SALLISAW MUNICIPAL AUTHORITY
REGULAR MEETING

June 12, 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 May 8, 2023, and Special Meetings of May 15, 2023, and June 5, 2023**

4. **Discuss and Consider Approval of Manager Contract for the Period July 1, 2023 to June 30, 2024**

5. **Discuss and Consider Approval of Renewal of Water Contracts with Rural Water District No. 3, Rural Water District No. 4, and C.D. Water Systems, for the Purchase of Treated Water**

6. **Discuss and Consider Authorizing the Transfer of Certificate of Title for One (1) 2006 Clayton Mobile Home, IDN CAP019259TNAB, to Davonna Carroll and, Authorize Staff to Sign the Assignment of Title Once Funds are Received**

7. **Receive Update on the Sallisaw Municipal Landfill; Discussion and Possible Action on Possible Rate Adjustments to Landfill Tipping Fees and Rates for Sanitation Services and on Possible Further Action to Staff Regarding the Sallisaw Municipal Landfill.**

8. **Recieve Update on the GRDA PCA Costs; Possible Direction to Staff as Needed.**

9. Administrative Reports

10. Adjourn

Posted: **JUNE 9, 2023**
Time: **11:30 A.M.**

Kim Jamison

MINUTES

SALLISAW MUNICIPAL AUTHORITY

REGULAR MEETING

MAY 8, 2023

The Sallisaw Municipal Authority met in a regular meeting on May 8, 2023, in the Council Chambers, 113 North Elm, Sallisaw. Notice of the meeting was given by emailing to Sequoyah County Times; emailing to KXMX; by posting at city hall on May 5, 2023 at 9:30 a.m.; by posting on the city's website; and, by giving notice to the City Clerk.

Members present:	Ernie Martens,	Chairman
	Ronnie Lowe,	Trustee, Ward 1
	Josh Bailey,	Trustee, Ward 2
	Julian Mendiola,	Trustee, Ward 3
	Kristin Peerson,	Trustee, Ward 4
Members absent:	None	
Staff present:	Keith Skelton,	General Manager
	John R. Montgomery,	City Attorney
	Kim Jamison,	Secretary
	Robin Haggard,	Director of Finance
	Keith Miller,	Building Development Director
	Terry Franklin,	Chief of Police
	George Bormann,	Economic Development Director
	Ben Spyres	Computer Technician
	Chris Carter,	Senior Code Inspector
	Brandon Rogers,	Sanitation Operator
	Jamie Phillips,	Sold Waste Superintendent
	William Downs,	Sanitation Operator
	Chris Gilliam,	Code Inspector
	Kayle Griffin,	Chief Accountant
	Casey Rogers,	Crew Leader - Landfill
	Daniel Emerson,	Locate Tehcnican
	Necole Emerson,	Clerk
	Sam Houston	Sanitaton Operator
	Skylar Fullbright,	Grants Specialist

Others present: Jimmy Smith; Misty Phillips; Dan Christensen; Dustin Reynolds; Shannon Vann; Reece Bush; Kelli Navratil; Paul Harl; Teresa Caves;

Paula Harraway; Lenora Skelton; Jim Rogers; Kenneth Holzhammer; Lynn Adams; Kevin Navratil; Cana Hall; Cheryl Hall; Daryl Legg; George Simmons; Holly Bormann; GW Bormann; Sean Martin; Eric Cherry; Keith Boshers; E.O. Smith; Christina Carroll; Alan Toney; Alan Lee; Monty Lenington; Taylor Smith; Jim Hudgens; J.W. Fleetwood; Pamela Gay; Philip Gay; Sandra Downs; Eddie Martin; Others Unidentified

Meeting Called to Order

Chairman Martens called the meeting to order at 6:01 p.m.

Declaration of a Quorum

A quorum was present.

Conduct Public Hearing on the Proposed Sale of the Sallisaw Landfill Facility

Chairman Martens opened the public hearing at 6:01 p.m. Manager Skelton read a statement that: The Sallisaw Municipal Authority has received an unsolicited offer to purchase the Sallisaw Municipal Landfill Facility and the city sanitation collection services. The offer is $20 million for the landfill facility, including all land and other assets of the landfill. For the collection services, the current offer is $1.5 million to assume residential and commercial collections, and the assets of the department. The Board of Trustees and city staff are in the early stages of evaluating this offer. Our intent is to ensure the offer is properly vetted, and that Sallisaw, Sequoyah County, and all our current landfill customers are properly protected with continued use of the landfill. Early review of financial numbers, and future projections of the landfill and collection services show the offer to be very beneficial to the city in the long term financially. Included in the offer is a tonnage royalty for the City of $1.00 per ton covering all tonnage brought to the landfill after the sale. The offer also includes city retainage of 100% of all methane royalties once the methane collection system is operational. For tonight's public forum, the city has made available draft numbers related to the offer. Please note, these numbers have changed daily since May 1st, and will change more as we continue to evaluate the offer. Some revenue and budget numbers that benefit the city are very conservative and will only grow as time goes by. At this time, our financial evaluation centers around two scenarios: Both scenarios include: a) Instant budget relief for the City and SMA. b) Retainage of employees who wish to stay employed with the city. c) Relief from any future landfill environmental liabilities. d) Yearly investment revenue that would be generated by investing up to $12 million or more of the cash received at closing; and e) Relief from accruing landfill closure/post closure cost liability required of the Oklahoma Department of Environmental Quality (Currently $2.8 million, liability increases each year based on life of the landfill). Scenario 1. SMA sells both landfill and collection services. Net benefit for this scenario is currently estimated at $2.3 million yearly. Scenario 2. SMA sells only the landfill and continues to operate the collection services. Net benefit for this scenario is currently estimated at just over $2 million yearly. For the cash received at closing, we will have an investment strategy ready to make a large financial investment that will generate an annual return that can be used in city operations. Our desire is that the principal invested would never be touched, and only increase in the future. The balance of the funding, which would be $8-10 million dollars, would be used on approved projects in the community. A "first draft" list of project ideas has been given to the Board of Trustees tonight. This is the first time they have seen this list. I fully expect the list will be discussed at next week's budget meetings. It may be discussed some tonight as we take up the next agenda item. As I have stated, it is a working draft. A little bit about CARDS. CARDS is based in NW Arkansas. CARDS, and its affiliates, operate hauling companies, transfer stations, recycling centers, recovery facilities and landfills throughout the Midwest. CARDS and its affiliates are focused on establishing a reputation for unmatched service and remain committed to the communities they serve. In addition to hauling and recycling operations, they currently provide services to 16 municipalities in Arkansas, 7 in Oklahoma, 6 in Missouri, and one in Anna, Texas. Representing CARDS tonight is: Dan Christensen, Company President and Dustin Reynolds.

Monty Lenington; Taylor Smith; Shannon Vann; Jim Hudgens; Jim Rogers; JW Fleetwood; Daryl Legg; Alan Lee; Reece Bush; Kelli Navratil; and Dan Christensen addressed the council. Most expressed that it would be a detriment to the City and County to sell the landfill. They felt the City should retain ownership.

The public hearing closed at 6:44 p.m.

Consider Approval of Minutes of Regular Meeting of April 10, 2023 and Special Meeting of May 1, 2023

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

Update and Discussion On Offer to Purchase the Sallisaw Landfill Facility and Solid Waste Collection Services; Possible Direction to Staff

The Manager presented the latest available landfill numbers. The breakdown of tonnage was reviewed. Investments and projects utilizing the funds from a possible sale were discussed. Maintenance, equipment, and future needs/costs were also discussed. There were questions and a lengthy discussion. The direction was to continue discussions.

Discuss and Consider Approval of Purchase Order No. 97835, Issued to Graybar of Maryland Heights, Missouri, in an amount not to exceed $125,000.00 for the Purchase of Fiber Materials for the Highway 59 Project

Motion was made by Mendiola, seconded by Peerson, for approval of purchase order no. 97835 in the amount of $125,000.00. Vote: Mendiola aye; Peerson aye; Lowe aye; Bailey aye; Martens aye. Motion carried 5-0.

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

No new information. GRDA will be meeting later and will have the PCA for June at that time. Gas prices are down.

Administrative Reports

None.

Adjourn

Motion was made by Lowe, seconded by Bailey, to adjourn the meeting there being no further business. Vote: Lowe aye; Bailey aye; Mendiola aye; Peerson aye; Martens aye. Motion carried 5-0. The meeting ended at 7.27 p.m.

Approved this **12th** day of **June 2023**.

