

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS, A TEXAS HOME RULE MUNICIPAL CORPORATION, REGARDING THE CITY'S OPTION TO EXTEND THE TERM OF ITS POWER SALES CONTRACT WITH TEXAS MUNICIPAL POWER AGENCY, AS AMENDED, AND DIRECTION TO THE CITY MANAGER, OR HIS DESIGNEE, TO PROVIDE WRITTEN NOTICE OF THIS ELECTION TO TEXAS MUNICIPAL POWER AGENCY; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Texas Municipal Power Agency ("TMPA") has heretofore been created and established as a municipal power agency by the cities of Bryan, Denton, Garland, and Greenville, Texas (collectively, the "Member Cities"); and

WHEREAS, TMPA entered into a Power Sales Contract with each Member City, effective, September 1, 1976, for sales of power and energy to each Member City; and

WHEREAS, TMPA and the Member Cities amended the Power Sales Contracts, effective September 26, 1989, November 5, 1997, June 24, 2010, and August 29, 2013; and

WHEREAS, the Power Sales Contract between TMPA and each of the Member Cities will expire by its terms on September 1, 2018, and

WHEREAS, under the Power Sales Contracts, each Member City may elect to extend the term of the Power Sales Contract beyond September 1, 2018, if notice to do so is sent to TMPA by September 30, 2016; and

WHEREAS, TMPA and the Member Cities have entered into a further agreement, the Joint Operating Agreement, which provides additional terms relating to the extension of the Power Sales Contracts and later termination of the Power Sales Contracts; and

WHEREAS, under the Power Sales Contract and the Joint Operating Agreement between TMPA and the Member Cities, a Member City may extend the term of its Power Sales Contract so long as TMPA receives contracts for one hundred percent of the output of the subject Plant, and may thereafter terminate the Power Sales Contract upon two (2) years' notice; and

WHEREAS, the City Council of the City of Denton, Texas, finds that it is in the best interest of the citizens and electric ratepayers of the City to elect to extend its Power Sales Contract, on such terms; and

WHEREAS, in addition to the above actions, TMPA has issued a request for proposals related to the sale of certain TMPA assets, as authorized by the TMPA's Board by Resolution No. 2016-1-5; and

WHEREAS, TMPA has received responses to the request for proposal that it wishes to accept, including a response in the form of a proposed purchase of generation assets (the

"Generation Asset Sale") pursuant to TMPA Board Resolution 2016-1-5, which would impact such election;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS:

SECTION 1. The recitals which are set forth in the preamble of this Resolution are true and correct, and are incorporated herein and made a part of this Resolution for all purposes.

SECTION 2. Pursuant to the requirement of "Section 19: Continuation of Services" of the Power Sales Contract, the City Council of the City of Denton, Texas elects to extend its Power Sales Contract, on the terms set forth in the Power Sales Contract and Joint Operating Agreement. Notwithstanding this election, the City of Denton acknowledges that the Power Sales Contract between TMPA and the City of Denton shall terminate and TMPA shall cease production of power and energy in the event the Generation Asset Sale closes.

SECTION 3. The City Manager is directed to deliver a certified copy of this Resolution to the Texas Municipal Power Agency on or before September 30, 2016.

SECTION 4. This resolution shall take effect immediately from and after its adoption.

PASSED AND APPROVED this the ____ day of _____, 2016.

MAYOR

ATTEST:
CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
CITY ATTORNEY

By:  _____