

**SALLISAW MUNICIPAL AUTHORITY
REGULAR MEETING**

January 9, 2023

**Time: Immediately Following the
Meeting of the Board of City Commissioners**

**Council Chambers
113 North Elm Street
Sallisaw, Oklahoma**

A G E N D A

- 1. Meeting Called to Order**
- 2. Declaration of a Quorum**
- 3. Consider Approval of Minutes of Regular Meeting of December 12, 2022**
- 4. Discuss and Consider Approval of Staff's Request to Reinvest a Sallisaw Municipal Authority Certificate of Deposit with Firststar Bank for 182 Days at 3.55% Interest**
- 5. Update and Discussion on the Grand River Dam Authority Power Cost Adjustment; Possible Direction of Staff.**
- 6. Administrative Reports**
- 7. Adjourn**

Posted: January 5, 2023

Time: 3:45 P.M.

Kim Jamison

MINUTES

SALLISAW MUNICIPAL AUTHORITY

REGULAR MEETING

DECEMBER 12, 2022

The Sallisaw Municipal Authority met in a regular meeting on December 12, 2022, in the Council Chambers, 113 North Elm, Sallisaw. Notice of the meeting was given by emailing to Sequoyah County Times; by posting at city hall on December 8, 2022 at 4:45 p.m.; by posting on the city's website; and, by giving notice to the City Clerk.

Members present:	Ernie Martens, Ronnie Lowe, Julian Mendiola, Kristin Peerson,	Chairman Trustee, Ward 1 Trustee, Ward 3 Trustee, Ward 4
Members absent:	Josh Bailey,	Trustee, Ward 2
Staff present:	Keith Skelton, John R. Montgomery, Kim Jamison, Robin Haggard, Keith Miller, Terry Franklin, George Bormann, Clint Smith, Jessica Robertson, Skylar Fullbright, Chris Carter, Chris Gilliam, Kayle Griffin, Ben Spyres, Devin Harriman,	General Manager City Attorney Secretary Director of Finance Building Development Director Chief of Police Economic Development Director Superintendent - Telecommunications Business Support Manager Grants Specialist Senior Code Inspector Code Enforcement Officer Chief Accountant Computer Technician Lieutenant
Others present:	Lynn Adams; Andrew Harrelson; Others Unidentified.	

Meeting Called to Order

Chairman Martens called the meeting to order. The meeting began at 6:49 p.m.

Declaration of a Quorum

A quorum was declared present.

Consider Approval of Minutes of Regular Meeting of November 14, 2022

Motion was made by Lowe, seconded by Peerson, for approval of the minutes as presented.
Vote: Lowe aye; Peerson aye; Mendiola aye; Martens aye. Motion carried 4-0.

Receive Presentation of the FY 2022 Utility Report; Discussion and Possible Direction to Staff

Keith Skelton presented the FY 2022 Utility Report to council. He gave highlights from the report. He noted that a special meeting would be held in January for discussion of the study as well as code and the upcoming budget. No direction was given.

Update and Discussion on the Grand River Dam Authority Power Cost Adjustment for the Month of December 2022 / January 2023; Possible Direction of Staff.

The manager noted that the PCA was .03693 for December, noting that this was a decrease. Natural gas prices also continue to decrease.

Administrative Reports

Mr. Skelton noted that staff continues to work with GRDA on the AMI system.

Adjourn

Motion was made by Lowe, seconded by Peerson, to adjourn the meeting there being no further business. Vote: Lowe aye; Peerson aye; Mendiola aye; Martens aye. Motion carried 4-0.
Meeting ended at 7:00 p.m.

Approved the **9th** day of **January, 2023**.

Secretary to the Authority

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date: January 9, 2023
Board: Sallisaw Municipal Authority
Subject: Reinvestment

ITEM TITLE: Discuss and Consider Approval of Staff's Request to Reinvest a Sallisaw Municipal Authority Certificate of Deposit with Firststar Bank for 182 Days at 3.55% Interest

INITIATOR: City Clerk

STAFF INFORMATION SOURCE: City Clerk

BACKGROUND: Quotes were requested for reinvestment of the Sallisaw Municipal Authority Certificate of Deposit. Armstrong Bank, Firststar Bank and National Bank of Sallisaw returned quotes. Staff requests approval to deposit with Firststar Bank of Sallisaw, the high bidder, for 182 days at 3.55%.

