

**SALLISAW MUNICIPAL AUTHORITY
REGULAR MEETING**

December 13, 2021

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

**Wheeler Event 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 November 8, 2021**
- 4. Discuss and Consider Approval of Change Order No. 1, for the Wastewater Treatment Plant Bar Screen Project, in the Amount of \$36,500.00**
- 5. Discuss and Consider Approval of Purchase Order 88071, Issued to Kirby Smith Machinery, Inc., Tulsa, OK, In The Amount Not To Exceed \$36,000.00 For The Replacement of D6 Landfill Dozer Undercarriage**
- 6. Discuss and Consider Approval of Contract for Electric Service with SLPT**
- 7. Discuss and Consider Approval of Staff's Request to Reinvest the Sallisaw Municipal Authority Certificate of Deposit with National Bank of Sallisaw for 182 Days at .21%**
- 8. Discuss and Consider Approval of Staff's Request to Reinvest the Meter Fund Certificate of Deposit with National Bank of Sallisaw for 182 Days at .21%**

9. Administrative Reports

10. Adjourn

Posted: DECEMBER 10, 2021

Time: 10:30 A.M.

Dianna Davis

MINUTES
SALLISAW MUNICIPAL AUTHORITY
REGULAR MEETING
NOVEMBER 8, 2021

The Sallisaw Municipal Authority met in a regular meeting on November 8, 2021, in the Wheeler Event Center, 103 North Wheeler, Sallisaw. Notice of the meeting was given by e-mailing to Sequoyah County Times; by posting at city hall; by posting on the city's website; and, by giving notice to the City Clerk.

Members present: Ernie Martens, Chairman
Ronnie Lowe, Trustee, Ward 1
Josh Bailey, Trustee, Ward 2
Julian Mendiola, Trustee, Ward 3
Kristin Peerson, Trustee, Ward 4

Members absent: (None)

Staff present: Keith Skelton, General Manager
John R. Montgomery, City Attorney
Dianna Davis, Secretary to the Authority
Keith Miller, Building Development Director
Robin Haggard, Director of Finance
Randy Sizemore, Purchasing Agent
Gene Martin, Equipment Services Supt.
Jessica Robertson, Customer Service Supervisor\
George Bormann, Grants Admin./Eco. Dev. Dir.
Devin Harriman, Patrolman

Others present: Reece Bush; Robert Morris; Joann Hagan; Roy Faulkenberry.

Chairman Martens called the meeting to order at 6:15 p.m. and declared a quorum was present.

DISCUSS AND CONSIDER APPROVAL OF MINUTES OF REGULAR MEETING OF OCTOBER 11, 2021 AND OCTOBER 28, 2021

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

CONSIDER APPROVAL OF REGULAR MEETING DATES FOR CALENDAR YEAR 2022

Motion was made by Lowe, seconded by Mendiola, for approval of regular meeting dates for calendar year 2022, as presented. Vote: Lowe aye; Mendiola aye; Peerson aye; Bailey aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER AWARD OF ITEMS RELATED TO THE WASTEWATER TREATMENT PLANT BAR SCREEN PROJECT

(a) Accept Bids Received

Motion was made by Mendiola, seconded by Bailey, to accept the bids received. Vote: Mendiola aye; Bailey aye; Peerson aye; Lowe aye; Martens aye. Motion carried 5-0.

(b) Discuss and Consider Award of Contract to HCCCo, Inc., of Tulsa, Oklahoma, in the Amount of \$445,009.00

Motion was made by Mendiola, seconded by Bailey, to award the contract to HCCCo, Inc., of Tulsa, in the amount of \$445,009.00. Vote: Mendiola aye; Bailey aye; Peerson aye; Lowe aye; Martens aye. Motion carried 5-0.

DISCUSS AND RATIFY FINANCIAL ADVISOR, AND LEGAL SERVICES AGREEMENTS FOR THE 2021 REFINANCING OF SERIES 2012 BONDS

Following discussion, motion was made by Bailey, seconded by Peerson, for approval of the Financial Advisor and Legal Services Agreements. Vote: Bailey aye; Peerson aye; Lowe aye; Mendiola aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL CHANGING OF MEMORANDUM OF WINTER STORM URI COST-RECOVERY METHOD; CHANGING ORIGINAL SELECTION OF 120 MONTHS TO PAYING IN FULL; AND, AUTHORIZE THE GENERAL MANAGER TO SIGN THE MEMORANDUM

Following discussion, motion was made by Peerson, seconded by Lowe, for approval. Vote: Peerson aye; Lowe aye; Bailey aye; Mendiola aye; Martens aye. Motion carried 5-0.

**PRESENTATION AND DISCUSSION OF THE FISCAL YEAR 2021
UTILITY REPORT; AND, POSSIBLE DIRECTION TO STAFF**

The City Manager presented the FY 2021 Utility Report to council. He reviewed the revenue and expense summary page, unpaid debt, and electric rate schedule. He asked council to review and if they have questions, please let him know.

ADMINISTRATIVE REPORTS

None.

ADJOURN

Motion was made by Lowe, seconded by Bailey, to adjourn the meeting there being no further business. Vote: Lowe aye; Bailey aye; Mendiola aye; Peerson aye; Martens aye. Motion carried 5-0. The meeting adjourned at 6:28 p.m.

