

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
January 12, 2022**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority's Engineering & Technology Center in Tulsa, Oklahoma on January 12, 2022. 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 30, 2021 at 9:12 a.m.; by posting the agenda with the Tulsa County Clerks' offices on January 11, 2022, at 9:59 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of Grand River Dam Authority at least 24 hours prior to the meeting.

Chair Elam called the meeting to order at 10:02 a.m. The Secretary called the roll. All members were present. Chair Elam declared a quorum.

BOARD MEMBERS

Dwayne Elam, Chair	Present
Charles Sublett, Chair-Elect	Present
Tom Kimball	Present
Mike Lewandowski	Present
Chris Meyers	Present
James B. Richie	Present
Michael Westbrook	Present

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Executive VP - Chief Operating Officer	Present
Lorie Gudde, Chief Financial Officer/Corporate Treasurer	Present
Heath Lofton, Executive VP - General Counsel	Present
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Present
Nathan Reese, Executive VP – External Relations	Present
John Wiscaver, Executive VP – Corporate & Strategic Communications	Present
Laura Hunter, Executive VP - Chief Administrative Officer	Absent
Darrell Townsend II, VP – Ecosystems & Watershed Management	Absent
Robert Ladd, VP – Generation Operations	Present
Steve Jacoby, VP – Generation Engineering	Present
Steve Wall, VP - Chief Information Officer	Absent
Mike Waddell, VP – Transmission and Distribution Operations	Absent
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Dianna McIntyre and Robert Rush, Grand Lake RV Resort; Caleb Goldner and Ridge Elam, Goldner Dock Construction; Keith Kelton, City of Sallisaw; Cheryl Adams and Tom Rider, MESO; Jared Crisp, Pryor MUB; Bennett Beard, Office of the Oklahoma Secretary of Energy & Environment; Lindsey Pever, A New Energy Law; Tamara Jahnke, Teresa Hicks, Ash Mayfield, Melanie Earl, Randall Williams, Savannah Ellison, Jared Skaggs, GRDA.

Election of Officers

a. Nominations for Treasurer

b. Election of Treasurer

c. Nominations for Secretary

d. Election of Secretary

e. Nominations for Secretary Pro Tem

f. Election of Secretary Pro Tem

Chair Elam declared nominations for Treasurer, Secretary, and Secretary Pro Tem open.

Chair Elam moved to nominate Lorie Gudde as Treasurer, seconded by Director Kimball. There being no other nominations, the nomination was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Chair Elam moved to nominate Sheila Allen as Secretary, seconded by Director Kimball. There being no other nominations, the nomination was voted on as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Chair Elam moved to nominate Susan Wagoner as Secretary Pro Tem, seconded by Director Kimball. There being no other nominations, the nomination was voted on as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4. New Business

4.a. Capital Work Order Report

Number	Title		Net GRDA Cost
RF020-01063	Sallisaw City 3 Rebuild - Revised Estimate	\$	1,201,657
RF020-01063	Sallisaw City 3 Rebuild - Original Estimate		931,289
	Additional Funding for RF020-01063		270,368
Grand Total Work Orders		\$	270,368

Mr. Sullivan explained items on the Capital Work Order Report. He asked if the Board had any questions or needed to follow-up on any item listed. There were no questions.

Director Sublett moved the Board approve the Capital Work Order Report as presented, seconded by Director Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

CONSENT AGENDA

2. December Claims, \$49,872,580.94.

4.b. Resolutions of Commendation:

- 1) Dennis Cook

4.c. Declare Surplus and Not Necessary to the Business of the District

Description and/or Make of Item	
2012 Ford F150	1989 Shop made
2014 Chevrolet SSV Tahoe	1989 Shop made
2004 Ford F150	2008 Polaris Ranger R08WH68AR
2005 Ford 500	1972 Unknown/Unknown
2011 Dodge Charger (Police Car)	2016 Polaris Ranger R16RTE8A74
2014 Ford F150	2007 Dodge Ram 1500
2004 Ford Taurus	2009 Ford F250
2012 Ford Escape	2008 Chevrolet Silverado 2500
2011 Ford F250	1981 International 1854
2005 Ford Explorer	2007 Chevrolet Express 3500
2003 Ford F450	2010 Ford F150
2011 Ford F450	2015 Ford F250
2005 GMC Sierra 2500	2008 Ford F250
2005 Chevrolet Silverado 1500	2007 Ford F350
2005 Chevrolet Express 3500	2011 Ford F550
1993 Bandit Brush Chipper Model 90	2011 Altec AT40M
2013 Brooks Brothers Trailer	2006 Chevrolet Silverado 1500
1950 Equipment Trailer	2005 Vermeer BC1400XL
1988 Hilbilt	2014 Chevrolet Impala
1988 Load King 503/755DO	2013 Ford Taurus SE
2012 Chevrolet Impala	2013 Ford Taurus SE
2012 Chevrolet Impala	1992 Jonboat
2009 Chevrolet Silverado 1500	1993 Mercury Motor
2010 Chevrolet Silverado 1500	Super Chargers: Lot of 4
1968 RC Reel Trailer	Boat Aluminum T-Top Towers: Lot of 4
1980 Great Dane 730	Lowrance Locator
1984 Shop made	Lowrance Locator
1984 Puller Tensioner PT2766T	Lowrance Locator
2005 Kubota L4330	2002 John Deere 6310 Tractor
2007 John Deere 4720	1986 Caterpillar 834B Dozer
2009 Polaris RZR 800	1988 Caterpillar D25C Articulated Dump Truck
2010 Onan P5000	1994 Melroe Bobcat Skid Steer 553 Loader
2010 Ditch Witch RT45	1999 Caterpillar 924G Wheel Loader
2014 Generac GP 15000E	2006 Caterpillar 330DL Hydraulic Excavator

