

RESOLUTION No. 2013-10-02

DIRECTING STAFF TO MAKE EQUAL MONTHLY PAYMENTS OVER A FIVE YEAR PERIOD FOR THE PAYMENT OF THE CITY'S OBLIGATION UNDER THE SETTLEMENT AGREEMENT BETWEEN SPP AND MEAN

WHEREAS, the City of Fort Morgan is a member of the Municipal Energy Agency of Nebraska (MEAN); and,

WHEREAS, MEAN utilizes power lines owned by Southwest Power Pool (SPP) for transmission of electric power to MEAN members; and,

WHEREAS, SPP alleged that MEAN improperly tagged network paths thereby violating SPP's Federal Energy Regulatory Commission (FERC) approved tariff; and,

WHEREAS, SPP and MEAN entered into a settlement agreement wherein MEAN communities would be responsible in paying SPP a total of \$6,286,806.41 to resolve the issue without admitting wrongdoing; and,

WHEREAS, the Board of Directors of MEAN approved the cost allocation of the settlement based upon the "Net Energy Requirements" of each MEAN member; and,

WHEREAS, the City of Fort Morgan, being the second-largest member municipality (based on total energy usage) in MEAN is required to pay \$524,625.99; and,

WHEREAS, the Board of Directors of MEAN also approved that the repayment could be paid through two options, being: 1) a one lump sum payment due no later than April 14, 2014, or 2) payments over a five (5) year period with no accruing interest; and,

WHEREAS, City staff recommends to City Council that the payment be made through monthly payments over a five (5) year period.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT MORGAN, COLORADO:

Sec. 1: City staff is directed to opt to make monthly payments over a five (5) year period as allowed by the resolution adopted by the Board of Directors of MEAN.

INTRODUCED, PASSED, APPROVED AND ADOPTED this 1st day of October 2013, the vote upon roll call being as follows:

Ayes: Mayor McAlister, Councilmembers Bryan, Forstedt, Northrup, Segura and Shaver.

Nays: None.

Absent /Abstain: Councilmember Castoe (absent).

THE CITY COUNCIL OF THE CITY OF
FORT MORGAN, COLORADO

[SEAL]

BY: /s/ Terry L. McAlister
Terry McAlister, Mayor

ATTEST:

/s/ John J. Brennan
John Brennan, City Clerk

STATE OF COLORADO)
COUNTY OF MORGAN) ss.
CITY OF FORT MORGAN)

CERTIFICATE

I, John Brennan, City Clerk of the City of Fort Morgan, Colorado, do hereby certify that the above and foregoing **Resolution** is a true, perfect and complete copy of the **Resolution** adopted by the City Council and is identical to the original thereof appearing in the official records of the City of Fort Morgan, Colorado, and that the same has not been, since its adoption, in any respect, rescinded or amended.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the City of Fort Morgan this 2nd day of October, 2013.

/s/ John J. Brennan
John Brennan, City Clerk