APPROVED the 13th day of DECEMBER 2021.

SECRETARY TO THE AUTHORITY

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date: December 13, 2021
Board: Sallisaw Municipal Authority
Subject: Bar Screen Project - Change Order No. 1

ITEM TITLE: Discuss and Consider Approval of Change Order No. 1, for the Wastewater Treatment Plant Bar Screen Project, in the Amount of \$36,500.00

INITIATOR: Neel, Harvell & Associates, Project Engineer

STAFF INFORMATION SOURCE: Building Development Director

BACKGROUND: Approval of this change order will provide for the installation of the splitter box, slide gate, and necessary electrical work. This item was removed from the FEB Phase II contract, as this work needs to be completed during the bar screen phase. Original contract price \$445,009.00 plus \$36,500.00 will bring the new contract price to \$481,509.00

EXHIBITS: 1. Bar Screen Project - Chg. Ord. No. 1

KEY ISSUES: This work needs to be moved to this portion of the project.

FUNDING SOURCE: SMA Series 2020 Bond Issue, GL# 90-705-57504

RECOMMENDATION: Approval of Change Order No. 1, for the Wastewater Treatment Plant Bar Screen Project, in the Amount of \$36,500.00.

CONTRACT CHANGE ORDER

ORDER NO. 1

DATE December 1, 2021

CONTRACT FOR: Wastewater Treatment Plant Improvements - Bar Screen

STATE Oklahoma

OWNER: Sallisaw Municipal Authority

COUNTY Sequoyah

Job No: 20-6784

TO: HCCCo, LLC You are hereby requested to comply with the following changes from the contract plans and specifications:

Description of Changes (Supplemental Plans and Specifications Attached)		DECREASE in Contract Price	INCREASE in Contract Price
<u>Items</u>	<u>Description</u>		
New Item #23	Install Splitter Box with Slide Gate Lump Sum		+ \$ 1,500.00
New Item #24	Electrical Lump Sum		+ \$ 35,000.00
NET CHANGE IN CONTRACT			\$ + 36,500.00

JUSTIFICATION: These items were removed from the FEB Project and placed in the Bar Screen Project due to a construction issue.

ORIGINAL CONTRACT PRICE \$ 445,009.00

CHANGE ORDER #1 \$ + 36,500.00

NEW CONTRACT PRICE \$ 481,509.00

The amount of the Contract will be (Decreased) (Increased) By The Sum Of

Thirty Six Thousand Five Hundred Dollars 00/100 (\$ +36,500.00)

The Contract Total including this and previous Change Orders Will Be:

Four Hundred Eight One Thousand Five Hundred Nine Dollars 00/100 (\$ 481,509.00)

The Contract Period Provided for Completion Will Be (Increased) (Decreased) (Unchanged): Days

This document will become a supplement to the contract and all provisions will apply hereto.

Requested _____
(Owner)

(Date)

Recommended _____
(Project Manager)

(Date)

Accepted _____
(Contractor)

(Date)

AGENDA ITEM COMMENTARY

Meeting Date: December 13, 2021
Board: Sallisaw Municipal Authority
Subject: Landfill D6 Undercarriage

ITEM TITLE: Discuss and Consider Approval of Purchase Order 88071, Issued to Kirby Smith Machinery, Inc., Tulsa, OK, In The Amount Not To Exceed \$36,000.00 For The Replacement of D6 Landfill Dozer Undercarriage

INITIATOR: Landfill Superintendent

STAFF INFORMATION SOURCE: Landfill Superintendent

BACKGROUND: For the FY 2022 budget, we budgeted \$40,000 for the replacement of an undercarriage in one of our D6 dozers used at the landfill. The Landfill Superintendent has received two quotations for the maintenance work.

Kirby Smith Machinery, Tulsa, OK	\$30,131.89
Warren Cat, Tulsa, OK	\$84,031.00

EXHIBITS: 1. Kirby Smith Dozer Undercarriage Quote
2. Warren Cat Undercarriage Quote

KEY ISSUES: In addition to the undercarriage replacement, we will need to purchase a final drive Guard Kit. This keeps landfill material from wrapping around the final drive of the unit and causing damage. Kirby Smith has agreed to install the guard for us. City will purchase this item from another vendor at a cost of \$15,950.00.

FUNDING SOURCE: SMA GL# 90-504-55402

RECOMMENDATION: Staff recommends approval of PO 88071 in the amount not to exceed \$36,000.00, issued to Kirby Smith Machinery, Inc., Tulsa, OK.



12321 E Pine St
Tulsa, OK 74116
800-375-3733
Fax: 918-437-7065

www.kirby-smith.com

Ship To: CUSTOMER PICK UP

Invoice To: CITY OF SALLISAW
111 N ELM STREET
PO BOX 525
SALLISAW OK 74955

Attention: Jamie Phillips

Branch 02 - TULSA		
Date 11/18/2021	Time 11:48:57 (O)	Page 1
Account No SALLI001	Phone No 9187756241	Est No 02 011406
Ship Via Direct ship		Purchase Order NEED
Tax ID No GOV'T		12/31/9999
		Salesperson 240 / 240

ESTIMATE EXPIRY DATE: 12/18/2021

SERVICE ESTIMATE - NOT AN INVOICE

***** Segment 01 *****

Stock #: 011208 DOZER MS #: TSM135
Make: CT Model: D6T-XL
Is to have the following work done

