

A regular meeting of the Council of the City of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:30 p.m., February 12, 2008.

Members present: Councilwoman Mary L. Flood; Councilman Jeffrey B. Hubbard; Councilman C. G. Stanley, Jr.; Councilman James A. Vest; and Vice Mayor Robert T. Wandrei.

Members absent: Mayor W. D. Tharp and Councilman Thomas M. Padgett

Staff present: City Manager Charles P. Kolakowski; City Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher.

Vice Mayor Wandrei opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Vice Mayor Wandrei declared that the minutes of a regular Council meeting held on January 22, 2008, were approved as distributed.

City Manager Kolakowski reported on the following:

- Commended various City departments, including the Fire Department and Police Department, for the work they did during the high wind situation that occurred on February 10

Gary Dillon, Program Manager for Virginia's Law Enforcement Accreditation Program, introduced Chief Gary Roach and Sheriff Gerald Holt of the Virginia Law Enforcement Professional Standards Commission. Mr. Dillon stated the Bedford Police Department was being recognized for its continued commitment to law enforcement excellence in continuing to participate in the Virginia Law Enforcement Accreditation Program. Chief Roach and Sheriff Holt presented the Bedford Police Department with the Certificate of Reaccreditation.

Councilwoman Flood, Electric Committee Chairperson, stated the Committee met earlier in the evening to receive updates and discuss pertinent electric power issues.

The City Manager stated that the Public Hearing is concerning the proposed power sales contract among the City of Bedford, American Municipal Power-Ohio, Inc., and certain other localities. Under the 50-year contract, the City will purchase wholesale electric power and energy in the approximate amount of 9.402 Megawatts per hour, as may be adjusted upward or downward, which will be delivered to the retail customers of the City's electric distribution system.

The Clerk of Council read aloud the Notice of Public Hearing:

**NOTICE OF PUBLIC HEARING ON PROPOSED
POWER SALES CONTRACT BETWEEN
THE CITY OF BEDFORD, VIRGINIA AND
AMERICAN MUNICIPAL POWER-OHIO, INC.**

Notice is hereby given that the City Council of the City of Bedford, Virginia (the "Council") will hold a public hearing on a proposed power sales contract (the "Contract") among the City of Bedford, Virginia (the "City"), American Municipal Power-Ohio, Inc. ("AMP-Ohio"), and certain other localities. Under the 50-year Contract, the City will purchase wholesale electric power and energy in the approximate amount of 9,402 Kilowatts, as may be adjusted upward or downward, which will be delivered to the retail customers of the City's electric distribution system.

The City's payments under the Contract will be made solely from the revenues of its electric system, and neither the faith and credit nor the taxing power of the City will be pledged for the payment of any obligation under the Contract. Among other provisions, the Contract will require that the City make certain payments whether or not the generation facilities are completed or operable, and notwithstanding any interruption in the generation of electric power and energy. In the event of a default by another wholesale purchaser under the Contract, the City will become obligated to assume a pro rata share of that purchaser's payment obligations, subject to a certain maximum amount, and will succeed to that purchaser's rights to receive electric power and energy. Based on the best currently available estimates, the City's total payments under the Contract would range from \$3.5 million in 2013 to \$6.7 million in 2032. Estimates beyond 2032 have not been made at this time. In the event the City assumed a share of the payment obligations of a defaulting purchaser, its obligations would increase by a maximum of 25%.

The public hearing, which may be continued or adjourned, will be held at 7:30 p.m. on Tuesday, February 12, 2008, before the Council in the Council Chambers at City Hall, 215 East Main Street, Bedford, Virginia. Any person interested in the proposed Contract may appear at the hearing and present his or her views.

By the Authority of the
City Council of the City of Bedford

Vice Mayor Wandrei asked for comments from the public at 7:44 p.m.

As there were no comments, the Vice Mayor closed the public hearing at 7:44 p.m.

The City Manager explained the first item on the Consent Agenda: the Bedford Joint Economic Development Authority consists of seven members, three of which are appointed by City Council and three of which are appointed by the Bedford County Board of Supervisors. The seventh appointment alternates between appointing bodies. Currently, City Council is responsible for filling this seat. This vacancy has been advertised in the local paper. City resident John Owen has expressed a willingness to serve on the Bedford Joint Economic Development Authority. Mr. Kolakowski stated that City Council is requested to appoint John Owen to serve on the Bedford Joint Economic Development Authority for the term expiring February 1, 2011.

