Beans and seconded by Commissioner Kolstad to approve the Consent Calendar consisting of Items 1, 2, 3, 4, 5, and 6 as listed below. The motion carried unanimously.

1. Minutes of September 19, 2018 – approved.
2. Report of Summary invoices paid for September – October 2018 totaling \$6,948,002.72 – noted and filed.
3. September and October 2018 Treasurer’s Report – accepted.
4. November 2018 WREGIS REC transfers Status Report – noted and filed.
5. November 2018 Outside Services Budget Versus Actual Report – noted and filed.
6. Amendment to Audit Engagement Agreement with Baker Tilly Virchow Krause, LLP – approved.

Mr. Hopper then presented the General Manager Report and entertained questions thereon. Mr. Hopper then reviewed the monthly status reports and entertained questions thereon.

Mr. Hopper then addressed the Commission regarding the proposed M-S-R PPA 2019 Budget. He indicated the proposed budget was prepared in accordance with the priorities enumerated in the Agency's 2019 Strategic Plan as approved by the Commission September 19, 2018 and was reviewed in a workshop held with Member Staff on November 8, 2018. The total expenditures under the proposed budget will be \$79.1 million, which represents a decrease of 4.3% over the 2018 Budget, which he indicated reflects the elimination of certain transmission, generation, and administrative support services rendered redundant due to asset divestitures. The Commission then entered into a detailed discussion regarding the budget and provided direction to the General Manager to look for opportunities to reduce consulting costs and efforts and to further document consultant performance and utilization. The Commission further requested that the Agency's mid-year budget review be presented at a Special Commission Meeting to be held in July 2019. It was moved by Commissioner Kolstad and seconded by Commissioner Beans to adopt the 2019 M-S-R PPA Budget. The motion carried unanimously.

Mr. Hopper then addressed the Commission regarding the Agency's proposed 2019 regular meeting schedule and noted although the dates follow the Agency's regular date algorithm, except where prospectively adjusted to avoid conflicts with other meetings regularly attended by Commissioners and Staff, that the Commission will only meet four times and the Technical Committee will only meet five times. It was moved by Commissioner Beans and seconded by Commissioner Kolstad to approve the 2019 Meeting Schedule. The motion carried unanimously.

The Agency then considered the proposed Resolution 2018-04 honoring Patrick Kolstad on his retirement from the Commission. Mr. Hopper highlighted Mr. Kolstad's service to the Agency and offered the Agency's congratulations and best wishes for his retirement. It was observed by the Commissioners that Pat's great sense of humor will be missed and that he always professed that there is no such thing as a bad short meeting. Mr. Hopper indicated he will present the executed resolution to Mr. Kolstad. It was moved by

Commissioner McFall and seconded by Mr. Beans to adopt Resolution 2018-04 Honoring Patrick Kolstad. The motion was so adopted.

The Commission then retired into Closed Session pursuant to Government Code Section 54956.9(d)(1) – Conference with Legal Counsel – Existing Litigation – 4 Cases (NM-PRC Case No. 17-000174-UT, BP-16-BPA, BP-18-BPA, BP-20-BPA) and pursuant to Government Code Section 51956.9(d)(4) – Conference with Legal Counsel – Decision on Whether to Initiate Litigation – 1 Case and pursuant to Government Code Section 54957 – Public Employee Performance Evaluation – General Manager at 1:42 P.M. Upon the conclusion of the Closed Session at 1:58 P.M., the General Counsel indicated there were no reportable items.

The Chair then called for Member Reports and for Public Comment. There being none, the Chair announced that the next regular meeting of the Commission will be held on Wednesday, February 20, 2019 at 12:00 Noon, at Navigant’s offices in Folsom, CA. The meeting was then adjourned by the Chair at 1:59 P.M.

Martin R Hopper  
Assistant Secretary

**M-S-R PUBLIC POWER AGENCY  
DRAFT MINUTES  
SPECIAL MEETING OF THE COMMISSION  
JANUARY 14, 2019**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met for a Special Meeting on January 14, 2019 at the following telephonic meeting locations: Modesto Irrigation District, 1231 Eleventh Street, Modesto, CA 95354; City of Santa Clara – Electric Department, 881 Martin Avenue, Santa Clara, CA 95050; and City of Redding – Electric Utility, 3611 Avtech Parkway, Redding, CA 96002. Present from Modesto Irrigation District (MID) was James McFall; present from Santa Clara was Ann Hatcher (telephonic); present from Redding was Dan Beans (telephonic). Also present was General Counsel Steven C. Gross (telephonic).

President McFall called the meeting to order at 10:32am. A quorum was attained with the voting representatives being Mr. McFall, Ms. Hatcher, and Mr. Beans.

The Commission retired into Closed Session pursuant to Government Code Section 54957 – Public Employee Performance Evaluation – General Manager at 10:35am. Upon conclusion of the Closed Session at 11:10am, the General Counsel indicated there were no reportable items.

The Chair then called for Public Comment. There being no comment, the Chair announced the next regular meeting of the Commission will be held on Wednesday, February 20th at Noon, at Navigant's offices in Folsom, CA. The meeting was then adjourned by the Chair at 11:14am

Martin R. Hopper  
Assistant Secretary

**M-S-R Public Power Agency**  
**Report of Summary Invoices Paid**  
**November 2018, December 2018, January 2019**

<b>Payee</b>	<b>Description</b>	<b>Period Covered</b>	<b>Amount</b>
MID	Accounting and Coordination	Sep-18	44,257.30
WREGIS	Transfer Volume Fee	Sep-18	56.49
KBT, LLC	Consulting Services	Sep-18	24,217.27
Martin Hopper Energy	General Manager Services	Oct-18	20,161.14
Duncan, Weinberg, Genzer	Legal Services	Sep-18	58,682.47
Susie Berlin	Legal Services	Aug-18	5,591.43
Porter Simon	General Legal Services	Oct-18	106.26
WREGIS	Transfer Volume Fee	Oct-18	310.52
MID	Accounting and Coordination	Oct-18	42,546.49
Politico Group	State Legislative Services	Oct-18	2,000.00
U.S. Bank	Debt Service Series 2018R	Oct-18	2,330,995.33
PNM	San Juan MRTFA O&M - A&G Statement	Oct-18	849.30
Bloomberg Finance	BGOV License (11/10/18-02/09/19)	Nov-18	1,552.50
Law Offices of Susie Berlin	Legal Services	Sep-18	5,490.57
Avangrid Renewables	Big Horn 2 Contract Power	Oct-18	970,878.61
KBT, LLC	Consulting Services	Oct-18	28,037.29
Martin Hopper Energy	General Legal Services	Nov-18	23,006.37
U.S. Bank	Banking Fees Big Horn	Nov-18	2,100.00
U.S. Bank	Banking Fees Firming & Shaping	Nov-18	2,100.00
Politico Group	State Legislative Services	Nov-18	2,000.00
WREGIS	Transfer Volume Fee	Nov-18	229.11
Porter Simon	General Legal Services	Nov-18	3,519.00
Duncan, Weinberg, Genzer	Legal Services	Oct-18	65,990.88
U.S. Bank	Debt Service Series 2018R	Nov-18	2,330,995.33
PNM	San Juan MRTFA O&M - A&G Statement	Nov-18	1,673.66
Avangrid Renewables	Big Horn 2 Contract Power	Nov-18	1,267,706.39
U.S. Bank	San Juan Reclamation	Dec-18	400,000.00
MID	Reimbursement for SJ Reclamation Meeting	Nov-18	\$891.45
MID	GMEI Utility Maintenance	Jan-19	\$97.00
Montague DeRose	Financial Advisory Services	Feb-19	\$7,375.00
MID	Accounting and Coordination	Nov-18	\$42,225.55
Navigant Consulting, Inc	Professional Services	Nov-18	\$1,166.61
Duncan, Weinberg, Genzer	Legal Services	Nov-18	\$45,789.30
Martin Hopper Energy	General Manager Services	Dec-18	\$23,202.62
WREGIS	Transfer Volume Fee	Jan-19	\$352.77
Porter Simon	General Legal Services	Dec-18	\$308.00
PNM	San Juan MRTFA O&M - A&G Statement	Dec-18	\$2,028.60
State of California	FPPC Electronic Certification Fee	Jan-19	\$1,000.00
Politico Group	State Legislative Services	Dec-18	\$2,000.00
Law Offices of Susie Berlin	Legal Services	Oct-18	\$9,177.10
KBT, LLC	Consulting Services	Nov-18	\$13,657.24
Baker Tilly LLP	Services for 2018 Audit	Dec-18	\$6,460.00
U.S. Bank	Debt Service Series 2018R	Dec-18	\$2,328,509.93
Avangrid Renewables	Big Horn 2 Contract Power	Dec-18	\$1,369,747.48
California Municipal Utilities Associa	Event Registration	Jan-19	\$185.00

**To Commission February 20, 2019**

**\$11,489,227.36**

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 one in the center, and another large one at the bottom right. Thin lines in light green, grey, and gold extend from the top left towards these circles.

# Treasurer's Report

NOVEMBER 2018



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

Treasurer's Report for the Month of November 2018

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

    Investment Activity by Type

    Activity Report LAIF

Trust Funds:

    Portfolio Summary

    Portfolio Details – Investments

    Portfolio Details – Cash

    Investment Status Report – Investments

    Investment Status Report – Cash

    Investment Activity by Type

    Received Interest

    Realized Gains and Losses

**MSR PUBLIC POWER AGENCY  
TREASURER'S REPORT  
FOR THE MONTH OF NOVEMBER 2018**

**FUND BALANCES**

	10/31/2018			11/30/2018		11/30/2018	11/30/2018	Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Reserves: Mkt Value*	Mkt. Value*		
<b>UNRESTRICTED FUNDS</b>								
General Fund, net of MOCRA	34,396,356	0	0	34,489,283				
Member Cash Call Reserve Acct.	197,829	0	0	197,829				
Debt Service Coverage Revolving Fund	825,000	275,000	0	1,100,000				
	<u>35,418,985</u>	<u>4,048,469</u>	<u>3,890,542</u>	<u>35,786,912</u>		<u>35,786,912</u>		<u>0</u>
<b>RESTRICTED FUNDS</b>								
MSR 2018 Series R	9,417,492	4,675,128	2,330,995	11,761,625	0	11,761,625		0
MSR Big Horn Wind Collat. Acct.	3,675,354	1,586,679	1,590,389	3,680,644	0	3,680,644		0
MSR Big Horn Shaping Acct.	1,055,781	529,650	526,138	1,057,273	0	1,057,273		0
MSR SJ Coal Reclamation Trust	17,579,622	55,564	53,474	17,581,912	0	17,283,119		(298,792)
MSR SJ Decommissioning Trust	2,298,260	3,964	55,701	2,243,543	0	2,243,543		0
	<u>34,026,710</u>	<u>6,859,964</u>	<u>4,561,697</u>	<u>36,324,997</u>	<u>0</u>	<u>36,026,204</u>		<u>(298,792)</u>
<b>TOTAL FUNDS</b>	<u><b>69,445,694</b></u>	<u><b>10,908,453</b></u>	<u><b>8,242,239</b></u>	<u><b>72,111,908</b></u>	<u><b>0</b></u>	<u><b>71,813,116</b></u>		<u><b>(298,792)</b></u>

**CASH & INVESTMENTS**

<b>DEMAND ACCOUNTS</b>			
Union Bank - General Fund			484,082
<b>INVESTMENTS (See Attached)</b>			
	<u>Standard per Gov't Code</u>	<u>Actual</u>	
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	16.7%	11,926,800
Local Agency Investment Fund	\$65,000,000	49.3%	35,317,881
Money Market Accounts	No Limit	34.1%	24,388,197
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	0.0%	0
<b>TOTAL INVESTMENTS</b>		<u><b>100.0%</b></u>	<u><b>71,642,878</b></u>
Add: Deposits in transit			0
Less: Outstanding checks			(15,051)
<b>TOTAL CASH &amp; INVESTMENTS</b>			<u><b>72,111,908</b></u>

\* 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.

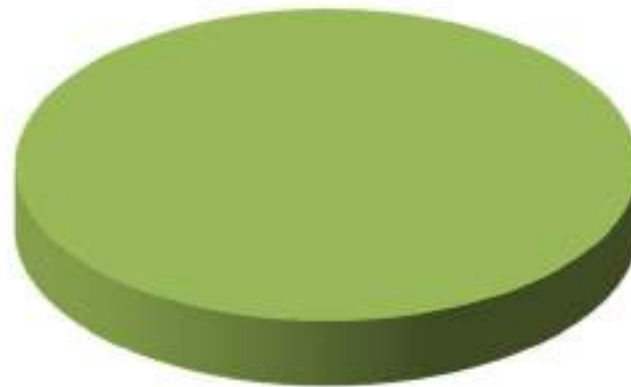
  
Scott Van Vuren - Treasurer

  
Ana Vigil - Assistant Treasurer

# M-S-R Public Power Agency Investment Portfolio November 2018

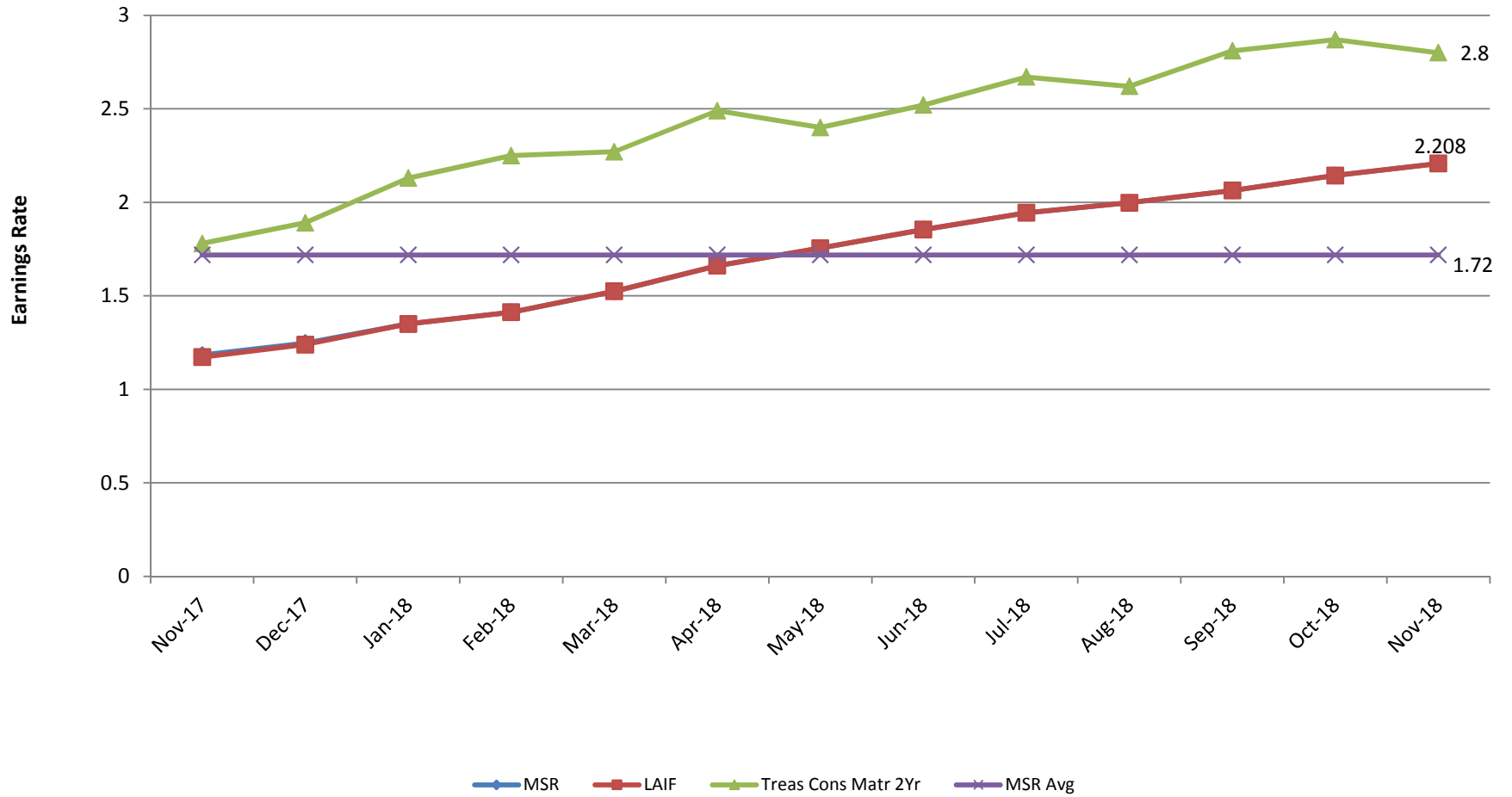
Corp Medium Term  
Notes  
0.00%

Federal Agency Issues  
0.00%

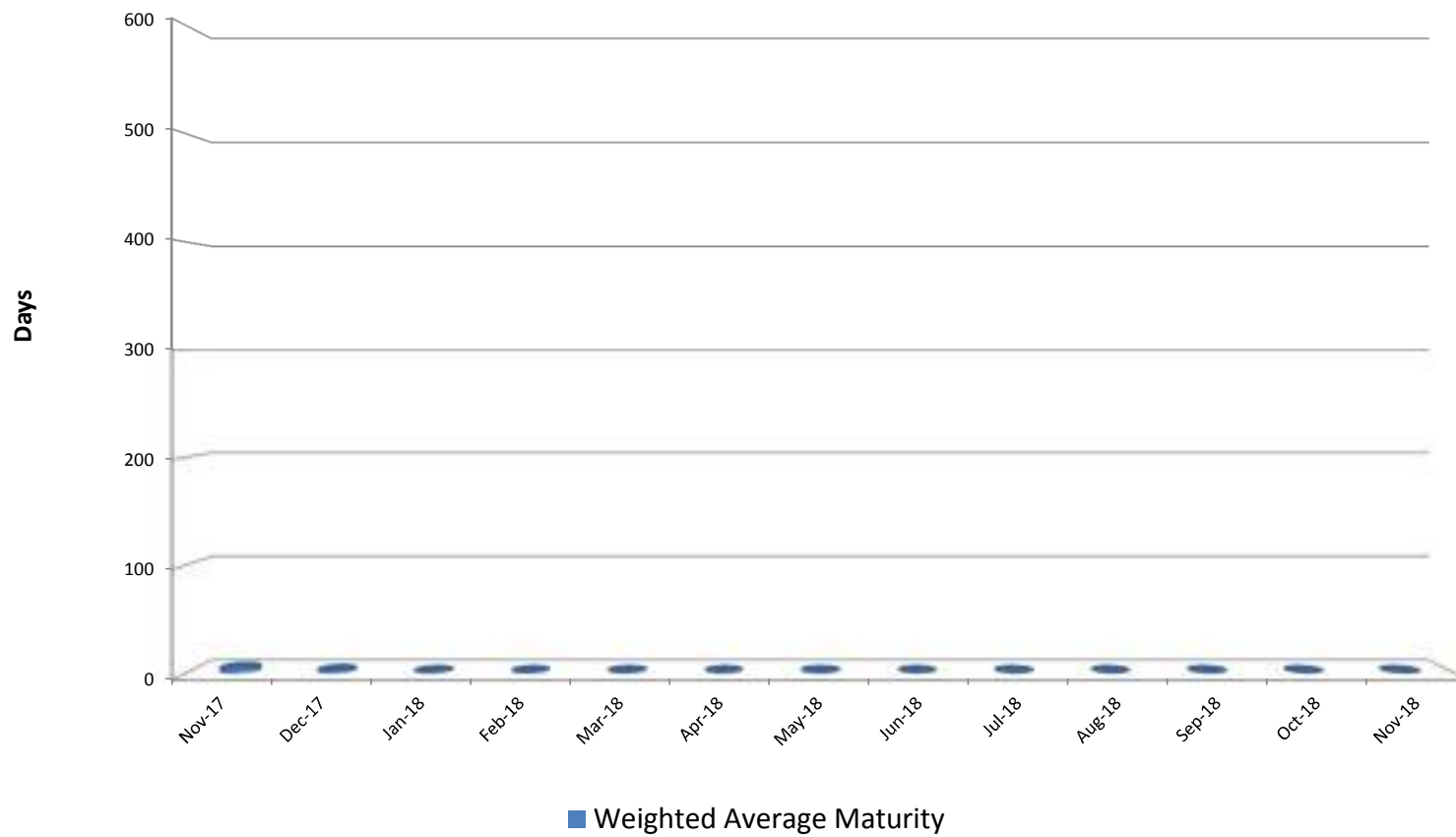


Managed Pool Accounts  
(LAIF)  
100.00%

# MSR / LAIF / US Treasury 2-Year November 2018



## General Fund Portfolio Average Maturity Report





**MSR Public Power Agency  
Portfolio Management  
Portfolio Summary  
November 30, 2018**

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

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Managed Pool Accounts	35,317,881.33	35,317,881.33	35,317,881.33	100.00	1	1	2.208
<b>Investments</b>	<b>35,317,881.33</b>	<b>35,317,881.33</b>	<b>35,317,881.33</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>2.208</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	469,030.63	469,030.63	469,030.63		1	1	0.000
<b>Total Cash and Investments</b>	<b>35,786,911.96</b>	<b>35,786,911.96</b>	<b>35,786,911.96</b>		<b>1</b>	<b>1</b>	<b>2.208</b>

Total Earnings	November 30	Month Ending	Fiscal Year To Date
Current Year		64,034.21	594,796.68
Average Daily Balance		35,397,915.76	
Effective Rate of Return		2.20%	

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Scott Van Vuren, Treasurer

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
November 30, 2018**

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			35,317,881.33	35,317,881.33	35,317,881.33	2.208		2.208	1	
		<b>Subtotal and Average</b>	35,284,548.00		35,317,881.33	35,317,881.33	35,317,881.33			2.208	1	
		<b>Total and Average</b>	35,397,915.78		35,317,881.33	35,317,881.33	35,317,881.33			2.208	1	

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Cash  
November 30, 2018**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 35C	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYSGENERAL FUND	GENERAL FUND	Union Bank of California		01/01/1999	489,030.83	489,030.83	489,030.83			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>35,387,915.76</b>		<b>35,786,911.96</b>	<b>35,786,911.96</b>	<b>35,786,911.96</b>			<b>2.208</b>	<b>1</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
November 30, 2018**

CUSIP	Investment #	Issuer	Per Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 360	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	LAIF	35,317,881.33	2.208			2.178	2.208	01/15 - Quarterly		35,317,881.33	35,317,881.33
<b>Managed Pool Accounts Totals</b>			<b>35,317,881.33</b>				<b>2.178</b>	<b>2.208</b>		<b>0.00</b>	<b>35,317,881.33</b>	<b>35,317,881.33</b>
<b>Investment Totals</b>			<b>35,317,881.33</b>				<b>2.178</b>	<b>2.208</b>		<b>0.00</b>	<b>35,317,881.33</b>	<b>35,317,881.33</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
November 30, 2018**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYSGENERAL FUND	GENERAL FUND	UBC	469,030.63			01/01/1999	0.000	0.000	/ - Monthly		469,030.63	469,030.63
<b>Cash Totals</b>			<b>469,030.63</b>							<b>0.00</b>	<b>469,030.63</b>	<b>469,030.63</b>
<b>Total Cash and Investments</b>			<b>35,786,911.96</b>				<b>2.178</b>	<b>2.208</b>		<b>0.00</b>	<b>35,786,911.96</b>	<b>35,786,911.96</b>

**MSR Public Power Agency  
Portfolio Management  
Activity By Type  
November 1, 2018 through November 30, 2018**

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		2.200		500,000.00	500,000.00	
		Subtotal	36,317,881.33			500,000.00	500,000.00	36,317,881.33
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL FUND	Union Bank of California				387,927.10	0.00	
		Subtotal	101,103.53			387,927.10	0.00	489,030.63
		Total	35,418,984.86			887,927.10	500,000.00	35,786,911.96



**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**November 1, 2018 - November 30, 2018**

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

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Local Agency Investment Fund</b>									
<b>Managed Pool Accounts</b>									
SYSLAIF	LAI	Local Agency Investment Fund			2.208		500,000.00	500,000.00	
		<b>Subtotal and Balance</b>		<u>35,317,881.33</u>			<u>500,000.00</u>	<u>500,000.00</u>	<u>35,317,881.33</u>
		<b>Issuer Subtotal</b>	<b>98.688%</b>	<u>35,317,881.33</u>			<u>500,000.00</u>	<u>500,000.00</u>	<u>35,317,881.33</u>
		<b>Total</b>		<b>35,317,881.33</b>			<b>500,000.00</b>	<b>500,000.00</b>	<b>35,317,881.33</b>



**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Summary  
November 30, 2018**

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

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Federal Agency Issues - Coupon	11,970,000.00	11,628,007.90	11,926,800.00	100.00	1,629	740	1.427
<b>Investments</b>	<b>11,970,000.00</b>	<b>11,628,007.90</b>	<b>11,926,800.00</b>	<b>100.00%</b>	<b>1,629</b>	<b>740</b>	<b>1.427</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	24,398,198.53	24,398,198.53	24,398,198.53		1	1	2.080
<b>Total Cash and Investments</b>	<b>36,368,198.53</b>	<b>36,026,204.43</b>	<b>36,324,998.53</b>		<b>1,629</b>	<b>740</b>	<b>1.427</b>

Total Earnings	November 30	Month Ending	Fiscal Year To Date
Current Year		51,844.74	276,686.38
Average Daily Balance		34,361,375.24	
Effective Rate of Return		1.84%	

Scott Van Vuren, Treasurer

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Investments  
November 30, 2018**

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>												
3135G0F73	17244	Federal Natl Mtg. Assoc.		11/30/2015	3,000,000.00	2,921,280.00	2,956,800.00	1.500		1.802	730	11/30/2020
3136G3NG6	17283	Federal Natl Mtg. Assoc.		05/25/2016	1,270,000.00	1,240,878.90	1,270,000.00	1.200		1.200	534	05/18/2020
3136G36J8	17314	Federal Natl Mtg. Assoc.		09/29/2016	3,700,000.00	3,557,809.00	3,700,000.00	1.450		1.450	1,033	09/29/2021
3134GAHL1	17313	Fed Home Loan Mortgage Corp		09/07/2016	4,000,000.00	3,908,040.00	4,000,000.00	1.200		1.200	542	05/28/2020
		<b>Subtotal and Average</b>	<b>11,928,800.00</b>		<b>11,970,000.00</b>	<b>11,528,007.90</b>	<b>11,928,800.00</b>			<b>1.427</b>	<b>740</b>	
		<b>Total and Average</b>	<b>34,381,375.24</b>		<b>11,970,000.00</b>	<b>11,528,007.90</b>	<b>11,928,800.00</b>			<b>1.427</b>	<b>740</b>	

