

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
March 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 Grand River Energy Center – Training, Safety & Environmental Center in Chouteau, Oklahoma on March 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 Mayes County Clerks' offices on March 8, 2022, at 9:52 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 10:04 a.m. The Secretary called the roll. All members were present, with the exception of Director Meyers and Director Richie. 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	Absent
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	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	Present
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Pam Hazen, War Eagle Floats; Sherry Williams, Spring Cove; D.E. Smoot, Muskogee Phoenix; Shelbi Doyle, Echota Village; Justin Whitecotton and Larry Odell, CPN; Mike Doublehead, Gary Stephens, Kim Dorr, TPWA; Jared Crisp, Pryor MUB; David Spears and Austin Spears, Arrowhead Resort; Crystal Campbell and Josh Owen, Congressman Mullin's Office; Barbara Kelley, Kevin Kelley, and Chris Kelley, Diamondhead Resort; Cheryl Adams, MESO; Gena McPhel, Tahlequah Tourism; Keith Baker, City of Tahlequah; Dirk Spoons, CitiGroup; Lindsey Pever, Anew Energy Law; Travis Willis, City of Pryor; Loren Smith, Stillwater Utilities Authority; Trey Peyton, Peyton's Place; Mike Starks, City of Cushing; Tony and Bobbie Back, Sarah Moore, Tamara Jahnke, Teresa Hicks, Ash Mayfield, Melanie Earl, Keith Roberson, Savannah Ellison, Jared Skaggs, Nancy Sanchez, Leah Messner, Cameron Philpott, Jerry Cook, Matt Martin, Ray Flaming, Jeff Brown, Michelle Day, Gary Pruett, Eric Alexander, Nick Beasley, GRDA.

4. New Business

4.a. Capital Work Order Report

Number	Title	Net GRDA Cost
RF022-01156	OPGW Feeder 92/125 Installation	\$ 2,364,940
RF022-01151	CV-2 Belt Replacement	372,826
RF022-01143	Feeder 56 NESC Clearance Violation	1,227,099
RF021-01099	Feeder 77 & 79 Structure Replacement	1,939,117
Grand Total Work Orders		\$ 5,903,982

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 Kimball moved the Board approve the Capital Work Order Report as presented, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

CONSENT AGENDA

2. February Claims, \$46,399,826.28.

4.b. Resolutions of Commendation:

- 1) Anthony W. Back
- 2) Robert W. Campbell
- 3) Calvin M. Waddell

4.c. Power Cost Adjustment (PCA) of \$0.03337 per kWh for April 2022

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

Description and/or Make of Item
GREC Inventory Sections 77, 100 101, 103, 108, 110, 115, 118, 119, 120, 151
DeWalt Impact Driver
Huskie Crimper
Huskie Cutter
Office Chairs - Lot of 62

- 4.e. **Exhibit B Update – Berry Plastics Corporation**
- 4.f. **RFP 43646 GREC Chimney Inspection and Repair**
- 4.g. **Change Order 2 – Contract 43248 – Watts Communication Tower Phase 2 of 2**
- 4.h. **Limited Waiver of Contract Minimums for 3116 Properties, LLC**
- 4.i. **First Amendment to Exhibit F-1 – Power Purchase and Sale Agreement – Stillwater Utilities Authority**
- 4.j. **Change Order No. 2 – Contract 42535 – Motorola 800 MHz Trunk Site Installation, Lake Francis**

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
43696	NORLEM TECHNOLOGY CONSULTING, INC. - TULSA, OK	422,371.54
43697	IBT, INC. - PRYOR, OK	302,492.40
43692	OKLAHOMA STATE UNIVERSITY - STILLWATER, OK	178,809.00
43701	MITSUBISHI POWER - LAKE MARY, FL	200,000.00
43719	SIEMENS ENERGY, INC. - ORLANDO, FL	448,000.00
43499	DRILL-RITE, INC. - SALINA, OK	589,446.00
Grand Total Standard POs & Contracts:		\$2,141,118.94

Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
34284	THE ENERGY AUTHORITY, INC. - JACKSONVILLE, FL	137,835.66
43554	MITSUBISHI POWER - LAKE MARY, FL	250,000.00
43595	AVIAT US, INC. - MILPITAS, CA	67,122.00
42739	UNIVERSITY OF OKLAHOMA - NORMAN, OK	0.00
42236	FASTENAL COMPANY - VINITA, OK	150,000.00
Grand Total Change Orders & Renewals:		\$604,957.66
Grand Total		\$2,746,076.60

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

REGULAR AGENDA

1. Regular Board Meeting Minutes of February 9, 2022.

Director Sublett moved to approve the Regular Board Meeting Minutes of February 9, 2022, seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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 total annual information for 2020 and 2021 for GRDA's Full Requirements Customers for the month of November. He said GRDA continues to have a reasonably strong demand in energy with a 2 percent increase in demand and a 3 percent increase in energy. He showed graphs illustrating a comparison of resource energy production for November 2020 and November 2021. Mr. Sullivan said more moderate temperatures in November led to some different results compared to a year ago. He noted an increase in use of coal due to market prices, and a decrease in natural gas usage due mostly to an outage at Redbud and repair of GREC Unit 3. They continue to watch natural gas prices. To benefit GRDA customers, GRDA has recalculated the Powe Cost Adjustment (PCA) twice in the last couple of weeks to help bring this down to a level lower than if the normal calculation schedule would have been used. He said they continue to hold coal in inventory during the winter months, as is usual this time of year.

