



# **OKLAHOMA MUNICIPAL POWER AUTHORITY** **BOARD OF DIRECTORS AND RETREAT MEETING**

## **MINUTES**

(October 12, 2023)

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### **Called to Order (Item 1)**

The Board of Directors (the "Board") of the Oklahoma Municipal Power Authority ("OMPA") held its October board meeting at OMPA, 2701 W. I-35 Frontage Road, Edmond, OK 73013-8543. Proper notices were previously given and posted.

Chairman Homer Nicholson called the meeting to order at 10:00 a.m. The following members were present when the meeting was called to order: Mses. Dixie Johnson, Karrie Beth Little, Kimberly Meek, and Patty Witchey. Messrs. Dale Bunn, Glenn Fisher, Jim Greff, Jason McPherson, Homer Nicholson, and Chuck Ralls. Absent: Gary Jones.

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### **Safety Minute (Item 2)**

Staci Oliver, Lead Power Market Operator, gave the safety minute on Substance Abuse. It is National Substance Abuse Prevention month.

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### **Board Meeting Minutes (Item 3)**

The September 14, 2023 Board meeting minutes were mailed to the Board members prior to the meeting. Chair Nicholson asked if any Board member would like to discuss the minutes as mailed.

Hearing no further discussion, the following motion was introduced:

***Mr. Bunn, seconded by Ms. Johnson, moved to approve the September 14, 2023 Board minutes as submitted. The motion passed with the Directors voting as follows: Aye: Mses. Johnson, Little, Meek, and Witchey; Messrs. Bunn, Fisher, Greff, McPherson, Nicholson, and Ralls. Nay: None. Absent: Gary Jones.***

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### **Executive Meeting Minutes (Item 4)**

The September 11, 2023 Executive Committee meeting minutes were mailed to the Board members prior to the meeting. Chair Nicholson asked if any Board member would like to discuss the minutes as mailed.

Hearing no further discussion, the following motion was introduced:

***Mr. Greff, seconded by Ms. Meek, moved to approve the September 11, 2023 Executive Committee meeting minutes as submitted. The motion passed with the Directors voting as follows: Aye: Mses. Johnson, Little, Meek, and Witchey; Messrs. Bunn, Fisher, Greff, McPherson, Nicholson, and Ralls. Nay: None. Absent: Gary Jones.***

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**Consent Agenda (Item 7)**

At this time, Chair Nicholson pointed out the items listed under the consent agenda. The following motion was introduced:

***Mr. Ralls, seconded by Ms. Little, moved to approve the consent agenda.***

- a. Approval of September 2023 bills for payment***
  - 1. O&M account***
  - 2. Construction revolving account***
  - 3. Construction trust requisition***
  - 4. Investments***
- b. Approval of CUP Interim Review award to Frederick Public Works Authority with one award valued at 0.75 points from November 1, 2023 to October 31, 2024 {Resolution #2023-10-A} (see Exhibit B attached to these minutes)***
- c. Approval of CUP Recertification award to Purcell Public Works Authority with two awards valued at 1.50 points from November 1, 2023 to October 31, 2025 {Resolution #2023-10-B} (see Exhibit C attached to these minutes)***
- d. Nomination of CUP Oversight Committee {Resolution #2023-10-C} (see Exhibit D attached to these minutes)***

***The motion passed with the Directors voting as follows: Aye: Mses. Johnson, Little, Meek, and Witchey. Messrs. Bunn, Fisher, Greff, McPherson, Nicholson, and Ralls. Nay: None. Absent: Gary Jones.***

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**Acceptance of August 2023 Financial and Work Order reports (Item 8)**

Fixed total budget variance for August was favorable \$351,000. Our fixed revenue was \$214,000. Transmission expense was a lot closer to budget in August. The year-to-date fixed variance is favorable \$3.4 million which comes from purchase power, transmission, A&G, and income. Fuel costs were very similar to last month. Gas stayed steady.

We were a net purchaser in the market, but we were able to use \$1.5 million of the deferred revenue in August. In September we used a quarter of a million which leaves \$2 million available for further use. There was a brief discussion whether to use it for rates over the last 3 months of the year or defer it to Rate Stabilization or Decommissioning.

On the Energy side, we were 15% above budget still a little below last year.