Replace U/C with New

ADDITIONAL DESCRIPTION:

1. Replace complete U/C with New.

NOTE: New Rails come with Pads Installed

Part#	Description	Qty	Price	Amount
CR5534/41	TLS SALT	2	3661.84	7323.68
CR4443/24	SHOE 24"	80	63.67	5093.60
CR3695/24	M SHOE 24"	2	63.93	127.86
6V1792	BOLT	320	1.26	403.20
1S1860	NUT	320	1.30	416.00
ASM3	LABOR TO INSTAL	2	206.25	412.50
CR4800	T/C ROLLER	2	254.56	509.12
0101062080	BOLT	4	1.60	6.40
8T3282	WASHER-ROLLER	76	.19	14.44
CR6088	S/F ROLLER	8	212.80	1702.40
6V5845	ROLLER BOLT	56	1.53	85.68
CR5515L	SPROCKET D6H	2	333.00	666.00
6V0937	SEGMENT BOLT	50	.77	38.50
2S5658	WASHER	50	.16	8.00
7H3607	SEGMENT NUT	1	.29	.29
2061895ITR	Idler	4	960.93	3843.72
1523421	Cap As-Tck I	8	24.41	195.28
1656946	Block-Tck Id	8	33.11	264.88
6V9167	Bolt	16	3.73	59.68
1400168H2	G2LI GREASE 14	8	4.32	34.56
08880-2	BRAKE CLEAN	6	8.00	48.00



Thank You!
WE APPRECIATE YOUR BUSINESS



X

Signature indicates acceptance of Terms and Conditions on reverse

Abilene 877-577-5729 Amarillo 800-283-1247 Dallas 800-753-1247 Fort Worth 877-851-9977 Kansas City 877-851-5729 Lubbock 866-289-6087 McAlester 918-310-1550 Odessa 877-794-1800 Oklahoma City 800-375-3339 St Louis 866-279-1392 Tulsa 800-375-3733 Waco 254-261-1370

TERMS AND CONDITIONS

Kirby-Smith Machinery, Inc. offers no warranties, expressed or implied as to the quality, durability, workmanship, performance, operation, merchantability, or fitness for a particular purpose of any equipment, goods, parts, material or apparatus sold. Sales personnel of Kirby-Smith Machinery, Inc. are not authorized to make warranties, expressed or implied, about the subject matter described in this sale. Only those warranties as provided by the manufacturer in writing, apply to the equipment, goods, parts, materials, and apparatus sold by Kirby-Smith Machinery, Inc.

This invoice is subject to all of the terms, provisions, conditions and limitations of the sale or lease agreement concerning the goods or equipment sold or leased as described therein. Examine this invoice carefully as it will be deemed correct unless errors are reported to Kirby-Smith Machinery, Inc. within (5) days of the date hereof. Returned items are subject to approval and restocking and handling charges.

Terms of Payment: Equipment sales are due based on terms specified on the sales agreement. All other sales are due and payable 30 days from the invoice date. All accounts not paid at the end of our month's closing will become past due. A **service charge equal to 1.8% APR** will be applied to past due balances.

"Notice is hereby given that Kirby-Smith Machinery, Inc. has assigned its rights under all sales contracts of rental equipment to KSM Exchange LLC. To sell rental equipment described herein and if applicable, to purchase trade-in property described herein."



12321 E Pine St
Tulsa, OK 74116
800-375-3733
Fax: 918-437-7065

www.kirby-smith.com

Ship To: CUSTOMER PICK UP

Invoice To: CITY OF SALLISAW
111 N ELM STREET
PO BOX 525
SALLISAW OK 74955

Attention: Jamie Phillips

Branch 02 - TULSA		
Date 11/18/2021	Time 11:48:57 (O)	Page 2
Account No SALLI001	Phone No 9187756241	Est No 02 011406
Ship Via Direct ship	Purchase Order NEED	
Tax ID No GOV'T	12/31/9999	
		Salesperson 240 / 240

ESTIMATE EXPIRY DATE: 12/18/2021

SERVICE ESTIMATE - NOT AN INVOICE

MISCELLANEOUS CHARGES:	Description	Price	Amount
	ENVIRO FEE	75.00	75.00
	SUPPLIES	300.00	300.00

Parts: 21253.79
Labor: 7200.00
Miscellaneous: 375.00
Subtotal: 28828.79

Authorization: _____

***** Segment 02 *****

DRIVE TIME ONLY

MISCELLANEOUS CHARGES:	Description	Price	Amount
	MILEAGE	623.10	623.10
	PERDIEUM	350.00	350.00

Labor: 330.00
Miscellaneous: 973.10
Subtotal: 1303.10

Authorization: _____

Parts: 21253.79
Labor: 7530.00
Miscellaneous: 1348.10
TOTAL: 30131.89



Thank You!
WE APPRECIATE YOUR BUSINESS



X

Signature indicates acceptance of Terms and Conditions on reverse

Abilene 877-577-5729 Amarillo 800-283-1247 Dallas 800-753-1247 Fort Worth 877-851-9977 Kansas City 877-851-5729 Lubbock 866-289-6087 McAlester 918-310-1550 Odessa 877-794-1800 Oklahoma City 800-375-3339 St Louis 866-279-1392 Tulsa 800-375-3733 Waco 254-261-1370

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CITY OF SALLISAW
PO BOX 525
SALLISAW

ESTIMATE

CUSTOMER NO.	QUOTE NO.	DATE	CONTACT
9988990	76882	3/25/2019	JAMIE PHILLIPS
PHONE NO.	FAX NO.	EMAIL	
918 315 2521		jphillips@sallisawok.org	
MODEL	MAKE	SERIAL NO.	
D6TXL	CATERPILLAR	0LAY01534	
UNIT NO.	HOURS	WO NO.	P.O. NO.

