

CITY OF LAGRANGE, GEORGIA
REGULAR MEETING OF THE MAYOR AND COUNCIL

July 27, 2021

Present: Mayor Jim Thornton; Council Members LeGree McCamey, Mark Mitchell, Nathan Gaskin, Willie Edmondson, Tom Gore and Jim Arrington

Also Present: City Manager Meg Kelsey; City Clerk Sue Olson; Assistant City Manager Bill Bulloch; City Attorney Jeff Todd; Communications Manager Katie Van Schoor; City Planner Mark Kostial

The meeting was called to order by Mayor Thornton, the invocation was given by Rev. Jimmy McMillian of Baptist Tabernacle, and Mayor Thornton led the Pledge of Allegiance to the Flag.

On a motion by Mr. Gaskin seconded by Mr. Arrington, Council unanimously approved the minutes of the regular Council meeting held on July 15, 2021.

Mayor Thornton presented a 25 year service award to City Manager Meg Kelsey. Mayor Thornton thanked Ms. Kelsey for her years of dedication and service to the citizens and employees of the City of LaGrange. The Council also expressed their appreciation for Ms. Kelsey's leadership and service.

A public hearing was held to receive comments on a Board of Planning and Zoning Appeals recommendation to rezone property located adjacent to Vernon Street and Hills & Dales Farm Road. The proposed plan is to develop this property as commercial space with one anchor tenant and three to four potential outparcels. Jeff Moore, Buckeye Creek HOA President, expressed concerns about increased traffic and increased noise from tractor-trailers. Mitch Cummings, a Buckeye Creek resident, questioned where there would be buffers and if truck traffic would use Vernon Street for ingress/egress. R. L. (Merg) Hoffman, Merganser Enterprises and developer for the proposed project, answered the resident's questions and presented a preliminary drawing of the proposed project. No other comments were received and Council heard the first reading of the following ordinance:

AN ORDINANCE

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF LAGRANGE TO AMEND THE CODE OF THE CITY; TO AMEND THE ZONING MAP AND ORDINANCES OF THE CITY SO AS TO RECLASSIFY THE USE ZONE OF REAL ESTATE LOCATED ADJACENT TO VERNON STREET AND HILLS & DALES FARM ROAD AND OWNED BY SYNOVUS TRUST COMPANY, N.A. IN ITS CAPACITY AS SUCCESSOR TRUSTEE OF THE TRUST CREATED UNDER THE WILL OF FULLER E. CALLAWAY, JR. FOR THE BENEFIT OF CHALRES D. HUDSON, JR., ET AL; TO REPEAL CONFLICTING ORDINANCES; TO FIX AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

LGTV Interns and former LaGrange Youth Council Members Libby Criswell and Zoie Mitchell came before the Council to express their appreciation to the City staff for the valuable time spent as Interns with the City. They shared a video they made to encourage other high school students to apply to become a member of the Youth Council. The Mayor and Council thanked them for their service.

Jennifer Crowder, founder of Life Tips 4 Teens, came before the Council to inform them of her services. She assists young people in preparing and educating them for future success. The Mayor and Council thanked her for her contribution to the community.

Ms. Kelsey presented a request for annexation of property located at 1350 and 1360 LaFayette Parkway. On a motion by Mr. Gaskin seconded by Mr. Arrington, Council voted unanimously to authorize staff to proceed with the annexation.

On a motion by Mr. Edmondson seconded by Mr. McCamey, Council voted unanimously to authorize the Mayor and Clerk to execute an Agreement with the Troup County Board of

Commissioners regarding the LaGrange-Callaway Airport. This agreement allows the County and/or the Development Authority to lease hangars or real property without prior approval by the City, but does not give authority to dispose of any airport property. A copy of the agreement is on file in the City Manager's office.

Council heard the first reading of the following ordinance:

AN ORDINANCE

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF LAGRANGE TO AMEND THE CODE OF THE CITY; TO AMEND THE CODE SO AS TO MOIFY THE SPEED LIMIT ON A PORTION OF GREENVILLE STREET; TO REPEAL CONFLICTING ORDINANCE; TO FIX AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

On a motion by Mr. Gaskin seconded by Mr. Arrington, Council voted unanimously to adopt the following ordinance:

AN ORDINANCE

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF LAGRANGE TO AMEND THE CODE OF THE CITY; TO AMEND CHAPTER 20-5 IN ORDER TO CREATE AND ADOPT A NEW RENEWABLE ENERGY TARIFF NO. 1; TO ADOPT THE STANDARD RENEWABLE ENERGY CUSTOMER AGREEMENT AND TERMS AND CONDITIONS THEREFOR; TO REPEAL CONFLICTING ORDINANCES; TO FIX AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, City of LaGrange, Georgia (hereafter sometimes the "City"), a municipal corporation of the State of Georgia, is a retail electric service provider; and

WHEREAS, certain retail electric customers of the City and certain other public power providers in Georgia have expressed an interest in solar power resources; and

WHEREAS, City and certain other public power providers in Georgia are participants in, and receive wholesale electric supply from, the Municipal Electric Authority of Georgia ("MEAG Power"); and

WHEREAS, MEAG Power has developed a solar renewable energy initiative project ("Transaction") and City has determined to participate in such Transaction on behalf of subscribing retail customers by entering into a Power Purchase Contract ("PPC") respecting the Transaction with a term of 20 years from the date of Commercial Operation of the solar facility; and

WHEREAS, City has caused to be prepared its Renewable Energy Customer Agreement Tariff No. 1, to make the Transaction available to its retail customers under the terms provided for therein and in the Renewable Energy Customer Agreement in a manner that allocates Transaction costs to such customers without subsidy by other City customers not participating in the Transaction; and

WHEREAS, the RECA Tariff, PPC and Agreement together contemplate City purchasing certain solar energy, capacity and environment attribute from MEAG Power, and City:

(a) At its discretion, either retaining such energy, or causing MEAG Power to sell such energy in applicable markets with the net benefits or costs of such sales;

(b) Retaining such capacity for the benefit of the City; and

(c) Transferring the benefits of such environmental attributes to applicable Customers for certain fees to the City all in accordance with the Agreement;

THE MAYOR AND COUNCIL OF THE CITY OF LAGRANGE, GEORGIA, HEREBY ORDAIN AS FOLLOWS:

SECTION 1:

That the Code of the City of LaGrange be amended by inserting therein a new Section 20-5-6, currently reserved, to be entitled “Renewable Energy Tariff No. 1” and to read as follows:

“Sec. 20-5-6. - Renewable Energy Tariff No. 1.

A. AVAILABILITY: To all customers who meet the requirements set forth herein and opt to purchase renewable solar resource through the City of LaGrange (“Electric Provider”) to the extent renewable solar resources are available from and provided by its wholesale electric provider, the Municipal Electric Authority of Georgia (MEAG Power).

B. DEFINITIONS:

Customer = means any customer of the Electric Provider applying to receive power under this Tariff on or before December, 31st, 2021 and who execute a retail service contract substantially on the form attached hereto as Exhibit A and acceptable to Electric Provider (capitalized terms used herein but not defined have the meaning specified in such contract).

Solar Costs = the monthly gross amount paid by the Electric Provider to MEAG Power pursuant to the terms of the applicable Power Purchase Contract between MEAG Power and Electric Provider (PPC), pro-rated based on Customer’s Assigned Subscription

MEAG Costs = for a particular month means all costs, charges or other amounts billed to Electric Provider by MEAG Power under the PPC pro-rated based on Customer’s Assigned Subscription to the Electric Provider’s Entitlement Share kW of the PPC, including, but not limited to, (A) costs of (I) scheduling the delivery of solar energy, (II) energy imbalance penalties and (III) all other charges imposed on MEAG Power and associated with the transmission and delivery of solar energy to the Electric Provider, and (B) a share, determined by the MEAG Power to be allocable to this PPC, of all (I) administrative and general costs and (II) operation and maintenance costs, in each case related to the operation and

conducting the business of the MEAG Power, including salaries, fees for legal, engineering, and other services and all other expenses properly related to the conduct of the affairs of the MEAG Power, and any other amount charged by MEAG Power directly related to service hereunder

$Solar kWh_{Hr}$ = (in kWh) solar energy generated pro-rated based on Customer's Assigned Subscription to the Electric Provider's Entitlement Share kW of the MEAG Power PPC

$Market Price$ = (in \$/kWh) applicable wholesale market price

$City Service Fee_{FIXED}$ = \$400 per 1000 kW of Assigned Subscription kW Level per month. For simplicity, the Assigned Subscription kW will be rounded up to the nearest thousand kW. For example: 1255 kW will be rounded to 2000 kW

$City Service Fee_{VARIABLE}$ = See formula below

$True Up Costs$ = To the extent Electric Provider receives a credit or payments from, or is billed additional amounts by, MEAG Power, Electric Provider will credit, pay or bill Customer its pro-rated share thereof based on Customer's Assigned Subscription to the Electric Provider's Entitlement Share kW of the PPC

Σ = Sum over all hours of the monthly billing period

C. MONTHLY RATE:

The Monthly Bill is calculated as follows:

$$RECA \text{ Bill} = \left(\begin{array}{c} Solar \text{ Costs} + \\ MEAG \text{ Costs} + \\ True \text{ Up Costs} - \\ \Sigma (Solar \text{ kWh}_{Hr} \times Market \text{ Price}) + \\ City \text{ Service Fee}_{FIXED} + \\ City \text{ Service Fee}_{VARIABLE} \end{array} \right) + \text{Applicable State \& Local Sales Taxes}$$

$$City \text{ Service Fee}_{VARIABLE} = \left| 5\% \left(\left(\begin{array}{c} Solar \text{ Costs} + \\ MEAG \text{ Costs} + \\ True \text{ Up Costs} - \\ \Sigma (Solar \text{ kWh}_{Hr} \times Market \text{ Price}) + \\ City \text{ Service Fee}_{FIXED} \end{array} \right) \text{ when } < 0 \right) \right|$$

D. AGREEMENT REQUIRED:

All Renewable Energy Tariff No. 1 customers shall execute the standard renewable energy customer agreement as approved by the city."

SECTION 2:

Attached hereto as Exhibit "A" is a copy of the Renewal Energy Customer Agreement to be executed by all customers receiving service under the Renewal Energy Tariff No. 1.

SECTION 3:

All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4:

This ordinance, after adoption by the Council and upon approval by the Mayor, shall become effective immediately.

INTRODUCED AND FIRST READING _____ July 15, 2021

SECOND READING AND ADOPTED _____ July 27, 2021

SUBMITTED TO MAYOR AND APPROVED _____ July 27, 2021

BY: /s/ James C. Thornton, Mayor _____

ATTEST: /s/ Sue Olson, City Clerk _____

EXHIBIT "A"

Renewable Energy Customer Agreement

This Renewable Energy Customer Agreement (the "Agreement" or "RECA"), dated _____, 20__ ("Effective Date"), is made and entered into by and between the City of LaGrange, Georgia, a Georgia public power provider ("Electric Supplier"), and _____, a current retail customer of Electric Supplier ("Customer"). Electric Supplier and Customer are sometimes hereinafter referred to in this agreement collectively as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, certain retail customers of the Electric Supplier and certain other public power providers in Georgia have expressed an interest in solar resources; and

WHEREAS, Electric Supplier and certain other public power providers in Georgia are participants in, and receive wholesale electric supply from, the Municipal Electric Authority of Georgia ("MEAG Power"); and

WHEREAS, MEAG Power has developed a solar renewable energy initiative project ("Transaction") and Electric Supplier desires to participate in such Transaction on behalf of subscribing retail customers by entering into a Power Purchase Contract ("PPC") respecting the Transaction with a term of 20 years from the date of Commercial Operation of the solar facility; and

WHEREAS, Electric Supplier has approved its Renewable Energy Customer Agreement Tariff No. 1, a copy of which is on file with Electric Supplier ("RECA Tariff"), to make the Transaction available to its retail customers under the terms provided for therein and herein (capitalized terms used herein but not defined have the meaning set forth in the RECA Tariff) in a manner that allocates Transaction costs to such customers without subsidy by other Electric Supplier customers not participating in the Transaction;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

- 1. Supplemental Terms.** This Agreement is subject to any applicable agreements among the Parties and applicable Electric Supplier rules, regulations, service terms and rate schedules and tariffs.

