SALLISAW MUNICIPAL AUTHORITY
REGULAR MEETING

March 9, 2020

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

Wheeler Civic Center
103 North Wheeler
Sallisaw, OK

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 January 13, 2020**

4. **Acknowledge Renewal and Amendment Agreement Between NCTC-Fox Networks Group and the Sallisaw Municipal Authority**

5. **Discuss and Consider Approval of Resolution 2020-02, A Resolution Providing Changes in Electric Service Rates in the Sallisaw Municipal Authority, Oklahoma.**

6. **Discuss and Consider Approval of Grand River Dam Authority Economic Development Rider Service Agreement WP-EDSR-II; an Agreement Between the Sallisaw Municipal Authority and the Grand River Dam Authority**

7. **Discuss and Consider Approval of Resolution 2020-03, A Resolution Approving Participation in the Oklahoma Municipal Alliance's Mutual Aid Agreements**

8. **Administrative Reports**

9. **Adjourn**

Posted: **March 5, 2020**

Time: **2:00 p.m.**

Dianna Davis

MINUTES

SALLISAW MUNICIPAL AUTHORITY

REGULAR MEETING

JANUARY 13, 2020

The Sallisaw Municipal Authority met in a regular meeting on January 13, 2020, in the city council chambers, located at 111 North Elm. Notice of the meeting was given by e-mailing the agenda to Sequoyah County Times; by posting at city hall; and, by giving notice to the City Clerk.

Members Present:	Ernie Martens,	Chairman
	Ronnie Lowe,	Trustee, Ward 1
	Philip Gay,	Trustee, Ward 2
	Shannon Vann,	Trustee, Ward 4
Members Absent:	Julian Mendiola	Trustee, Ward 3
Staff present:	Keith Skelton,	General Manager
	John R. Montgomery,	City Attorney
	Dianna Davis,	Secretary
	Robin Haggard,	Finance Director
	Jessica Robertson,	Customer Service Supervisor
	Terry Franklin,	Chief of Police
	Clint Smith,	Telecommunications Supt.
	George Bormann,	Econ. Dev. Dir./Grants Admin.
	Keith Miller,	Building Development Director
	Gene Martin,	Equipment Services Superintendent
	Amy Edwards,	Prevention Services Director

Others present: Pamela Gay; Robert Morris; Laura Kuykendall; Gary Schaefer; Roy Faulkenberry.

Chairman Martens called the meeting to order at 7:03 p.m. and declared a quorum was present.

CONSIDER APPROVAL OF MINUTES OF REGULAR MEETING OF DECEMBER 9, 2019

Motion was made by Lowe, seconded by Gay, for approval. Vote: Lowe aye; Gay aye; Vann aye; Mendiola aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF ENGINEERING AGREEMENT WITH NEEL, HARVELL & ASSOCIATES FOR ENGINEERING SERVICES RELATED TO THE SALLISAW SOLID WASTE LANDFILL FACILITY – TIER II MODIFICATIONS FOR THE 62 ACRE LATERAL EXPANSION OF PERMITTED BOUNDARY, IN THE AMOUNT OF $95,300.00

Following discussion, motion was made by Vann, seconded by Lowe, for approval of the engineering agreement. Vote: Vann aye; Lowe aye; Gay aye; Martens aye. Motion carried 4-0.

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION 2020-01; A RESOLUTION MODIFYING THE MASTER FEE SCHEDULE

Motion was made by Vann, seconded by Lowe, for approval of Resolution 2020-01. Vote: Vann aye; Lowe aye; Gay aye; Martens aye. Motion carried 4-0.

CITY MANAGER'S ADMINISTRATIVE REPORTS

None.

Motion was made by Lowe, seconded by Gay, to adjourn the meeting there being no further business. Vote: Lowe aye; Gay aye; Vann aye; Martens aye. Motion carried 4-0. The meeting adjourned at 7:05 p.m.

APPROVED the **10th** day of **FEBRUARY** **2020**.

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SECRETARY TO THE AUTHORITY

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date:	March 9, 2020
Board:	Sallisaw Municipal Authority
Subject:	Renewal and Amendment Agreement for NCTC-Fox Networks Group

ITEM TITLE: Acknowledge Renewal and Amendment Agreement Between NCTC-Fox Networks Group and the Sallisaw Municipal Authority

INITIATOR: Director of Finance

STAFF INFORMATION SOURCE: Director of Finance

BACKGROUND: This agreement reflects amendments to NCTC-Fox Networks Group contract renewal and identifies the new base rates for the contract term January 1, 2020 thru December 1, 2023. Fox Cable Services and Fox News Services are both included in this contract.

This agreement allows DiamondNet to continue carriage of channels provided by Fox Networks Group.

EXHIBITS: 1. Fox Network Group Summary

KEY ISSUES: None

FUNDING SOURCE: N/A

RECOMMENDATION: Acknowledge Amendment and Contract Renewal.

Reference 01/28/2020

Fox News Channel **Fox Business Network**
Fox Sports 1 **Fox Sports 2**
Fox Deportes **Fox Soccer Plus**

Contract Term

January 1, 2020 through December 1, 2023

Description

This agreement includes all of the above networks (the "Services"). It includes SD, HD, VOD, TVE and Advanced Technology rights.

Fox Cable Services: Fox Sports 1, Fox Sports 2, Fox Deportes, Fox Soccer Plus

Fox News Services: Fox News Channel, Fox Business Network

Current Participating Members – *Must opt in to the agreement by February 21, 2020.*

Applies to Members that participated in the prior NCTC-Fox Agreement for any Service

- Must opt-in to the agreement for all Services (whether or not there is an obligation to launch)
    - **EXCEPT:** A Member that participated in the prior NCTC-Fox Agreement for only the FCN Services may opt in for either all the Services or just the FCN Services, at its option
    - **EXCEPT:** A Member that participated in the prior NCTC-Fox Agreement for only the FNN Services may opt in for either all the Services or just the FNN Services, at its option

New Participating Members – *May opt in to the agreement at any time, subject to the following.*

Applies to Members that did not participate in the prior NCTC-Fox Agreement for any Service

- Must opt-in for all Services
- Fox has approval rights for all New Participating Members
- New Participating Members have the obligation to distribute Fox Sports 1 on Expanded Basic in Rebuilt Systems

How To Participate in this Agreement

Log on to www.nctconline.org and click on Members > Tools > PPS. Select New Request, then Proceed to Standard.

Receipt of the NCTC Member Participation Agreement or submission of information via www.nctconline.org does not constitute acceptance by NCTC or Programmer. A Member's eligibility to participate is subject to approval by both NCTC and Programmer, and NCTC reserves the right in its sole discretion to deny participation to any Member.

Payment Procedure, Due Date and Penalty for Default

Payments are made monthly to NCTC. Invoices are mailed to Participating Members approximately the first of each month. Participating Members are required to pay the invoice amount and update subscriber counts as of the last day of the preceding month. Payment and updated subscriber counts should be returned to NCTC by the 15th of the month. Participating Members who pay by pre-authorized draft will be drafted on the 15th and need only return updated subscriber counts. Participating Members who do not pay by the 15th of the month will be assessed a late fee of 1.5% which will appear on the next month's invoice and are subject to having their account put on account hold, which means they will be: (1) unable to participate in any new programming agreements; (2) unable to order hardware from the NCTC; (3) unable to collect any launch incentives, rebates, credits etc. due (which will be held until the member becomes current; and (4) subject to termination of their participation in the agreement and/or their membership in

NCTC. Members who fail to meet their financial obligations to NCTC may be excluded, at the NCTC's sole discretion, from this and all other programs offered to NCTC members. Programmers may refuse service including de-authorization of video descramblers. Re-entry into this agreement is at the option of the Programmer and NCTC.

NCTC ♦ 11200 Corporate Ave ♦ Lenexa, KS 66219 ♦ Phone (913) 599-5900 ♦ Fax (866) 628-2774

The majority of the new Fox – NCTC Agreement is the same as the 2017 Fox – NCTC Agreement. The following are the material terms that have been changed, modified or added in the 2020 Fox – NCTC Agreement:

- Term expires December 1, 2023
- Rates: See details below
- Removal of networks sold to Disney
- No change to carriage obligations
- Addition of 4K rights to certain events
- Bulk floor is now only applicable to FS1 and FS2
- Marketing Support deleted because it related primarily to sold networks
- Limitation on number of simultaneous streaming for in-home streaming increased from 3 simultaneous streams of the Fox Services to 5 simultaneous streams of the Fox Services

IMPORTANT DEFINITIONS

Please see Section 1 of the Agreement for full definitions.

- **First Tier (Expanded Basic):** The tier (or tiers) received by all (100%) of a system's Subscribers, excluding Subscribers to (i) Lifeline Basic, (ii) any tier consisting solely of foreign language services (i.e., services featuring substantially all of the programming in a foreign language), (iii) video-on-demand, pay-per-view and/or a la carte or packaged premium channel multiplexes (e.g., HBO, Showtime, Cinemax, Starz), (iv) other video programming offered on an a la carte basis, and/or (v) any Other Qualifying Tier(s).
- **Lifeline Basic:** A tier received by all (100%) of a system's Subscribers (subscribed to without obligation to purchase or subscribe to any other tier) consisting of one or more of the following: (i) local and distant broadcast television stations (including white area feeds of such broadcast stations) and local cable news channels, (ii) channels consisting solely of classifieds, weather services, alpha-numeric channels, program guides, local access and local origination channels, leased access channels, and audio services without any full-motion video (e.g., music), (iii) public, educational or governmental (PEG) channels, not-for-profit religious and public affairs channels (including, without limitation, C-SPAN and C-SPAN II), (iv) home shopping channels and community bulletin board channels, (v) superstations or former superstations (as defined by the FCC (*i.e.*, WGN, WSBK, TBS, WWOR, WPIX, KWGN and KTLA)) distributed by such system on such tier as of the Effective Date, (vi) no more than 3 ethnic services, (vii) no more than 2 additional ad-supported cable networks carried on the Lifeline Basic tier as of January 1, 2020, and (viii) other non-video products from the Member such as telephone service and high speed data access. Any system that delivered more than 2 ad-supported cable networks on a tier that otherwise meets the definition of Lifeline Basic as of January 1, 2020 are grandfathered, but no additional ad-supported cable networks may be added after January 1, 2020 or the Lifeline Basic tier is no longer grandfathered.
- **Other Qualifying Tier (Skinny Bundles/Retention Tiers):** A tier (or tiers) of video programming offered to Subscribers as an alternative to traditional packages of video programming (e.g., skinny bundles or retention tiers). Traditional packages such as Lifeline Basic, First Tier, Second Tier, etc. are not considered Other Qualifying Tiers.
- **Second Tier (Digital Basic):** The tier received by all (100%) of a system's digital Subscribers excluding Subscribers receiving Qualifying Digitized Version Tiers (digitized versions of Lifeline Basic or First Tier), a Digital Gateway Package, an Other Qualifying Tier (Skinny Bundle/Retention Tier), a foreign language tier and a la carte.
- **Alternative Tier:** For systems without Second Tier (Digital Basic), the most highly-penetrated digital tier, excluding Qualifying Digitized Version Tiers (digitized versions of Lifeline Basic or First Tier), a Digital Gateway Package and an Other Qualifying Tier (Skinny Bundle/Retention Tier). If penetration

of the Alternative Tier is less than 30% of total Subscribers there may be additional carriage obligations in limited situations. No system is required to put the applicable Service on a genre that is not genre appropriate for the Service.

- **Digital Gateway Package:** Any tier that consists of one or more of the following: (i) electronic programming guide/navigator, (ii) non-video music, (iii) video-on-demand, pay-per-view and/or a la carte or packaged premium channel multiplexes (e.g., HBO, Showtime, Cinemax, Starz), (iv) electronic commerce services (i.e., shopping networks), (v) interactive services, features and functionality (not including any networks that have interactive services, features or functionality), and/or (vi) digital broadcast station signals or PEG channels.
- **Qualifying Digitized Version Tier:** Any tier that consists of a digitized version of Lifeline Basic and/or a digitized version of First Tier.
- **Spanish First Tier:** With respect to Fox Deportes, the tier(s) received by all (100%) of a system's Subscribers to any Spanish-Language Themed tier(s) (as defined below). With respect to all other Services, the tier that is the most highly penetrated Spanish-Language Themed tier. "Spanish-Language Themed" means any tier that is either branded or marketed as Spanish-language, and/or is targeted primarily towards Spanish bilingual or Spanish-speaking Subscribers, and/or includes at least five (5) Spanish-language programming services, excluding over-the-air broadcast stations and public interest channels.
- **Sports Tier:** Any tier that includes at least six (6) other high quality, nationally delivered sports networks and is either branded or marketed as a sports tier or consists solely of sports networks.
- **Status Quo Tier(s):** Any tier in which a system distributed the applicable Service immediately prior to January 1, 2020 (or for Members that opt in after January 1, 2020, the date they opt in). If a Member creates a similar tier or materially modifies a Status Quo Tier, it could result in such tier no longer qualifying as a Status Quo Tier.
- **Rebuilt System:** A system with bandwidth capacity of 750 MHz or greater.
- **Actual Service Penetration:** The number of Service Subscribers in a system divided by the number of total Subscribers in the system, expressed as a percentage. With respect to Fox Deportes, the denominator is the number of total Subscribers that receive any digital networks, other than Digital Gateway Package(s), Other Qualifying Tier(s) or Qualifying Digitized Version Tier(s).
- **Subscriber(s):** Each customer account at a single subscription location of record, whether residential or commercial, authorized by a Member to receive any video programming, excluding any customer that receives only (i) non-video service(s) (e.g., modem service, telephone service and/or high speed Internet access), regardless of whether the non-video service(s) enables the customer to access third party video programming (such as YouTube.com, Netflix, Hulu, Sling TV, DirecTV Now or HBO GO); and/or (ii) a package or packages of video programming from a Member that is delivered to customers via the Internet (i.e., on an OTT basis).

