

**Minutes of Regular Meeting  
Grand River Dam Authority  
Board of Directors  
Vinita, Oklahoma  
March 2, 2016**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Administration Headquarters, Vinita, Oklahoma, on March 2, 2016. Notice was given pursuant to 25 O.S.A. § 301 et seq. by submitting a schedule of regular monthly meetings to the Secretary of State on November 25, 2015, at 10:13 a.m.; by posting the agenda with the Craig County Clerk's office on March 2, 2016 at 8:43 a.m.; by posting said agenda at [www.grda.com](http://www.grda.com); and by posting said agenda at the principal office of GRDA at least 24 hours prior to the meeting.

---

Chair Townsend called the meeting to order at 10:05 a.m. The Secretary called the roll. All members were present with the exception of Director Richie and Chair Townsend declared a quorum. Mr. Burget introduced guests.

---

**BOARD MEMBERS**

Ed Townsend, Chair	Present
James B. Richie, Chair-Elect	Absent
Pete Churchwell	Present
Tom Kimball	Present
Chris Meyers	Present
Stephen R. Spears	Present
Joseph Vandevier	Present

**ADMINISTRATIVE**

Daniel S. Sullivan, General Manager/CEO/Director of Investments	Present
Tim Brown, Chief Operating Officer	Present
Ellen Edwards, General Counsel	Present
Charles J. Barney, AGM Fuel and Generation Projects	Present
Carolyn Dougherty, AGM Market Analysis/Strategic Development	Present
Brian Edwards, AGM Chief of Law Enforcement/Lake Operations	Absent
Mike Herron, AGM Engineering, System Operations & Reliability	Present
Darrell Townsend II, AGM Ecosystems/Lake Management	Present
John Goodwin, AGM Human Resources	Present
Steve Anderson, AGM Grand River Energy Center Operations	Absent
Steve Jacoby, AGM Hydro Electric Projects	Present
Sheila Allen, Secretary	Present

Others present were as follows: Tom Mixson, NEOEC; Ted Hilmes, KAMO; Michael Doublehead, TPWA; David Rountree, City of Miami; Mike Williams, Shangri-La; Gary Pruett, MUB/City of Pryor; Dwayne Elam, WPWA; Justin Alberty, Mike

Waddell, Melanie Earl, Tamara Jahnke, Heath Lofton, Grant Burget, Jeff Brown, Eddie Rothermel, Ash Mayfield, Holly Moore, GRDA.

---

## CONSENT AGENDA

### 4.a. Resolutions of Commendation:

- (1) Kirk A. Denny

### 4.b. Declare Surplus and Not Necessary to the Business of the District:

- (1) 2015 Renewable Energy Credits

### 4.c. Power Purchase and Sale Agreement with Worldwide Steel Works, Inc.

### 4.d. Power Cost Adjustment (PCA) of $-\$0.00988$ per kWh for April 2016

### 4.e. Payment of Additional Premium of \$151,360.30 to CompSource for 2015 Workers' Compensation Insurance

### 5.b. Purchase Order Report (\* Denotes Addenda Items)

PO Number	VENDOR/DESCRIPTION	Pursuant to	Amount
41282	MIDWEST CRANE SERVICES LLC, TULSA, OK Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.	RFP 41282	
41303	AM-RAIL CONSTRUCTION INC, TULSA, OK Railroad cross ties for general rail track maintenance for the period of March 1, 2016 through February 28, 2017.	RFQ 19995	
41304	SCHNEIDER ELECTRIC, HOUSTON, TX Remote Terminal Unit equipment and Central Processing Unit upgrade kit for unit control and monitoring of Ferguson, Coffeyville and GREC 3 generators. WO # 107-00.57-02-RF016-00742	RFQ 20032	
41307	SCOTT POWERLINE AND UTILITY EQUIPMENT LLC, MONROE, LA Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.	RFP 41282	
41308	NESCO LLC, BLUFFTON, IN	RFP 41282	

PO Number	VENDOR/DESCRIPTION	Pursuant to	Amount
41309	<p>Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.</p> <p>BELGER CARTAGE SERVICE INC, TULSA, OK</p>	RFP 41282	
41310	<p>Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.</p> <p>HERTZ EQUIPMENT RENTAL, TULSA, OK</p>	RFP 41282	
41311	<p>Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.</p> <p>UNITED RENTALS NORTH AMERICA INC, OKLAHOMA CITY, OK</p>	RFP 41282	
41312	<p>Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.</p> <p>WARREN POWER &amp; MACHINERY LP DBA WARREN CAT, TULSA, OK</p>	RFP 41282	
41313	<p>Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.</p> <p>TNT CRANE &amp; RIGGING INC, HOUSTON, TX</p>	RFP 41282	
41314	<p>Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.</p> <p>HOLLY EQUIPMENT SALES INC, TULSA, OK</p>	RFP 41282	
41315	<p>Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of</p> <p>TRL RENTS LLC, CANTON, OH</p>	RFP 41282	