Hearing no further discussion, the following motion was introduced:

***Ms. Little, seconded by Mr. Greff, moved to approve the August 2023 Financial and Work Order Reports. The motion passed with the Directors voting as follows: Aye: Mses. Johnson, Little, Meek and Witchey. Messrs. Bunn, Fisher, Greff, McPherson, Nicholson, and Ralls. Nay: None. Absent: Gary Jones.***

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**Review, discussion and possible awarding the replacement of the Kaw Excitation System to Basler Service, LLC in the amount of \$556,396 (Item 7)**

Mr. Osburn said this is the first step in the Kaw major outage. With that we are at a good point to award per Black & Veatch's recommendation. Staff looked at all the documents from different vendors. Basler has 30+ years of experience. Basler was a little higher, but with their experience and Black & Veatch's experience in working with Basler, staff is asking the board to approve Basler. Delivery date will be May, 2024. Delivery dates on some of the others were in 2025.

Hearing no further discussion, the following motion was introduced:

***Ms. Meek, seconded by Ms. Witchey, moved to approve authorizing staff to award the replacement of the Kaw Excitation System to Basler Service, LLC in the amount of \$556,396. The motion passed with the Directors voting as follows: Aye: Mses. Johnson Little, Meek & Witchey; Messrs. Bunn, Fisher, Greff, McPherson, Nicholson, and Ralls. Nay: None. Absent: Gary Jones.***

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**Additional review and discussion by staff on the following items pertaining to the 2024 Budget/Rates (Item 8)**

- a. Review of 2024 Rate Study
- b. Review, discussion, and possible adoption of 2024 OMPA Budget Resolution pertaining to the Adoption of its 2024 Operations and Maintenance and Capital Budgets {Resolution #2023-10-C} (see Exhibit D attached to these minutes)
- c. Review, discussion, and possible adoption of 2024 Rate Resolution and Schedule B for Cost-of-Service Rates, and Schedule E for Large Flexible Loads {Resolution #2023-10-D} (see Exhibit E attached to these minutes)
- d. Any other items of a related nature pertaining to the preparation of the 2024 budget and rates

Mr. Vansant said there were not many changes between last month's numbers and this month's numbers. Paris, Arkansas will end their relationship with OMPA at the end of the year, so their numbers have been taken out.

Clarksville, Arkansas is not renewing their contract with Independence Hydro for 2024. We use Independence Hydro as one of our resources to meet our capacity requirements and they receive a production demand credit. We don't believe it is fair for Clarksville to receive this credit unless the resources are going to be there during the summertime.

Mr. Osburn explained more about Clarksville's position. There is a possibility that Clarksville may want to extend their contract. We do receive value if they extend the hydro project. The biggest value would be to get it through the summer. We would be open to extend it only if it runs through the summer.

At this point, Mr. Vansant, handed it over to Mr. David Hedrick with Guernsey to cover the rate process. Mr. Hedrick said there was nothing controversial this year.

Hearing no further discussion, the following motion was introduced:

***Mr. Fisher, seconded by Mr. Ralls, moved to approve possible adoption of 2024 OMPA Budget Resolution pertaining to the Adoption of its 2024 Operations and Maintenance and Capital Budgets. The motion passed with the Directors voting as follows: Aye: Mses. Johnson, Little, Meek and Witchey; Messrs. Bunn, Fisher, Greff, McPherson, Nicholson, and Ralls. Nay: None. Absent: Gary Jones.***

Hearing no further discussion, the following motion was introduced:

***Ms. Little, seconded by Mr. Fisher moved to approve the possible adoption of 2024 Rate Resolution and Schedule B for Cost-of-Service Rates, and Schedule E for Large Flexible Loads. The motion passed with the Directors voting as follows: Aye: Mses. Johnson, Little, Meek, and Witchey; Messrs. Bunn, Fisher, Greff, McPherson, Nicholson, and Ralls. Nay: None. Absent: Gary Jones***

{Kimberly Meek, board member, left the meeting at this time}

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#### **General Manager Report (Item 9)**

Mr. Osburn, General Manager, said as far as the Business plan, all are in the works. On the battery project, we are just waiting on Nextera. Jennifer will talk later about Virtual Peaker program and Demand reduction.

Mr. Osburn and Ms. Smith went to Altus last week and saw the beginning of the activity of the new solar project.

Mr. Osburn and Mr. McAvoy talked about cyber security. Mr. McAvoy gave an update of a seminar staff attended on software update for cyber security on different systems that will sense possible hacker situations. They will install it for free. It would be a good opportunity for our member cities. This company has a good reputation.