- 4.d. **Power Cost Adjustment (PCA) of \$0.02983 per kWh for February 2022**
- 4.e. **Approval of Assignment of Revocable License to Encroach from Vernon Lee Moss and Sandra Moss to Coleman Carter, Jr. and Dolores Carter for Property Located in Delaware County, Oklahoma**
- 4.f. **Consideration, Discussion and Possible Approval of RAE Corporation Exhibit B Update**
- 4.g. **Contract 43591 – SP – Construction Services – Cleveland 69 Substation Upgrade**

5.b. January Purchase Order Report (*Denotes Addenda Items):

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
43609	SHI INTERNATIONAL CORP - SOMERSET, NJ	175,671.17
43619	SHI INTERNATIONAL CORP - SOMERSET, NJ	160,630.86
118370	HITACHI ENERGY USA, INC. - CHICAGO, IL	169,198.00
43626	BLACK & VEATCH CORPORATION - OVERLAND PARK, KS	185,000.00
43635	LB TECHNOLOGY - MEMPHIS, TN	284,501.25
Grand Total Standard POs & Contracts:		\$975,001.28
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
43193	MICROSOFT CORPORATION - DALLAS, TX	0.00
41806	BENHAM DESIGN LLC - TULSA, OK	0.00
Grand Total Change Orders & Renewals:		\$0.00
Grand Total		\$975,001.28

Director Richie moved to approve the consent agenda as presented, seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0 no, 0 abstained).*

REGULAR AGENDA

- 3. Unfinished Business**
- 3.a. Progress Reports**
- 3.a.1. Current Operations Reports**

Mr. Sullivan commented that the Power Cost Adjustment (PCA) was reduced, and explained data shown as to GRDA’s Demand and Energy for Load Following comparing total annual information for 2020 and 2021 for GRDA’s Full Requirements Customers for the month of December. He said GRDA continues to have a reasonably strong demand in energy with a 4 percent increase in demand and a 2 percent

increase in energy due to some of the warmer weather. He showed graphs illustrating a comparison of resource energy production for December 2020 and December 2021. Mr. Sullivan said due to GREC Unit 3 being down this led to different results, particularly where GRDA's coal usage was concerned. Otherwise, other resources were approximately the same.

Director Lewandowski asked Mr. Sullivan to provide a little more detail around the market purchases, etc. around percentages presented. Mr. Sullivan said the primary difference would be that due to GREC Unit 3 being down they needed to lean on the market more for purchased energy. He stated the Redbud units were in outage for maintenance most of the month as well.

Director Meyers asked if market prices were favorable. Mr. Sullivan said they were, and the warmer temperatures contributed to lower loads.

Mr Sullivan showed photographs of the meeting held with Illinois River float operators on December 15, 2021, at War Eagle Resort. He said agreements are in the works to be finalized during the first part of February 2022 to allow the continued use of public access areas by the commercial float operators. However, there will be individual meetings to address issues and concerns between now and then to make sure operations are not a detriment to the public having access to these areas.

Chair Elam asked, with all the congestion this past year on the river, what the attitude is of everyone involved. Mr. Sullivan said there is recognition of the issues from the public's point of view that things such as staging of equipment has sometimes overtaken public access. He stated that one War Eagle Resort has even went so far as to look at purchasing property upstream of a public access area. If they are able to do this, this will take a lot of pressure off of the Peavine Hollow Public Access Area. This could also catch on for other commercial float operators on the river. Chair Elam asked if the Oklahoma Department of Wildlife Conservation (ODWC) has been helpful in this process. Mr. Sullivan said the ODWC is restricted in what they are able to where this is concerned. He explained the only reason the commercial float operators had access to the areas for their use was because of the agreement the ODWC had with GRDA. Mr. Sullivan said he and staff believes the result will be good. He stated it is very good that some of the commercial float operators are looking at some alternatives that will take some of the pressure from the public access areas since there are more people visiting the area that possess their own equipment that would like to be able to easily use the access points.

