

**Minutes of Regular Meeting  
Grand River Dam Authority  
Board of Directors  
February 8, 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 February 8, 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 Tulsa County Clerks' offices on February 7, 2023, at 9:53 a.m.; by posting said agenda at [www.grda.com](http://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 10:18 a.m. The Secretary called the roll. All members were present, except for Director Westbrook. Chair Sublett declared a quorum.

BOARD MEMBERS

Charles Sublett, Chair	Present
Michael Westbrook, Chair-Elect	Absent
Dwayne Elam	Present
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	Present
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

**4. New Business**

**4.a. Capital Work Order Report**

Number	Funding Source	Title	Net GRDA Cost
RF023-01212	REVENUE	GREC Creek Construction	235,316
RF023-01211	REVENUE	GREC Elevated Storage Tank Interior Recoat	269,552
<b>Grand Total Work Orders</b>			<b>\$ 504,868</b>

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

Director Matthews asked if these items were sent out for bid. Mr. Sullivan confirmed they were.

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

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## CONSENT AGENDA

### 4.b. Resolutions of Commendation

- 1) Michelle R. Day
- 2) Wynema D. Potter
- 3) Eric C. Vigland, Jr.

### 4.c. Power Cost Adjustment (PCA) of \$ 0 .03746 per kWh for March 2023

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

Description and/or Make of Item

Chevrolet Tahoe SSV/2013  
Chevrolet Tahoe SSV/2013

### 4.e. Approval of Amendment to Revocable License to Encroach issued to Garland and Carolyn Ritter for Property Located in Delaware County, Oklahoma

### 4.f. Approval of Payment of \$200,381.60 to the Office of Management & Enterprise Services Risk Management Department for Property Insurance for the GRDA's Non-Generation Properties

### 4.g. Ratification of Exhibit B Update – Gold Bond Building Products, LLC

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
127021	PARAGON TECHNOLOGY, INC. - CORONA, CA	180,640.00
44102	SCHWEITZER ENGINEERING LABORATORIES, INC. - PULLMAN, WA	237,710.00
44136	NORLEM TECHNOLOGY CONSULTING, INC. - TULSA, OK	438,236.93
<b>Grand Total Standard POs &amp; Contracts:</b>		<b>\$856,586.93</b>

Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount

41257	STARBOARD CONSULTING LLC - LONGWOOD, FL	26,000.00
42763	GALT FOUNDATION - SALEM, OR	850,000.00
42700	MEAD & HUNT - MIDDLETON, WI	150,000.00
42750	MECHANICAL CONSTRUCTION SERVICES, INC. - NEWARK, AR	0.00
42944	PARSONS TRANSPORTATION GROUP, INC. - AUSTIN, TX	100,000.00
<b>Grand Total Change Orders &amp; Renewals:</b>		<b>\$1,126,000.00</b>
<b>Grand Total</b>		<b>\$1,982,586.93</b>

Chair Sublett went over the listed items and asked if anyone on the Board had questions.

Director Elam asked to have a discussion on the Power Cost Adjustment (PCA). He stated he did not see a drop in the PCA relative to the drop in gas prices and asked for an explanation. Mr. Sullivan said this will be a topic within his report. He explained they have looked at some additional information to include with the PCA e-mail that goes out to all customers which provides a more narrative breakdown, plus some additional exhibits that show the math and numbers behind it. Mrs. Gudde stated the main driver behind the delayed drop in the PCA calculation is that the Authority is about \$40 million under-recovered at the end of February. The Authority continues to recover cash based on the way the PCA is calculated. Director Elam asked why GRDA was that far off. Mrs. Gudde said they were measured in increasing the PCA when gas prices were so volatile and rising quickly. The Authority held the figure down with the hope gas prices would regulate, but they did not. She further explained why GRDA held this lower in hopes to alleviate the customers seeing a much higher jump in the figures during that time. Mrs. Gudde said the Authority would be fully recovered by the end of July 2023.

Director Matthews asked for more information on PO Number 44136 on the Purchase Order Report. Mr. Tony Dionisio said this is a Palo Alto Firewall support renewal of a contract for the period of March 4, 2023, through March 4, 2024. He also said this is a budgeted item for GRDA's firewall protection. Director Matthews also asked if the amount listed for PO Number 42763 for Galt Foundation is for a year. Mr. Sullivan confirmed this and said it is a renewal of the agreement and purchase order, and allows GRDA to spend up to the listed amount. He further explained this is a renewal of a blanket agreement that is paid to the Galt Foundation as it is used.