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
November 30, 2018**

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>											
SYS30000 MONEY	30000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS30001 MONEY	30001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS30002 MONEY	30002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS30003 MONEY	30003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS31000 MONEY	31000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS31003 MONEY	31003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS32000 MONEY	32000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS32003 MONEY	32003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust			5,655,111.50	5,655,111.50	5,655,111.50	2.080		2.080	1
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust			3,680,644.18	3,680,644.18	3,680,644.18	2.080		2.080	1
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust		07/26/2018	68,870.50	68,870.50	68,870.50	2.080		2.080	1
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust			2,053,185.52	2,053,185.52	2,053,185.52	2.080		2.080	1
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust			9,627,157.10	9,627,157.10	9,627,157.10	2.080		2.080	1
SYS776003 MONEY	776003 MONEY	U.S. Bank Corporate Trust			12,411.87	12,411.87	12,411.87	2.080		2.080	1
SYS785000 MONEY	785000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS785001 MONEY	785001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS785002 MONEY	785002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS785003 MONEY	785003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS798000 MONEY	798000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS798002 MONEY	798002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust			1,057,273.14	1,057,273.14	1,057,273.14	2.080		2.080	1
SYS8001 MONEY	8001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.080		2.080	1
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		03/26/2018	2,243,542.72	2,243,542.72	2,243,542.72	2.080		2.080	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>34,361,375.24</b>		<b>36,368,196.63</b>	<b>36,026,204.43</b>	<b>36,324,996.53</b>			<b>1.427</b>	<b>740</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
November 30, 2018**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Federal Agency Issues - Coupon</b>												
3135G0F73	17244	FNMA	3,000,000.00	1.500	11/30/2020	11/30/2015	1.778	1.802	05/30 - 11/30		2,958,800.00	2,958,800.00
3136G3NG6	17283	FNMA	1,270,000.00	1.200	05/18/2020	05/25/2016	1.184	1.200	11/18 - 05/18		1,270,000.00	1,270,000.00
3136G36J8	17314	FNMA	3,700,000.00	1.450	09/29/2021	09/29/2016	1.430	1.450	03/29 - 09/29		3,700,000.00	3,700,000.00
3134GAHL1	17313	FREDMC	4,000,000.00	1.200	05/28/2020	09/07/2016	1.184	1.200	11/26 - 05/26	Received	4,000,000.00	4,000,000.00
<b>Federal Agency Issues - Coupon Totals</b>			<b>11,970,000.00</b>				<b>1.467</b>	<b>1.427</b>		<b>0.00</b>	<b>11,926,800.00</b>	<b>11,926,800.00</b>
<b>Investment Totals</b>			<b>11,970,000.00</b>				<b>1.467</b>	<b>1.427</b>		<b>0.00</b>	<b>11,926,800.00</b>	<b>11,926,800.00</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
November 30, 2018**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 300	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS30000 MONEY	30000 MONEY	USBANK	0.00	2.080			2.052	2.080	08/01 - Monthly		0.00	0.00
SYS30001 MONEY	30001 MONEY	USBANK	0.00	2.080			2.052	2.080	01/01 - Monthly		0.00	0.00
SYS30002 MONEY	30002 MONEY	USBANK	0.00	2.080			2.052	2.080	01/26 - Monthly		0.00	0.00
SYS30003 MONEY	30003 MONEY	USBANK	0.00	2.080			2.052	2.080	08/01 - Monthly		0.00	0.00
SYS31000 MONEY	31000 MONEY	USBANK	0.00	2.080			2.052	2.080	05/01 - Monthly		0.00	0.00
SYS31003 MONEY	31003 MONEY	USBANK	0.00	2.080			2.052	2.080	08/01 - Monthly		0.00	0.00
SYS32000 MONEY	32000 MONEY	USBANK	0.00	2.080			2.052	2.080	05/01 - Monthly		0.00	0.00
SYS32003 MONEY	32003 MONEY	USBANK	0.00	2.080			2.052	2.080	08/01 - Monthly		0.00	0.00
SYS33000 MONEY	33000 MONEY	USBANK	5,655,111.50	2.080			2.052	2.080	08/01 - Monthly		5,655,111.50	5,655,111.50
SYS7000 MONEY	7000 MONEY	USBANK	3,880,844.18	2.080			2.052	2.080	01/01 - Monthly		3,880,844.18	3,880,844.18
SYS775000 MONEY	775000 MONEY	USBANK	88,870.50	2.080		07/26/2018	2.052	2.080	08/01 - Monthly		88,870.50	88,870.50
SYS775001 MONEY	775001 MONEY	USBANK	2,063,185.82	2.080			2.052	2.080	08/01 - Monthly		2,063,185.82	2,063,185.82
SYS775002 MONEY	775002 MONEY	USBANK	9,827,157.10	2.080			2.052	2.080	08/01 - Monthly		9,827,157.10	9,827,157.10
SYS775003 MONEY	775003 MONEY	USBANK	12,411.87	2.080			2.052	2.080	07/01 - Monthly		12,411.87	12,411.87
SYS785000 MONEY	785000 MONEY	USBANK	0.00	2.080			2.052	2.080	04/01 - Monthly		0.00	0.00
SYS785001 MONEY	785001 MONEY	USBANK	0.00	2.080			2.052	2.080	08/01 - Monthly		0.00	0.00
SYS785002 MONEY	785002 MONEY	USBANK	0.00	2.080			2.052	2.080	08/01 - Monthly		0.00	0.00
SYS785003 MONEY	785003 MONEY	USBANK	0.00	2.080			2.052	2.080	05/01 - Monthly		0.00	0.00
SYS788000 MONEY	788000 MONEY	USBANK	0.00	2.080			2.052	2.080	05/01 - Monthly		0.00	0.00
SYS788002 MONEY	788002 MONEY	USBANK	0.00	2.080			2.052	2.080	08/01 - Monthly		0.00	0.00
SYS8000 MONEY	8000 MONEY	USBANK	1,057,273.14	2.080			2.052	2.080	01/01 - Monthly		1,057,273.14	1,057,273.14
SYS8001 MONEY	8001 MONEY	USBANK	0.00	2.080			2.052	2.080	05/01 - Monthly		0.00	0.00
SYS88000 MONEY	88000 MONEY	USBANK	2,243,542.72	2.080		03/26/2018	2.052	2.080	04/01 - Monthly		2,243,542.72	2,243,542.72
<b>Cash Totals</b>			<b>24,398,196.53</b>							<b>0.00</b>	<b>24,398,196.53</b>	<b>24,398,196.53</b>
<b>Total Cash and Investments</b>			<b>36,368,196.53</b>				<b>1.407</b>	<b>1.427</b>		<b>0.00</b>	<b>36,324,996.53</b>	<b>36,324,996.53</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Activity By Type  
November 1, 2018 through November 30, 2018**

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		2.080		55,583.84	63,473.72	
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust		2.080		1,595,679.38	1,590,389.24	
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust		2.080		2,331,113.60	2,330,985.33	
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust		2.080		412,036.01	0.00	
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust		2.080		1,031,962.60	0.00	
SYS776003 MONEY	776003 MONEY	U.S. Bank Corporate Trust		2.080		21.37	0.00	
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust		2.080		529,649.67	528,138.00	
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		2.080		3,963.89	58,701.20	
		<b>Subtotal</b>	<b>22,088,909.56</b>			<b>6,859,984.46</b>	<b>4,561,697.49</b>	<b>24,398,196.53</b>
<b>Federal Agency Issues - Coupon</b>								
		<b>Subtotal</b>	<b>11,926,800.00</b>					<b>11,926,800.00</b>
		<b>Total</b>	<b>34,026,709.56</b>			<b>6,859,984.46</b>	<b>4,561,697.49</b>	<b>36,324,996.53</b>



**MSR Public Power Agency Trust**  
**Received Interest**  
**Sorted by Date Received**  
**Received November 1, 2018 - November 30, 2018**

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 2018	3138G3NG6	17283	FAC	1,270,000.00	1.200	11/18/2018	11/18/2018	7,620.00	7,620.00	-
	3134GAHL1	17313	FAC	4,000,000.00	1.200	11/26/2018	11/26/2018	24,000.00	24,000.00	-
	3138G0F73	17244	FAC	3,000,000.00	1.500	11/30/2018	11/30/2018	22,500.00	22,500.00	-
							<b>Subtotal</b>	<b>54,120.00</b>	<b>54,120.00</b>	
							<b>Total</b>	<b>54,120.00</b>	<b>54,120.00</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, 2018 - November 30, 2018**

Date Received	CUSIP	Investment #	Security Type	Par Value	Current Rate	Date Received	Interest
							Amount Received
<b>Cash Accounts</b>							
November 2018	SYS33000MONEY	33000MONEY	PA1	5,832,811.50	2.080	11/01/2018	1,443.64
	SYS7000MONEY	7000MONEY	PA1	3,880,844.18	2.080	11/01/2018	5,260.14
	SYS776000 MONEY	776000 MONEY	PA1	68,870.50	2.080	11/01/2018	118.57
	SYS776001 MONEY	776001 MONEY	PA1	2,053,186.52	2.080	11/01/2018	2,284.68
	SYS776002 MONEY	776002 MONEY	PA1	9,827,157.10	2.080	11/01/2018	10,712.60
	SYS776003 MONEY	776003 MONEY	PA1	12,411.87	2.080	11/01/2018	21.37
	SYS8000MONEY	8000MONEY	PA1	1,057,273.14	2.080	11/01/2018	1,511.87
	SYS88000MONEY	88000 MONEY	PA1	2,243,542.72	2.080	11/01/2018	3,963.69
						<b>Subtotal</b>	<b>25,346.56</b>
						<b>Total</b>	<b>25,346.56</b>



**MSR Public Power Agency Trust**  
**Realized Gains and Losses**  
**Sorted By Maturity/Sale/Call Date**  
**Sales/Calls/Maturities: November 1, 2018 - November 30, 2018**

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

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

The background features three blue circles of varying sizes, each with a lighter blue 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

DECEMBER 2018



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

Treasurer's Report for the Month of December 2018

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

    Investment Activity by Type

    Activity Report LAIF

Trust Funds:

    Portfolio Summary

    Portfolio Details – Investments

    Portfolio Details – Cash

    Investment Status Report – Investments

    Investment Status Report – Cash

    Investment Activity by Type

    Received Interest

    Realized Gains and Losses

**MSR PUBLIC POWER AGENCY  
TREASURER'S REPORT  
FOR THE MONTH OF DECEMBER 2018**

**FUND BALANCES**

	11/30/2018			12/31/2018		12/31/2018	Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Reserves: Mkt Value*	Mkt. Value*	
<b>UNRESTRICTED FUNDS</b>							
General Fund, net of MCCRA	34,489,283	0	0	33,397,692			
Member Cash Call Reserve Acct.	197,629	0	0	197,629			
Debt Service Coverage Revolving Fund	1,100,000	275,000	0	1,375,000			
	<u>35,786,912</u>	<u>3,411,996</u>	<u>4,228,587</u>	<u>34,970,321</u>		<u>34,970,321</u>	<u>0</u>
<b>RESTRICTED FUNDS</b>							
MSR 2018 Series R	11,761,625	4,678,758	2,330,995	14,109,386	0	14,109,386	0
MSR Big Horn Wind Collat Acct.	3,680,644	2,135,205	0	5,815,849	0	5,815,849	0
MSR Big Horn Shaping Acct.	1,057,273	514,620	0	1,571,893	0	1,571,893	0
MSR SJ Coal Reclamation Trust	17,581,912	401,391	23,351	17,968,951	0	17,743,564	(216,387)
MSR SJ Decommissioning Trust	2,243,543	3,924	12,951	2,234,515	0	2,234,515	0
	<u>36,324,997</u>	<u>7,733,896</u>	<u>2,367,298</u>	<u>41,691,595</u>	<u>0</u>	<u>41,475,208</u>	<u>(216,387)</u>
<b>TOTAL FUNDS</b>	<u>72,111,908</u>	<u>11,145,892</u>	<u>6,595,885</u>	<u>76,661,916</u>	<u>0</u>	<u>76,445,529</u>	<u>(216,387)</u>

**CASH & INVESTMENTS**

	Standard per Gov't Code	Actual	
<b>DEMAND ACCOUNTS</b>			
Union Bank - General Fund			52,440
<b>INVESTMENTS (See Attached)</b>			
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	15.6%	11,926,800
Local Agency Investment Fund	\$65,000,000	45.6%	34,917,881
Money Market Accounts	No Limit	38.0%	29,764,795
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>76,609,476</u>
Add: Deposits in transit			0
Less: Outstanding checks			0
<b>TOTAL CASH &amp; INVESTMENTS</b>			<u>76,661,816</u>

\* 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 2018

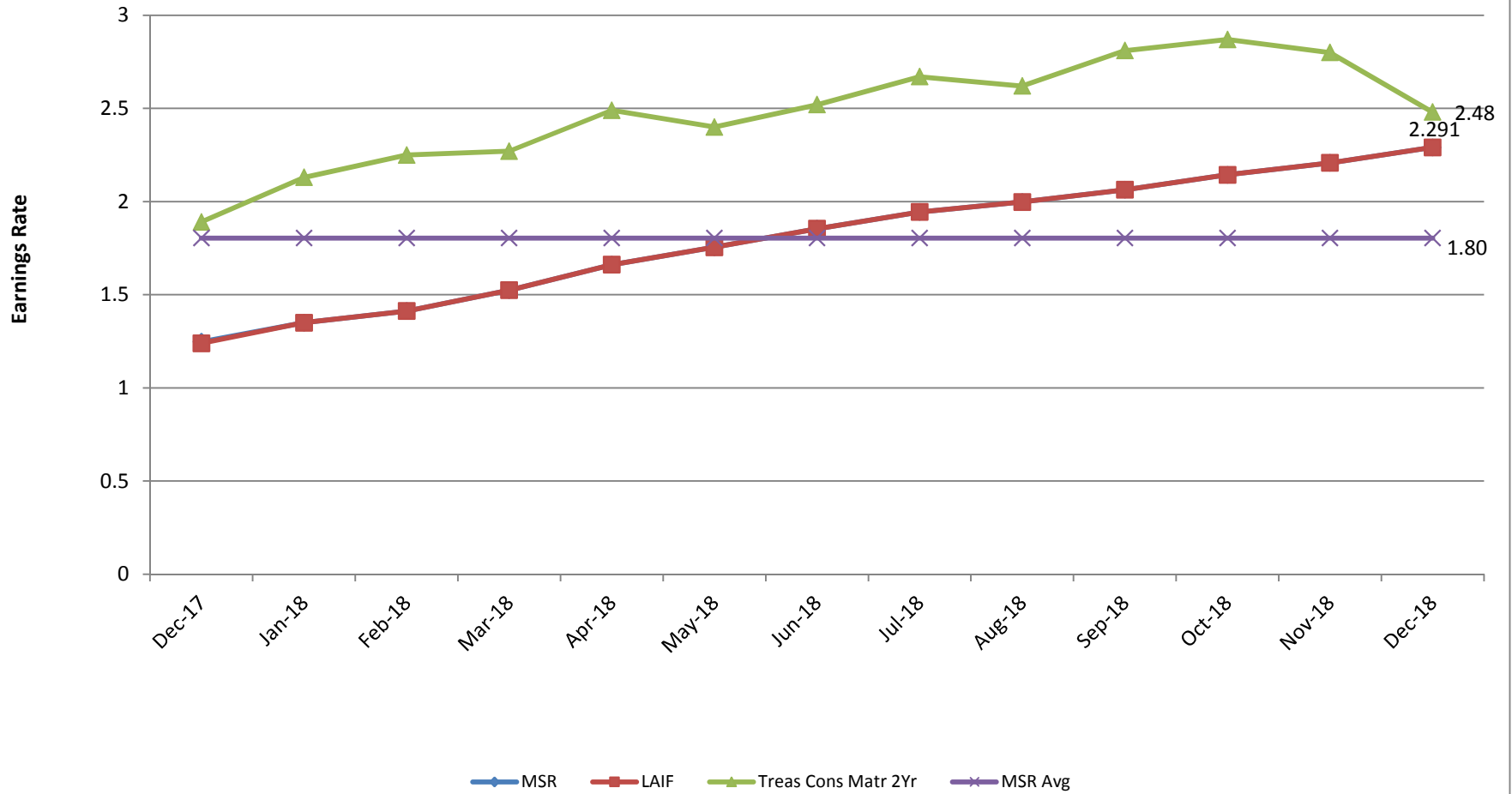
Corp Medium Term  
Notes  
0.00%

Federal Agency Issues  
0.00%

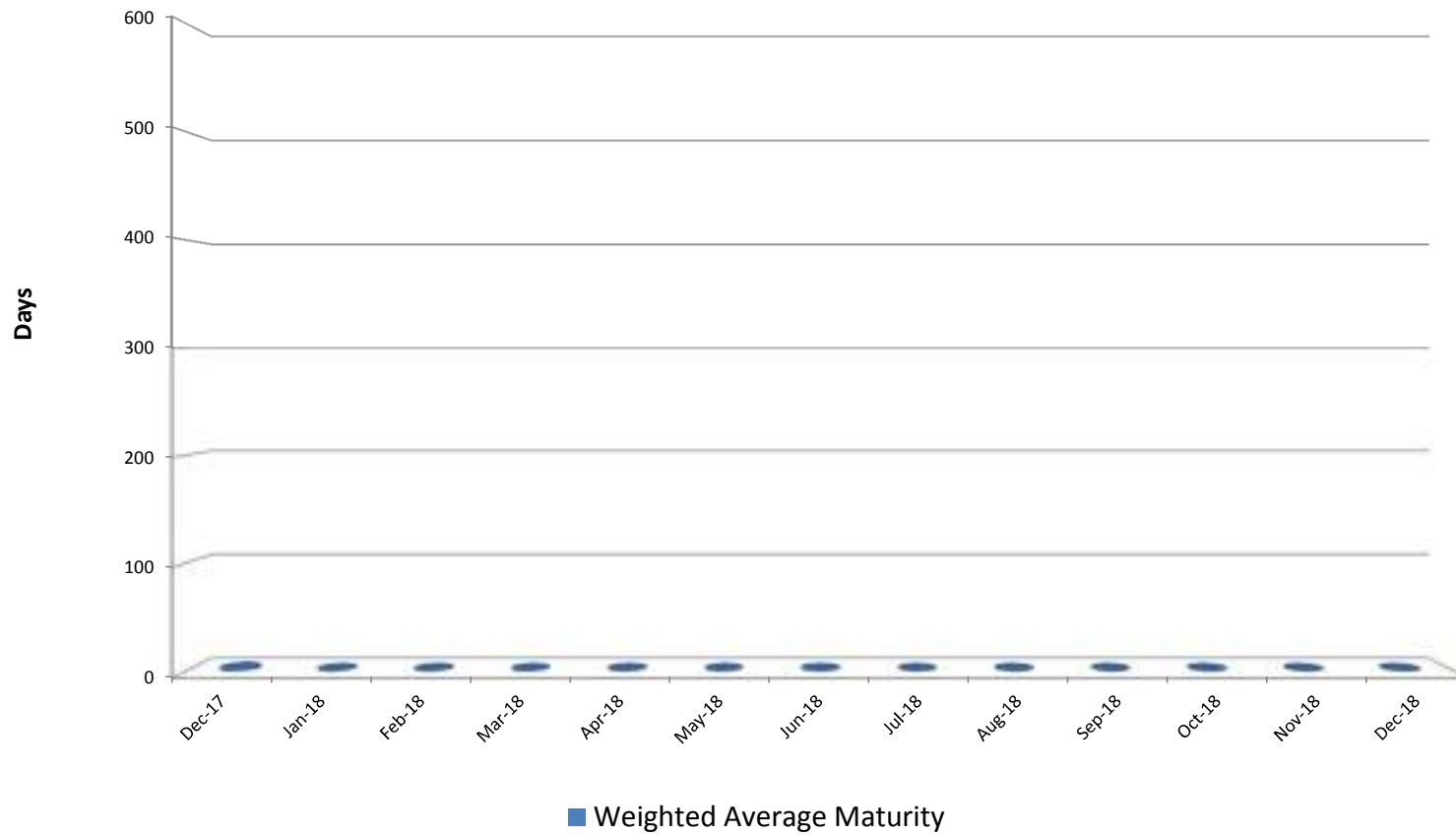


Managed Pool Accounts  
(LAIF)  
100.00%

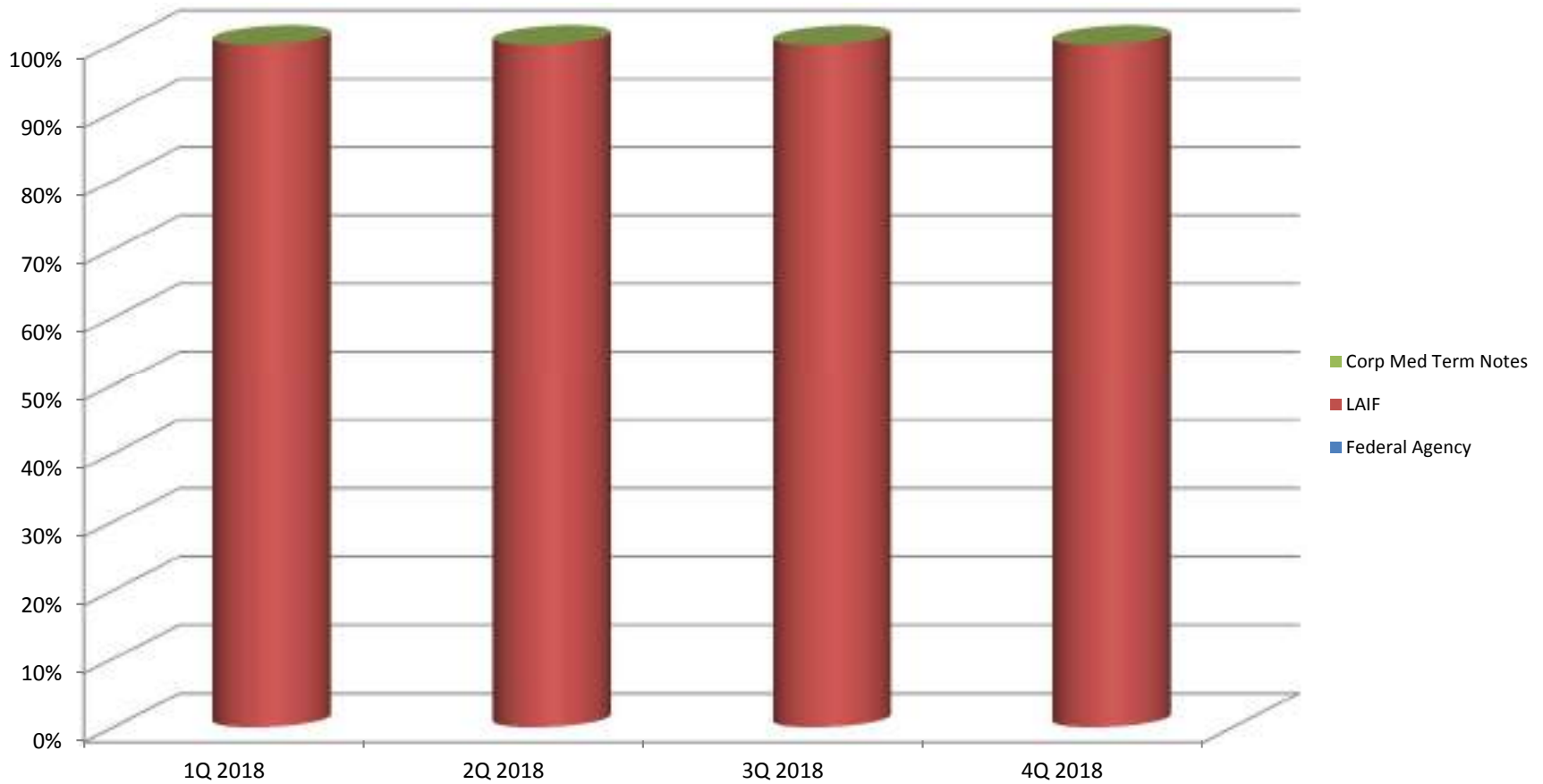
# MSR / LAIF / US Treasury 2-Year December 2018



## General Fund Portfolio Average Maturity Report



# M-S-R Public Power Agency Investment Portfolio Quarterly Comparison Fourth Quarter 2018





**MSR Public Power Agency  
Portfolio Management  
Portfolio Summary  
December 31, 2018**

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

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Managed Pool Accounts	34,917,881.33	34,917,881.33	34,917,881.33	100.00	1	1	2.291
<b>Investments</b>	<b>34,917,881.33</b>	<b>34,917,881.33</b>	<b>34,917,881.33</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>2.291</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	52,438.74	52,438.74	52,438.74		1	1	0.000
<b>Total Cash and Investments</b>	<b>34,970,321.07</b>	<b>34,970,321.07</b>	<b>34,970,321.07</b>		<b>1</b>	<b>1</b>	<b>2.291</b>

Total Earnings	December 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	68,570.21	663,367.09	663,367.09
Average Daily Balance	35,696,054.19		
Effective Rate of Return	2.26%		

Scott Van Vuren, Treasurer

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2018**

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			34,917,881.33	34,917,881.33	34,917,881.33	2.291		2.291	1	
		<b>Subtotal and Average</b>	<b>35,240,481.98</b>		<b>34,917,881.33</b>	<b>34,917,881.33</b>	<b>34,917,881.33</b>			<b>2.291</b>	<b>1</b>	
		<b>Total and Average</b>	<b>35,886,054.19</b>		<b>34,917,881.33</b>	<b>34,917,881.33</b>	<b>34,917,881.33</b>			<b>2.291</b>	<b>1</b>	

