

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
January 11, 2023**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority's Administrative Center in Chouteau, Oklahoma on January 11, 2023. 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 22, 2022 at 10:56 a.m.; by posting the agenda with the Mayes County Clerks' offices on January 10, 2023, at 9:53 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 Sublett called the meeting to order at 10:03 a.m. The Secretary called the roll. All members were present, except for Director Elam. Chair Sublett declared a quorum.

BOARD MEMBERS

Charles Sublett, Chair	Present
Michael Westbrook, Chair-Elect	Present
Dwayne Elam	Absent
Mike Lewandowski	Present
Paul Matthews	Present
Chris Meyers	Present
James B. Richie	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	Absent
John Wiscaver, Executive VP – Corporate & Strategic Communications	Present
Laura Hunter, Executive VP - Chief Administrative Officer	Present
Darrell Townsend II, VP – Ecosystems & Watershed Management	Present
Robert Ladd, VP – Generation Operations	Present
Steve Jacoby, VP – Generation Engineering	Present
Tony Dionisio, VP – Chief Information Officer	Present
Jeff Tullis, VP – Transmission, Distribution & Engineering	Present
Chris Carlson, Deputy Chief – Law Enforcement	Absent
Sheila Allen, Corporate Secretary	Present

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 Sublett declared nominations for Treasurer, Secretary, and Secretary Pro Tem open.

Director Richie moved to nominate Lorie Gudde as Treasurer. There being no other nominations, the nomination was voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Richie moved to nominate Sheila Allen as Secretary. There being no other nominations, the nomination was voted on as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Richie moved to nominate Susan Peth as Secretary Pro Tem. There being no other nominations, the nomination was voted on as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4. New Business

4.a. Capital Work Order Report

Number	Funding Source	Title	Net GRDA Cost
RF023-01205	REVENUE	MAID LOOP Replacement	18,684,959
RF023-01207	REVENUE	GREC 2 Scrubber Control Room Relocate	254,000
Grand Total Work Orders			\$ 18,938,959

Mr. Sullivan presented and explained the 2 items on the report.

Chair Sublett asked if there was any doubt that the work order for the MAID LOOP Replacement is a valuable investment. Mr. Sullivan confirmed they believed it is and said it is necessary for GRDA to enable full utilization of that property.

Director Matthews asked if there is a connection to a previously discussed easement to this project. Mr. Sullivan confirmed there are connections to these 2 properties, but that there is a separation in cost in addition to this.

Director Lewandowski asked if the work on the MAID LOOP Replacement would be done in-house. Mr. Sullivan said it would not and that another item on the agenda later would cover that regarding a contract with Burns & McDonnell since they were part of the original design and the most efficient way to get the project to completion, assuming the Work Order Report is approved in its entirety.

Director Westbrook moved the Board approve the Capital Work Order Report as presented, seconded by Director Lewandowski, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

CONSENT AGENDA

2. December 2022 Claims, \$41,359,234.17.

4.b. Power Cost Adjustment (PCA) of \$ 0 .03822 per kWh for February 2023

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

Description and/or Make of Item	
Desktop Computer: Lot of 5	Pryor City 2 Sub 140 foot self supporting tower
Laptop Computer: Lot of 16	Motorola XTL 2500 Radio
Rugged Laptop Computer: Lot of 7	Alcatel MDR 8000 Radio: Lot of 30
Micro Desktop Computer: Lot of 3	HK Porter Ratcheting Guy Cutters: Lot of 2
Monitors: Lot of 44	Klein 18" Bolt Cutters
Printer	Mice: Large Lot
Portable Monitor	Surge Protectors: Large Lot
Scanner	Docking Stations: Large Lot
Monitor Stands: Large Lot	Ethernet Switch
Power Supplies: Large Lot	KVM Switch
Keyboards: Large Lot	Postage Printer
Ethernet Cables: Large Log	

4.d. Exhibit B Update – American Castings, LLC

4.e. Exhibit B Update – Cascades U.S. Holding Inc. as Successor to Orchids Paper Products Company

4.f. Ratification of Payment to Insurica Insurance Management Network, LLC in the Amount of \$2,288.31 – Cyber Liability Insurance Coverage Through Munich Re Syndicate Limited

4.g. Approval of Amendment and Assignment of Revocable License to Encroach from The Donna Jean Oliver Revocable Trust Dated the 20th Day of December 2010 to Terry and Susan Coltharp for Property Located in Delaware County, Oklahoma

