



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Denton Municipal Electric

**GM:** Antonio Puente, Jr.

**DATE:** May 6, 2025

### **SUBJECT**

Consider approval of a resolution of the City Council of the City of Denton, Texas approving the sale of certain transmission system assets by the Texas Municipal Power Agency (“TMPA”); and providing an effective date. The Public Utilities Board recommends approval (7 - 0).

### **BACKGROUND**

The City of Bryan owns the Dansby and Bryan East substations. TMPA owns equipment in these substations. The TMPA and Bryan equipment in the Dansby and Bryan East substations have, over the years, been comingled together to such an extent, that the situation has created operational, maintenance, and regulatory issues for Bryan and TMPA.

The Resolution that is proposed for consideration and action would resolve these issues by transferring ownership of the substation equipment to Bryan. The following is a summary of the terms and conditions of the proposed Asset Purchase Agreement:

- Bryan would purchase from TMPA the substation assets for net book value, \$3,238,620.
- TMPA would reserve the right to construct new transmission lines connecting to the substations.
- TMPA would purchase from Bryan the Gibbons Creek to Greens Prairie 138 kV transmission line for net book value, \$251,648. Bryan would reserve and continue to operate its electric distribution system that is built under the transmission line.
- TMPA would purchase from Bryan equipment (consisting mainly of poles) owned by Bryan in the Agency’s Gibbons Creek to Bryan East 138 kV transmission line for net book value, \$2,008,691.
- Bryan has initiated a project to reconductor the Gibbons Creek to Greens Prairie 138 kV transmission line (the “Gibbons Creek to Greens Prairie 138 kV Reconductor Project”). TMPA will acquire this Project. At closing, TMPA would reimburse Bryan for actual costs incurred as of the date of closing. Thereafter, Bryan would continue to construct the Project to completion with the costs of the Project being borne by TMPA. The Resolution appropriates \$4,786,000 for this Project.

Since the net book value of the transmission assets being sold to Bryan exceed \$500,000 in the aggregate, TMPA is required under the Joint Operating Agreement to obtain approval of this transaction from the four Member Cities.

**RECOMMENDATION**

Staff recommends approval of the Resolution approving the sale of certain transmission system assets by TMPA to the City of Bryan, Texas.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On April 14, 2025, the Public Utilities Board (PUB) reviewed this time and voted to recommended approval to the City Council.

**EXHIBITS**

1. Agenda Information Sheet
2. TMPA Resolution No. 2025-3-4
3. Resolution
4. Presentation TMPA Board

Respectfully submitted:  
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DME General Manager