

RESOLUTION NO. 2014-03

A RESOLUTION OF THE CITY OF Baldwin City, KANSAS, AUTHORIZING THE KANSAS MUNICIPAL ENERGY AGENCY TO TERMINATE THE PARTICIPATION POWER SALES AGREEMENT FOR ELECTRICITY FROM NEARMAN NO. 1; AUTHORIZING TERMINATION OF THE NEARMAN POWER SALES CONTRACT WITH THE KANSAS MUNICIPAL ENERGY AGENCY; AND AUTHORIZING THE EXECUTION OF AN AGREEMENT RELATED THERETO.

WHEREAS, the K.S.A. 12-885 *et. seq.* (the "Act") provides that two or more cities may create a municipal energy agency for the purpose of planning, studying and developing supply, transmission and distribution facilities and programs, and for the purpose of securing an adequate, economical and reliable supply of electricity and other energy, and transmitting same for distribution through the distribution systems of such cities; and

WHEREAS, the City is a member of the Kansas Municipal Energy Agency ("KMEA"), a municipal energy agency created under the Act; and

WHEREAS, the City is engaged in the local distribution and sale of electrical energy in the City and its environs; and

WHEREAS, in December 1982, KMEA entered into a Participation Power Sales Agreement, as amended (the "Nearman Agreement"), with the Board of Public Utilities of the City of Kansas City, Kansas (now known as the Unified Government of Wyandotte County/Kansas City, Kansas) (the "BPU") for the supply of electric power and energy from BPU's Nearman Creek Power Station No. 1 ("Nearman No. 1"); and

WHEREAS, the City and KMEA entered into the Nearman Power Sales Contract, as amended (the "Participation Agreement"), for the City to purchase a portion of electric power and energy from Nearman No. 1;

WHEREAS, the Nearman Agreement was amended in January 1995 to provide KMEA the right of termination with at least one (1) year advance written notice in the event the projected charges for the payment-in-lieu-of-tax rate exceeds 6%; and

WHEREAS, the projected charges for the payment-in-lieu-of-tax rate in 2014 will exceed 6%; and

WHEREAS, the City and KMEA desire to provide written notice to the BPU of its intent to terminate the Nearman Agreement and the Participation Agreement as of December 31, 2015;

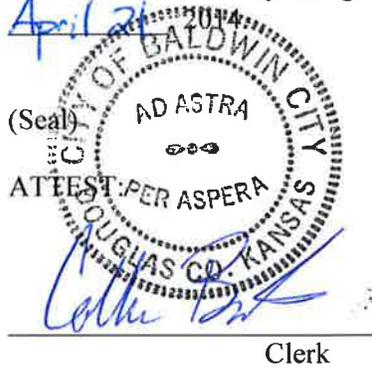
NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF Baldwin City, KANSAS;

**Section 1.** The City agrees to amend the Participation Agreement to provide for termination as of December 31, 2015. The Mayor and City Clerk are hereby authorized and directed to execute an amendment to the Participation Agreement, and the Mayor, City Clerk and other staff of the City are hereby authorized and directed to take such other action as may be necessary for the termination of the Participation Agreement.

**Section 2.** The City authorizes KMEA to provide notice to BPU of termination of the Nearman Agreement as of December 31, 2015.

**Section 3.** This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

ADOPTED by the governing body of the City of Baldwin City, Kansas, on April 21, 2014.



Mariya Parise  
Mayor

**CERTIFICATE**

I, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 2014-03 of the City of Baldwin City, Kansas adopted by the governing body on April 21, 2014 as the same appears of record in my office.

DATED: April 22, 2014.

Cathy Park  
Clerk

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