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Secretary to the Authority

(SEAL)

MINUTES

SALLISAW MUNICIPAL AUTHORITY

SPECIAL MEETING

MAY 15, 2023

The Sallisaw Municipal Authority, in conjunction with the Board of City Commissioners, met in a special meeting on May 15, 2023, in the Council Chambers, 113 North Elm Street, Sallisaw. Notice of the meeting was given by e-mailing to Sequoyah County Times; by e-mailing KXMX; by posting at city hall on May 10, 2023, at 12:01 p.m.; by posting on the city's website; and, by giving notice to the City Clerk.

Members present:	Ernie Martens,	Mayor
	Ronnie Lowe,	Member, Ward 1
	Josh Bailey,	Member, Ward 2
	Julian Mendiola,	Member, Ward 3
	Kristin Peerson,	Member, Ward 4
Members absent:	None	
Staff present:	Keith Skelton,	City Manager
	John R. Montgomery,	City Attorney
	Kim Jamison,	City Clerk
	Robin Haggard,	Finance Director
	Jessica Robertson,	Business Support Manager
	Gene Martin,	Equipment Service Superintendent
	Blakely Smith,	Superintendent – Electric
	Clint Smith,	IT Director
	Skylar Fullbright,	Grants Specialist
	Keith Miller,	Building Development Director
	George Bormann,	Economic Development Director
	Terry Franklin,	Chief of Police
	Anthony Armstrong,	Fire Chief
	Kayle Griffin,	Chief Accountant
	Sam Randolph,	Superintendent – Street
	Lee Risley,	Superintendent – Parks
	Amy Edwards,	Prevention Service Director
	Ted Capps,	Superintendent – Water/Sewer

Others Present: David Lessley; KC Holzhammer; Lynn Adams; JW Fleetwood; others unidentified.

Meeting Called to Order

Mayor Martens called the meeting to order at 9:00 a.m.

Declaration of a Quorum
A quorum was declared present.

Presentation and Review of Proposed FY 2024 Budget

The City Manager welcomed everyone. He gave a brief overview of how the budget retreat process would work. He advised that the budget process was a challenge. He then reviewed the City's mission statement, reviewed the website updates, and our Facebook page. He went over the budget process schedule. He then reviewed the 2023 projects and purchases, which include the Veteran's Center, North substation, sewer line projects, crosswalk at Oak and Cherokee, dugout covers at the Sport's Complex, electric pole change out, purchase of the sideload sanitation truck. As of May 1st, there is 12.5 million in projects in process of being completed and/or getting started.

Robin Haggard, Director of Finance, then presented an in-depth overview of the preliminary budget for FY 24. The key elements that make up the FY 24 budget include: anticipated revenues and planned appropriations; equipment purchases from capital improvement; building facility projects; asphalt street program; AMI system; leachate disposal line; construct of landfill cell 8a and shop building; possible sale of landfill and collection services; and salary and benefits. The general fund revenue is made up of taxes; gross receipt taxes, permits and licenses; municipal court fines; and transfers from SMA and balance forwards. Expenses: salaries and benefits; insurances; operating supplies; maintenance; sports complex and brushy park; transfers out; and transfers for non-profit organizations. SMA type revenues: taxes from general fund; utility revenues; penalties; connection/reconnection fees; and balance forward amounts. SMA expenses: transfers out; purchase power cost; telecommunication programming; engineering fees; and debt service. Across all funds electric service provides 40% of revenue, sales tax 21%, telecommunications 9.4%, water 8.5%, and landfill and sanitation combined 9.4%. The expenses across all funds are purchased power cost 24.56%, salaries and benefits 31.88%, daily operations 16.29%, and debt service 8.32%. She reviewed the sales tax breakdown. Sales and use tax have been very promising. The past 9 out of 11 months the sales tax has exceeded 600 thousand with 2 of those months exceeding 565 thousand. Hotel motel tax is estimated to be $135 thousand for this year. This funds youth and recreation items. General fund revenue is estimated to be 26 million for FY 24. General fund non-proprietary budget has an increase of 712 thousand and the proprietary budget has an increase of 286 thousand. Two (2) lineman positions were added. 342 thousand has been budgeted for contingency and sundry. General fund transfers and contributions include 8 million transfer of sales and use tax, 135 thousand transferred to the youth and rec fund, 127 thousand to support Not For Profit organizations. Reconciliation of the general fund budget shows an increase of 577 thousand. The general fund personnel budget was reviewed. 150 positions are budgeted for FY 24. This is adding 2 lineman positions. This is an increase of $681,492. The budget for salary and benefits is $11.2 million. Personnel numbers were reviewed as well as the retirement plans (OkMRF, Police, Fire). Insurance rates show a 4.5% increase. A 2% COLA is proposed.

Keith Skelton then reviewed the Capital Improvement Fund. The CIF pays for items with a cost greater than $5,000 and a useful life greater than 2 years. 1.6 million was funded; $262,700 is for on-going lease purchases and $334,833 is CI contingency. Some purchases that were funded are: mini excavator, mini

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skid steer; an additional side load sanitation truck, PD remodel/expansion, solar lights for the walking trail at the sports complex, tree trimming chipper trailer mount. 3 million was budgeted for the Infrastructure Improvement Fund. Appropriations include landfill cell block 8a, sewer line improvements, water loop, leachate line/aeriation basin. SMA budget has a total budget of $42.5 million. Appropriations include transfers to Infrastructure Improvement Fund and Capital improvement, GRDA power purchase, debt service.

Kayle Griffin reviewed all special revenue funds and grant funds, how they operate and any goals. Staff summarized all numbers for the proposed FY 24 budget.

Motion was made by Bailey, seconded by Mendiola, to break until 12:15 p.m. for lunch. Vote: Bailey aye; Mendiola aye; Lowe aye; Peerson aye; Martens aye. Motion carried 5-0. Meeting recessed at 11:40 a.m.

Motion was made by Lowe, seconded by Mendiola, to reconvene the meeting. Vote: Lowe aye; Mendiola aye; Mendiola aye; Peerson aye; Martens aye. Motion carried 5-0. Meeting reconvened at 12:15 p.m.

Personnel numbers were discussed again. Looking at ways to increase starting wage. Consider dropping Step A of the pay scale then Step B would be new starting wage. Also, adding two (2) additional steps. Council asked that this be placed on the June agenda for consideration.

George Bormann gave a presentation on grants and economic development. Economic development needs include infrastructure, targeted economic development, incentive programs, recruitment of talent, business retention and expansion, marketing and rebrand, and need to focus on improving current infrastructure and assets.

Keith Miller made presentation. He reviewed animal control. He stated that the shelter had a 90% adoption success. Mapping and locates a new locating system would make lines more detectable. Code enforcement numbers were matching last years.

Motion was made by Peerson, seconded by Bailey, to recess the meeting until 9:00 a.m., May 16, 2023. Vote: Peerson aye; Bailey aye; Lowe aye; Mendiola aye; Martens. Motion carried 5-0.

Tuesday, May 15, 2023.

Board present: Ronnie Lowe; Josh Bailey (arrived at 9:01 a.m.); Julian Mendiola; Kristin Peerson; and Ernie Martens.

Staff present: Gene Martin; Terry Franklin; George Bormann; Jessican Robertson; Skylar Fullbright; Kyle Griffin; John Robert Montgomery; Keith Skelton; Robin Haggard; Kim Jamison; Ted Capps; Anthony Armstrong; Blakley Smith; Keith Miller; Jamie Phillips.

Others present: Dan Christensen; Dustin Reynolds; JW Fleetwood; KC Holzhammer; Josh Rogers; Marty Green; Lynn Adams; Tom Hanning; Taylor Smith; Charla Sloan; Keith Boshers; EO Smith; Laura Kuykendall; Monty Lenington; Belinda Holmes; Don Collins; others unidentified.

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Motion was made by Lowe, seconded by Peerson, to reconvene the meeting. Vote: Lowe aye; Peerson aye; Mendiola aye; Martens aye. Motion carried 4-0. Meeting began at 9:00 a.m.

Keith Skelton welcomed everyone. Commissioner Peerson asked about the animal shelter. Keith Miller explained the difficulty they were having with animal transport. Several have shut down and they have stringent requirements that must be met before they will accept animals.

Conduct Planning Session to Discuss Various Operations, Policies, Programs, and Services; and, Provide Direction to Staff

Josh Rogers with Sallisaw Main Street visited with council and thanked them for their support. He stated that their focus was the revitalization of Sallisaw. He went over their various projects.

Marty Green spoke on behalf of the Sallisaw Chamber and Sallisaw Improvement Corporation. He thanked council for their support and reviewed activities.

Mayor Martens mentioned the Farmer's Market and noted that all the vendors were appreciative of the City's support.

Charla Sloan with KIBOIS addressed council. She thanked them for their support. She updated them on KIBOIS activities, fleet and employees.