Mr. Sullivan showed a photograph from the Oklahoma Boat Expo 2022 that was held last weekend at the Cox Business Convention Center in downtown Tulsa. GRDA's Police had a static booth due to COVID

concerns with information on Grand Lake, Lake Hudson and the Illinois River, along with life jacket, off-road and paddle craft safety tips.

Mr. Sullivan provided an update on COVID activity at GRDA. He showed graphs that illustrated positive cases from December 2021 through January 7, 2022. There were approximately 50 new cases last week alone. Mr. Sullivan told the Board the staff has returned to split shifts for the control rooms and have focused on the areas that particularly have a limited number of personnel that are qualified and certified to perform those functions. Personnel outside the control rooms must prove a business need to be in those areas at all facilities to reduce the potential of spread. These numbers have been across all departments over the last 2 weeks. He said they are in hopes to get through this phase quickly, with any luck by the end of the month.

Director Sublett asked if the staff is aware of any hospitalizations due to COVID in this recent bout. Mr. Sullivan said the severity is much less, and he is not aware of any GRDA employees that have been hospitalized recently. He stated they have seen that those that were vaccinated and have had a booster vaccination have had the virus for a shorter duration and with less severity than those that have not been vaccinated. It has been said that this variant attacks the upper respiratory system and not the lungs, and is similar to a very bad cold.

Director Westbrook asked what GRDA's backup plan is in the event key personnel are unable to carry out their duties, such as relying on other utilities or someone in the Southwest Power Pool, etc. Mr. Sullivan said GRDA has 3 supervisors that do not normally sit at the control stations that can fill in, if needed. Also, GRDA has at least 1 retiree that may be able to step in and help that would still have an active certification. Mr. Sullivan said they have also been looking at the potential of separating operators based on whether they currently test positive, but symptoms do not prevent them from carrying out their duties. This would allow them to come to work and not risk infecting their colleagues. He explained more about the backup control center and how they are utilizing that space to help minimize issues.

Mr. Sullivan introduced the current video and said there are a couple of other items he would like to mention. He said earlier there was a reference to the donation of a GRDA bucket truck to Northeast Tech for the Lineman program. Mr. Sullivan introduced a graduate from the first group of students, Mr. Ridge Elam, that was present. He stated he believes this program will truly help fulfill needs for the utility industry, and that all the graduates from the program have already received job offers. This has been a great opportunity for GRDA to help move the program forward, and linemen have been in great need in the area.

Also, Mr. Sullivan said, regarding the relicensing of Pensacola Dam, there was a hearing yesterday with the U.S. Senate Energy & Natural Resources Committee in Washington, DC. Senator Jim Lankford is on that committee and hydropower issues, including licensing and relicensing, was part of the discussion. Some of the questions and comments that Senator Lankford made were related to GRDA's project and the issues the Authority has had. Many things are being discussed actively and there is significant progress being made with the National Hydropower Association (NHA) that GRDA is a member of. GRDA's retained counsel, Chuck Sensiba, also is serving a very strategic role within NHA as he is advising them. Mr. Sullivan said this topic has been getting some attention.

4. New Business

4.h. Consideration, Discussion and Possible Authorization to Enter into Service Agreement with Hometown Connections, Inc. – Deployment of Advanced Metering Infrastructure (AMI) in GRDA Municipal Customer Communities

Mr. Reese explained the Advanced Metering Infrastructure (AMI) is an integrated system of smart meters, communications networks, and data management systems. AMI enables 2-way, real-time communication and data exchange between utilities and customers. He presented the benefits of this, including an enhanced "meter to cash" function, real-time customer power consumption information, closer coordination between customers and GRDA's operations staff during outages and curtailments, weather events, and an improved outage response. Development of a GRDA AMI program has been in response to their customers' requests for assistance, and the staff and the Customer Task Force has been engaged for several months in the search for an AMI solution to offer to all GRDA Wholesale Municipal Customers taking service under Schedule WP. Mr. Reese said there has been extensive research and review of AMI service providers to ensure seamless acquisition, deployment, and support of the latest generation of AMI. He told the Board GRDA is recommending the selection of Hometown Connections, Inc. (HCI) in partnership with American Municipal Power (AMP) as the proposed vendor for the AMI solution. HCI, originally a component of the American Public Power Association (APPA), was created through a partnership between American Municipal Power and seven other public power utilities, designed specifically to serve public power. AMP is a public power joint action agency and wholesale power supplier to members across nine states. Mr. Reese went over the program highlights and provided a table showing the costs for initial and on-going services based on 8745 electric meters and 7571 water meters, explaining details.

