

OFFICIAL PROCEEDINGS
CITY OF MORGAN CITY
SPECIAL MEETING
MARCH 12, 2013

The Mayor and City Council of Morgan City, Louisiana, met at 6:00pm in special session, this date, in the City Court Building, Highway 182 East, Morgan City, Louisiana.

There were present: Honorable Frank P. Grizzaffi, III, Mayor; and Council Members Ron Bias, Barry Dufrene, James Fontenot, Tim Hymel, and Louis J. Tamporello, Jr.

Absent: None

Also present were Mr. Marcus Folse, Chief Administrative Officer and Mr. Gregory Aucoin, City Attorney.

Mayor Grizzaffi stated that the purpose of the meeting was to discuss a notice of intent to enter into a power sales contract between the City of Morgan City and LEPA. He stated Mr. Tim Matte was here to give an update on where the City stood and to explain the power sales contract.

Mr. Timothy Matte gave a brief presentation on the LEPA power sales contract (copy on file). Mr. Hymel asked what would be the penalties if the City defaulted. Mr. Matte stated that they were obligated to repay unless they declared bankruptcy. He stated that resolutions had been passed by all cities except Winnfield, St. Martinville and Welsh.

Mr. Tamporello stated he would like to offer reliability and stability to our citizens, whereupon,

The following resolution was offered by Mr. Tamporello and seconded by Mr. Dufrene:

RESOLUTION NO. R:13-23

A resolution giving notice of intention of the City of Morgan City, State of Louisiana (the "City"), to enter into a Power Sales Contract by and between the City and the Louisiana Energy and Power Authority relative to a source of electric energy and power for the City's electric system, ordering a public hearing in connection therewith, providing for the publication of such Power Sales Contract and notice of the public hearing as required by law and providing for other matters incidental or necessary relative to the foregoing.

WHEREAS, the City of Morgan City, State of Louisiana (the "City") owns and operates its own electric transmission and distribution system, and its governing authority has found and determined after lengthy studies that an additional source of electric energy and power is required for said system in order to serve the best interests of the City, its electric consumers and citizens; and

WHEREAS, a reliable and efficient source of electric power and energy would benefit the City and the electric customers of its utilities system; and

WHEREAS, Louisiana Energy and Power Authority ("LEPA") has determined that it will construct and acquire a new combined cycle gas turbine electric generating plant (the "Project") for the purpose of providing electric power and energy to those member cities of LEPA that participate in the financing of the Project; and

WHEREAS, recently available technology permits increased efficiency in the generation of electric power; and

WHEREAS, the present cost and anticipated future cost of natural gas will contribute to the economic operation of the Project; and

WHEREAS, this governing authority has determined that, upon completion of the Project, the City can obtain a desirable and advantageous power supply from LEPA under the terms of a Power Sales Contract, hereinafter described, and now desires to give notice of its intention to enter into such Power Sales Contract, and after holding a public hearing and taking such other actions as may be required by law, to authorize the execution

and delivery of said Power Sales Contract as herein provided; and

WHEREAS, a continuation of the current interest rate environment will further contribute to the feasibility of the Project; and

WHEREAS, in order to facilitate the planning of the financing, acquisition and construction of the Project, it is necessary that the cities wishing to participate in the Project declare their intention to do so;

NOW, THEREFORE, BE IT RESOLVED by the Morgan City Council (the "Governing Authority"), acting as the governing authority of said City:

SECTION 1. That in compliance with and under the authority granted by Chapter 10-A of Title 33 of the Louisiana Revised Statutes of 1950 (the "Act"), this governing authority hereby gives notice of its intention to enter into a Power Sales Contract for and on behalf of said City with LEPA substantially in the form and content attached hereto as Exhibit A and made a part of this resolution.

SECTION 2. That the Mayor be and he is hereby authorized and directed to publish a notice of intention to enter into said Power Sales Contract once a week for four (4) consecutive weeks as required by law (with the first publication being at least thirty (30) days before the public meeting described below) in the *Daily Review*, Franklin, Louisiana, the official journal of said City and a newspaper of general circulation published therein, said notice of intention to be substantially in the form attached hereto as Exhibit B.

SECTION 3. That this governing authority shall meet in open and public session at its regular meeting place, the City Courthouse, 7261 Highway 182 East, Morgan City, Louisiana on March 12, 2013, at six o'clock (6:00) p.m. to hold a public hearing relative to the proposed Power Sales Contract, to receive any petitions and to hear any objections to said Power Sales Contract, as provided for in said notice of intention. If at such hearing a petition duly signed by electors of said City in a number not less than five percent (5%) of the electors voting in the last special or general election shall be filed objecting to the proposed Power Sales Contract, then said Power Sales Contract shall not be executed or delivered by or on behalf of said City until approved by a majority vote of the qualified electors of said City who vote at a special election held for this purpose in the manner generally provided by Chapter 6-A of Title 18 of the Louisiana Revised Statutes of 1950. In the event no such petition is filed at said public hearing, it is the intention of this governing authority to proceed on that date or at some future duly convened meeting to (i) formally approve and authorize the execution and delivery of the Power Sales Contract substantially in the form attached hereto as Exhibit A, (ii) determine the amount (not exceeding sixty-four (64) megawatts) of power and energy to be obtained pursuant to said Power Sales Contract and (iii) approve such other documents as may be appropriate to implement said Power Sales Contract, including by not limited to, the LEPA Power Project Revenue Bonds (LEPA Unit No. 1) Resolution.

SECTION 4. That this resolution, including the Exhibits attached hereto, having been reduced to writing and having been presented to this governing authority, shall be published as soon as possible one time in the aforementioned official journal of the City not less than thirty (30) days before the date of the public hearing herein ordered and provided for.

SECTION 5. That it is the intention of this resolution to comply with all of the procedural and legal requirements of the Act so as to authorize said Power Sales Contract as a valid and legally binding obligation of said City enforceable in accordance with its terms.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Tamporello, Dufrene, Bias, Fontenot, Hymel
NAYS: None
ABSENT: None

And the resolution was declared adopted on this, the 12th day of March, 2013.

/s/ Debbie Harrington
Debbie Harrington, Clerk

/s/ Frank P. Grizzaffi, III
Frank P. Grizzaffi, III, Mayor

Mr. Pat Cloutier asked the Council why the City of Abbeville had dropped out of the LEPA

agreement. Mr. Matte stated that the current wholesale rate that Abbeville was paying was a little higher than the rate that LEPA's had been able to deliver. He stated that Abbeville had a contract with CLECO and that the price was much better a few years ago than it is now. They were also considering a contract with Constellation for a price that appeared to provide them with a source of electricity without them having to take the risk of going into a project and that was their motivation for not considering the project.

There being no further business, a motion to adjourn was made by Reverend Bias, seconded by Mr. Tamporello, and voted unanimously in favor.

/s/ Debbie Harrington
Debbie Harrington
Clerk

/s/ Frank P. Grizzaffi, III
Frank P. Grizzaffi, III
Mayor