CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**		
MEETING DATE	July 23, 2013	
RESOLUTION OR ORDINANCE NUMBER	R-13-62	
AGENDA TITLE	**A Resolution calling upon Governor Mary Fallin to rescind Executive Order 2013-27**	
REQUESTING DEPARTMENT	Electric	
PRESENTER	Gene Ratzlaff	
FISCAL INFORMATION	Cost as recommended:	None
	Budget Line Item:	
	Balance Available	
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	This resolution establishes the City of Coffeyville's support for GRDA's plans for new generation assets and the City's opposition to any attempts by the state of Oklahoma to seize or transfer GRDA's assets to offset their budgetary shortfalls.	

BACKGROUND	Governor Fallin of Oklahoma issued an Executive Order on July 8, 2013 to create a 15 member task force to state-owned Grand River Dam Authority to undertake a full and thorough study of GRDA to recommend potential changes. The Governor will appoint all members. This action took place two days before the GRDA board was to vote on pursuing new generation. GRDA has two coal units in its generation mix that need to be upgraded to meet new EPA requirements by April 2016. It would be too costly to upgrade Unit # 1 so the most economical plan would be to replace it with a natural gas fired combined cycle unit and upgrade Unit #2 to meet the EPA requirements. The Governor is opposed to new generation even though all capital costs, debt and operating cost will and has been paid by GRDA customers. The GRDA Customer Group (which includes Coffeyville) supports the GRDA generation plan. The Group is concerned interruption of the present operation would jeopardize low cost and reliable wholesale power to GRDA customers. This could affect our ability to provide reasonable cost power to residential customers, businesses and industry. GRDA is a customer-focused organization. The GRDA board at the request of the Governor has postponed a vote on new generation until the next board meeting August 14, 2013. This Resolution supports calling upon Governor Mary Fallin to rescind Executive Order 2013-27.
SPECIAL NOTES	
ANALYSIS	
PUBLIC INFORMATION PROCESS	

BOARD OR COMMISSION RECOMMENDATION	Recommend approval of the Resolution
STAFF RECOMMENDATION	
REFERENCE DOCUMENTS ATTACHED	Resolution

RESOLUTION NO. R-13-62

A RESOLUTION TO CALL UPON OKLAHOMA GOVERNOR MARY FALLIN TO RESCIND EXECUTIVE ORDER 2013-27.

WHEREAS, Oklahoma Governor Mary Fallin has issued Executive Order 2013-27 creating a task force to review the operations of the Grand River Dam Authority, and

WHEREAS, that executive order asks if there are earnings at GRDA "that could be returned to the State in lieu of tax payments," and seeks "a system that redistributed some or all the excess revenues (of GRDA) back to the State," and

WHEREAS, the executive order asks how the Grand River Dam Authority might be dismembered and sold with the State of Oklahoma retaining the revenues there from, and

WHEREAS, the executive order asks said task force to consider splitting the water quality, water sales, and other lake operations from the power supply program in order to consider disposal of the power program, and

WHEREAS, the City of Coffeyville, Kansas buys approximately $35 Million per year from the Grand River Dam Authority under a contract that runs through the year 2042, and

WHEREAS, the City of Coffeyville provides electricity not only in the State of Kansas, but also extends its service area to provide electric service to a number of customers in the State of Oklahoma, and

WHEREAS, the assets of the Grand River Dam Authority have been paid for by the federal government through the Works Progress Administration and other programs and/or the City of Coffeyville and 59 other cities across Oklahoma, rural electric cooperatives, and industrial customers, and not by the State of Oklahoma, and

WHEREAS, GRDA's affordable electric costs are an economic incentive that help to spur economic development and create jobs for residents of Oklahoma and Kansas, and

WHEREAS, the State of Oklahoma has never had to appropriate any funds for the benefits provided by the Grand River Dam Authority including provision of lakes and hundreds of access points to these lakes without fee for all Oklahomans or tourists from other states, provision of flood control for Eastern Oklahoma at no cost to taxpayers, and the provision of water supply storage for 700,000 people that is valued at more than $6 million per month,

WHEREAS, GRDA provides investment in water quality, fish and wildlife enhancement, public safety, lake patrols, land use management, air quality improvements, economic development and community development, and,

WHEREAS, nearly all funds for these many benefits come from the revenues supplied by our city and other power customers of the Grand River Dam Authority, and we oppose the State of Oklahoma attempting to seize or transfer assets that belong to the customers of GRDA,

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF COFFEYVILLE, KANSAS that the City calls upon Governor Mary Fallin to rescind Executive Order 2013-27 and recognize that the governing board of the Grand River Dam Authority, which includes representatives of the customers, the lake area, the legislature, and the governor herself are well suited to recognize the needs of the customers of GRDA who reside in nearly every county of Oklahoma and in the State of Kansas and are well suited to determine how GRDA benefits to its stakeholders are determined.

Passed and approved by the governing board of the City of Coffeyville, Kansas this 23rd day of July, 2013.

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David George, Mayor

Attest:

_____
Cindy Price, City Clerk