GRANT OF RIGHTS

Members are granted the right to distribute the Services:

- Via CATV, SMATV, MMDS and IPTV (new IPTV systems must submit an IPTV questionnaire to Fox, which must be approved by Fox)
- Via traditional hardware set-top boxes to Subscribers in home (see "Authorized STB", Section 1(c))
- Via other devices to Subscribers in home (see "Authenticated Device", Exhibit E)
- Via Advanced Technologies in and out of a Subscriber's home pursuant to conditions (see "Advanced Technologies" section below)

DISTRIBUTION

Members must **continue to distribute** each of the Services on the **same level of service** as it was distributed **on January 1, 2020**. Members may not delete or reposition any Service to a less penetrated level of service, except that a system may move a Service from Basic to Expanded Basic upon 30 days' notice to Fox if Basic will comply with the Lifeline Basic definition following the move. In addition, there are repositioning rights for Fox Soccer Plus (see below for details)

Alternative Packages: Any system that distributes a Service in compliance with the packaging obligations below may distribute that Service in additional packages, including Other Qualifying Tiers (but not a la carte).

No new launches required (except for very limited launch commitment for FS1 detailed below)

Fox News:

- Systems that choose to launch must launch on First Tier

Fox Business:

- Systems that choose to launch must launch on First Tier or a digitized version of First Tier

Fox Sports 1:

- No new launches required, except for a system that becomes a Rebuilt System during the Term must launch on First Tier
- Systems that choose to launch must launch on First Tier
- New Members (not Current Participating Members) must launch on First Tier in each Rebuilt System

Fox Sports 2:

- Systems that choose to launch must launch on First Tier or Second Tier (if no Second Tier, an Alternative Tier)

Fox Deportes:

- Systems that choose to launch may launch on First Tier, Second Tier (if no Second Tier, an Alternative Tier) or Spanish First Tier

Fox Soccer Plus:

- Systems that choose to launch may launch on First Tier, Second Tier (if no Second Tier, an Alternative Tier), Sports Tier or Other Qualifying Tier

<u>HD Simulcasts</u>:

- Rights to all HD feeds
- No launch obligations for HD feeds
- No additional charge or fee to Members; Members may not charge Subscribers an incremental fee specifically for the HD feed
- Systems may only distribute the HD feed to subscribers that receive the standard definition feed (other than HD Only Systems – see below)

<u>HD Only Systems</u>:

- Systems that distribute all programming in HD-only (except for Lifeline services and services that do not offer an HD feed) may drop the standard definition feeds of the Services and distribute only the HD feeds of those Services. Members must provide Fox with 30 days' notice.

<u>SKINNY BUNDLES/RETENTION TIERS</u>

Skinny Bundles/Retention Tiers ("Other Qualifying Tiers" in Definitions): None of the Services are required to be offered in Other Qualifying Tiers **EXCEPT:**

- Fox News Channel and Fox Sports 1 (each on an individual basis): Other Qualifying Tiers may not exceed 10% of a system's Subscribers with respect to the foregoing Services
- Fox News Channel and Fox Sports 1 (each on an individual basis): If penetration of any of the foregoing Services is less than 85% calculated on an aggregate basis in all of a Member's systems (not excluding Lifeline, but calculated only using the Member's systems that offer the Service on First Tier), the Other Qualifying Tiers may not exceed 5% of a system's Subscribers, instead of the 10% above.
- The following parity obligations apply:
  - Fox News Channel must be included if CNN and/or MSNBC are included (only applicable to tiers created after 1/1/17)
  - Fox Sports 1 must be included if TNT, ESPN, NBC Sports Network, MLB Network and/or NFL Network are included (only applicable to tiers created after 1/1/17)
  - Fox Business Network must be included if CNBC is included (only applicable to tiers created after 1/1/17)
  - These obligations only apply if the applicable Service is launched in a system (i.e., no system is required to launch a service to comply with these obligations)

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RATES

Fox News:

	2020	2021	2022	2023
Fox News Base Rate[1]	$2.60	$2.80	$3.00	$3.20
FNC with No FBN carriage[2]	$3.00	$3.20	$3.40	$3.60

[1]The Fox News Base Rate is paid by Members that distribute Fox News and also distribute Fox Business Network in one or more systems.

[2]The "FNC with No FBN carriage" Rate is paid by Members that distribute Fox News, but do not distribute Fox Business in any systems (i.e., the Member does not distribute Fox Business at all)

- Members distributing Fox News HD on a "First HD Pay Tier" as of 12/31/19 may continue to carry on that tier and will pay $0.2526 per subscriber in 2020, increased by CPI each year.

Fox Business:

Carriage	2020	2021	2022	2023
First Tier	$0.27	$0.28	$0.29	$0.30
All Other Carriage	$0.37	$0.38	$0.39	$0.40

- Members distributing Fox Business HD on a "First HD Pay Tier" as of 12/31/19 may continue to carry on that tier and will pay $0.1273 per subscriber in 2020, increased by CPI each year.

Fox Sports 1:

Carriage	2020	2021	2022	2023
First Tier	$1.70	$1.80	$1.90	$2.00
All Other Carriage	$1.95	$2.05	$2.15	$2.25

- **Sports Content Surcharge:** If FS1 obtains the rights to telecast any professional and/or NCAA Division 1 football and men's basketball events that were not broadcast on FS1 in 2019 (see 7(g) of agreement for details), then Fox may surcharge for those events. Each Member may accept or reject the proposed surcharge at its option.

Fox Sports 2:

Actual Service Penetration	2020	2021	2022	2023
> 15% penetration	$0.31	$0.32	$0.33	$0.34
≤ 15% penetration	$0.41	$0.42	$0.43	$0.44

Fox Deportes:

Carriage / Actual Service Penetration	2020	2021	2022	2023
≥ 80% digital penetration	$0.37	$0.38	$0.39	$0.40
< 80% and ≥ 20% digital penetration	$0.42	$0.44	$0.46	$0.48
< 20% digital penetration or Spanish First Tier	$0.51	$0.53	$0.55	$0.57

Fox Soccer Plus:

Actual Service Penetration	2020	2021	2022	2023
≥ 50% penetration	$0.15	$0.16	$0.17	$0.18
< 50% and ≥ 30% penetration	$0.22	$0.23	$0.24	$0.25
< 30% and ≥ 10% penetration	$0.37	$0.38	$0.39	$0.40
< 10% penetration	$0.57	$0.58	$0.59	$0.60

COMMERCIAL/BULK FACILITY RIGHTS AND RATES

- Commercial Subscribers: Commercial establishments, such as bars, restaurants, clubs, stores and offices. No obligation to distribute any Service to a Commercial Subscriber and, if carried, the Service may be included in any package, including a la carte (except Fox News and Fox Business may not be offered a la carte). Systems may drop or migrate Fox Services in commercial accounts. Rates for commercial accounts are different than the rates above for residential accounts. See Exhibit D related to each Service for details.
- Non-Residential Bulk Facilities: Commercial establishments that receive video programming on a bulk-rate basis, such as hotels, motels, hospitals, dorms, prisons and multi-unit office buildings. No obligation to distribute any Service to a Non-Residential Bulk Facility and, if carried, the Service may be included in any package, including a la carte (except Fox News and Fox Business may not be offered a la carte). Systems may drop or migrate Fox Services in Non-Residential Bulk Facilities. Service Subscribers are calculated using a standard EBU formula with no bulk floor.
- Residential Bulk Facilities: Residential facilities that receive video programming on a bulk-rate basis, such as apartments and condominium complexes, including through a homeowners' association. The same packaging and distribution obligations apply to Residential Bulk Facilities as apply to residential single-family dwellings. Service Subscribers are calculated using a standard EBU formula with no bulk floor, except that Fox Sports 1 and Fox Sports 2 have a 50% minimum bulk floor.

OTHER CONTRACT PROVISIONS

- **A la carte**: Not permitted (except in Commercial and Non-Residential Bulk Accounts)
- **Migration or Deletion of Service**: Not permitted, except:
  - A system may move a Service from Basic to Expanded Basic if Basic will comply with the Lifeline Basic definition following the move. Members must provide Fox with 30 days' notice.
  - On or after 7/1/20 a system may reposition Fox Soccer Plus to any Permissible Tier upon at least 3 months' notice to Fox.
- **Gratis/Bad Debt**: Yes for Gratis and Bad Debt; Cap of 1%, schools are excluded from the cap
- **Ad Avails**: 2 minutes per hour on average (except as follows); Members must comply with Fox's ad guidelines (see Exhibit G).
  - Fox News and Fox Business offer 3 minutes per hour; ads may be preempted, but Fox must provide make-goods (except for preemptions for breaking news)
- **Channel Placement:** When realigning channel lineups, systems must consider in good faith Fox's requested channel positioning set forth in the Exhibit D for each service.
- **Down-conversion:** Down-conversion rights are granted.
- **4K Events:**
  - Fox will provide certain sporting events in a 4K format
  - Members have the right to offer the 4K events to customers individually or on a dedicated channel, but not on a channel with branding of a third-party programming network
  - Members must request the 4K events in writing
  - Additional reporting is required; see Section 2(l) of the agreement for details
- **Satellite/Technology Change Protection**: Yes
- **MFN**: Limited protections for Fox News rate (size-based), Fox News and Fox Business ad avails and TVE content (non-size-based), and VOD content for all Services
- **Anti-Piracy:** Any Member that is an ISP and has more than 20,000 video subscribers is subject to compliance with the Anti-Piracy exhibit, Exhibit F.

ADVANCED RIGHTS

- Rights granted for the following (with no obligation) (see following pages for more detail).
  - VOD
  - TVE/Out-of-Home Streaming
  - In home streaming
  - Start over (Start over only, no rights for look back)
  - Right to deliver to traditional hardware set-top boxes (see "Authorized STB", Section 1(c)) and to other devices (see "Authenticated Device", Exhibit E)

- No specific grant of rights for any of the following, but if a Member deploys, Fox will not take action against that Member. In addition, if 3 of the 6 largest MVPDs are providing any of the following in a less restrictive manner than required in the agreement (and there is not a pending dispute), then Members may offer the same in that less restrictive manner. See following pages for more detail.
  - Remote Storage or Network/Cloud DVR
  - STB Streaming (sling technology or remote access)
  - Transfer Technology

- No grant of rights; Prohibitions:
  - Recording: Members are not permitted to provide customers with a set-top box (or enable functionality on other devices within their control) that (1) allows a customer to automatically skip through advertising segments (other than normal subscriber-initiated fast-forwarding and time skip of 30 seconds or less, in each case, that allows viewers to see the advertising while fast-forwarding and that works the same in the programming and advertising), (2) automatically record blocks of programs (other than subscriber-

initiated recording that operates on an episode, show or series basis), (3) replaces ads in any service, or (4) auto-plays or recommends programming that is immediately accessible for viewing (other than non-paid recommendations that are not specifically branded).
  - Prohibited Functionalities: Other than with respect to an Advanced Technology, Members may not deploy functionality that enables (1) deletion, blocking or replacement of ads on the Services, and (2) recording, copying, downloading or transfer of Service content, except for recordings made on a DVR in the home or a Cloud DVR
  - OTT: OTT rights are not granted, no right to distribute any Service via the open Internet.

VOD TERMS

Video on Demand (or "VOD") means the exhibition of video programming selected by a VOD subscriber for display on the subscriber's television set on an on-demand basis.

VOD is addressed in Exhibit B of the agreement. This summary does NOT incorporate all of the terms and conditions related to VOD.

Right, but not obligation, to distribute VOD to Service Subscribers on the terms below for no additional license fee or charge, but once launched, it may not be deleted.

- Must be distributed to Subscribers without any charge
- Currently delivered by Comcast Technology Solutions in an MPEG2 format.
- Fast Forward must be disabled during the advertising in the Fox VOD content (if a Member cannot disable fast forward without material cost, there are options to drop the VOD content; see Section 2(c) of Exhibit B for details).
- Content:
  - Fox does not currently provide VOD content for the Fox News Services. Members may encode the following content from the linear feeds of Fox News and Fox Business and distribute it on a VOD basis:
    - Fox News - each full-length program telecast during the hours of 4:00 p.m. to 4:00 a.m. ET Monday-Friday and 6:00 p.m. to 1:00 a.m. ET Saturday & Sunday
    - Fox Business - each program telecast during the hours of 6:00 p.m. to 11:00 p.m. ET Monday-Friday and 7:00 p.m. to 1:00 a.m. ET Saturday & Sunday.
    - The window for the content begins 3 hours from the completion of the program's linear broadcast and ends 7 days and 3 hours from the completion of the program's linear broadcast.
  - If Fox begins delivering VOD content for the Fox News Services and a system is technically able to receive it, the system must distribute the directly-delivered content.
  - Fox distributes limited VOD content for the sports services and the content is usually around big events (like the World Cup)
- Members have protection for change of delivery technology
- If Fox materially increases the number of hours and a system is not able to launch the additional content due to server capacity, then the Member may take a smaller package if made available.
- A Member must provide each Service with a Service-branded environment to the extent provided to other networks; may not contain any advertising. Programs must be cross-listed in other VOD categories if a Member is cross-listing other networks' content. Fox's VOD content must be as prominently displayed as the VOD content from other networks.
- A Member may not group the titles of the Fox VOD content on the guide with programs with an X or NC-17 rating (unless the titles are in alphabetical order or in a list of search results).
- Fox keeps all ad inventory in the VOD content. Members deploying DAI with other networks must negotiate in good faith with Fox to implement DIA for the Fox VOD content.

- Members must provide Fox with usage data for the VOD content through Comscore.
- Fox will provide Members with current season VOD content and windows on a non-discriminatory basis vis-à-vis any MVPD that distributes Fox's VOD content. In addition, Fox will continue to provide sports content on a free VOD basis if such content is made available to others.

TVE/OUT-OF-HOME STREAMING TERMS

TV Everywhere/Out-of-Home Streaming (or "TVE") means accessing linear services and video-on-demand content that are delivered over the Internet through a website or application after a subscriber has been verified as being a Service Subscriber through their video subscription.

TVE is addressed in Exhibit C of the agreement. This summary does NOT incorporate all of the terms and conditions related to TVE.

Right but not obligation to authenticate Service Subscribers to the Fox Sites for no additional license fee or charge on the terms below. Right to also distribute content from the Fox News Services (the "FNN TVE Content") on a Member's websites and applications on the terms below.

- Network Websites/Apps: Yes
    - Obligation to Authenticate: No obligation to authenticate Fox's content, but, once a member is authenticating to the Fox Sites, it must continue authenticating throughout the Term (unless the member stops authenticating all TVE content of other networks)
    - Linear Feed Rights: Yes
    - VOD Rights: Yes
    - Websites and apps as of the execution date: FOX Sports.com/FOX Sports app; FoxNews.com/Fox News Go app; FoxBusiness.com/Fox Business Go app; Caffeine.tv/Caffeine app may be available in the future
    - Reporting Requirements/Usage Data: Members are not required to provide Fox with any personally identifiable information regarding subscribers that authenticate to the Fox Sites
    - Member Advertising Avails: None, Fox keeps all ad inventory and revenue for Fox TVE content
    - Other: If Network Websites/Apps are launched, Fox will provide XML feeds of thumbnails, titles and links to content on the Fox Sites to display on the Members' sites to the extent they are providing XML feeds to others and Fox will provide each Member's branding on the Fox Sites; Fox will treat Members in a non-discriminatory manner with regard to current season content and windows made available on the Fox Sites as compared to other MVPDs; See Attachment B to Exhibit C for more detail on the authentication process and requirements
- Member Websites/Apps ("hosting" content): Yes for the FNN Services
    - Obligation to Authenticate: No
    - Linear Feed Rights: Yes, Members must use Fox's feed of the FNN Services for distribution on a Member Site; content is subject to Fox's programming restrictions, which may require blackouts of certain content; MFN on TVE content/rights offered to other distributors
    - VOD Rights: No, MFN on TVE content/rights offered to other distributors
    - Website/App Branding: Must be owned, branded and operated (including via the use of applicable vendors)
    - Reporting Requirements/Usage Date: No requirements
    - Device/Stream restrictions: Limited to 3 simultaneous streaming sessions
    - DRM Requirements: Approved DRM is listed in Section 5(i)(ii) of Exhibit C
    - Measurement/Nielsen: Members with 50,000 video subscribers must integrate Nielsen's SDK under the following conditions: (a) 3 of the 8 largest MVPDs have commercially deployed Nielsen measurement (which has happened); (b) At least the lesser of 15% or

50,000 of the Member's Subscribers are using FNN content via the Member Sites in a month; (c) Fox may request that the Member integrate with Nielsen with at least 6 months' notice but not prior to 1/1/20. The obligation is subject to Nielsen's cooperation.

  - DAI: No requirement
  - Member Advertising Avails: None, Fox keeps all ad inventory and revenue
  - Content Branding Requirements: Must provide a FNN-branded environment, including logos, if a network-branded environment is provided to others; Must be cross-listed in all other applicable categories (if the member is cross-listing for others); must treat FNN in a non-discriminatory manner
  - Other: Members must authenticate to the Fox Sites to authenticate content on Member Sites; Fox must discuss in good faith granting rights for out-of-home streaming for the FCN Services, as long as Members have out-of-home streaming rights from at least 2 other major programming groups (NBCU, Viacom/CBS, Disney and WarnerMedia)
- Requirements/Conditions on Authentication
  - General Requirements: TVE Content may only be distributed to Service Subscribers. Members may not charge Service Subscribers to receive the TVE Content. TVE Content may only be viewable in the Territory
  - Notice Requirement: Must give Network notice before authenticating to Fox Sites; Must give Network 60 days' prior notice to distribute the FNN services on a Member Site
  - Authentication Provider/Third-Party Vendor: Synacor, WTVE, Vubiquity and IBM Cloud Video, as well as any other providers the parties integrate with
  - Permitted Devices: Permitted Devices are listed in Section 1(a) of Exhibit C of the Agreement
  - Other Requirements/Conditions: None

IN-HOME STREAMING

In-Home Streaming is the distribution of the linear Service by a Member to Subscribers for viewing through a website or app on a device (laptop, tablet, cellular phone or other Internet-enabled device) in the Subscriber's home. In-Home Streaming as used in this Agreement is not delivery via the open Internet and is not OTT.

In-Home Streaming is addressed in Exhibit E of the agreement. This summary does NOT incorporate all of the terms and conditions related to In-Home Streaming.

Rights (but no obligation) to distribute the Services and VOD Content via In-Home Streaming are granted. Additional terms regarding In-Home Streaming are as follows:

  - Must be distributed to Subscribers on a free basis
  - May only be delivered on a streaming basis (with a live connection between the device and the server (e.g., no off-line viewing, downloading, storage or copying is permitted, except for a temporary cache or buffer)).
  - The content must be protected with DRM.
  - A Member must be delivering programming for in-home streaming from at least one other major media company (NBCU, Viacom, Disney, Turner) before launching Fox's Services.
  - Member to notify Fox prior to implementing
  - No Subscriber may access the Fox Services or the Fox VOD Content on more than 5 devices at any given time (or on more than 5 simultaneous streams) via In-Home Streaming.
  - In-Home Streaming rights are subject to programming restrictions, which Fox must apply on a non-discriminatory basis.
  - Members with 50,000 video subscribers must integrate Nielsen's SDK under the following conditions:

    - 3 of the 8 largest MVPDs have commercially deployed Nielsen measurement (which has happened)
    - At least the lesser of 15% or 50,000 of the Member's Subscribers are using In-Home streaming in a month
    - Fox may request that the Member integrate with Nielsen with at least 6 months' notice but not prior to 1/1/20
    - The obligation is subject to Nielsen's cooperation
  - Members shall permit usage of VOD Content via In-Home Streaming to be measured by Comscore (or another mutually agreed upon third party).
  - Members must share non-personally-identifiable usage data with Fox that they collect regarding In-Home Streaming consistent with what Members are providing to others.

START-OVER

Start Over is the functionality whereby a Subscriber may restart a program that is in progress at any time during the period of such program's linear exhibition such that the program starts over and the customer may view the program from its beginning.

Look Back is the functionality whereby a Subscriber may view a program at any time during the 72-hour period after the end of the program.

Start Over is addressed in Section 5(g) of the agreement. Look Back rights are not granted in this agreement. This summary does NOT incorporate all of the terms and conditions related to Start Over.

Rights to Start Over are granted, but not rights granted for Look Back. Additional terms regarding Start Over are as follows:

- Member must be able to receive instructions via XML feed, in-band data (or other mutually agreed upon method).
- Members may deliver multiple streams of a program from a single copy for purposes of Start Over.
- A Member enabling Start-Over must provide Fox with 30 days' prior notice.
- Fox will implement an industry-standard process to identify the programs for which Start Over is available, the start time and the duration of the programs.
- Fast-forwarding and ad-skipping are not permitted.
- Start Over may only be available for a period of time that does not exceed 2½ times the duration of the program.
- Content must be protected using the content protection measures outlined in the agreement.
- Upon Fox's request, a Member must provide Fox with the same types of usage reports for Start Over that it provides to other similar network groups (if any).
- Members must comply with Fox's requests (which may be communicated via XML file or in-band data) to disable Start Over functionality for any program upon 48 hours' notice.

CLOUD DVR/REMOTE STORAGE

Cloud DVR is personal dedicated storage that is remote and not part of customer's set-top box.

Cloud DVR is addressed in Section 2(k)(iii) of the agreement. This summary does NOT incorporate all of the terms and conditions related to cloud DVR/remote storage.

If a Member deploys Cloud DVR as described below, Fox will not take action against that Member. In addition, if 3 of the 6 largest MVPDs are providing Cloud DVR in a less restrictive manner than required in this agreement (and there is not a pending dispute), then Members may offer Cloud DVR in that less restrictive manner.

- The Cloud DVR must provide customers with recording functionality that is initiated by the customer prior to or during (if during the recording, from the point in the program that the recording was initiated) the linear telecast of the program on the Service.
- Recordings may be scheduled on an episode, show or series basis (no recording of all programs within a Service or all programs during a block of time).
- Recordings must be made upon the specific request of a customer and be initiated, managed and controlled by such customer where the customer selects which portions of the Service to record.
- The Cloud DVR must be provided by, or on behalf of, a Member.
- The Cloud DVR must distribute recorded content only to the customer that recorded the content.
- A customer may only view the recorded content through a set-top box in the customer's home or via Transfer Technology described below.
- All recordings of content from the Services must be DRM-protected.
- The Cloud DVR must make unique, individual copies of recorded programs for each customer and only that copy may be used to allow viewing of recorded content from the Services.
- Members are not permitted to enable functionality on the Cloud DVR that (1) allows a customer to automatically skip through advertising segments (other than normal subscriber-initiated fast-forwarding and time skip of 30 seconds or less, in each case, that allows viewers to see the advertising while fast-forwarding and that works the same in the programming and advertising), (2) automatically record blocks of programs (other than subscriber-initiated recording that operates on an episode, show or series basis), (3) replaces ads in any service, or (4) auto-plays or recommends programming that is immediately accessible for viewing (other than non-paid recommendations that are not specifically branded).
- Cloud DVR must have a maximum recording and storage capacity for each customer account of 500 hours across all video programming services.
- If a Member provides dynamic ad insertion for programming recorded via the Cloud DVR for other ad-supported networks, the Member must negotiate in good faith with Fox to similarly provide dynamic ad insertion for Fox programming.
- Members are not permitted to provide Cloud DVR to Commercial Subscribers.
- Members may be required to withdraw certain Fox programs from Cloud DVR upon notice from Fox that, as a result of programming restrictions in Fox's rights agreements or other material legal or business concern, Fox will not permit such program to be part of Cloud DVR. This must be applied by Fox to Members in a non-discriminatory manner.

<u>STB STREAMING</u>

STB Streaming refers to sling technology and remote access to content. STB Streaming is the technology that enables the transmission of a live stream of content from a customer's set-top box to another device (other than through in-home streaming) for real-time streamed, personal viewing of the live content.

STB Streaming is addressed in Section 2(k)(ii) of the agreement. This summary does NOT incorporate all of the terms and conditions related to STB Streaming.

If a Member deploys STB Streaming as described below, Fox will not take action against that Member. In addition, if 3 of the 6 largest MVPDs are providing STB Streaming in a less restrictive manner than required in this agreement (and there is not a pending dispute), then Members may offer STB Streaming in that less restrictive manner.

- STB Streaming must be limited to a single stream of the live-linear distribution of a service from a set-top box to a single device in the Territory (outside of a subscriber's home).
- The device must be authenticated via the customer's log-in credentials
- STB Streaming must be DRM-protected in a manner designed to prevent the copy from being further recorded, copied or transferred.
- Members with at least 50,000 video subscribers must integrate Nielsen's SDK under the following conditions:
    - 3 of the 8 largest MVPDs have commercially deployed Nielsen measurement (which has happened)
    - At least the lesser of 15% or 50,000 of the Member's Subscribers are using STB Streaming in a month (the Member must notify Fox when this threshold is met)
    - Fox may request that the Member integrate with Nielsen with no less than 6 months' notice and not before 1/1/20
    - The obligation is subject to Nielsen's cooperation
- Members are not permitted to provide STB Streaming to Commercial Subscribers.
- Members may be required to withdraw certain Fox programs from STB Streaming upon notice from Fox that, as a result of programming restrictions in Fox's rights agreements or other material legal or business concern, Fox will not permit such program to be part of STB Streaming. This must be applied by Fox to Members in a non-discriminatory manner.