2. **Subscription Level.** Customer desires the following Subscription Level _____ kW¹ (“Requested Subscription”) of generation capacity from the Transaction. Electric Supplier will request that MEAG Power contract with Electric Supplier to provide the Requested Subscription along with any additional capacity requirements requested by the Electric Supplier. Once the PPC has been entered into between MEAG Power and Electric Supplier and an Entitlement Share for the Transaction has been assigned to Electric Supplier, Electric Supplier will notify Customer in writing of its allocated Requested Subscription in kW (“Assigned Subscription”), which amount will be determined in Electric Supplier’s sole discretion and may be less than the amount requested depending on MEAG Power’s MW rounding and allocation process, among other things, and is final upon such notification.
3. **Solar Power.** The Electric Supplier will provide the Customer’s prorated Allocable Share of the energy produced by the Transaction to the extent MEAG Power provides such energy to Electric Supplier and will cause such energy to be cleared at market prices in order to implement the RECA Tariff. “Allocable Share” means Customer’s Assigned Subscription as a percentage of all Electric Supplier customer Assigned Subscription under the RECA Tariff, e.g., 100% if Customer is the sole customer subscribing to the Transaction. For the avoidance of doubt, since the energy produced by the Transaction allocable to Customer is being 100% cleared on Customer’s behalf, the Customer will continue to receive energy service from Electric Provider under the contracts or tariffs applicable from time to time as if this Agreement were not in effect.
4. **Customer Commitment.** For the avoidance of doubt, Customer’s obligations under this Agreement will continue regardless of whether Customer ceases to be a retail electric customer of Electric Provider subject to Section 8 respecting Change of Premises.

5. **Term.**

(a) This Agreement will commence on the Effective Date and will continue until 15 years after the Commercial Operation Date (as defined in the Power Purchase Agreement between MEAG Power and the solar company) is achieved according to written notice from MEAG Power (“Termination Date”), which is expected to be on or before November 30, 2023, and if so achieved, would result in a Termination Date of December 1, 2038, unless such Termination Date is extended. Unless either Party provides prior notice to the other Party that it intends for this Agreement to terminate on the Termination Date (“Termination Notice”), the Termination Date will be automatically extended until five years after the Termination Date. Customer and Electric Supplier may each terminate this Agreement for convenience up to 5 years prior to the Termination Date by providing not less than 90 days prior written notice (“Early Termination Notice”) to the other.

(b) If Customer or Electric Supplier provides a Termination Notice, this Agreement will terminate on the Termination Date. If Customer or Electric Supplier provides an Early Termination Notice, this Agreement will terminate on the date specified in such notice, which must be an anniversary of the Commercial Operation Date.

(c) Upon receipt of a Termination Notice or an Early Termination Notice from Customer, Electric Supplier will determine and notify Customer of the remaining amount that the Customer would have owed hereunder had this Agreement not been terminated and the Termination Date been extended 5 years past the Termination Date, and Customer will pay such amount (“Termination Fee”) to Electric Supplier on or before the applicable Termination Date or other date specified by Electric Supplier. Such Termination Fee will be calculated by Electric Provider in its reasonable discretion as 100% of expected RECA Tariff costs and fees and a percentage of the expected credits as set forth in the table below:

Termination Effected in Years # after COD	Expected Percentage	Credit
11	60%	
12	66	
13	72	
14	78	
15 – 20	85	

To the extent practicable, such calculations will use historic Transaction data, third party market data and industry standard calculation methodologies. Except as expressly set forth

¹ All kW references and calculations provided for herein or in the RECA Tariff are at the Electric Provider’s lowside substation delivery point (DP).

herein, no Termination Fee, charge or penalty will be payable by Electric Supplier in connection with its termination hereof. The Parties agree that the damages likely to be incurred by Electric Supplier in the event of termination will be difficult to measure, that the Termination Fee is reasonable, and that the Termination Fee will be paid as liquidated damages in lieu of all such actual damages and not as a penalty. In addition, all payments required hereunder prior to the effective date of such termination and all payments due prior to such termination date will also be paid in accordance herewith. Notwithstanding anything else herein to the contrary, the Termination Date will not be earlier than 10 years after the Commercial Operation Date.

6. **RECs.** Electric Provider will direct MEAG Power to retire the renewable energy certificates (“RECs”) produced on behalf of the Customer’s Subscription Level and to register and retire its RECs in a nationally accredited environmental attribute tracking registry (“Registry”), which will certify and provide a unique serial number for each REC.

At the Customer's request, the Electric Provider will direct MEAG Power to provide statements of the number of RECs retired, which will include each REC's unique serial number with the Registry, production date, retirement date, and proof of retirement on behalf of Customer.

7. **Rates and Credits.** All charges and credits applicable to Customer will be assessed and paid as provided in the RECA Tariff, as that now exist or may be hereafter changed, on file with the Electric Provider.
8. **Change of Premises.** If Customer ceases to receive electric service from the Electric Supplier, the Customer may assign Customer's Requested Subscription to another existing Customer service location(s) (“Change of Premises”) with the prior written consent of the Electric Supplier.
9. **Assignment.** Customer may not assign this Agreement or any of the rights, obligations or benefits received from Customer's participation in this Agreement to any other person or entity except that Customer may, with the Electric Supplier’s written approval, such approval not to be unreasonably withheld, assign this Agreement to an eligible affiliate of Customer, provided, that such eligible affiliate of Customer assumes, in writing, all of Customer's duties and obligations hereunder.