EXHIBITS: 1. SMA - SMA CD

KEY ISSUES: None

FUNDING SOURCE: N/A

RECOMMENDATION: Approval to reinvest a Sallisaw Municipal Authority Certificate of Deposit with Firststar Bank for 182 days at 3.55% interest.

SALLISAW MUNICIPAL AUTHORITY

**REDEPOSIT
OF
TEMPORARILY IDLE FUNDS**

January 9, 2023

<u>Fund</u>	<u>Amount</u>	<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>
SMA	\$473,366.63	91	<u>3.35%</u>	<u>1.45%</u>	<u>3.25%</u>
		182	<u>3.55%</u>	<u>1.60%</u>	<u>3.50%</u>
		273	<u>3.98%</u>	<u>1.70%</u>	<u>3.65%</u>



115 East Choctaw P.O. Box 525 Sallisaw, OK 74955
Ph. 918-775-6241 Fax 918-775-9550 www.sallisawok.org

TO: Armstrong Bank

December 30, 2022

The City of Sallisaw requests quotes on time deposits of idle funds for the time specified beginning January 11, 2023:

<u>FUND</u>	<u>AMOUNT</u>	<u>DAYS</u>	<u>MATURITY</u>	<u>QUOTE</u>
Sallisaw Mun Auth	\$473,366.63	91	April 12, 2023	<u>3.25</u>
		182	July 12, 2023	<u>3.50</u>
		273	October 11, 2023	<u>3.65</u>

Quotes will be received by the City Clerk via e-mail; kjamison@sallisawok.org and must be received by **10:00 a.m., Wednesday, January 4, 2023**. Quotes will then be reviewed by the City Clerk. Recommendation for award will be presented at the meeting of The Sallisaw Municipal Authority immediately following the Board of City Commissioners beginning at 6:00 p.m., January 9, 2023.

Please ensure that your facility has sufficient collateral pledged, should you be the successful bidder.

Kim Jamison, City Clerk

Submitted by:

Armstrong Bank

Date:

1-3-2023

By:

Teei Daniels



115 East Choctaw P.O. Box 525 Sallisaw, OK 74955
Ph. 918-775-6241 Fax 918-775-9550 www.sallisawok.org

TO: National Bank of Sallisaw

December 30, 2022

The City of Sallisaw requests quotes on time deposits of idle funds for the time specified beginning January 11, 2023:

<u>FUND</u>	<u>AMOUNT</u>	<u>DAYS</u>	<u>MATURITY</u>	<u>QUOTE</u>
Sallisaw Mun Auth	\$473,366.63	91	April 12, 2023	<u>1.45 %</u>
		182	July 12, 2023	<u>1.60 %</u>
		273	October 11, 2023	<u>1.70 %</u>

Quotes will be received by the City Clerk via e-mail; kjamison@sallisawok.org and must be received by **10:00 a.m., Wednesday, January 4, 2023**. Quotes will then be reviewed by the City Clerk. Recommendation for award will be presented at the meeting of The Sallisaw Municipal Authority immediately following the Board of City Commissioners beginning at 6:00 p.m., January 9, 2023.

Please ensure that your facility has sufficient collateral pledged, should you be the successful bidder.

Kim Jamison, City Clerk

Submitted by:

National Bank of Sallisaw

Date:

1/4/23

By:



115 East Choctaw P.O. Box 525 Sallisaw, OK 74955
Ph. 918-775-6241 Fax 918-775-9550 www.sallisawok.org

TO: Firstar Bank

December 27, 2022

The City of Sallisaw requests quotes on time deposits of idle funds for the time specified beginning January 11, 2023:

<u>FUND</u>	<u>AMOUNT</u>	<u>DAYS</u>	<u>MATURITY</u>	<u>QUOTE</u>
Sallisaw Mun Auth	\$473,366.63	91	April 12, 2023	<u>3.35</u>
		182	July 12, 2023	<u>3.55</u>
		273	October 11, 2023	<u>3.98</u>

Quotes will be received by the City Clerk via e-mail; kjamison@sallisawok.org and must be received by **10:00 a.m., Wednesday, January 4, 2023**. Quotes will then be reviewed by the City Clerk. Recommendation for award will be presented at the meeting of the Board of City Commissioners beginning at 6:00 p.m., January 9, 2023.

