

**SALLISAW MUNICIPAL AUTHORITY
REGULAR MEETING**

March 13, 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 February 13, 2023**
- 4. Discuss and Consider Approval of Purchase Order No. 97246, Issued to Anixter, Inc., in the Amount of \$251,089.89, for the Purchase of Transformers and Other Materials for Lee Creek Estates Subdivision**
- 5. Discuss and Consider Approval of Lease Agreement between John Perry Wickett and The Sallisaw Municipal Authority for use of Rodeo Grounds for a Junior Rodeo and Authorize the City Manager, City Clerk, and City Attorney to Finalize Details of Insurnace**
- 6. Discuss and Consider Approval of Staff's Request to Reinvest the Sallisaw Municipal Authority Certificate of Deposit with National Bank of Sallisaw for 273 Days at 4.06% Interest**
- 7. Discuss and Consider Approval of Staff's Request to Reinvest the Meter Fund Certificate of Deposit with National Bank of Sallisaw for 273 Days at 4.06% Interest**
- 8. Update and Discussion on the Grand River Dam Authority Power Cost Adjustment; Possible Direction of Staff**

9. Administrative Reports

10. Adjourn

Posted: MARCH 10, 2023

Time: 10:15 A.M.

Kim Jamison

MINUTES

SALLISAW MUNICIPAL AUTHORITY

REGULAR MEETING

FEBRUARY 13, 2023

The Sallisaw Municipal Authority met in a regular meeting on February 13, 2023, 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 February 10, 2023 at 10:40 a.m.; by posting on the city's website; and, by giving notice to the City Clerk.

Members present:	Ernie Martens, Ronnie Lowe, Josh Bailey, Julian Mendiola, Kristin Peerson,	Chairman Trustee, Ward 1 Trustee, Ward 2 Trustee, Ward 3 Trustee, Ward 4
Members absent:	None	
Staff present:	Keith Skelton, John R. Montgomery, Kim Jamison, Robin Haggard, Keith Miller, Terry Franklin, Jessica Robertson, Christian Sizemore, Chris Carter, Kayle Griffin, Chris Gilliam, Rebecca Greer,	General Manager City Attorney Secretary Director of Finance Building Development Director Chief of Police Business Support Manager Network Manager Senior Code Inspector Chief Accountant Code Inspector Patrolman

Others present: Kim Netz; Jayna Tillman; Lynn Adams; Norman Herrera; Daniel Emerson; Necole Emerson; David Lessley; LaDonna Mosby; Richard Mosby; Michael Perry; Others Unidentified.

Meeting Called to Order

Chairman Martens called the meeting to order. Meeting began at 7:03 p.m.

Declaration of a Quorum

A quorum was declared present.

Consider Approval of Minutes of Regular Meeting of January 9, 2023

Motion was made by Mendiola, seconded by Bailey, for approval of the minutes as presented.
Vote: Mendiola aye; Bailey aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

Discuss and Acknowledge Notice of Assignment Between Sequoyah Renewables, LLC and Sallisaw Energy, LLC

Motion was made by Mendiola, seconded by Bailey, to acknowledge the Notice of Assignment between Sequoyah Renewables, LLC and Sallisaw Energy, LLC. Vote: Mendiola aye; Bailey aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

Discuss and Consider Approval of Resolution 2023-01; A Resolution Approving Entering Into An Interlocal Cooperative Agreement Between The Sallisaw Municipal Authority And The Tahlequah Public Works Authority Establishing The Oklahoma Municipal Utility Services Association (OMUSA).

City Manager reviewed the agreement with Council. Motion was made by Bailey, seconded by Mendiola, for approval of Resolution Approving Entering into a Interlocal cooperative Agreement between The Sallisaw Municipal Authority and The Tahlequah Public Works Authority establishing the Oklahoma Municipal Utility Services Association (OMUSA). Vote: Bailey aye; Mendiola aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0.

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

The Manager noted that the PCA was .038 for February.

Administrative Reports

None.

Adjourn

Motion was made by Lowe, seconded by Mendiola, to adjourn the meeting there being no further business. Vote: Lowe aye; Mendiola aye; Bailey aye; Peerson aye; Martens aye. Motion carried 5-0. The meeting ended at 7:20 p.m.

Approved this **13th** day of **March, 2023**.

Secretary to the Authority

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date: March 13, 2023
Board: Sallisaw Municipal Authority
Subject: Subdivision Transformer and Materials

ITEM TITLE: Discuss and Consider Approval of Purchase Order No. 97246, Issued to Anixter, Inc., in the Amount of \$251,089.89, for the Purchase of Transformers and Other Materials for Lee Creek Estates Subdivision

INITIATOR: Electric Superintendent

STAFF INFORMATION SOURCE: Electric Superintendent

BACKGROUND: Approval of this purchase order will allow staff to proceed with the purchase of materials needed for a new subdivision. Lee Creek Estates is being built to the east of Carl Albert College.

EXHIBITS: 1. PON 97246

KEY ISSUES:

- Materials must be ordered as soon as possible due to delivery times.
- Construction has already started on the subdivision.

FUNDING SOURCE: SMA-Electric Material-Subdivisions 090-601-55521

RECOMMENDATION: Approval of Purchase Order No. 97246 in the amount of \$251,089.89.

CITY OF SALLISAW QUOTATION SHEET

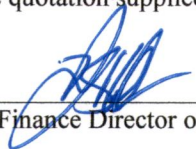
Cost exceeds \$2,500, two quotations required.

Cost equals \$5,000 or more, three quotations required

If you are quoting several items, attach list to this form **Also attach all vendor quotes received**

VENDOR 1	VENDOR 2	VENDOR 3
Date of Quotation 3-3-2023	Date of Quotation 3-3-2023	Date of Quotation
Department Number: 601	Department Number: 601	Department Number:
Vendor Name / Number DNIXTER / wesco	Vendor Name / Number TECHLINE	Vendor Name / Number
Address 8201 POLE ROAD	Address PO BOX 674005	Address
City OKLAHOMA CITY	City DALLAS	City
State OK Zip 73149	State TX Zip 75267-	State Zip
Phone 405-438-6382	Phone 918-978-9001	Phone
Item (s) LEE'S CREEK EDITION MATERIAL	Item (s) LEE'S CREEK EDITION MATERIAL	Item (s)
Quantity	Quantity	Quantity
Price each \$ 251,089.89	Price each \$ 253,945.55	Price each
Est. Freight	Est. Freight	Est. Freight
Total Cost \$ \$ 251,089.89	Total Cost \$ \$ 253,945.55	Total Cost \$
Quote Expiration Date 4-2-2023	Quote Expiration Date	Quote Expiration Date
Quotes Obtained By: BS	Quotes Obtained By: BS	Quotes Obtained By:
GL Budget Line	GL Budget Line	GL Budget Line
Purchasing Approval	Purchasing Approval	Purchasing Approval
PO Number / Date: 97246 / 3/8/23	PO Number / Date:	PO Number / Date:

Explain if only one quotation supplied:

Quote approved: 
(Purchasing Agent, Finance Director or City Manager)

Date: 3/8/23

CITY OF SALLISAW PURCHASE REQUISITION / PURCHASE ORDER NOT VALID UNLESS PURCHASE ORDER NUMBER HAS BEEN ISSUED				PO Number 			
Vendor # _____ Department: Electric Vendor Name: Anixter Address: 8201 Pole Road City: Oklahoma City State: Ok Zip: 73149				PO Date Merchant, Mail Invoices to: City of Sallisaw PO Box 525 Sallisaw, OK 74955 Attn: Purchasing NOTE PO NUMBER ON INVOICE Ph: (918) 775-6241 x 305 Fax: (918) 775-4194 Email: purchasing@sallisawok.org www.sallisawok.org			
Contact:		Tom Wilson		Phone/Cell		/ 918 864 9336	
Email				Fax			
						Grant Funds Y N	

Item #	Item Description/Catalog #	GL Acct	Quant	Unit Cost	Total Est. Cost
1	2/0 15kv 2" duct 10k min order		10000	10.90	\$ 109,000.00
2	350 al wire CIC		2500	4.07	\$ 10,175.00
3	100 kva pad mounted transformer		8	6634.00	\$ 53,072.00
4	167 KVA Pad mounted ttransformer		4	13457.00	\$ 53,828.00
5	secondary peds prmc-150-mg		17	178.29	\$ 3,030.93
6	single phase tap box primary		2	1279.84	\$ 2,559.68
7	meter socket 200amp		30	66.30	\$ 1,989.17
8	4 term 2 position meter can		16	342.30	\$ 5,476.91
9	4 point junct		2	285.00	\$ 570.00
10	2/0 Terminator		5	274.00	\$ 1,370.00
11	3m elbow 2/0		25	189.20	\$ 4,730.21
12	Ground Sleeve		2	1073.00	\$ 2,146.00

Comments, Note grant information if applicable: Lee's Creek		Freight/Other	
		Total Cost	\$ 247,947.90

Requestor: Blakely Smith Jr Date: 3-8-2023 Purchasing Approval: _____ Date: _____		PRIORITY: <u>HIGH</u> <u>MED</u> <u>LOW</u> Dept Need Date: _____ Order Date/By: _____/_____ Est. Delivery: _____
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8201 POLE ROAD
Oklahoma City, OK 73149

Lee Creek Edition

www.anixterpowersolutions.com

Phone: 405.438.6382
Fax: 405.632.0668

Quotation: U00718471.03

To: **CITY OF SALLISAW**
213 W QUESENBURY
SALLISAW, OK 74955

Issued Date: **Mar 08, 2023**
Expiration Date: **Apr 07, 2023**

Attn:
Phone:
Fax:

Sales Contact: **Thomas Wilson**
(P)
(F)
thwilson@anixter.com

Item	CustLine	Product and Description	Quantity	Price	Unit	Extended
1		2/0 15 kv in 2" duct DEL: 56 WEEKS, 10k minimum order	10000	10.900	EA	109,000.00
2		WESLEYANHS1000R WIRE 350 AL 37STR XLP HS URD 1000' R STD PKG: 1000 DEL: STOCK	2500	4.070	FT	10,175.00
3		QGGV989 100KVA 1PH PAD MNT TRANSF DEL: 20 WEEKS	8	6,634.000	EA	53,072.00
4		QGGV988 167KVA 1PH PAD MNT TRANSF DEL: 20 WEEKS	4	13,457.000	EA	53,828.00
5		PRMC-150-MG STAKELESS SECONDARY DEL: 10 WEEKS	17	178.290	EA	3,030.93
6		CW330-18TH CABINET TERMINATING 1PH 30" METAL DEL: 43-45 WEEKS	2	1,279.840	EA	2,559.68
7		U7040-RLTG SOCKET METER 200A 4T HO RINGLESS TRIPLEX GRD DEL: 25 WEEKS	30	66.306	EA	1,989.17
8		U1252-X 4 TERM 2 POSITION 200A METER CAN DEL: 46 WEEKS	16	342.307	EA	5,476.91



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Oklahoma City, OK 73149

Lee Creek Edition

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Phone: 405.438.6382
Fax: 405.632.0668

Quotation: U00718471.03

Item	CustLine	Product and Description	Quantity	Price	Unit	Extended
9		215J4U JUNCT 15KV 4 POS200A WITH U-STRAP DEL: 50 WEEKS	2	285.000	EA	570.00
10		5641-2/0 TERMINATOR 15KV 2/0 STR DEL: 3 WEEKS	5	274.000	EA	1,370.00
11		5810-B-2/0 3M LB ELBOW 2/0 DEL: 8 WEEKS	25	189.208	EA	4,730.21
12		BG1860181254604 SLEEVE GROUND FBRGLS 18INX60INX18IN MUN GRN DEL: 12 WEEKS	2	1,073.000	EA	2,146.00

SECTION TOTAL: \$247,947.89

QUOTE TOTAL: \$247,947.89

Special Notes

- 1) All items are In Stock unless otherwise noted.
- 2) All item pricing on this quote is valid for thirty days unless otherwise specified.
- 3) All applicable taxes apply.

BY ACCEPTING THIS QUOTE, YOU AGREE THAT THE ANIXTER TERMS AND CONDITIONS OF SALE PUBLISHED AT THE LINK BELOW ARE EXPRESSLY INCORPORATED INTO AND SHALL GOVERN THIS TRANSACTION.

<http://www.anixter.com/TERMSANDCONDITIONS>

Anixter Power Solutions offers the industry's most extensive and dynamic portfolio of products, services and solutions for the Public Power, Investor-owned Utilities, Construction and Industrial markets.

The impacts of COVID-19 cannot be reasonably determined at this time. This quote/proposal does not account for any potential adverse impacts COVID-19 may have on Anixter's performance or obligations herein. In the event of any delays or adverse impacts, Anixter reserves the right for an equitable adjustment of the delivery schedule and prices herein to offset the effects of COVID-19 delays, without fault or penalty of any kind.

CITY OF SALLISAW				PO Number	
PURCHASE REQUISITION / PURCHASE ORDER					
NOT VALID UNLESS PURCHASE ORDER NUMBER HAS BEEN ISSUED					
Vendor # _____		Department: <u>Electric</u>		PO Date	
Vendor Name: <u>TECHLine</u>				Merchant, Mail Invoices to:	
Address: _____				City of Sallisaw	
				PO Box 525	
				Sallisaw, OK 74955	
				Attn: Purchasing	
				NOTE PO NUMBER ON INVOICE	
				Ph: (918) 775-6241 x 305	
				Fax: (918) 775-4194	
				Email: purchasing@sallisawok.org	
				www.sallisawok.org	
City: _____		State: _____		Zip: _____	
Contact: _____	Phone/Cell _____		/		
Email _____	Fax _____		Grant Funds Y N		

Item #	Item Description/Catalog #	GL Acct	Quant	Unit Cost	Total Est. Cost
1	3800 ft 2/0 Primary Cable CIC	010-601-310	10,000	12.80 Ft	\$128,000
2	2500 ft 350 Secondary triplex	010-601-310	3000	5.38 Ft	\$16,140
3	167 Kva 120/240 7200 primary	090-601-55515	4	6893.75	\$27,575
4	100 Kva 120/240 primary 7200	090-601-55515	8	5533.75	\$44,270
5	Secondary peds nordic	010-601-310	20	188.78	\$3,775.60
----	prmc-150 anoka	-----			
6	single phase primary tap boxes	010-601-310	2	\$912.05	\$1,824.10
7	2 gain 200amp meter can	010-601-310	78	\$320.92	\$25,031.76
8	200 amp meter cans	010-601-310	8	57.95	\$463.61
9	35 ft class 3 pole	010-601-310	2	1,062.50	\$2,125.00
10	4 point junction LI-215c4u	010-601-310	2	261.46	\$522.92
11	over head termination kits 2/0 primary	010-601-310	5	102.67	\$513.35

Comments, Note grant information if applicable:

Material for Lee Creek Edition (see attached sheet)

Requestor: Blakely Smith Jr Date: _____

Purchasing Approval: _____ Date: _____

Freight/Other	
Total Cost	

PRIORITY: HIGH MED LOW

Dept Need Date: _____

Order Date/By: _____ / _____

Est. Delivery: _____

continued on next page

Comments, Note grant information if applicable:

Material for Lee Creek Edition (Page 2)

Requestor: Blakely Smith Jr Date: _____

Purchasing Approval: _____ Date: _____

Freight/Other

Total Cost	253 945.55
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PRIORITY: HIGH MED LOW

Dept Need Date: _____

Order Date/By: _____/_____

Est. Delivery: _____

AGENDA ITEM COMMENTARY

Meeting Date: March 13, 2023
Board: Sallisaw Municipal Authority
Subject: Rodeo Grounds Lease Agreement

ITEM TITLE: Discuss and Consider Approval of Lease Agreement between John Perry Wickett and The Sallisaw Municipal Authority for use of Rodeo Grounds for a Junior Rodeo and Authorize the City Manager, City Clerk, and City Attorney to Finalize Details of Insurance

INITIATOR: J.P. Wickett
Oklahoma Junior Rodeo Association

STAFF INFORMATION SOURCE: City Clerk
City Attorney

BACKGROUND: Mr. Wickett has requested a lease agreement for use of the rodeo grounds for the Oklahoma Junior Rodeo Association in order to bring a Junior Rodeo event to Sallisaw on April 1st and 2nd. At the time of posting agendas, the final details of the insurance are being worked out and will be provided prior to the finalization of the contract.

EXHIBITS: 1. Rodeo Grounds.2023. Wickett Junior Rodeo

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDATION: Approval of the Lease Agreement between John Perry Wickett and The Sallisaw Municipal Authority and authorize staff to finalize details of insurance.

LEASE AGREEMENT

This lease made and entered into by and between the Sallisaw Municipal Authority, a public Trust, hereinafter referred to as "LESSOR", and the John Perry Wickett, of 457424 U.S. Highway 64, Sallisaw, Oklahoma, 74955, hereinafter referred to as "LESSEE".

That LESSOR, in consideration of the payment of the usage fee as provided in the Fee Schedule of the LESSOR, hereby leases to LESSEE for the purpose of operating and maintaining a rodeo facility and facility useful for similar events on the following described real estate situated in the County of Sequoyah, State of Oklahoma, to-wit:

A part of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 12 North, Range 24 East, more particularly described as follows:

Beginning at a point 122 feet East of the NW corner of the said SE $\frac{1}{4}$ SW $\frac{1}{4}$, thence East 356 feet; thence South 01° 45' West 471 feet; thence North 88° 25' West 118 feet; thence North 71° 51' West 212 feet; thence North 01° 10' East 306 feet; thence North 45° West 32 feet; thence North 1° 10' East 69 feet to the point of beginning,

for a certain period of five (5) days, beginning at 12:01 o'clock a.m. March 29, 2023 and ending at 12:00 o'clock a.m., April 2, 2023, with public events scheduled to be held during such period of time.

IT IS UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES HERETO, AS FOLLOWS:

I. Additional Property,

1. The LESSOR also grants to the LESSEE the right to use for vehicular parking purposes only, during such community entertainment event, for the term of this lease, the following described real estate situated in Sequoyah County, Oklahoma, to-wit:

A part of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 12 North, Range 24 East, more particularly described as follows:

Beginning at a point 488 feet West of the NE corner of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 12 North, Range 24 East; thence South 23° 30' West 255 feet; thence South 80° 0' West 47 feet; thence South 01° 15' West 360 feet; thence South 75° 45' West 290 feet; thence North 1° 40' West 202 feet; thence South 88° 25' East 98 feet; thence North 01° 45' East 471 feet; thence East 354 feet to the point of beginning, containing 4 acres more or

less.

The right to use either or both of the above described tracts of land may be cancelled by either party upon 60 days written notice to the other party, subject to any existing contracts creating financial responsibility. The LESSOR reserves the right to cancel if the property is needed for other cultural purposes, parking, industrial purposes or other similar needs of the LESSOR.

II. General

1. The LESSEE herewith has the general usage, operations, maintenance, management, and supervision of the leased property as herein described.

2. The LESSEE shall have the right to schedule and use the leased property and to develop and implement written usage rules and policies and amend or revise same. Said rules and policies shall be subject to approval of LESSOR prior to implementation, and a copy of the same shall be filed with the Secretary of the LESSOR. LESSEE agrees that any and all use of the leased property shall be on the same general terms and conditions herein denoted.

III. Fiscal

1. The LESSEE agrees to carry general commercial liability insurance for limits not less than the limits set out in the political subdivision Tort Claims Act of the State of Oklahoma, now in existence, or as hereinafter amended, which limits are presently set at One Million Dollars (\$1,000,000.00) for any number of claims arising out of a single occurrence or accident. The LESSEE agrees to carry such liability insurance to protect both the LESSEE and LESSOR and the CITY OF SALLISAW from any liability for personal injury or property damage on account of any sponsored events and/or scheduled activities carried out and/or held on the real estate described above. LESSEE agrees to furnish the LESSOR a certificate of such insurance or a copy of such insurance policy.

2. LESSOR shall provide standard insurance coverage of the property leased hereunder in and to the same for as LESSOR does other similar property owned by LESSOR.

IV. Accounting

1. LESSOR shall not require a fiscal accounting for the scheduled three-day event relating to any receipts and/or disbursements on any and all activities associated with the leased property.

V. Facility

1. LESSEE shall be required to maintain the leased property and return the same in the same condition as it was when leased. It is mutually agreed that any repair, maintenance and/or improvement made shall be in compliance to applicable City's building, electrical and plumbing codes. LESSOR shall not be restricted to general access of property leased herein.

2. LESSEE and LESSOR herewith acknowledge and concur that any and/or all personal property, equipment, appurtenance not of a permanent nature made to and/or on the leased property by the LESSEE shall remain the property of the LESSEE; and said LESSEE shall have 2 calendar days to remove such property at the end of the term stated herein.