<u>TRANSFER TECHNOLOGY</u>

Transfer Technology is the technology where a copy of content recorded on a DVR (including Cloud DVR) is transferred to a device for a customer's later personal time-shifted viewing in or outside of the customer's home and regardless of whether the device is connected to the Internet.

Transfer Technology is addressed in Section 2(k)(i) of the agreement. This summary does NOT incorporate all of the terms and conditions related to Transfer Technology.

If a Member deploys Transfer Technology as described below, Fox will not take action against that Member. In addition, if 3 of the 6 largest MVPDs are providing Transfer Technology in a less restrictive manner than required in this agreement (and there is not a pending dispute), then Members may offer Transfer Technology in that less restrictive manner.

- Each transfer of Fox content must be initiated and controlled by the Subscriber.
- Each transfer must be limited to one copy of a program made on a single device that has been authenticated via the customer's login credentials.
- Each transfer must be DRM-protected in a manner designed to prevent the copy from being further recorded, copied or transferred.
- The transferred content may be viewable on the device only and not on any other device (except the DVR or cloud DVR) until the content is deleted from the device.
- At a given time, the number of devices must be limited to 5 and the customer may have no more than 10 transferred Fox programs
- The content must be deleted from or unplayable on a device no later than 30 days after the initial transfer.
- Members are not permitted to provide Transfer Technology to Commercial Subscribers.
- Members may be required to withdraw certain Fox programs from Transfer Technology upon notice from Fox that, as a result of programming restrictions in Fox's rights agreements or other

material legal or business concern, Fox will not permit such program to be part of Transfer Technology. This must be applied by Fox to Members in a non-discriminatory manner.

OTT

OTT (or "over-the-top") means the distribution of content via the Internet, any online service, broadband, wireless, wide area computer network or any other web-based or IP distribution technology.

OTT rights are not granted.

AGENDA ITEM COMMENTARY

Meeting Date:	March 9, 2020
Board:	Sallisaw Municipal Authority
Subject:	Electric Rates

ITEM TITLE: Discuss and Consider Approval of Resolution 2020-02, A Resolution Providing Changes in Electric Service Rates in the Sallisaw Municipal Authority, Oklahoma.

INITIATOR: City Manager, Director of Finance

STAFF INFORMATION SOURCE: Cost of Service Study

BACKGROUND: Staff recently completed an electric cost of service study with our consultant, Jolynn Rains. The results of the study was presented to the Board of City Commissioners on February 20th.

Staff is proposing adopting the 5 year rate plan as presented. The rate changes will become effective during March of each year, through 2024. Once the rate adjustments are made, they will be reflected in all billing statements calculated after April 1 of each year.

As stated in the resolution, the rate adjustments are subject to further review by the Board at any time. This will allow the Board to review any required changes needed for any future event related to electric rates.

EXHIBITS: 1. 2020.Electric SMA Resolution.2020.02.FINAL

KEY ISSUES:

1. The purpose of the cost of service study was to develop a long range financial and electric rate plan, and to determine the appropriate rate structure for each customer class.
2. The proposed rates take into consideration the needed capital costs of maintaining the electric system as well as needed maintenance and capital improvements of other utility infrastructure.
3. The proposed rates will be implemented over a five year schedule.
4. The proposed resolution provides new guidance on the CP1 and CP2 15,000 kWh rule. This rule determines if a commercial customer is charged a demand rate for electric usage. The resolution provides for a review period in November of each year.
5. The proposed resolution takes into consideration that we will have approximately 31 commercial customers be removed from the CP2 rate schedule based on their current usage. The rate study had to take into consideration the lost revenue that will occur by the movement of these customers from CP2 to CP1.

6. This proposed resolution also provides guidance on rates for electric vehicle charging stations and for Distributed Generation (Solar).

FUNDING SOURCE: NA

RECOMMENDATION: Staff recommends approval of Resolution 2020-02.

RESOLUTION NO. 2020-02

A RESOLUTION PROVIDING CHANGES IN ELECTRIC SERVICE RATES IN THE SALLISAW MUNICIPAL AUTHORITY, OKLAHOMA

WHEREAS, The Sallisaw City Code provides that the Board of Trustees of the Sallisaw Municipal Authority shall establish rates and charges governing all aspects of utility services, and;

WHEREAS, the Board of Trustees of the Sallisaw Municipal Authority has determined that electric rate adjustments are necessary for the continued revenue availability allowing the City of Sallisaw to provide quality and reliable utility services, and;

WHEREAS, the Board of Trustees of the Sallisaw Municipal Authority desire to amend electric rates for its electric services, and;

WHEREAS, the Board of City Commissioners of the City of Sallisaw, Oklahoma, by approval of City Resolution 2020-05, have approved the proposed rate changes, and;

WHEREAS, the electric rates approved by this resolution shall be effective as noted, and shall be subject to future review by the Board of Trustees of the Sallisaw Municipal Authority,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SALLISAW MUNICIPAL AUTHORITY, OF THE CITY OF SALLISAW, OKLAHOMA

SECTION 1; That the following shall henceforth be the established rates for electric service in the City of Sallisaw, Oklahoma, to-wit, and that such rates noted below shall become effective during March of each year, beginning March 2020 thru March 2024, and shall be reflected in the first billing statement of April of each year:

Electric Rate Table

	Current	Effective March 2020	Effective March 2021	Effective March 2022	Effective March 2023	Effective March 2024
RP-1 Residential						
Customer Charge	$ 12.91	$ 13.68	$ 14.51	$ 15.38	$ 15.61	$ 15.84
Charge Per kWh	$ 0.0885	$ 0.0938	$ 0.0994	$ 0.1054	$ 0.1070	$ 0.1086
CP-1 Commercial						
Customer Charge	$ 12.91	$ 13.68	$ 14.51	$ 15.38	$ 15.61	$ 15.84
Charge Per kWh	$ 0.0885	$ 0.0938	$ 0.0994	$ 0.1054	$ 0.1070	$ 0.1086
CP-2 Commercial Demand						
Customer Charge	$ 9.45	$ 10.40	$ 11.95	$ 13.75	$ 13.95	$ 14.16
Charge Per kWh	$ 0.0503	$ 0.0528	$ 0.0555	$ 0.0582	$ 0.0591	$ 0.0600
Demand Charge Per KW	$ 14.96	$ 15.46	$ 15.46	$ 15.46	$ 15.46	$ 15.46

SECTION 2: Rate Schedule RP-1, Residential Electric Service

Availability
This rate schedule is available in the territory served by the City of Sallisaw for residential customers located within and adjacent to its electric distribution system.

Applicability and Character of Service
This rate schedule shall apply to residential customers for the exclusive use of an individual customer for domestic purposes, including, for example, space heating, water heating, clothes drying, and cooking. This service cannot be used for resale, stand-by, commercial, or industrial service. Service shall be A.C., 60-Hz, 1-phase, 120/240 volts unless specifically agreed to by the City.

Charge for Service
The charge for service for each month shall be the sum of the following components:

Customer Charge: The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

Energy Charge: The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

Minimum Bill: The minimum monthly bill will be the Customer Charge.

Single Point Delivery
The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

SECTION 3: Rate Schedule CP-1, Small Commercial Electric Service

Availability
This rate schedule is available in the territory served by the City of Sallisaw for any commercial or business customers located within and adjacent to its electric distribution system, provided that the kWh energy usage does not equal or exceed **15,000 kWh for any 3 months during a 12-month period.**

Applicability and Character of Service
This rate schedule shall apply to existing commercial customers for the exclusive use of the commercial customer for business purposes. This service cannot be used for resale, stand-by, residential, or industrial service. Service shall be A.C., 60-Hz, 1- or 3-phase, with nominal service voltages of 120/240 volts for 1 phase service and 208wye/120-volts for 3-phase service, or other voltages as presently established for the service locations, unless specifically agreed to

by the City. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.

15,000 kWh Rule: Commercial customers billed under the CP-1 rate schedule shall be reviewed during the month of November for usage equal to or exceeding 15,000 kWh. Each year, during the month of November, CP-1 customers shall have their previous 12 month of usage (November thru October) reviewed for usage equal to or exceeding 15,000 kWh. Customers who have three (3) instances of monthly kWh usage equaling or exceeding 15,000 kWh during the 12-month lookback period, shall be moved to the CP-2 rate schedule beginning with the first billing statement of January. Customers who have not exceeded this 15,000-kWh usage rule, will remain on the CP-1 rate schedule.

Charge for Service

The charge for service for each month shall be the sum of the following components:

Customer Charge: The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

Energy Charge: The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

Minimum Bill: The minimum monthly bill will be the Customer Charge.

Single Point Delivery

The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

Metering

All newly constructed commercial or business structures with a single service panel main disconnect greater than 200 amps, or a main disconnecting panel greater than 200 amps are required to have a demand electric meter. Future upgrades that meet these specifications will also require a demand electric meter and the customer will be subject to incurring demand charges.

Appropriate demand indicating meters will be furnished by the City to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.

SECTION 4: Rate Schedule CP-2, Large Commercial Electric Service With Demand

Availability
This rate schedule is available in the territory served by the City of Sallisaw for any commercial or business customers located within and adjacent to its electric distribution system whose energy usage; a) equals or exceeds the **15,000 kWh Rule while being billed for services under Rate Schedule CP-2** , or b) based on information supplied by the customer, the calculated load will be equal to or greater than **15,000 kWh per month** starting at the time energy use begins.

15,000 kWh Rule: Commercial customers billed under the CP-2 rate schedule shall be reviewed during the month of November for usage equaling or exceeding 15,000 kWh. Each year, during the month of November, CP-2 customers shall have their previous 12 month of usage (November thru October) reviewed for usage equaling or exceeding 15,000 kWh. Customers **who do not** have three (3) instances of equaling or exceeding 15,000 kWh of usage during the 12-month lookback period, shall be moved to the CP-1 rate schedule beginning with the first billing statement of January. Customers who have met or exceeded the 15,000-kWh usage limit a minimum of any three (3) months during the 12-month period, shall remain on the CP-2 rate schedule.

Applicability and Character of Service
This rate schedule shall apply to new and existing commercial customers for the exclusive use of the commercial customer for business purposes. This service cannot be used for resale, stand-by, residential, or industrial service unless it meets the requirements below, applicable to EV Charging Stations. Service shall be A.C., 60-Hz, 1- or 3-phase, with nominal service voltages of 120/240 volts for 1 phase service and 208wye/120-volts for 3-phase service, or other voltages as presently established for the service locations, unless specifically agreed to by the City. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.

No resale, breakdown, auxiliary or supplementary service permitted, except as set forth in (A) and (B) below.

(A) Sales of charging services from an electric vehicle charging station, not owned by the City of Sallisaw or the Sallisaw Municipal Authority, for the purpose of fueling an electric vehicle, including the ability to sell on a kWh basis, shall not be considered resale of retail electricity, and such sales from the electric vehicle charging station shall not be subject to rate regulation by the Sallisaw Municipal Authority.

(B) Utility service to an electric vehicle charging station shall be provided subject to availability and the utility's terms and conditions of service.

(C) All EV Charging Stations will be served under the CP-2 rate schedule for the first 12 months of service. Individual charging station usage will be reviewed after the first 12-month service period.

Customers being billed under the Large Commercial Service CP-2 rate schedule will incur demand charges.

Charge for Service
The charge for service for each month shall be the sum of the following components:

Customer Charge: The Customer Charge shall be the Customer Rate as contained in the Schedule of Rates for each month in which the Customer receives service.

Demand Charge: The Demand Charge shall be obtained by multiplying the Demand Rate as contained in the Schedule of Rates times the monthly KW demand used by the customers during the month. For billing purposes, the monthly demand shall be defined as the highest integrated load during any 15-minute period during the billing month.

Energy Charge: The Energy Charge shall be obtained by multiplying the Energy Rate as contained in the Schedule of Rates times the kWh used by the customer during the month.

Single Point Delivery
The above rates and conditions are based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

Metering
All newly constructed commercial or business structures with a single service panel main disconnect greater than 200 amps, or a main disconnecting panel greater than 200 amps are required to have a demand electric meter. Future upgrades that meet these specifications will also require a demand electric meter and the customer will be subject to incurring demand charges.

Appropriate demand indicating meters will be furnished by the City to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.

SECTION 5: Rate Schedule IP-1, Industrial Electric Service

Availability
This rate schedule is available in the territory served by the Sallisaw Municipal Authority to any existing or new industrial customer located within and adjacent to its electric distribution system.

Applicability and Character of Service
This rate schedule shall apply to industrial, manufacturing, or material processing customers with a load exceeding peak monthly billing demand of 2,000 KW, for all uses. This service cannot be used for resale, stand-by, residential, or commercial service. Service shall be A.C., 60-Hz, 3-phase, with nominal service wye or delta voltages; or Primary voltage as available for larger

services. This load shall not be highly fluctuating to the extent that it causes interference with standard quality service to other customers on the system.

Charge for Service
The rates and methods of calculating billing statements shall be set by contract between the seller and the buyer.

