

ORDINANCE 99-1

12-105
Providing for the participation in the natural gas purchase financing program of the Louisiana Municipal Natural Gas Purchasing and Distribution Authority; authorizing the execution of a ten (10) year Gas Supply Contract; and otherwise providing with respect thereto.

WHEREAS, the Town of Chatham, ("Member") is a member of the Louisiana Municipal Natural Gas Purchasing and Distribution Authority (the "Authority") and has entered into a Gas Supply Contract with the Authority to provide all requirements of natural gas;

WHEREAS, THE Authority is authorized pursuant of Chapter 10-B of Title 33 and Chapter 15-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (respectively, La R.S. 33:4546.1 through 4548.16 and La R.S. 39:1470 through 1472) (the "Act"), and other constitutional and statutory authority supplemental thereto, to issue revenue bonds for the purpose of purchasing natural gas and contracts for natural gas for, and the distribution of such gas, to participating Members and other authorized purchasers;

WHEREAS, the Authority has negotiated a beneficial discounted transportation agreement with Koch Gateway Pipeline now serving Member;

WHEREAS, the Authority has negotiated beneficial prices on contracts for future delivery of natural gas to meet Member's historical natural gas requirements for a (10) year period;

WHEREAS, the Authority has negotiated beneficial financing terms employing a combination of bank guarantees, surety bonds, interest rate and commodity swap agreements to lower and stabilize the acquisition cost of natural gas;

WHEREAS, the Authority has negotiated Gas Supply Contracts for the purchase, transportation and storage of natural gas to other members of the Authority and to other authorized purchasers;

WHEREAS, the Authority proposes to issue revenue bonds for the purpose of 1) purchasing natural gas or contracts for future delivery of natural gas for sale and distribution to the Members and other authorized purchases, 2) funding required reserve funds and 3) paying the costs of issuance and with will be payable solely from the income, revenues and receipts derived or to be derived from such sale of natural gas or contributions or advances from 1) Members in accordance with the Member Contracts and supplements to the Member Contracts and 2) any other purchasers.

WHEREAS, Member now wishes to participate in the financing of prepayment for natural gas requirements for a ten (10) year term (the "Project") being implemented by the Authority.

WHEREAS, Member will be required to execute a supplemental or new Gas Supply Contract incorporating the terms of the Project;

NOW THEREFORE BE IT ORDAINED THAT:

SECTION 1. The Town of Chatham hereby declares the need for the purchase of natural gas as a public purpose which may be achieved through its membership in the Authority.

SECTION 2. As a means of achieving economies of scale in the purchase and distribution of natural gas for use by participating political subdivisions of the Authority and the financing connected therewith, the Town of Chatham hereby acknowledges that the Project of the Authority for a term of not exceeding ten (10) years provides an opportunity for such purpose.

SECTION 3. The Town of Chatham hereby authorizes the fixing of terms and effecting the execution of a Gas Supply Contract or Supplemental Gas Supply Contract (the "Contract") for the purpose of participating in the Project. The term of the Contract shall be not less than ten (10) years, the Contract shall not obligate the purchase of natural gas volumes in excess of schedule attached price thereto, and the price of natural gas determined by the Contract shall not exceed a price (whether a fixed price or a price determined by reference to an index) agreeable and acceptable to the Town of Chatham at the time of execution of Contract.


The execution of the Contract and the issuance of Authority revenue bonds pursuant to the Project under the provisions of the Act shall not directly, indirectly, or contingently obligate the Member, the State or any governmental unite of the State to levy any taxes whatever therefor or to make any appropriation for their payment, other than obligations to make payments by the Members and other authorized purchasers arising out of the Contracts authorized pursuant to the Act.

SECTION 4. Mayor Delton Spillers is hereby authorized to enter into and to execute the Contract, and any document or instrument, including, but not limited to, any memorandum of agreement or understanding with the Authority in connection therewith, on behalf of the Town of Chatham.


This Ordinance having been submitted to a vote, the vote thereon was as follows:

NAME	YEA	NAY	ABSENT	ABSTAINING
M. Davis			1	
S. Henderson	1			
L. Mack			1	
S. Proffer	1			
F. Womack	1			

This Ordinance was declared to be adopted on 14 day of September, 1999.



DELTON Spillers, Mayor



Lynette Roberts, Clerk