Tom Hanning, FBO gave an update on airport activities.

Laura Kuykendall with the Boys and Girls Club thanked council for their assistance. Noting that the club's focus was on education. All funding comes from grants and community support.

Mr. Skelton thanked everyone who spoke and expressed that it was a joy to work with them.

Discussion and Possible Action Concerning CARDS Proposal to Purchase Landfill Facility and/or Solid Waste Collections

Discussion and Possible Action on Evaluating the Financial Value of the Sallisaw Municipal Landfill Facility

The above items were discussed in conjunction. Keith clarified that the numbers that are presented today are just estimates based on the information we have on hand today except for the tonnage which is exact numbers. Currently 8 customers make up 72% of the overall tonnage at the landfill. Out of those 8 customers, Sues and Leflore County make up 42% of the 72% tonnage. From July 22 through April 23 the numbers are the actual tonnage is 70,379 and the projected tonnage through June 30th is 84,455. Cash customers and other small haulers bring in the remaining tonnage. The proposal received from CARDS, to purchase the landfill, was $20 million plus a guarantee of $1.2 million over the first five years. And release of closure cost liability of approximately 2.8 million would present a total value to the city of

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approximately 28 million. Projected expenses for new cell development and expansion, and equipment total $11,250,000. We cannot justify increasing tonnage year to year and possible loose up to 41% with the current contracts. The tonnage increase would bring more expense and would need to be offset with tip fees. If the tipping fee, for non-contract customers (58%), is increased anywhere from $34 - $52/ton, our cash flow at the landfill would still be negative though 2030. The only way to see an increase in revenue would be to increase the tipping fee from $58-$60 per ton. This could drive customers elsewhere. Calculations from YR 22-23 have increased closure/post-closure costs of 11%. And will be an additional 7% for 2023. Selling and/or partnership proposals were presented. A partnership would allow the city to continue to retain ownership but would be managed by the other party. A lengthy discussion was held concerning proposals. It was the consensus of the board to continue with Letter of Intent (LOI) with CARDS.

Motion was made by Lowe, seconded by Peerson, to break until 12:00 p.m. for lunch. Vote: Lowe aye; Peerson aye; Bailey aye; Mendiola aye; Martens aye. Motion carried 5-0. Meeting recessed at 11:30 a.m.

Motion was made by Peerson, seconded by Bailey, to reconvene the meeting. Vote: Peerson aye; Bailey aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0. Meeting reconvened at 12:06 p.m.

The City Manger wanted to make some clarification about the pay scale. He advised that all employees had received a 3% COLA in FY 23 and a 3% merit increase if they were not at the top of the pay scale. He advised that 35 positions were adjusted (increased) over the last couple of years. He suggested a 2% COLA across the board. And, that we will look at the pay scale over the next year. The board was in agreement.

Consider Motion to Convene in Executive Session for the Purpose of Conducting Annual Review of Performance of the City Manager; As Authorized by Title 25 O.S., §307 (B)(1)

Motion was made by Mendiola, seconded by Lowe, to convene in executive session. Vote: Mendiola aye; Lowe aye; Bailey aye; Peerson aye; Martens aye. Motion Carried 5-0. Time was 12:57 p.m.

Consider Motion to Reconvene to Regular Session

Motion was made by Peerson, seconded by Bailey, to reconvene to regular session. Vote: Peerson aye; Bailey aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0. Reconvened at 1:55 p.m.

Any Action or Direction Pursuant to Executive Session

None.

Adjourn

Motion was made by Lowe, seconded by Bailey, to adjourn the meeting there being no further business. Vote: Lowe aye; Bailey aye; Mendiola aye; Peerson aye; Martens aye. Motion carried 5-0. The meeting ended at 1:56 p.m.

Approved this 12th day of June 2023.

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Secretary

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MINUTES

SALLISAW MUNICIPAL AUTHORITY

SPECIAL MEETING

JUNE 5, 2023

The Sallisaw Municipal Authority met in a special meeting on June 5, 2023, in the Council Chambers, 113 North Elm, Sallisaw. Notice of the meeting was given by emailing to Sequoyah County Times; by emailing to KXMX; by posting at city hall on June 1, 2023 at 10:45 a.m., by posting on the city's website; and, by giving notice to the City Clerk.

Members present:	Ernie Martens,	Chairman
	Ronnie Lowe,	Trustee, Ward 1
	Josh Bailey,	Trustee, Ward 2
	Julian Mendiola,	Trustee, Ward 3
	Kristin Peerson,	Trustee, Ward 4
Members absent:	None	
Staff present:	Keith Skelton,	General Manager
	John R. Montgomery,	City Attorney
	Kim Jamison,	Secretary
	Robin Haggard,	Director of Finance
	Keith Miller,	Building Development Director
	George Bormann,	Economic Development Director
	Clint Smith,	ITDirector
	Jessica Robertson,	Business Support Manager
	Ben Spyres,	Computer Technician
	Kayle Griffin,	Chief Accountant
	Brandon Rogers,	Sanitation Operator
	Jarett Cannon,	Patrolman
	Tucker Martens,	Lieutenant
	Jeff Craghead,	Patrolman
	Jamie Phillips,	Solid Waste Superintendent
	Casey Rogers,	Crew Leader - Landfill

Others present: Misty Phillips; Monty Lenington; Kenneth Holzhammer; Kevin Gardner; Dan Christensen; Dustin Reynolds; Lynn Adams; Teresa Caves; Judy Merrill; Steve Merrill; Paula Haraway; Jan Matthews; Others Unidentified.

Meeting Called to Order

Chairman Martens called the meeting to order. The meeting began at 5:00 p.m.

Declaration of a Quorum

A quorum was declared present.

Consider Approval of Engagement Letter between the Sallisaw Municipal Authority and Hall, Estill, Hardwick, Gable, Golden and Nelson, P.C. for Legals Services Related to Sallisaw Landfill and Authorize City Manager to Sign Agreement

Manager reviewed the engagement letter with the board. Motion was made by Mendiola, seconded by Lowe, for approval of the engagement letter with Hall, Estill, Hardwick, Gable, Golden and Nelson P.C. and authorize the Manager to sign agreement. Vote: Mendiola aye; Lowe aye; Bailey aye; Peerson aye; Martens aye. Motion carried 5-0.

Discuss and Consider Approval of Letter of Intent Between CARDS Holdings, LLC (CARDS) and the Sallisaw Municipal Authority Providing the Framework For Further Discussions and Negotiations Related to CARDS Proposal to Purchase the Sallisaw Municipal Landfill Faciltiy, or Enter Into a Operating Agreement.

Manager Skelton read a statement: Before we begin this discussion, I just want to say that this item is still in an evaluation phase. Contrary to a lot of rumors and social media posts, I want to stress that NO decision has been made regarding the potential sale of the landfill. A lot of the things on social media are simply not accurate. We are still far away from any decision regarding landfill.
This Board has been given many financial numbers regarding the potential sale and the continued operations. All of this has been presented in public meetings. There are many things to consider regarding this decision. Just a few of the items include:

- Capital needs of the facility over the next 7 years, estimated at over $11 million.
- Our capability to increase tonnage intake to fund future capital needs.
- Increased environmental closure and post-closure monitoring costs. This future cost will be in the millions and will impact city budgets for years to come.
- And of course, the value of landfill.

The LOI agenda item is the first step to begin any sort of negotiations to construct the framework of any type of agreement that may be put before the Board for approval. The LOI is not binding and either party may cease discussions at any time with notice. The Board may elect to approve the LOI or to provide other guidance to staff.

Short discussion was held. Motion was made by Bailey, seconded by Peerson, to decline the Letter of Intent. Vote: Bailey aye; Peerson aye; Lowy nay; Mendiola aye; Martens aye. Motion carried 4-1.

Discussion and Possible Action and/or Direction to Staff on the Potential Sale of the Sallisaw Municipal Landfill Facility.

The Manager inquired if we wanted to continue with the Request for Proposals (RFQ) which would include sale and/or partnership. Or, the Board could direct the Manager to seek other tonnage. He noted that he had reached out to a few places, it was proving to be rough. It was noted that capital needs will be great over the next 7 years. As well as the environmental liability. Cell 8A, which is ready to bid out, Phase II construction of additional cells and equipment needs will be in the millions. Or, direct him to bring back increases in tip fess in July. Options were discussed. The original foot print is used up; cost will be in the millions; budgets going forward will be tough. Items could be financed, but revenues will not pay debt service. Fees will have to increase as well as tonnage. Commissioner Bailey expressed those were the types of meetings he wanted to have. Mayor Martens suggested continuing with an RFP. We would have to ask ourselves if the additional tonnage would be sustainable. Keith confirmed that 4 of the commissioners were against selling, Commissioner Lowe was for selling. He then asked about a partnership. Mayor Martens was the only one in favor. Staff would have to go back and do some serious planning and step up efforts to gain additional tonage. Expect proposed increases to be on the July agenda.