Single Point Delivery
The rates and methods of calculating billing statements shall be based on the supply of electric service at a single delivery and metering point at a single voltage. Separate supply for the same customer at other points of delivery, or at other voltages, will be separately metered and billed.

Metering
All new industrial service customers are required to have a demand meter. Appropriate indicating or recording meters will be furnished by the Authority to measure the energy delivered and the maximum kilowatt demand for any 15-minute period during the month.

SECTION 6: Rate Schedule VCP-1, Veteran's Center Electric Service

Availability
This rate schedule shall meet the terms of the CP-2 rate schedule with the exception that the rates applicable to this rate schedule shall only apply to the Veterans care facility approved by the Oklahoma Department of Veterans Affairs (ODVA) on October 26, 2018, and is agreed to by both the City of Sallisaw/Sallisaw Municipal Authority and the ODVA.

Upon startup of the facility the following rates shall be in effect unless the rates of the Grand River Dam Authority are modified between the dates of this resolution and the date of the startup of the ODVA facility.

Monthly Customer Charge	$13.75
Energy Rate (kWh)	$00.049 per kWh
Demand Rate (KW)	$11.95 per KW

Methods of determining rates for VCP-1:

1. The kWh rate calculation shall reflect a 16% savings from the calculated CP2 rate schedule.
2. The KW rate for VCP-1 shall be equal to the KW rate charged by the Grand River Dam Authority to the City of Sallisaw/Sallisaw Municipal Authority.
3. These rates, or adjustments to, shall remain in effect for a term of 48 months from the date of the startup of the facility.
4. Upon any rate modification made by the Grand River Dam Authority, the City of Sallisaw shall review the effects of the rate modification and make necessary adjustments to the VCP-1 Rate Schedule.

SECTION 7: Rate Schedule DG-1, Distributed Generation Electric Service

For the purpose of the DG-1 Rate Schedule, Distributed Generation shall be defined as an energy producing system at or near the point of energy consumption, which is located on and interconnected to a utility's distribution system.

The City of Sallisaw/Sallisaw Municipal Authority shall provide Distributed Generation Services under a Buy All Sell All (BASA) tariff. The utility shall furnish 100% of the customers electric consumption and purchase 100% of the customers DG output.

I. **APPLICATION**. This rate is in addition to the customer's standard rate tariff for electric service.

II. **AVAILABILITY**. This rate is applicable to customers who intend to own and operate an electric generating facility using solar equipment to produce electricity.

III. **CREDIT FOR GENERATION**. The utility will provide a credit for energy generated by the customer which would be applied to customers usage as billed by the utility under the customer's applicable rate tariff. Energy would be credited based on the following schedule:

> ENERGY: Energy generated will be credited at the utility's avoided cost. An avoided cost is defined as the incremental cost to an electric utility of energy and capacity which the utility would generate itself or purchase from another non-renewable source. The utility's avoided cost is based upon the current applicable wholesale power rate from the Grand River Dam Authority (GRDA), including any applicable Power Cost Adjustment.

IV. **CREDIT LIMITATION**. The energy credit for any billing period described in Section III above is limited to the customer's maximum energy usage during any billing period from the previous calendar year. No credit will be provided by the utility for any generation above this amount.

New customer's maximum credit will be established after the first calendar year of service. In order for customer to receive the maximum benefit from the installation customer shall not oversize the installation larger than the customers anticipated maximum annual billing period energy (kWh) usage, as no credit will be provided by the utility for any generation above this amount.

<u>Examples of how the customer credit will be calculated:</u>

Previous Calendar Year Billing Period Maximum kWh usage – 1,000 kWh
Customer Generation (Billing Period) – 2,000 kWh
Customer Credit– 1,000 kWh

Previous Calendar Year Billing Period Maximum kWh usage – 1,000 kWh
Customer Generation (Billing Period) – 500 kWh
Customer Credit– 500 kWh

Credits will be applied toward the customer's usage as charged by the utility based on the customer's applicable rate tariff. If the amount credited is greater than the amount charged for any billing period, the remaining credits will roll forward to the next billing cycle. Net credits at the end of a billing period will continue to roll forward to subsequent billing periods. Any remaining credits will expire upon the termination of electric service to a customer.

V. **SYSTEM INFRASTRUCTURE.** For installations over 100 KW, the utility may require a study on the impact to nearby system infrastructure to be completed prior to installation. The customer shall be responsible for the actual costs of this study.

VI. **INTERCONNECTION AGREEMENT**. Any customer desiring to receive credit for generation from the utility under this rate schedule is required to execute an Interconnection Agreement prior to delivering energy to the utility. Installation must follow all requirements as described in the Interconnection Agreement. By submitting an application, customer agrees to all such requirements.

VII. **METERING EQUIPMENT.** Customers under this rate tariff shall have 2 sets of metering equipment. One meter to measure the customer's consumption and a second meter to measure the customer's generation. The customer shall be responsible for the actual costs of the metering equipment, as well as the cost of installation, supplied by the utility. All metering installation must meet the established codes of the City.

VIII. **APPLICATION FEES.** Customer will be charged a non-refundable application fee of $250.00 to cover the cost of application processing.

IX. **TERM**. The utility has the right to modify, suspend, or terminate this rate upon thirty days' notice to customers.

Effective Date of This Rate Change

This resolution establishing new electric rates shall become effective on March 9, 2020 and shall be reflected in all billing statements calculated after April 1, 2020.

PASSED AND APPROVED by the Board of Trustees of the Sallisaw Municipal Authority on the **9th** day of **March, 2020**.

SALLISAW MUNICIPAL AUTHORITY,
BOARD OF TRUSTEES

By:________________________________
Ernie Martens, Chairman

ATTEST:

____
Dianna Davis, Secretary

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date:	March 9, 2020
Board:	Sallisaw Municipal Authority
Subject:	Electric Economic Development Rider Agreement

ITEM TITLE: Discuss and Consider Approval of Grand River Dam Authority Economic Development Rider Service Agreement WP-EDSR-II; an Agreement Between the Sallisaw Municipal Authority and the Grand River Dam Authority

INITIATOR: City Manager, Director of Fianance

STAFF INFORMATION SOURCE: Grand River Dam Authority

BACKGROUND: The agreement is an addendum to the current GRDA contract signed in 2005.

This Rider will provide a $1.50 KW credit to the City based on the Marginal Capacity Demand Discount calculation. The discount will be the monthly average of the past three years. For each KW in excess of the monthly baseline, the City/SMA will receive a credit of $1.50 per KW billed.

EXHIBITS:
1. Pro Forma Service Agreement WP-EDSR-II - Version 1.0
2. Municipal Baseline Demand Calculations
3. Rider-WP-EDR-2-effective-2019.03.14

KEY ISSUES: The GRDA Rider provides for two types of economic development discount

- WP-EDSR I
- WP-EDSR II

Our rate consultant has recommended we utilize EDSR II until the new VA Center is operational. We would then switch to EDSR I to take advantage of the new customer load.

FUNDING SOURCE: NA

RECOMMENDATION: Staff recommends approval of the agreement, selecting WP-EDSR II.

Economic Development Rider Service Agreement – **WP-EDSR-II**

This Service Agreement is entered into this 9th day of March, 2020, ("Effective Date") between the Grand River Dam Authority ("GRDA"), an agency of the State of Oklahoma, and Sallisaw Municipal Authority ("Customer"), a Municipal Corporation, together, the "Parties."

1. Recitals:
   a. GRDA and Customer are parties to that certain Power Purchase and Sale Agreement dated June 1, 2005 ("Contract"); and
   b. Pursuant to the Contract, GRDA sells wholesale electrical power and energy to Customer; and
   c. Customer purchases wholesale electrical power and energy from GRDA at the rates described in the applicable GRDA Schedule ("Schedule"); and
   d. As of the Effective Date of this Service Agreement, the GRDA WP-EDR – Wholesale Power Service Economic Development and Surplus Capacity Rider is in force and effect; and
   e. Customer desires to participate in the WP-EDSR-II section of the GRDA WP-EDR – Wholesale Power Service Economic Development and Surplus Capacity Rider ("Rider").

Therefore, the Parties agree as follows:

2. Qualified Load.
   a. Customer Right to Serve. Customer represents that it possesses the exclusive right to serve End-Use Customer retail load as described in the Rider ("Qualified Load").
   b. Description of Qualified Load. The Qualified Load, and any Capacity Billing Demand credit associated with the Qualified Load, shall be calculated in accordance with Exhibit A, the contents of which are incorporated by reference.

3. Timing of Capacity Billing Demand credit. The timing and amount of the Capacity Billing Demand Credit is more particularly described in Exhibit A.

4. Term. This Service Agreement shall commence upon the Effective Date, and shall have an initial term that ends on December 31, 2020 ("Initial Term"); provided, the Service Agreement will automatically renew for successive one-year renewal periods (with each term being referred to as a "Renewal Period") unless either GRDA or Customer provide the other with notice of non-renewal at least sixty days prior to the commencement of any Renewal Period. The Initial Term, and any applicable Renewal Period(s) shall be referred to collectively as the "Participated Period". Provided further, the Service Agreement may be sooner terminated by GRDA pursuant to the terms of the Service Agreement.

5. Disqualification from Eligibility under WP-EDSR-I: During the term of this Service Agreement, Customer will not qualify for, and will not participate in, section WP-EDRS-I of GRDA WP-EDR – Wholesale Power Service Economic Development and Surplus Capacity Rider.

6. <u>Representations</u>.
   a. Customer represents that:
      i. The person executing this Service Agreement on behalf of Customer possesses adequate authority to bind Customer to the terms of this Service Agreement;
      ii. GRDA did not specifically construct facilities necessary to serve the Qualified Load on or before the effective date of the Rider;
      iii. Customer did not coordinate or plan with GRDA to serve the Qualified Load on or before the effective date of the Rider; and
      iv. The Rider does not modify the Schedule.

   b. GRDA represents that:
      i. GRDA will continue to provide service to Customer pursuant to the rates described in the Schedule and the terms of the Contract;
      ii. GRDA will apply the Capacity Billing Demand Discount contained in the Rider: (1) as described by the terms of the version of the Rider in effect upon the effective date of this Service Agreement; and (2) pursuant to the terms of this Service Agreement.

7. <u>Suspension or Termination of Service Agreement</u>.
   a. <u>Suspension</u>. GRDA may suspend this Service Agreement without financial penalty if any person or entity files or threatens to file any petition, complaint, or claim for relief in a court of competent jurisdiction alleging that this Service Agreement or any GRDA rider (including, but not limited to, the Rider) is unlawful, unreasonable, unduly discriminatory, or otherwise violates any term of any statute or contract.

   b. <u>Termination by GRDA</u>. GRDA may terminate the Service Agreement for any of the following (collectively, "Termination Events") without financial penalty if GRDA determines, in its reasonable discretion, that:
      i. Customer is in default of the Contract or this Service Agreement;
      ii. Customer has misrepresented the Qualified Load, or the nature of Customer's service of the Qualified Load;
      iii. the Qualified Load does not, and is not likely to, qualify under the terms of the Rider or this Agreement; or
      iv. if any court of competent jurisdiction rules that any of the terms of this Service Agreement or any GRDA rider (including, but not limited to, the Rider) are unlawful, unreasonable, unduly discriminatory, or otherwise violates any term of any statute or contract.

   c. <u>Termination by Customer</u>. Customer may terminate this Agreement if Customer seeks to end participation in GRDA WP-EDSR-I, and enter into a Service Agreement to participate in GRDA WP-EDR-II.

   d. <u>Termination or Modification of Rider</u>. GRDA reserves the right to terminate and/or modify any provision of the GRDA WP-EDR – Wholesale Power Service Economic

Development and Surplus Capacity Rider. However, upon such termination or modification, this Service Agreement will remain in force and effect unless terminated pursuant to the terms described herein.

8. Future Rate Schedule Modifications. GRDA may modify the terms of the Schedule as provided by the "Grand River Dam Authority Act" (82 O.S. § 861, et seq., as amended), and nothing in this Service Agreement shall be construed as preventing GRDA from such modification.

9. Choice of Law and Jurisdiction. This Service Agreement shall be interpreted under the laws of the State of Oklahoma. The district courts of the State of Oklahoma shall have exclusive jurisdiction to adjudicate any dispute arising from or related to this Service Agreement.

10. Notices. Except as otherwise provided, all notices required or permitted to be given will be in writing and will be deemed properly given when delivered in person to the other party to be notified or when mailed by registered or certified United States mail, postage prepaid to the proper individual(s), or when sent by email to the party to be notified at its address set forth below, or such other address as the party to be notified may have previously designated by written notice to the other:

GRDA:
Grand River Dam Authority
226 W. Dwain Willis Avenue
Vinita, OK 74301-4654
Attn: CEO

and, for any billing data, by email to:
accountsreceivable@grda.com

and, for any legal notices, by email to:
legalnotices@grda.com

Customer:
Sallisaw Municipal Authority
PO Box 525
Sallisaw, OK 74955-0525

This Agreement entered into as of the Effective Date.

