

ORDINANCE NO. 2013-2

**AN ORDINANCE APPROVING A CONTRACT WITH SIMEC D/B/A  
SOUTHERN ILLINOIS MUNICIPAL ELECTRIC COOPERATIVE  
TO SERVE AS THE VILLAGE OF CHAPIN'S EXCLUSIVE CONSULTANT FOR ITS  
ELECTRIC AGGREGATION PROGRAM AND FOR ENGAGEMENT OF  
THE LOWEST COST ELECTRIC WHOLESALE SUPPLIER**

**WHEREAS**, the corporate authorities of the Village of Chapin, Morgan County, Illinois, find as follows:

A. As a result of deregulation, electricity is purchased based on market price and, as a result, competitive market forces dictate the price of electricity;

B. On January 1, 2010, the Illinois Power Agency Act, Chapter 20, Illinois Compiled Statutes, Act 3855, was amended to include Section 1-92 entitled Aggregation of Electrical Load by Municipalities and Counties (Hereinafter referred to as the "Act").

C. Under the Act, if the Village of Chapin seeks to operate an aggregation program as an opt-out program for residential and small commercial retail customers, then prior to adoption of an ordinance to establish a program, the Village must first submit a referendum to its residents to determine whether or not the aggregation program shall operate as an opt-out program for residential and small commercial retail customers. If the majority of the electors voting on the question vote in the affirmative, then the Village may implement an opt-out aggregation program for residential and small commercial retail customers.

D. An aggregation program would give the Village of Chapin the authority to enter into an electric supply power contract on behalf of residents and small businesses in the Village who have not opted out of said program with the intent to secure a lower rate for electric service, yielding reduced electric bills for its residents and small businesses.

E. Municipalities and county governments across the State of Illinois have engaged third parties to serve as consultants and brokers for them which have the knowledge and experience to manage an aggregation program and to seek bids from the various electric wholesale suppliers;

F. The corporate authorities of the Village of Chapin recommend that SIMEC d/b/a Southern Illinois Municipal Electric Cooperative ("SIMEC") serve as the Village's consultant and broker related to the acquisition of electric energy, due to SIMEC's experience, strategy, and reasonable pricing structure;

G. If the Village of Chapin chooses SIMEC, its fee will be built into the prices bid by electric wholesale providers, resulting in no direct payments made to SIMEC by the Village;

H. It has been recommended by corporate authorities of the Village of Chapin that the Village President execute the Consulting Services Agreement attached hereto as Exhibit A with SIMEC.

I. Given the unique nature of the professional consulting services to be offered by SIMEC, it has been determined that the Consulting Services Agreement attached hereto as Exhibit A is not subject to competitive bidding.

J. That because of the nature of the bidding process related to the procurement of electricity from electric wholesale providers, the Village President requires the authority to sign a contract with the lowest cost electric wholesale provider within hours of the bids being received by SIMEC; and

WHEREAS, it is in the best interest of the Village of Chapin to engage SIMEC as its electric supply consultant and broker and to execute the Consulting Services Agreement attached hereto as Exhibit A;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILALGE OF CHAPIN, MORGAN COUNTY, ILLINOIS, as follows:

Section 1: That SIMEC is hereby appointed as the Village of Chapin's electric consultant and broker, and the Consulting Services Agreement attached hereto as Exhibit A is hereby approved, and the Village President is hereby directed to take all actions necessary to establish said consulting and broker relationship, including the execution of the Consulting Services Agreement.

Section 2. That, in light of the time constraints applicable to the acceptance of a competitive bid for a supply of electricity from an electric wholesale supplier, once the bids are received by SIMEC, the Village President is hereby authorized to sign the contract with the lowest bidder, with the Village Clerk being hereby directed to place said contract on the first available regular board of trustees meeting following the execution thereof by the Village President, for ratification by the corporate authorities of the Village of Chapin, Morgan County, Illinois.

Section 3. That this ordinance shall be in full force and affect upon its passage and approval as provided by law.

ADOPTED this 8 day of May, 2013, pursuant to a roll call vote as follows:

AYES: 4

NAYS: 0

ABSENT: 2

APPROVED by me this 8 day of May, 2013



Bryce McCormick, Village President

ATTEST:



Rhea Drake, Village Clerk

STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF MORGAN    )

CERTIFICATION

I, Rhea Drake, the Clerk of the Village of Chapin, Morgan County, Illinois, do hereby certify that attached copy of Ordinance No. 2013-2 is a true and correct copy of an Ordinance passed by the President and Board of Trustees of the Village of Chapin, at a meeting of said Village Board held on the 8 day of May, 2013 all as the original of the same remains in the official records of my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Village of Chapin, this 8 day of May, 2013.

  
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Rhea Drake, Village Clerk

(SEAL)