

MINUTES  
SPECIAL MEETING  
CITY COUNCIL

August 22, 2023

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager  
Louis E. Vinay, Jr., City Attorney

Wendy Cato                    )  
Christopher Hawkins        ) Council  
Chris Jernigan               )  
Butch McSwain              )

- I. Call to Order – Mayor Thompson called the meeting to order at 8:05 a.m. in the Council Chamber at City Hall.
  
- II. Open Session to Consider Approval of Power Purchase Agreement for Sale of Excess Nuclear Plant Capacity

City Manager Sandy stated that this special meeting is a follow-up to the May Closed Session. She advised that the City of Morganton is one of the 19 member municipalities of the North Carolina Municipal Power Agency 1 (“NCMPA1”), which owns a large share of the Catawba Nuclear Plant. That share of the electricity generated by the Catawba Plant is so substantial that there is an excess in capacity over the needs of the 19 members of NCMPA1. The Agency has therefore negotiated a proposed Power Purchase Agreement (“PPA”) with Central Electric Power Cooperative Inc. (which represents numerous electric service co-ops in South Carolina) for the sale of some excess capacity. The Board of Directors of NCMPA1 has adopted a series of Resolutions approving the PPA, an Amendment Agreement, and an Agreement regarding the Purchase and Sale of Excess Participant Share of Project Output. If the sale is approved, NCMPA1 would have to make adjustments concerning excess power usage by the member cities, which requires an Excess Participant Share Agreement (“EPSA”). To become effective, all of these matters must be approved by the governing boards of all 19 members of NCMPA1. Specifically, the City Council is asked to consider approval of an Ordinance approving the Amendment Agreement to the PPA, and the EPSA.

Since the Buyer is not willing to alter the deadline, if these documents are not approved by all 19 members before September 1, 2023, the transaction cannot take effect for another year. It is estimated that such a delay would cost the members of NCMPA1 a collective total in excess of \$20,000,000 in savings. Therefore, a called meeting of the City Council is necessary prior to the regularly scheduled meeting. Several of the other 19 members face exactly the same circumstances and are considering this matter in special meetings.

The City Manager and City Electric Director both strongly endorse approval of the PPA, and the EPSA. The City Attorney has reviewed the various documents for legal compliance and also approves. City Manager Sandy reminded the Council that they were briefed on this Agreement in closed session on May 1<sup>st</sup> of this year.

Councilmembers asked several questions resulting in discussion regarding risk, benefits and long-term effects of the agreement.

Upon motion by Councilmember Cato, seconded by Councilmember Hawkins, and unanimously carried (5-0), the Council adopted Ordinance 23-27 approving Amendment Agreement No. 3 to Project Power Sales Agreement Catawba Nuclear Project and Agreement Regarding the Sale and Purchase of Excess Participant Share of Project Output; and authorizing Mayor and City Clerk to execute necessary documents.

III. Adjournment – There being no further comment the meeting was adjourned at 8:22 a.m.

Preparation of Minutes. These minutes were prepared by Renee C. Carswell, City Clerk. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

*Ronni Thompson*

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Mayor

*Renee C. Carswell*

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City Clerk