GRAND RIVER DAM AUTHORITY

ATTEST:

(Seal)

By ___________________________________

Daniel S. Sullivan, General Manager/CEO

____

Sheila Allen, Secretary

CUSTOMER

ATTEST:

(Seal)

By _______________________________

(Title) _____________________

____

Secretary

Exhibit A

Qualifying Load Information

The numbers adjacent to the following months are in kW, and represent the Customer's Baseline Capacity Billing Demand, beginning on the first occurrence of the months following the Effective Date:

- January _____________
- February _____________
- March _____________
- April _____________
- May _____________
- June _____________
- July _____________
- August _____________
- September _____________
- October _____________
- November _____________
- December _____________

The Marginal Capacity Demand Discount shall be calculated and applied using the adjusted Baseline Capacity Billing Demand values, pursuant to the methodology described by the Rider.

Calculation of Billing Demand Baseline
For use with the WP-EDSR-II Rate

SAMPLE

Sallisaw Municipal Authority					
Billed Demand (kW)					
Month	**2016**	**2017**	**2018**	**Average**	**Baseline**
01	21,642	23,688	26,650	23,993	**26,650**
02	19,817	18,266	22,811	20,298	**22,811**
03	17,345	17,072	18,445	17,621	**18,445**
04	16,999	15,823	17,008	16,610	**17,008**
05	19,201	21,369	23,098	21,223	**23,098**
06	25,552	24,321	26,210	25,361	**26,210**
07	26,683	25,868	27,909	26,820	**27,909**
08	27,515	24,419	25,625	25,853	**25,853**
09	25,360	24,904	25,240	25,168	**25,240**
10	21,133	20,913	22,796	21,614	**22,796**
11	17,053	16,062	20,935	18,017	**20,935**
12	24,188	21,670	21,573	22,477	**22,477**

Rider WP-EDR – Wholesale Power Service Economic Development and Surplus Capacity Rider

AVAILABILITY:

In order to participate in this Rider, a customer must be taking service under an Eligible Rate Schedule, and must agree in writing to participate in either WP-EDSR-I, or WP-EDSR-II, as both are further described below.

For the purposes of this Rider, each of the following are Eligible Rate Schedules:

1. Schedule WP – Wholesale Full Requirements Power Service;
2. Schedule WP-OCA – Wholesale Power Outside Control Area; and
3. Schedule WPG – Wholesale Power Service with Customer Supplied Generation ("WP Customer").
4. Schedule WTU – Wholesale Tribal Utility

I. ECONOMIC DEVELOPMENT RIDER WP-EDSR-I

AVAILABILITY:

WP-EDSR-I is available to WP Customers for the furnishing of retail electrical service to new retail electric loads ("End-Use Customer"), if those new End-Use Customers: (1) are anticipated by GRDA to have a monthly Capacity Billing Demand of greater than or equal to 500 kW; and (2) are anticipated by GRDA to not cause GRDA to incur marginal capacity costs; and (3) will not require GRDA to incur any undue financial risk.

Any WP Customer that has agreed to participate in WP-EDSR-II shall be ineligible to participate in WP-EDSR-I during the term of the WP-EDSR-II Participation Period.

PURPOSE:

The purpose of WP-EDSR-I is to provide WP Customers with an economic development rate that the WP Customers may use to incentivize the development of new End-Use Customer retail loads. If an existing End-Use Customer experiences a change in ownership, that End-Use Customer load will not be a new load eligible for WP-EDSR-I, unless the change in ownership results in at least 500kW of additional monthly Capacity Billing Demand being served by the WP Customer. Likewise WP-EDSR-I is not available to an existing End-Use Customer that shifts existing load to a new facility, unless that shift results in at least 500kW of additional monthly Capacity Billing Demand being served by the WP Customer.

DEFINITION OF NEW END-USE CUSTOMER LOAD:

For the purposes of WP-EDSR-I, a new End-Use Customer load must: (1) first receive qualifying service under this rider on or after the effective date of WP-EDSR; and (2) not have GRDA facilities specifically constructed to serve the load prior to the effective date of WP-EDSR; and (3) not have contracted or planned with GRDA to serve the load prior to the effective date of WP-EDSR.

NECESSARY QUALIFICATIONS AND PROCEDURES:

Before qualifying for a credit under WP-EDSR-I, a WP Customer must: (1) apply to GRDA for a credit under WP-EDSR-I; and (2) demonstrate that the WP Customer is eligible for WP-EDSR-I relative to a specific End-Use Customer; and (3) execute a Service Agreement with GRDA describing the terms of use for WP-EDSR-I, in a manner and form acceptable to GRDA. All service must occur in accordance with GRDA's Wholesale Electric Service Policy, and pursuant to the terms of the WP Customer's Power Purchase and Sale Agreement.

WP-EDSR-I may be terminated by GRDA at any time. Provided, if GRDA approves and qualifies a WP Customer to receive credit for a specific End-Use Customer pursuant to WP-EDSR-I, and the parties execute a Service Agreement regarding such credit, the WP Customer shall continue to receive the credit for that specific End-Use Customer for the duration of the term defined in the Service Agreement, with such period not to exceed three years.

GRDA shall determine, in GRDA's sole discretion and to GRDA's satisfaction, whether any particular WP Customer's new End-Use Customer load qualifies for WP-EDSR-I.

CAPACITY BILLING DEMAND DISCOUNT:

If, in any month during the term of an applicable Service Agreement pursuant to WP-EDSR-I, the WP Customer demonstrates that the specifically named End-Use Customer has a discretely metered retail load with a peak demand of at least 500 kW in that month, the WP Customer will receive a credit of $1.50 multiplied by the specific End-Use Customer's peak demand.

However, during any month in which a WP Customer does not demonstrate that the specific End-Use Customer has a discretely metered retail load with a peak demand of at least 500 kW in that month, the WP Customer will not receive a credit for that specific End-Use Customer for that month.

These credits are only available for the first three years that the WP Customer serves the new End-Use Customer pursuant to WP-EDSR-I.

Example 1: A WP Customer has a qualified and approved new End-Use Customer load that the WP Customer can demonstrate has a monthly peak demand of 1,050 kW in a billing month. The WP Customer would receive a billing credit in the amount of $1,575.00 for that month.

Example 2: A WP Customer has a qualified and approved new End-Use Customer load that the WP Customer can demonstrate has a monthly peak demand of 450 kW in a billing month. The WP Customer would not receive a billing credit for that month.

II. MARGINAL GROWTH RIDER WP-EDSR-II

AVAILABILITY:

Available to WP Customers that: (1) have executed a Power Purchase and Sale Agreement with GRDA for wholesale power supply; and (2) agree in writing to participate in this rider for a period described by the applicable Service Agreement ("Participation Period").

No WP Customer with an active Service Agreement under WP-EDSR-I may participate in WP-EDSR-II.

PURPOSE:

The purpose of WP-EDSR-II is to provide WP Customers with a credit to incentivize the growth and development of WP Customer's load, without discretely tracking and reporting that growth, during GRDA capacity planning intervals in which the marginal revenue produced from serving the additional load exceeds GRDA's marginal cost to serve the load.

NECESSARY QUALIFICATIONS AND PROCEDURES:

Before qualifying for a credit under WP-EDSR-II, a WP Customer must agree in writing to participate in this rider for the Participation Period, in such form as approved and provided by GRDA.

WP-EDSR-II is only available to the extent GRDA determines, in GRDA's sole discretion, that it possesses adequate surplus system capacity to justify the use of a Marginal Capacity Rider.

GRDA shall determine, in GRDA's sole discretion and to GRDA's satisfaction, whether any particular customer qualifies for WP-EDSR-II.

This Rider may be terminated by GRDA at any time.

MARGINAL CAPACITY DEMAND DISCOUNT:

Eligible WP Customers may receive a credit equal to the Marginal Capacity Demand Discount in its monthly invoice, which is calculated as follows:

> *Marginal Capacity Demand Discount* = (actual *Capacity Billing Demand* for the month - *Baseline Capacity Billing Demand* for the month) x $1.50 per kW.
>
> The minimum value for Marginal Capacity Demand Discount is zero.
>
> The Baseline Capacity Billing Demand will be calculated monthly by GRDA. The Baseline Capacity Billing Demand is calculated for each calendar month of the year, and is the higher of:
>
> (1) the average Capacity Billing Demand for the respective month across each of the prior three years; or
>
> (2) the Capacity Billing Demand for the respective month in the prior calendar year.

<u>Example 1</u>: A WP Customer has a Capacity Billing Demand of 10,000 kW for their May 2016 invoice, 11,000 kW for their May 2017 invoice, and 9,000 kW for their May 2018 invoice. This WP Customer agreed to participate in WP-EDSR-II, and has 12,000 kW Capacity Billing Demand on its May 2019 invoice. The WP Customer has a Baseline Capacity Billing Demand equal to 10,000 kW (the average of the Capacity Billing Demand during the months of May in 2016, 2017, and 2018, which is higher than the 2018 May's Capacity Billing Demand of 9,000). The Marginal Capacity Demand Discount is (12,000 kW – 10,000 kW) * $1.5 = $3,000.00.

Rider WP-EDR – Wholesale Power Service Economic Development and Surplus Capacity Rider

Example 2: A WP Customer has a Capacity Billing Demand of 10,000 kW for their May 2016 invoice, 11,000 kW for their May 2017 invoice, and 12,000 kW for their May 2018 invoice. This WP Customer agreed to participate in WP-EDSR-II, and has 15,000 kW Capacity Billing Demand on its May 2019 invoice. The WP Customer has a Baseline Capacity Billing Demand equal to 12,000 kW (the 2018 May's Capacity Billing Demand of 12,000, which is higher than the average of the Capacity Billing Demand during the months of May in 2016, 2017, and 2018). The Marginal Capacity Demand Discount is (15,000 kW – 12,000 kW) * $1.5 = $4,500.00.

Example 3: A WP Customer has a Capacity Billing Demand of 10,000 kW for their May 2016 invoice, 11,000 kW for their May 2017 invoice, and 12,000 kW for their May 2018 invoice. This WP Customer agreed to participate in WP-EDSR-II, and has 10,000 kW Capacity Billing Demand on its May 2019 invoice. The WP Customer has a Baseline Capacity Billing Demand equal to 12,000 kW (the 2018 May's Capacity Billing Demand of 12,000, which is higher than the average of the Capacity Billing Demand during the months of May in 2016, 2017, and 2018). The Marginal Capacity Demand Discount is (10,000 kW – 12,000 kW) * $1.5 = $-2,000.00. However, because the minimum value for the Marginal Capacity Discount is zero, the Marginal Capacity Demand Discount is equal to zero.

CHANGES TO RIDER:

The terms and charges in this Rider, or any portion thereof, may be changed by GRDA from time to time.

AGENDA ITEM COMMENTARY

Meeting Date:	March 9, 2020
Board:	Sallisaw Municipal Authority
Subject:	Mutual Aid Agreements

ITEM TITLE: Discuss and Consider Approval of Resolution 2020-03, A Resolution Approving Participation in the Oklahoma Municipal Alliance's Mutual Aid Agreements

INITIATOR: City Manager, Oklahoma Municipal Alliance

STAFF INFORMATION SOURCE: Oklahoma Municipal Alliance (OMA)

BACKGROUND: Staff is requesting the approval of two new mutual aid agreements through the Oklahoma Municipal Alliance (formally MESO). The two new agreements will cover

Electric Mutual Aid
Public Works Mutual Aid

EXHIBITS:
1. SMA Resolution 2020.03.Mutual Aid
2. Mutual Aid.Electric Agreement
3. Mutual Aid.Public Works Agreement
4. Planning Guide

KEY ISSUES:
1. The agreements cover more than disaster assistance. The agreements allow for assistance in general operations as well, such as moving an electric line, or replacing a large utility pole.
2. Having a current, active Mutual Aide Agreement in place is essential in the event our utility suffers a federally declared disaster.
3. Our current agreements through OMA, will expire on April 1, 2020.

FUNDING SOURCE: NA

RECOMMENDATION: Staff recommends approval of Resolution 2020-03, approving the mutual aid agreements with the Oklahoma Municipal Alliance.

Resolution 2020-03

A RESOLUTION APPROVING PARTICIPATION IN THE OKLAHOMA MUNICIPAL ALLIANCE'S MUTUAL AID AGREEMENTS

WHEREAS, the OKLAHOMA MUNICIPAL ALLIANCE (OMA) is the state association for municipal owned utility systems in Oklahoma which has developed a means of allowing member systems to work together on storm restoration and/or construction projects called the Mutual Aid Agreement; and,

WHEREAS, it is necessary for member systems to properly adopt an agreement that allows members to work together and which outlines policies and procedures to ensure fairness to and legal protection for the members working together; and,

WHEREAS, it is the desire of the Sallisaw Municipal Authority, a municipal utility, to join with fellow member municipal utilities through the OMA Mutual Aid Agreements to be available to assist other members and/or to request assistance from others when it is determined that such assistance is needed;

NOW THEREFORE BE IT RESOLVED, that the Trustees of the Sallisaw Municipal Authority, a Public Trust of the City of Sallisaw, Oklahoma, hereby approve participation in the mutual aid program through the **OMA Mutual Aid Agreements for Electric and Public Works Utility Systems,** and hereby make their utility personnel and equipment available to assist fellow municipalities when possible and when requested; and,

BE IT FURTHER RESOLVED, as a result hereof, the Trustees of the Sallisaw Municipal Authority, a Public Trust of the City of Sallisaw, Oklahoma, is hereby authorized to request assistance for the utility system through the Mutual Aid Agreements when such need arises.