3. LESSEE agrees to sponsor and conduct and/or cause to be conducted a three day community entertainment event, a rodeo, to be sponsored and conducted for the general welfare and enjoyment of the Sallisaw community. Nothing herewith is to be construed or interpreted in any way, shape, manner or form to restrict and interfere with the LESSEE from charging or assessing for the usage, collecting fees, participation fees and/or admittance fees to said community entertainment facilities, services or other events. LESSOR shall have no obligation in sponsoring, conducting and/or providing of same.

4. LESSEE agrees to clean and/or cause to be cleaned the leased property during usage periods and after occupation on the same as necessary to maintain sanitary conditions and at the completion of the day's events.

VI. Term

1. This lease shall be for a term of five (5) days, beginning at 12:01 o'clock a.m. March 29 and ending at 12:00 o'clock a.m., April 2, 2023.

2. Transfer of this lease shall not be made in whole or part by the LESSEE without the express written consent of the LESSOR, which consent shall not be unreasonably withheld. In the event of any assignment, the assignee shall assume the liability of the LESSEE.

3. Sallisaw Municipal Authority shall exercise its privilege of terminating this lease only for the reason that the LESSEE is failing to comply with the terms hereof, which shall be in the sole discretion of the Board of Trustees of the Sallisaw Municipal Authority or for the reason of the grounds herein described, or if it is determined by the Authority that the Authority needs such property for other purposes such as industrial development, park, parking, water or sewage treatment plants or systems or other similar related needs.

4. In the event that any provision or portion thereof of this Lease Agreement shall be found to be invalid or unenforceable, then such provision or portion thereof shall

be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of the Lease Agreement shall not affect the validity or enforceability of any other provision or portion of the Lease Agreement.

WITNESS OUR HANDS AND SEALS this 13th day of March, 2023.

LESSOR:

SALLISAW MUNICIPAL AUTHORITY

By: _____
ERNIE MARTENS, Chairman of the Board

ATTEST:

KIM JAMISON, Secretary

Approved as to form:

JOHN ROBERT MONTGOMERY
Sallisaw City Attorney

LESSEE:

JOHN PERRY WICKETT

AGENDA ITEM COMMENTARY

Meeting Date: March 13, 2023
Board: Sallisaw Municipal Authority
Subject: Reinvestment

ITEM TITLE: Discuss and Consider Approval of Staff's Request to Reinvest the Sallisaw Municipal Authority Certificate of Deposit with National Bank of Sallisaw for 273 Days at 4.06% Interest

INITIATOR: City Clerk

STAFF INFORMATION SOURCE: City Clerk

BACKGROUND: The City Clerk requested quotes for temporarily idle funds. Following review of quotes received, staff recommends reinvestment of the Sallisaw Municipal Authority Certificate of Deposit with the high bidder, National Bank of Sallisaw, for 273 days at 4.06% interest.

EXHIBITS:

KEY ISSUES: None.

FUNDING SOURCE: N/A

RECOMMENDATION: Approval of request to deposit temporarily idle funds with National Bank of Sallisaw for 273 days at 4.06% interest.

AGENDA ITEM COMMENTARY

Meeting Date: March 13, 2023
Board: Sallisaw Municipal Authority
Subject: Reinvestment

ITEM TITLE: Discuss and Consider Approval of Staff's Request to Reinvest the Meter Fund Certificate of Deposit with National Bank of Sallisaw for 273 Days at 4.06% Interest

INITIATOR: City Clerk

STAFF INFORMATION SOURCE: City Clerk

BACKGROUND: The City Clerk requested quotes for temporarily idle funds. Following review of quotes received, staff recommends reinvestment of the Meter Fund Certificate of Deposit with the high bidder, National Bank of Sallisaw, for 273 days at 4.06% interest.

EXHIBITS: 1. SMA - CD

KEY ISSUES: None.

FUNDING SOURCE: N/A

RECOMMENDATION: Approval of request to deposit temporarily idle funds with National Bank of Sallisaw for 273 days at 4.06% interest.

SALLISAW MUNICIPAL AUTHORITY

**REDEPOSIT
OF
TEMPORARILY IDLE FUNDS**

MARCH 15, 2023

<u>Fund</u>		<u>Amount</u>		
Sallisaw Municipal Authority		\$ 806,398.07		
<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>	<u>Local</u>
182	—	3.77%	3.75%	—
<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>	<u>Local</u>
273	—	4.06%	3.85%	—

<u>Fund</u>		<u>Amount</u>		
Meter Fund		\$ 488,882.81		
<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>	<u>Local</u>
182	—	3.77%	3.50%	—
<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>	<u>Local</u>
273	—	4.06%	3.55%	—



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

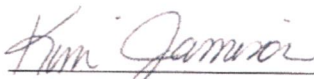
March 2, 2023

The Sallisaw Municipal Authority requests quotes on time deposits of idle funds for the time specified beginning on **March 15, 2023**:

<u>FUND</u>	<u>AMOUNT</u>	<u>DAYS</u>	<u>MATURITY</u>	<u>QUOTE</u>
<i>Meter Fund</i>	<i>\$ 488,882.81</i>	182	<i>September 13, 2023</i>	<u><i>3.77%</i></u>
		273	<i>December 13, 2023</i>	<u><i>4.06%</i></u>
<i>Sallisaw Mun Auth</i>	<i>\$ 806,398.07</i>	182	<i>September 13, 2023</i>	<u><i>3.77%</i></u>
		273	<i>December 13, 2023</i>	<u><i>4.06%</i></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, March 8th**. Quotes will then be reviewed. Recommendation for award will be presented at a regular meeting of the Sallisaw Municipal Authority, immediately following the meeting of the Board of Commissioners beginning at 6:00 p.m., March 13, 2023.

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


Kim Jamison, Secretary

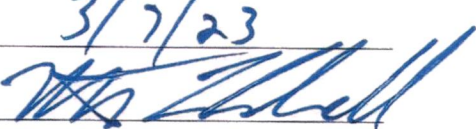
Submitted by:

National Bank of Sallisaw

Date:

3/7/23

By:





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

TO: Armstrong Bank

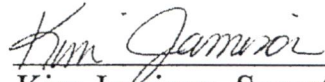
March 2, 2023

The Sallisaw Municipal Authority requests quotes on time deposits of idle funds for the time specified beginning on **March 15, 2023**:

<u>FUND</u>	<u>AMOUNT</u>	<u>DAYS</u>	<u>MATURITY</u>	<u>QUOTE</u>
<i>Meter Fund</i>	<i>\$ 488,882.81</i>	182	<i>September 13, 2023</i>	<u>3.50</u>
		273	<i>December 13, 2023</i>	<u>3.55</u>
<i>Sallisaw Mun Auth</i>	<i>\$ 806,398.07</i>	182	<i>September 13, 2023</i>	<u>3.75</u>
		273	<i>December 13, 2023</i>	<u>3.85</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, March 8th**. Quotes will then be reviewed. Recommendation for award will be presented at a regular meeting of the Sallisaw Municipal Authority, immediately following the meeting of the Board of Commissioners beginning at 6:00 p.m., March 13, 2023.

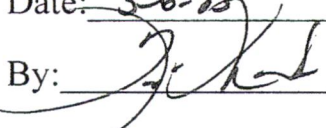
Please ensure that your facility has sufficient collateral pledged, should you be the successful bidder.


Kim Jamison, Secretary

Submitted by:

Armstrong Bank

Date: 3-6-23

By: 

AGENDA ITEM COMMENTARY

Meeting Date: March 13, 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 3.13.2023
2. GRDA PCA Report as of March 2 2023

KEY ISSUES:

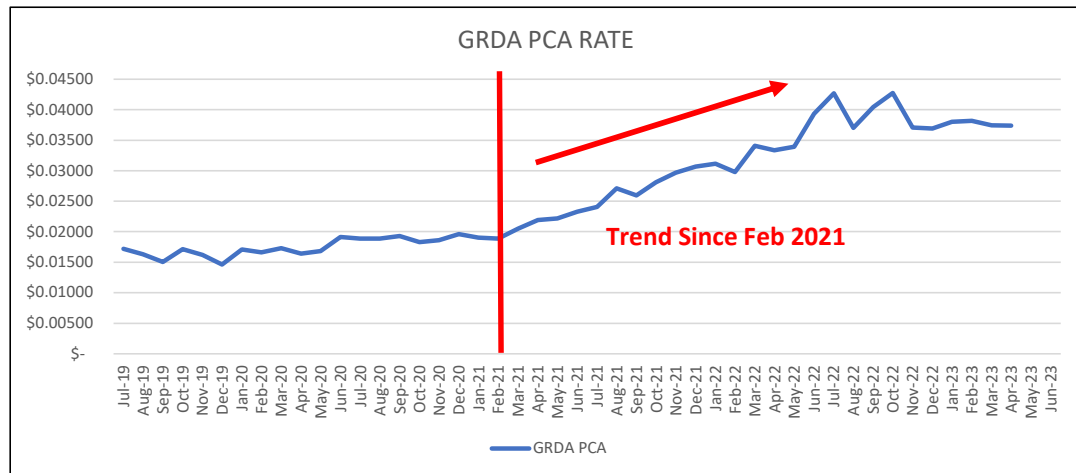
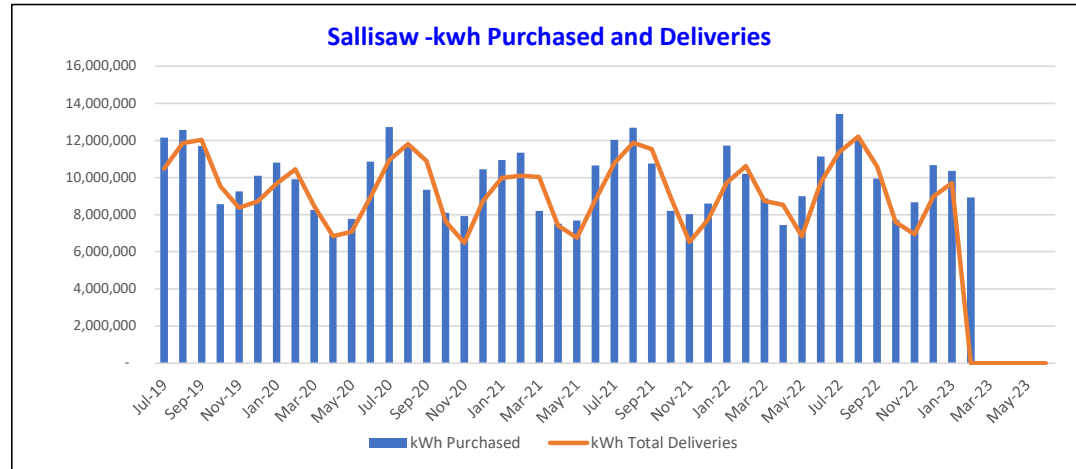
- April 2023 PCA: \$0.03742
- March 2023 PCA: \$0.03746
- February 2023 PCA: \$0.03822
- January 2023 PCA: \$0.03806 per kWh.
- GRDA's PCA rate trends in conjunction with the natural gas index and the previous month(s) under/over recovery of the GRDA PCA.
- The excess cost of the PCA, not included in 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.