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Cash  
December 31, 2018**

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 FUND	Union Bank of California		01/01/1999	52,439.74	52,439.74	52,439.74			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>35,698,054.19</b>		<b>34,970,321.07</b>	<b>34,970,321.07</b>	<b>34,970,321.07</b>			<b>2.291</b>	<b>1</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
December 31, 2018**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	LAIF	34,917,881.33	2.291			2.290	2.291	01/15 - Quarterly		34,917,881.33	34,917,881.33
<b>Managed Pool Accounts Totals</b>			<b>34,917,881.33</b>				<b>2.290</b>	<b>2.291</b>		<b>0.00</b>	<b>34,917,881.33</b>	<b>34,917,881.33</b>
<b>Investment Totals</b>			<b>34,917,881.33</b>				<b>2.290</b>	<b>2.291</b>		<b>0.00</b>	<b>34,917,881.33</b>	<b>34,917,881.33</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
December 31, 2018**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYSGENERAL FUND	GENERAL FUND	UBC	52,439.74			01/01/1999	0.000	0.000	/ - Monthly		52,439.74	52,439.74
<b>Cash Totals</b>			<b>52,439.74</b>							<b>0.00</b>	<b>52,439.74</b>	<b>52,439.74</b>
<b>Total Cash and Investments</b>			<b>34,970,321.07</b>				<b>2.260</b>	<b>2.291</b>		<b>0.00</b>	<b>34,970,321.07</b>	<b>34,970,321.07</b>

**MSR Public Power Agency  
Portfolio Management  
Activity By Type  
December 1, 2018 through December 31, 2018**

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		2.291		0.00	400,000.00	
		Subtotal	36,317,881.33			0.00	400,000.00	34,917,881.33
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL FUND	Union Bank of California				0.00	416,590.89	
		Subtotal	469,030.63			0.00	416,590.89	52,439.74
		Total	35,786,911.96			0.00	816,590.89	34,970,321.07



**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**December 1, 2018 - December 31, 2018**

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

CUSIP	Investment #	Issuer	Percent of Portfolio	Per Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Per Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Local Agency Investment Fund</b>									
<b>Managed Pool Accounts</b>									
SYSLAIF	LAIF	Local Agency Investment Fund			2.291		0.00	400,000.00	
		<b>Subtotal and Balance</b>		<u>35,317,881.33</u>			<u>0.00</u>	<u>400,000.00</u>	<u>34,917,881.33</u>
		<b>Issuer Subtotal</b>	<b>99.860%</b>	<u>35,317,881.33</u>			<u>0.00</u>	<u>400,000.00</u>	<u>34,917,881.33</u>
		<b>Total</b>		<b>35,317,881.33</b>			<b>0.00</b>	<b>400,000.00</b>	<b>34,917,881.33</b>



**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Summary  
December 31, 2018**

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

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Federal Agency Issues - Coupon	11,970,000.00	11,710,413.40	11,928,800.00	100.00	1,829	709	1.427
<b>Investments</b>	<b>11,970,000.00</b>	<b>11,710,413.40</b>	<b>11,928,800.00</b>	<b>100.00%</b>	<b>1,829</b>	<b>709</b>	<b>1.427</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	29,784,794.50	29,784,794.50	29,784,794.50		1	1	2.180
<b>Total Cash and Investments</b>	<b>41,734,794.50</b>	<b>41,475,207.90</b>	<b>41,691,594.50</b>		<b>1,829</b>	<b>709</b>	<b>1.427</b>

Total Earnings	December 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year		60,435.55	327,217.63	327,217.63
Average Daily Balance		37,516,429.62		
Effective Rate of Return		1.90%		

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Scott Van Vuren, Treasurer

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2018**

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>												
3135G0F73	17244	Federal Natl Mtg. Assoc.		11/30/2015	3,000,000.00	2,840,540.00	2,858,800.00	1.500		1.802	699	11/30/2020
3136G3NG6	17283	Federal Natl Mtg. Assoc.		05/25/2018	1,270,000.00	1,247,186.40	1,270,000.00	1.200		1.200	803	05/15/2020
3136G36J0	17314	Federal Natl Mtg. Assoc.		09/29/2018	3,700,000.00	3,596,548.00	3,700,000.00	1.450		1.450	1,002	09/29/2021
3134GAHL1	17313	Fed Home Loan Mortgage Corp		09/07/2018	4,000,000.00	3,928,160.00	4,000,000.00	1.200		1.200	511	06/26/2020
		<b>Subtotal and Average</b>	<b>11,926,800.00</b>		<b>11,970,000.00</b>	<b>11,710,413.40</b>	<b>11,926,800.00</b>			<b>1.427</b>	<b>709</b>	
		<b>Total and Average</b>	<b>37,616,429.62</b>		<b>11,970,000.00</b>	<b>11,710,413.40</b>	<b>11,926,800.00</b>			<b>1.427</b>	<b>709</b>	

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
December 31, 2018**

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>											
SYS30000 MONEY	30000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS30001 MONEY	30001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS30002 MONEY	30002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS30003 MONEY	30003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS31000 MONEY	31000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS31003 MONEY	31003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS32000 MONEY	32000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS32003 MONEY	32003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust			6,033,151.07	6,033,151.07	6,033,151.07	2.160		2.160	1
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust			5,815,849.23	5,815,849.23	5,815,849.23	2.160		2.160	1
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust		07/26/2018	68,988.08	68,988.08	68,988.08	2.160		2.160	1
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust			2,465,853.47	2,465,853.47	2,465,853.47	2.160		2.160	1
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust			11,562,110.96	11,562,110.96	11,562,110.96	2.160		2.160	1
SYS776003 MONEY	776003 MONEY	U.S. Bank Corporate Trust			12,433.06	12,433.06	12,433.06	2.160		2.160	1
SYS785000 MONEY	785000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS785001 MONEY	785001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS785002 MONEY	785002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS785003 MONEY	785003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS798000 MONEY	798000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS798002 MONEY	798002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust			1,571,893.31	1,571,893.31	1,571,893.31	2.160		2.160	1
SYS8001 MONEY	8001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.160		2.160	1
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		03/26/2018	2,234,515.32	2,234,515.32	2,234,515.32	2.160		2.160	1
<b>Average Balance</b>			<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>37,516,429.62</b>		<b>41,734,794.50</b>	<b>41,475,207.90</b>	<b>41,651,594.50</b>			<b>1.427</b>	<b>708</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
December 31, 2018**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Federal Agency Issues - Coupon</b>												
3136GCF73	17244	FNMA	3,000,000.00	1.500	11/30/2020	11/30/2018	1.778	1.802	05/30 - 11/30		2,956,800.00	2,956,800.00
3136G3NG6	17283	FNMA	1,270,000.00	1.200	05/18/2020	05/25/2018	1.184	1.200	11/18 - 05/18		1,270,000.00	1,270,000.00
3136G36J9	17314	FNMA	3,700,000.00	1.450	09/28/2021	09/28/2018	1.430	1.450	03/29 - 09/29		3,700,000.00	3,700,000.00
3134GAHL1	17313	FREDMC	4,000,000.00	1.200	05/28/2020	09/07/2018	1.184	1.200	11/25 - 05/28	Received	4,000,000.00	4,000,000.00
<b>Federal Agency Issues - Coupon Totals</b>			<b>11,970,000.00</b>				<b>1.407</b>	<b>1.427</b>		<b>0.00</b>	<b>11,926,800.00</b>	<b>11,926,800.00</b>
<b>Investment Totals</b>			<b>11,970,000.00</b>				<b>1.407</b>	<b>1.427</b>		<b>0.00</b>	<b>11,926,800.00</b>	<b>11,926,800.00</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
December 31, 2018**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS30000 MONEY	30000 MONEY	USBANK	0.00	2.180			2.130	2.180	05/01 - Monthly		0.00	0.00
SYS30001 MONEY	30001 MONEY	USBANK	0.00	2.180			2.130	2.180	01/01 - Monthly		0.00	0.00
SYS30002 MONEY	30002 MONEY	USBANK	0.00	2.180			2.130	2.180	01/26 - Monthly		0.00	0.00
SYS30003 MONEY	30003 MONEY	USBANK	0.00	2.180			2.130	2.180	08/01 - Monthly		0.00	0.00
SYS31000 MONEY	31000 MONEY	USBANK	0.00	2.180			2.130	2.180	05/01 - Monthly		0.00	0.00
SYS31003 MONEY	31003 MONEY	USBANK	0.00	2.180			2.130	2.180	08/01 - Monthly		0.00	0.00
SYS32000 MONEY	32000 MONEY	USBANK	0.00	2.180			2.130	2.180	05/01 - Monthly		0.00	0.00
SYS32003 MONEY	32003 MONEY	USBANK	0.00	2.180			2.130	2.180	08/01 - Monthly		0.00	0.00
SYS33000MONEY	33000MONEY	USBANK	6,033,151.07	2.180			2.130	2.180	09/01 - Monthly		6,033,151.07	6,033,151.07
SYS7000MONEY	7000MONEY	USBANK	5,815,849.23	2.180			2.130	2.180	01/01 - Monthly		5,815,849.23	5,815,849.23
SYS776000 MONEY	776000 MONEY	USBANK	88,988.08	2.180		07/28/2018	2.130	2.180	08/01 - Monthly		88,988.08	88,988.08
SYS776001 MONEY	776001 MONEY	USBANK	2,485,853.47	2.180			2.130	2.180	08/01 - Monthly		2,485,853.47	2,485,853.47
SYS776002 MONEY	776002 MONEY	USBANK	11,562,110.98	2.180			2.130	2.180	08/01 - Monthly		11,562,110.98	11,562,110.98
SYS776003 MONEY	776003 MONEY	USBANK	12,433.08	2.180			2.130	2.180	07/01 - Monthly		12,433.08	12,433.08
SYS785000 MONEY	785000 MONEY	USBANK	0.00	2.180			2.130	2.180	04/01 - Monthly		0.00	0.00
SYS785001 MONEY	785001 MONEY	USBANK	0.00	2.180			2.130	2.180	06/01 - Monthly		0.00	0.00
SYS785002 MONEY	785002 MONEY	USBANK	0.00	2.180			2.130	2.180	08/01 - Monthly		0.00	0.00
SYS785003 MONEY	785003 MONEY	USBANK	0.00	2.180			2.130	2.180	05/01 - Monthly		0.00	0.00
SYS798000 MONEY	798000 MONEY	USBANK	0.00	2.180			2.130	2.180	05/01 - Monthly		0.00	0.00
SYS798002 MONEY	798002 MONEY	USBANK	0.00	2.180			2.130	2.180	08/01 - Monthly		0.00	0.00
SYS8000MONEY	8000MONEY	USBANK	1,571,893.31	2.180			2.130	2.180	01/01 - Monthly		1,571,893.31	1,571,893.31
SYS8001 MONEY	8001 MONEY	USBANK	0.00	2.180			2.130	2.180	05/01 - Monthly		0.00	0.00
SYS88000MONEY	88000 MONEY	USBANK	2,234,515.32	2.180		03/26/2018	2.130	2.180	04/01 - Monthly		2,234,515.32	2,234,515.32
<b>Cash Totals</b>			<b>29,784,794.50</b>							<b>0.00</b>	<b>29,784,794.50</b>	<b>29,784,794.50</b>
<b>Total Cash and Investments</b>			<b>41,734,794.50</b>				<b>1.467</b>	<b>1.427</b>		<b>0.00</b>	<b>41,891,594.80</b>	<b>41,891,594.50</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Activity By Type  
December 1, 2018 through December 31, 2018**

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		2.160		401,390.89	23,351.32	
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust		2.160		2,135,205.05	0.00	
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust		2.160		2,331,112.91	2,330,995.33	
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust		2.160		412,657.95	0.00	
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust		2.160		1,934,953.86	0.00	
SYS776003 MONEY	776003 MONEY	U.S. Bank Corporate Trust		2.160		21.19	0.00	
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust		2.160		514,820.17	0.00	
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		2.160		3,023.90	12,651.30	
	<b>Subtotal</b>		<b>24,396,196.53</b>			<b>7,733,895.92</b>	<b>2,367,297.95</b>	<b>29,764,794.50</b>
<b>Federal Agency Issues - Coupon</b>								
	<b>Subtotal</b>		<b>11,926,800.00</b>					<b>11,926,800.00</b>
	<b>Total</b>		<b>36,324,996.53</b>			<b>7,733,895.92</b>	<b>2,367,297.95</b>	<b>41,691,594.50</b>



**MSR Public Power Agency Trust**  
**Received Interest**  
**Sorted by Date Received**  
**Received December 1, 2018 - December 31, 2018**

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>							
December 2018	SYS33000MONEY	33000MONEY	PA1	5,033,151.07	2.160	12/03/2018	1,360.89
	SYS7000MONEY	7000MONEY	PA1	5,815,849.23	2.160	12/03/2018	4,850.40
	SYS776000 MONEY	776000 MONEY	PA1	68,988.08	2.160	12/03/2018	117.58
	SYS776001 MONEY	776001 MONEY	PA1	2,465,853.47	2.160	12/03/2018	2,922.62
	SYS776002 MONEY	776002 MONEY	PA1	11,582,110.96	2.160	12/03/2018	13,703.88
	SYS776003 MONEY	776003 MONEY	PA1	12,433.06	2.160	12/03/2018	21.19
	SYS8000MONEY	8000MONEY	PA1	1,571,893.31	2.160	12/03/2018	1,419.17
	SYS88000MONEY	88000 MONEY	PA1	2,234,515.32	2.160	12/03/2018	3,923.90
						<b>Subtotal</b>	<b>28,448.61</b>
						<b>Total</b>	<b>28,448.61</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, 2018 - December 31, 2018**

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

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

JANUARY 2019



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

Treasurer's Report for the Month of January 2019

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

    Investment 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

    Investment Activity by Type

    Received Interest

    Realized Gains and Losses

**MSR PUBLIC POWER AGENCY  
TREASURER'S REPORT  
FOR THE MONTH OF JANUARY 2019**

**FUND BALANCES**

	12/31/2018			1/31/2019	1/31/2019 Reserves:	1/31/2019	Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Mkt Value*	Mkt. Value*	
<b>UNRESTRICTED FUNDS</b>							
General Fund, net of MCCRA	33,397,692	0	0	34,017,626			
Member Cash Call Reserve Acct.	197,629	0	0	197,629			
Debt Service Coverage Revolving Fund	1,375,000	275,000	0	1,650,000			
	34,970,321	4,751,234	3,666,400	35,865,155		35,865,155	0
<b>RESTRICTED FUNDS</b>							
MSR 2018 Series R	14,109,386	4,679,511	4,786,982	14,001,914	0	14,001,914	0
MSR Big Horn Wind Collat Acct.	5,815,849	2,090,524	2,074,235	5,822,139	0	5,822,139	0
MSR Big Horn Shaping Acct.	1,571,893	570,804	569,036	1,573,661	0	1,573,661	0
MSR SJ Coal Reclamation Trust	17,959,951	1,455	20,711	17,940,695	0	17,741,232	(199,463)
MSR SJ Decommissioning Trust	2,234,515	4,120	24,820	2,214,018	0	2,214,018	0
	41,691,595	7,336,415	7,475,585	41,652,425	0	41,352,962	(199,463)
<b>TOTAL FUNDS</b>	<b>76,661,916</b>	<b>12,087,649</b>	<b>11,331,985</b>	<b>77,417,579</b>	<b>0</b>	<b>77,218,118</b>	<b>(199,463)</b>

**CASH & INVESTMENTS**

<b>DEMAND ACCOUNTS</b>			
Union Bank - General Fund			110,745
<b>INVESTMENTS (See Attached)</b>			
	Standard per Gov'l 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	15.4%	11,926,800
Local Agency Investment Fund	\$65,000,000	46.3%	35,760,080
Money Market Accounts	No Limit	38.3%	29,625,625
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	0.0%	0
<b>TOTAL INVESTMENTS</b>		<b>100.0%</b>	<b>77,332,515</b>
Add: Deposits in transit			0
Less: Outstanding checks			(25,680)
<b>TOTAL CASH &amp; INVESTMENTS</b>			<b>77,417,579</b>

\* 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.

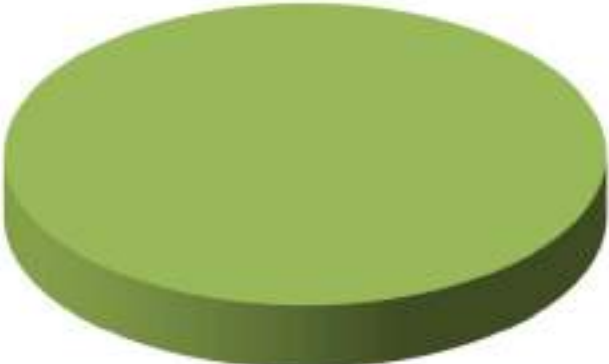
  
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Scott Van Vuren -- Treasurer

  
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Ana Vigil -- Assistant Treasurer

# M-S-R Public Power Agency Investment Portfolio January 2019

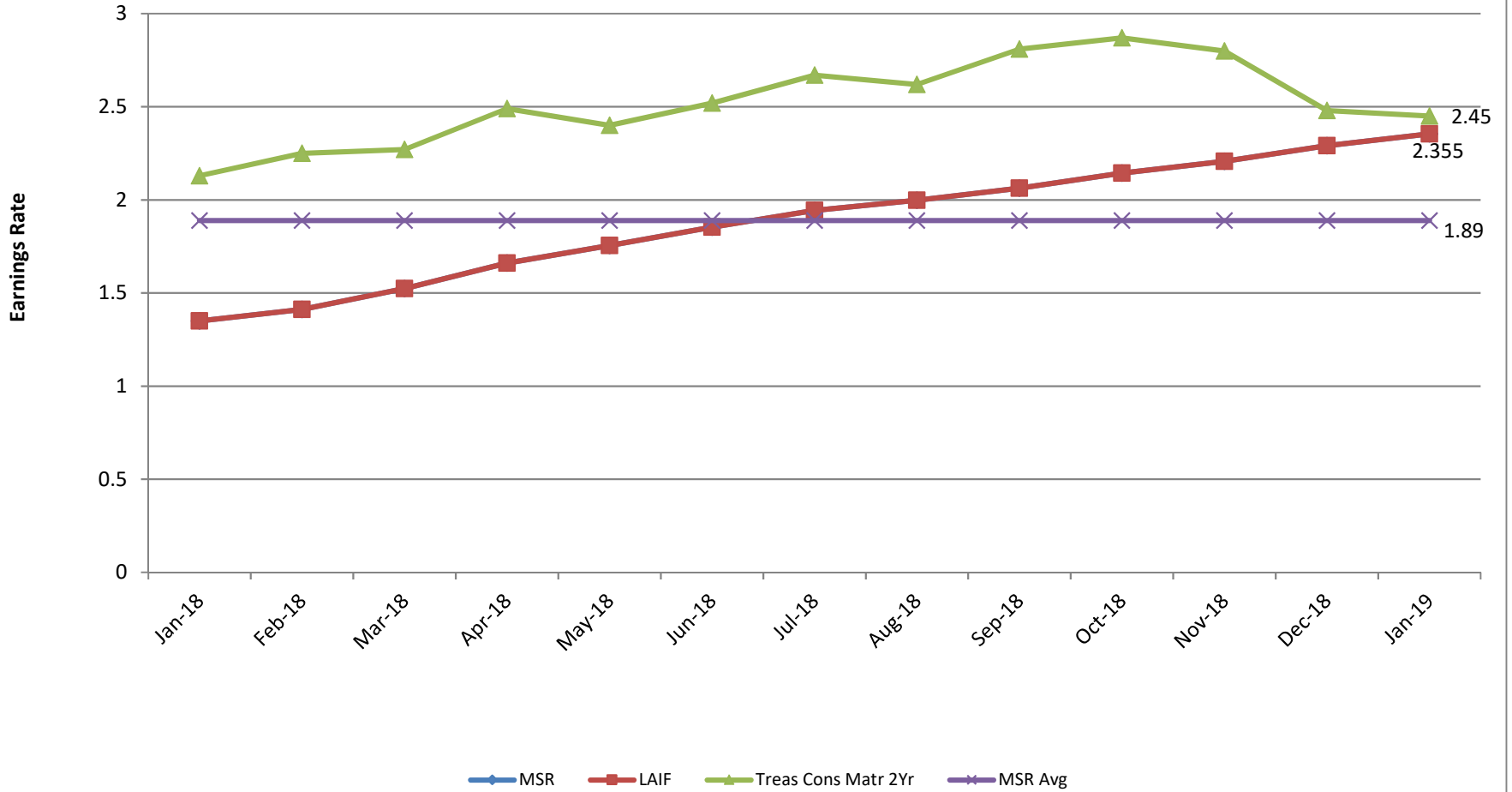
Corp Medium Term  
Notes  
0.00%

Federal Agency Issues  
0.00%

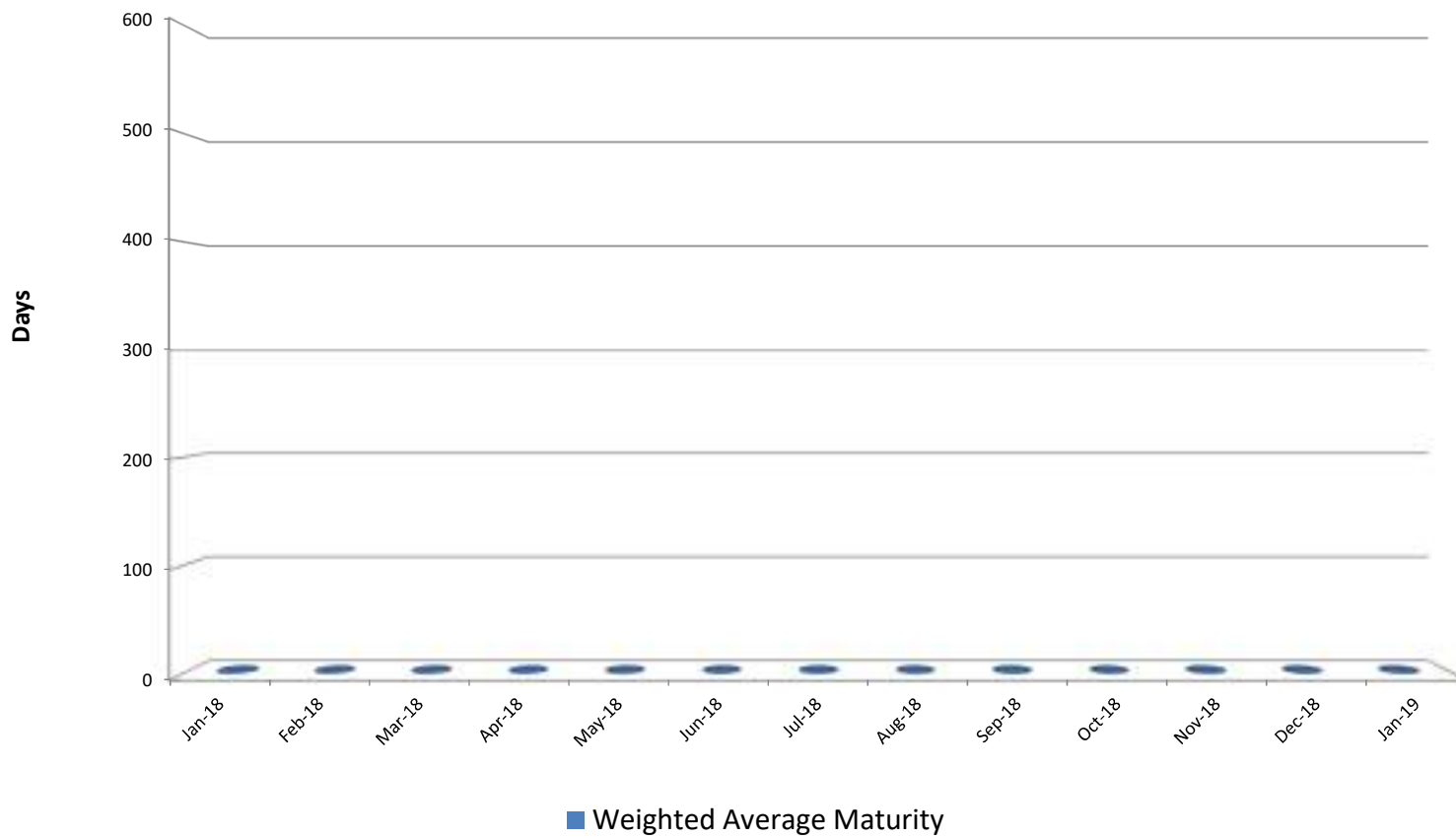


Managed Pool  
Accounts (LAIF)  
100.00%

# MSR / LAIF / US Treasury 2-Year January 2019



## General Fund Portfolio Average Maturity Report





**MSR Public Power Agency  
Portfolio Management  
Portfolio Summary  
January 31, 2019**

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

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Managed Pool Accounts	35,780,090.08	35,780,090.08	35,780,090.08	100.00	1	1	2.355
<b>Investments</b>	<b>35,780,090.08</b>	<b>35,780,090.08</b>	<b>35,780,090.08</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>2.355</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	85,064.53	85,064.53	85,064.53		1	1	0.000
<b>Total Cash and Investments</b>	<b>35,865,154.61</b>	<b>35,865,154.61</b>	<b>35,865,154.61</b>		<b>1</b>	<b>1</b>	<b>2.355</b>

Total Earnings	January 31 Month Ending	Fiscal Year To Date
Current Year	70,115.25	70,115.25
Average Daily Balance	35,108,713.76	
Effective Rate of Return	2.36%	

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Scott Van Vuren, Treasurer

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Investments  
January 31, 2019**

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			35,780,090.08	35,780,090.08	35,780,090.08	2.355		2.355	1	
		<b>Subtotal and Average</b>	<b>35,055,221.61</b>		<b>35,780,090.08</b>	<b>35,780,090.08</b>	<b>35,780,090.08</b>			<b>2.355</b>	<b>1</b>	
		<b>Total and Average</b>	<b>35,105,713.78</b>		<b>35,780,090.08</b>	<b>35,780,090.08</b>	<b>35,780,090.08</b>			<b>2.355</b>	<b>1</b>	

