

## **CITY COUNCIL MEETING**

**October 28, 2008, 1:00 p.m.**

### **CITY COUNCIL OF THE CITY OF ABILENE, TEXAS COUNCIL CHAMBERS, CITY HALL**

The City Council of the City of Abilene, Texas, met in Special Session on October 28, 2008, at 1:00 p.m. in the Council Chambers at 555 Walnut Street. Mayor Archibald was present and presiding with Councilmen Sam Chase, Stormy Higgins, Joe Spano, Robert Briley, Anthony Williams and Councilwoman Laura Moore. Also present were City Manager Larry Gilley, City Attorney Dan Santee, City Secretary Danette Dunlap, and various members of the City staff.

Mayor Archibald gave the invocation.

Councilman Williams led the Pledge of Allegiance to the Flags of the United States of America and the State of Texas.

Director of Finance Mindy Patterson presented the Resolution authorizing the Cities Aggregation Power Project, Inc. (CAPP) to negotiate an electric supply agreement for deliveries of electricity.

The City of Abilene is a member of Cities Aggregation Power Project, Inc. (CAPP) which is a nonprofit political subdivision corporation dedicated to securing electrical power for its members. The City's current contract for power previously negotiated by CAPP expires on December 31, 2008. When that contract expires, the City will revert to a high price standard contract or will have to independently shop for a power contract.

The resolution locks in a five year electric energy contract with CAPP's current providers FPL Energy (energy) and Direct Energy (billing and related services). The resolution also authorizes CAPP to negotiate and contract with FPL Energy and Direct Energy on behalf of the City. Like the past CAPP contracts, the price of the energy supplied pursuant to this contract will be tied to the price of natural gas.

All CAPP members are being asked to take action on the resolution on or before October 31. The reason for the deadline is so that CAPP is in the position to act quickly to lock in natural gas prices before prices begin escalating. There are two indications that natural gas prices will begin to rise. Any increase in the price of crude oil will likely cause the price of natural gas to similarly respond. In addition, the start of the winter heating season in the Northeast will increase the demand for natural gas, which will cause natural gas to rise sometime in early mid-November.

Council and Staff discussion included: 1) finishing a 3 year contract with CAPP; and 2) another 3 year contract is not available at this time.

Councilwoman Moore made the motion to approve the Resolution authorizing the Cities Aggregation Power Project, Inc. (CAPP) to negotiate an electric supply agreement for deliveries of electricity and necessary, related services effective January 1, 2009. Councilman Higgins seconded the motion, the motion carried.

AYES: Councilmen Chase, Spano, Williams, Briley, Higgins, Councilwoman Moore and Mayor Archibald.

NAYS: None

The Resolution numbered **#37-2008** and is captioned as follows:

A RESOLUTION OF THE CITY OF ABILENE, TEXAS, AUTHORIZING THE CITIES AGGREGATION POWER PROJECT, INC. (CAPP) TO NEGOTIATE AN ELECTRIC SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY AND NECESSARY, RELATED SERVICES EFFECTIVE JANUARY 1, 2009; AUTHORIZING CAPP TO ACT AS AN AGENT ON BEHALF OF THE CITY TO ENTER INTO A CONTRACT FOR ELECTRICITY; APPROVING CAPP CONTRACTING WITH FPL ENERGY AND DIRECT ENERGY AND AUTHORIZING THE CHAIRMAN OF CAPP TO EXECUTE AN ELECTRIC SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2009; COMMITTING TO BUDGET FOR ENERGY PURCHASES AND TO HONOR THE CITY'S COMMITMENTS TO PURCHASE POWER THROUGH CAPP FOR ITS ELECTRICAL NEEDS BEGINNING JANUARY 1, 2009 THROUGH DECEMBER 31, 2013.

There being no further business the meeting was adjourned at 1:15 p.m.

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Danette Dunlap  
City Secretary

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Norm Archibald  
Mayor