Adjourn

Motion was made by Lowe, seconded by Bailey, to adjourn the meeting there being no further business. Vote: Lowe aye; Bailey aye; Mendiola aye; Peerson aye; Martens aye. Motion carried 5-0. The meeting ended at 5:35 p.m.

Approved this **12th day** of **June 2023**.

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Secretary to the Authority

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date:	June 12, 2023
Board:	Sallisaw Municipal Authority
Subject:	Water Purchase Contracts

ITEM TITLE: Discuss and Consider Approval of Renewal of Water Contracts with Rural Water District No. 3, Rural Water District No. 4, and C.D. Water Systems, for the Purchase of Treated Water

INITIATOR: City Manager
City Clerk

STAFF INFORMATION SOURCE: City Manager

BACKGROUND: Staff recommends renewal of the water purchase contracts for the upcoming fiscal year. A 3% increase has been added to the water rates.

- For RWD 3 and RWD4, the City Manager recommends an increase in the contract price from $4.62 to $4.76 per 1,000 gallons for the first 14 million gallons of water. Any water utilized over their agreed upon amount will be billed at $5.03.
- For CD Water Systems, the City Manager recommends an increase in the contract price from $4.62 to $4.76 per 1,000 gallons for the first 375,000 gallons of water. Any water utilized over their agreed upon amount will be billed at $5.03.

EXHIBITS:
1. RWD 3 Contract
2. RWD4.Contract.2023.24
3. CD Water Systems 2023.24 contract

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDATION: Staff recommends approval of the water contracts.

RURAL WATER DISTRICT NO. 3
WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the **___12th____** day of **_June____, 2023,** between the **SALLISAW MUNICIPAL AUTHORITY,** hereinafter referred to as the **"AUTHORITY"**, and **RURAL WATER DISTRICT NO. 3,** hereinafter referred to as the **"DISTRICT".**

WITNESSETH

WHEREAS, the **DISTRICT** has been organized and established for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the **DISTRICT** and to accomplish this purpose, the **DISTRICT** will require a supply of treated water, and

WHEREAS, the **AUTHORITY** owns and operates a water supply distribution system with the capacity currently capable of serving the present customers of the **AUTHORITY** system and the estimated number of water users to be served by the said **DISTRICT,** and

WHEREAS, by motion on the **____12th______** day of **_____June__ 2023,** by the Board of Trustees of the **AUTHORITY,** the sale of water to the **DISTRICT** in accordance with the provisions of the said motion was approved, and the execution of this contract carrying out the said motion by the chairman of the Board of Trustees and attested by the Secretary was duly authorized, and

WHEREAS, by motion of the Board of Directors of the **DISTRICT**, enacted on the __________ day of _____________________, 2023 the purchase of water from the **AUTHORITY** in accordance with the terms set forth in the said motion was approved and the execution of this contract by the Chairman, and attested by the Secretary, was duly authorized;

NOW, THEREFORE, in consideration of the foregoing and mutual agreements set forth,

<u>THE AUTHORITY AGREES:</u>

1. (Quality and Quantity) To furnish the **DISTRICT,** at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State Board of Health in such quantity as may be required by the **DISTRICT.** The **AUTHORITY** will supply a maximum of 14.0 million gallons per month to the **DISTRICT** plus an additional 10,000 gallons per month per additional customer over the present 257 customers, up to a maximum of 100 additional customers or 9,000,000 gallons per month if the **DISTRICT** has 357 customers.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonable constant normal pressure calculated at 40 psi from an existing eight-inch main supply at a master meter located approximately 1490' east of Interstate 40 on U.S. Highway 64 east of Sallisaw on the south side of Highway 64. If a greater pressure than that normally available at the point of

delivery is required by the **DISTRICT,** the cost of providing such greater pressure shall be borne by the **DISTRICT.** The pressure pumps of the **DISTRICT** shall be operated at a rate not to exceed 100 gpm and shall be operated during those hours which the **AUTHORITY** has lowest consumption; said hours are to be approved by the **AUTHORITY.** Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the **AUTHORITY** from this provision for such reasonable period of time as may be necessary to restore service.

3. (Billing Procedure) To furnish the Chairman of the **DISTRICT**, at Sallisaw, Oklahoma, not later than the 15th day of each month, with a statement of the amount of water furnished the **DISTRICT.**

4. (Master Meter) The **DISTRICT** may calibrate the master water meter to determine its accuracy and if by such test the previous readings of the reader shall be disclosed to be inaccurate, previous billings shall be corrected for the six months period immediately prior to such test in accordance with the percentage of inaccuracy determined over 2%. If the meter fails to register for any period, the amount of water furnished during such period shall be estimated by the water department of the **AUTHORITY**, taking into account previous billings for the twelve (12) month period immediately prior thereto. The master metering equipment shall be read by the **AUTHORITY** monthly.

THE DISTRICT AGREES:

1. (Rates and Payment Date) To pay the **AUTHORITY** not later than the last day of each month for water delivered. The amount of water used to be determined by the reading of a master meter to be provided and installed by the **AUTHORITY** and the following rates to be applied to this gross amount.

a. First 14,000,000 gallons per month - **$4.76** per thousand gallons. This charge for water is based on anticipated cost and if cost exceeds this amount, the **AUTHORITY** shall have the right to renegotiate the contract.

b. The **DISTRICT** agrees that for any water used in excess of the amount set forth above, the 14,000,000 gallons per month plus 10,000 gallons per month per additional customer over 257 customers, as aforesaid, the **DISTRICT** will pay to the **AUTHORITY** a charge of **$5.03** per thousand gallons for all water used over the gallon limit allowed.

c. The DISTRICT agrees to pay any temporary surcharge, which is assessed by the AUTHORITY to its other customers, as part of an approved water conservation program.

d. The DISTRICT agrees to pay additional rate increases if the AUTHORITY increases rates for other water customers during the term of this agreement.

2. If payment for said water is not made within 30 days after receipt of said statement, the **AUTHORITY** may, at its option and upon ten (10) day notice by registered letter to the office of the **DISTRICT**, discontinue the furnishing and sale of water to the **DISTRICT.**

Upon failure to pay for said water within such 30-day period, the **AUTHORITY** may institute legal action to enforce collection of any such amount due and the **DISTRICT** agrees to pay for all expenses of suit, including a reasonable attorney's fee.

3. The DISTRICT agrees to provide to the AUTHORITY a monthly report showing water loss for the previous month. This report is to be submitted with payment. **The District agrees to take reasonable action to maintain its system to minimize water loss.**

4. The DISTRIST agrees to abide by and strictly enforce all water conservation measures as mandated by the AUTHORITY.

IT IS FURTHER MUTUALLY AGREED BETWEEN THE AUTHORITY AND THE DISTRICT, AS FOLLOWS:

1. (Term of Contract) This contract shall be for a period of one (1) year beginning July 1, 2023 and ending June 30, 2024 at the termination of which the **AUTHORITY** and the **DISTRICT** may renegotiate.

2. It is further agreed that the **DISTRICT** may sell water to the Town of Gans, Oklahoma.

3. (Failure to Deliver) That the **AUTHORITY** will at all times operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the **DISTRICT** with quantities of water required by the **DISTRICT.** Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water or the supply of water available to the **AUTHORITY** is otherwise diminished over an extended period of time, the supply of water to **DISTRICT** consumers shall be reduced or diminished. The **AUTHORITY** shall retain first right and priority to the availability of its water.

4. (Regulatory Agencies) That this contract is subject to such rules, regulations or laws as may be applicable to similar agreements in the State of Oklahoma and the **AUTHORITY** and **DISTRICT** will collaborate in obtaining such permits, certificates or the like, as may be required to comply therewith.

5. The **DISTRICT** hereby agrees to hold the **AUTHORITY** harmless from any and all actions, claims, demands or judgments arising from the maintenance, upkeep or operation of their respective distribution equipment and facilities and to defend at their expense all such actions whereby the **AUTHORITY** may be named as a party.

6. (Miscellaneous) That the construction of the water supply distribution system by the **DISTRICT** is being financed by a loan from the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the **DISTRICT** are conditioned upon the approval in writing of the State Director of Oklahoma of the Farmers Home Administration. Similarly, any modification of the provisions of this contract, including any increase in the schedule of rates to be paid by the **DISTRICT** for the delivery of water shall be conditioned upon the prior approval, in writing, of the State Director of Oklahoma of the Farmers Home Administration.

