



CITY COUNCIL ITEM SUMMARY

MEETING DATE:	November 19, 2020
SUBCATEGORY:	Contracts/Agreements
DEPARTMENT NAME:	Electric
AGENDA ITEM TITLE:	Inter-Participant Transaction Agreement with Calhoun
DEPARTMENT SUMMARY RECOMMENDATION:	<p>The Electric Department is requesting authorization for the Mayor to sign an Inter-Participant Transaction with the City of Calhoun. It is a requirement that all electric utility entities in the state maintain a 15% reserve capacity level.</p> <p>With MEAG's latest information, we are 473kW shy of maintaining our 15% reserves. To correct this deficiency, MEAG has coordinated a purchase from the City of Calhoun to make up the difference which would cost \$6/kW or \$2,838.00. The purchase would be broken down into (12) monthly payments and included on our monthly bill from MEAG. In order to maintain the 15% reserve level required, we recommend approving the one-time transaction of \$6/kW, or \$2,838.00, to the City of Calhoun. This is not a budgeted item, but it will be paid from revenues.</p>
LEGAL:	Reviewed and approved by Keith Lovell