SEGMENT: 00 REMOVE & INSTALL UNDERCARRIAGE (010 4150)
 NOTES:

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
1730946	SEGMENT-SPRO	10	92.32	0	923.20
2024304	IDLER G TRAC	4	1,224.31	0	4,897.24
2349704	SHOE-TRACK	80	55.01	0	4,400.80
2355974	ROLLER GP-CA	2	224.29	0	448.58
2540224	BOLT	8	4.75	0	38.00
2544472	SHOE-TCK MST	2	77.80	0	155.60
2880934	ROLLER GP SF	8	353.29	0	2,826.32
2880935	ROLLER GP DF	6	367.76	0	2,206.56
2S5658	WASHER	50	1.09	0	54.50
4240844	LINK AS-TRAC	2	5,114.53	0	10,229.06
6V0937	BOLT	50	1.05	0	52.50
6Y9024	BOLT	320	2.77	0	886.40
7H3607	NUT	50	1.53	0	76.50
9W4381	NUT	320	1.18	0	377.60
Total Estimated Parts:					27,572.86

Parts Summary

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SJM-**-**-**	STD JOB MACH SHP	49.50	135.00	0	6,682.50
Total Estimated Labor:					6,682.50

Labor Summary

Misc

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
9FM-**-**-**	F/R MISC VAR	1	250.00	0	250.00
Total Estimated Misc:					250.00

Misc Summary

Segment 00 Total: 34,505.36

SEGMENT: 01 REMOVE & INSTALL TRACK ADJUSTER (010 4157)
NOTES:

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
Total Estimated Parts:					0.00

Parts Summary

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SJM-**-**-**	STD JOB MACH SHP	12.00	135.00	0	1,620.00
Total Estimated Labor:					1,620.00

Labor Summary

Misc Summary

Segment 01 Total: 1,620.00

SEGMENT: 03 RECONDITION TRACK ADJUSTER (020 4157)
NOTES:

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
1672323	SEAL-U-CUP	2	30.92	0	61.84
1908609	VALVE FILL	2	18.95	0	37.90
2J6274	SEAL O RING	2	1.38	0	2.76
2S4078	SEAL	2	2.25	0	4.50
2S5926	VALVE	2	8.77	0	17.54
Total Estimated Parts:					124.54

Parts Summary

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SJM-**-**-**	STD JOB MACH SHP	8.00	135.00	0	1,080.00
Total Estimated Labor:					1,080.00

Labor Summary

Misc Summary

Segment 03 Total: 1,204.54

SEGMENT: 04 REMOVE & INSTALL FINAL DRIVE LEFT SIDE (010 4050 ZL)
NOTES:

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
1846022X	60W FDAO 5 GAL	1	118.46	0	118.46
RI-PARTS-3	MISC PARTS	1	150.00	0	150.00
Total Estimated Parts:					268.46

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
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SJM-**-**-**	STD JOB MACH SHP	10.64	135.00	0	1,436.40
Total Flat Rate Labor:					1,436.40

Labor Summary

Segment 04 Total: 1,704.86

SEGMENT: 05 REPLACE WITH DLR EXCHANGE FINAL DRIVE (013 4050)
NOTES:

Parts

Part Number	Description	Qty	Unit Price	Discount%	Ext Price
2606650R	D6 FINAL	1	16,296.00	0	16,296.00
2606650R	CORE DEPOSIT (CORE)	1	28,518.00	0	28,518.00
Total Estimated Parts:					44,814.00

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
SJM-**-**-**	STD JOB MACH SHP	1.35	135.00	0	182.25
Total Flat Rate Labor:					182.25

Labor Summary

Segment 05 Total: 44,996.25

Total Segments: 84,031.01

SUB TOTAL (BEFORE TAXES) 84,031.01

PO#: _____ Authorized Name: _____ (signature)

Date: _____ (print)

Thank you for this opportunity to serve your company

CONTACT INFORMATION:

Prepared by: Ryan Mitchell Phone: 918-917-3172 Email: Ryan.Mitchell@warrencat.com Fax:

-This estimate will expire 30 days from the estimate date.
-Price excludes Freight Charges, Operating Supplies/EPA Fees and Overtime.
-Terms: Net 10th Prox.
-Sales Taxes where applicable are not included with the above prices.

Terms and Conditions

BY SIGNATURE ABOVE, I certify that I am the owner or owner's agent, and authorize Warren CAT, its employees, subcontractors or consultants to perform the inspection, maintenance or repairs described above to include the provision and use of necessary materials required to accomplish the described work scope. I further authorize Warren CAT to operate the equipment, or any part therein described for the purpose of testing and/or inspection. I understand that payment for all work performed is due in full upon completion.

