

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
February 9, 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 February 9, 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 February 8, 2022, at 9:46 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 10:07 a.m. The Secretary called the roll. All members were present, with the exception of Director Meyers. Chair Elam declared a quorum.

BOARD MEMBERS

Dwayne Elam, Chair	Present
Charles Sublett, Chair-Elect	Present
Tom Kimball	Present
Mike Lewandowski	Present
Chris Meyers	Absent
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	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
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: Pamela Hazen, War Eagle Resort; Cody Bartmess, All American Floats; Pam Stick, City of Wagoner; Mike Doublehead and Kim Dorr, TPWA; Trey Peyton, Peyton's Place Resort; Lindsey Pever, A New Energy Law; Tamara Jahnke, Ash Mayfield, Melanie Earl, Savannah Ellison, Jared Skaggs, Brylee Harbuck, Stephen Baldrige, Dalton Wortham, Mike Vernnon, Sheree Neudoerffer, Mike Bednar, GRDA.

CONSENT AGENDA

2. January 2022 Claims, \$37,296,769.08.

4.a. Power Cost Adjustment (PCA) of \$0.03409 per kWh for March 2022

4.b. Consideration, Discussion, and Possible Approval of Contract 43448 – Fly Ash Marketing and Disposal

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
119048	SIEMENS INDUSTRY, INC. - WENDELL, NC	251,390.00
119061	WARREN POWER & MACHINERY LP DBA WARREN CAT - TULSA, OK	412,622.00
43657	CHICKASAW TELECOM, INC. - TULSA, OK	250,590.39
119174	TRANSAMERICAN POWER PRODUCTS, INC. DBA TAPP, INC. - HOUSTON, TX	324,062.00
43674	WEG TRANSFORMERS USA, INC. - WASHINGTON, MO	2,250,600.00
43680	KIMERY PAINTING, INC. - GLENPOOL, OK	169,147.00
43679	SCHNEIDER ELECTRIC USA, INC. - FRANKLIN, TN	203,648.67
Total Standard POs & Contracts:		\$3,862,060.06
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
43609	SHI INTERNATIONAL CORP - SOMERSET, NJ	-78,112.53
42346	CROSSLAND CONSTRUCTION CO, INC. - COLUMBUS, KS	0.00
42965	WSP USA - NEW YORK, NY	0.00
42929	NORTHWEST HYDRAULIC CONSULTANTS, INC. - NORTH VANCOUVER, BC	2,600.00
111941	MITSUBISHI POWER - LAKE MARRY, FL	-264,836.04
43595	AVIAT US, INC. - MILPITAS, CA	-78,259.00
43633	STRUCTURAL PRESERVATION SYSTEMS, LLC - DEER PARK, TX	6,100.00
41784	POWER COST, INC. - NORMAN, OK	1,735,706.90
43264	SOFTCHOICE CORPORATION - CHICAGO, IL	813,581.05
Total Change Orders & Renewals:		\$2,136,780.38
Grand Total		\$5,998,840.44

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

REGULAR AGENDA

1. Regular Board Meeting Minutes of December 14, 2021, and Regular Board Meeting Minutes of January 12, 2022.

Director Sublett moved to approve the Regular Board Meeting Minutes of December 14, 2021, and Regular Board Meeting Minutes of January 12, 2022, seconded by Director Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

3. Unfinished Business

3.a. Progress Reports

3.a.1. Current Operations Reports

Mr. Sullivan said a group of GRDA staff recently had an opportunity to meet with a prospective customer in the MidAmerica Industrial Park last week and tour their facilities. He expects to have an announcement from them on February 23, 2022, of a significant investment in the industrial park and other sites beyond that. The Board will be kept up to date on opportunities for them to participate as well if their schedules allow. It will be a big announcement for Oklahoma. Mr. Sullivan stated the team continues to respond to other Requests for Proposal in the industrial park. They expect to hear news on Canoo and others soon.

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following comparing total annual information for 2021 and 2022 for GRDA's Full Requirements Customers for the month of January. He said GRDA continues to see growth over the system with a total increase in demand of 11 percent and about an 8 percent increase in energy. He showed graphs illustrating a comparison of resource energy production for January 2021 and January 2022. Mr. Sullivan said GREC Unit 2 was shut down for a couple of weeks for repairs, but is back online and generating for a significant increase in coal production. There were additional market purchases last month due to GREC Unit 3 being offline, but the unit is expected to be back online around the first week in March 2022. Mr. Sullivan said the market seemed to be much more prepared for the winter weather this year, and asked Mr. Ladd provide a brief update for the Board on GREC Unit 3 progress.

Mr. Ladd told the Board work is progressing well and things are going as expected. The team has pushed hard to get the date backed up into February, but supply chain just does not allow them to do that. He stated concrete is being poured and they are working through repainting and resurfacing. There was one recent last minute engineering change. After being inspected, one of the large gas valves was found to be damaged beyond the repair. This item has a 52-week lead time, and they are working toward alternative solutions to allow the unit to return to service safely in March. Mr. Ladd said they plan to take another outage next spring or even late fall if they can reinstall the valve.

Mr. Sullivan commented that Mr. Ladd's team has done great work and commended them for their effort.

Mr. Sullivan showed photographs and said GRDA's Cushing Line Crew provided non-emergency mutual aid assistance to the City of Cushing in mid-January with the replacement of an overhead guy pole. While repairs were estimated to take 10 hours, they were able to complete the work in half the time. The task involved very complicated procedures with 3 separate trucks being utilized at once. He expressed their appreciation of GRDA's line crews for all the hard work they do.

Due to subfreezing temperatures, a structure north of the Dry Gulch Substation failed in mid-January, resulting in damage to some of the hardware. The structure consisted of three 75-foot wooden poles, insulators, and down guys. A combined crew from Transmission, Distribution, Vegetation Management and Fleet Mechanics replaced the structure and had the line re-energized by the next afternoon. Mr. Sullivan said luckily the weather cooperated and there was a quick resolution to the issue. He commended the crews for their work.

Mr. Sullivan stated as the winter storm last week blew across the area it, of course, affected all of their facilities. He told the Board they had good operational performance during this time and no significant issues other than clearing snow.

COVID continues to be an issue. Mr. Sullivan said they are seeing a decrease this week, there had been a rapid increase. GRDA has had 96 cases year to date. Last year they had 99 cases for the entire year. He stated, from personal experience having it about 2 weeks ago, he was grateful to have his vaccines and booster as it just felt like a head cold for a couple of days. They will continue to keep track of this, but they do see those numbers decreasing as is the case across the state.

Mr. Sullivan introduced the video and said it covers a recent meeting with their customers to discuss the AMI project mentioned at the last Board meeting. He said there will be a customer meeting to for further discussion on this matter, but that the project continues to move forward. He expressed his appreciation for everyone participating in these meetings.

4. New Business

4.c. 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 Ethics Hotline

Mr. Lofton told the Board every year, by statute, GRDA is required to provide an update on what contact was made to the EthicsPoint Hotline or Web site. He stated anyone can utilize this hotline to register concerns about waste, fraud, abuse or violation of law, rule or policy, etc. The EthicsPoint information is

promoted in each GRDA facility and in the weekly eFlyer newsletter employees receive. Mr. Lofton said personnel may use this service to report these things anonymously. He explained the Authority has had only 2 reports during the past 12 months. The first was an anonymous third party that alleged a member of our Board of Directors had a conflict of interest. The staff investigated these allegations and determined there was no such conflict of interest found. The second was from an anonymous employee tht alleged another employee had violated our social media policy and state ethics rules. Again, the staff investigated these allegations and the facts presented were not correct, and there was no violation. It was a report of an internal alleged policy violation, but was investigated and the matter was closed.

Director Lewandowski asked who conducts the investigations. Mr. Lofton stated he and Mrs. Hunter performed these investigations due to the situations and departments involved.

There is no action required on this item.