**MSR Public Power Agency  
Portfolio Management  
Portfolio Details - Cash  
January 31, 2019**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTW 355	Days to Maturity
<b>Passbook/Checking Accounts</b>											
SYSGENERAL FUND	GENERAL FUND	Union Bank of California		01/01/1999	85,064.53	85,064.53	85,064.53			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>35,106,712.75</b>		<b>35,865,154.61</b>	<b>35,865,154.61</b>	<b>35,865,154.61</b>			<b>2.355</b>	<b>1</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Investments  
January 31, 2019**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Managed Pool Accounts</b>												
SYSLAIF	LAIF	LAIF	35,780,090.08	2.355			2.323	2.355	01/15 - Quarterly		35,780,090.08	35,780,090.08
<b>Managed Pool Accounts Totals</b>			<b>35,780,090.08</b>				<b>2.323</b>	<b>2.355</b>		<b>0.00</b>	<b>35,780,090.08</b>	<b>35,780,090.08</b>
<b>Investment Totals</b>			<b>35,780,090.08</b>				<b>2.323</b>	<b>2.355</b>		<b>0.00</b>	<b>35,780,090.08</b>	<b>35,780,090.08</b>

**MSR Public Power Agency  
Portfolio Management  
Investment Status Report - Cash  
January 31, 2019**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYSGENERAL FUND	GENERAL FUND	UBC	85,064.53			01/01/1999	0.000	0.000	/ - Monthly		85,064.53	85,064.53
<b>Cash Totals</b>			<b>85,064.53</b>							<b>0.00</b>	<b>85,064.53</b>	<b>85,064.53</b>
<b>Total Cash and Investments</b>			<b>35,866,164.61</b>				<b>2.323</b>	<b>2.356</b>		<b>0.00</b>	<b>36,866,164.61</b>	<b>36,866,164.61</b>

**MSR Public Power Agency  
Portfolio Management  
Activity By Type  
January 1, 2019 through January 31, 2019**

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		2.355		862,208.75	0.00	
		Subtotal	34,917,881.33			862,208.75	0.00	35,780,090.08
<b>Passbook/Checking Accounts (Monthly Summary)</b>								
SYSGENERAL FUND	GENERAL FUND	Union Bank of California				32,624.79	0.00	
		Subtotal	52,438.74			32,624.79	0.00	85,064.53
		Total	34,970,321.07			894,833.54	0.00	35,865,154.61



**MSR Public Power Agency**  
**Received Interest**  
**Sorted by Date Received**  
**Received January 1, 2019 - January 31, 2019**

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 2019	SYSLAIF	LAIF	LA1	35,130,060.08	2.355	01/15/2019	212,208.75
						Subtotal	212,208.75
						Total	212,208.75



**MSR Public Power Agency**  
**Activity Report**  
**Issuer: Local Agency Investment Fund**  
**January 1, 2019 - January 31, 2019**

Modesto Irrigation District  
 1231 - 11th St.  
 Modesto, CA 95352  
 (209)528-7308

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Local Agency Investment Fund</b>									
<b>Managed Pool Accounts</b>									
SYSLAIF	LAIF	Local Agency Investment Fund			2.355		862,208.75	0.00	
		<b>Subtotal and Balance</b>		<u>34,917,881.33</u>			<u>862,208.75</u>	<u>0.00</u>	<u>35,780,090.08</u>
		<b>Issuer Subtotal</b>	<b>99.783%</b>	<u>34,917,881.33</u>			<u>862,208.75</u>	<u>0.00</u>	<u>35,780,090.08</u>
		<b>Total</b>		<b>34,917,881.33</b>			<b>862,208.75</b>	<b>0.00</b>	<b>35,780,090.08</b>



**MSR Public Power Agency Trust**  
**Portfolio Management**  
**Portfolio Summary**  
**January 31, 2019**

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

	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
<b>Investments</b>							
Federal Agency Issues - Coupon	11,970,000.00	11,727,336.90	11,926,800.00	100.00	1,629	678	1.427
<b>Investments</b>	<b>11,970,000.00</b>	<b>11,727,336.90</b>	<b>11,926,800.00</b>	<b>100.00%</b>	<b>1,629</b>	<b>678</b>	<b>1.427</b>
<b>Cash</b>							
Passbook/Checking (not included in yield calculations)	29,625,624.68	29,625,624.68	29,625,624.68		1	1	2.290
<b>Total Cash and Investments</b>	<b>41,595,624.68</b>	<b>41,352,961.58</b>	<b>41,552,424.68</b>		<b>1,629</b>	<b>678</b>	<b>1.427</b>

<b>Total Earnings</b>	<b>January 31</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year		68,147.00	68,147.00
Average Daily Balance		40,028,640.15	
Effective Rate of Return		2.00%	

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 Scott Van Vuren, Treasurer

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Investments  
January 31, 2019**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 305	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>												
3135G0F73	17244	Federal Nat'l Mtg. Assoc.		11/30/2015	3,000,000.00	2,948,480.00	2,986,800.00	1.500		1.802	688	11/30/2020
3136G3NG6	17283	Federal Nat'l Mtg. Assoc.		05/25/2016	1,270,000.00	1,248,625.90	1,270,000.00	1.200		1.200	472	05/18/2020
3136G35J9	17314	Federal Nat'l Mtg. Assoc.		09/29/2016	3,700,000.00	3,600,961.00	3,700,000.00	1.450		1.450	971	09/29/2021
3134GAHL1	17313	Fed Home Loan Mortgage Corp		09/07/2016	4,000,000.00	3,991,280.00	4,000,000.00	1.200		1.200	480	05/26/2020
		<b>Subtotal and Average</b>	<b>11,928,800.00</b>		<b>11,970,000.00</b>	<b>11,727,336.90</b>	<b>11,926,800.00</b>			<b>1.427</b>	<b>678</b>	
		<b>Total and Average</b>	<b>40,028,640.15</b>		<b>11,970,000.00</b>	<b>11,727,336.90</b>	<b>11,926,800.00</b>			<b>1.427</b>	<b>678</b>	

**MSR Public Power Agency Trust  
Portfolio Management  
Portfolio Details - Cash  
January 31, 2019**

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>											
SYS30000 MONEY	30000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS30001 MONEY	30001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS30002 MONEY	30002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS30003 MONEY	30003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS31000 MONEY	31000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS31003 MONEY	31003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS32000 MONEY	32000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS32003 MONEY	32003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS33000MONEY	33000MONEY	U.S. Bank Corporate Trust			6,013,894.82	6,013,894.82	6,013,894.82	2.290		2.290	1
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust			5,822,138.85	5,822,138.85	5,822,138.85	2.290		2.290	1
SYS778000 MONEY	778000 MONEY	U.S. Bank Corporate Trust		07/26/2018	89,114.86	89,114.86	89,114.86	2.290		2.290	1
SYS778001 MONEY	778001 MONEY	U.S. Bank Corporate Trust			420,310.42	420,310.42	420,310.42	2.290		2.290	1
SYS778002 MONEY	778002 MONEY	U.S. Bank Corporate Trust			13,500,033.17	13,500,033.17	13,500,033.17	2.290		2.290	1
SYS778003 MONEY	778003 MONEY	U.S. Bank Corporate Trust			12,455.87	12,455.87	12,455.87	2.290		2.290	1
SYS785000 MONEY	785000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS785001 MONEY	785001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS785002 MONEY	785002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS785003 MONEY	785003 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS798000 MONEY	798000 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS798002 MONEY	798002 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust			1,573,661.04	1,573,661.04	1,573,661.04	2.290		2.290	1
SYS8001 MONEY	8001 MONEY	U.S. Bank Corporate Trust			0.00	0.00	0.00	2.290		2.290	1
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		03/26/2018	2,214,016.05	2,214,016.05	2,214,016.05	2.290		2.290	1
<b>Average Balance</b>			<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>40,028,840.15</b>		<b>41,595,824.68</b>	<b>41,352,961.58</b>	<b>41,562,424.69</b>			<b>1.427</b>	<b>678</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Investments  
January 31, 2019**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Federal Agency Issues - Coupon</b>												
3135G0F73	17244	FMMA	3,000,000.00	1.500	11/30/2020	11/30/2016	1.778	1.602	05/00 - 11/30		2,956,800.00	2,956,800.00
3136G3NG6	17283	FMMA	1,270,000.00	1.200	06/18/2020	05/25/2016	1.184	1.200	11/18 - 05/18		1,270,000.00	1,270,000.00
3136G36J0	17314	FMMA	3,700,000.00	1.450	09/29/2021	09/29/2016	1.430	1.450	03/29 - 09/29		3,700,000.00	3,700,000.00
3134GAHL1	17313	FREDMC	4,000,000.00	1.200	05/26/2020	09/07/2016	1.184	1.200	11/26 - 05/26	Received	4,000,000.00	4,000,000.00
<b>Federal Agency Issues - Coupon Totals</b>			<b>11,970,000.00</b>				<b>1.407</b>	<b>1.427</b>		<b>0.00</b>	<b>11,926,800.00</b>	<b>11,926,800.00</b>
<b>Investment Totals</b>			<b>11,970,000.00</b>				<b>1.407</b>	<b>1.427</b>		<b>0.00</b>	<b>11,926,800.00</b>	<b>11,926,800.00</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Investment Status Report - Cash  
January 31, 2019**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
<b>Passbook/Checking Accounts</b>												
SYS30000 MONEY	30000 MONEY	USBANK	0.00	2.290			2.259	2.290	05/01 - Monthly		0.00	0.00
SYS30001 MONEY	30001 MONEY	USBANK	0.00	2.290			2.259	2.290	01/01 - Monthly		0.00	0.00
SYS30002 MONEY	30002 MONEY	USBANK	0.00	2.290			2.259	2.290	01/28 - Monthly		0.00	0.00
SYS30003 MONEY	30003 MONEY	USBANK	0.00	2.290			2.259	2.290	08/01 - Monthly		0.00	0.00
SYS31000 MONEY	31000 MONEY	USBANK	0.00	2.290			2.259	2.290	05/01 - Monthly		0.00	0.00
SYS31003 MONEY	31003 MONEY	USBANK	0.00	2.290			2.259	2.290	08/01 - Monthly		0.00	0.00
SYS32000 MONEY	32000 MONEY	USBANK	0.00	2.290			2.259	2.290	05/01 - Monthly		0.00	0.00
SYS32003 MONEY	32003 MONEY	USBANK	0.00	2.290			2.259	2.290	08/01 - Monthly		0.00	0.00
SYS33000 MONEY	33000 MONEY	USBANK	8,013,894.82	2.290			2.259	2.290	08/01 - Monthly		8,013,894.82	8,013,894.82
SYS70000 MONEY	70000 MONEY	USBANK	5,822,138.65	2.290			2.259	2.290	01/01 - Monthly		5,822,138.65	5,822,138.65
SYS776000 MONEY	776000 MONEY	USBANK	89,114.86	2.290		07/29/2018	2.259	2.290	08/01 - Monthly		89,114.86	89,114.86
SYS776001 MONEY	776001 MONEY	USBANK	420,310.42	2.290			2.259	2.290	08/01 - Monthly		420,310.42	420,310.42
SYS776002 MONEY	776002 MONEY	USBANK	13,500,033.17	2.290			2.259	2.290	08/01 - Monthly		13,500,033.17	13,500,033.17
SYS776003 MONEY	776003 MONEY	USBANK	12,455.87	2.290			2.259	2.290	07/01 - Monthly		12,455.87	12,455.87
SYS785000 MONEY	785000 MONEY	USBANK	0.00	2.290			2.259	2.290	04/01 - Monthly		0.00	0.00
SYS785001 MONEY	785001 MONEY	USBANK	0.00	2.290			2.259	2.290	06/01 - Monthly		0.00	0.00
SYS785002 MONEY	785002 MONEY	USBANK	0.00	2.290			2.259	2.290	08/01 - Monthly		0.00	0.00
SYS785003 MONEY	785003 MONEY	USBANK	0.00	2.290			2.259	2.290	05/01 - Monthly		0.00	0.00
SYS798000 MONEY	798000 MONEY	USBANK	0.00	2.290			2.259	2.290	05/01 - Monthly		0.00	0.00
SYS798002 MONEY	798002 MONEY	USBANK	0.00	2.290			2.259	2.290	08/01 - Monthly		0.00	0.00
SYS80000 MONEY	80000 MONEY	USBANK	1,573,661.04	2.290			2.259	2.290	01/01 - Monthly		1,573,661.04	1,573,661.04
SYS8001 MONEY	8001 MONEY	USBANK	0.00	2.290			2.259	2.290	05/01 - Monthly		0.00	0.00
SYS80000 MONEY	80000 MONEY	USBANK	2,214,016.05	2.290		03/28/2018	2.259	2.290	04/01 - Monthly		2,214,016.05	2,214,016.05
<b>Cash Totals</b>			<b>29,825,824.88</b>							<b>0.00</b>	<b>29,825,824.88</b>	<b>29,825,824.88</b>
<b>Total Cash and Investments</b>			<b>41,552,424.88</b>				<b>1.407</b>	<b>1.427</b>		<b>0.00</b>	<b>41,552,424.88</b>	<b>41,552,424.88</b>

**MSR Public Power Agency Trust  
Portfolio Management  
Activity By Type  
January 1, 2019 through January 31, 2019**

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		2.200		1,455.15	20,711.40	
SYS7000MONEY	7000MONEY	U.S. Bank Corporate Trust		2.200		2,080,524.48	2,074,235.06	
SYS776000 MONEY	776000 MONEY	U.S. Bank Corporate Trust		2.200		2,328,636.51	2,326,508.93	
SYS776001 MONEY	776001 MONEY	U.S. Bank Corporate Trust		2.200		412,829.45	2,458,472.50	
SYS776002 MONEY	776002 MONEY	U.S. Bank Corporate Trust		2.200		1,937,822.21	0.00	
SYS776003 MONEY	776003 MONEY	U.S. Bank Corporate Trust		2.200		22.61	0.00	
SYS8000MONEY	8000MONEY	U.S. Bank Corporate Trust		2.200		570,803.73	569,036.00	
SYS88000MONEY	88000 MONEY	U.S. Bank Corporate Trust		2.200		4,120.38	24,519.65	
	<b>Subtotal</b>		<b>29,764,794.50</b>			<b>7,336,414.72</b>	<b>7,475,584.54</b>	<b>29,625,624.68</b>
<b>Federal Agency Issues - Coupon</b>								
	<b>Subtotal</b>		<b>11,926,800.00</b>					<b>11,926,800.00</b>
	<b>Total</b>		<b>41,691,594.50</b>			<b>7,336,414.72</b>	<b>7,475,584.54</b>	<b>41,552,424.88</b>



**MSR Public Power Agency Trust**  
**Received Interest**  
**Sorted by Date Received**  
**Received January 1, 2019 - January 31, 2019**

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 2019	SYS33000MONEY	33000MONEY	PA1	6,013,894.82	2.290	01/02/2019	1,455.15
	SYS7000MONEY	7000MONEY	PA1	5,822,138.65	2.290	01/02/2019	6,289.42
	SYS778000 MONEY	778000 MONEY	PA1	88,114.05	2.290	01/02/2019	125.68
	SYS778001 MONEY	778001 MONEY	PA1	420,319.42	2.290	01/02/2019	3,927.28
	SYS778002 MONEY	778002 MONEY	PA1	13,500,033.17	2.290	01/02/2019	18,414.47
	SYS778003 MONEY	778003 MONEY	PA1	12,455.87	2.290	01/02/2019	22.81
	SYS8000MONEY	8000MONEY	PA1	1,573,881.04	2.290	01/02/2019	1,787.73
	SYS88000MONEY	88000 MONEY	PA1	2,214,018.05	2.290	01/02/2019	4,120.38
						<b>Subtotal</b>	<b>36,123.80</b>
						<b>Total</b>	<b>36,123.80</b>



**MSR Public Power Agency Trust  
Realized Gains and Losses**

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

Sorted By Maturity/Sale/Call Date  
Sales/Calls/Maturities: January 1, 2019 - January 31, 2019

Investment #	Inv. Type	Purchase Date	Par Value	Sale Date	Days Held							
Issuer			Current Rate	Maturity Date	Term	Book Value	Maturity/Sale Proceeds	Realized Gain/Loss	Total Earnings	Total Net Earnings	Total Yield	365
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 Staff Report**

**Date:** February 14, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Technical Committee  
**Subject:** February 2019 WREGIS REC Transfers Status Report

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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 2019 WREGIS REC Transfers Status Report.

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

**Date:** February 13, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** February 2019 Outside Services Budget versus Actual Report

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### **FISCAL YEAR 2018:**

#### Major Legal Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	December 31, 2018
Law Offices of Susie Berlin:	Through:	October 31, 2018
Porter Simon:	Through:	December 31, 2018

Year-end projections for Legal Providers total 86.9% of budget.

#### Major Consulting Providers Reporting Are:

Navigant Consulting:	Through:	November 30, 2018
KBT LLC:	Through:	November 30, 2018

Year-end projections for Consulting Providers total 78.0% of budget.

#### Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	December 31, 2018
Reclamation:	Through:	December 31, 2018
Decommissioning:	Through:	December 31, 2018

Year-end projections for Legacy Liability Providers total 99.8% of budget.

**FISCAL YEAR 2019:**

Major Legal Providers Reporting Are:

Duncan, Weinberg, Genzer, and Pembroke:	Through:	N/A
Law Offices of Susie Berlin:	Through:	N/A
Porter Simon:	Through:	January 31, 2019

Major Consulting Providers Reporting Are:

Navigant Consulting:	Through:	N/A
KBT LLC:	Through:	N/A

Legacy Liability Providers Reporting Are:

PNM – Reclamation Management:	Through:	January 31, 2019
Reclamation:	Through:	January 31, 2019
Decommissioning:	Through:	January 31, 2019

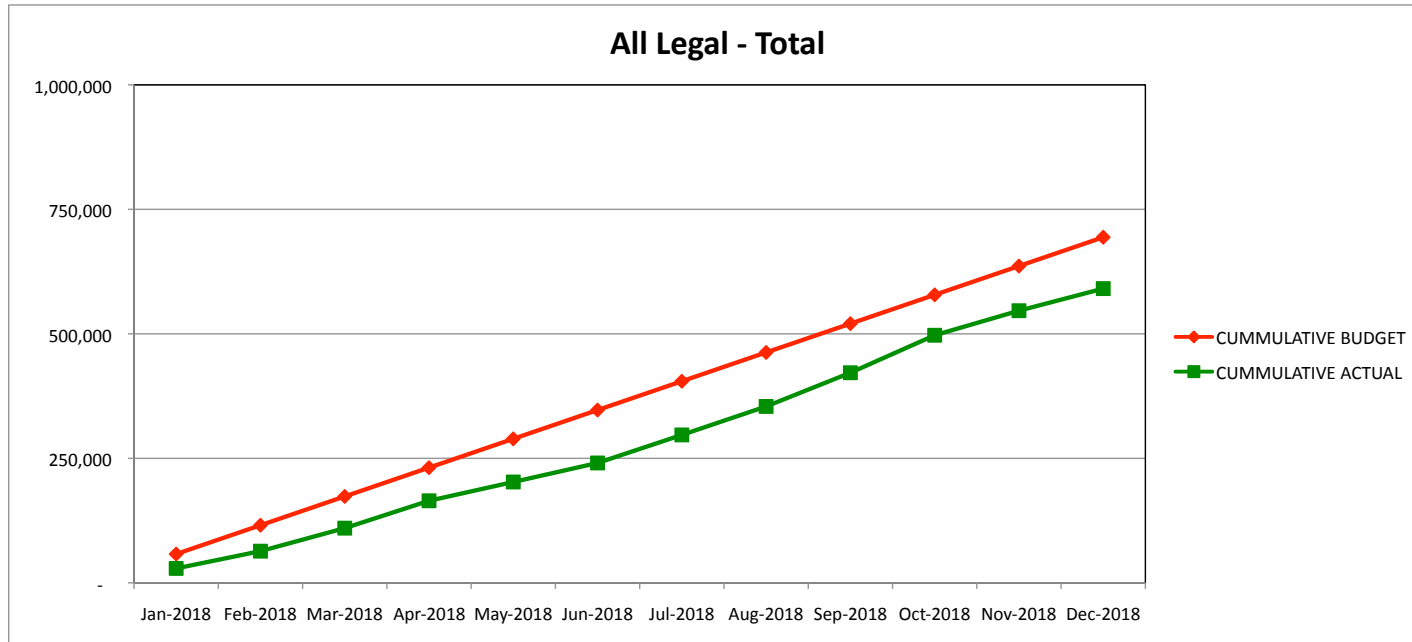
Detailed charts of monthly budget versus actual cost comparisons for each provider are attached in their usual format.

**Recommendation:**

I recommend the Commission note and file this report.

# M-S-R PPA All Legal Summary

Month of: **Dec-2018**



#### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,500	22	2,478	1%
Gen - Other	417	0	417	0%
Renewables	3,083	0	3,083	0%
Rens - Other	25,000	17,480	7,520	70%
Reg & Comp	23,083	26,602	(3,519)	115%
Administrative	3,750	286	3,464	8%
<b>Total</b>	<b>57,833</b>	<b>44,390</b>	<b>13,443</b>	<b>77%</b>

#### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	30,000	7,493	22,507	25%
Gen - Other	5,000	271	4,729	5%
Renewables	37,000	20,412	16,588	55%
Rens - Other	300,000	277,708	22,292	93%
Reg & Comp	277,000	261,098	15,902	94%
Administrative	45,000	23,877	21,124	53%
<b>Total</b>	<b>694,000</b>	<b>590,860</b>	<b>103,141</b>	<b>85%</b>

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	44,583	44,082	501	99%
Berlin	8,333	0	8,333	0%
Porter Simon	4,500	308	4,192	7%
Others	417	0	417	0%
<b>Total</b>	<b>57,833</b>	<b>44,390</b>	<b>13,443</b>	<b>77%</b>

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	535,000	502,224	32,776	94%
Berlin	100,000	61,113	38,887	61%
Porter Simon	54,000	27,252	26,748	50%
Others	5,000	271	4,729	5%
<b>Total</b>	<b>694,000</b>	<b>590,860</b>	<b>103,141</b>	<b>85%</b>

# M-S-R PPA Duncan Summary

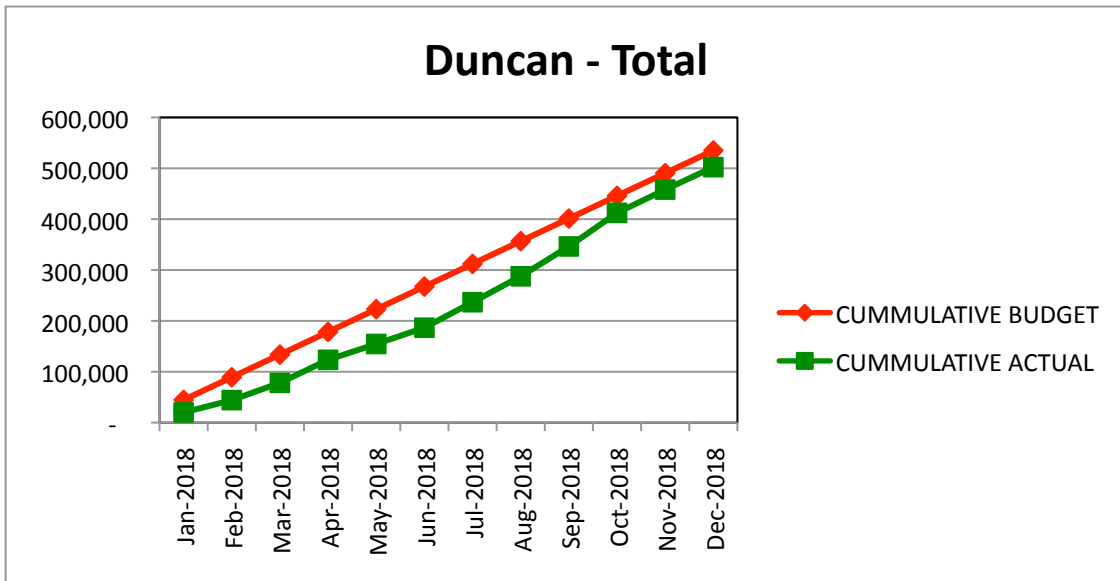
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	833	0	833	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	25,000	17,480	7,520	70%
Reg & Comp	16,667	26,602	(9,936)	160%
Administrative	0	0	0	0%
<b>Total</b>	<b>44,583</b>	<b>44,082</b>	<b>501</b>	<b>99%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	10,000	508	9,492	5%
Gen - Other	0	0	0	0%
Renewables	25,000	17,445	7,555	70%
Rens - Other	300,000	277,708	22,292	93%
Reg & Comp	200,000	206,562	(6,562)	103%
Administrative	0	0	0	0%
<b>Total</b>	<b>535,000</b>	<b>502,224</b>	<b>32,776</b>	<b>94%</b>



# M-S-R PPA Berlin Summary

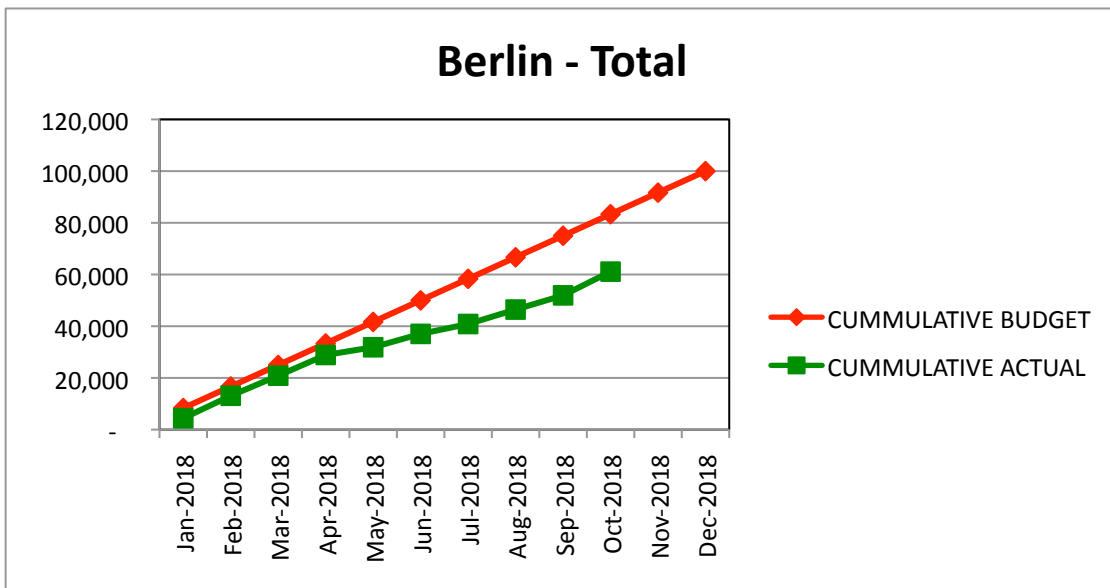
Month of: **Dec-2018**

## 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	833	0	833	0%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	0	6,250	0%
Administrative	1,250	0	1,250	0%
<b>Total</b>	<b>8,333</b>	<b>0</b>	<b>8,333</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	10,000	1,647	8,353	16%
Rens - Other	0	0	0	0%
Reg & Comp	75,000	54,206	20,794	72%
Administrative	15,000	5,260	9,741	35%
<b>Total</b>	<b>100,000</b>	<b>61,113</b>	<b>38,887</b>	<b>61%</b>