PO Number	VENDOR/DESCRIPTION	Pursuant to	Amount
	all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.		
41316	TRUE STEEL LLC, ADA, OK Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.	RFP 41282	
41317	HUGG & HALL EQUIPMENT CO INC, SPRINGDALE, AR Authority wide contract for equipment rental for the period of March 2, 2016 through March 1, 2017 with options to renew for two (2) additional one (1) year periods. Total of all contracts awarded to multiple vendors is \$625,000 per year with the option to reallocate the awarded funds during each year between the multiple vendors. Reallocation will be determined based on usage and need of the various facilities.	RFP 41282	
70233	CONTINENTAL INDUSTRIAL SUPPLY CO INC - CISCO, BROKEN ARROW, OK Four hundred eighty (480) scrubber nozzle assemblies for Unit 2 dry scrubber.	RFQ 19899	
70440	SPX FLOW US LLC, MCKEAN, PA One (1) desuperheater for Unit 2.	RFQ 19971	
70452	ROYAL SWITCHGEAR MANUFACTURING CO INC, BESSEMER, AL Twenty-one (21) switches for Gerald Gay Substation. WO 107-00.55-02-RF011-00435	RFQ 19879	
70481	BOB HURLEY FORD LLC, OKLAHOMA CITY, OK Three (3) Ford F-550 trucks; one each for Transmission welding shop, Transmission substation crew, and Hydro department. WO 107-00.69-02-13200-T20U0 & WO 107-00.69-02-13200-T20V0 & WO 107-00.69-02-13200-H7G00	SW035	
<b>Total Standard Orders:</b>			<b>\$1,333,526.10</b>
40225	SOUTHERN ENVIRONMENTAL INC, WESTERVILLE, OH Revision to fabric filter project for Unit 2 to remove the labor, equipment, and material costs to insulate the walk-in plenum and weather enclosure walls. WO 107-00.72-15-JF062-00000	RFP 40225	-86,825.00
40522	MITSUBISHI POWER SYSTEMS AMERICAS INC, LAKE MARY, FL Revision to increase combustion turbine generator for Unit 3 by \$6,888.00 for the GT stairway supports to meet the foundation elevations shown in Details A,B,C and D on the Kewitt mark-up of G1-Q3012. This is a correction to move CO #7 which was previously approved by the Board on June 18, 2015 as an increase on contract 40523. WO 107-00.76-15-RF014-00612	FL RFP 40522	6,888.00
40523	MITSUBISHI POWER SYSTEMS AMERICAS INC, LAKE MARY, FL Revision to decrease contract for steam turbine-generator for Unit 3 by \$6,888 to correct CO #7 increase previously approved by Board on June 18, 2015 that should have been applied to contract 40522 and CO #19 R2 to accommodate L-1 blade replacement prior to Rotor arrival as requested by Kewitt to provide delivery schedule relief no later than February 1, 2016. WO 107-00.76-15-RF015-00686	RFP 40313	-6,888.00
40776	MMR CONSTRUCTORS INC, BATON ROUGE, LA Reduction in scope of labor and equipment for demolition of the conduit and cable for Train A and Train B of the existing electrostatic precipitator.	RFP 40776	-289,823.28
41093	SHERMCO INDUSTRIES INC, TULSA, OK Change Order #1 to include \$12,288 for bonding for Unit 3 Substation Testing and Commissioning services.	RFP 41093	12,288.00
41108	MEAD & HUNT, MIDDLETON, WI	OAC 300:20-1-1(d)	32,400.00