3/8/2023

	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
Jul-21	\$ 0.02409	\$289,789	12,029,444	10,771,812	4,378
Aug-21	\$ 0.02712	\$344,217	12,692,356	11,873,689	4,369
Sep-21	\$ 0.02594	\$ 278,838	10,749,359	11,537,245	4,384
Oct-21	\$ 0.02811	\$ 230,488	8,199,488	8,949,667	4,383
Nov-21	\$ 0.02972	\$ 238,556	8,026,771	6,531,846	4,412
Dec-21	\$ 0.03070	\$ 264,018	8,599,934	7,746,884	4,405
Jan-22	\$ 0.03118	\$ 365,522	11,722,977	9,719,508	4,407
Feb-22	\$ 0.02983	\$ 304,170	10,196,767	10,617,183	4,387
Mar-22	\$ 0.03409	\$ 302,546	8,874,926	8,736,106	4,409
Apr-22	\$ 0.03337	\$ 248,169	7,436,898	8,518,512	4,388
May-22	\$ 0.03391	\$ 305,151	8,998,862	6,849,400	4,407
Jun-22	\$ 0.03933	\$ 437,657	11,127,822	9,743,166	4,411
Jul-22	\$ 0.04272	\$ 573,711	13,429,576	11,372,762	4,408
Aug-22	\$ 0.03703	\$449,206	12,130,874	12,201,970	4,444
Sep-22	\$ 0.04045	\$402,208	9,943,344	10,602,894	4,415
Oct-22	\$ 0.04277	\$329,994	7,715,547	7,600,494	4,393
Nov-22	\$ 0.03712	\$321,559	8,662,690	6,934,922	4,408
Dec-22	\$ 0.03693	\$ 394,377	10,679,039	8,975,470	4,430
Jan-23	\$ 0.03806	\$ 394,341	10,361,025	9,711,372	4,425
Feb-23	\$ 0.03822	\$ 341,282	8,929,409		
Mar-23	\$ 0.03746				
Apr-23	\$ 0.03742				
May-23					
Jun-23					



GRDA PCA	Apr-23	\$ 0.03742	
	Feb-21	\$ 0.01892	(Month of Winter Storm URI)
	Increase	\$ 0.01850	
	% Increase	97.8%	

Henry Hub Natural Gas

Futures and Options

GLOBEX CODE ●

LAST

NGJ3

2.593

Last Updated 08 Mar 2023 15:40:24 PM CT

Source: <https://www.cmegroup.com/markets/energy/natural-gas/natural-gas.html>

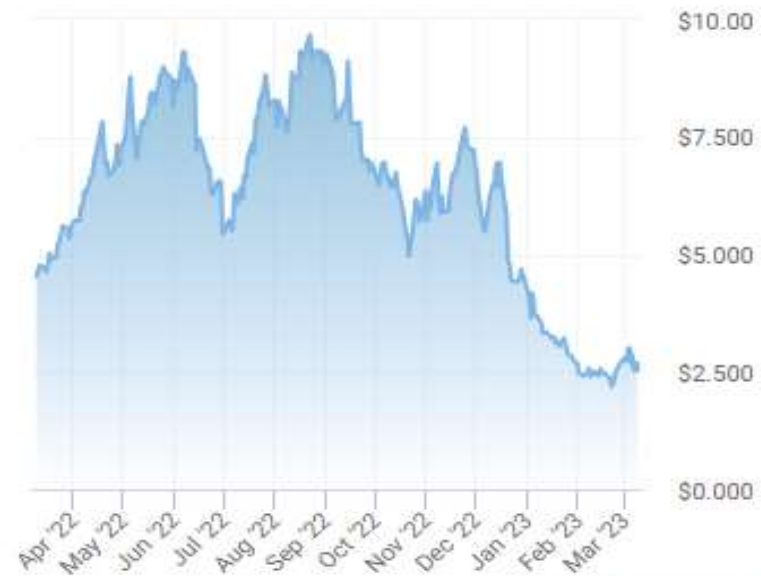
Current Natural Gas Price

Print Date: 3/8/2023

16:41 pm CDT 08/03/2023

Natural Gas

2.593 -3.57%



1D | 1WK | 1M | 1YR | Max

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Source: <https://oilprice.com/oil-price-charts/#Natural-Gas>

GRDA Monthly PCA Report

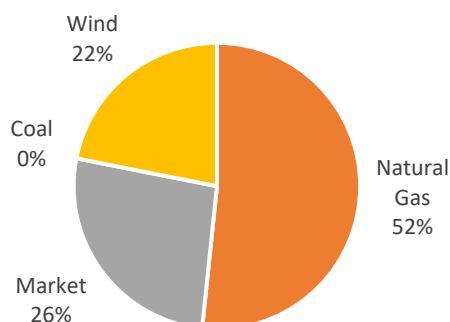
PCA for March 2023	\$0.03746	
PCA approved for April 2023	\$0.03742	↓
PCA expected to be for May 2023	\$0.03704	↓

If natural gas prices are dropping why isn't the PCA dropping faster?

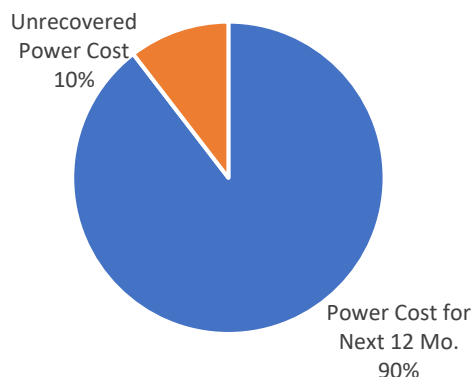
While natural gas prices are one component of the total PCA cost, there are many drivers to the cost, including other market fundamentals within the SPP market. In a lower-price market, as is currently projected, the opportunities for resource revenue above fuel cost are reduced. As an example, the GRDA forecast does not project our coal unit to be dispatched for the next few months.

Forward power prices have not reduced to the same level as forward natural gas prices. While the current gas prices may be lower, the forecast for the gas prices increases later in the year. While there is a correlation of natural gas prices to PCA, it is not one-to-one.

The GRDA resource mix for this fuel recovery period is presented below.



The under-recovered balance included for recovery has been reduced from last month and is now approximately \$32 million.



Under Recovery balance: how did we get here?

The PCA rate is an average for the next 12-month period based on the projected total costs for the year divided by the projected total kWh. By design, there is always an Under/Over Recovered component to the PCA, because the annual average is used instead of the actual monthly rate. In the past that over/under recovery was minimal.

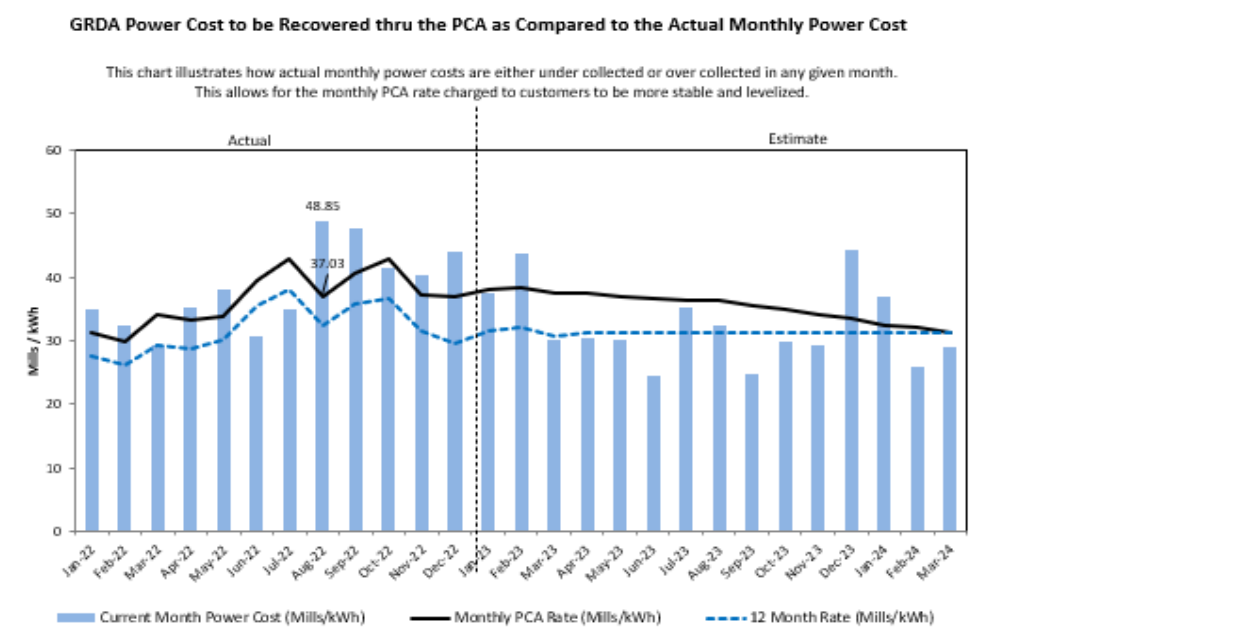
After Winter Storm Uri, both the price of natural gas and the price change in the resource mix of SPP resulted in much more volatile costs and an under-recovery balance that grew rapidly.

At the time the August 2022 PCA was set on July 6th, the forecast was \$6.50 for gas for the month based on the curve as of June 28th. The actuals recorded for the month were close to \$8, with spot prices for August at an average close to \$9. This information can be found on page 5.

GRDA believes that continuing to utilize the annual average rate provides stability and an overall better price for customers. To illustrate that point:

The calculated August PCA rate was 37.03 mills/kWh, however the Current Month Power Cost was 48.85 mills/kWh. Because of the difference between those two rates, the under-recovery for just the month of August was \$9,456,117. When that was added to the cumulative under-recovery balance, the total under recovery at the end of August was \$23,290,338. Currently, the under-recovery balance is \$32,579,376.

The following chart shows the current under-recovery to be resolved by the end of 2023, with the PCA remaining more stable.



What is GRDA doing to limit the impact to customers of the cost of power?

GRDA continues to use a 12 month average to mitigate the impact on the monthly swings in the PCA cost as illustrated below.

