

**IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW THE AGENDA
WAS POSTED JUNE 3,, 2022 AT 8:00 A.M. AT THE MUNICIPAL BUILDING,
723 SOUTH LEWIS, STILLWATER, OKLAHOMA**

**MINUTES
STILLWATER UTILITIES AUTHORITY
REGULAR MEETING
COUNCIL HEARING ROOM
723 S. LEWIS
JUNE 6, 2022**

PRESENT: CHAIR WILLIAM H. JOYCE, VICE CHAIR ALANE ZANNOTTI
TRUSTEES AMY DZIALOWSKI, CHRISTIE HAWKINS AND KEVIN CLARK
ABSENT: NONE

1. CALL MEETING TO ORDER

Chair Joyce called the meeting to order at 6:36 p.m.

2. CONSENT DOCKET

- a. Approve regular meeting minutes of May 16, 2022

MOTION BY VICE CHAIR ZANNOTTI, SECOND BY TRUSTEE CLARK TO APPROVE THE
CONSENT DOCKET AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, DZIALOWSKI-YEA, HAWKINS-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FIVE 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. Authorize FY23 expenditures for maintenance services up to \$100,000 and equipment parts up to \$200,000 from Wartsila for the three 18V50SG engine/generators at the Stillwater Energy Center and approve budget amendment appropriating funds up to \$300,000 from the Electric Rate Stabilization fund

Electric Utility Director Loren Smith stated that the Stillwater Energy Center uses three Wartsila 18V50SG engine/generators to produce electricity. The engine primary components, control system and many of the auxiliary components are manufactured by Wartsila so the maintenance services and equipment parts can only be purchased from Wartsila. Mr. Smith reported that the Grand River Dam Authority capacity purchase agreement includes provisions for a capacity payment based on availability of the engine/generators. If the engine/generators are not available, the capacity payment decreases, which can potentially have a negative

revenue impact on the SUA. Mr. Smith stated that staff is requesting approval to purchase maintenance services up to \$100,000 and equipment parts up to \$200,000 from Wartsila.

MOTION BY TRUSTEE DZIALOWSKI, SECOND BY TRUSTEE CLARK TO AUTHORIZE FY23 EXPENDITURES FOR MAINTENANCE SERVICES UP TO \$100,000 AND EQUIPMENT PARTS UP TO \$200,000 FROM WARTSILA FOR THE THREE 18V50SG ENGINE/GENERATORS AT THE STILLWATER ENERGY CENTER AND APPROVE THE BUDGET AMENDMENT APPROPRIATING FUNDS UP TO \$300,000 FROM THE ELECTRIC RATE STABILIZATION FUND.

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

- b. Approve budget amendment appropriating up to \$104,500 from the Rate Stabilization Fund for upgrades, materials, and a new primary metering station required to supply required electric service to 100 W. Airport Road

Electric Utility Director Loren Smith stated that staff has received a request for electric service for a new industrial customer located at 100 W. Airport Road. Existing electric service to the facility requires upgrades to meet the demand requirements for the company to operate at the facility. He reported that the cost estimates for the upgrades are approximately \$170,500 and this includes staff labor, materials and a new primary metering station. Staff labor costs are accounted for in the electric O & M budget. Mr. Smith stated that staff is seeking approval of a budget amendment appropriating \$104,500 for materials and a new primary metering station.

MOTION BY TRUSTEE CLARK, SECOND BY TRUSTEE HAWKINS TO APPROVE BUDGET AMENDMENT ALLOCATING UP TO \$104,500 FROM THE RATE STABILIZATION FUND FOR UPGRADES, MATERIALS AND A NEW PRIMARY METERING STATION TO SUPPLY THE REQUIRED ELECTRIC SERVICE TO 100 W. AIRPORT ROAD.

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

- c. Approve FY23 contract extension with Davey Tree Surgery, expenditures up to \$1,446,755.50, and authorize the General Manager to sign contract documents

Electric Utility Director Loren Smith reported that Stillwater Utilities Authority contracts for high voltage line clearance tree trimming and tree removal services around overhead electric lines. These services, which have a direct correlation to the reliability of the electric distribution/transmission system, have traditionally been bid on a three year cycle with a provision to extend the first year contract on an annual basis for two additional years. Mr. Smith stated that on March 2, 2020, Trustees awarded the bid for these services for FY21 to Davey Tree Surgery Company. Staff has been satisfied with Davey Tree Surgery Company who has met expectations and is requesting to renew the contract for the third year at \$1,446,755.50.

MOTION BY TRUSTEE HAWKINS, SECOND BY VICE CHAIR ZANNOTTI TO APPROVE THE THIRD YEAR CONTRACT EXTENSION, AUTHORIZE EXPENDITURES UP TO \$1,446,755.50 AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE CONTRACT DOCUMENTS.

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

- d. Approve FY23 natural gas transportation expenditures in an amount not to exceed \$200,000 for gas transportation from the Enable high pressure gas line to the Stillwater Energy Center pursuant to an agreement with ONG

Electric Utility Director Loren Smith stated that this report will include items d., e., f., and g. on the agenda.