PO Number	VENDOR/DESCRIPTION	Pursuant to	Amount
41306	Revision to add two work authorizations to the contract to perform a preliminary review of Tetra Tech's hydraulic modeling of the Neosho River for the City of Miami and for development of an operations tool proof of concept. PINNACLE BUSINESS SYSTEMS, TULSA, OK	WSCA MNWNC-109	204,205.26
70365	RSA maintenance renewal for the period of April 1, 2016 through March 31, 2017 for Network Security system that monitors GRDA's corporate and operational networks and endpoints for malicious activity. CDW GOVERNMENT LLC, VERNON HILLS, IL	NJPA #100614-CDW	54,471.00
	VMWare software support renewal for the period of December 30, 2015 through December 29, 2016 to maintain the GRDA virtualization systems and keep up with software and security patches. Ratification is required for the period of December 30, 2015 through March 2, 2016.		
<b>Total Change Orders:</b>			<b>-\$73,284.02</b>
41305	AERIAL DATA SERVICE INC, TULSA, OK Emergency services to provide aerial photography necessary to document high water marks associated with GRDA rivers, streams, and lakes during the flooding event. This is a ratification for services that began December 24, 2015 and continued throughout the month of January.	Sole Source	66,855.00
<b>Total Emergency Orders:</b>			<b>\$66,855.00</b>
<b>Grand Total :</b>			<b>\$1,327,097.08</b>

### 5.c. Work Order Report (\* Denotes Addenda Items)

Number	Title	Amount
JF062-00000	GREC U2 Replace Rochester Annunciator System	\$193,903.00
RF016-00741	Install Fiber on Feeder 104	\$104,637.00
<b>Grand Total Work Orders</b>		<b>\$298,540.00</b>

Director Churchwell moved to approve the consent agenda, seconded by Director Vandevier, and voted upon as follows: Churchwell, Kimball, Meyers, Spears, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

## REGULAR AGENDA

### 1. Regular Board Minutes of February 10, 2016.

Director Spears moved to approve the regular board minutes of February 10, 2016, seconded by Director Meyers, and voted upon as follows: Churchwell, abstain, Kimball,

yes, Meyers, yes, Spears, yes, Townsend, yes, Vandevier, yes. Motion passed (5-yes, 0-no, 1-abstained).

---

### **3. Unfinished Business**

#### **3.a.1. Progress Reports**

Mr. Sullivan greeted the Board and recognized Mr. Mike Williams, talking about the plans Shangri-La has to build a resort hotel and their selection of the Ross Group out of Tulsa as their design firm. He said this would be a great addition to the area and Grand Lake.

Mr. Sullivan noted the Power Cost Adjustment (PCA) being just 2 mills short of a full penny as GRDA is seeing lower natural gas prices. He said this is a tremendous benefit to the customers right now.

Mr. Sullivan presented photos from a celebration and luncheon a week earlier in Pryor at GRDA's Transmission facility recognizing the many hours this group had worked without safety incidents reported. Mr. Tim Brown said the number of days was well in excess of one year safety record. Mr. Sullivan shared that GRDA is continuing efforts to try to recognize these groups particularly in areas that are at high risk. He stated they continue to operate in a safe manner and he is very appreciative of these employees' dedication.

Mr. Sullivan showed photos from the GRDA customer meetings on February 18th and 19th, as well as photos of the Mitsubishi M501J combustion turbine that is now safely at the Grand River Energy Center in Chouteau. He spoke about the nice celebration held to recognize its arrival at the Port of Catoosa and talked about the size of this piece of equipment.

Mr. Sullivan told the Board today is practice for the competitors in the Bassmaster Classic event that officially begins on Friday. He discussed what a great opportunity this event is to show off GRDA facilities and a great benefit to Grand Lake and the entire region. Mr. Sullivan said there was a nice article recently related to this and the water quality of the lakes and a subsequent piece on what to do around Grand Lake. He said he is very happy with the way this has went and the weather has been great as well.

He introduced two videos about the event held at the Port of Catoosa and another recapping the GRDA customer meetings.

#### **4. New Business**

##### **4.f. Recommendation for Bond Underwriter Services**

Mrs. Dougherty said she is very excited to report the Audit, Finance, Budget and Policy Committee's and GRDA staff's recommendation for bond underwriter services this month. She recognized Mr. Eddie Rothermel for his work on this and said GRDA asked very tough questions of the candidates in the hopes of finding out which firms truly wanted to be underwriters for this. Mrs. Dougherty stated she believed this endeavor has been successful because the firms really differentiated themselves in how much work, time and creativity they provided in their responses. She said GRDA received 15 responses and showed the names of these firms, as well as listing the Evaluation Team Members (from the Oklahoma State Bond Advisors Office, James Joseph and Jordan Purdue; PFM, Michael Berwanger, Michael Mace and Brynne Piotrowski; and GRDA, Dan Sullivan, Carolyn Dougherty and Eddie Rothermel). Mrs. Dougherty shared that this team did the initial evaluation which was recommended to the Audit, Finance, Budget and Policy Committee today. The recommended underwriting firms are Citigroup Global Markets as the Senior Manager, with Barclay's Capital, BOSCO, Bank of America Merrill Lynch, Wells Fargo Securities and Morgan Stanley as Co-Managers. She explained a team of Co-

Managers was chosen based on who could best balance out the Senior Manager and the group as a whole. She also told the Board State Bond Advisor Jim Joseph supports this recommendation, as well as PFM.