PASSED AND APPROVED by the Board of City Commissioners of the City of Sallisaw, Oklahoma on the **9th** day of **March, 2020**.

SALLISAW MUNICIPAL AUTHORITY
BOARD OF TRUSTEES

By:__________________________________
Ernie Martens, Chairman

ATTEST:

____
Dianna Davis, Secretary
(SEAL)

MUTUAL AID AGREEMENT - ELECTRIC

ARTICLE I. PURPOSE

The Oklahoma Municipal Alliance Mutual Aid Agreement is hereby established to provide a method whereby municipal electricity transmission and distribution utilities sustaining physical damage from natural disasters can obtain emergency assistance in the form of personnel, equipment, and materials, from other electric distribution utilities AND whereby participating utilities may obtain the same assistance in support of general operations. The purpose of this Agreement is to formally document such program and address current procedures.

ARTICLE II. DEFINITIONS

A. **AGREEMENT** –Oklahoma Municipal Alliance Mutual Aid Agreement. The original Agreement and all signatory pages shall be kept at the Oklahoma Municipal Alliance office, 308 NE 27th Street, Oklahoma City, Oklahoma 73105.

B. **ASSISTING UTILITY** - Any participating utility which agrees to provide assistance to a REQUESTING UTILITY pursuant to this Agreement.

C. **AUTHORIZED REPRESENTATIVE** - An employee of a PARTICIPATING UTILITY authorized by that utility to request or offer assistance under the terms of this Agreement.

D. **PARTICIPATING UTILITY** - Any electric system which executes this Mutual Aid Agreement.

E. **PERIOD OF ASSISTANCE** - The period of time covered by this Mutual Aid Agreement by which the REQUESTING UTILITY will reimburse the ASSISTING UTILITY for covered costs including, but not limited to, personnel, equipment usage based on a standard fee schedule, meals and lodging incurred by responding personnel.

BEGINS: With the departure of personnel of the ASSISTING UTILITY from any point for the purpose of traveling to the REQUESTING UTILITY in order to provide assistance.

ENDS: The period ends upon the return of all personnel of the ASSISTING UTILITY, after providing the assistance requested, to their residence or place of work whichever is first to occur.

EXCEPTION: The period of assistance shall not include any portion of the trip to the REQUESTING UTILITY or the return trip from the REQUESTING UTILITY during which the personnel of the ASSISTING UTILITY are engaged in a course of conduct not reasonably necessary to their safe arrival at or return from the REQUESTING UTILITY.

F. **REQUESTING UTILITY** - Any PARTICIPATING UTILITY which sustains physical damage to its electrical system due to a natural disaster OR for general operations and seeks assistance pursuant to this Agreement.

G. **WORK OR WORK-RELATED PERIOD** - Any period of time in which either the personnel or equipment of the ASSISTING UTILITY are being used by the requesting utility to provide assistance. Specifically included within such period of time are rest breaks when the personnel of the assisting utility will return to active work within a reasonable time. Specifically excluded within such a period of time are overnight rests in a hotel or other sleeping facility, breakfast, lunch, and dinner breaks.

ARTICLE III. <u>PROCEDURE</u>

In the event that a PARTICIPATING UTILITY becomes a REQUESTING UTILITY, the following procedure shall be followed:

A. The REQUESTING UTILITY shall initiate a request for Mutual Aid through one of the following methods:

1. contact the authorized representative of one or more of the PARTICIPATING UTILITIES;
2. Contact the OMA JTS Director; or,
3. Contact the Oklahoma Municipal Power Authority (OMPA) operations center.
4. Upon contact, the REQUESTING UTILITY will provide them with the following information:
    - i. A general description of the damage sustained or work to be performed;
    - ii. The part of the electrical system for which assistance is needed, e.g. generation, transmission, substation, or distribution;
    - iii. The amount and type of personnel, equipment, materials and supplies needed and a reasonable estimate of the length of time they will be needed;
    - iv. The present weather conditions and the forecast for the next twenty-four hours; and,
    - v. A specific time and place for a representative of the REQUESTING UTILITY to meet the personnel and equipment of the ASSISTING UTILITY.
    - vi. The system voltages of the requesting utility anticipated to be worked on.

B. When contacted by a REQUESTING UTILITY, the authorized representative of a PARTICIPATING UTILITY shall assess his/her utility's situation to determine whether it is capable of providing assistance. No PARTICIPATING UTILITY shall be under any obligation to provide assistance to a REQUESTING UTILITY. If the authorized representative determines that his/her utility is capable of, and willing to provide assistance, he/she shall so notify the authorized representative of the REQUESTING UTILITY and provide him/her with the following information:
   1. A complete description of the personnel, equipment, and materials to be furnished to the REQUESTING UTILITY;
   2. The length of time the personnel, equipment, and material will be available;
   3. The work experience and ability of the personnel and the capability of the equipment to be furnished;
   4. The name of the person or persons to be designated as supervisory personnel; and
   5. The estimated time when the assistance provided will arrive at the location designated by the authorized representative of the REQUESTING UTILITY.

C. The personnel and equipment of the ASSISTING UTILITY shall remain, at all times, under the direct supervision and control of the designated supervisory personnel of the ASSISTING UTILITY. Representatives of the REQUESTING UTILITY shall suggest work assignments and schedules for the personnel of the assisting utility; however, the designated supervisory personnel of the ASSISTING UTILITY shall have the exclusive responsibility and authority for assigning work and establishing work schedules for the personnel for the ASSISTING UTILITY. The designated supervisory personnel shall maintain daily personnel time records and a log of equipment hours, be responsible for the operation and maintenance of the equipment furnished by the assisting utility, and report work progress to the REQUESTING UTILITY.

D. The REQUESTING UTILITY shall have the responsibility of providing food and housing for the personnel of the ASSISTING UTILITY from the time of their arrival at the designated location to the time of their departure. The food and shelter provided shall be subject to the approval of the supervisory personnel of the ASSISTING UTILITY.

E. The REQUESTING UTILITY shall have the responsibility of providing communication between the personnel of the ASSISTING UTILITY and the REQUESTING UTILITY.

ARTICLE IV. <u>REIMBURSABLE EXPENSES</u>

The terms and conditions governing reimbursement for any assistance provided under this Agreement shall be agreed upon prior to the providing of such assistance and shall be in accordance with the following provisions:

A. **PERSONNEL** - During the period of assistance, the ASSISTING UTILITY shall continue to pay its employees according to its then prevailing rules and regulations. The REQUESTING UTILITY shall reimburse the ASSISTING UTILITY for all direct and indirect payroll costs and expenses incurred during the period of assistance, including, but not limited to, employee pensions and benefits as defined by the FEMA reimbursable payroll guidelines.

B. **EQUIPMENT** - The ASSISTING UTILITY shall be reimbursed for the use of its equipment during the period of assistance according to either a pre-established hourly rate or the most recent FEMA Schedule of Equipment Rates which includes fuel and maintenance of equipment. (Appendix B)

C. **MATERIALS AND SUPPLIES** - The ASSISTING UTILITY shall be reimbursed for all materials and supplies furnished by it and used or damaged during the period of assistance, unless such damage is caused by negligence of the ASSISTING UTILITY's personnel. The measure of reimbursement shall be the replacement cost of the materials and supplies used or damaged plus ten (10) percent of such cost. In the alternative, the parties may agree that the REQUESTING UTILITY will replace, with a like kind and quality as determined by the ASSISTING UTILITY, the materials and supplies used or damaged.

D. **PAYMENT** - The ASSISTING UTILITY shall bill the requesting utility for all reimbursable expenses not later than the 15th day of the month following the period of assistance. The REQUESTING UTILITY shall pay the bill in full not later that the 15th day following the billing date. Unpaid bills shall become delinquent upon the 16th day following the billing date and once delinquent shall accrue interest at the rate of twelve (12) percent per annum.

ARTICLE V. <u>INSURANCE</u>

Each PARTICIPATING UTILITY shall bear the risk of its own actions, as it does with its day-to-day operations, and determine for itself what kinds of insurance, and in what amounts, it should carry. Each utility should have in its file a letter from their own insurance carrier authorizing them to work under the guidelines of this Agreement, and that there will be no lapse in their insurance coverage either on employees, vehicles, or liability.

ARTICLE VI. <u>DISPUTE RESOLUTION</u>

All disputes between two or more PARTICIPATING UTILITIES arising from participation in this Agreement, which cannot be settled through negotiation, shall be submitted to DISPUTE RESOLUTION before a panel of three persons chosen from the members of the Oklahoma Municipal Alliance which are PARTICIPATING UTILITIES, excluding those members that are parties to the dispute.

If there are two parties to the dispute, each one shall choose one panel member and those two panel members shall agree on a third. If the two panel members cannot agree, the third panel member shall be appointed by the President of the Oklahoma Municipal Alliance Board of Directors.

If the parties cannot be equitably divided into two adverse sides or if, for any other reason the above procedures for choosing panel members are inadequate the three members of the panel shall be designated by the President of the Oklahoma Municipal Alliance Board of Directors.

The panel shall adopt rules of procedure and evidence, shall determine all issues in dispute by majority vote and shall assess damages. The decision of the panel shall be made known to all parties and the Oklahoma Municipal Alliance Board of Directors.

NOW, THEREFORE, in consideration of the covenants and obligations contained herein, the _____ ____ duly executes this Oklahoma Municipal Alliance Mutual Aid Agreement this _______________ day of ____________________________ 20____.

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For the Participating Utility

ATTEST:

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For the Oklahoma Municipal Alliance

ATTEST:

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Oklahoma Municipal Alliance

MUTUAL AID AGREEMENT

ARTICLE I. PURPOSE

The Oklahoma Municipal Alliance Mutual Aid Agreement is hereby established to provide a method whereby a Member Municipality and/or Public Works Authority (i.e. water, wastewater, streets, and other public trusts) sustaining physical damage from natural disasters could obtain emergency assistance, in the form of personnel, equipment, and materials, from other municipalities/public works authorities AND whereby participating municipalities/authorities may obtain the same assistance in support of general operations. The purpose of this Agreement is to formally document such a program and address current procedures.

ARTICLE II. DEFINITIONS

A. **AGREEMENT** –Oklahoma Municipal Alliance Mutual Aid Agreement. The original Agreement and all signatory pages shall be kept at the Oklahoma Municipal Alliance office, 308 NE 27th Street, Oklahoma City, Oklahoma 73105.

B. **ASSISTING AUTHORITY** - Any PARTICIPATING MUNICIPALITY/AUTHORITY which agrees to provide assistance to a REQUESTING AUTHORITY pursuant to this Agreement.

C. **AUTHORIZED REPRESENTATIVE** - An employee of a PARTICIPATING AUTHORITY authorized by that AUTHORITY to request or offer assistance under the terms of this Agreement.

D. **PARTICIPATING MUNICIPALITY/AUTHORITY** - any duly constituted municipality, public works authority or municipal trust which adopts the OMA Mutual Aid Agreement and has a signed agreement on file prior to a request/response for assistance.

E. **PERIOD OF ASSISTANCE** – The period of time covered by this Mutual Aid Agreement by which the REQUESTING AUTHORITY will reimburse the ASSISTING AUTHORITY for covered costs including, but not limited to, personnel, equipment usage based on a standard fee schedule, meals and lodging incurred by responding personnel.

BEGINS: With the departure of personnel of the ASSISTING AUTHORITY from any point for the purpose of traveling to the REQUESTING AUTHORITY in order to provide assistance.

ENDS: The period ends upon the return of all personnel of the ASSISTING AUTHORITY, after providing the assistance requested, to their residence or place of work whichever is first to occur.

EXCEPTION: The period of assistance shall not include any portion of the trip to the REQUESTING AUTHORITY or the return trip from the REQUESTING AUTHORITY during which the personnel of the ASSISTING AUTHORITY are engaged in a course of conduct not reasonably necessary to their safe arrival at or return from the REQUESTING AUTHORITY.

F. **REQUESTING AUTHORITY** - Any PARTICIPATING AUTHORITY which sustains physical damage to its facilities due to a natural disaster OR for general operations and seeks assistance pursuant to this Agreement.

G. **WORK OR WORK-RELATED PERIOD** - Any period of time in which either the personnel or equipment of the ASSISTING AUTHORITY are being used by the REQUESTING AUTHORITY to provide assistance. Specifically included within such period of time are rest breaks when the personnel of the ASSISTING AUTHORITY will return to active work within a reasonable time. Specifically excluded within such a period of time are overnight rests in a hotel or other sleeping facility, breakfast, lunch, and dinner breaks.