# M-S-R PPA Porter Simon Summary

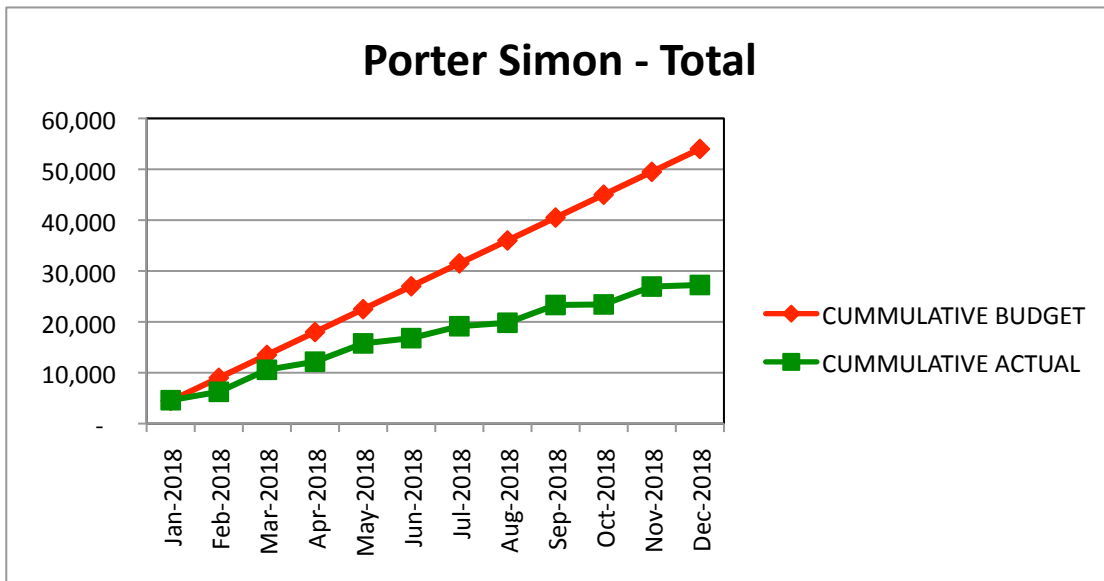
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	22	1,645	1%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	167	0	167	0%
Administrative	2,500	286	2,214	11%
<b>Total</b>	<b>4,500</b>	<b>308</b>	<b>4,192</b>	<b>7%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	20,000	6,985	13,015	35%
Gen - Other	0	0	0	0%
Renewables	2,000	1,320	680	66%
Rens - Other	0	0	0	0%
Reg & Comp	2,000	330	1,670	17%
Administrative	30,000	18,617	11,383	62%
<b>Total</b>	<b>54,000</b>	<b>27,252</b>	<b>26,748</b>	<b>50%</b>



# M-S-R PPA Porter Simon Summary

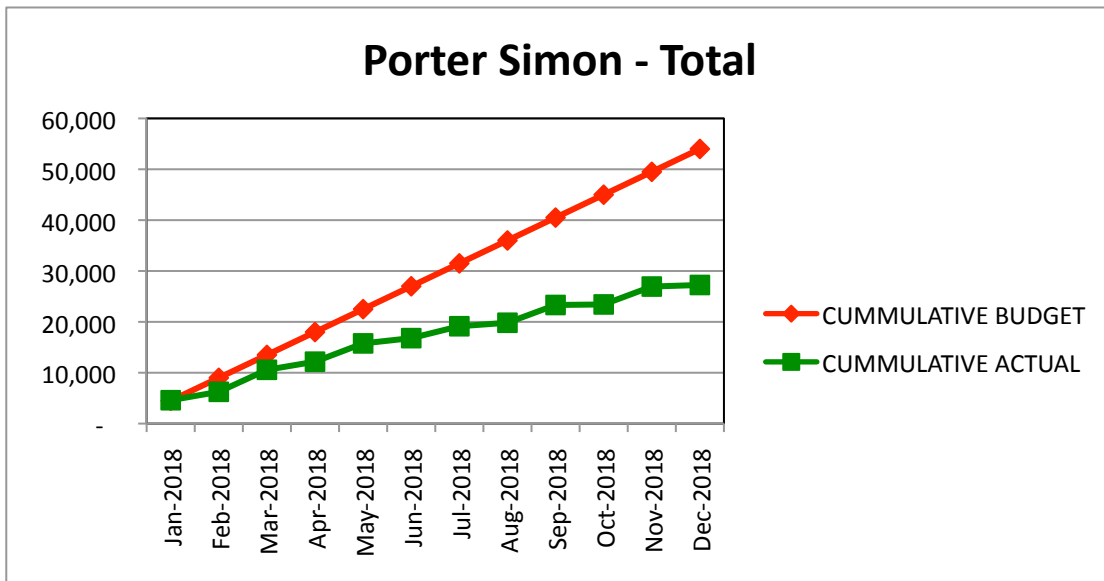
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	22	1,645	1%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	167	0	167	0%
Administrative	2,500	286	2,214	11%
<b>Total</b>	<b>4,500</b>	<b>308</b>	<b>4,192</b>	<b>7%</b>

## YEAR TO DATE

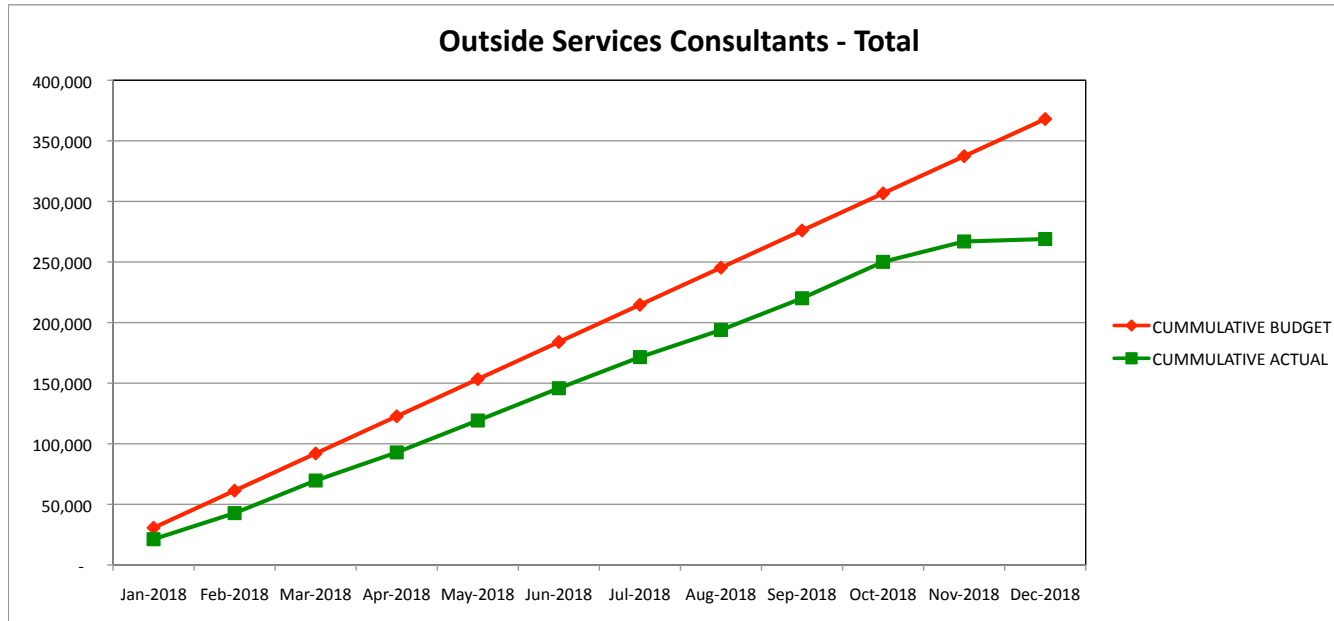
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	20,000	6,985	13,015	35%
Gen - Other	0	0	0	0%
Renewables	2,000	1,320	680	66%
Rens - Other	0	0	0	0%
Reg & Comp	2,000	330	1,670	17%
Administrative	30,000	18,617	11,383	62%
<b>Total</b>	<b>54,000</b>	<b>27,252</b>	<b>26,748</b>	<b>50%</b>





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

Month of: **Dec-2018**



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	5,833	0	5,833	0%
Gen - Other	0	0	0	0%
Renewables	12,000	1,000	11,000	8%
Rens - Other	5,000	0	5,000	0%
Reg & Comp	3,667	1,000	2,667	27%
Administrative	4,167	0	4,167	0%
<b>Total</b>	<b>30,667</b>	<b>2,000</b>	<b>28,667</b>	<b>7%</b>

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	70,000	75,584	(5,584)	108%
Gen - Other	0	0	0	0%
Renewables	144,000	77,187	66,813	54%
Rens - Other	60,000	57,360	2,640	96%
Reg & Comp	44,000	13,340	30,660	30%
Administrative	50,000	45,482	4,518	91%
<b>Total</b>	<b>368,000</b>	<b>268,953</b>	<b>99,047</b>	<b>73%</b>

CURRENT MONTH				
By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Navigant	5,000	0	5,000	0%
KBT	22,500	0	22,500	0%
Others	3,167	2,000	1,167	63%
<b>Total</b>	<b>30,667</b>	<b>2,000</b>	<b>28,667</b>	<b>7%</b>

YEAR TO DATE				
By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Navigant	60,000	3,324	56,676	6%
KBT	270,000	238,949	31,051	88%
Others	38,000	26,679	11,321	70%
<b>Total</b>	<b>368,000</b>	<b>268,953</b>	<b>99,047</b>	<b>73%</b>

# M-S-R PPA Navigant Summary

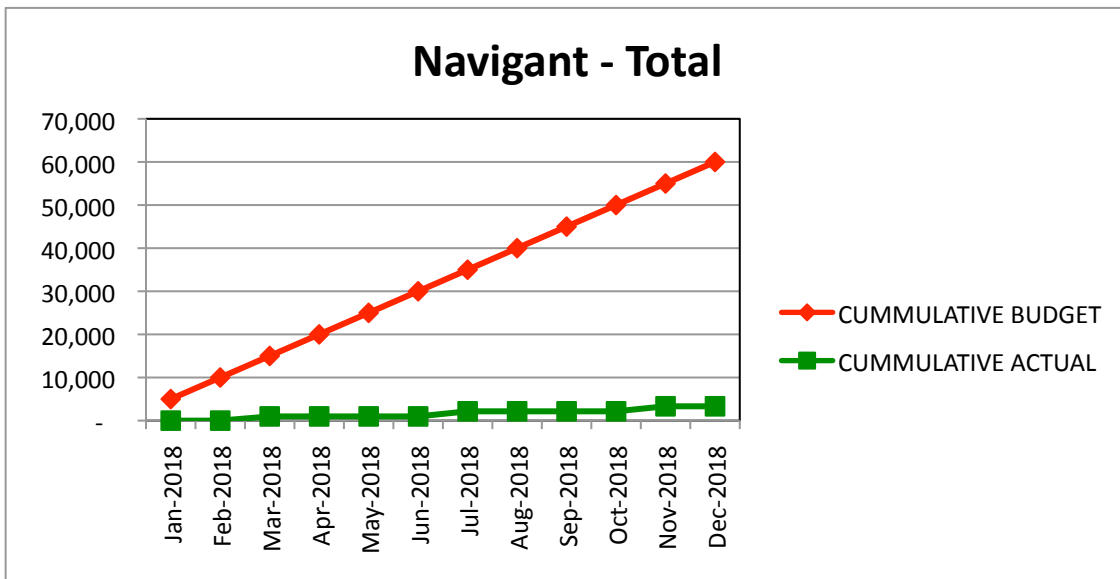
Month of: **Dec-2018**

## 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	2,083	0	2,083	0%
Rens - Other	0	0	0	0%
Reg & Comp	2,083	0	2,083	0%
Administrative	833	0	833	0%
<b>Total</b>	<b>5,000</b>	<b>0</b>	<b>5,000</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	25,000	0	25,000	0%
Rens - Other	0	0	0	0%
Reg & Comp	25,000	0	25,000	0%
Administrative	10,000	3,324	6,676	33%
<b>Total</b>	<b>60,000</b>	<b>3,324</b>	<b>56,676</b>	<b>6%</b>



# M-S-R PPA KBT Summary

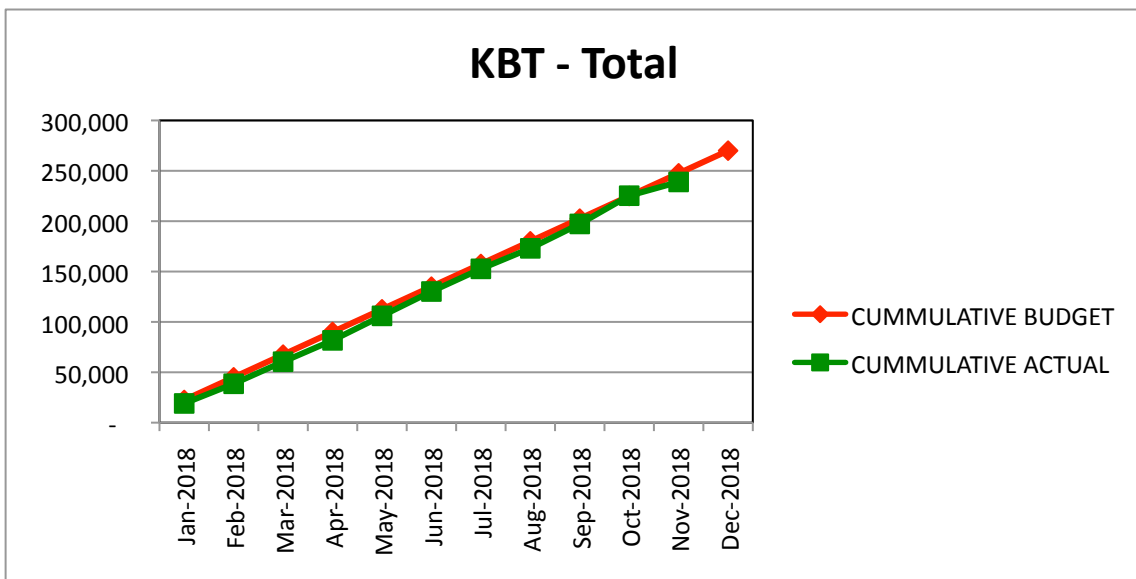
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	5,833	0	5,833	0%
Gen - Other	0	0	0	0%
Renewables	8,333	0	8,333	0%
Rens - Other	5,000	0	5,000	0%
Reg & Comp	0	0	0	0%
Administrative	3,333	0	3,333	0%
<b>Total</b>	<b>22,500</b>	<b>0</b>	<b>22,500</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	70,000	75,584	(5,584)	108%
Gen - Other	0	0	0	0%
Renewables	100,000	63,847	36,153	64%
Rens - Other	60,000	57,360	2,640	96%
Reg & Comp	0	0	0	0%
Administrative	40,000	42,158	(2,158)	105%
<b>Total</b>	<b>270,000</b>	<b>238,949</b>	<b>31,051</b>	<b>88%</b>



# M-S-R PPA

## Misc Outside Services Summary

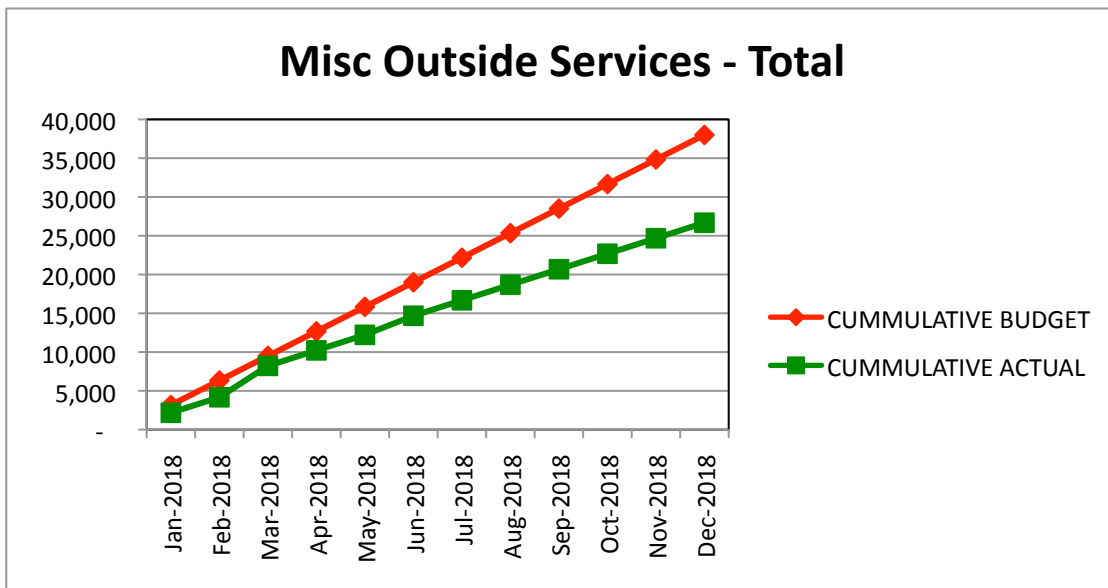
Month of: **Dec-2018**

### 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	1,000	583	63%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	1,000	583	63%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>2,000</b>	<b>1,167</b>	<b>63%</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	13,340	5,660	70%
Rens - Other	0	0	0	0%
Reg & Comp	19,000	13,340	5,660	70%
Administrative	0	0	0	0%
<b>Total</b>	<b>38,000</b>	<b>26,679</b>	<b>11,321</b>	<b>70%</b>



# M-S-R PPA Misc Outside Services Summary

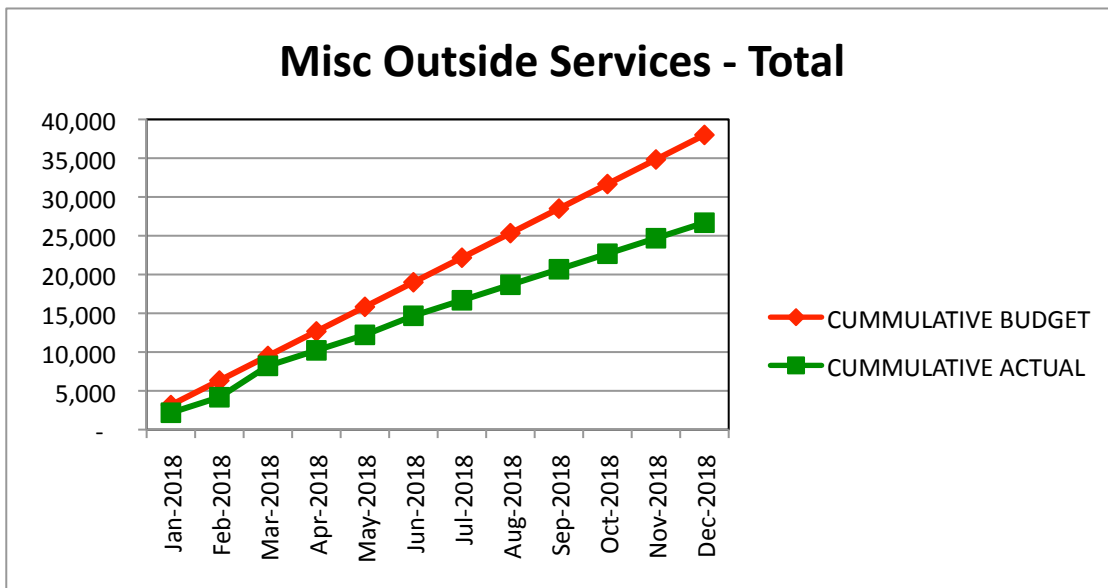
Month of: **Dec-2018**

## 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	1,000	583	63%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	1,000	583	63%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>2,000</b>	<b>1,167</b>	<b>63%</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	13,340	5,660	70%
Rens - Other	0	0	0	0%
Reg & Comp	19,000	13,340	5,660	70%
Administrative	0	0	0	0%
<b>Total</b>	<b>38,000</b>	<b>26,679</b>	<b>11,321</b>	<b>70%</b>

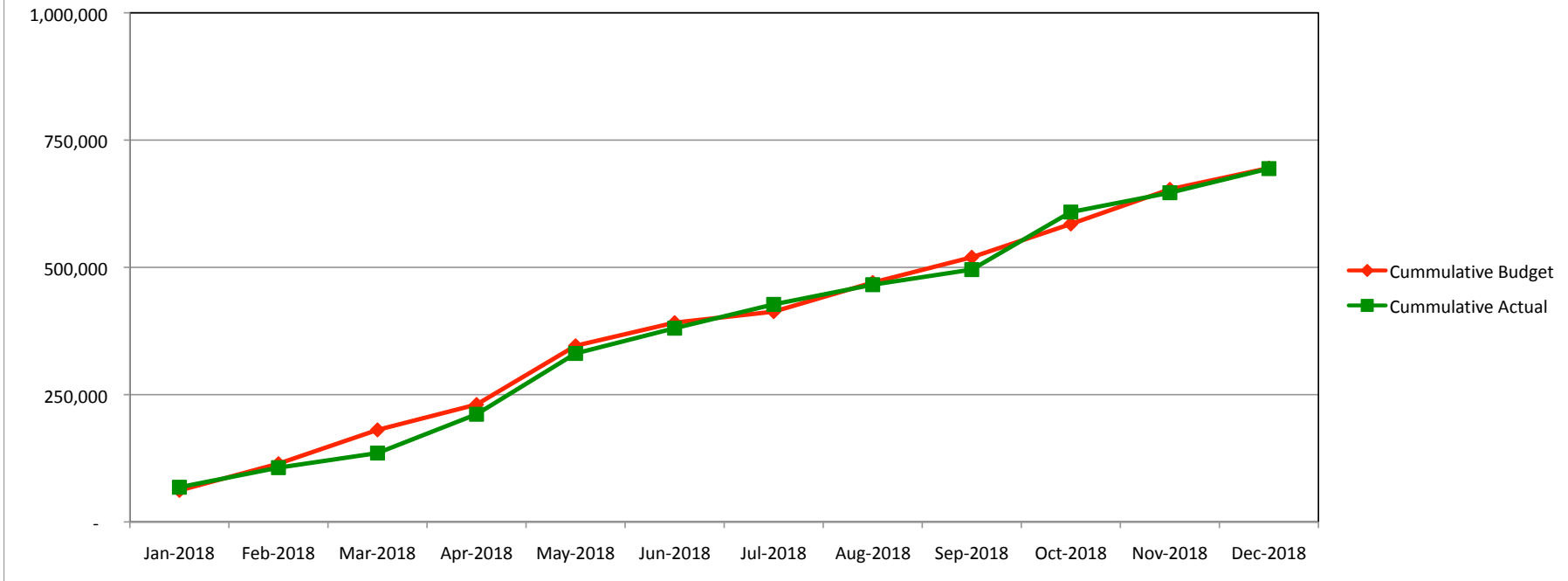


Consultant Costs - 2018	2018 Budget	Revised Budget	Task Orders	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Total	Average	Year-End Projection	Notes	
				8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%					
<b>Navigant</b>																				
<b>Generation</b>																				
General	-	-	-	-	-	-	-	-	-	1,182	-	-	-	1,166.61	-	3,324	277	3,324		
<b>Renewables</b>	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Regulatory &amp; Comp</b>	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Administrative</b>	10,000	10,000	-	-	975.55	-	-	-	-	1,182	-	-	-	1,166.61	-	3,324	277	3,324		
	60,000	60,000	-	-	975.55	-	-	-	-	1,182	-	-	-	1,167	-	3,324	277	3,324	6%	
				0.00%	0.00%	1.63%	1.63%	1.63%	1.63%	3.60%	3.60%	3.60%	3.60%	5.54%	5.54%					
<b>KBT</b>																				
<b>Generation</b>																				
General	70,000	70,000		7,790	8,550	6,270	8,514	5,510	7,600	7,790	6,840	4,560	7,220	4,940.00		75,584	6,871	82,455		
<b>Gen - Other</b>																				
SJGS Disposition				-	-	-	-	-	-	-	-	-	-	-		-	-	-		
<b>Renewables</b>																				
General	100,000	100,000		5,130	6,740	7,174	6,031	6,606	3,599	4,870	6,917	7,488	6,177	3,116.44		63,847	5,804	69,652		
<b>Rens - Other</b>																				
BP-16 Rate Case	60,000	60,000																		
KBT 2018-01			12,800	720	2,720												3,440	1,720	3,440	BP-16 Rate Case
KBT 2018-02			12,800			4,240	4,000										8,240	4,120	8,240	Jan - Feb
KBT 2018-03			19,200					4,800	7,840								12,640	6,320	12,640	Mar - Apr
KBT 2018-04			19,200							6,400	5,280						11,680	5,840	11,680	May - Jun
KBT 2018-05			19,200									6,640	13,120				19,760	9,880	19,760	Jul - Aug
KBT 2018-06			19,200											1,600.00			1,600	1,600	3,200	Sep - Oct
Sum			102,400														57,360	1,600	58,960	Nov - Dec
<b>Regulatory &amp; Comp</b>																				
<b>Administrative</b>	40,000	40,000		5,417	1,520	4,202	2,660	7,408	5,130	3,442	1,330	5,529	1,520	4,000.80		42,158	3,833	45,991		
	270,000	270,000	102,400	19,057	19,530	21,885	21,204	24,324	24,169	22,502	20,367	24,217	28,037	13,657.24		238,949	45,988	257,057		
				7.06%	14.29%	22.40%	30.25%	39.26%	48.21%	56.54%	64.09%	73.06%	83.44%	88.50%	88.50%				95%	
				5.77%	11.69%	18.62%	25.05%	32.42%	39.74%	46.92%	53.09%	60.43%	68.92%	73.42%	73.42%				79%	
<b>SUBTOTAL</b>	330,000	330,000		19,057	19,530	22,861	21,204	24,324	24,169	23,684	20,367	24,217	28,037	14,824		242,273	46,265	260,382		
				5.77%	11.69%	18.62%	25.05%	32.42%	39.74%	46.92%	53.09%	60.43%	68.92%	73.42%	73.42%				79%	
<b>Outside Services</b>																				
<b>Generation</b>																				
<b>Renewables</b>																				
Ferguson Group	5,000	5,000																		
Politico Group	14,000	14,000		1,088	1,000	2,022	1,000	1,000	1,230	1,000	1,000	1,000	1,000	1,000	1,000.00	13,340	1,112	13,340		
<b>Rens - Other</b>																				
Ferguson Group	5,000	5,000																		
Politico Group	14,000	14,000		1,088	1,000	2,022	1,000	1,000	1,230	1,000	1,000	1,000	1,000	1,000.00	13,340	1,112	13,340			
<b>Regulatory &amp; Comp</b>																				
<b>Administrative</b>																				
	38,000	38,000		2,175	2,000	4,044	2,000	2,000	2,460	2,000	2,000	2,000	2,000	2,000	2,000.00	26,679	2,223	26,679		
				5.72%	10.99%	21.63%	26.89%	32.16%	38.63%	43.89%	49.16%	54.42%	59.68%	64.95%	70.21%				70%	
<b>GRAND TOTAL</b>	368,000	368,000		21,232	21,530	26,905	23,204	26,324	26,629	25,684	22,367	26,217	30,037	16,824	2,000	268,953	48,488	287,061		
				5.77%	11.62%	18.93%	25.24%	32.39%	39.63%	46.61%	52.68%	59.81%	67.97%	72.54%	73.09%				78.0%	
	Original 2018 Budget	Revised 2018 Budget																		
G	70,000	70,000																	82,455	
G - Other																				
R	144,000	144,000																	82,991	
R - Other	60,000	60,000																	58,960	
R&C	44,000	44,000																	13,340	
A	50,000	50,000																	49,315	
	368,000	368,000																	287,061	
50/35/15	120,000	120,000																	131,770	
Renew	204,000	204,000																	141,951	

