

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO EXECUTE A TRANSACTION CONFIRMATION FOR THE PURCHASE OF NATURAL GAS UNDER AN EXISTING BASE CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS BETWEEN THE CITY OF DENTON AND ENTERPRISE PRODUCTS OPERATING, LLC, A TEXAS LIMITED LIABILITY COMPANY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Denton, Texas (“City”) is a Texas home-rule City governed by the constitution and laws of the State of Texas; and

WHEREAS, the City, owns an electric generation station (the Denton Energy Center or “DEC”) fueled by natural gas to produce electric power required as part of the utility’s operation;

WHEREAS, the City must from time to time purchase the necessary quantities of fuel for the DEC to produce electric power;

WHEREAS, on January 16, 2018, the City Council passed Ordinance No. 2018-017 approving a Base Contract for Sale and Purchase of Natural Gas with Enterprise Products Operating, LLC (“Enterprise Base Contract”);

WHEREAS, the City now needs to purchase natural gas under the Enterprise Base Contract for the operation of the DEC;

WHEREAS, the City Council further finds that specific information required to purchase natural gas under the Enterprise Base Contract through the execution of a Transaction Confirmation should be excepted from public disclosure, as permitted by the provisions of §552.133 of the Texas Government Code, as information that is reasonably related to a competitive electric matter (“Competitive Information”), the disclosure of which would provide an advantage to the competitors or prospective competitors of Denton Municipal Electric (“DME”); and

WHEREAS, the City Council has further determined that it is in the public interest that it should exercise its right under the Texas Government Code to lawfully safeguard and keep the Competitive Information contained in the documents in the preceding paragraph sealed, as it is competitive electric and financial information; and

WHEREAS, the City Council finds it is in the public interest for the City Manager, or his designee, to execute a Transaction Confirmation for the purchase of natural gas under the Enterprise Base Contract for the operation of the DEC; NOW, THEREFORE,

THE CITY 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.

SECTION 2. The City Manager, or his designee, is authorized to purchase natural gas for the operation of the DEC under the terms and conditions of the Enterprise Base Contract and for the quantity and pricing set forth in the attached Transaction Confirmation (attached as Exhibit "A" and incorporated herein for all purposes), execute the Transaction Confirmation, and to carry out the rights, duties, obligations and responsibilities of the City in connection therewith.

SECTION 3. Immediately following the execution and delivery of the Transaction Confirmation, the City Secretary is directed to seal and maintain the same in her custody and control, as documents 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 4. This ordinance and a copy of the Transaction Confirmation, as redacted of Competitive Information, shall be open for public inspection only; due to copyright restrictions it will not be made available for reproduction for the reasons set forth in Ordinance No. 2018-017. The non-redacted Transaction Confirmation shall not be produced for public inspection, but shall be sealed, as provided for in Section 3 above.

SECTION 5. The expenditure of funds as provided for in this Ordinance is authorized.

SECTION 6. Effective Date.

This Ordinance shall become effective immediately upon its passage and approval.

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

Mayor Chris Watts: _____

Gerard Hudspeth, District 1: _____

Keely G. Briggs, District 2: _____

Don Duff, District 3: _____

John Ryan, District 4: _____

Dalton Gregory, At Large Place 5: _____

Sara Bagheri, At Large Place 6: _____

PASSED AND APPROVED this the _____ day of _____, 2018.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

BY:  _____