Costs for each municipality would be directly allocated, and those costs separated into 3 categories, including electric infrastructure, billing system integration, and non-electric infrastructure. Over the course of 60 months, GRDA would bill a municipality equal installments as a separate line item on the GRDA wholesale bill. He stated the administrative charge would be immaterial to the cost of the program. Mr. Reese explained this phase is only to negotiate an agreement with Hometown Connections, Inc. and the Board would consider GRDA membership in HCI, a final agreement, and the AMI cost recovery rider at a future date, subject to final terms, conditions, and cost estimates. He said, along with this service agreement, GRDA is contemplating becoming a part of HCI to obtain a voting seat on their Board. GRDA, HCI and AMP were planning to meet with customers yesterday, but they felt it was not the right time to gather due to current COVID concerns. Mr. Reese stated they do want to provide an opportunity for the customers to join GRDA, HCI and AMP for a meeting as a part of the process very soon.

Director Kimball asked what the cost to join HCI is. Mr. Reese said it is a one-time cost of \$265,000 and is relatively inexpensive considering what GRDA pays APPA each year, etc.

Director Lewandowski asked if there were any savings the customers would share. Mr. Reese said there would be some cost savings if the program meets certain benchmarks, at deployment of 40,000 and 80,000 meters. There are also some savings in not having to read the meters.

Discussion ensued regarding technology and municipalities staying current with customer needs, as well as how the smart meters can be used to provide vital data to make critical decisions. Additionally, the Board and GRDA staff discussed what other providers had to offer compared to HCI and AMP and how they stood out.

Director Richie left the room at 10:55 a.m., and returned at 10:57 a.m.

Director Meyers stated he believes the smart meters pay for themselves as it becomes more difficult to build generation and transmission, while trying to electrify many more items. He said if a municipality does not have this kind of metering capability, there cannot be a rate designed to correctly meet peak and demand. Director Meyers said utilities are going to have to do this going forward as managing load is going to be vital.

Discussion ensued regarding communities choosing their own vendor for this type of program and concerns some of the municipal customers have with GRDA using a single vendor instead of providing

additional options. Mr. Sullivan stated communities would have the option to utilize GRDA's vendor for this purpose, but that the program would be strictly voluntary. He told the customers and the Board that the staff wants this to be a turnkey service for the communities. Customers present at the meeting spoke about what some of their concerns and needs are. Mr. Sullivan further explained that GRDA staff wanted to offer a solution for the customers to bring this type of technology to their communities, but there could be other options down the road.

Director Kimball left the room at 11:03 a.m., and returned at 11:05 a.m.

Director Elam asked that the GRDA staff consider offering another vendor instead of only one source to acquire an AMI program. He also asked if this item could be tabled at this time, but later recalled this.

Director Richie stated that he understands that this motion would only authorize GRDA to negotiate an agreement with HCI. Mr. Reese confirmed this and said this is an interim step due to the fact the customer meeting had to be postponed.

Director Kimball moved to authorize GRDA management to proceed with the negotiation of an agreement with Hometown Connections, Inc., for the deployment of advanced metering infrastructure in GRDA municipal customer communities, as discussed and fully vetted by GRDA municipal customer communities, subject to terms and conditions approved by the Chief Executive Officer and General Counsel, seconded by Director Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.i. Consideration, Discussion, and Possible Approval of Carbon-Free Energy Based Power Cost Adjustment (PCA) Rate

Mr. Mayfield provided an overview of the Carbon-Free Energy Power Cost Adjustment Rider, also saying that the utility industry is changing. He talked about power supply and how it related to resource portfolio decisions, including reliability-constrained economics and environmental attributes. Some customers are willing to pay more for energy that is generated from carbon-free generation, and some want the lowest possible cost. GRDA would like to harmonize these conflicting objectives by creating a voluntary carbon-free energy Power Cost Adjustment (PCA) calculation, as PCA-r. Mr. Mayfield went over the

highlights of this calculation, including how customer may voluntarily participate, how energy from GRDA carbon-free generation is included in a PCA-r logical bucket, PCA-r energy would match the customer's annual energy usage, participating customers would get to claim the environmental benefits of PCA-r energy, and participating customers would pay a premium relative to PCA-o customers. He said the PCA-r premium is basically the weighted average value of Renewable Energy Credits (RECs) associated with the PCA-r energy, but GRDA may factor resource P&L if REC value led to significant under-recovery. If the PCA-r is under-subscribed, there would be no change. If the PCA-r is over-subscribed or if customer requests for this exceed GRDA's carbon-free energy portfolio, GRDA has discretion to add or not add new carbon-free energy to the portfolio. Each new carbon-free project would require separate Board review and approval. The participation term would be 3 years. The customer load that will be nominated for PCA-r would be 100 percent. On an annual basis, GRDA will try to prevent annual energy mismatches, but shortfalls in PCA-r production may be made up by GRDA via REC purchases.