On motion by Councilman Vest, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council appointed John Owen to serve on the Bedford Joint Economic Development Authority for the term expiring February 1, 2011. Roll call vote follows:

Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Padgett	absent
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Mayor Tharp	absent

The second Consent Agenda item consisted of the following request from Bedford Main Street, Inc., to block streets for various activities:

Request to Block Streets – Bedford Main Street, Inc.

“Bedford Blues & BBQ”

Bedford Main Street, Inc. is requesting that City Council authorize the closure of Center Street at the Farmer’s Market from 3:00 p.m. to 11:30 p.m. on Saturday, April 19, 2008.

“Libertyfest”

Bedford Main Street, Inc. is requesting that City Council authorize blocking Center Street at the Farmer’s Market from 3:00 p.m. to 11:30 p.m. on Friday, July 4, 2008, for a concert.

“Centerfest” 2008

Bedford Main Street, Inc. is requesting that Council authorize blocking the following streets for “Centerfest” 2008 on Friday, September 26th, and Saturday, September 27th.

- East Main Street from Otey Street to Bridge Street
- West Main Street from Bridge Street to Ballard Street
- South Street from East Main Street to County Admin. Parking Lot
- Court Street from Museum lot to East Main Street
- South Bridge Street from Main to Washington
- North Bridge from Main to City lot south of Railroad Bridge
- West Depot from North Bridge Street to Ballard Street, Market Square
(all)

The request is to close Center Street for a Centerfest Kick-off concert on Friday, September 26th from 5:30 p.m. until 11:30 p.m., and close the above streets on

Saturday, September 27th from 6:00 a.m. until Midnight. A copy of Main Street's general liability insurance policy for FY2007-2008 is on file. A policy for FY 2008-2009 will be provided after July 1, 2008.

Bedford Main Street will notify affected businesses, as well as the Police Department, Fire Department and Rescue Squad.

On motion by Councilman Stanley, seconded by Councilman Vest, voted upon and carried by a roll call vote, Council granted permission to block the above-mentioned streets for Bedford Blues and BBQ on April 19, 2008, Libertyfest on July 4, 2008, Centerfest 2008 on September 26 – 27, 2008. Roll call vote follows:

Councilman Hubbard	aye
Councilman Padgett	absent
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Mayor Tharp	absent

City Manager Kolakowski reported that Oscar Padgett, manager of Greater Independence Development, LLC (GID), has submitted to the Zoning Administrator a preliminary plat showing the general design and layout for the subdivision of a 51.465 acre tract on the east side of Independence Boulevard, resulting in Lot 1 containing 1.083 acres, a residue lot containing 49.973 acres and a proposed dedication of 0.0409 acres as a street to be known as Ole Dominion Boulevard. This large tract is the land on which there has been a great deal of excavation work for over a year.

The City Manager stated that Mr. Padgett, over the past couple of years, has discussed with the City officials various conceptual plans for development of the land. For some time he has been advising the City that the Bank of the James planned the construction of a new bank on the tract. Only toward the middle of December was a specific location identified to the City. The Bank of the James has moved forward with building plans and desires to proceed immediately with construction to begin within a month, and with the facility to open in early fall.

City Manager Kolakowski stated that he, the Planning Director, the City Building Official and the City Attorney met with Mr. Padgett, his engineers, his attorney, and bank officials on January 29 to discuss the matter. In view of the Bank's timeline for development, all parties agreed that in order to expedite the matter the developer should present a plat showing only the new bank lot, the residue tract, and an entrance off Independence Boulevard that everyone believes will be sufficient to serve the bank lot and the remaining tract. The developer presented such a preliminary subdivision plat on Friday, February 1. Detailed plans concerning the proposed road and proposed utilities were received on Monday afternoon, February 4.

The City Manager stated that ordinarily, a subdivision involving such a large tract off a major street would call for a thorough review and traffic impact analysis. The Planning Commission at its meeting on February 7, 2008, recommended approval of the preliminary subdivision plat creating one new lot. The Planning Commission's recommendations included conditions that prior to any further development the owner of the residue tract shall be obligated to provide a full traffic impact study and that the owner will also be responsible for any changes to Ole Dominion Boulevard and Independence Boulevard that are dictated by results from this traffic study. The City Manager stated that Council was requested to approve the preliminary plat for Independence Pointe subject to the same conditions recommended by the Planning Commission.

Councilman Stanley moved that the request be approved. The motion was seconded by Councilwoman Flood.

Councilman Stanley clarified that his motion was to approve the preliminary plat for Independence Pointe subject to the same conditions recommended by the Planning Commission.