# Legacy Liability - Total

Month of: Dec-2018

## Legacy Liabilities - Total



### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
PNM - Reclamation	5,833	2,029	3,805	35%
SJCC - Reclamation	35,956	20,711	15,244	58%
PNM - Decommission	0	24,620	(24,620)	#DIV/0!
<b>Total</b>	<b>41,789</b>	<b>47,360</b>	<b>(5,570)</b>	<b>113%</b>

### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	70,000	41,805	28,195	60%
SJCC - Reclamation	520,710	554,118	(33,407)	106%
PNM - Decommission	104,400	98,053	6,347	94%
<b>Total</b>	<b>695,110</b>	<b>693,977</b>	<b>1,134</b>	<b>100%</b>

# PNM - Reclamation

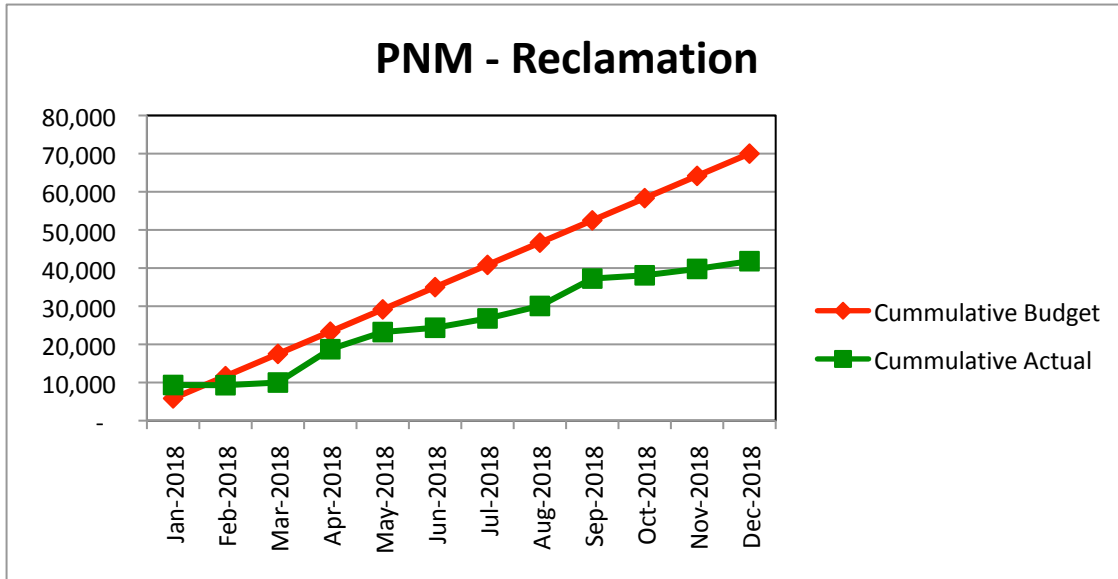
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	5,833	2,029	3,805	35%
<b>Total</b>	<b>5,833</b>	<b>2,029</b>	<b>3,805</b>	<b>35%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	70,000	41,805	28,195	60%
<b>Total</b>	<b>70,000</b>	<b>41,805</b>	<b>28,195</b>	<b>60%</b>



# SJCC - Reclamation

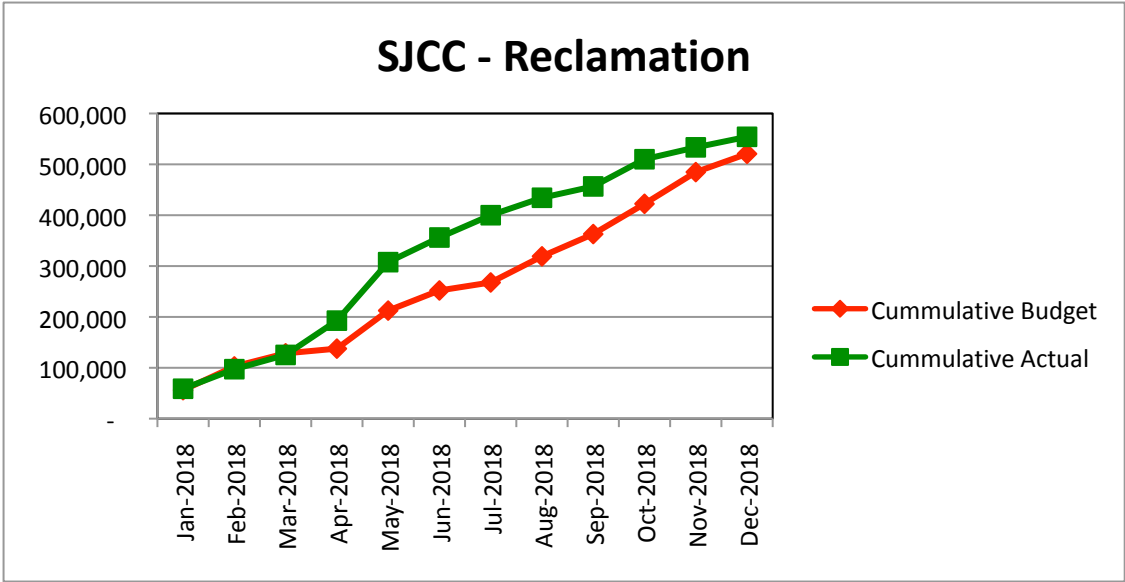
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	35,956	20,711	15,244	58%
<b>Total</b>	<b>35,956</b>	<b>20,711</b>	<b>15,244</b>	<b>58%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	520,710	554,118	(33,407)	106%
<b>Total</b>	<b>520,710</b>	<b>554,118</b>	<b>(33,407)</b>	<b>106%</b>



# PNM - Decommissioning

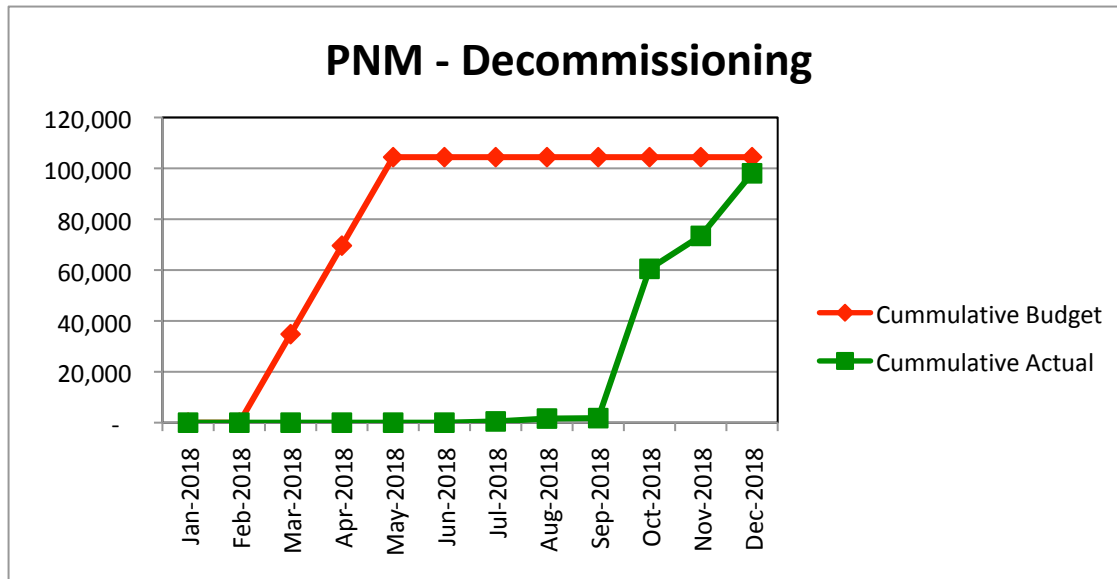
Month of: **Dec-2018**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	0	24,620	(24,620)	#DIV/0!
<b>Total</b>	<b>0</b>	<b>24,620</b>	<b>(24,620)</b>	<b>#DIV/0!</b>

## YEAR TO DATE

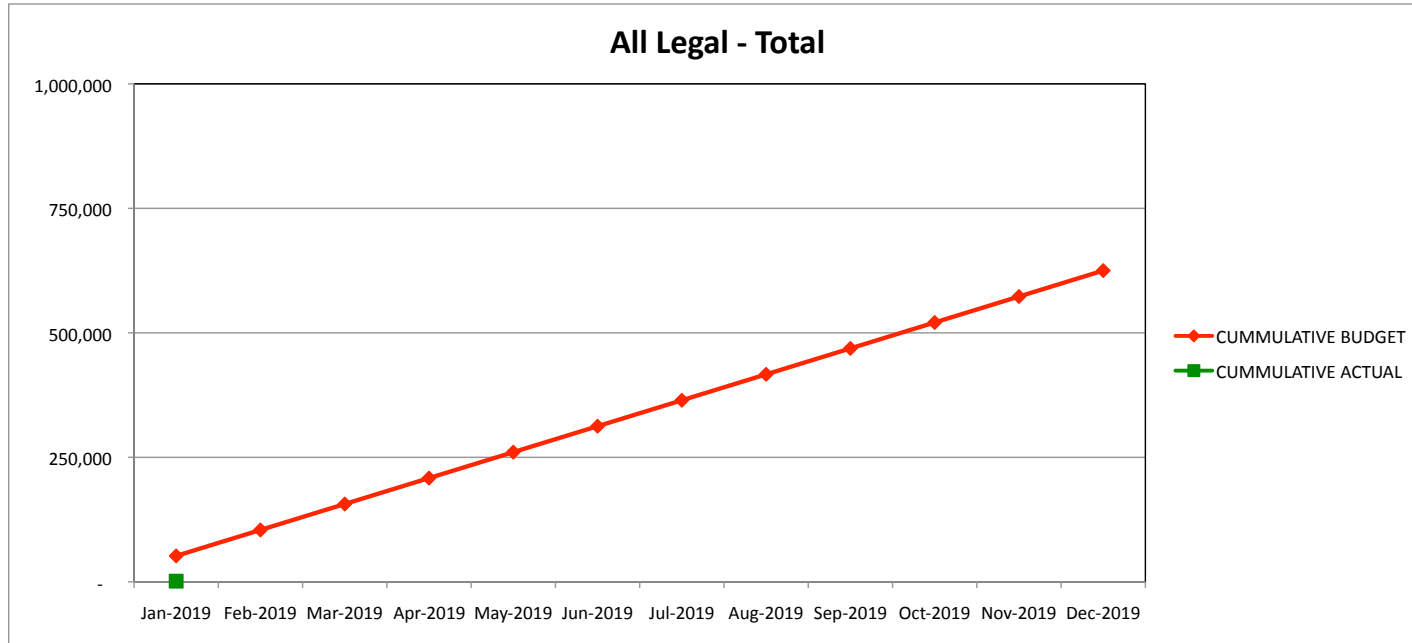
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	104,400	98,053	6,347	94%
<b>Total</b>	<b>104,400</b>	<b>98,053</b>	<b>6,347</b>	<b>94%</b>



Legacy Liability Costs - 2018	M-S-R 2018 Budget	Revised or A.O.P	Jan-2018 8.33%	Feb-2018 16.67%	Mar-2018 25.00%	Apr-2018 33.33%	May-2018 41.67%	Jun-2018 50.00%	Jul-2018 58.33%	Aug-2018 66.67%	Sep-2018 75.00%	Oct-2018 83.33%	Nov-2018 91.67%	Dec-2018 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	70,000	70,000	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000		
<b>Cummulative Budget</b>			5,833	11,667	17,500	23,333	29,167	35,000	40,833	46,667	52,500	58,333	64,167	70,000			
<b>Reclamation Trust Funds Operating Agent</b>			9,345	(47)	696	8,736	4,496	1,129	2,442	3,272	7,186	849	1,674	2,028.60	41,805	3,484	41,805
<b>Cummulative Actual</b>	70,000	70,000	9,345	(47)	696	8,736	4,496	1,129	2,441.54	3,272	7,186	849	1,673.66	2,029	41,805	3,484	41,805
			13.35%	13.28%	14.28%	26.76%	33.18%	34.79%	38.28%	42.95%	53.22%	54.43%	56.82%	59.72%			60%
<b>SJCC - Reclamation - Budget</b>			55,992	46,714	25,754	9,198	74,810	39,571	15,728	51,384	43,808	59,461	62,335	35,956	520,710		
<b>Cummulative Budget</b>			55,992	102,706	128,459	137,657	212,468	252,039	267,767	319,151	362,959	422,420	484,755	520,710			
			43,393	86,785	130,178	173,570	216,963	260,355	303,748	347,140	390,533	433,925	477,318	520,710			
<b>LaPlata San Juan - Surface San Juan - Underground</b>	46,059	474,651	4,303	4,407	4,571	4,321	4,269	4,375	4,549	4,335	4,647	4,229	4,613	4,965.32	53,584	4,465	53,584
<b>Cummulative Actual</b>	521,000	520,711	58,788	38,503	27,992	67,461	114,964	48,443	43,861	34,286	22,284	53,474	23,351	20,711.40	554,118	46,176	554,118
			58,788	97,291	125,283	192,744	307,708	356,151	400,011	434,297	456,581	510,055	533,406	554,118			106%
			11.29%	18.68%	24.06%	37.02%	59.09%	68.40%	76.82%	83.40%	87.68%	97.95%	102.44%	106.42%			
<b>PNM - Decommissioning</b>			-	-	34,800	34,800	34,800	-	-	-	-	-	-	-	104,400		
<b>Cummulative Budget</b>			-	-	34,800	69,600	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400			
<b>Initial Decommissioning</b>	104,400	104,400	-	-	-	-	-	-	486	1,129	166	58,701	12,951	24,619.65	98,053	8,171	98,053
<b>Cummulative Actual</b>	100,000	104,400	-	-	-	-	-	-	486	1,129	166	58,701	12,951	24,619.65	98,053	8,171	98,053
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	1.55%	1.71%	57.93%	70.34%	93.92%			93.92%
<b>Total Legacy Liability</b>		695,111	68,133	38,456	28,688	76,197	119,460	49,572	46,788	38,686	29,637	113,024	37,976	47,360	693,977	57,831	693,977
			68,133	106,589	135,277	211,473	330,933	380,506	427,293	465,980	495,617	608,641	646,617	693,977			
			9.80%	15.33%	19.46%	30.42%	47.61%	54.74%	61.47%	67.04%	71.30%	87.56%	93.02%	99.84%			99.8%
<b>Cummulative Budget</b>			61,825	114,372	180,759	230,591	346,035	391,439	413,000	470,217	519,859	585,153	653,321	695,110			
<b>Cummulative Actual</b>			68,133	106,589	135,277	211,473	330,933	380,506	427,293	465,980	495,617	608,641	646,617	693,977			

# M-S-R PPA All Legal Summary

Month of: **Jan-2019**



#### CURRENT MONTH

By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	2,083	528	1,555	25%
Gen - Other	83	0	83	0%
Renewables	3,083	0	3,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	18,917	0	18,917	0%
Administrative	2,917	836	2,081	29%
<b>Total</b>	<b>52,083</b>	<b>1,364</b>	<b>50,719</b>	<b>3%</b>

#### YEAR TO DATE

By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	2,083	528	1,555	25%
Gen - Other	83	0	83	0%
Renewables	3,083	0	3,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	18,917	0	18,917	0%
Administrative	2,917	836	2,081	29%
<b>Total</b>	<b>52,083</b>	<b>1,364</b>	<b>50,719</b>	<b>3%</b>

By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Duncan	40,000	0	40,000	0%
Berlin	7,500	0	7,500	0%
Porter Simon	4,500	1,364	3,136	30%
Others	83	0	83	0%
<b>Total</b>	<b>52,083</b>	<b>1,364</b>	<b>50,719</b>	<b>3%</b>

By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Duncan	40,000	0	40,000	0%
Berlin	7,500	0	7,500	0%
Porter Simon	4,500	1,364	3,136	30%
Others	83	0	83	0%
<b>Total</b>	<b>52,083</b>	<b>1,364</b>	<b>50,719</b>	<b>3%</b>

# M-S-R PPA Duncan Summary

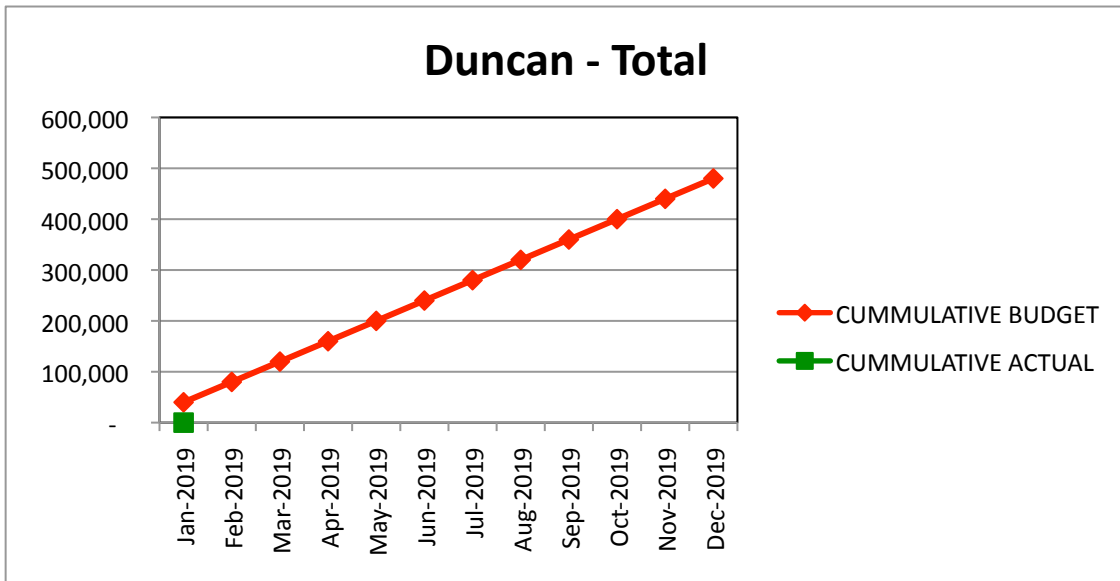
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	417	0	417	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	12,500	0	12,500	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	417	0	417	0%
Gen - Other	0	0	0	0%
Renewables	2,083	0	2,083	0%
Rens - Other	25,000	0	25,000	0%
Reg & Comp	12,500	0	12,500	0%
Administrative	0	0	0	0%
<b>Total</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>0%</b>



# M-S-R PPA Berlin Summary

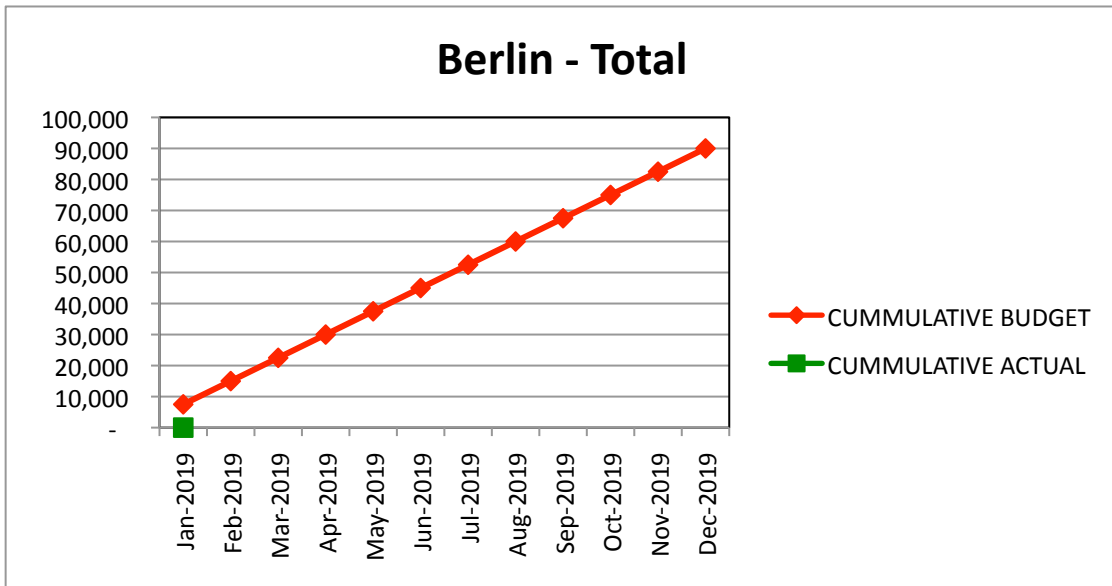
Month of: **Jan-2019**

## 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	833	0	833	0%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	0	6,250	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>7,500</b>	<b>0</b>	<b>7,500</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	833	0	833	0%
Rens - Other	0	0	0	0%
Reg & Comp	6,250	0	6,250	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>7,500</b>	<b>0</b>	<b>7,500</b>	<b>0%</b>



# M-S-R PPA Porter Simon Summary

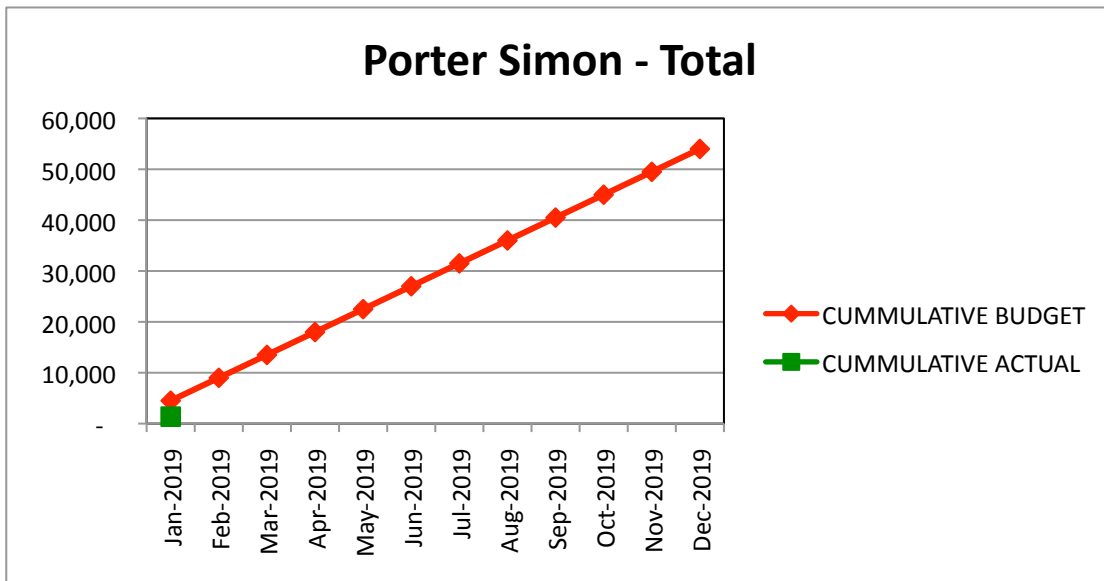
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	528	1,139	32%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	167	0	167	0%
Administrative	2,500	836	1,664	33%
<b>Total</b>	<b>4,500</b>	<b>1,364</b>	<b>3,136</b>	<b>30%</b>

