

**RESOLUTION NUMBER R17-019**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA, APPROVING AN AMENDED AND RESTATED POWER PURCHASE AGREEMENT AND A THIRD AMENDMENT TO THE ADMINISTRATION AND SCHEDULING AGREEMENT IN CONNECTION WITH THE MESQUITE POWER/SPPA POWER PURCHASE AGREEMENT.**

WHEREAS, there has been prepared and presented to the City Council of the City of Safford ("Council") on this date a form of each of the following agreements:

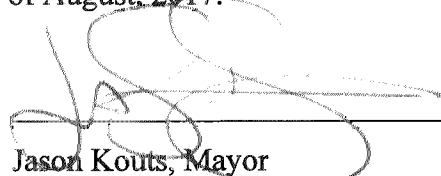
1. Amended and Restated Power Purchase Agreement (the "PPA"); and
2. Third Amendment to the Administration and Scheduling Agreement by and between the Southwest Public Power Agency, Inc. and the participants in the PPA, including the City of Safford (the "A&SA Amendment").


WHEREAS, the Council has been duly advised as to the relevant circumstances giving rise to the need for and the respective terms and provisions of the PPA and the A&SA Amendment, and finds that approval and execution of said agreements will, under the relevant circumstances, be in the best interest of the City;

**NOW, THEREFORE, BE IT RESOLVED** by the Council as follows:

1. The PPA and the A&SA Amendment are each hereby approved and adopted in substantially the forms presented to the Council on this date, with only such changes as are approved by the persons authorized below to execute the PPA and the A&SA Amendment, such approval to be evidenced by such execution.
2. The Mayor is hereby authorized to execute the PPA and the A&SA Amendment, and to thereafter execute and deliver all such other documents and instruments as may be necessary or required in order to implement the PPA and the A&SA Amendment.

**PASSED, ADOPTED, AND APPROVED** by the Mayor and City Council of the City of Safford, Graham County, Arizona, on the 14 day of August, 2017.

  
\_\_\_\_\_  
Jason Kouts, Mayor

APPROVED AS TO FORM:  
  
\_\_\_\_\_  
William J. Sims, III  
City Attorney

ATTEST:

  
\_\_\_\_\_  
Georgia Luster, MMC  
City Clerk

STATE OF ARIZONA        )  
                                      ) ss  
County of Graham        )

CERTIFICATION

I HEREBY CERTIFY, that the foregoing Resolution Number R17-019 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a Council Meeting held August 14, 2017. A quorum of the Council was present at the meeting.

Georgia Luster  
Georgia Luster, MMC, City Clerk

August 14, 2017  
Date:



*attach signed doc*

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**CITY COUNCIL COMMUNICATION**

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**TO: Mayor and Council**  
**FROM: Jenny Howard, Utility Director**  
**SUBJECT: Southwest Public Power Agency (SPPA)-Additional Capacity**  
**DATE: Monday, August 14, 2017 at 6:00 p.m.**

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**Purpose and Recommended Action:** This is a request for the Councils consideration and proposed adoption of Resolution No. R17-019 approving the Mayor to authorize execution of:

- (1) Amended and Restated Power Purchase Agreement with Mesquite Power, LLC; and
- (2) Third Amendment to Administration and Scheduling Agreement with Southwest Public Power Agency, Inc.

**Background:** City of Safford a member of the 20 member Southwest Public Power Agency. City of Safford's allocation of the 271 MW of capacity is 15 MW. SPPA has been presented the opportunity to acquire an additional capacity from Mesquite Power, LLC.

**Analysis:** The City of Safford allocation from SPPA is currently 15 Mega-Watts (MW). By entering into the amended agreements, City of Safford will be able to acquire at least two (2) but no more than four (4) MW of additional capacity with no additional fixed costs.

Provided in your packets is the latest version of the Amended and Restated Power Purchase Agreement (PPA), Third Amendment to the Administration and Scheduling Agreement, and an executive summary of the changes. The documents are in a near final form and we are seeking approval for the Mayor to sign the agreements based on the final review and approval SPPA, and legal representatives.

**AMENDED AND RESTATED**  
**POWER PURCHASE AGREEMENT**

**by and between**

**MESQUITE POWER, LLC**

**and**

**THE UNDERSIGNED BUYERS**

**AUGUST 31, 2017**