4.h. Approval of Amendment and Assignment of Revocable License to Encroach from Kim L. and Linda Kaye Carrigan to Ronald Clark and Patricia Smith for Property Located in Delaware County, Oklahoma

4.i. Letter Agreement between GRDA and Kingston Properties, L.L.C. regarding reappraisal for Property Located in Delaware County, Oklahoma: Jahnke

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

PO Number	Vendor Name and City State	Amount
44094	BLACK & VEATCH CORPORATION - OVERLAND PARK, KS	118,560.00
44093	BLACK & VEATCH CORPORATION - OVERLAND PARK, KS	57,250.00
44089	NORTHEASTERN STATE UNIVERSITY - TAHLEQUAH, OK	120,000.00
Grand Total Standard POs & Contracts:		\$295,810.00
Change Orders & Renewals		

PO Number	Vendor Name and City State	Amount
41806	BENHAM DESIGN LLC - TULSA, OK	0.00
42584	OKLAHOMA STATE UNIVERSITY - STILLWATER, OK	0.00
43264	SOFTCHOICE CORPORATION - CHICAGO, IL	825,301.50
Grand Total Change Orders & Renewals:		\$825,301.50
Grand Total		\$1,121,111.50

Director Meyers moved to approve the consent agenda as presented, seconded by Director Westbrook, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

REGULAR AGENDA

3. Unfinished Business

3.a. Progress Reports

3.a.1. Current Operations Reports

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following, comparing information for 2021 and 2022 for GRDA's Full Requirements Customers for the month of December. He said this month there was an 19 percent increase in demand and a 10 percent increase in energy. This is considerably higher and a reflection of the cold weather experienced at the end of the month. Mr. Sullivan showed graphs illustrating a comparison of resource energy production for December 2021 and December 2022. He noted the significant change in the gas production. The Authority staff intend to begin breaking out the production numbers related to their gas-fueled units between GREC3 and Redbud to allow a bit more insight for the Board.

Mr. Sullivan showed a chart illustrating the current Henry Hub natural gas futures and settlements, as well as explaining details of the chart. He said the numbers have continued to go down. They have been able to capture some of the decreases in forward purchases over the last several weeks to make sure the Authority has as much of a locked-in price as possible. Mr. Sullivan stated that when you look at the Power Cost Adjustment (PCA) figures, please keep in mind that number is a 12-month rolling average. This influences how quickly the PCA number moves up or down and this smooths out the changes.

Mr. Sullivan showed a graph on GRDA's Load Cost & Value of Resource Portfolio and explained details of this. He said they continue to see these numbers coming down and clarified what the savings to customers is when looking at these graphs.

Mr. Sullivan showed 3 financial charts providing information on GRDA's Operating Results, Debt Service Coverage, and Cash Reserves as of November 30, 2022. Operating results continue to remain strong in relation to non-PCA sales of power, non-fuel operating expenses and other operating revenues. Debt service coverage continues to be strong, and the improved numbers in the cash reserves and reflects natural gas costs. Hopefully, this will continue to improve.

In relation to Winter Storm Elliott, which occurred just a few weeks ago, GRDA began their Winter Weather Readiness program in early November 2022. They verified completion of their procedures and checklists and began discussions on December 15, 2022, around the predicted winter storm. On December 20, 2022, the Authority held an event preparation meeting to verify equipment, inventory and personnel were prepared for the predicted weather. On December 21, 2022, the Southwest Power Pool (SPP) issued a Winter Weather Advisory that would be in effect until December 26. Mr. Sullivan said there was some tightening of the market and there was a brief SPP Energy Emergency Alert 1. Compared to other parts of the country, the SPP footprint did quite well. He showed 2 images related to the SPP Market relative to the

GREC generation mix. In a 5-minute interval, the market went from -\$37/MW to +\$316/MW. There was a significant amount of congestion very near to GRDA's service area. Mr. Sullivan explained the generation mix within the SPP footprint, noting that 42 percent was serviced by coal, 24 percent by natural gas, 26 percent was wind. He showed the ERCOT and MISO market pricing charts for the Board to see how this compared to SPP. Mr. Sullivan showed GRDA generation fleet performance during a 7-day period in December and how there was an almost \$7 million net benefit to GRDA customers during this challenging timeframe. He expressed how thankful his is to all the GRDA staff for their work to prepare for this.

Chair Sublett asked Mr. Sullivan to explain what the impact of the congestion in the market entails. Mr. Sullivan explained how this works for the Board. Mr. Brown added that things such as power plants being out of service which would normally help to balance the flows of electricity or transmission elements being out of service will trigger congestion. He also said GRDA avoids overloading any transmission elements to protect them from damage.