10. Service Terms.

(a) Counterparts. All Service Terms related to utility service may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

(b) No Third Party Benefit. Unless expressly otherwise provided, nothing in any Service Term will be construed to create any duty, obligation or liability of Utility Provider to any person not expressly made party thereto or beneficiary thereof.

(c) Governing Law. The validity, interpretation and performance of Service Terms, and each of their provisions, will be governed by the laws of the State of Georgia without giving effect to principles of conflicts of law that would require the application of laws of another jurisdiction. The state court in which Utility Provider resides will have exclusive jurisdiction for the resolution of disputes under Service Terms.

(d) Force Majeure. In the event that Utility Provider is unable, wholly or in part, by reason of force majeure to deliver the utility service sold under the Service Terms, then, on giving notice in full particulars of such force majeure, before the occurrence if practicable or, if not, then as soon as practicable after the occurrence of the cause relied on, the obligations of Utility Provider, so far as they are affected by such force majeure, will be suspended during the continuance of any inability so caused but for no longer period, and such cause will as far as possible be remedied with all reasonable dispatch. The term “force majeure” as used herein means act of God; strikes, lock-outs, or other industrial disturbances; acts of public enemy, blockages, wars, insurrections, foreign or domestic terrorists or riots; epidemics; landslides, earthquakes, fires, storms, floods, or wash-outs, arrests, governmental restraint, civil disturbances; explosions; any other emergency creating conditions under which the Utility Provider’s compliance with the Contract would become impossible or create a substantial financial burden upon the Utility Provider or its taxpayers and other causes beyond the reasonable control of a party.

(e) Time of the Essence. Time is of the essence.

(f) Non-Waiver. None of the provisions of the Service Terms will be considered waived by either party except when such waiver is given in writing. The failure of either party to insist in any one or more instances upon strict performance of any of the provisions of the Service Terms or to take advantage of any of its rights hereunder will not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same will continue and remain in full force and effect.

(g) Uniform Commercial Code. Utility commodities (e.g., electricity, gas or water) under the Service Terms will be considered a “good” governed by the Georgia Uniform Commercial Code.

(h) Taxes. All taxes owed related to utility services provided by Utility Provider will be the obligation of, and paid by, the Customer.

(i) Inflation/Deflation. As required by Georgia law, including without limitation O.C.G.A. Section 36-30-3(d), rates, fees, or other charges for all utility services subject to a contract with a term in excess of two years may be adjusted by Utility Provider in its sole discretion from time to time to account for inflationary or deflationary factors affecting the provision of utility services.

(j) Forward Contract. All customers other than residential customers acknowledge and agree that utility services and the transactions contemplated hereby constitute “forward contracts” and that Utility Provider and such customer is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.

(k) Severability and Interpretation. If any provision of any Service Term is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions thereof as nearly as possible in accordance with applicable law.

11. Notice. All notices, requests, consents, claims, demands, waivers and other communications hereunder must be in writing and will be deemed to have been given (i) when delivered by hand (with written confirmation of receipt); (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (iii) on the date sent by facsimile or electronic transmission (including by e-mail) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (iv) on the third (3rd) Day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Unless a Party has designated a different officer or address for itself by written notice to the other hereunder, such communications will be sent to the respective Party as follows:

If to the Electric Supplier:
City of LaGrange
Attn: City Manager and Director of Utilities
200 Ridley Avenue
LaGrange, Georgia 30240
Email: mkelsey@lagrangega.org
pbowie@lagrangega.org

If to Customer:

Attn.: _____

Email: _____

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date hereinabove first written.

COMPANY NAME

By: _____

Attested By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Title: _____

CITY OF LAGRANGE, GEORGIA
(SEAL)

BBY: _____
Mayor

ATTEST: _____
City Clerk

In good news, closing comments, Ms. Van Schoor reported that the City is excited that our very own Mayor Thornton will be sworn in as the President of the Georgia Municipal Association at our upcoming GMA Annual Convention August 6-11, 2021. Ms. Kelsey handed out custom made neck ties to the Council, with the City logo on them.

There was no other business and the meeting was adjourned at 6:20 p.m. by Mayor Thornton.

Mayor

City Clerk