Director Matthews moved to approve the consent agenda as presented, seconded by Director Meyers, and voted upon as follows: Elam, no, Lewandowski, yes, Matthews, yes, Meyers, yes, Richie, yes, Sublett, yes. *Motion passed (5-yes, 1-no, 0-abstained).*

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## REGULAR AGENDA

### 1. Special Board Meeting Minutes of October 20-21, 2022; Regular Board Meeting Minutes of November 9, 2022.

Director Elam moved to approve the Special Board Meeting Minutes of October 20-21, 2022, seconded by Director Meyers, and voted upon as follows: Elam, yes, Lewandowski, yes, Matthews, yes, Meyers, yes, Richie, abstain, Sublett, yes. *Motion passed (5-yes, 0-no, 1-abstained).*

Chair Sublett moved to approve the Regular Board Meeting Minutes of November 9, 2022, seconded by Director Elam, and voted upon as follows: Elam, yes, Lewandowski, abstain, Matthews, yes, Meyers, abstain, Richie, abstain, Sublett, yes. *Motion did not pass (3-yes, 0-no, 3-abstained). This item will be brought back to the next meeting of the Authority to seek approval.*

### 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 2022 and 2023 for GRDA's Full Requirements Customers for the month of January. He said this month there was a 5 percent increase in demand and a 6 percent increase in energy. Mr. Sullivan showed graphs illustrating a comparison of resource energy production for January 2022 and January 2023. He noted that the graph now shows the percentage for the Redbud plant as "Other Gas". This breaks things out to clearly see what the contribution is from that facility and shows 58 percent of GRDA's output for January was natural gas which reduced market purchases for the month. Mr. Sullivan told the Board that the Authority was able to start GREC Unit 2 during the cold snap at the end of the month. He showed a chart illustrating the current Henry Hub natural gas futures and settlements, as well as explaining details of the chart and how this relates to the Power Cost Adjustment (PCA). Mr. Sullivan said the Southwest Power Pool (SPP) Marketing Monitoring Unit (MMU) has released its Quarterly State of the Market Report for the fall 2022 period which covers September through November. He went over highlights of the report for the Board.

Director Elam asked for further explanation on how the Authority can be under-collected given the figures on this report. Mrs. Gudde said the challenge has been in predicting what gas futures settlements will be due to the drastic changes from month-to-month. The GRDA staff is looking at the month ahead for the PCA calculation based on the prediction. Mrs. Gudde said GRDA being under-collected is not something unique as the entire industry is seeing this in their efforts to chase gas prices. Mr. Sullivan said the Authority has been the beneficiary of very stable natural gas prices for years, but the last 24 months has been quite volatile. He stated he believes the customers are protected from these wide swings in cost by the 12-month rolling average calculation for the PCA. Otherwise, there would have been significant increases far above what was seen monthly. He explained it does seem to be leveling off a bit, and the GRDA staff is going to begin providing some different information to the customers each month to allow them to have conversations with their customers around costs. Director Elam said he is looking forward to seeing the new information. He also asked if the PCA information applies to all GRDA customers. Mr. Sullivan confirmed this and asked that all customers to provide feedback on any additional information they may need.

GRDA was the recipient of the Presidential Partner award at the Claremore Chamber of Commerce's Annual Meeting and Awards luncheon on January 17, 2023. Executive Vice President of External Relations Nathan Reese accepted the award on GRDA's behalf from Claremore Chamber Chair Jim Simmons.

GRDA Customer Relations and Corporate Communications held a lunch and learning session with utility office employees at the Wagoner Public Works Authority on January 23, 2023. It was the first in a series of such meetings to be held with frontline public power employees who deal with the public on a regular basis. GRDA's goal is to gather feedback on the questions routinely asked by end-users in the community and then work with the frontline employees to help build communication materials and provide support as needed.

Team GRDA members from several departments participated in the annual cyber security incident response plan training and tabletop exercise at the administrative center in late January. The exercise centered on a mock cyber security scenario and allowed participants to work their way through the proper response. This annual event helps participants to stay familiar with response plan processes and roles and provides an opportunity for important discussion across several key departments.