GRDA participated in the Tulsa Boat Expo this past week. Mr. Sullivan showed photographs of the booth and thanked those that helped put this together for the Authority.

3.a.1.b. ERP Update

Mrs. Hunter went over the team's recent accomplishments. These include completed functional testing (October 2022), 90 percent complete end-to-end testing, mapping of old GL accounts to the new structure, completed coding, no known defects at this time, development of change management and communication plans, and an increased understanding of D365. Longevity testing will begin January 12, 2023 and will not be a barrier to going live. She explained the challenges the team has had to date, including Microsoft Consulting Services (MCS) delays and staffing turnover in the GRDA Finance Department. Mrs. Hunter presented the original timeline and said the go live date has now moved to March 1, 2023, with support from MCS after that date. She explained the adjusted project completion milestones and the risks of the adjustments and current environment. Mrs. Hunter told the Board they are working hard to mitigate these risks. The work order has a remaining balance of \$355,440 as of today.

Director Meyers commented that he understood some of the challenges since going through something similar.

Chair Sublett commended the team for their efforts. He also asked if they are comfortable with the status and progress at this point. Mrs. Hunter said she is.

There is no action needed on this item.

4. New Business

4.j. Consideration, Discussion and Possible Approval of Professional Engineering, Procurement and Construction Services Agreement – MAIP Feeder Modifications - Burns & McDonnell Engineering Company, Inc.

Mr. Tullis presented a diagram of the 1000-acre property and key sites associated with the project and explained the details. With Phase 1 complete, Phase 2 includes the final relocation design that has been completed by Burns & McDonnell and reviewed and approved by the Oklahoma Ordnance Works Authority (OOWA). The Igloo Valley site grading goal is Fall 2023. GRDA staff propose the final design engineering, procurement and construction be completed under an Engineering, Procurement and Construction (EPC) Services agreement with Burns & McDonnell. Mr. Tullis explained Burns & McDonnell are in Houston, Texas, and in Kansas City, Missouri. He said they originally designed the MAID 161/69 kV Loop and would be the efficient choice for this project to expedite the process. Mr. Tullis explained the EPC approach for the Board and stated the estimated fee was expected to be \$2.7 million, subject to final negotiations. The project total is expected to be \$18.68 million, with an estimated completion date of mid-2024.

Mr. Jared Crisp with Pryor MUB asked if the industrial park is going to pay for a portion of the relocation, and said it seemed like a relatively young transmission line to need to be rebuilt. Mr. Tullis said the line was originally built in the late 1970's, and rebuilt in 2007 on the same right-of-way using steel structures. He explained that all the lines in this area were originally built at about the same time. Mr. Crisp asked if GRDA is planning to add new generation to supply a large customer. Mr. Sullivan said a large customer wants to bring in new renewable resources that GRDA would not be building. Mr. Tullis added that the MidAmerica Industrial Park is replacing the right-of-way to enable the Authority to proceed with this project.

Director Matthews asked if the estimated fee to Burns & McDonnell of \$2.7 million was included in the total expected cost of the project. Mr. Tullis confirmed that is correct.

Chair Sublett commented that this is an important project in partnering with the MidAmerica Industrial Park for development as there is a large amount of interest in this.

Director Matthews asked if this can be done without impacting the existing users and customers. Mr. Sullivan confirmed that is correct.

Director Westbrook moved to approve the Engineering, Procurement, and Construction Services Agreement for MAIP Feeder Modifications to Burns & McDonnell, subject to final negotiation by Management, seconded by Director Meyers, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.k. Consideration, Discussion and Possible Approval of Contract 44107 with GE-Prolec Transformer, Inc. for Spare 240 MVA Autotransformer

Mr. Tullis provided background on the need for this spare autotransformer. He showed the bids received for this project and stated the lowest bidder had multiple exceptions to the terms & conditions, including U.S. law since their operations are based in China. The vendor has not provided similar size units in Oklahoma, and GRDA has no experience with this vendor. A 2020 Executive Order prohibiting purchase of BPS equipment from China has expired, but the Department of Energy continues to evaluate a replacement order as the industry is expected to act in a way that minimizes risk of installing electric equipment subject to foreign adversaries' control in the U.S. grid. The next lowest bidder, Prolec GE Waukesha, only had a minor exception to the physical location of Tertiary bushings. GRDA owns both GE-Prolec and Waukesha transformers. This bidder is a domestic manufacturer located in Wisconsin. The price is approximately an additional \$622,000 with a longer delivery of 84 weeks, but the GRDA staff feels this would be the best choice.

