

RESOLUTION NUMBER R17-020

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAFFORD, GRAHAM COUNTY, ARIZONA, RATIFYING AND APPROVING THE CANCELLATION OF CONTRACT NO. 16-DSR-12686 DATED SEPTEMBER 1, 2016, FOR FIRM TRANSMISSION SERVICE ARRANGEMENTS BETWEEN THE CITY OF SAFFORD AND WESTERN AREA POWER ADMINISTRATION.

WHEREAS, pursuant to requirements for transmission and delivery of the City's allocation of Hoover Power under the Power Sales Contract between Arizona Power Authority and the City effective October 1, 2017, (the "Hoover Contract") the City was required to designate prior to July 1, 2017 a point of delivery for the City's entitlement of Hoover Power commencing October 1, 2017; and

WHEREAS, the City holds rights to transmission service from Arizona Electric Power Cooperative, Inc. ("AEPSCO") under a network service agreement sufficient to transmit the City's entitlements under the Hoover Contract, using a point of delivery available to AEPSCO, without the need for and expense of the transmission capacity previously arranged for by means of Contract No. 16-DSR-12686 Between the United States, Department of Energy, Western Area Power Administration, Desert Southwest Region and City of Safford for Firm Transmission Service Arrangements (the "Prior WAPA FTS Agreement") having an effective date of October 1, 2017; and

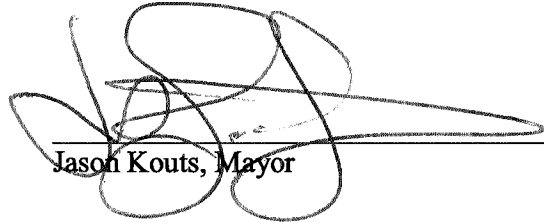
WHEREAS, pursuant to the Hoover Contract the City was required to designate and confirm its transmission and point of delivery arrangements no later than July 1, 2017, the Prior WAPA FTS Agreement provided a 90-day cancellation notice requirement, and the arrangements and network service rights with AEPSCO were not confirmed until just prior to expiration of said notice provision; and,

WHEREAS, in order to preserve the economic benefits available to the City by timely withdrawing from the Prior WAPA FTS Agreement and changing the Hoover Power delivery point to AEPSCO in reliance upon the City's network service rights, the City gave notice by email from its consulting engineers to WAPA cancelling the Prior WAPA FTS Agreement effective June 29, 2017; and

WHEREAS, the Council has been duly advised as to the relevant circumstances giving rise to the need for the above-referenced decisive action under timing exigencies not allowing for prior approval by the Council, and, considering the economic benefits to the City of said action, finds that ratification and approval of said action will, under the relevant circumstances, be in the best interest of the City;


NOW, THEREFORE, BE IT RESOLVED by the Council that the cancellation of the Prior WAPA FTS Contract effective June 29, 2017 is hereby ratified, approved and confirmed.

PASSED, ADOPTED, AND APPROVED by the Mayor and City Council of the City of Safford, Graham County, Arizona, on the 11 day of September, 2017.




Jason Kouts, Mayor

ATTEST:



Georgia Luster, MMC
City Clerk

APPROVED AS TO FORM:




William J. Sims, III
City Attorney


STATE OF ARIZONA)
) ss
County of Graham)

CERTIFICATION

I HEREBY CERTIFY, that the foregoing Resolution Number R17-020 was duly passed and adopted by the Mayor and City Council of the City of Safford, Graham County, Arizona, at a Council Meeting held September 11, 2017. A quorum of the Council was present at the meeting.



Georgia Luster, MMC
City Clerk



Date: