

ORDINANCE NO. 26-_____

AN ORDINANCE OF THE CITY OF DENTON REPEALING ORDINANCE NO. 24-2027; APPROVING THE 2026 DENTON MUNICIPAL ELECTRIC- ENERGY RISK MANAGEMENT POLICY (the “2026 ERMP”); DELEGATING AUTHORITY AS PROVIDED IN THE 2026 ERMP; AUTHORIZING AND APPROVING THE SUBSEQUENT EXECUTION OF SUCH OTHER ANCILLARY AND RELATED DOCUMENTS, INCLUDING, WITHOUT LIMITATION, CONTRACTS, NOMINATIONS, CERTIFICATES, ASSIGNMENTS, LICENSES, DIRECTIONS, INSTRUMENTS, CONFIRMATIONS, ORDERS, AND STATEMENTS AS ARE AUTHORIZED BY THE 2026 ERMP, WHICH ARE INCIDENT TO OR RELATED THERETO; CONFIRMING THAT THE CITY OF DENTON, ITS MAYOR, ITS CITY COUNCIL MEMBERS, ITS CITY MANAGER, ITS CITY ATTORNEY, AND ITS CITY SECRETARY ARE AUTHORIZED TO PERFORM SUCH ACTS AND OBLIGATIONS AS ARE REASONABLY REQUIRED TO CONSUMMATE THOSE FUTURE TRANSACTIONS WHICH ARE PROVIDED FOR AND AUTHORIZED BY THE 2026 ERMP; FINDING THAT THE PURCHASE OF ELECTRICITY, NATURAL GAS, AND RELATED COMMODITIES AND INSTRUMENTS ARE EXEMPT FROM THE REQUIREMENTS OF COMPETITIVE BIDDING; FINDING THAT THE PURCHASE OF ELECTRICITY, NATURAL GAS, AND RELATED COMMODITIES AND INSTRUMENTS MADE BY THE CITY UNDER THE TERMS OF THE 2026 ERMP ARE IN THE PUBLIC WELFARE OF THE CITIZENS AND ELECTRIC RATEPAYERS OF THE CITY; AUTHORIZING THE EXPENDITURE OF FUNDS THEREFOR; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton (“City”), a Texas home-rule municipal corporation governed by the constitution and laws of the State of Texas, operates a municipally-owned electric utility; and

WHEREAS, on October 22, 2024, the City Council (“Council”) passed Ordinance No. 24-2027 which repealed the 2023 Denton Municipal Electric -Energy Risk Management Policy and approved the 2024 Denton Municipal Electric - Energy Risk Management Policy (“2024 ERMP”); and

WHEREAS, the 2024 ERMP requires that it be reviewed, amended if necessary, and approved by the Council; and

WHEREAS, the Council has determined and finds that (i) the 2026 ERMP provides for the purchase of electricity, natural gas, related commodities and instruments in the future in strict accordance with the provisions of the 2026 ERMP; (ii) any and all contracts and other documents that are required to be entered into by and between the buyers or sellers of electric energy, natural gas, and related commodities and instruments and the City are, (a) provided that these transactions are within the described and delineated limits and guidelines which are set forth in the 2026 ERMP, authorized, and (b) excepted from public disclosure, as permitted by the provisions of Section 552.133, Texas Government Code, as documents that are reasonably related to the

competitive public power matter, the disclosure of which documents would provide an advantage to the competitors or prospective competitors of Denton Municipal Electric; and, (iii) all such documents which are incident to or related with the above-described documents, as from time to time may be required by the City and/or the seller, are (a) authorized, and (b) should be excepted from public disclosure, as permitted by the provisions of Section 552.133, Texas Government Code, as documents that are reasonably related to a competitive public power matter, the disclosure of which documents would provide an advantage to the competitors or prospective competitors of Denton Municipal Electric; and

WHEREAS, the Council has determined and finds that the 2026 ERMP will not impair the ability of the City to comply with the provisions of any of its utility revenue bonds, as amended, which are now issued and outstanding; and

WHEREAS, the Council has determined and finds that both (i) Sections 252.022(a)(15) and 252.022(c) of the Texas Local Government Code are applicable to the 2026 ERMP, and those subsequent transactions authorized by said 2026 ERMP involving the purchase of electricity, natural gas, and related commodities, and (ii) the Texas statutory competitive bidding law are not applicable to such purchases by the City; and

WHEREAS, the Council has further determined and finds that these actions and the 2026 ERMP are in the best interest of its citizens and ratepayers;

NOW THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and are made a part of this ordinance.

SECTION 2. Ordinance No. 24-2027, and the 2024 ERMP approved by the same, are both repealed and are of no further force and effect, except that all transactions made under the 2024 ERMP remain protected from disclosure Section 552.133, Texas Government Code and any transactions entered into thereunder remain in effect for the term of any such transactions.

SECTION 3. The 2026 ERMP attached as Exhibit “A” and incorporated by reference, is approved and adopted.

SECTION 4. The City Manager, or their designee, and the City Secretary, or their designee, are authorized to execute, attest, and deliver respectively, all contracts which are authorized by the 2026 ERMP, and other such documents which are incident to, or related to, or which arise under the same (“Related Documents”), and to take such other additional actions as the City Manager, or their designee, shall determine to be necessary and appropriate to effectuate the matters set forth in this Ordinance and the 2026 ERMP.

SECTION 5. The City Council hereby delegates authority to the DME Risk Management Committee to make amendments or changes to the Hedge Plan that do not conflict with the 2026

ERMP. The City Council also delegates authority to the DME Risk Management Committee to make minor amendments or changes to the ERMP that do not conflict with the overall ERMP as approved by City Council.

SECTION 6. All subsequent actions taken by the Mayor, or their designee; the City Manager, or their designee; the City Attorney, or their designee; or the City Secretary, or their designee in furtherance of any future transactions that are authorized under the 2026 ERMP are approved and authorized in all respects as of the dates and times that such actions are taken.

SECTION 7. Immediately following the adoption by the Council of the 2026 ERMP, any and all subsequent documents and supporting documents which are executed pursuant to the 2026 ERMP as amended herein are to be sealed by the City Secretary and maintained in their custody and control as documents which are excepted from public disclosure under the provisions of §552.133 of the Texas Government Code (the “Public Power Exception”); unless otherwise lawfully ordered to disclose said documents.

SECTION 8. The expenditure of funds as provided for in this ordinance is hereby authorized.

SECTION 9. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumhor, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: *Marcella Lunn*