On January 27, 2023, a group of CEO's from various paddle sport companies were able to get an up-close look at the WOKA Whitewater Park, which will open later this year.

Mr. Sullivan showed photographs of GRDA's booth at the Tulsa Boat, Sport and Travel Show in Tulsa held January 30 through February 5, 2023.

After the video was shown, Mr. Sullivan said they have decided not to hold any further Board of Directors' meetings at the GRDA Engineering & Technology Center in Tulsa due to space limitations.

Director Elam commended Mr. Sullivan for investing in the Authority's employees through the additional training and engagement.

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

##### **4.h. 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**

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 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 which came in late 2022. They both arose from the same incident of suspected potential theft of property. The staff attempted to initiate communication through EthicsPoint, and those attempts did not receive a response. Due to the nature of the allegation, they referenced this to GRDA Law Enforcement and Chief Edwards. They assigned an officer to do an investigation, with several interviews taking place. A final decision has not been made at this time, but there is potential action needed to do some refresher training on handling surplus property. The staff intends to work with GRDA Training to get this training accomplished as soon as possible.

Director Sublett expressed how glad he is this process is in place to help avoid these types of problems and potential scandal related to the Authority. He stated he is pleased to know there is minimal activity.

There is no action required on this item.

##### **4.i. Consideration, Discussion and Possible Approval of Contract 44135, Engineering, Procurement, and Construction Management (EPCM) Services for New Generation**

Mr. Mr. Ladd provided background information on the Clean Air Act Rule, and upcoming actions and statuses for the Ozone Transport Rule, National Ambient Air Quality Standard (NAAQS), and Regional Haze plans. He further explained how the proposed and final rulings would impact GRDA's generation portfolio. In anticipation of the final rules, the Authority initiated discussions around available technologies to meet the new standards set forth by the Environmental Protection Agency (EPA). In 2022, GRDA partnered with Black & Veatch to complete a Levelized Cost of Electricity (LCOE) study to evaluate available technologies. He explained the study further and indicated that even nuclear options were initially considered, and determined the cost and schedule were prohibitive. Mr. Ladd listed some of the available natural gas and energy storage options. He showed graphs illustrating the new generation options and GREC 2 life extension or replacement options based on both gross investment cost and net of Southwest Power Pool revenue. He said these graphs show that the 501 JAC, or similar large frame advanced class combustion turbine would have the least upfront cost and fits nicely into the forecasted operating profile. The preferred technology is a large, advanced class simple cycle unit with fast start and ramping capability, hydrogen capable and has an option for future combined cycle expansion. The nominal plant capacity would be 440 to 480 MW and can complete startup in just 10 minutes with a 90 MW ramp rate afterwards. The preferred site for the unit would be the Grand River Energy Center (GREC) in Chouteau, Oklahoma. The commercial operation date is expected to be April 1, 2026, and that date is driven by the forthcoming regulatory requirements for NOx emissions. He showed the Board a conceptual 3D drawing of what the unit would likely look like. Mr. Ladd presented an updated proposed generation plan, along with 3 slides showing emissions reductions by 2027. He also said there are advantages to GREC 4 being built at the

Grand River Energy Center. These include a generator interconnection being currently available, land availability, critical transmission infrastructure already exists, natural gas transportation exists, a raw water supply from the Grand Neosho River is available, existing support of physical assets are in place, the environmental permitting process is simplified, and the existing GRDA staff can construct, operate, and maintain the facility. Mr. Ladd showed an aerial view of the property, noting all these items. He told the Board the selected contracting strategy would be an Engineering, Procurement, and Construction Management (EPCM) agreement. He compared it to an Engineering, Procurement and Construction (EPC) agreement, saying this could save a significant amount of money. Mr. Ladd covered the key areas important to GRDA for this strategy and firm partnership to work, and went over the scope of the project. He said letters of interest were sent to highly qualified and reputable engineering firms to begin the competitive selection process. Quality responses were received from Black & Veatch, Burns & McDonnell, Zachry Group, Stantec, and United Engineers and Constructors. Mr. Ladd stated all provided very high-quality proposals. A selection panel reviewed the submissions and interviewed the top 2 firms. Key qualifiers were best in class safety processes and performance, overall power industry reputation, advanced class gas turbine experience, experience in hydrogen production, storage, and combustion, financial health and ability to perform, confidence in strategy and professional qualifications, as well as schedule certainty for the April 2026 delivery date. Mr. Ladd presented a timeline for the new unit, saying this is an aggressive schedule. He went over Black & Veatch's key considerations and their commitment to GRDA. Black & Veatch has the most significant hydrogen experience and is involved in the largest renewable storage project in the United States currently. The firm also just received approximately \$504 million of U.S. Department of Energy funds to support that effort. Black & Veatch has notable experience with GRDA on GREC 2 and GREC 3. He provided a budgetary estimate to the Board for this phased project for a total cost of \$22,239,564 and explained details of each phase, providing a breakdown of each bid item. Mr. Ladd showed a diagram of the team members from GRDA and Black & Veatch that would be working on the GREC Unit 4 Project Team.