Mr. Reese stated this is important for some existing customers, but also important for GRDA's business development efforts currently with potential customers of which this is very important. Mr. Mayfield agreed and said this is one more tool for the team to enhance GRDA's position with current and potential customers going forward.

Director Meyers asked if this was intended for the customers in the industrial park. Mr. Mayfield said this is available to all customers, but is about \$0.005 per kWh premium relative to the regular PCA. Director Meyers asked if the municipality would have to do this for their entire purchase. Mr. Mayfield confirmed this. Mr. Sullivan stated this is the first phase of this type of a program, and GRDA intends to find ways to assist communities in also attracting industry and recruiting. He also said that GRDA is now listing their hydropower projects to receive credits as renewable energy, which did not qualify in the past. Hydropower projects are now being considered renewable and/or carbon-free sources of energy.

Discussion ensued regarding the possibility of bringing solar energy to GRDA's portfolio and how the staff would mitigate over-subscription. It could become a recruiting and business development tool for the Authority.

Director Richie moved to approve the proposed Rider CFE-PCA – Carbon Free Energy Power Cost Adjustment, seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Mr. Sullivan thanked the Board for providing he and the staff additional tools regarding this.

4.j. Consideration, Discussion and Possible Approval of Change Order No. 1 – Contract 43615 EWA-008 Valve Inspections and Repairs

Mr. Ladd reminded the Board that Contract 40524, executed on March 21, 2014, with Mitsubishi Power (MPW) was the original Long Term Service Agreement concerning GREC3. The agreement contains provisions for “extra work” to be performed through and Extra Work Authorization (EWA) Process. Due to the natural gas fire near the combustion turbine enclosure on October 26, 2021, many mechanical systems were left inoperable, both internal and external. This would require restoration services to return GREC3 to a safe and reliable condition. EWA-008, Contract 43615, was awarded to MPW to execute the required valve repairs on a firm price basis, including offsite disassembly, inspection and a rebuild of Bosch hydraulic actuators, offsite inspection and a rebuild of casing cooling valves and actuators, a Nakakita valve/actuator soft part rebuild kits, and onsite rebuild of Nakakita valves/actuators once the parts arrive. At the time of the contract approval, the quote had not yet been received for this portion, and a 30 percent contingency allowance of \$98,186.70 was included for this onsite rebuild. GRDA has since received the quote and it does exceed the contingency allowance. He reminded the Board that all fire related costs are being submitted to GRDA’s insurance carrier and it is the expectation of the staff that this amount will be reimbursed.

Director Richie left the room at 11:52 a.m., and returned at 11:56 a.m., but was not present for the vote.

Director Kimball moved Change Order No. 1 for Contract 43615 be approved for Mitsubishi Power (MPW), increasing the not-to-exceed amount of \$425,475.70 to \$658,875.70, subject to negotiation of final terms which are satisfactory to the General Counsel and CEO, seconded by Director Westbrook, and voted upon as follows: Elam, yes, Kimball, yes, Lewandowski, yes, Meyers, yes, Richie, abstain, Sublett, yes, Westbrook, yes. *Motion passed (6-yes, 0-no, 1-abstained).*

4.k. Consideration, Discussion and Possible Approval of Change Order No. 1 – Contract 43592 Electrical Installation Contractor for Unit 3 Restoration Project (BOP Scope)

Mr. Ladd provided background information saying the previously mentioned fire left many electrical control systems inoperable, and it will require restoration services to return GREC3 to a safe and reliable condition. He said Contract 43592 was awarded to Gulf Turbine Services (GTS) to initiate Phase 1 of the restoration effort, to include demo of the damaged equipment, de-termination of electrical connections, field labeling, conduit and equipment installation, cable pulls, wire terminations, electrical testing, commissioning activities, and delivery of a final report. He went over the Phase 1 repaired systems and told the Board the work has progressed as expected with exceptional results thus far. Now, Phase 2 repairs are needed, and additional systems have been identified. These include the HRSG exhaust gas instrumentation, gas detector panel above the 4S cooler, heat tracing, 4S cooler power cables (3 motors), the casing cooling air fan motor, the outside FGU and HRSG welding receptacles, purge credit valves, and other systems as approved by GRDA. Mr. Ladd told the Board GTS has agreed to continue work under the approved contract. They would perform under the terms of the existing contract, subject to the Service Work Authorization (SWA) process. This benefits GRDA to eliminate potential risks of costly errors and delays from the usage of multiple contractors. The time and materials based estimate of \$289,800.00 requires additional funding beyond that approved by the Board previously. He said all fire related costs are being submitted to GRDA's insurance carrier, and it is the staff's expectation that this amount will be reimbursed.