Please ensure that your facility has sufficient collateral pledged, should you be the successful bidder.

Kim Jamison, City Clerk

Submitted by:

Firstar Bank

Date: 1-4-23

By: [Signature]

AGENDA ITEM COMMENTARY

Meeting Date: January 9, 2023
Board: Sallisaw Municipal Authority
Subject: GRDA Power Cost Adjustment

ITEM TITLE: Update and Discussion on the Grand River Dam Authority Power Cost Adjustment; Possible Direction of Staff.

INITIATOR: General Manager
Director of Finance

STAFF INFORMATION SOURCE: Grand River Dam Authority

BACKGROUND: Staff will provide any information available regarding the GRDA PCA and the effects of the cost of natural gas on GRDA power generation and the cost passed to Sallisaw customers.

EXHIBITS: 1. PCA Update 1.9.2023
2. PCA Update 1.9.2023

KEY ISSUES:

- January 2023 PCA: \$0.03806 per kWh.
- December 2022 PCA: \$0.03693 per kWh.
- GRDA's PCA rate trends in conjunction with the natural gas index.
The cost of natural gas continues to be a main factor in the GRDA PCA costs passed on to GRDA customers.
- The excess cost of the PCA, not included in the city base rates, is calculated and passed on to our customers as the Cost of Power Base Adjustment (CPBA) charge.

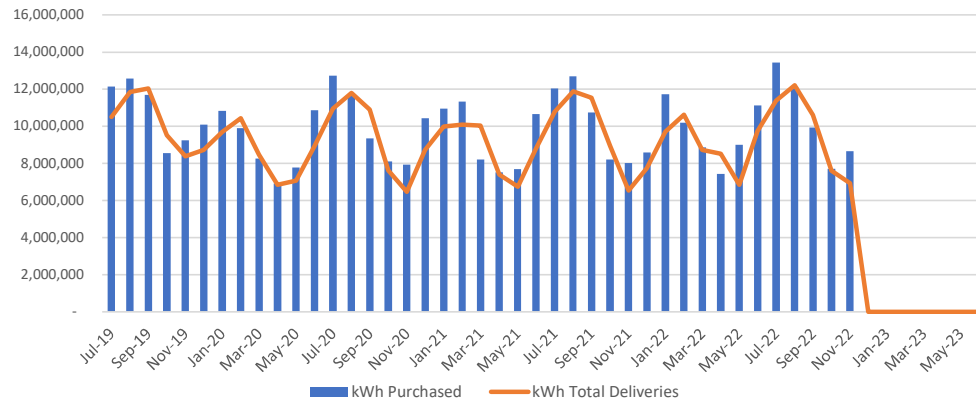
FUNDING SOURCE: NA

RECOMMENDATION: Receive updates and provide guidance to staff as needed.