## YEAR TO DATE

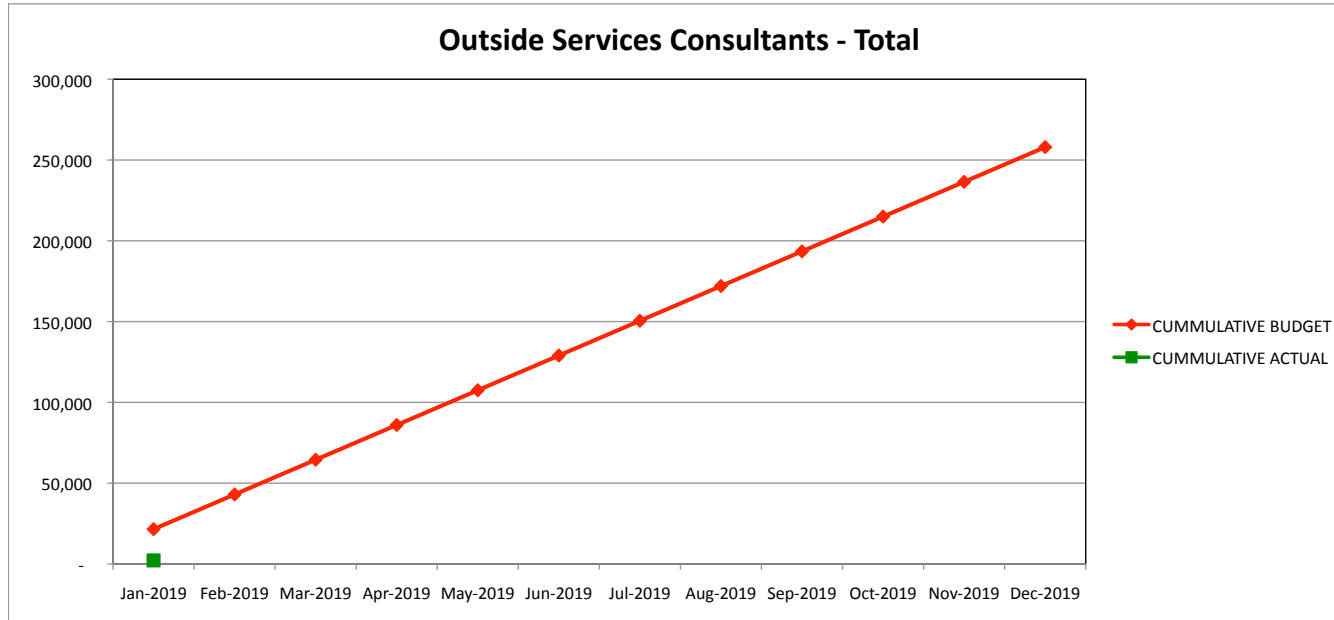
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	1,667	528	1,139	32%
Gen - Other	0	0	0	0%
Renewables	167	0	167	0%
Rens - Other	0	0	0	0%
Reg & Comp	167	0	167	0%
Administrative	2,500	836	1,664	33%
<b>Total</b>	<b>4,500</b>	<b>1,364</b>	<b>3,136</b>	<b>30%</b>



Legal Costs - 2018	2019 Budget	Reallocated Budget	Jan-2019 8.33%	Feb-2019 16.67%	Mar-2019 25.00%	Apr-2019 33.33%	May-2019 41.67%	Jun-2019 50.00%	Jul-2019 58.33%	Aug-2019 66.67%	Sep-2019 75.00%	Oct-2019 83.33%	Nov-2019 91.67%	Dec-2019 100.00%	Total	Average	Year-End Projection	Notes
<b>DWG&amp;P</b>																		
<b>Generation</b>																		
SJGS Agreements	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																		
BPA/PNW Gen1	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rens - Other</b>																		
BPA Rate Cases	300,000	300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																		
FERC Gen1	150,000	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>480,000</b>	<b>480,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>Law Offices of Susie Berlin</b>																		
<b>Generation</b>																		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																		
RES/RPS	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																		
AB32/Cap & Trade/S	75,000	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>A&amp;G</b>																		
5,000	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>90,000</b>	<b>90,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>Others</b>																		
<b>Generation - Other</b>																		
Montgomery Andrew	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>1,000</b>	<b>1,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>Sub Total</b>	<b>571,000</b>	<b>571,000</b>																0%
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
<b>Porter Simon</b>																		
<b>M-S-R PPA</b>																		
<b>Generation</b>	20,000	20,000	528.00	-	-	-	-	-	-	-	-	-	-	-	528	528	6,336	
<b>Renewables</b>	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Regulatory &amp; Comp</b>	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>A&amp;G</b>	30,000	30,000	836.00	-	-	-	-	-	-	-	-	-	-	-	836	836	10,032	
	<b>54,000</b>	<b>54,000</b>	<b>##### #</b>	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	1,364	1,364	16,368	30%
				2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%				
<b>GRAND TOTAL</b>	<b>625,000</b>	<b>625,000</b>	<b>1,364</b>												<b>1,364</b>	<b>1,364</b>	<b>16,368</b>	<b>2.62%</b>
			0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%				
	Legal Original 2019 Budget	Legal Revised 2019 Budget																
G	25,000	25,000																
G - Other	1,000	1,000																
R	37,000	37,000																
R - Other	300,000	300,000																
R&C	227,000	227,000																
A	35,000	35,000																
	<b>625,000</b>	<b>625,000</b>													<b>836</b>		<b>10,032</b>	
															<b>1,364</b>		<b>16,368</b>	
50/35/15 Renew	61,000	61,000													1,364		16,368	
	337,000	337,000													-		-	

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

Month of: **Jan-2019**



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	9,500	1,093	8,408	12%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	2,417	1,093	1,324	45%
Administrative	2,083	0	2,083	0%
<b>Total</b>	<b>21,500</b>	<b>2,185</b>	<b>19,315</b>	<b>10%</b>

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	9,500	1,093	8,408	12%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	2,417	1,093	1,324	45%
Administrative	2,083	0	2,083	0%
<b>Total</b>	<b>21,500</b>	<b>2,185</b>	<b>19,315</b>	<b>10%</b>

CURRENT MONTH				
By Provider	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Navigant	3,333	0	3,333	0%
KBT	15,000	0	15,000	0%
Others	3,167	2,185	982	69%
<b>Total</b>	<b>21,500</b>	<b>2,185</b>	<b>19,315</b>	<b>10%</b>

YEAR TO DATE				
By Provider	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Navigant	3,333	0	3,333	0%
KBT	15,000	0	15,000	0%
Others	3,167	2,185	982	69%
<b>Total</b>	<b>21,500</b>	<b>2,185</b>	<b>19,315</b>	<b>10%</b>

# M-S-R PPA Navigant Summary

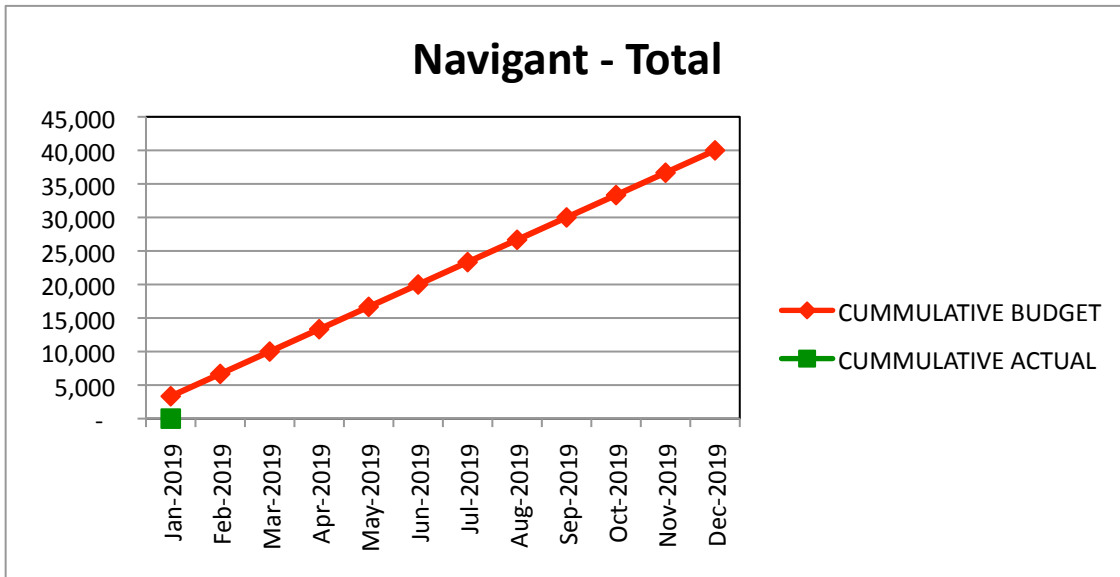
Month of: **Jan-2019**

## 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	2,083	0	2,083	0%
Rens - Other	0	0	0	0%
Reg & Comp	833	0	833	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>3,333</b>	<b>0</b>	<b>3,333</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	2,083	0	2,083	0%
Rens - Other	0	0	0	0%
Reg & Comp	833	0	833	0%
Administrative	417	0	417	0%
<b>Total</b>	<b>3,333</b>	<b>0</b>	<b>3,333</b>	<b>0%</b>



# M-S-R PPA KBT Summary

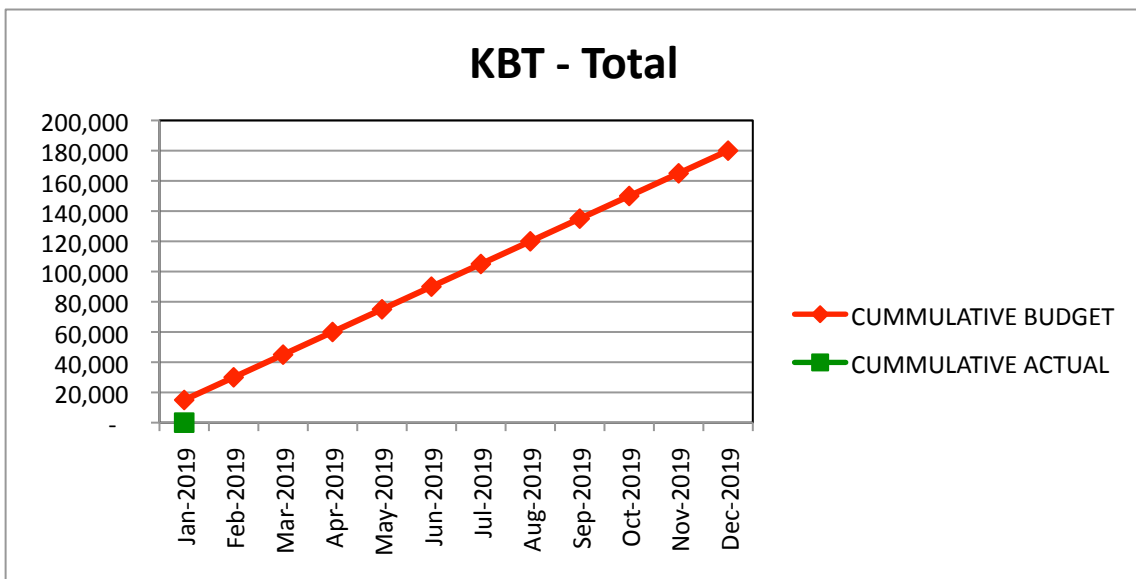
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	5,833	0	5,833	0%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	0	0	0	0%
Administrative	1,667	0	1,667	0%
<b>Total</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>0%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	1,667	0	1,667	0%
Gen - Other	0	0	0	0%
Renewables	5,833	0	5,833	0%
Rens - Other	5,833	0	5,833	0%
Reg & Comp	0	0	0	0%
Administrative	1,667	0	1,667	0%
<b>Total</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>0%</b>



# M-S-R PPA

## Misc Outside Services Summary

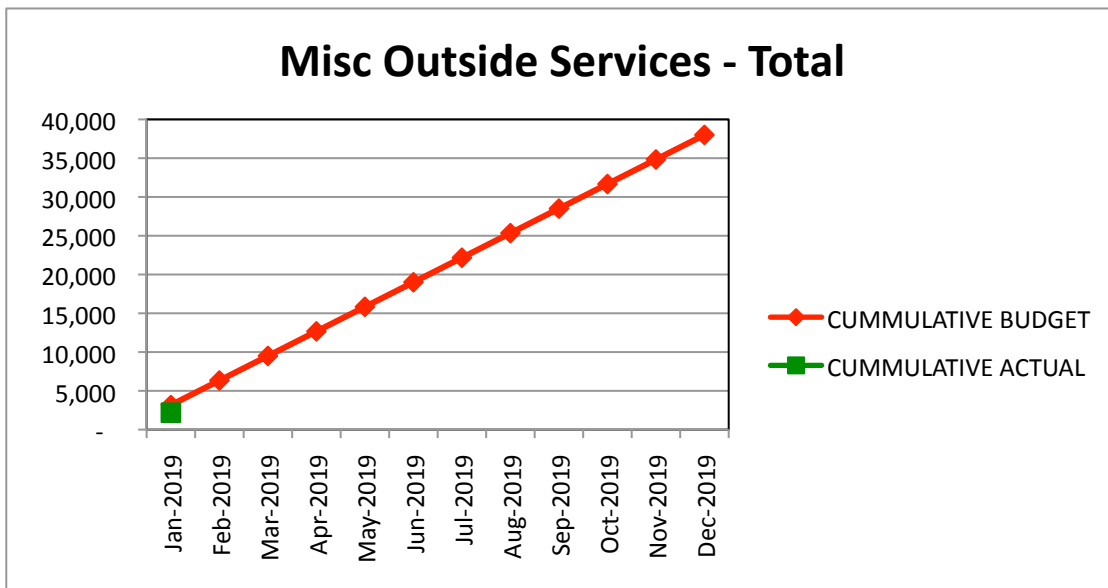
Month of: **Jan-2019**

### 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	1,093	491	69%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	1,093	491	69%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>2,185</b>	<b>982</b>	<b>69%</b>

### YEAR TO DATE

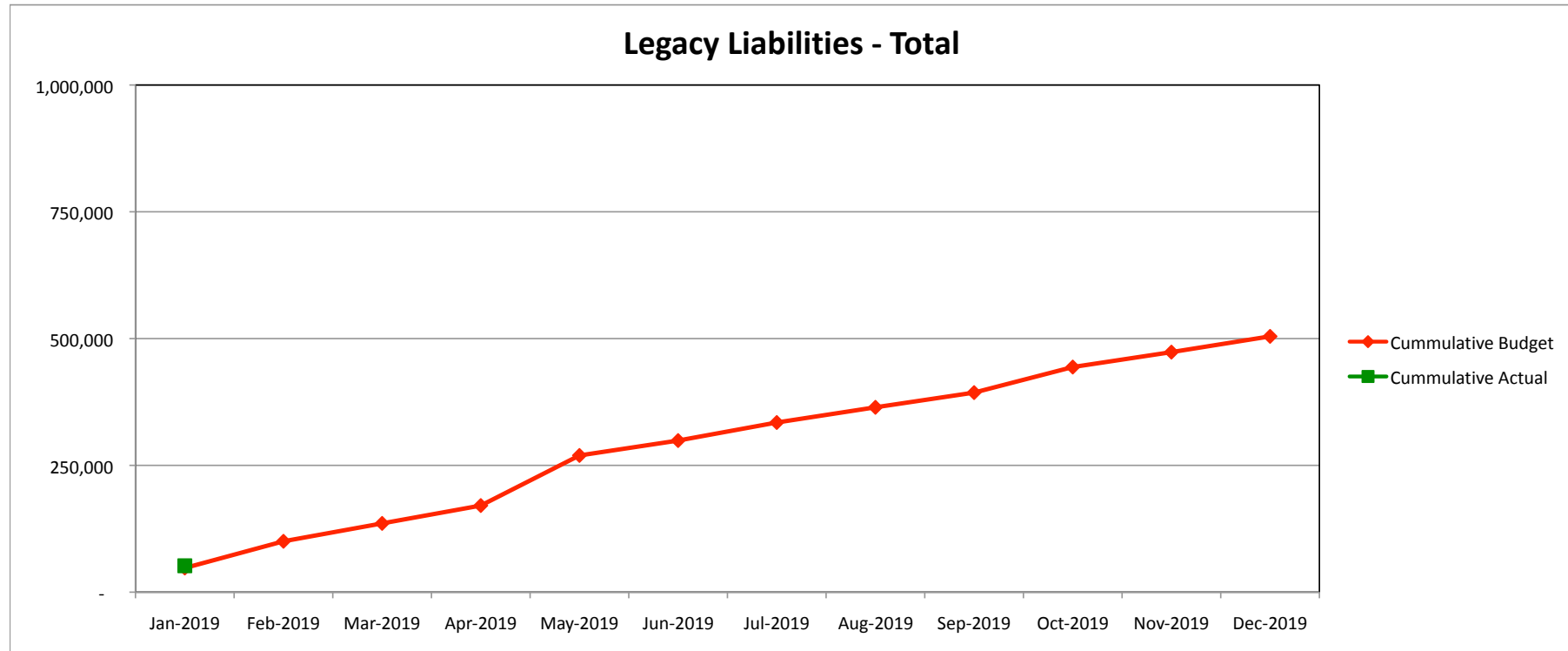
	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	0	0	0	0%
Gen - Other	0	0	0	0%
Renewables	1,583	1,093	491	69%
Rens - Other	0	0	0	0%
Reg & Comp	1,583	1,093	491	69%
Administrative	0	0	0	0%
<b>Total</b>	<b>3,167</b>	<b>2,185</b>	<b>982</b>	<b>69%</b>



Consultant Costs - 2019	2019 Budget	Revised Budget	Task Orders	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Total	Average	Year-End Projection	Notes
				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>Navigator</b>																			
<b>Generation</b>																			
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Administrative</b>	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	40,000	40,000	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0%
<b>KBT</b>																			
<b>Generation</b>																			
General	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gen - Other</b>																			
SJGS Disposition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Renewables</b>																			
General	70,000	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rens - Other</b>																			
BP-20 Rate Case	70,000	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KBT 2019-0x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	180,000	180,000	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0%
<b>SUBTOTAL</b>	220,000	220,000	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	0%
<b>Outside Services</b>																			
<b>Generation</b>																			
<b>Renewables</b>																			
Ferguson Group	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Politico Group	14,000	14,000	1,092.50	-	-	-	-	-	-	-	-	-	-	-	-	1,093	1,093	13,110	-
<b>Rens - Other</b>																			
Ferguson Group	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Politico Group	14,000	14,000	1,092.50	-	-	-	-	-	-	-	-	-	-	-	-	1,093	1,093	13,110	-
<b>Regulatory &amp; Comp</b>																			
<b>Administrative</b>																			
	38,000	38,000	2,185.00	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	2,185	2,185	26,220	69%
<b>GRAND TOTAL</b>	258,000	258,000	2,185	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	2,185	2,185	26,220	10%
	Original 2019 Budget	Revised 2019 Budget																	
G	20,000	20,000																	
G - Other	-	-																	
R	114,000	114,000																	13,110
R - Other	70,000	70,000																	
R&C	29,000	29,000																	13,110
A	25,000	25,000																	
	258,000	258,000																	26,220
50/35/15	45,000	45,000																	
Renew	184,000	184,000																	13,110

# Legacy Liability - Total

Month of: Jan-2019



CURRENT MONTH				
By Function	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
PNM - Reclamation	4,083	993	3,090	24%
SJCC - Reclamation	42,985	50,712	(7,726)	118%
PNM - Decommission	529	297	232	56%
<b>Total</b>	<b>47,597</b>	<b>52,002</b>	<b>(4,405)</b>	<b>109%</b>

YEAR TO DATE				
By Function	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
PNM - Reclamation	4,083	993	3,090	24%
SJCC - Reclamation	42,985	50,712	(7,726)	118%
PNM - Decommission	529	297	232	56%
<b>Total</b>	<b>47,597</b>	<b>52,002</b>	<b>(4,405)</b>	<b>109%</b>

# PNM - Reclamation

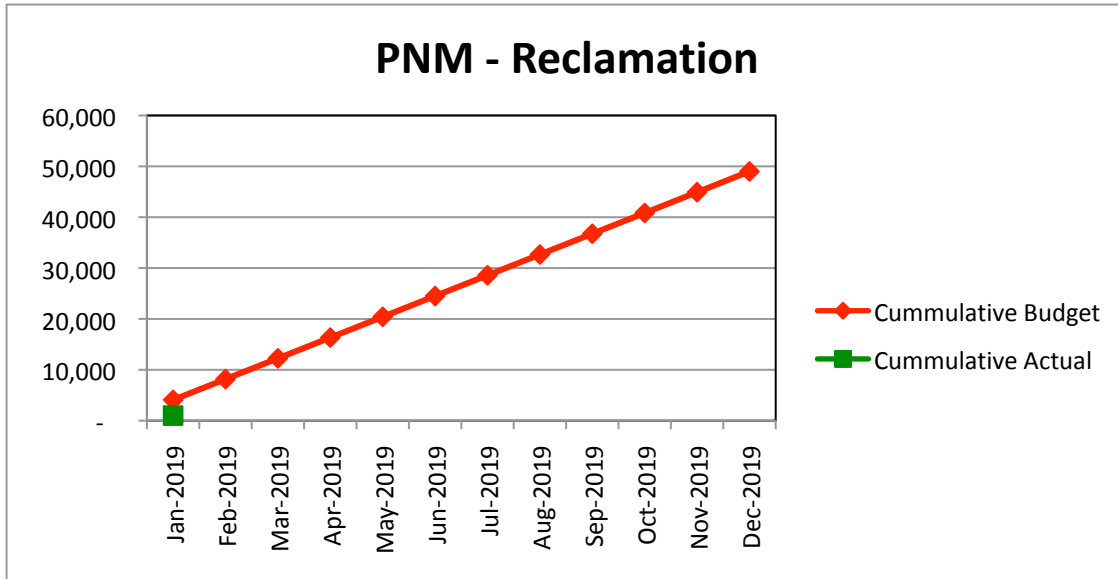
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	4,083	993	3,090	24%
<b>Total</b>	<b>4,083</b>	<b>993</b>	<b>3,090</b>	<b>24%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	4,083	993	3,090	24%
<b>Total</b>	<b>4,083</b>	<b>993</b>	<b>3,090</b>	<b>24%</b>



# SJCC - Reclamation

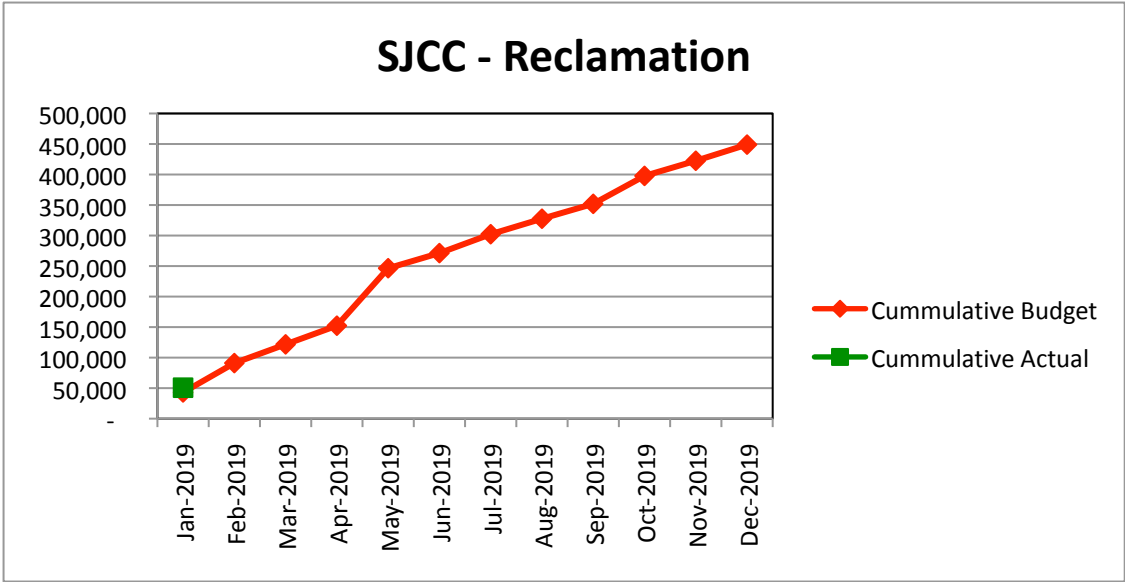
Month of: **Jan-2019**

### CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	42,985	50,712	(7,726)	118%
<b>Total</b>	<b>42,985</b>	<b>50,712</b>	<b>(7,726)</b>	<b>118%</b>

### YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	42,985	50,712	(7,726)	118%
<b>Total</b>	<b>42,985</b>	<b>50,712</b>	<b>(7,726)</b>	<b>118%</b>



# PNM - Decommissioning

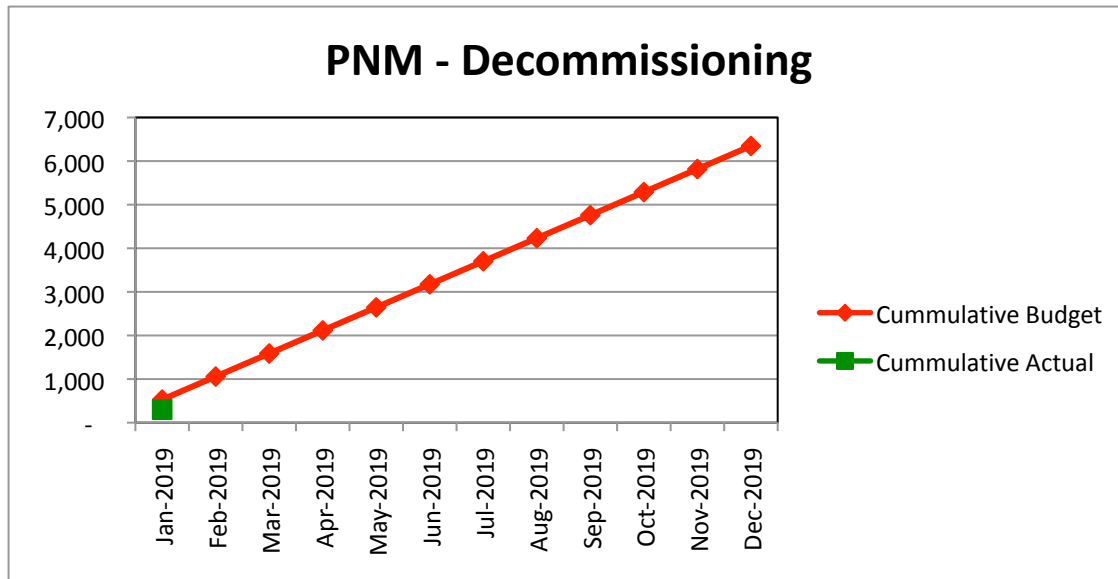
Month of: **Jan-2019**

## CURRENT MONTH

	Budget Current Month	Actual Current Month	Positive Variance	Actual v. Budget %
Generation	529	297	232	56%
<b>Total</b>	<b>529</b>	<b>297</b>	<b>232</b>	<b>56%</b>