Director Elam asked why the budgetary estimate presented showed "Total +/- 25%-30% Price". Mr. Ladd said that such contingencies are typical this early in a project. He also stated there have been some frank conversations on this and the staff did not feel comfortable presenting anything to the Board other than a number in the middle of the price range provided. If this price increases, the staff will want an explanation for that. This early in the project the design is not complete. At the end of the Open Book Period (a 5-month timespan) is where more cost certainty will be gained. Director Elam asked what happens if this is approved and the project begins, and at the end of the Open Book Period the cost escalates dramatically. Mr. Ladd said this contract is a time and material-based project and the staff will be tracking the cost and will know early in the process if this number will be reached. He said the GRDA staff has a duty to manage the project overall as well as the value of the project early on. If the number approved today is exceeded, that would need to be brought back to the Board for further consideration. Director Elam asked what the cost was on GREC Unit 3 in comparison. Mr. Ladd said the total was approximately \$350 million to completion. Mr. Brown stated the owner's engineering contract for GREC Unit 3 was about \$16 or \$18 million with additional costs included in the EPC contract that was not transparent to the Authority. This is part of the reason the staff is recommending an EPCM contract be used on this project.

Director Lewandowski asked what the turnkey cost on this would be. Mr. Ladd said they would not have the turnkey cost until the end of the 5-month Open Book Period, but the estimated amount is \$350-\$360 million.

Director Elam asked what the amount GRDA would spend at the end of the 5-month period before Phase 1 of the project begins. Mr. Ladd said it would be \$861,502.

Director Lewandowski asked how this would all be paid for. Mrs. Gudde stated it would pay for through a bond issuance. He also asked when that timeline begins. She said the Authority should have the proceeds before the end of the fiscal year, but there is enough cash on hand to ensure there are no obstacles.

Mr. Sullivan said he had asked what would happen if GRDA just commits to bid items B1001 and B1002 to get to the point where they select the equipment. He stated the problem with that is, if they want to keep this Black & Veatch team, they need to make a commitment while they are available to GRDA. To be able to meet the aggressive timeline it is going to take keeping the team together.

Director Matthews asked if the Authority is going to pre-order items that they can. Mr. Ladd said the expectation would be that the Board would see additional contracts for their approval during this process.

Discussion ensued on the hydrogen capability of this unit and future technologies that could be a benefit to GRDA and its customers. Mr. Sullivan also told the Board he met with Secretary Ken McQueen about a week ago, and the State of Oklahoma is participating in the HALO (Hydrogen for Arkansas Louisiana and Oklahoma) Project to put a hydrogen hub together. One of GRDA's customers, LSB Industries, is looking to be a significant contributor to this project as a hydrogen generator. This could provide the Authority an opportunity to gain quicker and easier access to that technology. Mr. Ladd stated the development of the infrastructure is key and more discussions are occurring on that front. He said, as they evaluated their options, they looked at whether it was a good idea to make an investment in technology there was no infrastructure for. As an example, he explained that it would cost GRDA about \$10 million as of today to convert GREC 3 for hydrogen blending, and to upgrade the piping during construction cost an additional estimate of \$500,000 for GREC 4. With the permits open, now would be the time to get the hydrogen included in GRDA's operating permit. It is much cheaper to do it now versus waiting until a later time.

Director Matthews asked if the Authority would be looking at a pure hydrogen machine or would it be a blend of hydrogen and natural gas. Mr. Ladd stated as of today it is a blend.