ARTICLE III. <u>PROCEDURE</u>

In the event that a PARTICIPATING AUTHORITY becomes a REQUESTING AUTHORITY, the following procedure shall be followed:

A. The REQUESTING AUTHORITY shall contact the authorized representative of one or more of the PARTICIPATING AUTHORITIES and provide them with the following information:

1. A general description of the damage sustained or work to be performed;
2. The part of their facilities for which assistance is needed, e.g. water, wastewater, streets, or other public trust facilities;
3. The amount and type of personnel, equipment, materials and supplies needed and a reasonable estimate of the length of time they will be needed;
4. The present weather conditions and the forecast for the next twenty-four hours; and,
5. A specific time and place for a representative of the REQUESTING AUTHORITY to meet the personnel and equipment of the ASSISTING AUTHORITY.

B. When contacted by a REQUESTING AUTHORITY, the authorized representative of a PARTICIPATING AUTHORITY shall assess his/her AUTHORITY's ability to provide assistance at the time of the request. No PARTICIPATING AUTHORITY shall be under any obligation to provide assistance to a REQUESTING AUTHORITY. If the authorized representative determines that his/her AUTHORITY is prepared to provide assistance, he/she shall so notify the authorized representative of the REQUESTING AUTHORITY and provide him/her with the following information:

1. A complete description of the personnel, equipment, and materials to be furnished to the REQUESTING AUTHORITY;
2. The length of time the personnel, equipment, and material will be available;
3. The work experience and ability of the personnel and the capability of the equipment to be furnished;
4. The name of the person or persons to be designated as supervisory personnel; and
5. The estimated time when the assistance provided will arrive at the location designated by the authorized representative of the REQUESTING AUTHORITY.

C. The personnel and equipment of the ASSISTING AUTHORITY shall remain, at all times, under the direct supervision and control of the designated supervisory personnel of the ASSISTING AUTHORITY. Representatives of the REQUESTING AUTHORITY shall suggest work assignments and schedules for the personnel of the assisting authority; however, the designated supervisory personnel of the ASSISTING AUTHORITY shall have the exclusive responsibility and authority for assigning work and establishing work schedules for the personnel for the ASSISTING AUTHORITY. The designated supervisory personnel shall maintain daily personnel time records and a log of equipment hours; be responsible for the operation and maintenance of the equipment furnished by the assisting authority; and, report work progress to the REQUESTING AUTHORITY.

D. The REQUESTING AUTHORITY shall have the responsibility of providing food and housing for the personnel of the ASSISTING AUTHORITY from the time of their arrival at the designated location to the time of their departure. The food and shelter provided shall be subject to the approval of the supervisory personnel of the ASSISTING AUTHORITY.

E. The REQUESTING AUTHORITY shall have the responsibility of providing communication between the personnel of the ASSISTING AUTHORITY and the REQUESTING AUTHORITY.

ARTICLE IV. REIMBURSABLE EXPENSES

The terms and conditions governing reimbursement for any assistance provided under this Agreement shall be agreed upon prior to the providing of such assistance and shall be in accordance with the following provisions:

A. **PERSONNEL** - During the period of assistance, the ASSISTING AUTHORITY shall continue to pay its employees according to its then prevailing rules and regulations. The REQUESTING AUTHORITY shall reimburse THE ASSISTING AUTHORITY for all direct and indirect payroll costs and expenses incurred during the period of assistance, including, but not limited to, employee pensions and benefits as defined by the FEMA reimbursable payroll guidelines.

B. **EQUIPMENT** - The ASSISTING AUTHORITY shall be reimbursed for the use of its equipment during the period of assistance according to either a pre-established hourly rate or the most recent FEMA Schedule of Equipment Rates which includes fuel and maintenance of equipment.

C. **MATERIALS AND SUPPLIES** - The ASSISTING AUTHORITY shall be reimbursed for all materials and supplies furnished by it and used or damaged during the period of assistance, unless such damage is caused by negligence of the ASSISTING AUTHORITY's personnel. The measure of reimbursement shall be the replacement cost of the materials and supplies used or damaged plus ten (10) percent of such cost. In the alternative, the parties may agree that the REQUESTING AUTHORITY will replace, with a like kind and quality as determined by the ASSISTING AUTHORITY, the materials and supplies used or damaged.

D. **PAYMENT** - The ASSISTING AUTHORITY shall bill the REQUESTING AUTHORITY for all reimbursable expenses not later than the 15th day of the month following the period of assistance. The REQUESTING AUTHORITY shall pay the bill in full not later that the 15th day following the billing date. Unpaid bills shall become delinquent upon the 16th day following the billing date and once delinquent shall accrue interest at the rate of twelve (12) percent per annum.

ARTICLE V. INSURANCE

Each PARTICIPATING AUTHORITY shall bear the risk of its own actions, as it does with its day-to-day operations, and determine for itself what kinds of insurance, and in what amounts, it should carry. Each PARTICIPATING AUTHORITY should have in its file a letter from their own insurance carrier authorizing them to work under the guidelines of this Agreement, and that there will be no lapse in their insurance coverage either on employees, vehicles, or liability.

ARTICLE VI. DISPUTE RESOLUTION

All disputes between two or more PARTICIPATING AUTHORITIES arising from participation in this Agreement, which cannot be settled through negotiation, shall be submitted to DISPUTE RESOLUTION before a panel of three persons chosen from the members of the Oklahoma Municipal Alliance which are PARTICIPATING AUTHORITIES, excluding those members that are parties to the dispute.

If there are two parties to the dispute, each one shall choose one panel member and those two panel members shall agree on a third. If the two panel members cannot agree, the third panel member shall be appointed by the President of the Oklahoma Municipal Alliance Board of Directors.

If the parties cannot be equitably divided into two adverse sides or if, for any other reason the above procedures for choosing panel members are inadequate the three members of the panel shall be designated by the President of the Oklahoma Municipal Alliance Board of Directors.

The panel shall adopt rules of procedure and evidence, shall determine all issues in dispute by majority vote and shall assess damages. The decision of the panel shall be made known to all parties and the Oklahoma Municipal Alliance Board of Directors.

NOW, THEREFORE, in consideration of the covenants and obligations contained herein, the _____ ____ duly executes this Oklahoma Municipal Alliance Mutual Aid Agreement this ________________ day of ______________________________ 20____.

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For the Participating Authority

ATTEST:

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For the Oklahoma Municipal Alliance

ATTEST:

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OKLAHOMA MUNICIPAL ALLIANCE

MUTUAL AID PLANNING GUIDE

Purpose

In past major incidents, it was apparent that all utilities are vulnerable to problems if we experience wide-spread storms. Storms such as ice storms, high speed straight winds, and tornados can affect large areas and more than one utility. It is possible there will be so much damage that many will go without power for weeks and suffer significant economic and personal hardships because of this. Fortunately, this hasn't been the case for most of our members.

Because cities belong to the OMA Mutual Aid Program, we are able to dispatch crews to cities that have need of assistance. In a federally declared emergency, **FEMA will not reimburse a city for assistance provided by another utility in an emergency if the cities aren't part of a mutual aid agreement. This agreement has been part of OMA city operations for over 30 years**. We are updating it as we should from time to time.

This packet contains a new Mutual Aid Agreement for your electric utility. There are two copies, and we have signed and attested each copy. Please have the individual in your organization who can sign such agreements sign and have this agreement attested and return one copy to our office along with the resource information.

The Contacts list needs updating with cell numbers as it is more likely a storm will hit outside of normal business hours, so we need those emergency and cell numbers. We are expanding this list to include system information, arc flash rating requirements, and other helpful information. A copy of the list is provided with these guidelines.

The agreement is in place to protect you in case you need assistance and to give you an outline of your responsibilities in periods of emergency. Please note that you do not have to respond to an emergency request. This is a voluntary assistance program. Cities who receive assistance pay for the assistance. Of course, having another city help is much lower in cost than having a contractor assist. For smaller cities, this agreement ensures that you can get assistance from larger cities should you need it and request it. And larger cities have benefited by having help from smaller cities for items such as meter replacements during ice events.

Every OMA member city has been a participant in this program in the past, and your city is still a member of the Mutual Aid Program. However, we do believe it is a good idea to update and renew such agreements and to update our contact lists.

So to start with, we are going to go through the steps you as a city official would take in the event that there is a need for Mutual Aid.

For Cities Requesting Aid

1. Call OMA as soon as you believe you might need assistance. The OMA office number is 405.528.7564 or 1.800.636.6376. If it is not business hours, call the OMPA 24-hour Mutual Aid/Emergency Assistance number at 405.340.8313, Tom Dougherty at (Cell) 405.323.2570, or Tom Rider at (Office) 405.528.7564 ext. 2 or (Cell) 405.394.0100.

2. Do you need assistance in performing a damage assessment? OMA or the assisting utility may be able to provide this assistance in advance to help establish what type of assistance you need prior to sending crews, equipment, and material. If you do not need this assistance, continue on with item 3.

3. Identify the incident that requires, or may require assistance (EX: Severe weather is headed our way and we want crews ready in case we are affected).

4. Identify any types of crews needed whether underground, overhead, or other. How many crews, and type of crews, do you need? OMA will attempt to find cities to meet the need. Often, it will take three or four cities to meet an emergency need.

5. Identify the types of materials you need. Tell us type(s) of wire, poles, crossarms, and other associated materials. This is where it is helpful for you to have sent the resource information request on your system and inventory.

6. Identify the types of equipment you may need. This includes bucket trucks, digger derricks, service trucks, and other associated specialty equipment/tools.

7. Do you need help coordinating your response to the disaster? If your city has staff and crews that can coordinate and direct the crews of other cities, you should be fine. However, if you would like for OMA or the assisting utility to send an incident coordinator to your city, we will attempt do so. You will be charged for the cost of providing this service. If you need financial assistance to help pay for the assistance of other cities, OMA will try to help.

8. Let us know where crews may find hotel space and restaurant services or have that information available in your disaster preparedness file. Keep this information for neighboring towns as it's likely that these services may not be available in your city if you are calling for aid. It's a good idea to get hotel information from neighboring cities as your hotel space may not be usable in an emergency.

If your city is spared from damage and has crews who can help, call the OMA office to let us know how you may be able to help.

Information Request

Attached to this guide is a request for information on your distribution system. Please fill it out and return it to the OMA office.

Preparing for Disaster and Mutual Aid

If your city does not have an emergency operations plan, you should start one. Your local civil defense or emergency management office can help you as can larger neighboring cities.

Set out the important tasks that would be needed after a major storm interrupts electric services. Line out the tasks your local crews would be doing in such a situation and how you would best use outside help.

Start now to plan on how best to use your own crews. Do your street and garbage workers, your water and sewer personnel know how to help clear streets and get rid of excess debris? Do you have a place for tons of brush to be deposited? Where could you set up a monster chipper to chip all the trees in town?

Cities who respond best have their various city personnel cross-trained to help in case of such problems. This means having a few extra chain saws.

Do you keep spare poles and crossarms? In most storms, the most needed items are crossarms, connector pins, lightning arrestors, cut outs, and fuses – all of the hardware on an overhead pole. Transformers are not usually put out of commission in great numbers, and poles are often available. However, every city should keep some poles on hand.

Often, tree crews are needed more than pole line crews. Don't hesitate to ask for help if it's just a brush problem. Getting your city back in operation as fast as possible is necessary to keep your local economy running. Pay for a half dozen men for a couple of days won't break the bank.

If not already in existence, establish and fund an emergency fund. These are funds that are immediately available to pay incurred expenses from storm clean-up and restoration of services. If the storm is large, you are likely to be declared a disaster zone. Then other government agencies will help pay a percentage of the cost of repairs. If the storm is declared a federal disaster, FEMA reimbursement of 75% of eligible expenditures can be claimed. If the state has funding, an additional 12.5% may be available. To qualify for reimbursement eligibility, a utility must be a participant in the OMA Mutual Aid program. As a suggestion, your city should keep an amount for emergency repairs equal or greater than $100.00 times the number of meters you have on your system. Keep in mind, an incident involving a substation and/or large portion of your electric system could be very costly to repair and return to service.

For Cities Sending Aid

1. Tell your crews to pack enough work clothes for however long the assistance is expected to last. Be sure they have some money or a city credit card for them to use. The damaged utility may be able to cover this expense, but that is not always the case.

2. Take a quick inventory of who you are sending and the equipment you're sending. Develop a form for inventory used from your equipment to make billing the city you are assisting easier (an example is provided with these guidelines).

3. Establish a fee schedule per hour for your trucks and equipment. The schedule must be in compliance with FEMA Reimbursement Guidelines.

4. Have communication devices for your crews, if possible. If you know who the contact is at the city where they are dispatched, let the crew know. Also, get a location for the crew to arrive and receive instructions.

5. Tell each crew to work safely. Safety is first.

6. Be sure all crew members have city identification cards. In some cities, areas will be zoned off, and only properly identified crews may be able to work in those areas.

When the assisting utility arrives at the damaged utility location, there should be a briefing to explain what the current situation is, what the responsibilities of each utility are, and most importantly, what safety precautions have been or need to be taken.

Over the years, the OMA Mutual Aid Program has been used by over 40 of our member cities. It has been a very effective tool in restoring service in emergencies and for providing short-term help when cities need construction assistance. Please return the information sheet and the new agreement soon.

For more information or questions, contact Tom Dougherty, OMA, (405) 528-7564, 1-800-636-6376, or tomd@okmainc.com.

Developed: 11/20/2013

Revised: 1/6/2020