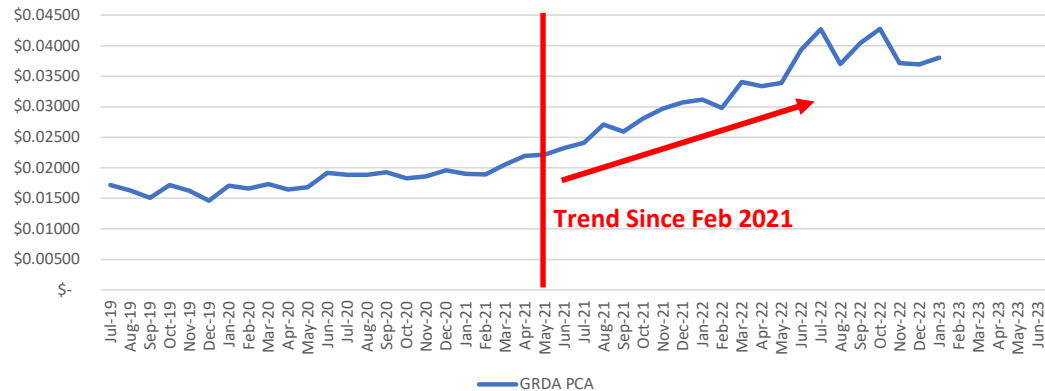
1/5/2023

	GRDA PCA	PCA Cost	kWh Purchased	kWh Total Deliveries	Meters Served
Jul-19	\$ 0.01718	\$208,702	12,147,980	10,492,537	4,350
Aug-19	\$ 0.01629	\$204,726	12,567,603	11,858,333	4,338
Sep-19	\$ 0.01509	\$176,448	11,693,074	12,039,380	4,324
Oct-19	\$ 0.01716	\$146,808	8,555,261	9,531,369	4,346
Nov-19	\$ 0.01624	\$150,210	9,249,393	8,376,100	4,314
Dec-19	\$ 0.01462	\$147,525	10,090,655	8,724,102	4,322
Jan-20	\$ 0.01710	\$184,983	10,817,729	9,684,041	4,332
Feb-20	\$ 0.01659	\$164,350	9,906,580	10,436,933	4,336
Mar-20	\$ 0.01730	\$142,876	8,258,704	8,463,168	4,352
Apr-20	\$ 0.01643	\$113,403	6,902,218	6,844,911	4,325
May-20	\$ 0.01683	\$130,788	7,771,118	7,075,457	4,354
Jun-20	\$ 0.01914	\$207,913	10,862,726	8,912,216	4,369
Jul-20	\$ 0.01890	\$240,397	12,719,420	10,948,403	4,378
Aug-20	\$ 0.01888	\$220,549	11,681,639	11,804,237	4,384
Sep-20	\$ 0.01929	\$180,303	9,346,979	10,893,526	4,348
Oct-20	\$ 0.01829	\$148,112	8,097,951	7,630,330	4,336
Nov-20	\$ 0.01863	\$147,815	7,934,240	6,469,889	4,349
Dec-20	\$ 0.01962	\$204,735	10,435,034	8,718,069	4,354
Jan-21	\$ 0.01905	\$208,612	10,950,787	9,979,645	4,361
Feb-21	\$ 0.01892	\$214,521	11,338,318	10,095,860	4,357
Mar-21	\$ 0.02052	\$168,358	8,204,584	10,033,051	4,371
Apr-21	\$ 0.02194	\$164,798	7,511,319	7,405,128	4,361
May-21	\$ 0.02219	\$170,728	7,693,935	6,750,389	4,374
Jun-21	\$ 0.02328	\$248,047	10,654,926	8,811,978	4,372
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Oct-21	\$ 0.02811	\$ 230,488	8,199,488	8,949,667	4,383
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Sallisaw -kwh Purchased and Deliveries



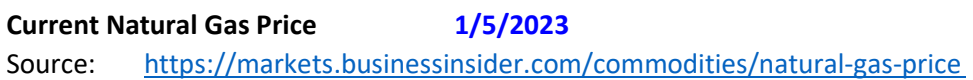
GRDA PCA RATE



GRDA PCA	Jan-23	\$ 0.03806
	Feb-21	\$ 0.01892
	Increase	\$ 0.01914
	% Increase	101.2%