Director Meyers asked if the unit they are discussing is proven and reliable. Mr. Ladd said GREC 4 would be the same or similar unit as GREC 3, but without steam cooling and fewer chances for failure. He explained how this works.

Discussion ensued regarding EPA current and future regulations and how thermal generation is viewed right now. They also discussed GRDA's need for capacity and how it all works with the Southwest Power Pool (SPP) market constraints.

Director Meyers asked if SPP dispatches combined cycle production before simple cycle. Mr. Brown confirmed this.

Director Matthews asked if this includes the cost to retire GREC 2. Mr. Ladd said this does not include that cost. He also said that they are still evaluating whether that is the correct decision at this point since keeping the resource available has been beneficial to date. Mr. Sullivan said many regulatory entities continue to look at what they will need in the future to maintain reliability. While there is no set solution to that, one of the discussion points has been keeping coal units available.

Chair Sublett asked if Mr. Sullivan is confident this needs to be dealt with right now. Mr. Sullivan confirmed this and said, to meet the April 2026 deadline for the June 2026 availability for SPP, the process will need to begin now. Mr. Brown stated he believes this is the best course.

Discussion ensued regarding cost comparisons and other options available to the Authority for this capacity need now and in the future.

Director Lewandowski asked if the need for renewable energy for GRDA's customers was factored into this. Mr. Brown confirmed it was. He also said they are going to look at battery storage options as well.

Chair Sublett asked that, if the project is not progressing in the right direction, management would ensure removing GRDA from this position.

Director Elam asked for management to also keep the Board updated on progress.

Director Meyers moved that Contract 44135 for Engineering, Procurement, and Construction Management (EPCM) Services be awarded to Black & Veatch, in an amount not-to-exceed \$22,239,564,

subject to approval of final contract terms and conditions that area satisfactory to the General Counsel and Chief Executive Officer, seconded by Director Richie, and the item was voted on as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**4.j. Consideration, Discussion and Possible Approval of Contract with WEG for 1 new 2500kVA and 1 new 225kVA**

**4.k. Consideration, Discussion and Possible Approval of Contract with Sunbelt Solomon for 1 refurbished 2500kVA and 1 refurbished 225kVA**

Mr. Steven Kroll said GRDA solicited for the purchase of 4 distribution class transformers in two different sizes. The purpose for these is to return the Authority's stock back to an adequate level for planned future service and to guard against catastrophic failure. They received 6 bids on January 19, 2023. WEG was the low bidder and provided their own terms and conditions and an exception for cost escalation. The Authority has had very good experience with this vendor and has been able to agree on terms and conditions previously. Exceptionally long lead times are becoming industry standards on transformer units, creating challenges in maintaining adequate stock for GRDA. The second lowest bid is from Sunbelt Solomon with several exceptions to specifications due to the units being refurbished. They provided the best lead time while being able to provide both 2500kVA and 225kVA units. Refurbished units can meet low stock needs for the short term while new units are being manufactured. There is a slightly higher price attached to this bid than for WEG for a 2500kVA and a 225kVA at an additional \$13,737. However, there is a much shorter delivery time and no cost escalation exception is included. Mr. Kroll explained he and the staff recommend splitting the award between the vendors to reduce GRDA's risk by stock amounts remaining at a reasonable level given the long lead times and ensuring they receive equipment that meets GRDA specifications.

Director Matthews asked if there are any units in current stock. Mr. Kroll confirmed there are and said they have one 2500kVA unit and three 225kVA units in stock currently. Mr. Sullivan said they normally would have presented this to the Board on the Consent Agenda, but due to the contract terms on the WEG portion of this management decided it was best the directors are aware of that. He also said, in talking with his Large Public Power Council (LPPC) colleagues over the weekend, everyone is seeing this same scenario on items like this.

Director Elam moved the Board approve Contract #127742 for stock (1) 2500kVA and (1) 225kVA at a total cost of \$128,671 to WEG, and Contract #127776 for stock (1) 2500kVA and (1) 225kVA at a total cost of \$142,145 to Sunbelt Solomon for the total combined cost of \$270,816, seconded by Director Richie, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, 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.