## YEAR TO DATE

	Budget Year to Date	Actual Year to Date	Positive Variance	Actual v. Budget %
Generation	529	297	232	56%
<b>Total</b>	<b>529</b>	<b>297</b>	<b>232</b>	<b>56%</b>



Legacy Liability Costs - 2019	M-S-R 2019 Budget	Revised or A.O.P	Jan-2019 8.33%	Feb-2019 16.67%	Mar-2019 25.00%	Apr-2019 33.33%	May-2019 41.67%	Jun-2019 50.00%	Jul-2019 58.33%	Aug-2019 66.67%	Sep-2019 75.00%	Oct-2019 83.33%	Nov-2019 91.67%	Dec-2019 100.00%	Total	Average	Year-End Projection
<b>PNM - Reclamation - Budget</b>	49,000	49,000	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	49,000		
<b>Cummulative Budget</b>			4,083	8,167	12,250	16,333	20,417	24,500	28,583	32,667	36,750	40,833	44,917	49,000			
<b>Reclamation Trust Funds Operating Agent</b>			993.12												993	993	11,917
<b>Cummulative Actual</b>	49,000	49,000	993.12	-	-	-	-	-	-	-	-	-	-	-	993	993	11,917
			2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%			24%
<b>SJCC - Reclamation - Budget</b>			42,985	48,053	30,691	30,576	94,172	24,772	30,971	25,348	24,401	45,771	24,804	26,456	449,000		
<b>Cummulative Budget</b>			42,985	91,038	121,729	152,305	246,477	271,248	302,219	327,568	351,969	397,740	422,544	449,000			
			41,886	88,711	118,617	148,411	240,176	264,314	294,493	319,194	342,971	387,572	411,742	437,522			
<b>LaPlata</b>	51,687	51,687	4,047.37												4,047	4,047	48,568
<b>San Juan - Surface</b>	397,313	397,313	30,777.73												30,778	30,778	369,333
<b>San Juan - Underground</b>			15,886.64												15,887	15,887	190,640
<b>Cummulative Actual</b>	449,000	449,000	50,711.74	-	-	-	-	-	-	-	-	-	-	-	50,712	50,712	608,541
			50,712	50,712	50,712	50,712	50,712	50,712	50,712	50,712	50,712	50,712	50,712	50,712			136%
			11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%			
<b>PNM - Decommissioning</b>	6,347	6,347	529	529	529	529	529	529	529	529	529	529	529	529	6,347		
<b>Cummulative Budget</b>			529	1,058	1,587	2,116	2,644	3,173	3,702	4,231	4,760	5,289	5,818	6,347			
<b>Initial Decommissioning</b>			297.35												297	297	3,568
<b>Cummulative Actual</b>	6,347	6,347	297.35	-	-	-	-	-	-	-	-	-	-	-	297	297	3,568
			4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%			56.22%
<b>Total Legacy Liability</b>		504,346	52,002	-	-	-	-	-	-	-	-	-	-	-	52,002	52,002	624,027
			52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002			124%
			10.31%	10.31%	10.31%	10.31%	10.31%	10.31%	10.31%	10.31%	10.31%	10.31%	10.31%	10.31%			
<b>Cummulative Budget</b>			47,597	100,262	135,565	170,753	269,538	298,922	334,505	364,465	393,479	443,862	473,278	504,346			
<b>Cummulative Actual</b>			52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002	52,002			



# Public Power Agency

P.O. Box 4060

• Modesto, California 95352

• (209) 526-7373

## Staff Report

Date: January 16, 2019  
From: Scott Van Vuren, Treasurer  
To: M-S-R PPA Commission  
Subject: Investment Policy Guidelines of the M-S-R Public Power Agency – 2019

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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 2019 Investment Policy Guidelines are identical to the 2018 Guidelines. There are no legislatively mandated changes that need to be made.

I recommend that you approve the 2019 M-S-R Public Power Agency Investment Policy Guidelines.

cc: Ana Vigil

**Investment Policy Guidelines  
of the  
M-S-R Public Power Agency  
2019**

**(Approved by Commission on)**

**/**

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## **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.

**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.

## **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 14, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** Approval of Extension of Agreement With Montague DeRose and Associates LLC For Professional Financial Advisor Services

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On December 2, 2009, upon the recommendation of the Finance Committee and on the basis of a thorough competitive solicitation for Financial Advisory Services, the Commission approved an agreement with Montague DeRose and Associates LLC for a three-year term with three optional one-year extensions. This agreement was further extended January 1, 2016, for an additional three year-term with three further optional one-year extensions. The services provided by Montague DeRose and Associates LLC have met the Agency's requirements and we recommend exercising the first one-year extension of the 2016 agreement for calendar year 2019.

Issues to be addressed in the current year may include assistance with CDIAC filings, response to inquiries by Rating Agencies, and general support for the activities of the Financial Management Committee and Agency management.

I recommend the Commission approve a one-year extension of the "Consulting Agreement For M-S-R Public Power Agency Professional Financial Advisor Services" with Montague DeRose and Associates, LLC for the period January 1, 2019, through December 31, 2019.

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

**Date:** February 14, 2019

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

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

**Subject:** 2019 M-S-R Public Power Agency Ten-Year San Juan Cost Forecast and Legacy Liability Funding Status Report

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### **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. The Restructuring Agreements allowing M-S-R PPA's divestiture of its interests in the SJGS became effective January 31, 2016, and the divestiture was made December 31, 2017. This forecast has been made on the basis of those agreements. As of July 1, 2019, there will be about \$76 million of outstanding bonded indebtedness associated with the San Juan Project. As of December 31, 2018, there are between \$20 and \$40 million of outstanding Legacy Liabilities associated with Mine Reclamation and Plant Decommissioning.

### **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. The Member's obligations to pay for San Juan Project 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 legacy obligations and the status of the funds held in Trust and in the Agency's reserves for payment of those costs.

### **Issues and Assumptions:**

1. SJGS Operating Period:
  - a. As discussed above, this forecast is based upon M-S-R PPA's exit from the ownership and operation of the San Juan Project effective December 31, 2017 ("Exit Date"). The Remaining participants in the SJGS are assumed to terminate power generation activities and the Coal Supply Agreement with San Juan Coal Company on June 30, 2022, as proposed in PNM's 2017 Integrated Resource Plan (IRP) adopted by the New Mexico Public Regulation Commission. Although IRP

approval is under appeal, we do not expect any change to the assumed termination date for SJGS operations.

## 2. 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 on November 13, 2018. Pursuant to M-S-R PPA Resolution 2016-04 Use And Transfers Of Reserves And Working Capital, all such expenses are funded through the Trust and/or paid from Agency reserves. PNM's administrative costs of about \$50,000 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 yet to be finally determined 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) 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 are assumed to be incurred subsequent to the period of this forecast. The Decommissioning Agreement requires updated cost studies to be performed upon the final decision to retire the SJGS. Pursuant to M-S-R PPA Resolution 2016-04 Use And Transfers Of Reserves And Working Capital, 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.

The above assumptions were presented to the Technical Committee at its February 7, 2019, 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 2019 M-S-R Public Power Agency San Juan Ten-Year Legacy Liability Cost Forecast and Legacy Liability Funding Status Report.

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

	Reclamation Trust Funds Operating Agent Costs 1_/_	Legacy Liabilities: Mine Reclamation 2_/_	Legacy Liabilities: Plant Decomm 3_/_	Insurance Cost 4_/_	Total Legacy Liability Cost
Year	\$	\$	\$	\$	\$
2019	50,000	440,000	0	TBD	490,000
2020	50,000	640,000	0	TBD	690,000
2021	50,000	720,000	0	TBD	770,000
2022	50,000	1,680,000	260,000	TBD	1,990,000
2023	50,000	2,950,000	920,000	TBD	3,920,000
2024	60,000	2,850,000	1,100,000	TBD	4,010,000
2025	60,000	2,590,000	190,000	TBD	2,840,000
2026	60,000	2,830,000	40,000	TBD	2,930,000
2027	60,000	2,800,000	40,000	TBD	2,900,000
2028	60,000	2,340,000	40,000	TBD	2,440,000

1\_/\_ PNM cost per SJGS 2019 Budget escalated at 2.5%/yr - 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.

Mandatory ARO Costs only - does not include site brownfielding costs.

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 less than \$60,000 per year.

**SAN JUAN LEGACY LIABILITY FUNDING STATUS:**

	<b>Balance Required</b>	<b>Balance Held December 31, 2018</b>	<b>Notes</b>
<b>Mine Reclamation Trust</b>	\$17,668,707	\$17,743,564	Balance Required as of December 31, 2018. – No additional funding required at this time.
<b>Plant Decommissioning Trust</b>	\$2,280,000	\$2,234,515	Balance Required no later than December 31, 2022. – Expected interest earnings will exceed requirement.
<b>Potential SJGS Site Brown/Green-fielding</b>	\$19,400,000		Escalated 2013 High Estimate. – Note: New Decommissioning Study expected to be performed in 2019.
		\$2,234,515	Held in Decommissioning Trust
		\$6,534,035	Resolution 2016-04 Operating Fund Reservation
		\$3,300,000	Held in Debt/Service Coverage Revolving Fund
		\$14,900,000	Held in Agency Reserves/Operating Fund
		\$26,968,550	Total Available Funds – No additional funding required at this time.

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

**Date:** February 14, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** February 2019 Agency Status Report

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### **FPPC Reporting**

The Authority has traditionally used manual (paper) processes to manage the submission of FPPC Assuming Office, Leaving Office and Annual Statements (Form 700). The Authority has entered into an agreement with SouthTech Systems for the provision and maintenance of an automated (electronic) system to replace paper filings and allow reporters to make their submissions on-line. The Authority's application for approval of electronic filings was approved by the FPPC on January 25, 2019. The filing database has been completed and validated and the system will go live prior to the end of the month for this year's filing season. In addition to providing electronic filing, the system automates the tracking of required and completed filings to assure compliance with FPPC requirements.

### **Southwest Transmission Project (SWTP) Close-Out**

On December 21, 2018 the Federal Energy Regulatory Commission (FERC) issued an order in Docket ER18-2105-001 accepting a Compliance Filing by Arizona Public Service Company (APS) made on October 26, 2018, of revisions to the Mead Phoenix Interconnection and Operating Agreement (Mead Phoenix Agreement) in compliance with a Commission order issued on September 27, 2018 to remove M-S-R Public Power Agency as a party to the agreement. This action, which required obtaining further releases from the parties to the Mead Phoenix Agreement, should be the final action required to relieve the Agency from any outstanding obligations pertaining to those SWTP assets sold to LADWP in May 2016.

## M-S-R Public Power Agency Status Report: San Juan Mine Reclamation

**Date:** February 14, 2019

**From:** Martin Hopper, General Manager

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

**Subject:** San Juan Mine Reclamation Update – Major Meetings and Budget Summary

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### Reclamation Oversight Committee: August 1, 2018:

On August 1, 2018, a meeting of the San Juan Reclamation Oversight Committee (ROC) was held to review Reclamation Study 2 as required by Section 5.2 of the Amended and Restated Mine Reclamation and Trust Funds Agreement (Reclamation Agreement). Although the expected reclamation volumes did not change, the expected total cost of remaining reclamation work for the period 2018 through 2038 Bond Release increased about \$15 million (8%) from \$187 million to \$201 million. The primary driver of this increase was a new estimate of equipment fuel cost and higher projections of fuel cost escalation. New actuarial studies of expected Trust earnings were requested for the use of the Reclamation Investment Committee in setting revised Funding Curves.

### Reclamation Investment Committee: November 13, 2018:

On November 13, 2018 the Reclamation Investment Committee adopted new Funding Curves for the Trust based on Reclamation Study 2 results. M-S-R PPA's funding requirement for the year-ending December 31, 2018, increased \$276,217 (1.6%) from \$17,392,780 to \$17,668,707. On December 26, 2018, M-S-R PPA made a \$400,000 deposit into its Reclamation Trust from funds reserved pursuant to Resolution 2016-04. The basis of this deposit can be allotted as \$276,217 reclamation curve cost increase, \$125,100 investment earnings shortfall, \$5,212 current year budget overage and (\$6,529) net Reclamation Trust fair market value adjustment.

### 2018 Reclamation Budget Comparisons:

Item	Budget/Expected	Actuals
Reclamation Work Performed <sup>1</sup>	520,711	554,118
Reclamation Agent Costs	70,000	41,805
Reclamation Trust Earnings <sup>2</sup>	(301,000)	(175,900)
<b>Total</b>	<b>289,711</b>	<b>420,023</b>

<sup>1</sup> During the pendency of shut-down and repair of Unit 1 due to the coal-silo explosion, SJCC shifted work from coal production to reclamation. This acceleration of reclamation work will reduce future reclamation cost.

<sup>2</sup> Pursuant to Funding Curves adopted January 17, 2017, M-S-R PPA's earnings were assumed to be 1.7% per annum. In 2018 M-S-R PPA achieved a return of 1.01% on its Reclamation Trust investments.

## **M-S-R Public Power Agency Status Report: San Juan Decommissioning**

**Date:** February 14, 2019  
**From:** Alan Hockenson  
**To:** Martin Hopper, General Manager  
**Subject:** San Juan Decommissioning, Quarterly Update

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### **Decommissioning Committee Meetings:**

#### October 25, 2018:

On October 25, 2018, a meeting of the San Juan Decommissioning Committee (SJDC) was held and the budget for 2019 was approved. The only 2019 cost item to the M-S-R Public Power Agency (M-S-R PPA) would be an allocation of insurance costs. As for 2018 work, all was expected to be completed including the three projects for which M-S-R PPA would have a \$104,400 share in \$1.2 million in expenses. The Public Service Company of New Mexico (PNM) also indicated it would be proposing to have a Decommissioning Study performed pursuant to the Decommissioning Agreement.

#### December 13, 2018:

On December 13, 2018, at a meeting of the SJDC, PNM acknowledged it had embarked on a bidding process for the production of a Decommissioning Study in October and had conducted interviews for the work. PNM presented a Resolution for approval by the SJDC that would have authorized the work and commit the participating utilities to pay their respective share of the cost. The Resolution referenced an attached scope of work which was missing. The Resolution was rejected on the basis that it could not be approved with an undefined scope.

#### January 7, 2019:

On January 7, 2019, PNM presented a draft revised resolution with a simple scope summary attached. By the time the meeting was held revisions were made at the request of the City of Farmington (Farmington). The essence of the modifications was to recognize that a final decision to retire all four San Juan units had not been made and this Resolution would not concede that fact. Farmington had been negotiating with PNM on a Unit 4 life extension.

The Decommissioning Agreement requires a final Decommissioning Study be initiated within 30-days of the decision to retire the final Unit. PNM claimed the work they would be performing would be an early version of that study. However, SJDC members expressed concerns that this study would not satisfy the obligation to perform the Decommissioning Study as the Decommissioning Agreement requires. Although SJDC members noted their financial

auditors prefer to have such studies regularly updated, there appeared to be no need for such a study to be performed in absence of the triggering event. The Tucson Electric Company (TEP) had just completed its own study about six months ago. After a straw poll, it was clear PNM had no support for the Resolution. The proposed cost of the study was \$375,000 for which the M-S-R PPA allocation would have been approximately \$30,000. The rejection of this Resolution was a clear cost savings to M-S-R PPA as the work would have to be re-performed at an agreed time and under a scope reviewed by all Participants.

#### January 24, 2019:

On January 24, 2019, a regular meeting of the SJDC was held. PNM provided two lists of the Decommissioning Work scheduled for 2018 and an overhead photograph of the plant which identified which out-buildings had been demolished or will be demolished shortly. One list showed which (28) projects had been completed and closed; the other list showed what (13) projects had not been completed. Only one of three projects of concern to M-S-R PPA remained open, ash clean up on San Juan Unit 2. PNM has identified \$73,000 of unspent budget that it intends to be spent in 2019. This number may be reduced by about \$40,000 as work may have actually been completed but an accounting error may have not recognized the expense properly.

When PNM reviewed the completed projects, many showed minimal expenditures. PNM finally admitted there were four projects that were actually deferred until the entire generating station is retired. PNM decided to not remove lighting from the areas for safety concerns. PNM decided to leave batteries in place for eventual use as spare parts. PNM decided to not remove some control circuits as some access points would not be feasible if they were removed. Finally, PNM had planned to take certain elevators out of service but decided they should remain in service. PNM agreed to revise its lists and identify which projects were deferred and not completed. The 2018 budget for these four items totaled \$255,000 which PNM had planned to defer until all participants could share in these costs. It should be clear that if these projects are not completed by the time of final decommissioning, they should be the responsibility of the remaining owners.

#### Two other issues remain outstanding.

First, M-S-R PPA has an outstanding dispute about the allocation of insurance premiums for Decommissioning Work which is being addressed by the M-S-R PPA General Manger.

Second, PNM is still deciding whether it should cap the unused stacks or not. PNM has been studying this issue for most of the last year. PNM agreed to provide to the other SJDC participants the available information they had accumulated that in order to make its decision.

All meetings were attended telephonically.

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

**Date:** February 13, 2019  
**From:** Alan Hockenson  
**To:** Martin Hopper, General Manager  
**Subject:** Big Horn Operations, End of 2018 Summary and January 2019

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### **BIG HORN I OPERATION**

	<u>MWH</u>	<u>% of 5-Year Average</u>
November	38,602	91.2
December	37,470	92.7
2018 Total	513,294	105.7
January	28,044	98.3
Project Life (since October 2006)	6,262,587	94.1

### **BIG HORN II OPERATION**

	<u>MWH</u>	<u>% of 5-Year Average</u>
November	9,904	84.5
December	10,874	98.5
2018 Total	119,732	102.1
January	8,399	98.6
Project Life (since November 2010)	944,946	95.2

The Camp Fire began on November 8, 2018. The Pacific AC-DC transmission lines running through the area of Paradise, CA were removed from service and limited the import capability of energy from the Pacific Northwest. As a result, energy deliveries from Avangrid Renewables, Inc. (AR) were curtailed. The total energy curtailed in November was 731 MWh during on-peak periods and 331 MWh during off-peak periods. By comparison, there were only 10 MWh of curtailments in December and 22 MWh in January, almost all during on-peak hours.

Energy production for Big Horn 1 in 2018 was average. Of the 12 operating years, 5 years had better production and 6 years had worse production in MWh. The average annual production during the 12 operating years is 510,491 MWh which is only 2,803 MWh less than the amount of energy produced in 2018. This is a difference of only 0.55%.

Energy production for Big Horn II in 2018 was also average. Of the 8 operating years, 4 years had better production and 3 years had worse production in MWh. The average annual production during the 8 operating years is 118,763 MWh which is only 696 MWh less than the amount of energy produced in 2018. This is a difference of only 0.82%.

AR has the right to curtail deliveries if there is an emergency on the transmission system. In the past the Bonneville Power Administration (BPA) has used its authority to curtail generation under high water high wind conditions. More recently, significant curtailments have resulted

from transmission outages in the Redding and Paradise areas. Below is a table showing the amount of energy curtailed each year from 2012 through 2018 and whether the curtailments were during on-peak or off-peak periods. On average, curtailments occur during on-peak hours two-thirds of the time and during off-peak periods one-third of the time.

	Curtailments (MWh)		<u>Total</u>
	<u>On-Peak</u>	<u>Off-Peak</u>	
2012	1,569	920	2,489
2013	496	81	577
2014	819	259	1,078
2015	170	346	516
2016	349	269	618
2017	2,671	962	3,633
2018	2,552	1,538	4,090
Total	8,626	4,375	13,001
Average	1,232	625	1,857

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

**Date:** February 14, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** February 2019 General Manager Report

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### **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 2019

The General Manager reviewed and approved Check Requests prepared by the Administrative Assistant and updated and/or prepared Budget v. Actuals Reports for the current and prior fiscal years. An emergency patch for the Agency and Authority's websites for AB xxxx compliance was implemented. Significant effort was required to prepare and validate data and records for implementation of Disclosure Doc software for Form 700 e-filing project. Draft updates for the Agency's State and Federal Legislative Workplans were prepared for presentation to Member L&R representatives. Materials were prepared for the February 7, 2019 Technical Committee meetings including the San Juan Ten-Year forecast and Agenda packages distributed. The General Manager review extensive filings by PNM regarding IRP and San Juan Project abandonment matters.

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

#### Meetings – January 2019

Decommissioning Committee January 7, 2019: The General Manger participated via teleconference in this meeting whereby PNM's proposed Reclamation Study was rejected as non-compliant with Reclamation Agreement requirements.

Public Service Company of New Mexico, Albuquerque, NM. January 23 – 25, 2019. The General Manager met with PNM representatives to discuss San Juan mine reclamation, coal ash sales and SJCC Bankruptcy matters. The General

Manager also attended the Decommissioning Committee meeting and met with PNM representatives regarding the insurance cost allocation dispute.

**General Consultant:**

The General Consultant regularly prepares a summary of his activities as part of his monthly billing process. Historically these billings lag the current month by about 60-days, but future summaries will be provided in advance of billings to allow more timely reporting to the Commission. A sample of the general report for October 2018 is attached as well as a more detailed report on recent routine activities.

**Other Contractors and Counsel:**

FERC Counsel, BPA Counsel, BPA Consultant and Regulatory Counsel status reports will be prepared at a similar level of detail to the General Consultant's Monthly summary at times of future billings unless otherwise determined after review of this report.

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

**Date:** November 1, 2018  
**From:** Alan Hockenson  
**To:** Martin Hopper  
**Subject:** Specific Work Tasks for October 2018

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During October, 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 – The October Decommissioning Committee meeting was held via conference call on the 25<sup>th</sup>. This meeting included the annual review of the upcoming budget year. In addition, meetings of the Reclamation Oversight Committee were held via conference call on the 3<sup>rd</sup> and 25<sup>th</sup>. Brief meeting notes of the meetings on the 25<sup>th</sup> were prepared and provided to the General Manager. Documents for these meetings were reviewed prior to them being held. Public documents related to the ongoing activities at San Juan were reviewed. Additional information received from Special Counsel was reviewed.

Renewable – Monthly information from Avangrid Renewables, Inc. were reviewed for the month of September. Documents received from Special Counsel were reviewed including information on the new VERBS Rate. Additional ongoing initiatives in the Pacific Northwest were monitored.

Administrative – There were no agency meetings held in October. Certain agency website files were reviewed for accuracy and completeness. Status reports were prepared for the November 8, 2018 meeting of Technical Committee in Folsom, CA.

## **M-S-R Public Power Agency Miscellaneous Task Items**

**Date:** January 30, 2019  
**From:** Alan Hockenson  
**To:** Martin Hopper, General Manager  
**Subject:** Miscellaneous Task Items

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The purpose of this report is to provide additional detail on the routine activities performed in support of the San Juan Decommissioning and Big Horn Wind Purchase efforts. These efforts involve the monitoring of activities of the Public Service Company of New Mexico (PNM), initiatives of the Western Electricity Coordinating Council (WECC), documentation received from Special Counsel, and other activities in the Pacific Northwest.

### Monitoring PNM

Over three and one-half decades of dealing with PNM, one thing is abundantly clear. PNM tells its partners in the San Juan Generating Station (San Juan) one thing and its regulatory bodies another. Often the messages are in conflict and sometimes media outlets provide even different accounts of the facts. A brief weekly monitoring of PNM's public activities is a prudent investment 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. This effort is one hour per week.

### WECC System Updates

The WECC is the key forum for utility discussions and policy determinations in the Western Interconnection. The WECC issues a weekly summary of activities and meetings, as well as critical dates for comments on documents, proposed rules, and other calendared events. Policies that emanate from the WECC can affect transmission providers and balancing authorities in how business is transacted. M-S-R Public Power Agency (M-S-R PPA) is dependent, both directly and indirectly, on transmission providers and balancing authorities for the delivery of wind power to Northern California. Changes can impact M-S-R PPA as interpretation of rights contained in its power purchase and delivery agreements can be adjusted that potentially adversely affect the economic benefit of these transactions. From this perspective, it is prudent to monitor the information provided by the WECC. This effort is one hour per week.

### Special Counsel Information

Special Counsel provides assistance to M-S-R PPA from two perspectives, (1) intervention in cases before regulatory bodies such as the Federal Energy Regulatory Commission (FERC) and procedural process such as rate cases of the Bonneville Power Administration (BPA) and Pacific

Gas and Electric Company (PG&E). In the past, I have served as technical witness in a breach of contract dispute with Tucson Electric Power Company (TEP), TEP rate cases, and PNM rate cases. M-S-R PPA has intervened in many cases, mostly from an observation standpoint although it (until recently) actively participated in Southern California Edison rate cases. As technical support, I have received copies of documents from Special Counsel which are reviewed such that if called upon to assist, I am familiar with the issues of importance to M-S-R PPA. The effort on these documents varies depending on the volume and technical detail included in these documents.

#### Pacific Northwest Activities

Occasionally, meetings, documents, and initiatives related to Pacific Northwest transmission come to my attention that could affect M-S-R PPA's rights or opportunities in the Pacific Northwest. These activities include the Energy Imbalance Market (EIM), Enhanced Curtailment Calculator (ECC), and Northern Tier Transmission Group (NTTG). Although once active with the NTTG for potential transmission capability to Northern California, M-S-R PPA has not directly participated in these efforts. However, as mentioned above relative to WECC activities, regional activities in the Pacific Northwest can also provide opportunities or result in impacts on the ability to deliver wind power to the M-S-R PPA Members. This effort is infrequent and is dependent on public notices or releases of documents for review.

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

**Date:** February 14, 2019  
**From:** Martin R. Hopper, General Manager  
**To:** M-S-R PPA Commission  
**Subject:** Annual Election of Officers

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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:

	2015	2016	2017	2018
President	Greg Salyer – Modesto	Pat Kolstad – Santa Clara	Barry Tippin – Redding	James McFall – Modesto
Vice President	Pat Kolstad – Santa Clara	Barry Tippin – Redding	James McFall – Modesto	Pat Kolstad – Santa Clara

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 Santa Clara’s Commissioner become the President and Redding’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.