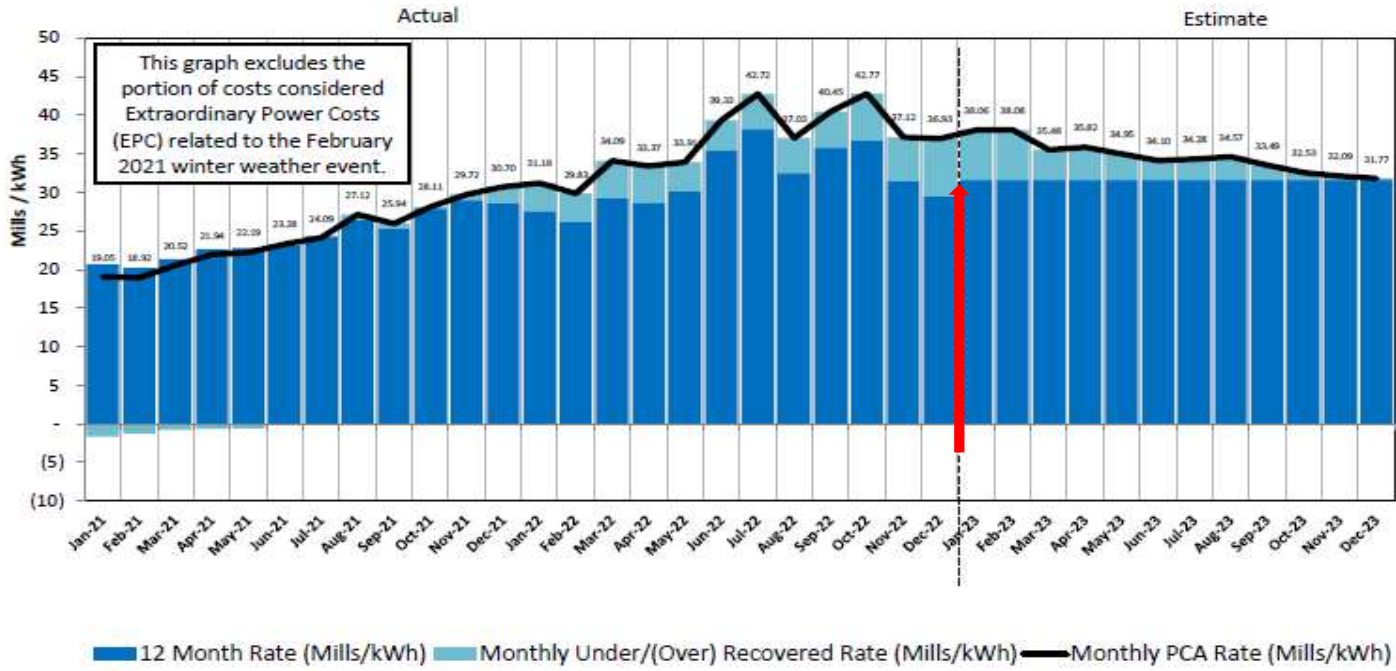
Current Natural Gas Price **1/5/2023**
Source: <https://markets.businessinsider.com/commodities/natural-gas-price>

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GRDA Power Cost Adjustment Rates

This chart states the PCA rates, both actual and estimated. The PCA rate consists of a factor for the average estimated power cost over the next 12 months, plus a factor for any under/over collection from previous months.

