

CRISP COUNTY POWER COMMISSION
CORDELE, GEORGIA

2:00 P.M.
September 27, 2022

The regular monthly meeting of the Crisp County Power Commission was held on the above-mentioned date and time in the Power Commission Board Room at 202 South Seventh Street.

There Were Present:

Ray Hughes, Chairman
Alissa Wilkerson, Vice Chairman
John Pridgen
Rusty Slade
James Dowdy
Mark Crenshaw
Larry Felton

Others Present:

Michael Ivey, General Manager
Ladreka Daniels, Secretary
Rick Lawson, Attorney
Becky Fitzgibbons, Office Manager
Chad Young, IT Director
Chris Hewitt, Tech Services Manager
Rick Vaughn, Staff Engineer
Troy Gilliam, Resource Manager
Blake Manning, Operations Manager
Ronnie Miller, Production Manager
Grant Buckley, IDA Director

Telephone:

Avin Sundar, Nextera Energy
Jerry Balzer, Nextera Energy

Absent:

Sam Farrow, Commissioner

Media:

Dee Sinha

Call to Order

Ray Hughes called the meeting to order and welcomed all present. Mark Crenshaw will be sitting as a voting member in the absence of Sam Farrow.

Minutes

A motion was made by Alissa Wilkerson, seconded by Larry Felton, and unanimously carried to approve the minutes of the regular August meeting.

Review of August 2022 Financial Statements

Operating Revenues	\$5,110,585.58
Operating Expenses	\$5,573,337.14
Net Revenues (After Adjustments)	\$634,085.80
Year to Date Net Revenues	\$1,070,967.52
Total Funds On-Hand	\$8,992,087.76

Manager Ivey reported we just received the MEAG 2023 preliminary budget so we can start updating long-term projections. Energy sales for the month in the residential, commercial, and industrial classes were less when compared to the same month last year. HCDD for the month were 4.2% greater than last year and 1.9% below the long-term average. Energy production was down 0.2% compared to last year. Sales of energy were up 3.1% and revenue was down 13.6% compared to this time last year.

Hydro-electric production during the month of August was 1.6% below the long-term average and 31.3% less than August 2021. SEPA generation was 0.2% below the budgeted long-term average. Unit #2 is currently out of service for maintenance.

A motion was made by Rusty Slade, seconded by John Pridgen and unanimously carried to approve the August 2022 Financial Statements.

Nextera Lighting Proposal

Manager Ivey introduced Nextera's representatives, Avin Sundar and Jerry Balzer present via telephone conference. Manager Ivey reported our current active light count is 10,055 in which we currently stock, install, maintain. He reported CCPC staff recommends a 3rd party company, Nextera, to run the lighting program who will quickly transition all lighting to LED with the exception of sport fixtures. The 3rd party company will modern computerized technology and interface which should improve customer experience and response time. Nextera will be responsible for the supply, installation, and commissioning of the lighting assets. CCPC will continue to manage the power supply, delivery of energy to lighting assets, the full administration of billing functions to our customers, and the ongoing maintenance of lighting assets but will be reimbursed by the 3rd party for truck rolls. Ivey reported all outage notices from customers for lighting will remain in place and routed through CCPC.

Ivey gave a report on the financial impact and proposed savings. Nextera's costs fit into our current rate schedule and has no up-front costs to CCPC. He reported the term of the agreement is 15 years with fixed monthly payments that will not begin until new lighting system is fully implemented and CCPC signs off on approval. He reported there is no budget increase and the money come from Nextera's buying power because they purchase hundreds of thousand fixtures whereas we purchase roughly 20-30 fixtures.

Ivey reported if approved we hope to execute the contract during Quarter 4, 2022 with construction being completed and payments beginning by Quarter 4, 2023.

A motion was made by John Pridgen, seconded by Rusty Slade and unanimously carried to move forward with the contract with Nextera if approved by Attorney Rick Lawson.

Budget Adjustment for Unit #2 Rebuild

Manager Ivey reported we need to adjust the Hydro #2 rebuild budget from \$820K to \$1,220K to allow for \$400K required surface machining work. During the surface inspection, defects were found beyond acceptable limits. The Board was presented with attachments listing recommendations and responses from HDR regarding the repair. Ronnie Miller reported that this is the type of repair that 'you don't know until you look inside' and that if it isn't repaired, then it can cause the entire unit not to function properly.

A motion was made John Pridgen, seconded by Alissa Wilkerson, and unanimously carried to adjust the Hydro Unit #2 rebuild budget from \$820K to \$1,220K.

Report on MEAG September 2022 BOD Meeting

Manager Ivey reported the MEAG Board meeting was held on Thursday, September 15th. He reported budget to actual, fixed and variable costs were over budget by 0.76 cents per kWh for the month and 0.47 cents per kWh under budget YTD. Variable costs were over budget by \$55.3M mostly due to the supplemental market. Supplemental is over due to increased purchases and a high market (\$37.6M or 462% above budget). Renewal and Replacement (R&R) was under budget by \$800K. Ivey reported natural gas prices increased to the highest levels seen so far this year. Prices are well above budget and are projected to remain above budget for the remainder of the year. He reported the market is in a period of high price volatility due to continued high demand with uncertainty in the markets as a result of international supply concerns, low gas in storage, limited production increases, and limited coal supplies. For the Southeast, issues continue on the Transco pipeline that is reducing the available gas supply. This restriction created an impact on the deliveries into Zone 4 of the Transco pipeline in July and August. He reported current impacts are minimal but the timeline for resolution is not certain and future impacts could occur. Ivey reported coal regulatory, delivery issues, storage issues, and high temperatures continue to put pressure on the NG market prices.

