

**OFFICIAL PROCEEDINGS OF THE
SPECIAL CALL COUNCIL MEETING**

**August 5, 2010
6:00 p.m.**

At the appointed time, Mayor Hark directed the Deputy City Clerk to read the call. It was:

To the Chief of Police of the City of Hannibal, Missouri:

Greetings:

You are hereby directed to notify City Attorney James Lemon, Council Members Knickerbocker, Dobson, Barta, Louderman, Hark and Lyng, that there will be a called session of the City Council to be held in the Council Chambers at City Hall at 6:00 p.m. on Thursday, August 5, 2010, for the purpose of:

ROBERT STEVENSON – BPW GENERAL MANAGER
Re: Purchased Power – Market Based Rate Full Requirements Agreement
American Electric Power Corporation
(Resolution No. 1669-10, to follow)

ROLL CALL

Present: Mayor Pro Tem Knickerbocker, Council Members Dobson, Barta, Mayor Hark and Council Member Hark – 5

Absent: Council Members Louderman and Lyng – 2

CALL TO ORDER

There being a quorum present, Mayor Hark called the meeting to order. Motion was made to excuse Council Members Louderman and Lyng. Motion was seconded by Council Member Hark.

Motion carried.

ROBERT STEVENSON – BPW GENERAL MANAGER
Re: Purchased Power – Market Based Rate Full Requirements Agreement
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Board of Public Works General Manager came before Council, thanked them for coming and stated he had good and bad news. He explained that the good news was the Board, Centralia, Kahoka and Marceline were back in negotiations on the contract with American Electric Power

Corporation, as of August 3rd they thought this was completed; however, today, August 5th at 1:30 p.m. an e-mail was received from another bidder informing them that they had substantially changed their position. He went on to say that Ameren Energy Marketing had the lowest price from the start but the contract included conditions that were unacceptable. The clause that contained this position has now been removed from Ameren's contract, making it the most favorable bid, according to the e-mail. This difference will save the BPW, if approved, approximately \$1,000,000.00. This contract should be completed within 48 hours, if all four cities are agreeable; however, Stevenson added that he does not have a contract for approval this evening. He asked for Bill No. 10-011 to be tabled at this time.

Motion was made by Mayor Pro Tem Knickerbocker to admit Council Member Lyng, who entered the meeting while Stevenson was giving his presentation. Motion was seconded by Council Dobson.

Motion carried.

RESOLUTION NO. 1669-10

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MARKET BASED RATE FULL REQUIREMENTS AGREEMENT BETWEEN THE CITY OF HANNIBAL, BOARD OF PUBLIC WORKS AND AMERICAN ELECTRIC POWER CORPORATION FOR THE 2012-2014 PURCHASED POWER SUPPLY CONTRACT IN THE AMOUNT OF \$49.02/MWh

Motion was made by Mayor Pro Tem Knickerbocker to table Resolution No. 1669-10. Motion was seconded by Council Member Dobson. Stevenson was questioned, regarding the time limit of negotiating a new contract. He responded that all but two companies have been eliminated. Ameren EN and American Electric Power Corporation. At this stage, both have been given the opportunity to make a move. By removing the clause in their contract, Stevenson believes that American Electric Power has made their final move; however, Ameren EN could make a final offer.

He added that, as long as negotiations are in the competitive mode, prices are falling, but as soon as the competition is over the pricing reverts to indexes and daily market prices will then be tracked. So once negotiations have gone as far as they can go, it is imperative that the contract is finalized as soon as possible, because prices could be affected \$.25-\$.50 in one day.

Motion carried.

ADJOURNMENT

Motion was made by Mayor Pro Tem Knickerbocker to adjourn the Special Call Council meeting at this time. Motion was seconded by Mayor Hark.

Motion carried.