Director Kimball asked why the staff seems more guarded in only expecting reimbursement on this expense. Mr. Sullivan said there would be further discussion on this during the Executive Session portion of the meeting.

Director Sublett asked what the total is up to in total cost at this time. Mr. Ladd said, as it stands today, the total is at \$7.4 million. He stated they do expect some further expenditures forthcoming. However, the staff expects the final total to be approximately \$9.8 million.

Chair Elam moved Change Order No. 1 for Contract 43592 be approved for Gulf Turbine Services (GTS), increasing the not-to-exceed amount from \$310,000.00 to \$599,800.00, subject to negotiation of final terms which are satisfactory to the General Counsel and CEO, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrock, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.l. Ratification of Contract 43633 – GREC 3 Concrete Repairs for 4S Cooler Area

Mr. Ladd said this item is also related to the previously mentioned fire. He told the Board a field investigation was conducted on December 14, 2021, by a Structural Preservation Systems forensic investigator. The visual inspection performed was on accessible and unobstructed areas of the slab-on-grade, the grout under the base plates, and the support pedestal, which identified concrete distress manifestations. These included cracks, spalling, and other notable deterioration or degradation mechanisms. The acoustic impact and Ultrasonic Pulse Velocity (UPV) investigation was performed and core samples were taken for lab testing. Mr. Ladd showed photographs of the areas. He said the recommendations of Structural Preservation Systems for the repair of the concrete in the fire zone included a partial-depth concrete repair to address localized delamination of the support pedestal, installing a concrete overlay over the affected slab-on-grade, relacing all of the grout under the base plates following the initial curing of the concrete overlay, and a phased approach as to not impede site progress and to ensure that quality repairs are made while the ongoing mechanical and electrical repairs continue. Mr. Ladd presented a proposal summary to the Board for Phase 1 and Phase 2 of this project and said the proposal has been thoroughly reviewed and accepted by GRDA and Black & Veatch. He stated the Authority has previous experience with Structural Preservation Systems and considers the organization to be qualified to perform the requested scope of service. As is consistent with the previous presentations, all fire related costs are being submitted to GRDA's insurance carrier and it is the expectation of the staff that this amount be reimbursed.

Director Sublett moved Contract 43633 be ratified for Structural Preservation Systems, LLC in the not-to-exceed amount of \$197,085.00, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.m. Other New Business, if Any, Which Has Arisen Since the Posting of the Agenda and Could Not Have Been Anticipated Prior to the Time of Posting (25 O.S. § 311(9)).

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- a) **Consideration, Discussion and Possible Approval of a Request by Randall Scott Denton and Emerette Pierce Denton, Trustees of the Denton Living Trust Dated January 14, 2005, for a Revocable License to Encroach for Property Located in Craig County, Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of a Request by Richard Allen Sellers, III for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request by the Cushing Municipal Authority and Donald Ethridge for an Easement for a Water Line Located near the Cushing Substation in Payne County, Oklahoma.**
- d) **Consideration, Discussion and Possible Approval of a Request by Grand Lake Resort, LLC for an Amended Lease for Property Located in Delaware County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of a Request by Grand Lake Resort, LLC for a Commercial Permit.**
- f) **Consideration, Discussion and Possible Approval of a Request by Michael and Kim Jensen, d/b/a Jensen's RV Park for a Lease for Property Located in Mayes County, Oklahoma.**
- g) **Consideration, Discussion and Possible Approval of a Request by Water Front Development Company - Colony Cove for Modifications of an Existing Commercial Facility Located in Ketchum Cove on Grand Lake.**

Director Westbrook briefly went over the items brought before the committee this morning. He stated all 7 items were approved unanimously by the committee members.

Regarding items a, Director Westbrook moved to approve a License to Encroach to Randall Scott Denton and Emerette Pierce Denton, Trustees of the Denton Living Trust dated January 14, 2005, in Craig County, Oklahoma, for the amount of \$1,398.00 per year, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding items b, Director Westbrook moved to approve a License to Encroach to Richard Allen Sellers, III in Delaware County, Oklahoma, for the amount of \$399.00 per year, as approved by the Assets

