

**IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW THE AGENDA
WAS POSTED OCTOBER 13, 2022 AT 2:45 P.M. AT THE MUNICIPAL BUILDING,
723 SOUTH LEWIS, STILLWATER, OKLAHOMA**

**MINUTES
STILLWATER UTILITIES AUTHORITY
REGULAR MEETING
COUNCIL HEARING ROOM
723 S. LEWIS
OCTOBER 17, 2022**

PRESENT: CHAIR WILLIAM H. JOYCE, TRUSTEES AMY DZIALOWSKI,
CHRISTIE HAWKINS AND KEVIN CLARK
ABSENT: VICE CHAIR ALANE ZANNOTTI

1. CALL MEETING TO ORDER

Chair Joyce called the meeting to order at 6:07 p.m.

2. CONSENT DOCKET

- a. Approve regular meeting minutes of October 3, 2022
- b. Approve rejection of bid received from GE for SUA Bid #7-21/22 for 69kV circuit breakers for Kinzie and Hospital substations
- c. Approve rejection of bids received from GE and Mitsubishi for SUA Bid #7-22/23 for 69kV circuit breakers for Kinzie and Hospital substations
- d. Approve rejection of bids received from MVA Power and Valmont for SUA Bid #12-22/23 for the Substation Packager for Kinzie and Hospital substations

MOTION BY TRUSTEE CLARK, SECOND BY TRUSTEE DZIALOWSKI TO APPROVE THE
CONSENT DOCKET AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

3. PUBLIC COMMENT ON AGENDA ITEMS NOT SCHEDULED FOR PUBLIC HEARING

There were no requests to speak on agenda items not scheduled for public hearing.

4. ITEMS REMOVED FROM CONSENT DOCKET

None.

5. GENERAL ORDERS

- a. Consider authorizing expenditures for the electronic wastegate upgrade for \$186,274, including 10% contingency, from Wartsila for the three 18V50SG engine/generators at the Stillwater Energy Center; approve budget amendment appropriating funds from the Electric Rate Stabilization fund; and authorize General Manager to sign related documents

Electric Utility Director Loren Smith reported that the Stillwater Energy Center uses three Wartsila 18V50SG engine/generators to produce electricity. Each reciprocating internal combusting engine (RICE) is turbo charged to force air into the cylinders, which is then mixed with natural gas and spark to create combustion. The wastegate acts as a throttle to control how fast the turbo chargers spin, which in turn determines how much air is being forced into the combustion cycle based on engine/generator load. Staff has been experiencing significant issues with the existing pneumatic wastegates and they are in need of replacement. Wartsila now offers an electronic controlled wastegate as an upgrade. Mr. Smith stated that during the next service interval, the turbo chargers require a major overhaul, which makes for an ideal time for the upgrade. Staff is requesting approval to purchase the electronic wastegate upgrade for all three engines from Wartsila at the quoted cost of \$169,340 and expenditures up to \$186,274, including a 10% contingency.

MOTION BY TRUSTEE HAWKINS, SECOND BY TRUSTEE DZIALOWSKI TO AUTHORIZE EXPENDITURES FOR THE ELECTRONIC WASTEGATE UPGRADE FOR \$186,274, INCLUDING 10% CONTINGENCY, FROM WARTSILA FOR THE THREE 18V50SG ENGINE/GENERATORS AT THE STILLWATER ENERGY CENTER, APPROVE BUDGET AMENDMENT APPROPRIATING FUNDS FROM THE ELECTRIC RATE STABILIZATION FUND, AND AUTHORIZE GENERAL MANAGER TO SIGN RELATED DOCUMENTS.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

- b. Consider award of a unit price contract to Audubon Field Services, LLC for the Cathodic Protection Design and Construction Project for the total base bid plus Alternate No. 2 in the amount of \$1,604,961; authorize construction expenditures of \$1,765,000, including 10% contingency; authorize the General Manager to sign related documents; and approve the budget amendment appropriating funds

Capital Project Manager David Barth stated that the purpose of this report is to provide Trustees with the bid results and recommended action for the Cathodic Protection Design and Construction – Project 21WT02. The project includes installation of cathodic protection systems for:

- ✓ the raw water pipeline extending from Kaw Lake to the water treatment plant (WTP);
- ✓ the finished water pipeline extending from the WTP to the OSU WTP;
- ✓ seven water storage tanks; and
- ✓ four waste water lift stations with steel dry pits.

Mr. Barth reported that bids were solicited with three bids being received. Freese and Nichols (FNI) and City Engineering staff reviewed all three bid packages and found that Audubon Field Solutions, LLC is the lowest responsible bidder.

MOTION BY TRUSTEE CLARK, SECOND BY TRUSTEE HAWKINS TO AWARD A UNIT PRICE CONTRACT TO AUDUBON FIELD SERVICES, LLC FOR THE LOW TOTAL BASE BID PLUS ALTERNATE NO. 2 AMOUNT OF \$1,604,961; AUTHORIZE CONSTRUCTION EXPENDITURES OF \$1,765,000 FOR THE AMOUNTS SHOWN BELOW:

- 1,604,961 FOR THE BID
- \$160,039 FOR A 10% CONTINGENCY

AUTHORIZE THE GENERAL MANAGER TO SIGN RELATED DOCUMENTS; AND APPROVE THE BUDGET AMENDMENT APPROPRIATING FUNDS.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

- c. Authorize staff to enter into an electric cost of service/rate design agreement with LM Vedder Consulting for an amount not to exceed \$72,500, including 10% contingency on professional services, and authorize the General Manager to sign all related documents

Deputy City Manager Melissa Reames stated that she would discuss both items c. and d. on the agenda.