7. (Successor to the **DISTRICT**) That in the event of any occurrence rendering the **DISTRICT** incapable of performing under this contract, any successor of the **DISTRICT**, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the **DISTRICT** hereunder.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two (2) counterparts, each of which shall constitute an original.

SALLISAW MUNICIPAL AUTHORITY

BY:_______________________________

Chairman of the Board of Trustees

ATTEST:

____

Secretary

(SEAL)

RURAL WATER DISTRICT NO. 3

By:_______________________________

Chairman

ATTEST:

____

Secretary

(SEAL)

RURAL WATER DISTRICT NO. 4
WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the **__12th___** day of **June, 2023,** between the **SALLISAW MUNICIPAL AUTHORITY,** hereinafter referred to as the **"AUTHORITY"**, and **RURAL WATER DISTRICT NO. 4** hereinafter referred to as the **"DISTRICT".**

WITNESSETH

WHEREAS, the **DISTRICT** has been organized and established under the provisions of 142 Okla. Stat. 1301-1321 of the Code of Oklahoma, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the **DISTRICT** and to accomplish this purpose, the **DISTRICT** will require a supply of treated water, and

WHEREAS, the **AUTHORITY** owns and operates a water supply distribution system with the capacity currently capable of serving the present customers of the **AUTHORITY** system and the estimated number of water users to be served by the said **DISTRICT,** and

WHEREAS, by motion on the **___12th______** day of **______June________, 2023** by the Board of Trustees of the **AUTHORITY,** the sale of water to the **DISTRICT** in accordance with the provisions of the said motion was approved, and the execution of this contract carrying out the said motion by the chairman of the Board of Trustees and attested by the Secretary was duly authorized, and

WHEREAS, by motion of the Board of Directors of the **DISTRICT**, enacted on the ___________ day of ____________________, 2023 the purchase of water from the **AUTHORITY** in accordance with the terms set forth in the said motion was approved and the execution of this contract by the Chairman, and attested by the Secretary, was duly authorized;

NOW, THEREFORE, in consideration of the foregoing and mutual agreements set forth,

<u>THE AUTHORITY AGREES:</u>

1. (Quality and Quantity) To furnish the **DISTRICT,** at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State Board of Health in such quantity as may be required by the **DISTRICT.** The **AUTHORITY** will supply a maximum of 14,000,000 gallons per month to the **DISTRICT**.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonable constant normal pressure calculated at 40 psi from an existing eight-inch main supply at a master meter located approximately 1,950 feet south of the north section line of Section 19, Township 11 North, Range 24 East, Sequoyah County on Highway 59 south of Sallisaw on the west side of

Highway 59. If a greater pressure than that normally available at the point of delivery is required by the **DISTRICT,** the cost of providing such greater pressure shall be borne by the **DISTRICT.** The pressure pumps of the **DISTRICT** shall be operated at a rate not to exceed 100 gpm and shall be operated during those hours which the **AUTHORITY** has lowest consumption; said hours are to be approved by the **AUTHORITY.** Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the **AUTHORITY** from this provision for such reasonable period of time as may be necessary to restore service.

3. (Billing Procedure) To furnish the Chairman of the **DISTRICT**, at Sallisaw, Oklahoma, not later than the 15th day of each month, with a statement of the amount of water furnished the **DISTRICT.**

4. (Master Meter) The **DISTRICT** may calibrate the master water meter to determine its accuracy and if by such test the previous readings of the reader shall be disclosed to be inaccurate, previous billings shall be corrected for the six months period immediately prior to such test in accordance with the percentage of inaccuracy determined over 2%. If the meter fails to register for any period, the amount of water furnished during such period shall be estimated by the water department of the **AUTHORITY**, taking into account previous billings for the twelve (12) month period immediately prior thereto. The master metering equipment shall be read by the **AUTHORITY** monthly.

<u>THE DISTRICT AGREES:</u>

1. (Rates and Payment Date) To pay the **AUTHORITY** not later than the last day of each month for water delivered. The amount of water used to be determined by the reading of a master meter to be provided and installed by the **AUTHORITY** and the following rates to be applied to this gross amount.

a. First 14,000,000 gallons per month - $**4.76** per thousand gallons. This charge for water is based on anticipated cost and if cost exceeds this amount, the **AUTHORITY** shall have the right to renegotiate the contract.

b. The **DISTRICT** agrees that for any water used in excess of the amount set forth above, the **DISTRICT** will pay to the **AUTHORITY** a charge of $**5.03** per thousand gallons for all water used over the gallon limit allowed.

c. The **DISTRICT** agrees to pay any temporary surcharge, which is assessed by the **AUTHORITY** to its other customers, as part of an approved water conservation program.

d. The **DISTRICT** agrees to pay additional rate increases if the **AUTHORITY** increases rates for other water customers during the term of this agreement.

2. If payment for said water is not made within 30 days after receipt of said statement, the **AUTHORITY** may, at its option and upon ten (10) day notice by registered letter to the office of the **DISTRICT**, discontinue the furnishing and sale of water to the **DISTRICT.** Upon failure to pay for said water within such 30-day period, the **AUTHORITY** may institute legal action to enforce collection of any such amount due and the **DISTRICT** agrees to pay for all expenses of suit, including a reasonable attorney's fee.

3. The **DISTRICT** agrees to provide to the **AUTHORITY** a monthly report showing water loss for the previous month. This report is to be submitted with payment. **The District agrees to take reasonable action to maintain its system to minimize water loss.**

4. The **DISTRIST** agrees to abide by and strictly enforce all water conservation measures as mandated by the **AUTHORITY**.

IT IS FURTHER MUTUALLY AGREED BETWEEN THE AUTHORITY AND THE DISTRICT, AS FOLLOWS:

1. (Term of Contract) This contract shall be for a period of one (1) year beginning July 1, 2023 and ending June 30, 2024 at the termination of which the **AUTHORITY** and the **DISTRICT** may renegotiate.

2. It is further agreed that the **DISTRICT** may not sell water to any other District without written consent of the **AUTHORITY.**

3. (Failure to Deliver) That the **AUTHORITY** will at all times operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the **DISTRICT** with quantities of water required by the **DISTRICT.** Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water or the supply of water available to the **AUTHORITY** is otherwise diminished over an extended period of time, the supply of water to **DISTRICT** consumers shall be reduced or diminished. The **AUTHORITY** shall retain first right and priority to the availability of its water.

4. (Regulatory Agencies) That this contract is subject to such rules, regulations or laws as may be applicable to similar agreements in the State of Oklahoma and the **AUTHORITY** and **DISTRICT** will collaborate in obtaining such permits, certificates or the like, as may be required to comply therewith.

5. The **DISTRICT** hereby agrees to hold the **AUTHORITY** harmless from any and all actions, claims, demands or judgments arising from the maintenance, upkeep or operation of their respective distribution equipment and facilities and to defend at their expense all such actions whereby the **AUTHORITY** may be named as a party.

6. (Miscellaneous) That the construction of the water supply distribution system by the **DISTRICT** is being financed by a loan from the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the **DISTRICT** are conditioned upon the approval in writing of the State Director of Oklahoma of the Farmers Home Administration. Similarly, any modification of the provisions of this contract, including

any increase in the schedule of rates to be paid by the **DISTRICT** for the delivery of water shall be conditioned upon the prior approval, in writing, of the State Director of Oklahoma of the Farmers Home Administration.

7. (Successor to the **DISTRICT**) That in the event of any occurrence rendering the **DISTRICT** incapable of performing under this contract, any successor of the **DISTRICT**, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the **DISTRICT** hereunder.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two (2) counterparts, each of which shall constitute an original.