The motion was then voted upon and carried by a roll call vote as follows:

Councilman Padgett	absent
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Mayor Tharp	absent

Councilwoman Flood moved that Council adjourn into closed session pursuant to Section 2.2-3711(a)(29), of the Code of Virginia of 1950, as amended, for discussion of the award of a public contract where discussion in an open session would adversely affect the City's bargaining position. Councilman Stanley seconded the motion. The motion was voted upon and carried by the following roll call vote:

Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Padgett	absent
Mayor Tharp	absent

Councilman Stanley did not attend the closed session.

Council adjourned into closed session at 7:52 p.m.

Council reconvened into open session at 7:58 p.m. Councilman Stanley rejoined the meeting.

The Clerk of Council read aloud the following resolution:

BE IT RESOLVED that the Council of the City of Bedford hereby certifies that (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council.

On motion by Councilman Hubbard, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Padgett	absent
Councilman Stanley	abstained
Mayor Tharp	absent

City Manager Kolakowski reported that in an effort to stabilize electricity prices in the future, the City of Bedford wishes to team with Amp-Ohio to purchase 9.402 MW of capacity from a 1000 MW electric generating station, referred to as the American Municipal Generating Station. The generating station will be located in Meigs County, Ohio and will consist of two 500 MW, coal fired, steam generators. The plant is expected to be in operation with the first unit in April 2013 and the second unit should be on line by October 2013. A public hearing on a proposed power sales contract was held earlier in the evening. The City Manager stated that under the 50-year Contract, the City will purchase wholesale electric power and energy in the approximate amount of 9.402 Megawatts per hour, as may be adjusted upward or downward, which will be delivered to the retail customers of the City's electric distribution system.

City Manager Kolakowski explained that the City's payments under the Contract will be made solely from the revenues of its electric system, and neither the faith and credit nor the taxing power of the City will be pledged for the payment of any obligation under the Contract. Among other provisions, the Contract will require that the remaining member Cities make certain payments whether or not the generation facilities are completed or operable, and notwithstanding any interruption in the generation of electric power and energy. The City Manager stated in the event of a default by another wholesale purchaser under the Contract, the remaining member Cities will become obligated to assume a pro rata share of that purchaser's payment obligations, subject to a certain maximum amount, and will receive the pro rata share of that purchaser's electric power and energy. Based on the best currently available estimates, the City's total payments for 9.402 Megawatts of

power per hour, under the Contract, would range from \$3.5 million in 2013 to \$6.7 million in 2032. Estimates beyond 2032 have not been made at this time. In the event the City assumed a share of the payment obligations of a defaulting purchaser, its obligations would increase by a maximum of 25%.

On motion by Councilman Hubbard, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted a resolution authorizing the execution of the Amp-Ohio contract No. C-7-2007-5744-R, a power sales contract with American Municipal Power – Ohio, Inc. Roll call vote follows:

Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Padgett	absent
Councilman Stanley	abstained
Councilman Vest	aye
Mayor Tharp	absent

The resolution follows as adopted:

**CITY OF BEDFORD, VIRGINIA
RESOLUTION**

**TO APPROVE THE FORM AND
AUTHORIZE THE EXECUTION OF A POWER SALES
CONTRACT WITH
AMERICAN MUNICIPAL POWER – OHIO, INC. AND
TAKING OTHER ACTIONS IN CONNECTION THEREWITH
REGARDING THE AMERICAN MUNICIPAL GENERATING
STATION**

WHEREAS, the City of Bedford, Virginia (“hereinafter Municipality”) owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power and energy requirements of its electric utility system, Municipality has heretofore purchased, or desires to do so in the future, economical and reliable power and energy from, or arranged by, American Municipal Power – Ohio, Inc. (hereinafter “AMP-Ohio”), of which Municipality is a Member; and

WHEREAS, Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly, endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers; and

WHEREAS, it is efficient and economical to act jointly in such regard; and

WHEREAS, AMP-Ohio is an Ohio nonprofit corporation, organized to own and operate facilities, or to provide otherwise, for the generation, transmission or distribution of electric power and energy, or any combination thereof, and to furnish technical services on a cooperative, nonprofit basis, for the mutual benefit of its Members, such Members, including Municipality, being political subdivisions that operate municipal electric utility systems in Ohio, Michigan, Pennsylvania, Virginia and West Virginia; and

WHEREAS, certain of the Members, including the Municipality (collectively the "Participants"), have determined they require additional, very long-term sources of reliable, environmentally sound and reasonably priced base load electric power and energy and have requested that AMP-Ohio arrange for the same, and have supported through the Developmental Agreement with AMP-Ohio through Blue Ridge Power Agency the developmental effort to plan and permit a coal-fired, steam and electric generating facility having a maximum net rated electric generating capacity of approximately one thousand megawatts (1,000 MW), to be known as the American Municipal Power Generating Station (hereinafter "AMPGS") and now have the right, but not the obligation to execute an agreement to authorize AMP-Ohio to finance and construct the AMPGS; and