Ms. Reames stated that in 2019 Avant Energy completed an electric, water and wastewater cost of service study. Rate recommendations were not implemented due to the COVID-19 pandemic and the rate recommendations from the Avant study are now outdated. On September 7, 2021, New Gen Strategies was engaged to perform a supplemental rural water rate study at a cost of \$46,410.00. Ms. Reames reported that the automatic CPI based rate escalator was suspended in April of 2019 and reinstated effective July 1, 2022. FY2023 budget presentation indicated revenue projections are not keeping up with budget projections. Rate increases are needed in all utilities to balance the budget and maintain infrastructure going forward.

Staff recommends engaging LM Vedder Consulting for an electric cost of service study and rate design services for the SUA electric utility.

MOTION BY TRUSTEE HAWKINS, SECOND BY TRUSTEE DZIALOWSKI TO AUTHORIZE STAFF TO ENTER INTO AN ELECTRIC COST OF SERVICE/RATE DESIGN AGREEMENT WITH LM VEDDER CONSULTING FOR AN AMOUNT NOT TO EXCEED \$72,500, INCLUDING A 10% CONTINGENCY ON PROFESSIONAL SERVICES AND AUTHORIZE THE GENERAL MANAGER TO SIGN ALL RELATED DOCUMENTS.

**ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.**

- d. Consider authorization to enter into a water and wastewater rate study agreement with New Gen Strategies in an amount not to exceed \$74,250, including 10% contingency, and authorize the General Manager to sign all related documents

Deputy City Manager Melissa Reames discussed item d. under item c. on the agenda.

Staff recommends engaging New Gen Strategies for a water and wastewater cost of service study and rate design services incorporating the rural water findings and the increased water system capital needs.

MOTION BY TRUSTEE DZIALOWSKI, SECOND BY TRUSTEE CLARK TO AUTHORIZE STAFF TO ENTER INTO A WATER AND WASTEWATER COST OF SERVICE/RATE DESIGN STUDY AGREEMENT WITH NEW GEN STRATEGIES FOR AN AMOUNT NOT TO EXCEED \$74,250, INCLUDING A 10% CONTINGENCY AND AUTHORIZE THE GENERAL MANAGER TO SIGN ALL RELATED DOCUMENTS.

**ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.**

- e. Consider authorizing Stillwater Fire Department to lease/purchase one aerial apparatus from Pierce Manufacturing through the Houston Galveston Area Council Purchasing Program; financing through the Bank of America/Stillwater Utilities Authority Master Equipment Lease/Purchase Agreement at an initial purchase amount of \$1,385,246.40; and authorize the City Manager/General Manager to sign related documents

Fire Chief Terry Essary presented this item on the City Council agenda.

MOTION BY TRUSTEE CLARK, SECOND BY TRUSTEE HAWKINS TO AUTHORIZE THE LEASE/PURCHASE OF ONE AERIAL APPARATUS FROM PIERCE MANUFACTURING THROUGH THE HOUSTON GALVESTON AREA COUNCIL PURCHASING PROGRAM AND FINANCED THROUGH THE BANK OF AMERICA/STILLWATER UTILITIES AUTHORITY MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT AT AN INITIAL PURCHASE AMOUNT OF \$1,385,246.40, AND AUTHORIZE THE CITY MANAGER/GENERAL MANAGER TO SIGN RELATED DOCUMENTS.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

6. RESOLUTIONS

Grants Manager Shelly Crynes reported that this American Rescue Plan Act (ARPA) Grant from the Oklahoma Water Resources Board requires a resolution to be submitted with the grant application.

- a. Resolution No. SUA-2022-9: A resolution authorizing the Stillwater Utilities Authority to submit an application for an American Rescue Plan Act (ARPA) Grant from the Oklahoma Water Resources Board (OWRB) for a capital grant to fund a project for construction of a recovered water pump station, finished water pump station, and finished water caustic system at the Water Treatment Plant; and approving a budget amendment appropriating funds for the required cost share to the project account

MOTION BY TRUSTEE DZIALOWSKI, SECOND BY TRUSTEE HAWKINS TO ADOPT RESOLUTION NO. SUA-2022-9 AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

7. REPORTS FROM OFFICERS & BOARDS

- a. Miscellaneous items from the General Counsel: No report.
- b. Miscellaneous items from the General Manager: No report.
- c. Miscellaneous items from Trustees: No report.
 - i) Discussion about scheduling items for upcoming meetings

8. QUESTIONS & INQUIRIES

None.

9. ADJOURN

MOTION BY TRUSTEE HAWKINS, SECOND BY TRUSTEE CLARK TO ADJOURN THE OCTOBER 17, 2022 REGULAR MEETING OF THE STILLWATER UTILITIES AUTHORITY.

ROLL CALL VOTE: JOYCE-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

The October 17, 2022 regular meeting of the Stillwater Utilities Authority adjourned at 6:24 p.m.



WILLIAM H. JOYCE, CHAIR
STILLWATER UTILITIES AUTHORITY



TERESA KADAVY, SECRETARY
STILLWATER UTILITIES AUTHORITY