SALLISAW MUNICIPAL AUTHORITY

BY:________________________________
Chairman of the Board of Trustees

ATTEST:

____
Secretary

(SEAL)

RURAL WATER DISTRICT NO. 4

By:__________________________
Chairman

ATTEST:

____
Secretary

(SEAL)

C. D. WATER SYSTEMS
WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the **12th** day of **June 2023** between the **SALLISAW MUNICIPAL AUTHORITY,** hereinafter referred to as the **"AUTHORITY"**, and **LARRY EMERSON AND STEPHANIE EMERSON d/b/a C. D. WATER SYSTEMS,** hereinafter referred to as the **"SYSTEM".**

WITNESSETH

WHEREAS, the **SYSTEM** has been organized and established for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the **SYSTEM** and to accomplish this purpose, the **SYSTEM** will require a supply of treated water, and

WHEREAS, the **AUTHORITY** owns and operates a water supply distribution system with the capacity currently capable of serving the present customers of the **AUTHORITY** system and the estimated number of water users to be served by the said **SYSTEM,** and

WHEREAS, by motion on the **12th** day of **June** **2023** by the Board of Trustees of the **AUTHORITY,** the sale of water to the **SYSTEM** in accordance with the provisions of the said motion was approved, and the execution of this contract carrying out the said motion by the chairman of the Board of Trustees and attested by the Secretary was duly authorized, and

WHEREAS, on the ______________ day of _________________________, 2023 the purchase of water from the **AUTHORITY** in accordance with the terms set forth in the said motion was approved by the **SYSTEM** and the execution of this contract was duly authorized;

NOW, THEREFORE, in consideration of the foregoing and mutual agreements set forth,

THE AUTHORITY AGREES:

1. (Quality and Quantity) To furnish the **SYSTEM,** at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State Board of Health in such quantity as may be required by the **SYSTEM.** The **AUTHORITY** will supply a maximum of 375,000 gallons per month to the **SYSTEM.**

2. (Point of Delivery and Pressure) That water will be furnished at a reasonable constant normal pressure calculated at 40 psi from an existing main located at a point approximately 133 feet SE of a point where Rogers Street intersects the existing County Road running in a Northwesterly-Southeasterly direction. If a greater pressure than that normally available at the point of delivery is required by the **SYSTEM,** the cost of providing such greater pressure shall be borne by the **SYSTEM.** The pressure pumps of the **SYSTEM** shall be operated at a rate not to exceed 100 gpm and shall be operated during those hours which the

SYSTEM has lowest consumption; said hours are to be approved by the **AUTHORITY**. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the **AUTHORITY** from this provision for such reasonable period of time as may be necessary to restore service.

THE SYSTEM AGREES:

1. (Rates and Payment Date) To pay the **AUTHORITY** not later than the last day of each month for water delivered. The amount of water used to be determined by the reading of a master meter to be provided and installed by the **AUTHORITY** and the following rates to be applied to this gross amount.

   a. First 375,000 gallons per month - $**4.76** per thousand gallons. This charge for water is based on anticipated cost and if cost exceeds this amount, the **AUTHORITY** shall have the right to renegotiate the contract.

   b. If water loss for any given month exceeds 25%, the District will be assessed an additional charge of $ 0.35 per thousand gallons.

   c. The **SYSTEM** agrees that for any water used in excess of the amount set forth above, the **SYSTEM** will pay to the **AUTHORITY** a charge of $**5.03** per thousand gallons for all water used over the gallon limit allowed.

   d. The **SYSTEM** agrees to pay any temporary surcharge, which is assessed by the **AUTHORITY** to its other customers, as part of an approved water conservation program.

   e. The **SYSTEM** agrees to pay additional rate increases if the **AUTHORITY** increases rates for other water customers during the term of this agreement.

2. If payment for said water is not made within 30 days after receipt of said statement, the **AUTHORITY** may, at its option and upon ten (10) day notice by registered letter to the office of the **SYSTEM**, discontinue the furnishing and sale of water to the **SYSTEM.** Upon failure to pay for said water within such 30-day period, the **AUTHORITY** may institute legal action to enforce collection of any such amount due and the **SYSTEM** agrees to pay for all expenses of suit, including a reasonable attorney's fee.

3. The **SYSTEM** agrees to provide to the **AUTHORITY** a monthly report showing water loss for the previous month. This report is to be submitted with payment. **The SYSTEM agrees to take reasonable action to maintain its system to minimize water loss. For water loss in excess of 25% for any given month, a penalty, as shown in paragraph 1.b above, will be assessed.**

4. The **SYSTEM** agrees to abide by and strictly enforce all water conservation measures as mandated by the AUTHORITY.

IT IS FURTHER MUTUALLY AGREED BETWEEN THE AUTHORITY AND THE SYSTEM, AS FOLLOWS:

1. (Term of Contract) This contract shall be for a period beginning July 1, 2023 and ending June 30, 2024 at the termination of which the **AUTHORITY** and the **SYSTEM** may renegotiate.

2. It is further agreed that the **SYSTEM** may not sell water to any other Water District or System without written consent of the **AUTHORITY.**

3. (Failure to Deliver) That the **AUTHORITY** will at all times operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the **SYSTEM** with quantities of water required by the **SYSTEM.** Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water or the supply of water available to the **AUTHORITY** is otherwise diminished over an extended period of time, the supply of water to **SYSTEM** consumers shall be reduced or diminished. The **AUTHORITY** shall retain first right and priority to the availability of its water.

4. (Regulatory Agencies) That this contract is subject to such rules, regulations or laws as may be applicable to similar agreements in the State of Oklahoma and the **AUTHORITY** and **SYSTEM** will collaborate in obtaining such permits, certificates or the like, as may be required to comply therewith.

5. The **SYSTEM** hereby agrees to hold the **AUTHORITY** harmless from any and all actions, claims, demands or judgments arising from the maintenance, upkeep or operation of their respective distribution equipment and facilities and to defend at their expense all such actions whereby the **AUTHORITY** may be named as a party.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two (2) counterparts, each of which shall constitute an original.

SALLISAW MUNICIPAL AUTHORITY

BY:__________________________________

Chairman of the Board of Trustees

ATTEST:

____

Secretary

(SEAL)

C.D. WATER SYSTEMS

By:_____________________________

OWNER

AGENDA ITEM COMMENTARY

Meeting Date:	June 12, 2023
Board:	Sallisaw Municipal Authority
Subject:	Transfer of Title

ITEM TITLE: Discuss and Consider Authorizing the Transfer of Certificate of Title for One (1) 2006 Clayton Mobile Home, IDN CAP019259TNAB, to Davonna Carroll and, Authorize Staff to Sign the Assignment of Title Once Funds are Received

INITIATOR: City Clerk

STAFF INFORMATION SOURCE: City Manager
City Clerk

BACKGROUND: This mobile home was declared surplus at the April 10th meeting. Staff then advertised for sealed bids. At the time of the bid opening on May 24th, two (2) bids were received. The bids were from M.W. Dillard in the amount of $7,189.00 and Davonna Carroll in the amount of $10,049.00.

EXHIBITS: 1. Bids

KEY ISSUES: None.

FUNDING SOURCE: N/A

RECOMMENDATION: Authorize the transfer of Certificate of Title of 2006 Clayton Mobile Home and authorize staff to sign once funds are received.

MW Dillard

Bid on 2006 Clayton MobileHome

SN#CAP019259TNAB

$ 7189.00

[redacted]

Davonna Carroll

[redacted]

Amount of bid:

$10,049.00

AGENDA ITEM COMMENTARY

Meeting Date:	June 12, 2023
Board:	Sallisaw Municipal Authority
Subject:	Sallisaw Municipal Landfill

ITEM TITLE: Receive Update on the Sallisaw Municipal Landfill; Discussion and Possible Action on Possible Rate Adjustments to Landfill Tipping Fees and Rates for Sanitation Services and on Possible Further Action to Staff Regarding the Sallisaw Municipal Landfill.

INITIATOR: General Manager

STAFF INFORMATION SOURCE: General Manager

BACKGROUND: During the meeting, staff will provide an update on the Sallisaw Municipal Landfill including recruitment of additional tonnage, proposed tipping fees, Cell 8A, and current life of site calculations. Also, staff will present several rate scenarios regarding an increase in tipping fees at the landfill. Final rate adjustments will be brought back at the July Board meetings in Resolution form.

If the Board wishes, they may provide additional directions to staff concerning the landfill.

EXHIBITS: 1. MEMO Council 6.12.23 LF Rate Change

KEY ISSUES:

- Current and future operations of the landfill facility, including increasing tonnage intake for additional revenue.
- Life of site with the addition of Cell 8A.

FUNDING SOURCE: NA

RECOMMENDATION: Discussion and possible action and/or direction to staff as needed.

115 East Choctaw P.O. Box 525 Sallisaw, OK 74955
Ph. 918-775-6241 Fax 918-775-4194 www.sallisawok.org

MEMO

June 7, 2023

To: SMA Board of Trustees

From: Keith Skelton, General Manager

Re: Landfill Tip Fees, Cell 8A, and Landfill Phase II

Attached you will find four (4) DRAFT rate scenarios for increasing the landfill tipping fees. These scenarios are based on current tonnage intake and are compared to the FY 2024 operating budget. Also attached you will find a current life of site calculation regarding Cell 8A.

Please note the following:

1. The rate scenarios do not include Corp of Engineers stream/wetland mitigation costs for Phase II landfill expansion. These costs are currently unknown.
2. The scenarios do not provide for any type of savings to build for Phase II landfill expansion or equipment needs.
3. The increased cost of Cell 8A is attributed to the rising cost of labor and materials, as well has not having suitable clay on site for the construction. We are preparing to bid the construction as soon as we can.
4. As stated, these rates are based on current tonnage intake. There is a possibility that additional tonnage can be obtained.
5. Cell 8A life of site is based on current tonnage amounts. The life of site will decrease if more tonnage is accepted. With the addition of Cell 8A, our total life of site would be 4.24 years. This is inclusive of all cells.