Mr. Smith stated that the following are annual expenditure requests for FY2022-23 for Electric Utility:

- ✓ Natural gas transportation agreement with ONG for gas transportation from the Enable high pressure gas line to the Stillwater Energy Center;
- ✓ Wholesale power purchase agreement with GRDA;
- ✓ Natural gas intrastate firm and interruptible transportation service agreement with Enable for Stillwater Energy Center; and
- ✓ Annual software license and support agreement with Futura System, Inc.

MOTION BY TRUSTEE DZIALOWSKI, SECOND BY TRUSTEE CLARK TO APPROVE FY23 NATURAL GAS TRANSPORTATION EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$200,000 FOR GAS TRANSPORTATION FROM THE ENABLE HIGH PRESSURE GAS LINE TO THE STILLWATER ENERGY CENTER PURSUANT TO AN AGREEMENT WITH ONG.

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

- e. Approve FY23 expenditures in an amount not to exceed \$28,000,000 for wholesale power purchase pursuant to an agreement with Grand River Dam Authority

MOTION BY TRUSTEE HAWKINS, SECOND BY TRUSTEE CLARK TO APPROVE FY23 EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$28,000,000 FOR WHOLESALE POWER PURCHASE PURSUANT TO AN AGREEMENT WITH GRAND RIVER DAM AUTHORITY.

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

- f. Approve FY23 expenditures in an amount not to exceed \$2,300,000 for Stillwater Energy Center pursuant to natural gas intrastate firm and interruptible transportation service agreement with Enable

MOTION BY TRUSTEE CLARK, SECOND BY VICE CHAIR ZANNOTTI TO APPROVE THE FY23 EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$2,300,000 FOR STILLWATER ENERGY CENTER PURSUANT TO NATURAL GAS INTRASTATE FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT WITH ENABLE

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

- g. Approve annual FY23 expenditures in an amount not to exceed \$66,300 for the Electric Utility for software license and support agreement with Futura Systems, Inc.

MOTION BY VICE CHAIR ZANNOTTI, SECOND BY TRUSTEE HAWKINS TO APPROVE EXECUTION OF FY23 SOFTWARE LICENSE AND SUPPORT AGREEMENT WITH FUTURA SYSTEMS, INC. IN AN

AMOUNT NOT TO EXCEED \$66,300 AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE RELATED DOCUMENTS.

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

- h. Approve bid recommendation for the purchase of two new roll-off vehicles from United Engines at a total purchase amount of \$470,482 for both roll-off vehicles with no price escalators; authorize Waste Management to enter into a lease purchase agreement with Bank of America to buy roll-off vehicles; authorize staff to enter into a buy-back agreement with United Engines for the option to sell the two roll-off vehicles after 3 years; and authorize General Manager to sign related documents

Waste Management Director Chris Knight stated that on September 20, 2021, Trustees approved the purchase of two roll-off vehicles from United Engines for \$185,500 from Oklahoma State Purchasing Contract SW197. On April 27, 2022, United Engines was informed by Premier Truck Group that they were canceling the order for the two chassis for the roll-off vehicles due to supply chain issues. Mr. Knight stated that current roll-off vehicles are a part of a buy-back agreement with Carolina Environmental. Carolina Environmental already has contracts on each roll-off vehicle to be sold back to them. Bids specifications were solicited and five bids were received. Mr. Knight reported that the lowest qualified bidder meeting the delivery time of December 2022 was United Engines.

MOTION BY VICE CHAIR ZANNOTTI, SECOND BY TRUSTEE HAWKINS TO APPROVE BID RECOMMENDATION FOR THE PURCHASE OF TWO NEW ROLL-OFF VEHICLES FROM UNITED ENGINES AT A TOTAL PURCHASE AMOUNT OF \$470,482 FOR BOTH ROLL-OFF VEHICLES WITH NO PRICE ESCALATORS; AUTHORIZE WASTE MANAGEMENT TO ENTER INTO A LEASE PURCHASE AGREEMENT WITH BANK OF AMERICA TO BUY ROLL-OFF VEHICLES; AUTHORIZE STAFF TO ENTER INTO A BUY-BACK AGREEMENT WITH UNITED ENGINES FOR THE OPTION TO SELL THE TWO ROLL-OFF VEHICLES AFTER THREE YEARS; AND AUTHORIZE THE GENERAL MANAGER TO SIGN ALL RELATED DOUCMENTS.

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

6. 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

7. QUESTIONS & INQUIRIES

None.

8. ADJOURN

MOTION BY TRUSTEE DZIALOWSKI, SECOND BY TRUSTEE CLARK TO ADJOURN THE JUNE 6, 2022 REGULAR MEETING OF THE STILLWATER UTILITIES AUTHORITY.

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

The June 6, 2022 regular meeting of the Stillwater Utilities Authority adjourned at 6:50 p.m.



WILLIAM H. JOYCE, CHAIR
STILLWATER UTILITIES AUTHORITY



TERESA KADAVY, SECRETARY
STILLWATER UTILITIES AUTHORITY