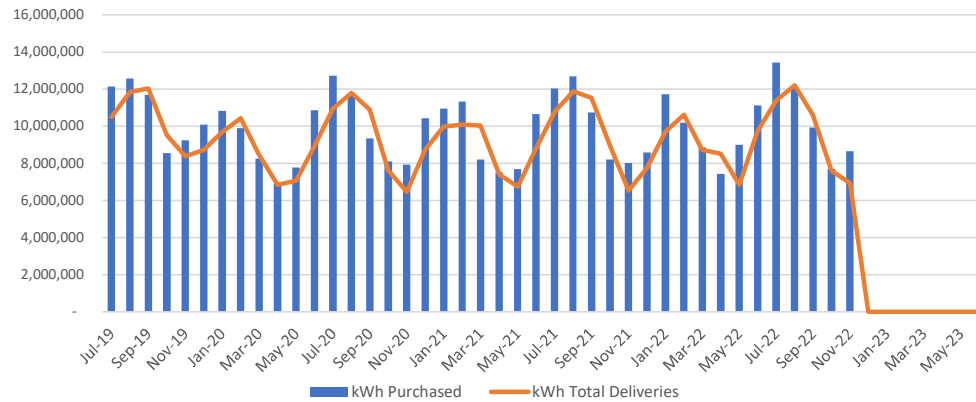


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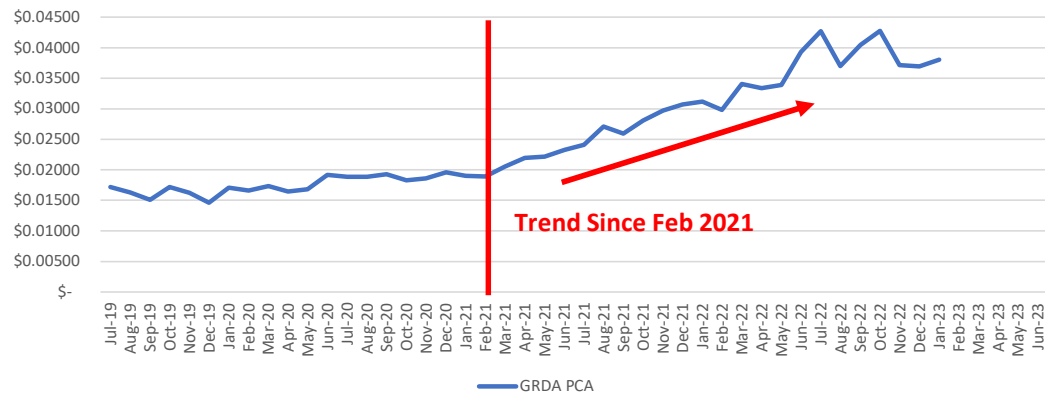
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Sallisaw -kwh Purchased and Deliveries