Upon acceptance, this quote becomes a legal agreement between you (either an individual or the entity you are authorized to represent) and Warren CAT. Further, signing certifies the information provided is true and correct, and that the signer is authorized to charge this purchase as noted. Warren CAT reserves the right to reject a partial or modified quote. You may cancel an accepted quote until the work is started. Once started, work may be stopped at anytime. Partially completed work will be billed based on Time and Materials at Warren CAT's prevailing rate. Additional handling and storage fees may apply to work partially completed or work temporarily put on hold.

EQUIPMENT HAVING INSTALLED FIRE SUPPRESSANT SYSTEMS: During course of repair work it may become necessary to deactivate or disturb mechanical and/or electrical components of the fire suppression system. Reactivation of the fire suppressant system is the responsibility of the customer and should be undertaken before machine operations. Warren CAT accepts no responsibility for the reactivation, testing or operation of the fire suppressant system.

STANDARD WARRANTY: Parts for this repair are warranted as indicated by the manufacturer from the date of invoice. In addition, Warren CAT's standard labor warranty of 90 days will apply. Full warranty statements, including limitations and exclusions, are available from any Warren CAT facility. Ask your service representative about additional or enhanced warranty availability.

THESE WARRANTIES ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF PURPOSE. REMEDIES FOR THESE WARRANTIES ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES AS SPECIFIED HEREIN. IN NO EVENT WILL EITHER CATRPIILLAR OR WARREN CAT BE RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CORE CHARGES: Core charges will be returned to customer upon acceptance of the core by Caterpillar.

OVERTIME: Overtime can be added at customers request charged at Warren CAT's prevailing overtime rate.

PARTS POLICY: This quote does not include any un-salvageable parts. Parts will be set aside for customer approval before replacement.

TURNAROUND TIME: Warren CAT will not be responsible for circumstances outside of its control. If delays are experienced, the customer will be contacted. In no event will Warren CAT or subsidiaries be liable for any direct or indirect damages (including, without limitation, lost profits, lost savings or other incidental or consequential damages) arising out of the use or inability to use the machine, even if Warren CAT or subsidiaries has been advised of the possibility of such loss.

AGENDA ITEM COMMENTARY

Meeting Date: December 13, 2021
Board: Sallisaw Municipal Authority
Subject: SLPT Industrial Contract For Electric Services

ITEM TITLE: Discuss and Consider Approval of Contract for Electric Service with SLPT

INITIATOR: General Manager

STAFF INFORMATION SOURCE: General Manager
Director of Finance
Electric Rate Consultant

BACKGROUND: Given the nature of electric services provided to SLPT, the IP-1 Electric Service Rate is normally set via a contract for electric services. This allows the SMA to work directly with one of the largest employers in Sallisaw to ensure their operation remains economically feasible for our area.

EXHIBITS: 1. SLPT Industrial Electric.2021.FINAL

KEY ISSUES:

- Balancing the need to provide rates favorable to our industrial customers, while at the same time recovering 100% of the purchase power costs, plus a normal rate of return for the SMA.
- The new agreement also provides for recovery of the CPBA that is being passed to all electric customers.

FUNDING SOURCE: NA

RECOMMENDATION: Staff recommends approval of the contract for electric services.

SALLISAW MUNICIPAL AUTHORITY CONTRACT FOR ELECTRIC SERVICE

THIS CONTRACT FOR ELECTRIC SERVICE is effective the 13th day of December, 2021 (Effective Date), between the Sallisaw Municipal Authority, P.O. Box 525, Sallisaw, Sequoyah County, Oklahoma 74955, a public trust hereinafter called "the **SELLER**", party of the First Part, and SLPT Global Pump Group, 1300 South Opdyke, Sallisaw, Oklahoma 74955, hereinafter called "the **BUYER**" party of the Second Part.

WHEREAS, the Sallisaw Municipal Authority is the electric power provider to SLPT Global Pump Group, and

WHEREAS, the Sallisaw Municipal Authority wishes to establish an agreed upon electric rate that assists SLPT Global Pump Group in remaining a viable manufacturer in their market and employer in the community of Sallisaw.

WHEREAS, both parties agree that any electric rate or rate adjustments currently in place, shall remain in place unless otherwise noted in Attachment A of this agreement or otherwise require changing due to any rate or cost adjustments passed to the **SELLER** from the **SELLER's** power provider, the Grand River Dam Authority.

THEREFORE, IN CONSIDERATION of the mutual agreements hereinafter contained, **IT IS AGREED:**

1. **Scope.** **SELLER** will supply electric service to **BUYER**, and **BUYER** shall purchase, receive and pay **SELLER** for such service in accordance with this Contract. **BUYER** shall utilize the **SELLER** as its sole provider of electric power.
2. **On Site Generation by Buyer.** **BUYER** agrees that on site electric generation installed by **BUYER**, shall not exceed 150,000 kWh per year, and shall be limited to solar power only. **BUYER** shall furnish **SELLER** a kWh production report during the month of December each year this contract is active.
3. **Rules, Regulations and Rates.** All ordinances, resolutions, policies, regulations, applicable rate schedules, and rate calculations of **SELLER**, currently in effect, shall govern this service and are incorporated herein by reference. Such ordinances, resolutions, policies, regulations, applicable rate schedules, and rate calculations are subject to change during the term of this agreement as provided by law, existing contracts of the **SELLER** and its electrical power supplier and this agreement between **BUYER** and **SELLER**.
4. **Term.** The term of this Contract shall be **one (1) year(s)** from the Effective Date as stated above.
5. **Service to Premises.** Under this Contract, the **SELLER** shall supply and the **BUYER** shall take and pay for all electric power and energy. The characteristics of the service to be furnished under this Contract are as follows:

- a. Premise location: 1300 South Opdyke
 - b. Voltage and Phase: 12470 / 7200 / 3 phase
 - c. Delivery Point: North side of facility
 - d. Service level: () transmission (x) primary () secondary
 - e. Any equipment or metering devices installed on **BUYER's** premise by the **SELLER**, or the Grand River Dam Authority (GRDA), shall be the property of the **SELLER** or GRDA. **BUYER** shall allow the **SELLER** and GRDA access to its equipment at any time needed.
 - f. The substation located at the **BUYER's** locations shall be the responsibility of the **BUYER**.
6. **Continuity of Service.** The **SELLER** shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy to the **BUYER** at its point(s) of delivery. Should the **BUYER's** equipment be sensitive to normal line disturbances, single phasing, or other problems, the **BUYER** shall provide corrective measures to control/correct the problem. If the supply of electric power and energy is interrupted or becomes defective through an act of God, governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way or any other cause beyond reasonable control of the **SELLER**, the **SELLER** shall not be liable therefore for damages caused thereby. **SELLER** shall give notice to **BUYER**, as soon as commercially reasonable, of impending service interruptions or reductions to cause the least amount of inconvenience to both parties hereto.
7. **Service for BUYER's Use Only.** The electrical power furnished the **BUYER** by the **SELLER** is for the exclusive use of the **BUYER** and shall not be resold.
8. **Rate.** The Sallisaw Municipal Authority shall classify the rate used for the **SELLER** as "Industrial Power Contract Rate" (IP-1). The Grand River Dam Authority (GRDA) base rates, Power Cost Adjustment Rates (PCA) and other fees and charges passed to the **SELLER** shall be used to calculate the **BUYER's** billing statement. **BUYER** must note that GRDA rates, fees and other charges are subject to change, and the **BUYER's** rates, fees and other charges will be adjusted as needed. The rate for electrical service shall be calculated as presented in Attachment A of the agreement. In addition to the normal customer charges, energy charges and demand charges, the following monthly calculations shall also be added to the customers billing statement as needed.
- a. CPBA: Monthly calculation that allows for the recovery of the Purchased Power Cost (PPC) in excess of the PPC component included in the electric rates of the City. If the PPC is less than the PPC component included in the electric rates of the City, then the CPBA charge shall be \$0.00PCAx: Shall be a monthly calculation based on cost of power obtained by **SELLER**.
 - b. PCAx: Purchase Power Costs for extraordinary expenses incurred during a severe winter storm, or other extraordinary events that affect power generation. This monthly calculation is based on additional purchase power costs passed to the utility from its electric power provider. Expense is calculated monthly based on kWh sold and added to each electric customer based on their individual kWh usage

9. **Review of Rates.** If the **SELLER's** rates are adjusted by GRDA, the **SELLER** may review the **BUYER's** current rate and determine if an adjustment is necessary to ensure the **SELLER** recovers all costs of delivery of electrical power to the **BUYER** including adjustments for system losses and adjustments for payments in lieu of taxes as paid by other customers. If an adjustment in the rate calculation is warranted, the **SELLER** will notify the **BUYER** of the rate adjustment and the effective date of the adjustment. **BUYER** must note that GRDA may adjust rates, fees and other charges charged the **SELLER** on a monthly basis as allowed by the purchase power contract of GRDA and the **SELLER**. If a change in the calculation method presented in Attachment A is required, **SELLER** shall notify and present the new calculation method to **BUYER** as soon as reasonably possible.
10. **Notification of Rate Changes.** **SELLER** agrees to notify **BUYER** of any electric rate adjustments made by GRDA that may affect the rates of the **SELLER** and/or **BUYER**. Notification shall be made by **SELLER** as soon as reasonably practical. **BUYER** and **SELLER** agree to meet as needed to discuss any impending changes in electric rates.
11. **Determination of Demand (KW).** The metered Demand of the **BUYER** for any month shall be the highest average electric load required by the **BUYER** during any 30-minute period of the month measured in KW multiplied by the meter multiplier.
12. **Determination of kWh Usage.** The metered kWh usage of the **BUYER** for any month shall be the cumulative usage from the last meter reading multiplied by the meter multiplier.
13. **Determination of Power Factor Charge.** The monthly power factor charge shall be determined by using the formula in Attachment A.
14. **Monthly Billing.** **SELLER** shall calculate the billing for the **BUYER** within the last three (3) working days of each month.
15. **Payment.** **BUYER** shall pay the billing statement by the 20th day of the following month. Failure to pay by the 20th of each month will result in a 10% penalty being added to the account.
16. **BUYER's Equipment.**
 - a. The **BUYER**, at its expense, shall maintain and operate its manufacturing or other equipment so that it does not cause unacceptable voltage fluctuations, harmonically related disturbances, overload, or other disturbances on **SELLER's** electrical system, or affect the safe, economical and reliable operation of the **SELLER's** electric system.
 - b. **BUYER**, at its expense, shall immediately correct any such unacceptable use of electric power, including the provision of suitable apparatus to prevent or cure such effects where necessary.
17. **Limitation of Liability.** **SELLER** does not guarantee that service will be free from, and **SELLER** shall not be liable for, interruptions, surges, voltage fluctuations or disturbances. **SELLER** shall have no liability for any loss or damage from any loss of service, or delay in providing service.

