

**RESOLUTION NO. BTU- P-215**

**A RESOLUTION OF THE BRYAN TEXAS UTILITIES BOARD RECOMMENDING THAT THE BRYAN CITY COUNCIL APPROVE THE AGREEMENT AMONG AND BETWEEN THE CITY OF BRYAN, TEXAS, THE CITY OF DENTON, TEXAS, THE CITY OF GARLAND, TEXAS, AND THE CITY OF GREENVILLE, TEXAS REGARDING PREPAYMENT OF FIXED COST POWER PURCHASE PAYMENTS TO BE PAID TO THE TEXAS MUNICIPAL POWER AGENCY.**

WHEREAS, the Texas Municipal Power Agency has heretofore been created and established by the City of Bryan, Texas, the City of Denton, Texas, the City of Garland, Texas and the City of Greenville Texas, as a joint powers agency, a municipal corporation, a political subdivision of the State of Texas (the "State") and a body politic and corporate, pursuant to the provisions of V.T.C.A., Utilities Code, Chapter 163, Subchapter C (the "Act"); and

WHEREAS, in accordance with the Act and other applicable law, the Agency is authorized to incur indebtedness for, among other purposes, financing and refinancing electric generation and transmission facilities and related infrastructure; and

WHEREAS, the Texas Municipal Power Agency ("the Agency") and each of the Cities, have entered into a Power Sales Contract dated the 1st day of September, 1976, as amended (the "Power Sales Contract"), under which the Agency is obligated to sell electric energy to the Cities, and each City is unconditionally obligated to pay to the Agency, without offset or counterclaim and without regard to whether energy is delivered by the Agency to the respective City or Cities or whether or not any City or Cities actually use energy from the Agency's generating facilities, the percentage of the Agency's Annual System Costs (as defined in the Power Sales Contract), including the payment of the Debt Service Requirements (as defined in the Power Sales Contract) which may from time to time exist; and

WHEREAS, on May 19, 2016, the Agency adopted Resolution No. 2016-5-10, (the "Agency Resolution") that sets forth options for the Cities to prepay all or a portion of the contractual obligations of the Cities pertaining to the Debt Service Requirements component of the Agency's rates and charges for the purchase of power in accordance with the Power Sales Contract (the "Contractual Obligations"), which relate to the Agency's outstanding Subordinate Lien Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds") and Junior Subordinate Lien Revenue Refunding Bonds Series 2013 (the "Series 2013 Bonds"); and

WHEREAS, the procedures set forth in the Agency Resolution permit each City to use moneys derived from proceeds of a series of City debt issued to discharge all or a portion of its Contractual Obligations (the "City Bond Proceeds") or from a funding source other than proceeds of such City debt (the "City Available Funds") for the purpose of prepaying all or a portion of its Contractual Obligation; and

WHEREAS, the Agency Resolution provides for the Agency to establish uniform rates and charges for the Cities and to allocate a prepayment credit with respect to such rates and charges (the "Payment Credit") to any City in the amount of the City Bond Proceeds or City Available Funds that are deposited into an escrow account, plus interest earnings from the deposit of such funds in the escrow account, which deposit is dedicated to paying the respective City's Contractual Obligations pertaining to the Series 2008 Bonds and the Series 2013 Bonds; and

WHEREAS, in accordance with the Agency Resolution, the Payment Credit will be calculated with respect to a portion of the City's power purchase payments; and

WHEREAS, this Prepayment Agreement is entered into for the purpose of establishing the agreement of the Cities with respect to the Payment Credit.

NOW, THEREFORE be it resolved that the Bryan Texas Utilities Board:

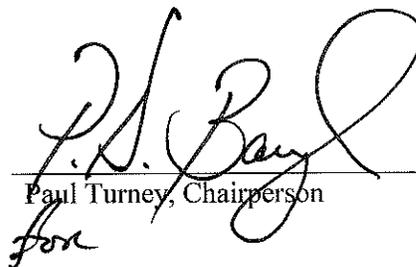
Recommends that the Bryan City Council approve the TMPA Member Cities Prepayment Agreement, attached hereto as Exhibit "A", among and between the City of Bryan, Texas, the City of Denton, Texas, the City of Garland, Texas and the City of Greenville, Texas regarding the prepayment of fixed costs power purchase payments to be paid to the Texas Municipal Power Agency.

Considered and adopted on a vote of 6 ayes and 0 nays, this 9th day of June, 2016 at a regular meeting of the Bryan Texas Utilities Board at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

ATTEST:

BRYAN TEXAS UTILITIES BOARD

  
Angela Saxby, Recording Secretary

  
Paul Turney, Chairperson  
for