GRDA continually evaluates the forecast model to reflect the changing SPP resource mix, to more precisely forecast the monthly PCA costs.

Additional information

Page 3 PCA Calculation and definition of components

Pages 4-12 PCA packet, new charts added

PCA Calculation and Definitions of Components

Grand River Dam Authority
Power Cost Adjustment Calculation for the month of April 2023
March 2, 2023

	Estimated Apr-23	Next 12 month Estimated Total	Definition of Costs
Power Cost Expense			
Coal	\$157,000	\$30,894,340	The expense of coal burned and the associated coal handling expenses for GRDA's GREC Unit 2.
Gas	\$7,903,938	\$115,764,210	The expense of gas burned for the commodity, transportation and hedging gains/losses, for GRDA's GREC Unit 2, GREC Unit 3, and GRDA's 36% ownership of Redbud.
Purchased Energy	\$8,044,122	\$116,711,022	The expense for (i) Energy deemed as purchased from the SPP to meet GRDA load, during hours when GRDA load is greater than GRDA generation. (ii) Wind energy purchases (iii) Other energy purchases including customer-owned generation.
Purchased Capacity	\$850,000	\$10,200,000	The expense for the capacity purchased from GRDA's customer-owned generation units.
Total Fuel & Purchased Power Expense	\$16,955,060	\$273,569,572	The total of all fuel related to GRDA-owned resources and all GRDA purchased power expense.
OMPA Unit 2 Net Fuel Expense/Market Revenue	(\$12,202)	\$939,698	The net amount of fuel expense and SPP market revenue associated with an output contract for 3.85% of GRDA's GREC Unit 2.
Spot Energy Sales Revenue	\$2,889,694	(\$9,294,811)	The revenue for the energy deemed sold into the SPP Integrated Marketplace, during hours when GRDA generation is greater than GRDA load.
Resource Net Energy Revenue/Expense	\$409,588	\$ 14,704,840	Rider WP-OCA CNER adjustment.
Power Cost Expense Applicable to PCA Sales	\$20,242,139	\$279,919,299	The total PCA expense to be allocated across all PCA kWh sales.
PCA kWh Sales	663,824,000	8,987,180,500	The total kWh sales under rate schedules subject to the Schedule PCA.
PCA Resource NER kWh Sales	108,000,000	1,314,000,000	The kWh sales associated with the Resource Net Energy Revenue/Expense.
Current Month Power Cost (Mills/kWh)	30.49	31.15	Power Cost Expense Applicable to PCA Sales divided by PCA kWh Sales.
Recovered Power Cost	\$20,675,800	\$279,919,299	The amount recovered for GRDA's next 12 months of power cost expense from the current periods PCA kWh sales.
Under/Over Recovered Power Cost for Current Month	\$ (433,661)	0	The Power Cost Applicable to PCA Sales less the amount of the Recovered Power Cost for future 12-mo period. This amount will be carried forward in the Balance of Under/Over recovered power cost for recovery over the next 12-mo period.
12 Month Rate (Mills/kWh)	31.15	31.15	The portion of the PCA rate that will recover the estimated Power Cost Applicable to PCA Sales from the estimated PCA kWh Sales for the next 12-mo period.
Recovery of Under/(Over) Recovered Power Cost	(\$4,163,686)	(\$32,579,376)	The amount recoverable in the current period for recovery of the balance of the Under/(Over) Recovered Power Cost. The recovery of the full balance is projected to take place at the end of the next 12-mo period.
Monthly Under/(Over) Recovered Rate (Mills/kWh)	6.27	3.63	The portion of the PCA rate calculated to collect the amount of the Recovery of Under/(Over) Recovered Power Cost Balance.
Total Recovered Power Cost	\$ 24,839,486	\$ 312,498,675	The sum of the Recovered Power Cost plus the Recovery of Under/(Over) Recovered Power Cost Balance.
Monthly PCA Rate (Mills/kWh)	37.42	34.78	The sum of the 12 Month Rate and the Monthly Under/(Over) Recovered Rate. The Monthly PCA Rate is applicable to all sales that are subject to Schedule PCA.
Beginning Balance of Under/(Over) Recovered Power Cost	\$32,579,376	\$0	The balance carried forward from the previous period.
Under (Over) Recovered Power cost for Current Month	(\$4,597,347)	(\$32,579,376)	The sum of the Under/(Over) Recovered Power Cost for the Current Month and the Recovery of Under/(Over) Recovered Power Cost Balance.
Ending Balance of Under/(Over) Recovered Power Cost	\$27,982,029	\$0	Total Under recovery remaining at end of month.
Power Cost Adjustment for the Month of March 2023	0.03742 \$/kWh 37.42 Mills/kWh		

The next 12 mo. Power Costs and kWh sales are recalculated each month based on current estimates of costs and sales.
Small variances may occur due to rounding

Grand River Dam Authority
Power Cost Adjustment Calculation for the month of April 2023
March 2, 2023

	Estimated Jan-23	Estimated Feb-23	Estimated Mar-23	Estimated Apr-23	Estimated May-23	Estimated Jun-23	Estimated Jul-23	Estimated Aug-23	Estimated Sep-23	Estimated Oct-23	Estimated Nov-23	Estimated Dec-23	Estimated Jan-24	Estimated Feb-24	Estimated Mar-24	Estimated Total
Power Cost Expense																
Coal	\$1,129,214	\$157,000	\$157,000	\$157,000	\$157,000	\$157,000	\$157,000	\$157,000	\$157,000	\$157,000	\$5,557,680	\$5,742,936	\$6,700,092	\$6,051,696	\$5,742,936	\$30,894,340
Gas	\$20,934,715	\$16,456,173	\$11,200,574	\$7,903,938	\$5,026,062	\$7,570,855	\$11,058,699	\$11,027,047	\$7,953,967	\$5,789,178	\$8,051,509	\$12,502,141	\$16,901,762	\$14,272,657	\$7,706,396	\$115,764,210
Purchased Energy	\$8,181,020	\$13,203,634	\$6,881,935	\$8,044,122	\$15,478,976	\$9,661,466	\$15,305,388	\$13,450,277	\$8,763,674	\$13,527,440	\$6,730,204	\$11,762,886	\$8,064,064	(\$750,239)	\$6,672,765	\$116,711,022
Purchased Capacity	\$700,656	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$10,200,000
Total Fuel & Purchased Power Expense	\$30,945,604	\$30,666,807	\$19,089,509	\$16,955,060	\$21,512,038	\$18,239,321	\$27,371,087	\$25,484,325	\$17,724,640	\$20,323,618	\$21,189,392	\$30,857,963	\$32,515,918	\$20,424,114	\$20,972,097	\$273,569,572
OMPA Unit 2 Net Fuel Expense/Market Revenue	\$30,599	(\$16,531)	(\$12,804)	(\$12,202)	(\$12,682)	(\$13,635)	(\$19,072)	(\$17,396)	(\$13,636)	(\$12,413)	\$77,812	\$190,606	\$387,964	\$296,952	\$87,399	\$939,698
Spot Energy Sales Revenue	(\$1,112,147)	(\$1,271,305)	\$1,837,870	\$2,889,694	\$340,890	\$216,892	\$125,888	\$9,045	\$116,873	\$12,435	(\$1,178,481)	\$386,960	(\$6,800,432)	(\$4,890,085)	(\$524,490)	(\$9,294,811)
Resource Net Energy Revenue/Expense	(1,526,779)	575,531	590,942	409,588	418,587	953,673	2,009,087	1,563,369	697,631	154,571	553,605	1,516,821	3,120,112	2,486,635	821,160	14,704,840
Power Cost Applicable to PCA Sales	\$28,337,276	\$29,954,501	\$21,505,517	\$20,242,139	\$22,258,834	\$19,396,251	\$29,486,990	\$27,039,343	\$18,525,509	\$20,478,211	\$20,642,329	\$32,952,349	\$29,223,562	\$18,317,616	\$21,356,166	\$279,919,299
PCA kWh Sales	756,330,067	685,446,336	710,824,500	663,824,000	738,188,000	795,063,000	838,128,000	835,063,000	745,169,000	686,910,000	705,214,000	745,616,000	791,912,000	708,565,000	733,528,500	8,987,180,500
Resource Net Energy Revenue/Expense kWh	148,800,000	100,800,000	111,600,000	108,000,000	111,600,000	108,000,000	111,600,000	111,600,000	108,000,000	111,600,000	108,000,000	111,600,000	111,600,000	100,800,000	111,600,000	1,314,000,000
Current Month Power Cost (Mills/kWh)	37.47	43.70	30.25	30.49	30.15	24.40	35.18	32.38	24.86	29.81	29.27	44.19	36.90	25.85	29.11	31.15
Recovered Power Cost	\$28,785,922	\$21,968,555	\$21,717,202	\$20,675,800	\$22,991,979	\$24,763,437	\$26,104,761	\$26,009,297	\$23,209,413	\$21,394,849	\$21,964,954	\$23,223,335	\$24,665,294	\$22,069,326	\$22,846,852	\$279,919,299
Under/(Over) Recovered Power Cost for Current Month	(\$448,646)	\$7,985,946	(\$211,685)	(\$433,661)	(\$733,145)	(\$5,367,186)	\$3,382,228	\$1,030,046	(\$4,683,904)	(\$916,638)	(\$1,322,625)	\$9,729,014	\$4,558,268	(\$3,751,710)	(\$1,490,686)	\$0
12 Month Rate (Mills/kWh)	31.60	32.05	30.55	31.15	31.15	31.15	31.15	31.15	31.15	31.15	31.15	31.15	31.15	31.15	31.15	31.15
Recovery of Under/(Over) Recovered Power Cost		(\$4,296,961)	(\$4,623,007)	(\$4,163,686)	(\$4,344,914)	(\$4,359,565)	(\$4,309,751)	(\$4,237,416)	(\$3,271,726)	(\$2,501,917)	(\$2,099,081)	(\$1,686,773)	(\$974,341)	(\$647,850)	\$17,645	(\$32,579,376)
Monthly Under/(Over) Recovered Rate (Mills/kWh)	6.46	6.17	6.91	6.27	5.89	5.48	5.14	5.07	4.39	3.64	2.98	2.26	1.23	0.91	(0.02)	3.63
Total Recovered Power Cost	\$28,785,922	\$26,265,516	\$26,340,208	\$24,839,486	\$27,336,894	\$29,123,002	\$30,414,512	\$30,246,713	\$26,481,139	\$23,896,765	\$24,064,036	\$24,910,109	\$25,639,636	\$22,717,176	\$22,829,207	\$312,498,675
Monthly PCA Rate (Mills/kWh)	38.06	38.22	37.46	37.42	37.04	36.63	36.29	36.22	35.54	34.79	34.13	33.41	32.38	32.06	31.13	34.78
Beginning Balance of Under/(Over) Recovered Power Cost	\$34,173,729	\$33,725,083	\$37,414,068	\$32,579,376	\$27,982,030	\$22,903,970	\$13,177,218	\$12,249,696	\$9,042,326	\$1,086,696	(\$2,331,859)	(\$5,753,565)	\$2,288,675	\$5,872,602	\$1,473,042	\$0
Under/(Over) Recovered Power Cost for Current Month	(\$448,646)	\$3,688,985	(\$4,834,692)	(\$4,597,347)	(\$5,078,060)	(\$9,726,752)	(\$927,522)	(\$3,207,370)	(\$7,955,630)	(\$3,418,555)	(\$3,421,706)	\$8,042,240	\$3,583,927	(\$4,399,560)	(\$1,473,041)	(\$32,579,376)
Ending Balance of Under/(Over) Recovered Power Cost	\$33,725,083	\$37,414,068	\$32,579,376	\$27,982,030	\$22,903,970	\$13,177,218	\$12,249,696	\$9,042,326	\$1,086,696	(\$2,331,859)	(\$5,753,565)	\$2,288,675	\$5,872,602	\$1,473,042	\$0	
Small variances may occur due to rounding																