Mr. Sullivan showed photographs from the GRDA Municipal Customer Meeting held in Cushing, Oklahoma on November 16, 2021. This was a great opportunity to talk about several initiatives, including AMI deployment, load shed planning, power cost discussions, system improvements and contract extensions.

In November, Mr. Sullivan stated an urgent request with a short turnaround window was submitted through GRDA's new Vantage Portal. He told the Board the effort and cooperation to fulfill that request was a great illustration of #1GRDA. Mr. Sullivan explained that the request was for a customized crate to be constructed in-house to transport the failed piping equipment that resulted in the recent GREC Unit 3 fire. Property & Maintenance personnel constructed the specialized crate as GREC Maintenance and Mechanical Construction Services (MCS) executed the piping removal. He showed photographs of the crate and personnel involved.

Mr. Sullivan said Speaker of the House Charles McCall and his leadership team toured GRDA's Grand River Energy Center and Energy Control Center last week. During the visit, GRDA's Executive Team had the opportunity to speak to the group about GRDA's commitment to its customers and strong investment in economic development for Oklahoma.

Mr. Sullivan showed photographs from Speaker McCall's visit and from recent holiday parades in GRDA customer cities. He also showed a video that recently came from LPPC regarding public power and its importance. Mr. Sullivan introduced the Keep Oklahoma Beautiful recognition video recognizing Jeri Fleming and the Authority's Guard the Grand application.

4. New Business

4.k. Consideration, Discussion, and Revocation of Title 630 Chapters 1, 3, 4, 10, and 15 of the Oklahoma Administrative Code Related to Scenic River Commission Rules

Mr. Lofton said the Oklahoma Legislature terminated the Scenic Rivers Commission and transferred the rights and authorities of the Commission to the GRDA effective July 1, 2016. The Scenic Rivers Commission's Administrative Rules are in Title 630 of the Oklahoma Administrative Code, and the GRDA's Administrative Rules are in Title 300 of the Oklahoma Administrative Code. He explained this makes any research in regards to the commission or GRDA's role confusing and why the staff would like to take this action today. The Scenic Rivers Commission Rules in Title 630 contain chapters 1 (OSRC Operations), 3 (Election Procedures for Commissioners), 4 (Hearing Procedures), 10 (Licensing and Use Permits), and 15 (Protection of Natural Resources). In 82 O.S. §896.2, the Oklahoma Legislature "transferred" Chapters 10 and 15 of these rules to the GRDA, but are still found in Title 630. Mr. Lofton said he and staff are proposing revocation of Chapters 1, 3, and 4 of Title 630 which are now unnecessary, as well as revocation of Chapters 10 and 15, contingent upon the final adoption of the proposed rules in Chapter 40 of Title 300 of the Oklahoma Administrative Code.

Director Sublett moved to (1) approve the revocation of Chapters 1, 3, and 4 of the rules of the Scenic Rivers Commission in Title 630 of the Oklahoma Administrative Code; and (2) approve the revocation of Chapters 10 and 15 of the rules of the Scenic Rivers Commission in Title 630 of the Oklahoma Administrative Code contingent upon the final adoption of the proposed rules in Chapter 40 of Title 300 of the Oklahoma Administrative Code, seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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

Mr. Lofton told the Board Oklahoma State Statute says that GRDA is exempt from the Central Purchasing Act with one exception, that they must adopt an internal purchasing policy. The GRDA's Purchasing Procedures are in Chapter 20 of Title 300 of the Oklahoma Administrative Code. He showed an excerpt from the Authority's Acquisition Policy and what changes they would like to make. Mr. Lofton explained they would like to add "consulting services" to their list to acquire professional services and clarify the term "utility acquisitions" to include "services, equipment, and materials related to the supply of provision of electrical power and energy" which are exempt from the competitive bidding process, unless the process was beneficial to the Authority.