WHEREAS, prior to the adoption of this resolution, AMP-Ohio has (i) kept the Municipality informed regarding the developmental process and efforts undertaken by AMP-Ohio; (ii) provided the Municipality with a study prepared by R. W. Beck, Inc. that demonstrates that the Participant can beneficially utilize the share of power and energy available from the AMPGS authorized below, as well as a Project Feasibility Report also prepared by R. W. Beck, Inc.; and, (iii) afforded representatives of the Municipality the opportunity to ask such questions, review such data and reports, conduct such inspections and otherwise perform such investigations with respect to planning and proposed engineering, acquisition, construction and operation of the AMPGS and the terms and conditions of the Power Sales Contract (hereinafter "PSC") authorized below as the Municipality deems necessary or appropriate in connection herewith; and

WHEREAS, the Council of the Municipality has held a public hearing with respect to the PSC prior to its consideration of this Resolution, notice of such public hearing having been published in a newspaper of general circulation in the Municipality on January 30, 2008 and February 6, 2008; and

WHEREAS, after consideration of the potential risks and benefits of the AMPGS and the PSC authorized below, the Municipality has determined it is reasonable and in its best interests to proceed as authorized herein and hereby requests and authorizes AMP-Ohio to

finance, construct and operate, and own up to a one hundred percent (100%) ownership interest in the AMPGS on behalf of the Municipality and the other Participants in accordance with the PSC authorized below.

NOW, THEREFORE, BE IT ORDAINED RESOLVED BY THE COUNCIL THE CITY OF BEDFORD, Virginia:

SECTION 1. That the Power Sales Contract (hereinafter "PSC") between Municipality and AMP-Ohio, substantially in the form on file with the Clerk of Council including Appendices thereto is approved, and the City Manager of Municipality is hereby authorized to execute and deliver such Power Sales Contract, with such changes as the City Manager may approve as neither inconsistent with this Resolution nor materially detrimental to the Municipality, his or her execution of the PSC to be conclusive evidence of such approval.

SECTION 2. That the City Manager is hereby authorized to acquire, on behalf of the Municipality, as a Participant, as defined in the PSC, Power Sales Contract Resources (hereinafter "PSCR Share"), as defined in the PSC from AMP-Ohio and to execute and deliver any and all documents necessary to become a Participant in the AMPGS project pursuant to the conditions set forth herein and in the PSC and to carry out its obligations thereunder.

SECTION 3. That it is further acknowledged and understood that because the Participants will finalize the precise PSCR Share to be acquired by each Participant electing to enter into the PSC after all such Participants execute and deliver the PSC, the City Manager in connection with the execution and delivery of the PSC, is authorized and directed to determine and acquire Municipality's PSCR Share, of up to a nominal amount of 9,402 kilowatts, after consultation with AMP-Ohio and the other Participants regarding the PSCR Share available pursuant to said PSC, such PSCR Share to be set forth in Appendix A of the PSC, such determination as to such PSCR Share being conclusively evidenced by the adoption of Appendix A to the PSC, as authorized therein. The Municipality's cost for 9,402 kilowatts is estimated to range from \$3.5 million in 2013 to \$6.7 million in 2032. The 9,402 kilowatts is subject to a maximum potential increase of 25% in the event one or more Participants default under the PSC.

SECTION 4. That the City Manager of this Municipality, as a part of such officer's official duties, is hereby appointed as Municipality's representative for any meetings or determinations of the Participants or the Participants Committee pursuant to the PSC and is authorized and directed, acting for, in the name of and on behalf of this Municipality, to vote Municipality's PSCR Share with regard to any determinations regarding the AMPGS project as set forth in the PSC.

SECTION 5. That the City Manager may appoint, in writing from time to time as necessary, another representative of the

Municipality as his or her alternate to carry out the duties set forth in Section 4 hereof.

SECTION 6. That it is found and determined that formal actions of this Council concerning and relating to the passage of this resolution were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

SECTION 7. If any section, subsection, paragraph, clause or provision or any part thereof of this resolution shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this resolution shall be unaffected by such adjudication and all the remaining provisions of this resolution shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 8. That this resolution shall take effect immediately.

Vice Mayor Wandrei gave members of Council evaluation forms for City staff.

Vice Mayor Wandrei adjourned the meeting at 8:00 p.m.