4.d. Consideration, Discussion and Possible Approval of Change Order No. 3 to Contract 41375 – Pensacola Project Spillway Gate Deterioration and Painting

Mr. Jacoby said this contract was originally issued July 13th, 2016, to Timco Services at a value of \$4,890,000. The contract is in the process of painting all 42 gates at the Pensacola Dam. They were also awarded the penstock rehabilitation at that time on a separate contract, and that work has been completed. He said Timco has completed the east spillway gates, and they are about halfway through the gates associated with the main spillway. Mr. Jacoby went over the previous change orders and said they had not included side repairs to the actual buttresses where the gates seal. They found several areas where these were not sealing well. GRDA worked with the contractor to come up with some modifications to do this, but it is completely outside the scope of the original work to be done. The contract has performed good work and, in spite of the schedule, has not requested any significant changes to the scope of work. He said the Pensacola Spillway consists of 42 gates, 21 in the Main Spillway and 21 in the East Spillway. The East Spillway gates are complete and 10 of the Main Spillway gates are complete. However, structural deterioration has been worse than expected based on the catwalk vantage inspections, but even worse in the Main Spillway east gates. GRDA is performing “arms length” structural condition assessments of the gates as the work progresses. This methodology allows access for the inspections after initial protective coating removal and avoids rope access structural evaluation before the gate repair scaffolding. GRDA is also performing structural steel repair work but the added structural repair affects the contractor’s schedule.

Mr. Jacoby showed photographs of example structural losses, deterioration and subsequent restoration. Independent of the gate painting, GRDA has identified the need to perform protective coating restoration for the powerhouse crane and the 4 spillway lift hoists. They have negotiated costs for the crane and hoist preparation and coating work while the contractor was mobilized and believe they have developed very fair pricing for this complex hoist coating remediation. This change order request includes the powerhouse crane and spillway lift hoists coatings and preparation, added detail preparation and coating application in unseen areas, a delay due to additional repairs and GRDA restoration of structural damage, and a time extension to review the initial 6 gates experiencing added duration and preparation effort estimated as 17 working days per gate. He said the contractor requests adjustment of time and effort for the last of the 16 gates remaining at the time negotiations began, 272 days plus 45 days for the crane coating work for a total of 345 working days. Mr. Jacoby summarized the change order history and the current request along with providing figures to present a proposed revised contract total value of \$5,432,650.00.

Chair Elam asked if this is within budget. Mr. Jacoby confirmed it is.

Mr. Sullivan asked what the anticipated time between this work and when it may need to be done again. Mr. Jacoby said the best answer he has at present is that the last time they did this work was in 1981 or 1982. As everyone could see from the structural deterioration, the work that was done then did not really get all structural repairs done that were needed, even at that time. Previous to that, GRDA had 2 other painting protective coating projects that were performed. Those were about 10 to 15 years apart and they were only partial. Mr. Jacoby stated the Authority is going to need to have some serious steel work done the next time this is addressed. He explained that right now they are spending a lot of time documenting exactly what has been done by their staff and the contractor to enable someone to come in later and issue a contract for the next phase of work that will be needed. Mr. Jacoby said replacing these gates may be close to where the Authority is at. He told the Board this is not unexpected, but that they are trying to make sure they are in good shape now. GRDA will be turning this into the Federal Energy Regulatory Commission (FERC) to discuss the conditions and then monitoring going forward.

Chair Elam asked what the life expectancy of the current work will be, and what is the expected timeline before other modifications need to be done. Mr. Jacoby said when they worked with the engineer on the original coatings and restoration GRDA asked for a 20 or 25-year life expectancy. He said they are not certain if that is correct, but it could be longer due to the newer coating technologies. Mr. Jacoby stated

he believes GRDA has a good product now, but he does not know what that long-term durability would be. His best estimation would be 20 years.

Director Westbrook moved Contract 41375 for gate coating restoration of Pensacola Dam Spillway Gates as awarded to Timco Services on July 13, 2016 be increased by \$487,000 to a total value not to exceed \$5,432,650.00 and an additional 345 working days added to the contract, seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.e. 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 2022 GRDA-Scenic Rivers Operations New First-Time Commercial Flotation Device License.**
- b) **Discussion of Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 35: Lake Rules.**
- c) **Discussion of Adoption of Amendment to Administrative Rules OAC Title 300, Chapter 45: Administration of Rules and Hearings.**
- d) **Discussion of Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 40: Scenic River Rules.**

Director Westbrook said the committee met this morning to discuss the adoption of proposed administrative changes. He stated the staff did a great job outlining each of these items for the committee. Director Westbrook explained the items were for informational purposes only at this time, but that they will return for final approval from the entire Board of Directors at next month's meeting. He said one item that was voted upon was the Scenic Rivers Operations flotation device licenses, and the committee unanimously approved the method with which these are to be dispersed.