Director Vandevier said the Committee met with the leadership team this morning and went through this. He commended their efforts and stated the Committee unanimously agrees with the recommendation and feels the process was very thorough and fully vetted. Director Vandevier said he believes this is a team of underwriters that will collaborate in a way that will give GRDA the best results.

Chairman Townsend said this was a very well thought-out initial plan that will maximize the savings potential of restructuring GRDA's debt and will factor into other issues. He commended the team on their efforts.

Director Vandevier moved approval of the firms as recommended to serve as GRDA's underwriting team, seconded by Director Spears, and voted upon as follows: Churchwell, Kimball, Meyers, Spears, Townsend, Vandevier, yes. Motion passed (6-yes, 0-no, 0-abstained).

#### **4.g. General Counsel's Report to the Board Regarding Policy 2-4(II(B) Summarizing Calls Made to the Ethics Hotline for the Last Twelve Months**

Mrs. Edwards said every year she reports to the Board on any calls made to the ethics hotline within the past calendar year. She explained GRDA has a hotline system called EthicsPoint operated by a company called NAVEX Global. Mrs. Edwards stated GRDA has had this service for 5 years, but had no reports for the first 4 years. Last year in March, with the assistance of Mr. Jeff Brown and Mrs. Melanie Earl, at the urging of the Board, GRDA became more aggressive about publicizing the information. Now GRDA has received 5 reports in 2015, with one being a duplicate. She explained all of these reports dealt with personnel issues and were handled by Mr. John Goodwin and Human

Resources, resulting in some company-wide education and one supervisor being counseled. Mrs. Edwards said she did not set an executive session on this for today and cannot discuss details in an open meeting, but would be glad to set this up for the next Board meeting if the Board would like to discuss details. She stated no action is needed on this item today.

#### **4.j. Other New Business**

There was no other new business.

---

### **5. Reports**

#### **5.a. Board of Directors Committee Reports**

1. **Assets Committee:** Director Churchwell had no report.
2. **Audit, Finance, Budget and Policy Committee:** Director Vandevier had no report.
3. **Fuel Committee:** Director Spears had no report.
4. **Compensation and Marketing Committee:** Director Kimball had no report.
5. **Long-Range Planning Committee:** Director Meyers had no report.

---

### **6. Executive Session:**

- a. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(7) and 82 O.S. § 862.1(2)(b) to Confer on Matters Pertaining to Coal Contracts and Coal Transportation including pending claims, disclosure of which will seriously impair the ability of the Authority to process the claims in the public interest.**
- b. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning a Pending Claim Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Pending Claim Would Seriously Impair the Ability of the GRDA to Address the Action in the Public Interest.**
- c. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Discussing a Pending Investigation, Claim, or Action if the Public Body, with the Advice of its Attorney, Determines that Disclosure will Seriously Impair the Ability of the Public Body to Process the Claim or**

**Conduct a Pending Investigation, Litigation, or Proceeding in the Public Interest.**

**d. Proposed Executive Session Pursuant to 25 O.S. § 307(B)(1) and § 307(B)(4) for the Purpose of Confidential Communication between a public body and its attorney concerning the pending litigation, KAMO v. The Grand River Dam Authority, Case No. CJ-2015-150, in the District Court of Mayes County, state of Oklahoma.**

Director Churchwell moved to go into executive session at 10:25 a.m., seconded by Director Meyers, and voted upon as follows: Churchwell, Kimball, Meyers, Spears, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 11:32 a.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Kimball, Meyers, Spears, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

---

**7. Action on Executive Session Items**

**a. Action, As Necessary, Concerning a Confidential Matter.**

Regarding item a, there was no action needed on this item today.

Regarding item b, Director Churchwell moved to give Dan Sullivan and GRDA Management the authority to conclude negotiations and execute the administrative order between the EPA and GRDA, as discussed in Executive Session, seconded by Director Spears, and voted upon as follows: Churchwell, Kimball, Meyers, Spears, Townsend Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding item c, there was no action needed on this item today.

Regarding item d, there was no action needed on this item today.

---

Director Vandevier moved for adjournment at 11:34 a.m., seconded by Director Spears, and voted upon as follows: Churchwell, Kimball, Meyers, Spears, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*



\_\_\_\_\_  
Sheila A. Allen, Secretary

DATE APPROVED:

April 13, 2016  
GRDA Board of Directors