18. **Assignment of Contract.** **BUYER** shall not assign this Contract without the written consent of **SELLER**.
19. **Remedies.** In the event of default by either party, the non-defaulting party may pursue any and all judicial and administrative remedies and relief available.
20. **Collection of Additional Costs.** The parties agree that this Contract does not preclude the **SELLER** from collecting any additional costs as directed or authorized by a legislative body, administrative body, or court having jurisdiction over such issues.
21. **Miscellaneous.** This Contract, upon becoming effective, shall cancel and supersede any previously existing agreement covering electric service provided by the **SELLER** to **BUYER**. This document, those documents incorporated by reference, and any attachments constitute the entire agreement between the parties. No modification of this Contract, except as provided in paragraph 2 above, shall be binding unless it is in writing and accepted by both **BUYER** and **SELLER**.
22. This Contract shall be governed by the laws of the State of Oklahoma.

APPROVED by the Board of City Commissioners this 13th day of December, 2021.

SELLER:
Sallisaw Municipal Authority

By: _____
Ernie Martens, Chairman of the Trustees

Attest:

By: _____
Dianna Davis, Secretary of the Trustees

APPROVED by SLPT Global Pump Group this ____ day of _____, 2021.

BUYER:

SLPT Global Pump Group

By: _____

Name: _____

Title: _____

Attest:

By: _____

Secretary of the Corporation

Attachment A: Calculation of BUYER's Billing Statement

For all billing statements calculated after December 1, 2021, the **SELLER** shall calculate the **BUYER's** billing statement for electrical usage based on the following:

- 1) **Customer Charge:** Base monthly charge for overhead in providing electric power to the customer.
- 2) **Demand Rate:** **BUYER** demand rate shall equal the GRDA demand rate charged to the **SELLER** on a monthly basis.
- 3) **Energy (kWh) Rate:** For the term of this agreement the kWh rate for energy shall be set at \$0.046 per kWh of usage. This rate is subject to change at anytime during the term of this agreement based on any base rate changes implemented by the Grand River Dam Authority.
- 4) **Cost of Power Base Adjustment (CPBA):** Monthly calculation that allows for the recovery of the Purchased Power Cost (PPC) in excess of the PPC component included in the electric rates of the City. If the PPC is less than the PPC component included in the electric rates of the City, then the CPBA charge shall be \$0.00. This rate shall be calculated monthly based on the average cost of power obtained from the Grand River Dam Authority. This charge shall be added to the billing statement of the customer on a monthly basis.
- 5) **Power Cost Adjustment Extraordinary (PCAx):** Purchase Power Costs for extraordinary expenses incurred during a severe winter storm, or other extraordinary events that affect power generation. This calculation is based on additional purchase power costs passed to the utility from its electric power provider. Expense is calculated monthly based on kWh sold and added to each electric customer based on their individual kWh usage.
- 6) Sample Billing Calculation:

IP-1 Industrial Electric Rate			
Customer Charge	\$150.00		
Energy (kWh)	\$ 0.0460		
Demand	\$ 11.9500		
CPBA	Monthly calculation		
PCAx	Monthly calculation		
Sample Billing Calculation			
	Usage	Rate	Billing
Customer Charge			\$150.00
Energy Cost (kWh)	991,875	\$ 0.0460	\$ 45,626.25
Demand Cost (KW)	2,169	\$ 11.9500	\$ 25,919.55
CPBA*	991,875	\$ 0.0127	\$ 12,596.81
PCAx*	991,875	\$ -	\$ -
	Billing Statement Total		\$ 84,292.61
	Average Cost of Power		\$ 0.0850
*CPBA and PCAx rates subject to monthly changes			

AGENDA ITEM COMMENTARY

Meeting Date: December 13, 2021
Board: Sallisaw Municipal Authority
Subject: Reinvestment

ITEM TITLE: Discuss and Consider Approval of Staff's Request to Reinvest the Sallisaw Municipal Authority Certificate of Deposit with National Bank of Sallisaw for 182 Days at .21%

INITIATOR: City Clerk

STAFF INFORMATION SOURCE: City Clerk

BACKGROUND: The City Clerk requested quotes for temporarily idle funds. Following receipt of quotes, staff recommends reinvestment of the Sallisaw Municipal Authority Certificate of Deposit with the high bidder, National Bank of Sallisaw, for 182 days at .21% interest.

EXHIBITS: 1. CD QUOTES - SMA 12.2021

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDATION: Approval to reinvest the Sallisaw Municipal Authority Certificate of Deposit with National Bank of Sallisaw for 182 Days at .21%.