Power Cost Adjustment Calculation for the month of April 2023

0.03742 Average PCA \$/kWh

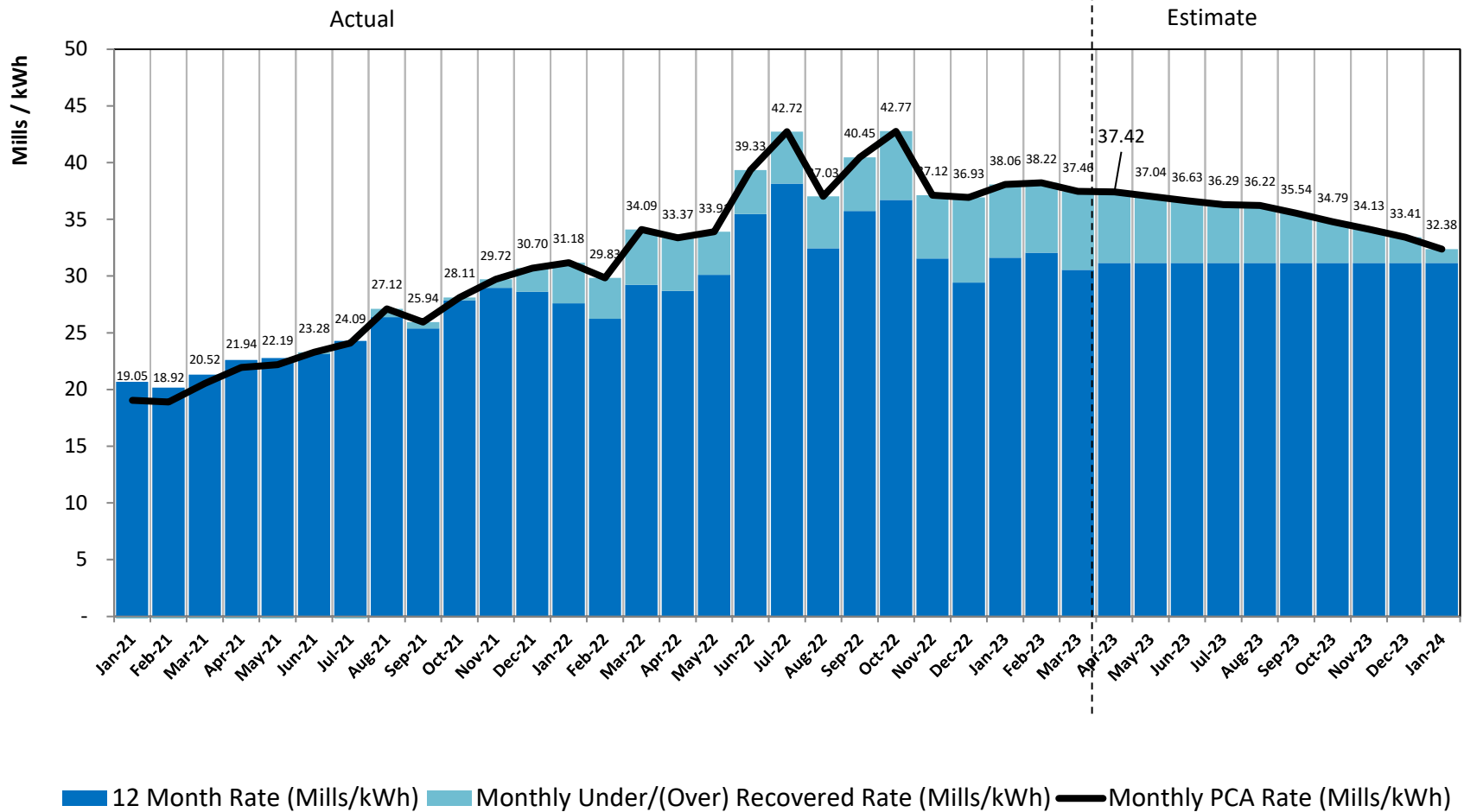
37.42 Average Mills/kWh

Grand River Dam Authority
Power Cost Adjustment Calculation for the month of April 2023
March 2, 2023

	Actual Jan-22	Actual Feb-22	Actual Mar-22	Actual Apr-22	Actual May-22	Actual Jun-22	Actual Jul-22	Actual Aug-22	Actual Sep-22	Actual Oct-22	Actual Nov-22	Actual Dec-22
Power Cost Expense												
Coal	2,948,571	3,115,028	3,950,098	37,270	(210,386)	5,089,770	3,402,959	3,977,361	2,423,173	1,510,145	1,972,293	3,576,772
Gas	7,088,314	5,511,915	3,368,243	8,478,338	14,326,686	12,545,970	20,393,125	24,221,930	21,186,218	5,037,898	8,050,313	16,811,113
Purchased Energy	14,206,910	11,033,205	10,647,165	12,032,480	14,654,120	5,741,916	4,587,813	8,500,454	9,875,987	20,870,370	16,197,521	10,980,729
Purchased Capacity	895,999	831,797	839,203	836,505	861,247	856,656	660,319	809,248	801,709	845,056	1,174,421	663,284
Total Fuel & Purchased Power Expense	25,139,795	20,491,944	18,804,708	21,384,593	29,631,666	24,234,312	29,044,216	37,508,994	34,287,087	28,263,469	27,394,547	32,031,897
OMPA Unit 2 Net Fuel Expense/Market Revenue	77,047	147,489	173,129	(5,285)	(7,730)	274,178	436,019	440,509	212,318	47,460	18,379	79,045
Spot Energy Sales Revenue	(155,184)	(91,668)	(545,834)	(799,073)	(4,757,464)	(5,362,020)	(6,435,491)	(3,217,462)	(2,992,976)	(246,355)	(831,555)	(2,724,756)
Resource Net Energy Revenue/Expense	97,429	608,550	1,307,057	1,672,248	1,856,133	4,129,358	5,039,238	4,338,834	2,449,104	844,739	482,805	1,762,059
Power Cost Applicable to PCA Sales	25,159,087	21,156,315	19,739,060	22,252,483	26,722,605	23,275,828	28,083,981	39,070,875	33,955,532	27,067,188	27,064,175	31,148,245
PCA kWh Sales	718,038,563	653,575,855	677,631,799	630,342,481	702,871,432	760,060,359	801,392,278	799,750,409	711,539,026	651,919,015	670,925,990	709,434,945
Resource Net Energy Revenue/Expense kWh	148,800,000	134,400,000	148,600,000	81,000,000	111,600,000	144,000,000	148,800,000	148,800,000	144,000,000	111,600,000	144,200,000	148,800,000
Current Month Power Cost (Mills/kWh)	35.04	32.37	29.13	35.30	38.02	30.62	35.04	48.85	47.72	41.52	40.34	43.91
Recovered Power Cost	22,388,443	19,496,168	23,100,468	21,034,529	23,834,370	29,893,174	34,235,478	29,614,758	28,781,753	27,882,576	24,904,773	26,782,698
Under/(Over) Recovered Power Cost for Current Month	\$2,770,644	\$1,660,147	(\$3,361,408)	\$1,217,955	\$2,888,234	(\$6,617,346)	(\$6,151,496)	\$9,456,117	\$5,173,779	(\$815,388)	\$2,159,403	\$4,365,547
12 Month Rate (Mills/kWh)	27.60	26.22	29.22	28.69	30.11	35.47	38.15	32.44	35.73	36.71	31.54	29.42
<u>Recovery of Under/(Over) Recovered Power Cost</u>												
Monthly Under/(Over) Recovered Rate (Mills/kWh)	3.58	3.61	4.87	4.68	3.8	3.86	4.57	4.59	4.72	6.06	5.58	7.51
Total Recovered Power Cost	\$22,388,443	\$19,496,168	\$23,100,468	\$21,034,529	\$23,834,370	\$29,893,174	\$34,235,478	\$29,614,758	\$28,781,753	\$27,882,576	\$24,904,773	\$26,782,698
Monthly PCA Rate (Mills/kWh)	31.18	29.83	34.09	33.37	33.91	39.33	42.72	37.03	40.45	42.77	37.12	36.93
Beginning Balance of Under/(Over) Recovered Power Cost	21,427,540	24,198,185	25,858,332	22,496,924	23,714,878	26,603,113	19,985,767	13,834,271	23,290,388	28,464,167	27,648,779	29,808,182
Under/(Over) Recovered Power Cost for Current Month	2,770,644	1,660,147	(3,361,408)	1,217,955	2,888,234	(6,617,346)	(6,151,496)	9,456,117	5,173,779	(815,388)	2,159,403	4,365,547
Ending Balance of Under/(Over) Recovered Power Cost	24,198,185	25,858,332	22,496,924	23,714,878	26,603,113	19,985,767	13,834,271	23,290,388	28,464,167	27,648,779	29,808,182	34,173,729
<i>Small variances may occur due to rounding</i>												
PCA 2023-04 Monthly Calculation as of March 2, 3/2/2023												

