

Minutes  
Special Council Meeting  
September 11, 2014

Mayor Verdi Maunu called the special meeting of the Auburn City Council to order at 6:00 PM with Jane Barto, Cindy Finley, Justin Potthoff, Randy Schulte and Janelle King present. Motion by Barto, seconded by Potthoff to approve the agenda. All voted Aye.

Resolution 14-13, A Resolution Approving a Total Requirements Power Supply Agreement between the City of Auburn and Heartland Consumer Power District was introduced. Motion by Potthoff, seconded by Schulte to approve Resolution 14-13. Voting Aye: Barto, Potthoff, Schulte, Finley and King.

RESOLUTION 14-13

A RESOLUTION APPROVING A TOTAL REQUIREMENTS POWER SUPPLY AGREEMENT BETWEEN THE CITY OF AUBURN, IOWA, AND HEARTLAND CONSUMERS POWER DISTRICT RELATING TO THE PURCHASE AND DELIVERY OF WHOLESALE ELECTRIC POWER AND ENERGY

WHEREAS, the City of Auburn, Iowa (City) owns and operates an electric utility distribution system through which it provides retail electric service to residents and businesses within its assigned service area; and

WHEREAS, Heartland Consumers Power District ("Heartland"), represents it has sufficient power supply resources to meet the City's wholesale power needs and Heartland desires to sell wholesale electric power and energy to the City; and

WHEREAS, following a competitive bidding process, the Auburn City Council selected Heartland as the supplemental wholesale power supplier of the City for a period of ten (10) years, commencing on January 11, 2015 and ending on December 31, 2024; and

WHEREAS, Auburn desires to purchase wholesale electric power from Heartland under the terms, conditions, and prices set forth in that certain contract entitled "Total Requirements Agreement", with power deliveries commencing on January 11, 2015; and

WHEREAS, the significant provisions of the Agreement include:

1. A term of January 11, 2015 through December 31, 2024
2. Fixed price contract consistent with the proposal provide on December 13, 2013, as amended on January 8, 2014. Heartland shall pass through monthly charges for transmission from MISO to the City associated with Network Transmission Service, Ancillary Services, Administrative charges and other schedule charges
3. Heartland shall pass through any transmission facility or metering charges from Mid American Energy associated with the use of the Mid American substation
4. The contract prices include transmission service for delivery into the Mid American transmission system via the Auburn substation
5. Commitment to supply all of Auburn's wholesale power needs beyond the City's federal Western Area Power Administration allocation

WHEREAS, Auburn desires that Heartland act as its scheduling agent for the City's allocation of federal hydropower power obtained from the Western Area Power Administration; and

WHEREAS, Heartland is willing to provide such scheduling service for the receipt by Auburn of the City's allocation of federal hydropower; and

WHEREAS, the City Council has been duly briefed on the provisions of the proposed Total Requirements Agreement; and

WHEREAS, the City Council, now being fully advised in the premises, desires to take action to authorize JK Energy Consulting, LLC, legal Counsel and Mayor to finalize agreements on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED by the City of Auburn Iowa as follows:

1. The above recitals are incorporated by reference in this Resolution.
2. The City Council hereby finds and declares it to be in the public interest of the customers of the Auburn municipal electric system that the City of Auburn, acting by and through its Utility Enterprise, to authorize development of final contract for the Total Requirements Agreement with Heartland Consumers Power District (Heartland), subject to final negotiations.
3. Subject to final negotiations and final legal review, the Mayor and City Clerk are authorized and instructed to complete details of contract with Heartland Consumer's Power District for the foregoing Total Requirements Agreement and take all necessary and reasonable steps to administer its provisions on behalf of the City, acting by and through its Utility Enterprise.

Passed and Approved this 11<sup>th</sup> day of September, 2014.

Resolution 14-14, A Resolution Approving Operation and Maintenance Agreement with Raccoon Valley Rural Electric Cooperative was introduced. Motion by Potthoff, seconded by Finley to approve Resolution 14-14. Voting Aye: Barto, Potthoff, Schulte, Finley and King.

RESOLUTION 14-14

A RESOLUTION INDICATING THE CITY OF AUBURN'S DESIRE TO ENTER INTO A CONTRACT WITH FOR OPERATIONS AND MAINTENANCE OR THE ELECTRICAL DISTRIBUTION SYSTEM.

WHEREAS, The City of Auburn operates and maintains an electrical distribution system and sells power to residents of Auburn, and  
WHEREAS, The City has entered final negotiations with Heartland Consumers Power District to supply power to Auburn, and  
WHEREAS, Heartland Consumers Power District does not operate or conduct distribution system repairs and maintenance, and  
WHEREAS, The City of Auburn must obtain a contract for those services separate from the power supply contract, and  
WHEREAS, Raccoon Valley Rural Electric Cooperative has provided these services in the past, has performed the work professionally and efficiently and the City of Auburn is interested in continuing the arrangement with RVEC for operations and maintenance, and  
WHEREAS, Raccoon Valley Rural Electric Cooperative intends to provide Operations and Maintenance services at a monthly cost of \$500 plus labor and equipment on a time and materials basis of cost plus 10%.

THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF AUBURN, IOWA, THAT:

1. The City of Auburn hereby finds and declares it to be in the public interest of the customers of the Auburn Municipal Electric system to authorize development of final contract for the Operations and Maintenance of our electrical system with Raccoon Valley Rural Electric Cooperative.
2. Subject to final negotiations and final legal review, the Mayor and City Clerk are authorized and instructed to complete details of agreement with Raccoon Valley Rural Electric Cooperative for the foregoing Operations and Maintenance Agreement and take all necessary and reasonable steps to administer its provisions on behalf of the City.

PASSED AND APPROVED this 11<sup>th</sup> day of September, 2014.

Motion by Schulte, seconded by Potthoff to designate Barto to analyze and study best practices and efficiency with regard to Auburn utilities. Motion Carried. Barto made council aware that she had received an open records request for her emails regarding the power supply. Motion by Barto, seconded by Potthoff to direct public works to conduct a comprehensive review of all storm water intakes, clean as necessary and replace broken intakes. All voted Aye. Motion to adjourn by Potthoff, seconded by Schulte at 6:41 PM.