Mr. Cody Bartmess asked to recognized and made comments similar to those he made in the Assets Committee Meeting earlier in the day. He said the rules GRDA is trying to put into place are not official yet and that the Authority should be working from previous rules. Mr. Bartmess further explained he has several complaints about how these are distributed and what is allowed. He also stated "if we can get 200 temporary permits, that still leaves River Bend which will barely float 100 with all their 400 (permits), we would withdraw all litigation and there would be no more lawyer fees. We'll pay our own attorney fees, but we're just trying to come up with an equitable solution. You (GRDA) will still stay under the 3,900 vessels, and that's what we propose." Mr. Sullivan said he is recommending that the Authority not entertain this discussion as Mr. Bartmess is represented by counsel and a lawsuit has been filed. This is not an opportunity to have settlement negotiations. Mr. Bartmess said regardless of this offer, he is saying the 3,900 licenses would not be affected and that he can demonstrate this would not cause any issues. Chair Elam said he would like to stop the conversation due to the nature of the issues. Mr. Sullivan stated this item will require approval from the Board. Chair Elam asked if there was a recommendation from the GRDA staff and/or Assets Committee. Mr. Sullivan said the staff's recommendation was to maintain the limit of 3,900 licenses and not issue any additional licenses. Director Westbrook said the Assets Committee is also in agreement with that recommendation.

Director Kimball said the committee asked the GRDA staff to undertake a study on what the capacity is on the Illinois River to determine how many vessels and people are appropriate. He said the staff is to bring back factual information to the committee. Mr. Bartmess asked if there is clarification between "licenses" versus "vessels". Director Sublett said he is concerned the handling of this issue contemplates someone buying up licenses just to hold onto them. He stated the program is designed to have licenses issued and not for stockpiling. Mr. Sullivan stated this has been an issue and the staff is attempting to address that in the new rules being promulgated where it requires an asset list accompanied with the application to make certain this matches. He stated there has been abuse of the system.

Discussion ensued regarding hoarding of permits, unofficial trading of licenses, the current state of the rules, and the need for changes. Mr. Bartmess asked Director Westbrook if he would be able to present a request for transfers of permits during the next Board of Directors' Meeting. Director Westbrook said he would have to consult with the GRDA staff and would not have an answer for Mr. Bartmess at this time. Director Elam asked GRDA staff to contact Mr. Bartmess to let him know.

Regarding items a, Director Westbrook moved to maintain the 3,900 license limit for 2022, as approved by the Assets Committee, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Kimball commented that the Illinois River float operators in attendance should know that before Mr. Sullivan became the Chief Executive Officer for GRDA there was a lot of unrest on GRDA lakes, etc. He said these problems were systematically worked through upon his coming to the Authority. Director Kimball stated that right now the operators on Grand Lake are very happy and that, given the opportunity and the time to work through the system, they will develop a system to take care of businesses and the public. He asked the float operators to work with GRDA. Director Kimball said the staff cannot fix everything in a short period of time, but will work very hard to make sure certain concerns are addressed.

Regarding items b through d, there is no action required on these items.

2. **Audit, Finance, Budget, Policy & Compliance Committee:** Director Lewandowski had no report.
 3. **Compensation & Marketing Committee:** Director Kimball had no report.
 4. **Fuel and Long-Range Planning Committee:** Director Meyers was absent, but Chair Elam stated he is on the committee and is unaware of any need for a report.
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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. 1494-438, 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(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning a Pending Investigation, Claim, or Action Related to Federal Energy Regulatory Commission Project No. 1494.**

Director Sublett moved to go into executive session at 10:48 a.m., seconded by Director Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 11:24 a.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

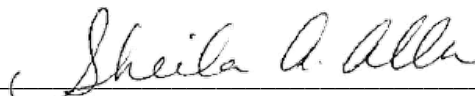
7. Action on Executive Session Items

- a. **Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, related to Federal Energy Regulatory Commission Project No. 1494-438.**
- b. **Action, as Necessary, Concerning Confidential Communications Between GRDA and Its Attorneys Concerning a Pending Investigation, Claim, or Action Related to Federal Energy Regulatory Commission Project No. 1494.**

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

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

Director Richie moved for adjournment at 11:25 a.m., seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

March 9, 2022

GRDA Board of Directors