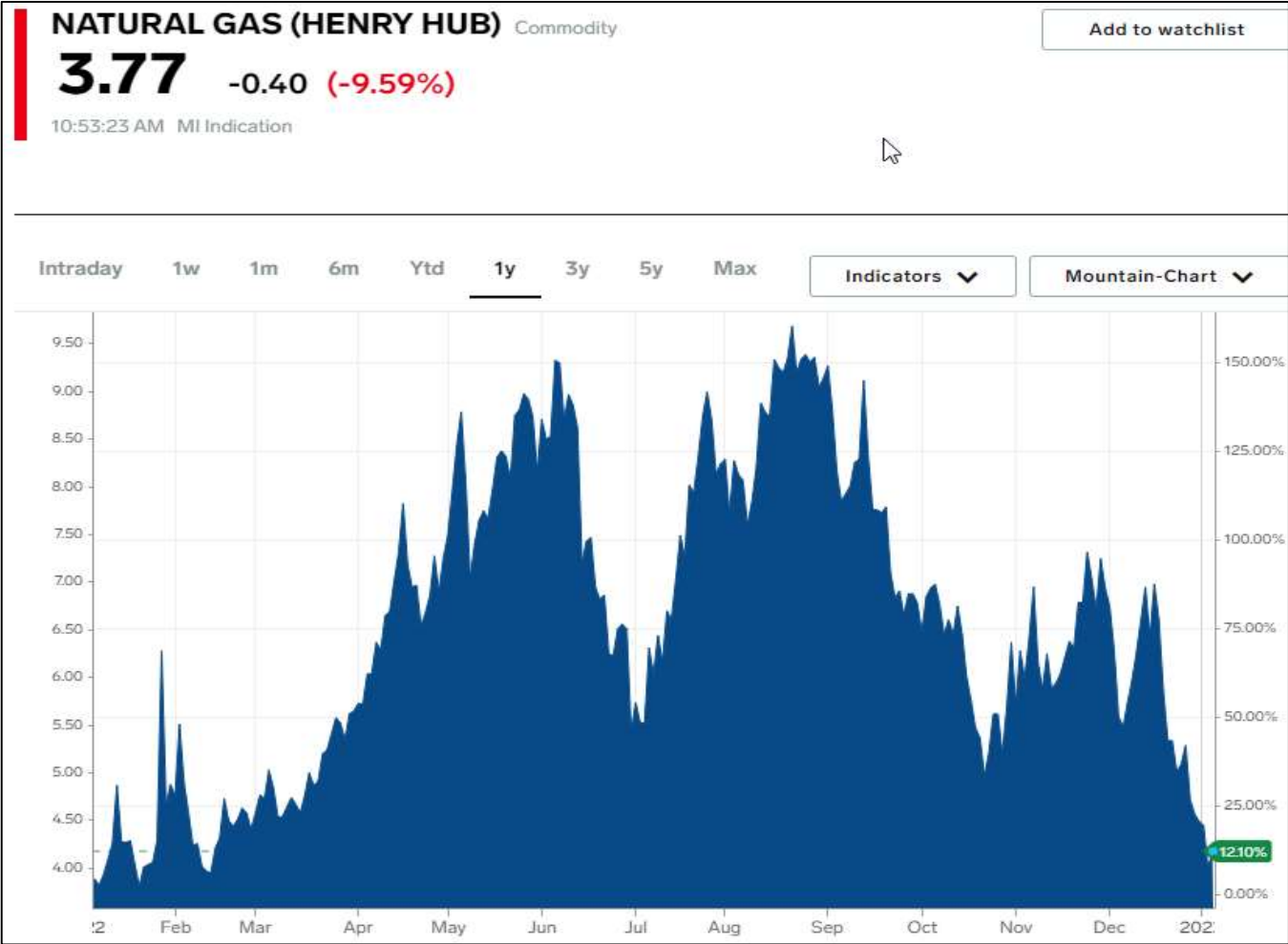


GRDA PCA RATE



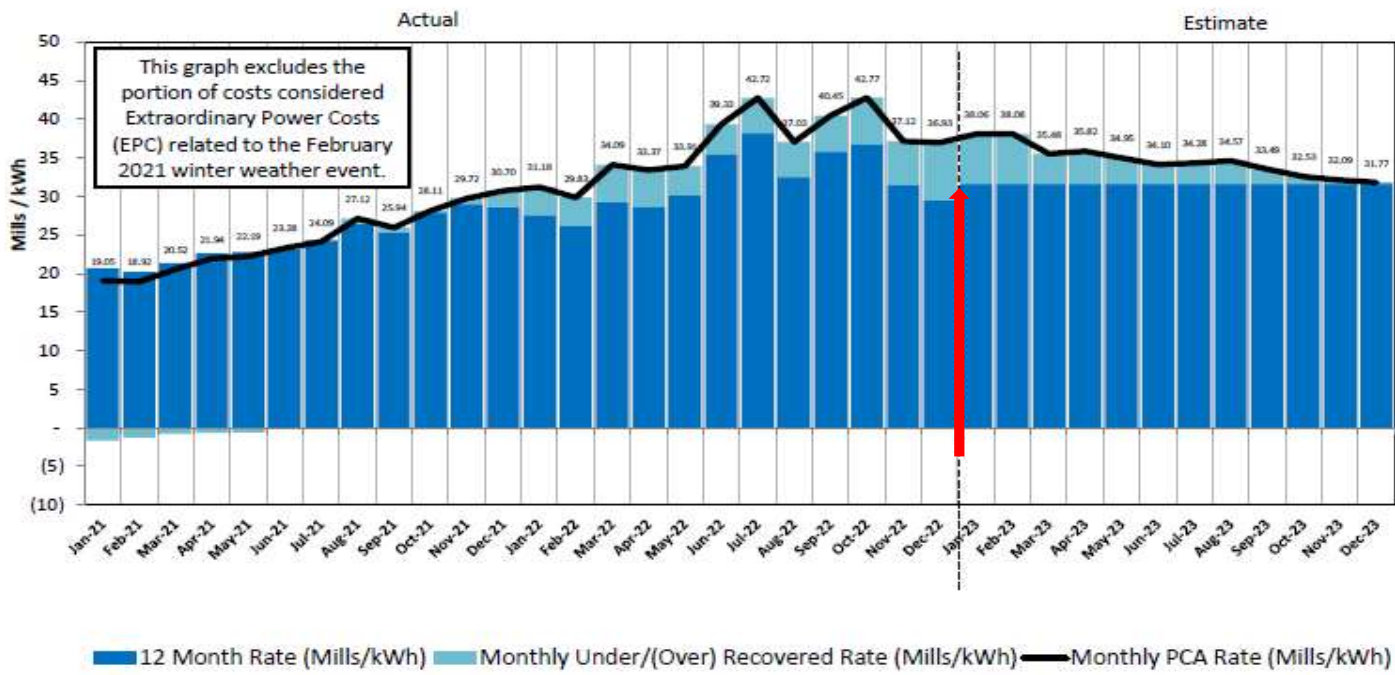
GRDA PCA	Jan-23	\$ 0.03806
	Feb-21	\$ 0.01892
	Increase	\$ 0.01914
	% Increase	101.2%

Current Natural Gas Price 1/5/2023
Source: <https://markets.businessinsider.com/commodities/natural-gas-price>



GRDA Power Cost Adjustment Rates

This chart states the PCA rates, both actual and estimated. The PCA rate consists of a factor for the average estimated power cost over the next 12 months, plus a factor for any under/over collection from previous months.



1 Mill/kWh = \$1/MWh = \$0.00100/kWh