

**RESOLUTION NO. 8
SERIES 2006**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AUTHORIZING THE CITY TO REMAIN A TOTAL REQUIREMENTS PURCHASER UNDER THE SERVICE SCHEDULE M TOTAL POWER REQUIREMENTS POWER PURCHASE AGREEMENT WITH THE MUNICIPAL ENERGY AGENCY OF NEBRASKA AND CONSENT TO THE AMENDMENT OF EXHIBIT D AS OUTLINED HEREIN

WHEREAS, the City of Gunnison adopted Ordinance 10, Series 1992 on September 8, 1992, which authorized the execution of the Service Schedule M Total Power Requirements Power Purchase Agreement (hereinafter referred to as "SSM") with the Municipal Energy Agency of Nebraska (hereinafter referred to as "MEAN"); and,

WHEREAS, the City of Gunnison has received notice that on May 13, 2004, the MEAN Board of Directors approved entering into a Participation Power Agreement with Nebraska Public Power District to purchase 11.78% (approximately 7 MW) from the Ainsworth Wind Energy Facility (herein after referred to as "Ainsworth Wind Project"), which is a wind-generated electric facility consisting of 36 wind turbines (rated at 1.65 MW each) with a net generating capability of approximately 60 MW; and,

WHEREAS, the City of Gunnison has received notice that on May 25, 2005, the MEAN Board of Directors approved entering into a Participation Agreement with Public Power Generation Agency to purchase 36.36% (approximately 80 MW) entitlement share from Whelan Energy Center Unit 2 (herein after referred to as "WEC 2 Project"), which is a new coal-fired, steam electric generating unit with a net generating capability of approximately 220 MW; and,

WHEREAS, the Ainsworth Wind Project and WEC 2 Project are hereinafter collectively referred to as "Projects"; and,

WHEREAS, this SSM has been a valid and binding agreement between the City of Gunnison and MEAN since the date of execution and the City of Gunnison continues to be under a contractual obligation to be a Total Requirements Purchaser under SSM; and,

WHEREAS, the City of Gunnison has received a Notice to Service Schedule M Participants to amend Exhibit D to SSM dated July 18, 2002, pursuant to Section 3.01 (c) of SSM, a copy of which is attached; and,

WHEREAS, the City of Gunnison recognizes its right, pursuant to Section 3.01 (c) of SSM, to advise MEAN within sixty (60) days that it does not want to participate in the Projects, as described in the Notice, and, therefore, become a Contract Purchaser; and,

WHEREAS, the City of Gunnison determines it is in the best interest of the City of Gunnison and its ratepayers to decline exercising this right, to consent to participation in the Projects and to amend Exhibit D of SSM, and, therefore, remain a Total Requirements Purchaser.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, THAT:

Section 1. The City of Gunnison finds and declares that it is in the public interest of the City of Gunnison and its ratepayers that the City of Gunnison remain a Total Requirements Purchaser under SSM and consent to the amendment of Exhibit D to SSM by adding 11.78% purchase participation in the Ainsworth Wind Project and 36.36% entitlement share in the WEC 2 Project as additional Projects.

Section 2. It is hereby ordered and directed that the City of Gunnison, acting through its Mayor and City Clerk, consent to amend Exhibit D to SSM, a copy of Exhibit D being attached hereto and made a part hereof.

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Section 3. The City of Gunnison does hereby reaffirm each of the objectives, terms and conditions set forth in SSM, as amended.

INTRODUCED, READ, PASSED, AND ADOPTED at the regular meeting of the City Council of the City of Gunnison, Colorado, held this 12th day of September, 2006.

Mayor

(SEAL)

ATTEST:

City Clerk