GRDA Power Cost Adjustment Rates

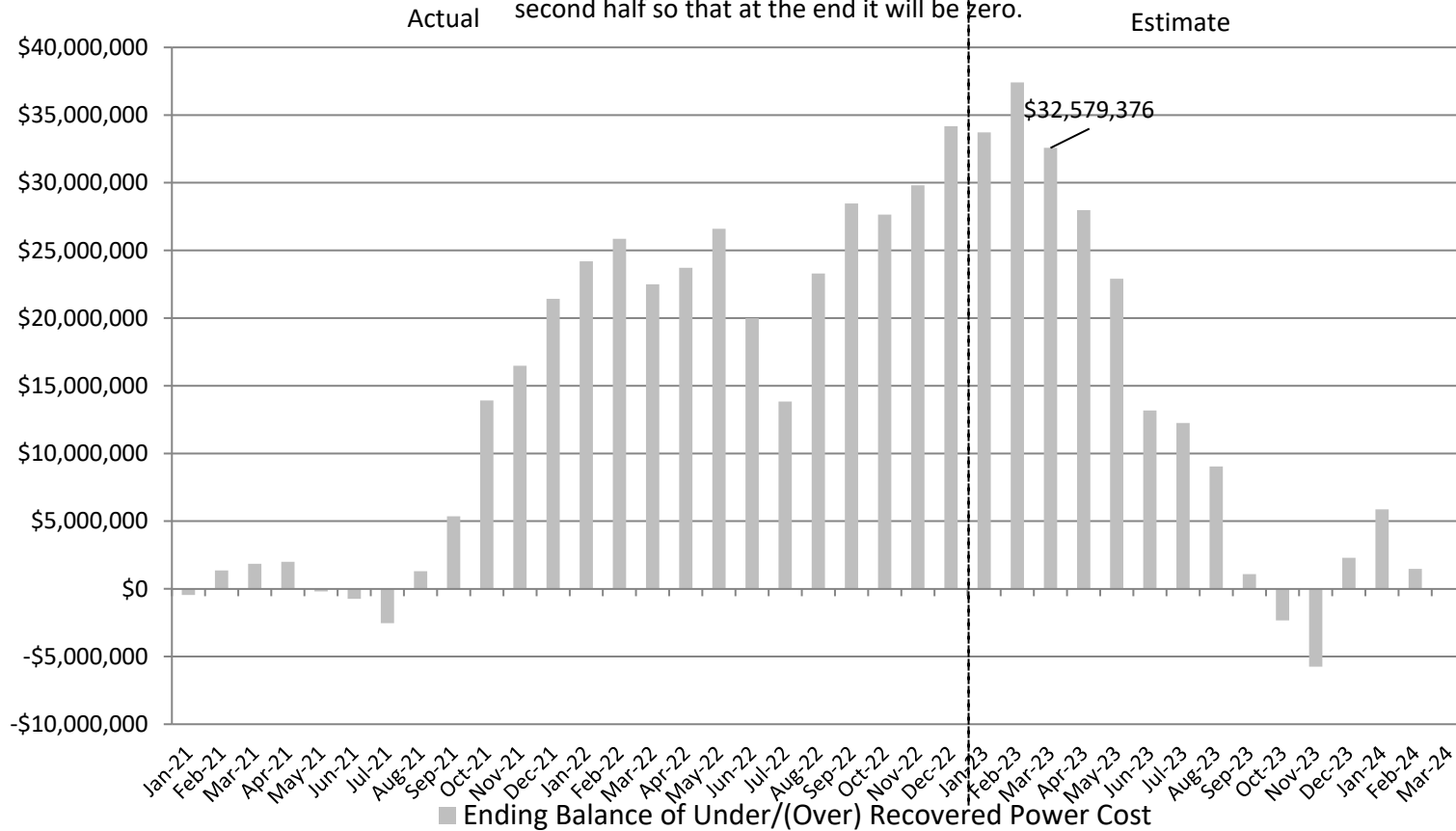
This chart states the PCA rates, both actual and estimated. The PCA rate consists of a factor for the average estimated power cost over the next 12 months, plus a factor for any under/over collection from previous months.



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

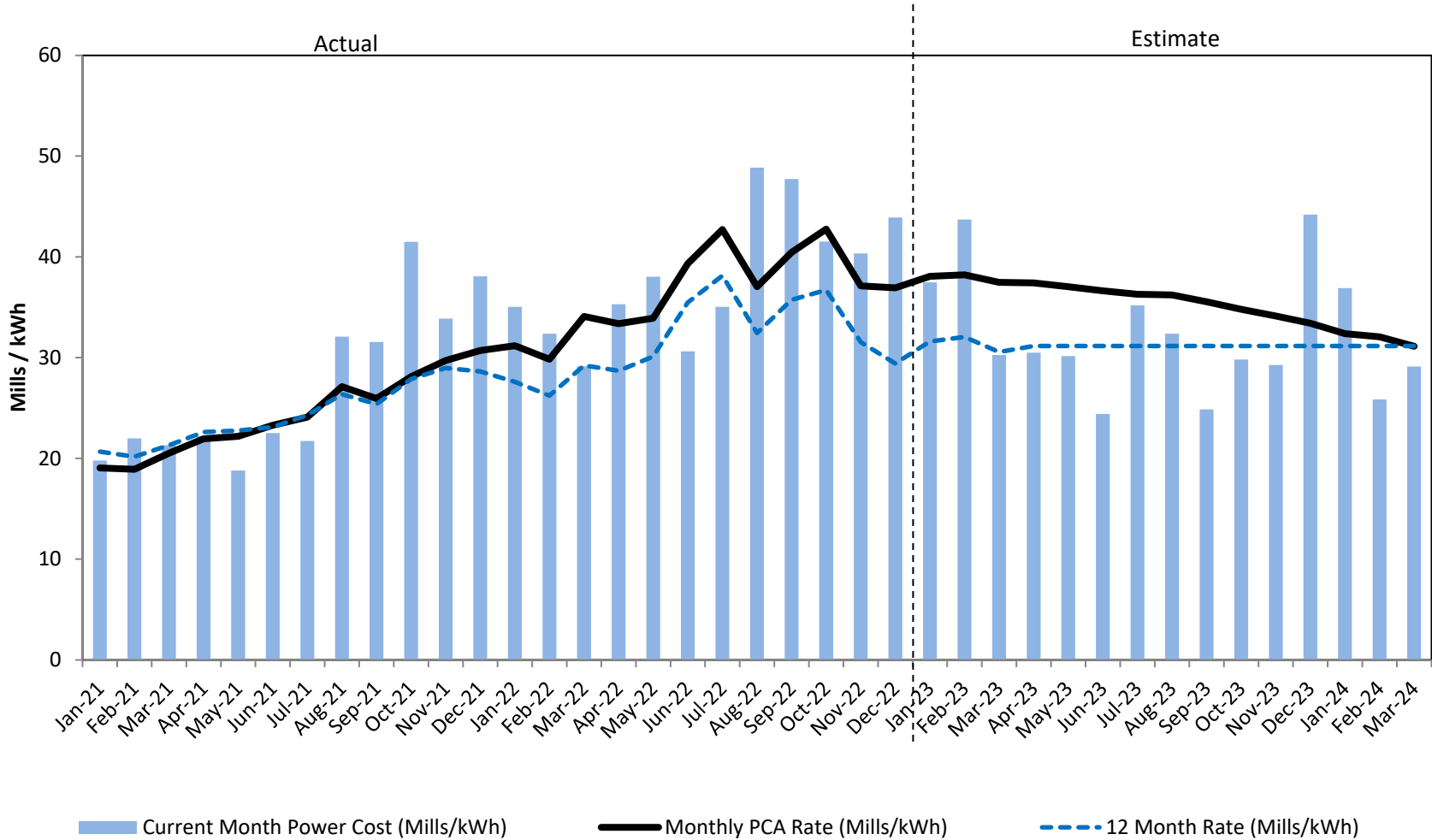
GRDA Under (Over) Collected Power Cost Balance

This chart illustrates the balance in the account for the Under (Over) Recovered Power Cost. By design a 12 month average rate will result in there always being a balance here. If the current balance is near zero the shape of the forward curve should correlate with the projected balances of recovery. For example a curve with significantly higher prices in the first 6 months over the last 6 months will result in an unrecovered balance for the first half of the 12 mo period offset by an overcollection in the second half so that at the end it will be zero.



GRDA Power Cost to be Recovered thru the PCA as Compared to the Actual Monthly Power Cost

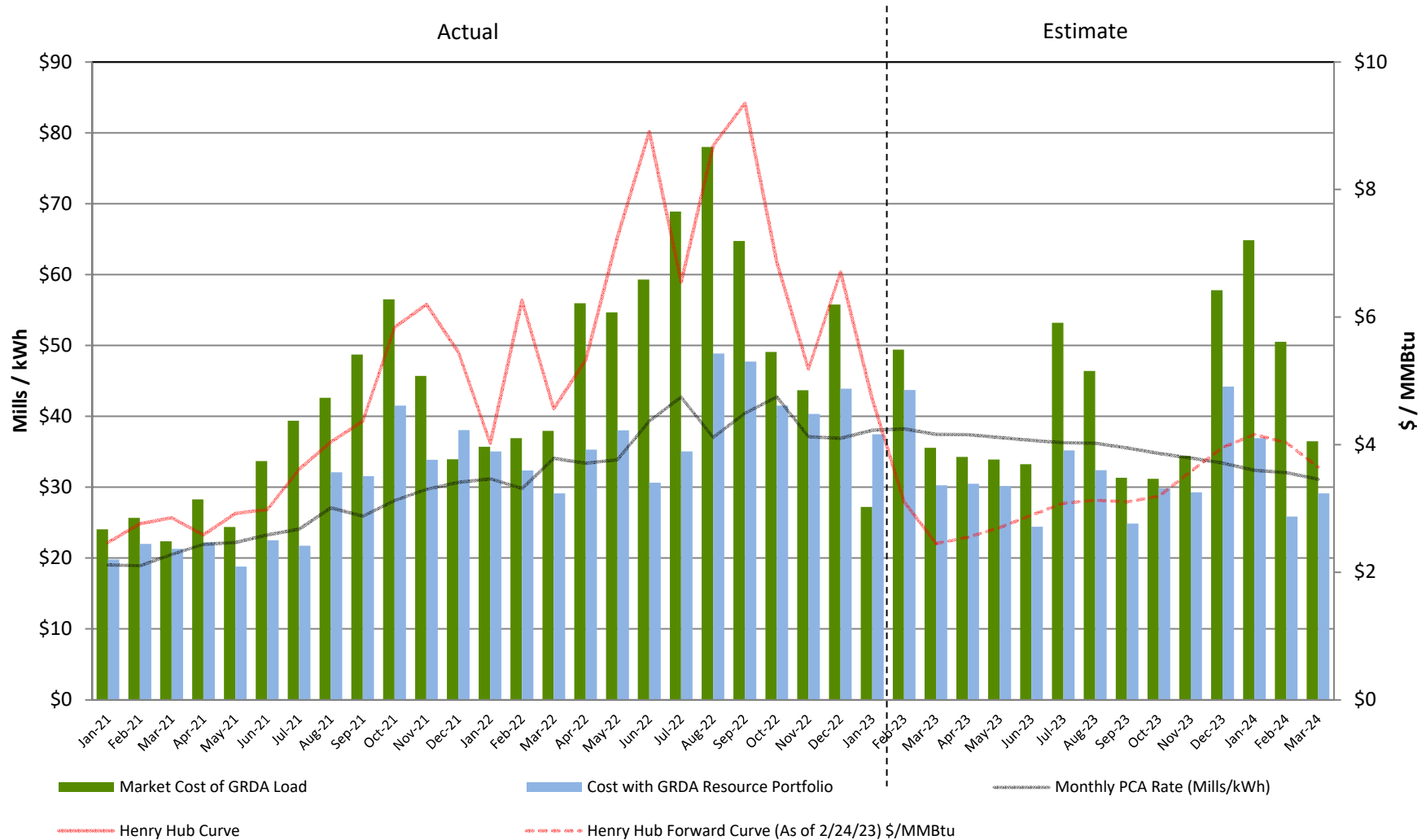
This chart illustrates how actual monthly power costs are either under collected or over collected in any given month. This allows for the monthly PCA rate charged to customers to be more stable and leveled.