Director Matthews asked if this is for a new transformer that is built to certain specifications. Mr. Tullis confirmed that is correct and explained further that it is a very custom build.

Director Meyers asked if the lead time is appropriate. Mr. Tullis stated it has been the norm since COVID occurred.

Discussion ensued regarding payment expectations, logistics, and the importance of this item in protecting the system.

Chair Sublett stated this is a lot of money for a spare item and asked Mr. Brown if he believes this is a prudent choice. Mr. Brown said he believes it is necessary. He provided an example of how a transformer that is out of service can impact the system and the way GRDA operates efficiently and economically.

Director Meyers asked if the Authority has other transformers like this anywhere else. Mr. Tullis said there are 4 within the system right now in multiple locations, 3 of which are relatively new.

Director Matthews moved to approve Contract 44107 for Spare 240 MVA Autotransformer to Prolec GE Waukesha, seconded by Chair Sublett, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.l. 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 Ted Mallory and Glenda Mallory, Trustees of the Ted Mallory and Glenda Mallory Revocable Trust Dated November 13, 2015, for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of an Agreement to Grant New Easements and Release Blanket Easements between GRDA, OOWA, and Cascades Holdings US Inc. Regarding the Reroute of GRDA Line 379R Located in Mayes County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request by MorrWest Properties, LLC d/b/a Groveport Resort for Approval of a Commercial Permit Application for a Facility Located in Delaware County, Oklahoma. Director Westbrook said the committee met this morning. He explained the item approved unanimously by the committee members. He asked if there were questions or comments on this item. There were no questions from the Board of Directors.**

Director Westbrook said the committee met this morning. He stated one was a fairly simple License to Encroach, another was a request to grant new easements and release blanket easements regarding the project in the MidAmerica Industrial Park, and the last item was regarding a commercial permit application in Delaware County for the Groveport Resort on Grand Lake. He stated all items were approved unanimously by the committee members. There were no questions from the Board of Directors.

Regarding items a, Director Westbrook moved to approve a License to Encroach to Ted Mallory and Glenda Mallory, Trustees of the Ted Mallory and Glenda Mallory Revocable Trust dated November 13, 2015, in Delaware County, Oklahoma for the amount of \$206.00 per year, as approved by the Assets Committee, and the items were voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding items b, Director Westbrook moved to approve the Agreement to Grant of New Easements and Release of Blanket Easement with The Oklahoma Ordnance Works Authority and Cascades Holding US Inc. regarding the reroute of Line 379 in Mayes County, Oklahoma, as approved by the Assets Committee, and the items were voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding items c, Director Westbrook moved to approve the commercial application for MorrWest Properties d/b/a Groveport Resort, as submitted and approved by the Assets Committee, and the items were voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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

a) Second Reading, Consideration, Discussion, and Potential Approval of Updated Board of Directors' Policy No. 4-4 Enterprise Risk Policy.

Director Lewandowski asked Mr. Jeff Brown to address the item for the committee.

Regarding item a, Mr. Brown reminded the Board they had originally been presented the policy last month as the first reading. He presented a review of the process they had went through in creating this policy, and the policy itself. The Board had no questions or comments.

Director Meyers moved to approve Board Policy 4-4 as presented, seconded by Director Richie, approved by the committee, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

3. Compensation & Marketing Committee: Director Richie had no report.

4. Fuel and Long-Range Planning Committee: Director Meyers said the committee met last Thursday. Mr. Ladd provided an update on capacity planning and discussed the previous line relocation item, as well as the item to be discussed in Executive Session.

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 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.

b. Proposed Executive Session Pursuant to 25 O.S. § 307(C)(11) for the Purpose of Conferring on Matters Pertaining to Economic Development, the Public Disclosure of Which Would Interfere With the Development of Services and Would Violate the Confidentiality of the Business.

Director Lewandowski moved to go into executive session at 11:29 a.m., seconded by Director Richie, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Richie moved to return to regular session at 1:01 p.m., seconded by Director Lewandowski, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*


7. Action on Executive Session Items

- a. **Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494-348.**
- b. **Action, as Necessary, Matters Pertaining to Economic Development.**

Regarding item a, there was no action needed.

Regarding item b, Director Meyers moved to approve the application of the extension of service allowance, as discussed in Executive Session, seconded by Director Westbrook, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Richie moved for adjournment at 1:02 p.m., seconded by Director Matthews, and voted upon as follows: Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

March 9, 2023

GRDA Board of Directors