Manager Ivey reported the nuclear units continue to perform well and utilization was 6.0% above budget. All units are at 100% availability. Coal utilization was 38.9% below budget due to coal delivery and conservation issues. Ivey reported Wansley operated for the last time in August. The CC unit is running 12.2% above budget. SEPA was below budget for the month but above budget YTD and expected to stay near budget for the remainder of the year. Off-system purchases were \$64M above budget due to serving native load and sales. MEAG was 56% non-emitting for the month and 59% non-emitting for the last 12 months. Monthly energy consumption was 12.8% greater than last year for the month and 3.3% below budget YTD.

Manager Ivey reported Lucas Carpenter and Chris Lorenz presented PricewaterhouseCoopers' (PwC) 2022 Audit Plan and overall the scope to the engagement and deliverables should be consistent with prior years with the MEAG Power audit, the audit of the SPV's, the YES Attestation, and the Board elections. The MEAG ALCO quarterly report was presented as of June 30, 2022. The CPI hit another 40-year high increase of 9.1%. The Federal Reserve raise its target Federal Funds Rate by 0.75% in June to 1.50% which is the biggest one-time increase since 1994. The rise in

interest rates continued to impact market-to market MEAG Power investment returns. The MEAG Board Action included approval of the 2023 Preliminary Annual System Budget and the 2023 Preliminary MEAG Telecommunications Project Budget.

Manager Ivey presented slides regarding legislative issues and some items regarding other MEAG communities. Ivey also gave an update on the progress of Vogtle 3&4 projects. He also presented the Board with a slide presentation of the Vogtle progress.

Current Projects

- ❖ Ladreka Daniels reported the Annual Health Fair will be held October 27th and October 28th at the AG Building from 6:00 a.m. – 10:00 a.m.
- ❖ Chris Hewitt reported we have been trying to get prepped for the storm as best as possible but it appears that we should have minimum impact. He reported we are being very careful with inventory checks to make sure we have materials needed to maintain our system. He's been working on grant proposals to see if we can qualify for some needed funds. Chris reported the Aries Pro Program is ¾ completed.
- ❖ Rick Vaughn gave his monthly outage report and reported there were 92 outages, 5,994 customers were affected, and 6,514 interruptions.
- ❖ Troy Gilliam reported permits are coming in for seawalls. Buoys are in and he is getting a crew together to help place them. He reported he continues to meet with Pointed Dog Solutions. Troy also reported we have one more spraying for the year.
- ❖ Blake Manning reported the N/S Valhalla underground remediation project has been completed and cleaned up. He reported crews are working on Osmose pole change outs, maintenance on circuit 1230, and daily work. Blake reported ROW is working all over the county cutting dead trees that are endangering main feeder lines.
- ❖ Ronnie Miller reported contract divers are diving to clean and inspect drain lines. He reported all the ash has been removed. The gas turbine construction is going well and is still on track for operation by next summer.
- ❖ Grant Buckley gave a brief report on new activity within the community the Pateville area. He reported Big Tex had a temporary layoff across the entire company so they can retool for new trucks. He mentioned the construction taking place at Harris Press. Grant also mentioned the QT Truck Stop on E 16th Avenue is continuing to move forward with plans.

Other Business

Larry Felton mentioned to the Board that he would like for them to discuss giving customers three (3) extensions per year at the October 2022 meeting.

Executive Session

Chairman Hughes announced a need for an Executive Session to discuss potential litigation. A motion was made by Larry Felton, seconded by Alissa Wilkerson to go into Executive Session.

No actions were taken.

A motion was made by Larry Felton, seconded by John Pridgen to return regular session.

The Commission reconvened into regular session.

Meeting Adjourned

Chairman Hughes announced that there was no further business to come before the Commission and declared the meeting adjourned.



Chairman


Secretary

Approved this 25th day of October 2022



GEORGIA, CRISP COUNTY

Personally appeared before the undersigned officer authorized to administer oaths, the undersigned chairperson of the Crisp County Power Commission, who in oath, states that he/she presided over the meeting of said organization on the date specified below, that he/she is an adult, competent to testify to the statements herein contained, is laboring under not disabilities and makes this statement to the best of his/her knowledge and belief, aware of the fact that this statement will be made part of the record of said meeting.

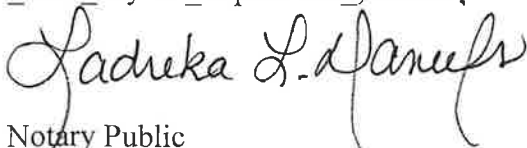
A portion of said meeting was closed to the public (held in "Executive Session"), and that the subject matter of the closed portion thereof was devoted exclusively to matters within the exceptions to the "Open Meeting Law" (OCGA section 50-14-1, et seq), and that the specific relevant exception(s) thereof is indicated below by a check mark in the blank immediately preceding said exception.

- Attorney/client privileged matters concerning pending or potential litigation.
- Tax matters made confidential by a state law.
- Staff meeting held for investigative purposes under duties or responsibilities imposed by law.
- Discussions concerning the future acquisition of real estate.
- Discussions or deliberating upon the appointment, and employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluations or rating of a public officer or employee.

This 27th day of September, 2022


Chairman, Crisp County Power Commission

Cordele, Georgia
Sworn to and described before me this
27th day of September, 2022.



Notary Public
My Commission Expires 11/7/2024