Committee, and the items were voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding items c, Director Westbrook moved to approve a water line easement to the Cushing Municipal Authority and Donald Ethridge in Payne County, Oklahoma, for the amount of \$340.00, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding items d, Director Westbrook moved to approve the Amended Lease with updated lease payments of \$1,180/month through the initial term of the Amended Lease, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding items e, Director Westbrook moved to approve the proposed modifications to the commercial permit for Grand Lake RV Resort, LLC as submitted, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding items f, Director Westbrook moved to approve a lease of 2.3 acres in Mayes County, Oklahoma, to Jensen's RV Park for a term of 5 years with monthly lease payments in the amount of \$261.00 as the 5-year lease is beneficial to the business of the GRDA, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding items g, Director Westbrook moved to approve the modifications to Water Front Development (Colony Cove) commercial dock permit as proposed, subject to applicant submitting as built drawings for the entire facility and extending the commercial permit through December 31, 2022, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

2. Audit, Finance, Budget, Policy & Compliance Committee:

a) RFP 43497 – Finance Line of Credit

Director Lewandowski asked Mrs. Gudde to present the information to the Board.

Regarding item a, Mrs. Gudde said the staff has begun the Request for Proposal (RFP) process for the line of credit we have discussed after Winter Storm Uri as part of a mitigation plan to have more flexibility to quickly access cash should there be another event like this. GRDA requested a line of credit up to \$100,000,000 with a term of 1 to 5 years and would be subordinate lien to GRDA bonds, per our bond resolution. This line would be used to support the normal operations (taxable) and short-term capital requirements (tax exempt). She stated some organizations were unable to handle tax exempt accounts. GRDA received 6 responses to this RFP. These institutions requested their responses be confidential. Mrs. Gudde showed a table illustrating all 6 responses with the type of product proposed, facility amount the firm is willing to commit, term, bank rate for the term of the loan, base rate, reporting requirements, facility fee, initial/start-up fees, unused/undrawn fees, and not-to-exceed legal fees. This table was created by GRDA's financial advisors, PFM, and they have made the recommendation to use Wells Fargo for this account. She said Wells Fargo's rates are competitive, reporting requirements are in line with GRDA's current reporting requirements and something very feasible for staff to do. Mrs. Gudde explained differences in some of the responses and how Wells Fargo can benefit GRDA on certain aspects. She stated that, if the Board approves this item today, GRDA will also have to gain approval from the Council of Bond Oversight to move forward. The next application deadline to the Council of Bond Oversight is February 4, 2022.

Director Kimball asked if this \$100 million goes against the total bond cap. Mrs. Gudde said that it does not.

Director Richie asked if this is needed due to GRDA not having quick access to the full \$100 million through a different avenue. Mrs. Gudde confirmed this and said it would need to be processed through a traditional credit note and go through credit reviews and other processing delays. She stated GRDA's financial advisors shared with her and the staff that they have never seen an offer this low regarding fees. Mrs. Gudde also explained that the term would be for 3 years, as GRDA's cash reserves are built up. In the event there was some kind of incident similar to Winter Storm Uri, this would assist in any needs and the Authority would continue to build on cash reserves to alleviate this issue.

Director Westbrook commented that right now the Authority is operating in an uncertain and unprecedented time. He said he believes this is much needed.

Director Kimball said since GRDA is paying down \$35 to \$40 million per year on their bonds and asked why the Authority would need this credit line at this time. Mrs. Gudde stated in these uncertain times it is just another tool to respond to any unprecedented events that could occur. Director Kimball said he is concerned that GRDA is incurring a cost that they have not had to in the past, even though the financing cost seems to be relatively inexpensive. He stated he still questions how much this is truly needed. Mr. Sullivan said previously there did not seem to be a need for this, but that situation has changed significantly. He also stated that some of the restrictions that GRDA was under have now been lifted and would allow them to acquire this type of loan. Director Kimball asked what the annual cost is if this account is not used. Mrs. Gudde stated it is \$180,000 annually and guaranteed for the 3-year term.

Director Sublett commented that he agrees with Director Westbrook and is in support of this item.

Chair Elam asked if conversations within the energy and utility market regarding numerous things that are changing and could happen is what has prompted this request. Mr. Sullivan said this is certainly part of the feeling that there is a need to secure this, given the increasing frequency of these issues. Mrs. Gudde said cash reserves will become an extremely important part of the conversation with rating agencies because there was such a hit to those accounts, as well as not using securitization to replace that cash. She explained having access to this kind of cash is not quite the equivalent to having more cash reserves, but is very beneficial for GRDA.

Director Westbrook stated since the last time the GRDA Board has met, gas prices in Oklahoma have doubled. He said he understands the uncertainty, but he believes the staff is correct in their thinking that there is still a great deal of fear in the market and that things could explode again quickly should something happen. Director Westbrook said there is a concerted effort in Washington, DC, to raise the level of prices of conventional energy sources to make the greener sources more agreeable. It is also an evolving market, and there is not a comfort level any longer where this type of energy is concerned. He believes this is something the Authority needs to have at their disposal to mitigate some of the risk.

