

## ORDINANCE NO. 2014- \_\_\_\_\_

AN ORDINANCE OF THE CITY OF DENTON, TEXAS AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO REIMBURSE THE TEXAS MUNICIPAL POWER AGENCY, A JOINT POWERS AGENCY, FOR ITS COSTS INCURRED AND EXPENDED IN CONNECTION WITH ITS INITIATION OF THE DESIGN AND THE PURCHASE COSTS OF EQUIPMENT BY THE TEXAS MUNICIPAL POWER AGENCY RESPECTING PHASE III OF THE DENTON 138KV TRANSMISSION LOOP PROJECT REGARDING THE ARCO SUBSTATION, AN ELECTRIC TRANSMISSION FACILITY, SITUATED WITHIN THE CITY OF DENTON, TEXAS, AND WHICH TRANSMISSION FACILITY HAS BEEN CEDED BY THE TEXAS MUNICIPAL POWER AGENCY TO THE CITY OF DENTON, TEXAS; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Arco Substation is a Texas Municipal Power Agency ("TMPA") transmission facility situated in the City of Denton, Texas; and

WHEREAS, ONCOR is currently in the process of constructing a second 138kV transmission line into the substation from the east; the station configuration does not have the ability to be reconfigured and the site does not have enough space to expand the new transmission line; the station bus and equipment are not of adequate capacity to meet the projected future needs of the substation; the substation site therefore needs expansion and further construction in order to reliably and efficiently function; and

WHEREAS, TMPA therefore began initiation of the design of the new station on a site which is immediately north of the existing station; in furtherance of its activity as a then TMPA transmission facility, TMPA purchased eleven (11) circuit breakers for the station in addition to incurring their associated cost, to include consulting fees, attorney's fees, costs of delivery, etc.; and

WHEREAS, prior to the City of Denton's acquisition of the tract of land, to the north of the existing station, TMPA ceded all future ownership rights and operations related thereto, to the City of Denton, including site acquisition, completion of engineering activity, and construction responsibility to the City of Denton as regards Phase III of the Denton 138kV Transmission Loop Project; TMPA's action in ceding the Arco Substation to the City has been authorized and approved by the TMPA Board of Directors, as evidenced by a Resolution of the TMPA Board, being Resolution No. 2013-9-3 on September 12, 2013; and

WHEREAS, the City of Denton's assumption of the ownership and the reconstruction project of the Phase III of the Denton 138kV Transmission Loop Project has been included in the Capital Improvement Plan of Denton Municipal Electric for the current year; further, the ordinance which approved the purchase of the additional land to the north of the existing station, was approved by the Council by Ordinance No. 2014-247 enacted on August 19, 2014; and

WHEREAS, Denton Municipal Electric is now the transferee operator and owner of Phase III of the Denton 138kV Transmission Loop Project, and is required to reimburse TMPA

for its expenditure on the project for the period of time for which TMPA had ownership and responsibility for the project; and

WHEREAS, this ordinance seeks authority to reimburse TMPA for its costs incurred, related to the project, in an amount not-to-exceed \$1,020,000; and

.WHEREAS, after due consideration of the public interest and necessity and the public use and benefit to accrue to the City of Denton, Texas; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitations recited herein are true and correct and shall constitute a part of this Ordinance.

SECTION 2. The City Manager, or his designee, is hereby authorized to reimburse and pay the Texas Municipal Power Agency, a Joint Powers Agency, the sum of not-to-exceed \$1,020,000 for its costs incurred in connection with Phase III of the Denton 138kV Transmission Loop Project regarding the Arco Substation, Denton, Texas

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
CHRIS WATTS, MAYOR

ATTEST:  
JENNIFER WALTERS, CITY SECRETARY

By: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
ANITA BURGESS, CITY ATTORNEY

By:  \_\_\_\_\_