SALLISAW MUNICIPAL AUTHORITY

**REDEPOSIT
OF
TEMPORARILY IDLE FUNDS**

DECEMBER 13, 2021

<u>Fund</u>	<u>Amount</u>
Sallisaw Municipal Authority	\$ 803,456.81

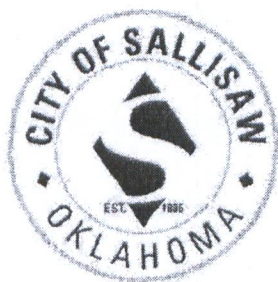
<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>
91	<u>.05%</u>	<u>.11%</u>	<u>NO Bid</u>

<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>
182	<u>.10%</u>	<u>.21%</u>	<u>.02%</u>

<u>Fund</u>	<u>Amount</u>
Meter Fund	\$ 488,882.81

<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>
91	<u>.05%</u>	<u>.11%</u>	<u>NO Bid</u>

<u>Days</u>	<u>Firststar</u>	<u>National</u>	<u>Armstrong</u>
182	<u>.10%</u>	<u>.21%</u>	<u>.02%</u>



115 East Choctaw P.O. Box 525 Sallisaw, OK 74955

918-775-6241 918-775-9550 Fax www.sallisawok.org

SALLISAW MUNICIPAL AUTHORITY

TO: National Bank of Sallisaw

November 23, 2021

The Sallisaw Municipal Authority requests quotes on time deposits of idle funds for the time specified beginning December 15, 2021:

<u>FUND</u>	<u>AMOUNT</u>	<u>DAYS</u>	<u>MATURITY</u>	<u>QUOTE</u>
Sallisaw Mun. Auth.	\$ 803,456.81	91	March 16, 2022	<u>0.11%</u>
		182	June 15, 2022	<u>0.21%</u>
Meter Fund	\$488,882.81	91	March 16, 2022	<u>0.11%</u>
		182	June 15, 2022	<u>0.21%</u>

Quotes will be received by the City Clerk via e-mail; ddavis@sallisawok.org, and must be received by **10:00 a.m., Wednesday, December 1, 2021**. Quotes will then be reviewed by the City Clerk. Recommendation for award will be presented at the meeting of the Sallisaw Municipal Authority, immediately following the meeting of the Board of City Commissioners at 6:00 p.m., December 13, 2021.

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

Dianna Davis
Dianna Davis, Secretary

Submitted by:

National Bank of Sallisaw

Date:

11/24/21

By:

[Signature]



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

SALLISAW MUNICIPAL AUTHORITY

TO: Firstar Bank

November 23, 2021

The Sallisaw Municipal Authority requests quotes on time deposits of idle funds for the time specified beginning December 15, 2021:

<u>FUND</u>	<u>AMOUNT</u>	<u>DAYS</u>	<u>MATURITY</u>	<u>QUOTE</u>
Sallisaw Mun. Auth.	\$ 803,456.81	91	March 16, 2022	<u>.05%</u>
		182	June 15, 2022	<u>.10%</u>
Meter Fund	\$488,882.81	91	March 16, 2022	<u>.05%</u>
		182	June 15, 2022	<u>.10%</u>

Quotes will be received by the City Clerk via e-mail; ddavis@sallisawok.org, and must be received by **10:00 a.m., Wednesday, December 1, 2021**. Quotes will then be reviewed by the City Clerk. Recommendation for award will be presented at the meeting of the Sallisaw Municipal Authority, immediately following the meeting of the Board of City Commissioners at 6:00 p.m., December 13, 2021.

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


Dianna Davis, Secretary

Submitted by:

Firstar Bank

Date: 11-23-21

By: 



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

SALLISAW MUNICIPAL AUTHORITY

TO: Armstrong Bank

November 23, 2021

The Sallisaw Municipal Authority requests quotes on time deposits of idle funds for the time specified beginning December 15, 2021:

<u>FUND</u>	<u>AMOUNT</u>	<u>DAYS</u>	<u>MATURITY</u>	<u>QUOTE</u>
Sallisaw Mun. Auth.	\$ 803,456.81	91	March 16, 2022	<u>Ø</u>
		182	June 15, 2022	<u>.02</u>
Meter Fund	\$488,882.81	91	March 16, 2022	<u>Ø</u>
		182	June 15, 2022	<u>.02</u>

Quotes will be received by the City Clerk via e-mail; ddavis@sallisawok.org, and must be received by **10:00 a.m., Wednesday, December 1, 2021**. Quotes will then be reviewed by the City Clerk. Recommendation for award will be presented at the meeting of the Sallisaw Municipal Authority, immediately following the meeting of the Board of City Commissioners at 6:00 p.m., December 13, 2021.

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

Dianna Davis
Dianna Davis, Secretary

Submitted by:

Armstrong Bank

Date: 11-30-21

By: IMEGE GARDNER

AGENDA ITEM COMMENTARY

Meeting Date: December 13, 2021
Board: Sallisaw Municipal Authority
Subject: Reinvestment

ITEM TITLE: Discuss and Consider Approval of Staff's Request to Reinvest the Meter Fund Certificate of Deposit with National Bank of Sallisaw for 182 Days at .21%

INITIATOR: City Clerk

STAFF INFORMATION SOURCE: City Clerk

BACKGROUND: The City Clerk requested quotes for temporarily idle funds. Following receipt of quotes, staff recommends reinvestment of the Meter Fund Certificate of Deposit with the high bidder, National Bank of Sallisaw, for 182 days at .21% interest.

EXHIBITS:

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDATION: Approval to reinvest the Meter Fund Certificate of Deposit with National Bank of Sallisaw for 182 Days at .21%.