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

GRDA Load Cost & Value of Resource Portfolio (PCA)

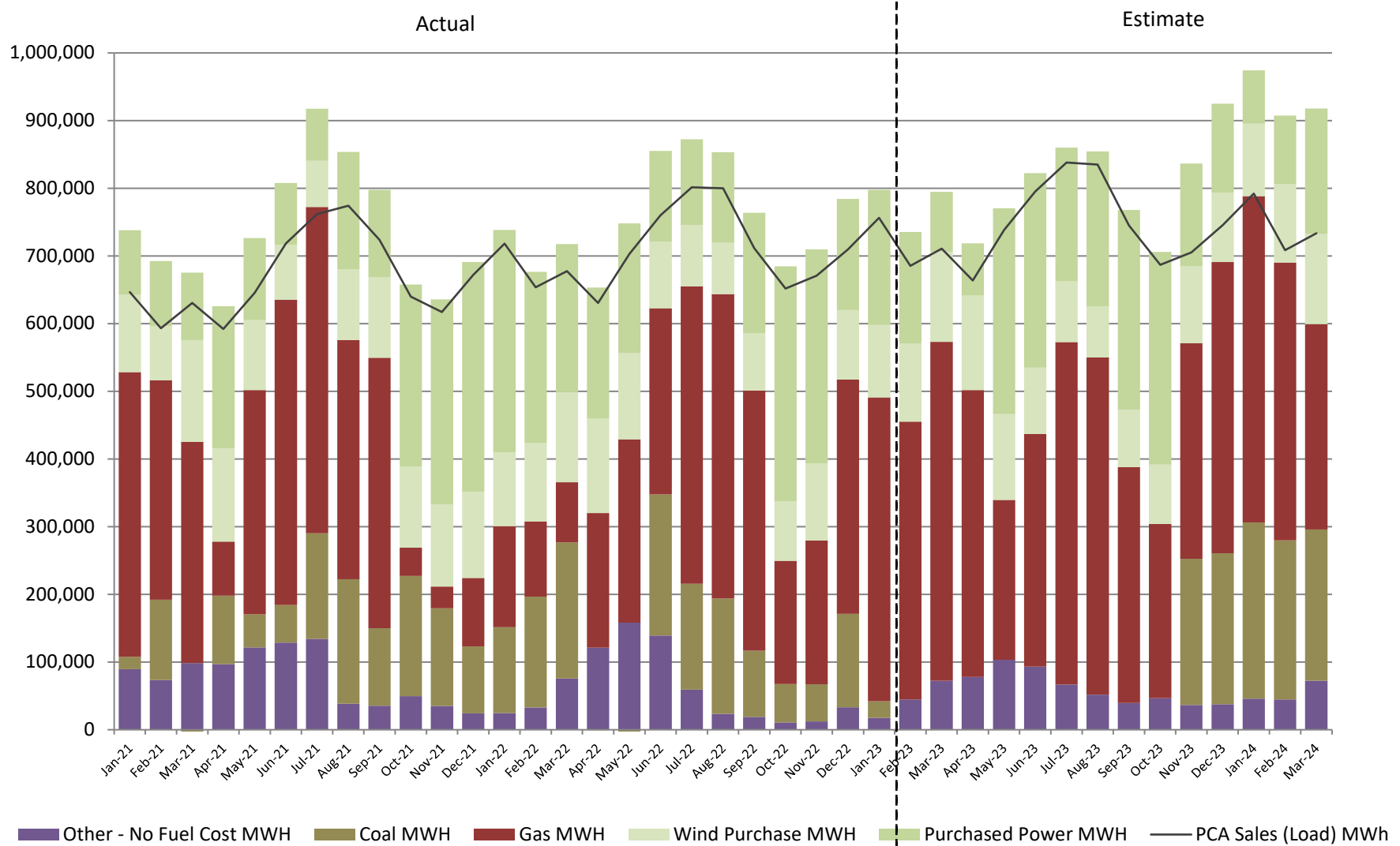
This chart illustrates the overall value of GRDA's resource portfolio. The Market Cost of GRDA load cost correlates with the gas index. The Market Cost of GRDA Load is offset by GRDA's resource revenue resulting in a cost that will be recovered by the Monthly PCA rate..



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

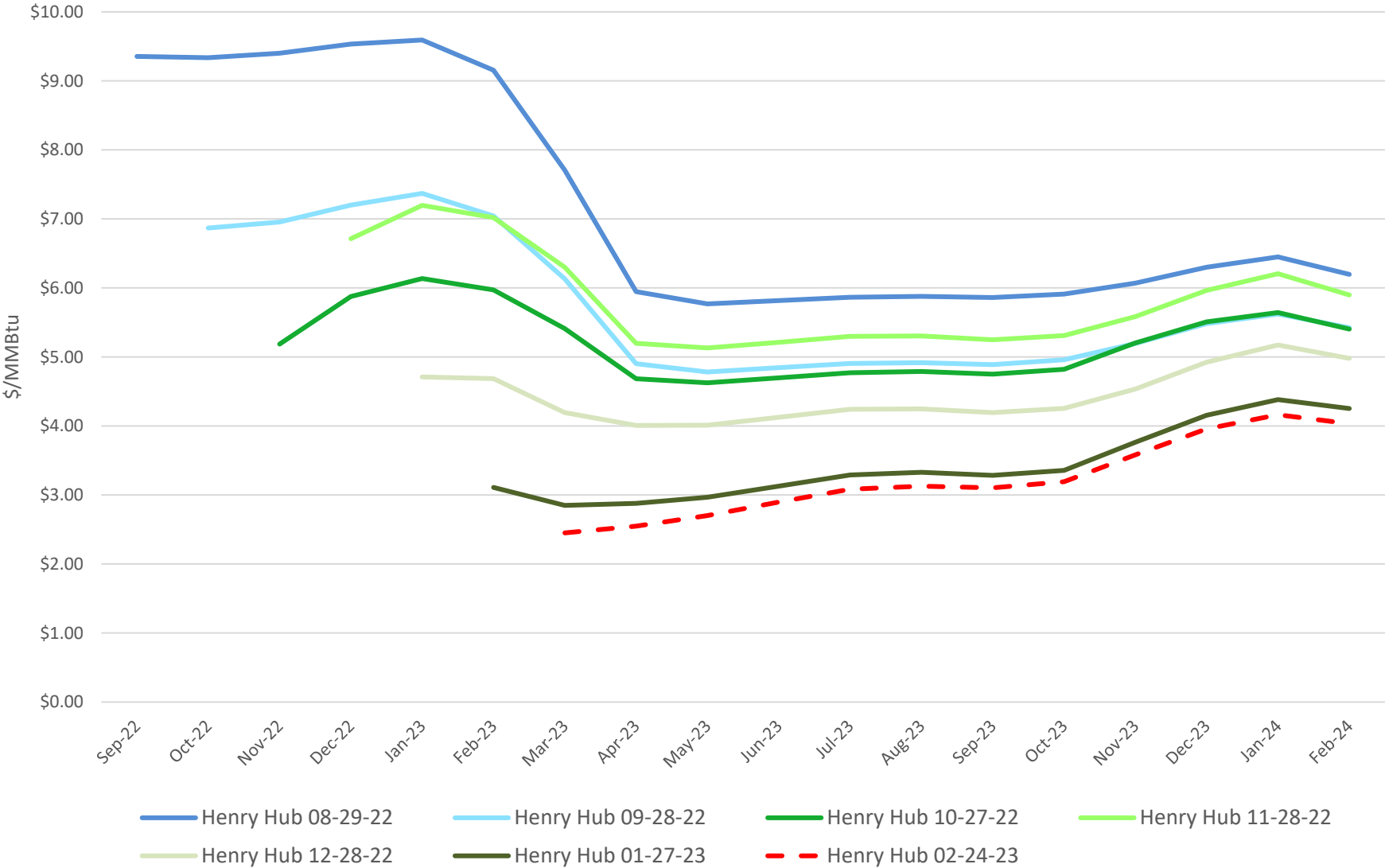
GRDA MWH Resources

This chart illustrates GRDA's resources, as compared to PCA MWh sales. GRDA's short or long position is calculated on an hourly basis. All of GRDA's Resource Net Revenue is credited against the cost of purchasing GRDA load from the market and most often results in a lower Current Month Power Cost that is recovered by the PCA rate.



Henry Hub Natural Gas Futures - Settlements

The current curve is used to update the monthly power cost for recovery in the PCA. The most recent date shown in a dotted red-line is the curve used in the projection of power costs for the next twelve months. The PCA rate will recover an average rate for the next 12 months, therefore the under/over recovered balance at any given time could have a correlation to the shape. A flat line would have minimal impact to under/over recovery of costs. A line with a significant difference in the first half or second half will create balances in the under/over recovered balance.



Henry Hub Gas \$/MMBtu

This chart illustrates the change in gas prices from month to month. The last bar on the right is the most recently published price for gas daily for the settlement date for prompt month purchase of gas. The dotted line is the price for that month from 30 days earlier. In the early years with low gas prices the difference was minimal. In period of higher prices the difference was more than minimal.

