

A special meeting of the Borough Council was held December 20, 2012, 5:30 p.m.

The following members and officers were present: President L. James Roberts, Councilmembers David Erwin, Douglas Propst, Edward Scholl and Daniel Williams, Solicitor Charles Fonzone and Manager Scott C. McElree.

President Roberts stated that tonight's meeting has been advertised to consider an electric purchase agreement.

RESOLVED, That, the following Resolution 118-12, adopting Resolutions 116-12 and 117-12 and authorizing the proper Borough official to execute the agreements, be adopted:

RESOLUTION 118-12

WHEREAS, the Borough of Quakertown is entering into agreements with AMP, Inc. and NextEra Energy Power Marketing for the purchase of energy for 2013 – 2017.

NOW, THEREFORE BE IT RESOLVED by the Borough Council of the Borough of Quakertown to adopt resolutions titled Resolution 116-12 and Resolution 117-12 as drafted AMP, Inc., and

BE IT FURTHER RESOLVED that the proper Borough of Quakertown officials are authorized to sign the agreements presented and attached.

Motion of Councilman Erwin, seconded by Councilman Scholl. A roll call vote was taken and the motion was unanimously carried (Councilmembers Johnson and Rosenberger absent).

Resolutions 116-12 and 117-12 adopted through Resolution 118-12, are as follows:

RESOLUTION NO. 116-12

A RESOLUTION AUTHORIZING THE EXECUTION OF NON-POOL POWER SALES SCHEDULE WITH AMERICAN MUNICIPAL POWER, INC. ("AMP")

WHEREAS, the Borough of Quakertown, Pennsylvania (the "Municipality") is a political subdivision organized and existing pursuant to the laws of the state of Pennsylvania, which owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power (capacity) and energy requirements of its electric utility system, the Municipality has heretofore purchased economical and reliable power and energy from AMP, an Ohio non-

profit corporation, of which the Municipality is a member, or has heretofore purchased power arranged by AMP; and

WHEREAS, the Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly through AMP, endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers; and

WHEREAS, Municipality has executed a Master Services Agreement with AMP which sets forth the general terms and conditions for the provision of power supply and other services by AMP to the Municipality; and

WHEREAS, AMP will negotiate with one or more reputable and financially sound third party power suppliers to enter into an agreement(s) to purchase electric power and/or energy for a term of five years, which will provide an economical source of electric power and/or energy (herein "Long Term Power Purchase(s)") for Municipality and other AMP Members; and

WHEREAS, AMP, on behalf of the Municipality, desires to purchase from third party supplier(s) and then to resell the power and energy available from these Long Term Power Purchase(s) on a long term basis to Municipality at contract cost (excluding any taxes, transmission costs, replacement power, losses, congestion costs, purchased power security costs, or AMP service fees) not to exceed \$79.00 per MWh; and

WHEREAS, AMP, has prepared and delivered to the Municipality the form of a Non-Pool Power Sales Schedule, pursuant to which the Municipality may purchase power and/or energy; and

WHEREAS, AMP has provided and will continue to provide appropriate personnel and information regarding the Long Term Power Purchase(s) to the Municipality, as such officers and representatives of the Municipality deem necessary or appropriate, to enable the Municipality to evaluate the benefits and risks of the Long Term Power Purchase(s), to take actions contemplated by the resolution hereinafter set forth and to determine that the same are in the public interest; and

WHEREAS, in recognition of the unique nature of the Purchases described herein, competitive bidding is not required on the Municipality's purchase of power and energy, through the Non-Pool Power Sales Schedule, however, any competitive bidding requirement that might otherwise be applicable for the purchase of any power and energy through the execution of the Non-Pool Power Sales Schedule authorized by this resolution, should be waived; and

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE BOROUGH OF QUAKERTOWN, PENNSYLVANIA.

SECTION 1. That the form of the Non-Pool Power Sales Schedule between this Municipality and AMP, substantially in the form attached hereto as Exhibit 1, is approved, subject to and with any and all changes provided for herein and therein.

SECTION 2. That the Borough Administrator or the Borough Administrator's designee are hereby authorized to execute the Non-Pool Power Sales Schedule and to acquire the Municipality's power and energy from Long Term Power Purchase, with a term of five years, and with a third party contract price (excluding any taxes, transmission costs, replacement power, losses, congestion costs, purchased power security costs, or AMP service fees) not to exceed \$79.00 per MWh, and is further authorized to execute and deliver any and all documents necessary to participate in Long Term Power Purchase, pursuant to the conditions set forth herein for a term of five years, as set forth in the Non-Pool Power Sales Schedule.

SECTION 3. That competitive bidding is not required on the Municipality's acquisition of its right to secure power and/or energy under the Non-Pool Power Sales Schedule, and in the event any competitive bidding requirements are applicable, any such competitive bidding requirement that might otherwise be applicable, are hereby waived.

SECTION 4. That is it found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of a quorum of the Council, and that all deliberations of this Council and of any its committees that resulted in such formal action, were held in meetings open to the public, in compliance with all legal requirements.

SECTION 5. If any section, subsection, paragraph, clause or provision or any part thereof of this resolution shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this resolution shall be unaffected by such adjudication and all the remaining provisions of this resolution shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 6. That this resolution shall take effect immediately upon its passage.

Resolution No. 117-12

TO AUTHORIZE THE EXECUTION OF THE
EPPG POOL PARTICIPANT SCHEDULE

WHEREAS, the Borough of Quakertown, Pennsylvania (the “Municipality”), owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power and energy requirements of its electric utility system, the Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly through AMP, endeavors to arrange for coordination of the purchase or other provision of electric power and energy (power supply) and for ultimate delivery to its customers; and

WHEREAS, Municipality has executed a Master Services Agreement with AMP which sets forth the general terms and conditions for the provision of power supply and other services by AMP to the Municipality; and

WHEREAS, Municipality desires to contract with AMP, along with other AMP member municipalities to pool, arrange and share power supply and transmission operations; and

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE BOROUGH OF QUAKERTOWN, PENNSYLVANIA.

SECTION 1. That the form of EPPG Pool Participant Schedule attached hereto as Exhibit 1, including Appendices thereto between this Municipality and AMP, be, and the same hereby is, approved substantially in the form attached hereto, subject to and with any and all changes provided herein and therein.

SECTION 2. That the Borough authorized Borough representative is hereby authorized and directed to execute and deliver on behalf of this Municipality the EPPG Pool Participant Schedule, substantially in the form attached hereto together with such changes or modifications of the same that are not adverse to this Municipality’s interest as determined by the Borough representative and/or Borough Solicitor.

SECTION 3. That is it found and determined that, to the extent required by law, all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of the Council, and that all

deliberations of this Council and of any its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements.

SECTION 4. If any section, subsection, paragraph, clause or provision or any part thereof of this resolution shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this ordinance shall be unaffected by such adjudication and all the remaining provisions of this ordinance shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 5. That this resolution shall take effect at the earliest date allowed by law.

President Roberts declared the meeting adjourned.

BOROUGH OF QUAKERTOWN

L. James Roberts, Jr.
President of Council

Attest:

Scott C. McElree
Borough Secretary