I have made contact with waste hauling companies about bringing additional tonnage to the landfill facility. With the issues in NW Arkansas revolving around the Tontitown landfill site, haulers are seeking other disposal solutions. An updated disposal contract has been reviewed by the City

Attorney, and is ready if needed. I want to stress, any additional tonnage may be more of a short term solution to our issues, rather than long term.

Construction of Cell 8A:

As stated above, we believe the cost of 8A will be around $1.6 million. Before a contract can be awarded on Cell 8A, funding must be available to cover the encumbrance. This funding would come from any of the following:

- FY 2024 Budget. This could require eliminating some scheduled projects, including the CDBG grant project for the landfill leachate line and the wastewater treatment plant aeration basin.
- Combination of the FY 2024 Budget and new revenues being brought in due to additional tonnage intake and increased tip fees. As/if new revenues are generated, staff would submit budget adjustments in order to encumber the Cell 8A project.
- Issuance of debt. Revenues must be sufficient to cover the monthly/yearly debt service requirements.

Corps of Engineers Mitigation Issue:

On May 25, 2023, the U.S. Supreme Court issued a ruling pertaining to navigable waters and wetlands (Sackett v. Environmental Protection Agency). This case is very similar to the issues we are facing with our Landfill Phase II expansion project. Although our city attorney believes this ruling is in our favor, we must wait until the Corps of Engineers fully interprets the ruling.

From our consultant, Jodie Burns, Cattails Environmental, LLC:

> *"With the recent Supreme Court ruling on the Sackett v. EPA case on May 25, 2023, the jurisdiction of CWA/WOTUS definition as interpreted by the Supreme Court justices has significantly narrowed. The preliminary jurisdictional determinations made in this report are based on information interpretating the court ruling by several professional societies (Society of Wetland Scientists and National Association of Wetland Managers) that closely watch this topic. As always, the Corps of Engineers has the responsibility to make the official jurisdictional determinations (JDs).*
>
> *With the court ruling so fresh, the Corps will not be making any JDs until they receive guidance from national headquarters. It is unknown when that will be or how long it will be before the Corps can begin making JDs, again.*
>
> *I advise submitting this report with an Approved Jurisdictional Determination request to get this project in front of the Corps ASAP."*

If mitigation is required at the landfill site, the extent of the mitigation and cost is currently unknown.

LANDFILL RATE NEEDS BASED ON CURRENT TONNAGE INTAKE

$ 48.00

Landfill Tonnange Rate	Current	Proposed	Difference	
Tipping Fee	$ 34.00	$ 48.00	$ 14.00	per ton
State Fee	$ 1.25	$ 1.25	$ -	per ton

Total Tonnage July to April **70,379**

Customer	Tonnage	%		
Cash Customer	9,805	13.9%		
Town of Roland	2,212	3.1%		
Town of Muldrow	2,630	3.7%		
Triple B Sanitation	1,241	1.8%	**10 mth Avg**	**Projection**
Sue's Recycling	8,388	11.9%	839	10,066
Leflore County Solid Waste	20,960	29.8%	2,096	25,152
MSB Waste	1,482	2.1%		
(CARDS)Central Arkansas Recycling and Disposal	3,879	5.5%		
Other Smaller Haulers/Customers	19,782	28.1%	**10 mth Avg**	**Projection**
Total	70,379	100%	7,038	84,455

Landfill Tonnage 7/1/2022 through 4/30/2023

			FY 2023 Est Rev	$ 1,925,000
Contract Customer Tonnage Projection	35,218	41.70%	$	802,724
Other Tip Fee Customers Projection	49,237	58.30%	$	1,122,276
	84,455	100%	$	1,925,000

Current Tip Fee No Contract Customers	$	34.00
Proposed Tip Fee	$	48.00
Increase	$	14.00
Non-Contract Tonnage		49,237
Additional Revenue Estimated	$	689,321

FY 2024 Revenue Budget	$	1,850,000	
Additional Revenue From Tip Fee Increase	$	689,321	
Estimated Gross Revenue	$	2,539,321	(A)

FY 2024 Budget Data

Landfill FY 2024 Operating Budget-GF	$ 1,189,403	**Cell 8 A Est Cost**	$	1,600,000
Fund 92 Landfill Cell 8A	$ 510,000	Available Budget	$	510,000
Fund 90 SMA	$ 261,900	EXCESS (SHORT)		($1,090,000)
FY 2024 Budget for Landfill	$ 1,961,303	**Additional Revenue**	$	689,321
		EXCESS (SHORT)		($400,679)

Numbers do not include Corp of Engineers stream/wetland mitigation costs (unknown)

Numbers do not provide for any type of savings to build for Phase II expansion or equipment needs

Cell 8A cost increase attributed to need for clay suitable for construction of cell

LANDFILL RATE NEEDS BASED ON CURRENT TONNAGE INTAKE

$ 52.00

Landfill Tonnange Rate

	Current	Proposed	Difference	
Tipping Fee	$ 34.00	$ 52.00	$ 18.00	per ton
State Fee	$ 1.25	$ 1.25	$ -	per ton

Total Tonnage July to April **70,379**

Customer	**Tonnage**	**%**		
Cash Customer	9,805	13.9%		
Town of Roland	2,212	3.1%		
Town of Muldrow	2,630	3.7%		
Triple B Sanitation	1,241	1.8%	**10 mth Avg**	**Projection**
Sue's Recycling	8,388	11.9%	839	10,066
Leflore County Solid Waste	20,960	29.8%	2,096	25,152
MSB Waste	1,482	2.1%		
(CARDS)Central Arkansas Recycling and Disposal	3,879	5.5%		
Other Smaller Haulers/Customers	19,782	28.1%	**10 mth Avg**	**Projection**
Total	70,379	100%	7,038	84,455

Landfill Tonnage 7/1/2022 through 4/30/2023

		FY 2023 Est Rev	$ 1,925,000
Contract Customer Tonnage Projection	35,218	41.70%	$ 802,724
Other Tip Fee Customers Projection	49,237	58.30%	$ 1,122,276
	84,455	100%	$ 1,925,000

Current Tip Fee No Contract Customers	$ 34.00
Proposed Tip Fee	$ 52.00
Increase	$ 18.00
Tonnage	49,237
Additional Revenue Estimated	$ 886,270

FY 2024 Revenue Budget	$ 1,850,000	
Additional Revenue From Tip Fee Increase	$ 886,270	
Estimated Gross Revenue	$ 2,736,270	(A)

FY 2024 Budget Data

Landfill FY 2024 Operating Budget-GF	$ 1,189,403	**Cell 8 A Est Cost**	$ 1,600,000
Fund 92 Landfill Cell 8A	$ 510,000	Available Budget	$ 510,000
Fund 90 SMA	$ 261,900	EXCESS (SHORT)	($1,090,000)
FY 2024 Budget for Landfill	$ 1,961,303	**Additional Revenue**	$ 886,270
		EXCESS (SHORT)	($203,730)

Numbers do not include Corp of Engineers stream/wetland mitigation costs (unknown)

Numbers do not provide for any type of savings to build for Phase II expansion or equipment needs

Cell 8A cost increase attributed to need for clay suitable for construction of cell

LANDFILL RATE NEEDS BASED ON CURRENT TONNAGE INTAKE

$ 54.00

Landfill Tonnange Rate	Current	Proposed	Difference	
Tipping Fee	$ 34.00	$ 54.00	$ 20.00	per ton
State Fee	$ 1.25	$ 1.25	$ -	per ton

Total Tonnage July to April **70,379**

Customer	Tonnage	%		
Cash Customer	9,805	13.9%		
Town of Roland	2,212	3.1%		
Town of Muldrow	2,630	3.7%		
Triple B Sanitation	1,241	1.8%	**10 mth Avg**	**Projection**
Sue's Recycling	8,388	11.9%	839	10,066
Leflore County Solid Waste	20,960	29.8%	2,096	25,152
MSB Waste	1,482	2.1%		
(CARDS)Central Arkansas Recycling and Disposal	3,879	5.5%		
Other Smaller Haulers/Customers	19,782	28.1%	**10 mth Avg**	**Projection**
Total	70,379	100%	7,038	84,455

Landfill Tonnage 7/1/2022 through 4/30/2023

		FY 2023 Est Rev	$ 1,925,000
Contract Customer Tonnage Projection	35,218	41.70%	$ 802,724
Other Tip Fee Customers Projection	49,237	58.30%	$ 1,122,276
	84,455	100%	$ 1,925,000