Chair Elam asked Mrs. Gudde if this is just a safety net should another severe event come about. Mrs. Gudde confirmed this and said the staff would need the Board's permission to draw from this line of credit as well. Mr. Sullivan said they hope to never have to use this.

Director Lewandowski moved to award RFP 43497 to Wells Fargo pending final review by GRDA General Counsel and CEO and approval by the Council of Bond Oversight, and the item was voted upon as follows: Elam, yes, Kimball, no, Lewandowski, yes, Meyers, yes, Richie, yes, Sublett, yes, Westbrook, yes. *Motion passed (6-yes, 1-no, 0-abstained).*

3. Compensation & Marketing Committee:

Director Kimball asked Mr. Wiscaver to present the information to the Board.

Regarding item a, Mr. Wiscaver said GRDA has invested approximately \$100,000 in paid media for 2021. \$70,000 of that amount was allocated for the television campaign, and another \$30,000 to put into a marketing component driving the brand. He told the Board this is a very small investment for what GRDA receives from this, and also have a unique advantage because of who GRDA is. GRDA's earned media is far heavier than a traditional retail brand. Mr. Wiscaver presented graphs showing publicity by media type and the audience by media type. He said the Authority had two significant events in 2021 that drove this, the accident at the dam and the weather event in February. GRDA gained \$9,310,193 in earned media for 2021 with an audience share of 32,153,097 conservatively. This included television, online and print, as well as Facebook. Mr. Wiscaver said he is incredibly proud of the GRDA team and their work on maximizing the opportunities provided.

Director Kimball commended the team for their efforts in 2021 and how they handled all that was thrown at them.

Mr. Wiscaver said he pulled out the earned media for the WOKA Whitewater Park activity. He presented graphs showing publicity by media type and the audience by media type. Relative to the WOKA activity, GRDA gained \$25,172 in earned media for 2021 with an audience share of 1,893,827 conservatively. He stated they expect this to quadruple in 2022 because of the timing of opening the facility, etc. This included television, online and print media. Mr. Wiscaver said the staff is preparing a year end to the overall department's achievements and working with Director Kimball on marketing for 2022 which will relatively be the same amount, but should continue to gain more market branding.

Chair Elam said GRDA's marketing efforts continue to be impressive and thanked Mr. Wiscaver and his team for their work.

There is no action needed on this item.

4. Fuel and Long-Range Planning Committee:

Director Meyers said the committee did meet briefly to discuss GRDA's winter preparedness and walking through some of the procedures implemented. He said they also discussed GRDA's fuel cost risk and ways to mitigate any issues. The committee was satisfied that the staff has done a good job in **reviewing the situation and have been very thorough in their planning.**

Director Westbrook said the call was beneficial for everyone and that he is confident that the team has a handle on things moving through these winter months.

Director Sublett asked if GREC3 is still out. Mr. Sullivan confirmed this. Director Sublett asked what the expected date the unit will be back up. Mr. Ladd said the latest schedule shows March 1, 2022, as the expected date of return to service.

6. Executive Session:

- a. Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and its Attorneys Concerning J. Cody Bartmess d/b/a All American Floats v. Grand River Dam Authority, District Court of Cherokee County, Oklahoma, Case No. CV-2021-291, Which GRDA has Determined with the Advice of its Attorneys that Disclosure of Such Communications Will Seriously Impair the Ability of the GRDA to Conduct the Litigation 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 the Pending Investigation, Claim, or Action, related to Federal Energy Regulatory Commission Project No. 1494-348, Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Process the Pending Investigation, Claim, or Action in the Public Interest.**
- c. Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Investigation, Claim, or Action, against the GRDA's property insurers related to coverage of the damages from the incident at the Grand River Energy Center on October 26, 2021, Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Process the Pending Investigation, Claim, or Action in the Public Interest.**

Director Meyers moved to go into executive session at 12:35 p.m., seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 1:19 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

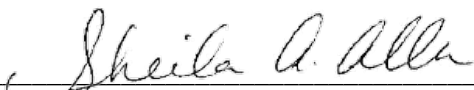
- a. **Action, as Necessary, Regarding Confidential Communications Between GRDA and its Attorneys Concerning J. Cody Bartmess d/b/a All American Floats v. Grand River Dam Authority, District Court of Cherokee County, Oklahoma, Case No. CV-2021-291.**
- b. **Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, related to Federal Energy Regulatory Commission Project No. 1494-348.**
- c. **Action, as Necessary, Concerning Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Investigation, Claim, or Action, against the GRDA's property insurers related to coverage of the damages from the incident at the Grand River Energy Center on October 26, 2021.**

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

Regarding item b, there was no action needed on this item.

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

Director Kimball moved for adjournment at 1:20 p.m., seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

February 9, 2022
GRDA Board of Directors