Under the general report, Mr. Osburn said the mayor of Clarksville called and they are trying to get a 200 MW load in Clarksville. The mayor was inquiring as to how to go about doing that. Mr. Osburn reminded the mayor OMPA cannot supply it, but if Clarksville can find the supply, it would just be a separate contract. It would not be included in the rate structure or put the other member cities at risk.

Paris, Arkansas, as we reported before, will not be staying on with OMPA after the end of 2023. We will stay in touch with them in case they might want to come back someday with a new contract.

Mr. Osburn and Ms. Smith met with Altus Bar S corporate. They are very interested in carbon reductions and energy efficiencies. With the new solar park going in, that's going to generate enough solar credits for them. Their corporate goal is to reduce carbon.

Mr. Osburn has a new project to present to the board. The one thing that municipals don't have in Oklahoma is a training center. To make this happen, OMPA and GRDA would have to go together on this project. Mr. Osburn talked with Dan Sullivan, the CEO

of GRDA. He recognized the need also and will take it under consideration. Right now, it is in the conceptual phase. If we could find a good central location, that would be key to the project.

Mr. Osburn and Mr. McPherson recently attended the APPA board meeting. Mr. Osburn also went to a meeting in Northern CA where he was the keynote speaker. Next week he will also be speaking in Wichita, Kansas.

Mr. Osburn said the new APPA CEO is on board and has been very well received.

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**Comments from Board members (Item 10)**

The board members gave an update on projects in their communities.

**{Chair, Homer Nicholson, requested a break for lunch at 11:40 a.m.  
The board meeting reconvened at 12:25 p.m.}**

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**Operations Report (Item 11)**

Ryan Tuter, Manager of Operations, said the September average LMPs were \$27.57 Day Ahead and \$24.75 Real-time. These numbers are way down from August. The September load peak was 722 MWh. The September TCR payout was \$2.3 million.

Mr. Tuter said wind production was 27.89 GWh, 21% higher than August.

On the Energy mix, Natural gas was 54% with 21% renewables. Year-to-Date energy mix is 55% Natural Gas and 23% renewables. The average price for September was \$2.11 with our Muni gas discount. There were two resource advisories. One was on the 6th where there was unseasonably warm weather, and one was on the 25<sup>th</sup>, when a lot of units started their fall outages.

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**Consolidated Department Reports (Item 12)**

Consolidation of Department reports are from the Ponca City Power Production team, Engineering, Financial, and Member Services. No questions were asked about the reports. However, some departments gave some additional information below.

Ms. Smith said OMPA filed comments with the Corporation Commission on the Right of First Refusal for 300 kV and above. OMPA pointed out that IOUs were lining their pockets.

Mr. Smith also said that we are in the final stages of the Demand response program. We are still making changes to it. We are hoping to launch and go live November 1<sup>st</sup>. We will have training for your staff and marketing materials. If you live in your test area, you can get a SMART thermostat and see what your customers are seeing.

There will be a rebate on new thermostats. We will verify that they are your customers.

We will be offering some virtual trainings to see what the platform will look like and how it is going to work. Our program is named "Turn Down the Watts" named by Staci Oliver.

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**General Counsel Report (Item 13)**

Ellen Edwards, General Counsel, said she is working with Jennifer on the KAW grant. Ellen is working with Dave on getting grants out. Ms. Edwards said she is also working on state historical properties office taking federal money.

If anyone is interested in the IOUs to request for alternative rates and ROFR, the technical conference is November 9<sup>th</sup> and the meeting with commissioners is February 5<sup>th</sup>.

Ms. Edwards also said she would be going to the APPA Legal Conference next week.

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**Board Educational Topic, "Compliance & Safety Overview" (Item 14)**

Board Educational Topic, "Distribution System Analysis" was shared over lunch.

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**New Business (Item 15)**

No new business was discussed.

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**Next Board Meeting (Item 16)**

Chair Nicholson stated that the next Board meeting will be on Thursday, November 9th, 2023, at 10:00 a.m. at the OMPA Boardroom, 2701 W. I-35 Frontage Road, Edmond.


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**Adjournment (Item 17)**

Hearing no objections, the following motion was introduced:

***Ms. Little, seconded by Mr. Ralls, moved to adjourn the meeting at 12:45 p.m. The motion passed with the Directors voting as follows: Aye: Mses. Johnson, Little, and Witchey; Messrs. Bunn, Greff, Fisher, McPherson, Nicholson, and Ralls. Nay: None. Absent: Kimberly Meek and Gary Jones.***

  
Glenn Fisher, Secretary

  
Homer Nicholson, Chairman