Current Tip Fee No Contract Customers	$ 34.00	
Proposed Tip Fee	$ 54.00	
Increase	$ 20.00	
Tonnage	49,237	
Additional Revenue Estimated	$ 984,744	
FY 2024 Revenue Budget	$ 1,850,000	
Additional Revenue From Tip Fee Increase	$ 984,744	
Estimated Gross Revenue	$ 2,834,744	(A)

FY 2024 Budget Data

Landfill FY 2024 Operating Budget-GF	$ 1,189,403	**Cell 8 A Est Cost**	$ 1,600,000
Fund 92 Landfill Cell 8A	$ 510,000	Available Budget	$ 510,000
Fund 90 SMA	$ 261,900	EXCESS (SHORT)	($1,090,000)
FY 2024 Budget for Landfill	$ 1,961,303	**Additional Revenue**	$ 984,744
		EXCESS (SHORT)	($105,256)

Numbers do not include Corp of Engineers stream/wetland mitigation costs (unknown)
Numbers do not provide for any type of savings to build for Phase II expansion or equipment needs
Cell 8A cost increase attributed to need for clay suitable for construction of cell

LANDFILL RATE NEEDS BASED ON CURRENT TONNAGE INTAKE

$ 60.00

Landfill Tonnange Rate

	Current		Proposed		Difference	
Tipping Fee	$	34.00	$	60.00	$	26.00 per ton
State Fee	$	1.25	$	1.25	$	- per ton

Total Tonnage July to April **70,379**

Customer	Tonnage	%	10 mth Avg	Projection
Cash Customer	9,805	13.9%		
Town of Roland	2,212	3.1%		
Town of Muldrow	2,630	3.7%		
Triple B Sanitation	1,241	1.8%		
Sue's Recycling	8,388	11.9%	839	10,066
Leflore County Solid Waste	20,960	29.8%	2,096	25,152
MSB Waste	1,482	2.1%		
(CARDS)Central Arkansas Recycling and Disposal	3,879	5.5%		
Other Smaller Haulers/Customers	19,782	28.1%	**10 mth Avg**	**Projection**
Total	70,379	100%	7,038	84,455

Landfill Tonnage 7/1/2022 through 4/30/2023

	Tonnage	%		Revenue
		FY 2023 Est Rev	$	1,925,000
Contract Customer Tonnage Projection	35,218	41.70%	$	802,724
Other Tip Fee Customers Projection	49,237	58.30%	$	1,122,276
	84,455	100%	$	1,925,000

Current Tip Fee No Contract Customers	$	34.00
Proposed Tip Fee	$	60.00
Increase	$	26.00
Tonnage		49,237
Additional Revenue Estimated	$	1,280,167

FY 2024 Revenue Budget	$	1,850,000	
Additional Revenue From Tip Fee Increase	$	1,280,167	
Estimated Gross Revenue	$	3,130,167	(A)

FY 2024 Budget Data

Landfill FY 2024 Operating Budget-GF	$	1,189,403	**Cell 8 A Est Cost**	$	1,600,000
Fund 92 Landfill Cell 8A	$	510,000	Available Budget	$	510,000
Fund 90 SMA	$	261,900	EXCESS (SHORT)		($1,090,000)
FY 2024 Budget for Landfill	$	1,961,303	**Additional Revenue**	$	1,280,167
			EXCESS (SHORT)		$190,167

Numbers do not include Corp of Engineers stream/wetland mitigation costs (unknown)
Numbers do not provide for any type of savings to build for Phase II expansion or equipment needs
Cell 8A cost increase attributed to need for clay suitable for construction of cell

AGENDA ITEM COMMENTARY

Meeting Date:	June 12, 2023
Board:	Sallisaw Municipal Authority
Subject:	GRDA PCA

ITEM TITLE: Recieve Update on the GRDA PCA Costs; Possible Direction to Staff as Needed.

INITIATOR: General Manager

STAFF INFORMATION SOURCE: General Manager
Grand River Dam Authority

BACKGROUND: Staff will provide any needed updcates concerning the GRDA PCA rate and PCA costs.

EXHIBITS: 1. June 2023 GRDA PCA

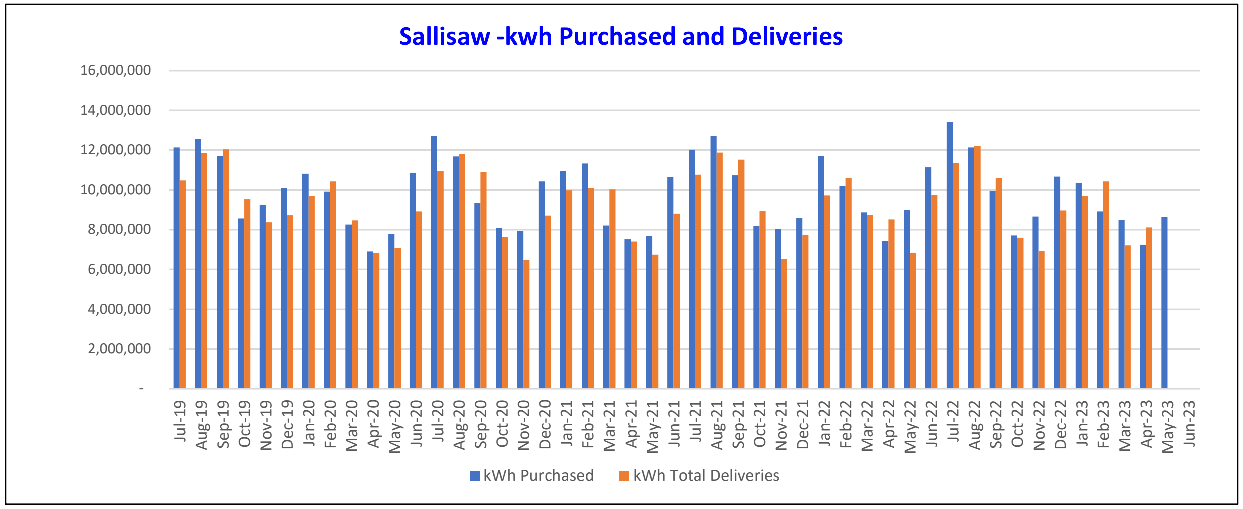
KEY ISSUES: NA

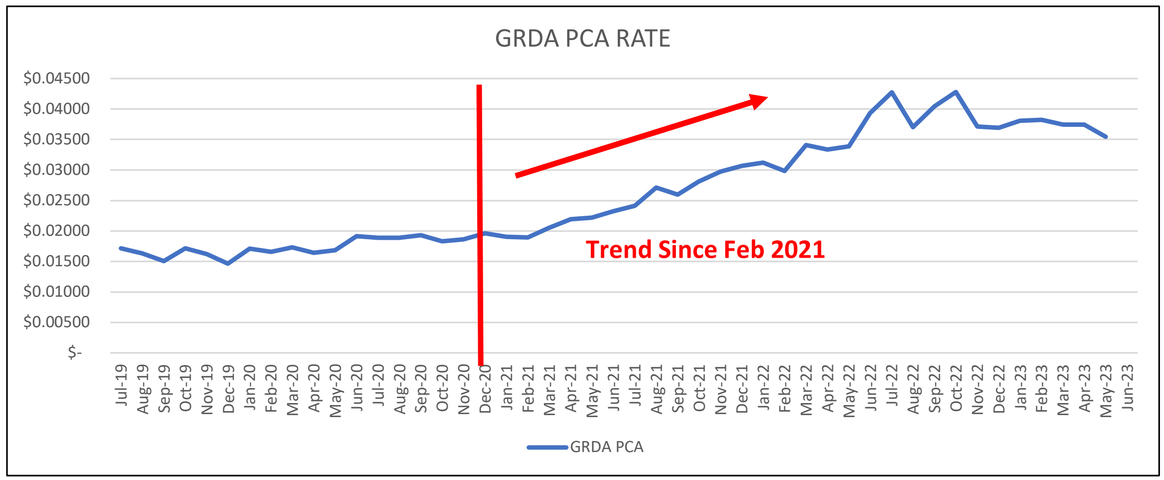
FUNDING SOURCE: NA

RECOMMENDATION: Receive updates and provide additional direction to staff if needed.

6/6/2023

	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	10,428,356	4,420
Mar-23	$ 0.03746	$ 318,359	8,498,635	7,204,822	4,439
Apr-23	$ 0.03742	$ 271,013	7,242,487	8,110,343	4,416
May-23	$ 0.03548	$ 306,605	8,641,642		
Jun-23					





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