

July 23, 2010


Memo To: Chairman and Members of the Board of Public Utilities

Resolution – Smurfit-Stone Container Corporation Bankruptcy

On January 26, 2009, Smurfit-Stone Container filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court in Delaware. Chapter 11 allows a corporation to reorganize and create agreements of reorganization to continue doing business. Smurfit-Stone in Springfield had a prepetition debt for utility services in the amount of \$59,399.91. City Utilities filed an unsecured claim against the bankruptcy estate in this amount. As part of the reorganization plan, Smurfit-Stone has distributed 1,835 shares of its stock to City Utilities, and through a Direct Registration System, City Utilities can sell this stock and apply it to the unsecured claim owed to City Utilities by Smurfit-Stone. On the current market, the stock should sell for between \$38,000 to \$40,000. A requirement of the bankruptcy proceedings is that the designated official be authorized by the governing body to execute the transaction.

Attached for your consideration is a resolution approving the acceptance of 1,835 shares of Smurfit-Stone stock and authorizing the sale of said shares to apply toward the prepetition debt of Smurfit-Stone Container Corporation. Additionally, since this bankruptcy procedure is not uncommon, the resolution authorizes the General Manager to proceed in the future without additional specific board approval.

If there are questions regarding this resolution, please let me know.



John Twitty
General Manager

Attachment

c: John Black

RESOLUTION

WHEREAS, Smurfit-Stone Container Corporation (“Smurfit-Stone”) and its affiliated corporations filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court in the District of Delaware, Case No. 09-10235, on January 26, 2009; and

WHEREAS, City Utilities of Springfield, Missouri, filed an unsecured claim against the bankrupt estate in the amount of \$59,399.91 for prepetition utility services provided to Smurfit-Stone; and

WHEREAS, as part of the Smurfit-Stone plan of reorganization, City Utilities received a distribution of 1,835 shares of Smurfit-Stone stock; and

WHEREAS, Smurfit-Stone (the Debtor) has made available to its creditors through a Direct Registration System, a means by which it can sell the stock it received from the bankruptcy proceedings; and

WHEREAS, City Utilities can reduce its loss from the bankruptcy by selling the shares of Smurfit-Stone stock distributed to it through the program; and

WHEREAS, similar bankruptcy proceedings occasionally occur, and it is in the best interest of the utility to be able to efficiently resolve these claims by authorizing the General Manager to take such action necessary to sell stock received through such proceedings.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC UTILITIES OF THE CITY OF SPRINGFIELD, MISSOURI, that the General Manager and his designees be and hereby are authorized to take such action and execute such documents as may be necessary or convenient to sell 1,835 shares of Smurfit-Stone Container Corporation stock received as a distribution from the reorganized bankruptcy estate credited to the Debtor’s account, for the benefit of City Utilities, and to authorize the General Manager and designees to execute, sell, and proceed in future similar cases without additional board approval.

CERTIFICATE

The undersigned, Tom Rankin, Secretary of the Board of Public Utilities of the City of Springfield, Missouri, does hereby certify under his hand and seal of said Board of Public Utilities, that the above and foregoing is a true and correct copy of a resolution adopted by the Board of Public Utilities of the City of Springfield, Missouri, at its regular meeting held on the 29th day of July, 2010, pursuant to notice of time and place duly given to all members of said Board, at which meeting a quorum was present and voted throughout.

Dated this 29th day of July, 2010.

Tom Rankin, Secretary