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**5. Reports**

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

**1. Assets Committee:**

- a) **Consideration, Discussion and Possible Approval of 2023 GRDA Scenic Rivers Operations New Commercial Flotation Device License Applications.**



- b) **Discussion of Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 40: Scenic Rivers Rules.**
- c) **Discussion of Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 35: Lake Rules.**
- d) **Consideration, Discussion and Possible Approval of Request for Lease from SSS 20, LLC for Property Located in Mayes County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of Request by SSS 20, LLC for a Utility Easement in Mayes County, Oklahoma.**
- f) **Consideration, Discussion and Possible Approval of Request by 42 Capital, LLC for Release of GRDA Transmission Easement for Property Located in Tulsa, Oklahoma.**
- g) **Consideration and Discussion Regarding Raw Water Rates.**

Chair Sublett said the committee met this morning and discussed a number of topics. He briefly went over each of the items.

**Regarding item a**, Chair Sublett stated the 2023 GRDA Scenic Rivers Operations New Commercial Flotation Device License application item was approved unanimously after extensive discussion. There is some follow-up work to be done, but the committee voted to approve all of the available licenses be awarded to the applicants.

Mr. Cody Bartmess with All American Floats commented he would like to formally object to the passing of this item due to his interpretation of the rules. Chair Sublett asked Mr. Lofton to address this objection. Mr. Lofton said his understanding is that language in the rule was changed last year to remove the word “shall” and insert the word “may” to make this a discretionary decision.

Chair Sublett moved to authorize GRDA Scenic Rivers Operations to issue (85) Commercial Flotation Device Licenses and (90) Temporary Licenses as listed: Illinois River Campground & Floats 25 - CFA 1 / 25 Temporary CFA 1; Gypsy Camp and Float 25 -CFA 1 / 60 Temporary CFA 1; Illinois River Yacht Club 25 -CFA 1 / 5 Temporary CFA 1; Lazy River Campground 10 -CFA; for a total of 175 Licenses, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**Regarding item b**, no action was required on this item.

**Regarding item c**, no action was required on this item.

**Regarding item d**, Chair Sublett moved to approve a lease agreement with SSS 20 LLC for the amount of \$614.58 per month, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**Regarding item e**, Chair Sublett moved to approve a utility easement to SSS 20 LLC within the Leased area, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**Regarding item f**, Chair Sublett moved to approve a release of easement in Tulsa County, Oklahoma, for Line 315 and conveyance of 2 poles to 42 Capital, LLC for the amount of \$200, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding item g, no action was required on this item.

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

**a) Consideration, Discussion and Possible Approval of Engagement Letter for Baker Tilly US, LLP.**

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

Regarding items a, Mrs. Gudde provided background information for the Board. In 2018, GRDA solicited competitive proposals for audit services for a period of five fiscal years (2018 through 2022). Continuity of the audit team has been excellent. Baker Tilly's industry expertise has created audit efficiencies that have reduced the audit timeline by as much as 8 weeks at final testing. Their expertise with governmental accounting ensures compliance with GASB (Governmental Accounting Standards Board) and best practices for public power. She presented the proposed fees per year.

Director Lewandowski asked if Mrs. Gudde is comfortable with the increase over the years. She confirmed this and said the firm has done a great job at controlling expenses.

Director Lewandowski moved to approve the Engagement Letter with Baker Tilly US, LLP, for the period of fiscal years 2023 through 2027, subject to final approval of terms by the General Counsel, as approved by the Audit, Finance, Budget, Policy & Compliance Committee, seconded by Director Elam, and the items were voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, 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 had no report.

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**6. Proposed Executive Sessions:**

**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 Elam moved to go into executive session at 12:45 p.m., seconded by Director Lewandowski, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Richie moved to return to regular session at 1:22 p.m., seconded by Director Meyers, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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**7. Action on Executive Session Items:**

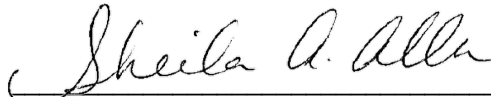
- a. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494-348.**
- b. Action, as Necessary, Matters Pertaining to Economic Development.**

**Regarding item a**, no action was required on this item.

**Regarding item b**, no action was required on this item.

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Director Matthews moved for adjournment at 1:24 p.m., seconded by Director Lewandowski, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

March 9, 2023

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GRDA Board of Directors