Chair Elam asked if GRDA has had any issues with this. Mr. Mayfield said traditionally GRDA has competitively bid most everything because this results in the best price. However, he stated there have been some occasions they wanted to make a purchase more quickly for various important reasons. Some question arose about whether the Authority had that capability, and this clarifies that. Mr. Sullivan said there are also certain circumstances where there is only 1 or 2 vendors that perform the work they need done, and the bidding process can add unnecessary time. Director Westbrook moved to approve the amendments to Title 300 Chapter 20 of the Oklahoma Administrative Code (GRDA's Acquisition Policy) as presented, seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.m. Recommendation for Approval of Change Order 2 – Contract 43592 – Electrical Installation Contractor for Unit 3 Restoration Project (BOP Scope)

Mr. Ladd said the Board will recall that GRDA has already executed Phases 1 and 2 repairs and showed the systems including in these. He stated the work has progressed as expected with exceptional results so far. He showed the key milestones of the project that have been completed and said commissioning is 95 percent complete. He showed a contract funding overview, including the original contract date and subsequent change orders, as well as explaining each. Mr. Ladd said additional funds of \$297,898.00 are necessary to bring the project to completion and get to startup. Startup is about 2 weeks behind. Given the projected startup date, it is imperative that they extend the contract accordingly due to supply chain delays and internal lighting specified and approved. Gulf Turbine Services (GTS) has agreed

to continue work under the approved contract, subject to the Service Work Authorization (SWA) process. This benefits GRDA to eliminate potential risks of costly errors and delays from using multiple contractors. The time and materials-based estimate of \$297,898 requires additional funding beyond that approved by the Board, and all fire related costs are being submitted to GRDA's insurance carrier with the expectation this amount will be reimbursed. Mr. Ladd said GTS has performed exceptionally well and they have been very pleased with their response, competencies, work execution, and continuity.

Director Kimball asked how discussions have been going with GRDA's insurance carrier. Mr. Ladd said discussions have been very productive. Mr. Sullivan stated there does appear to be a viable subrogation claim that the insurance company will file and GRDA will likely join. He said some things are still being investigated, but it looks like there is a valid point.

Director Kimball moved that Change Order No. 2 for Contract 43592 be approved for Gulf Turbine Services (GTS), increasing the not-to-exceed amount from \$599,800.00 to \$897,698.73, seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Mr. Ladd took a moment to recognize his employees for their extraordinary efforts in returning GREC Unit 3 to service: Glenn Rowan, Kent Farguson, Rex Collins, Maria Saucedo and Jim Dooley. He expressed his deep gratitude to them for their innovative ideas and teamwork in moving the project to the finish line.

4.n. 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 Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 35: Lake Rules.**
- b) **Consideration, Discussion and Possible Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 45: Administration of Rules and Hearings.**

- c) **Consideration, Discussion and Possible Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 40: Scenic Rivers Rules.**
- d) **Consideration, Discussion and Possible Approval of a Request by James D. Jones, II and Winifred D. Jones for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of a Request by Rudy Forsman and Linda Forsman for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- f) **Consideration, Discussion and Possible Approval of a Request by Thomas W. Jones and Catherine R. Jones for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- g) **Consideration, Discussion and Possible Approval of a Request by Spring Cove West Resort, LLC for a Lease for Property Located in Mayes County, Oklahoma.**
- h) **Consideration, Discussion and Possible Approval of a Request by Bob Pierce, for a Grazing Lease for Property Located in Mayes County, Oklahoma.**
- i) **Consideration, Discussion and Possible Approval of a Request by Shangri-La Development, LLC for a Second Amendment and Assignment of a Contract for the Taking of Raw Water from Grand River or its Tributaries to Shangri-La Resort, LLC.**

Director Westbrook said the committee met this morning and discussed many items. He summarized the licenses to encroach on property in Delaware County, a request for commercial lease in Mayes County, and a request from Shangri-La Development, LLC for an amendment to their water taking contract. Director Westbrook stated all items on their agenda were approved by the committee. He explained they also discussed 3 other items related to GRDA's Administrative Rules: Lake Rules, Administration of Rules and Hearings, and Scenic Rivers Rules.

Regarding item a, Director Westbrook moved to adopt the amendments as proposed to Chapter 35 of Title 300 of the Oklahoma Administrative Code related to GRDA's Lake Rules, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item b, Director Westbrook moved to adopt the amendments as proposed to Chapter 45 of Title 300 of the Oklahoma Administrative Code related to GRDA's administration of Rules and Hearings, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item c, Director Westbrook asked Leah Messner to present the information since there were a number of people from the Scenic Rivers area present at the meeting.

Mrs. Messner provided background information on what led to the Authority adding this item to the committee's agenda. As a result of the transfer of the Scenic Rivers Operations to GRDA and the increased use of the Scenic Rivers during the pandemic, various concerns began to arise. GRDA staff prepared revisions to the Scenic Rivers administrative rules that address these concerns, remove the revocation provision and clean-up outdated language in the text. The changes were presented at the February 2022 GRDA Assets Committee meeting. There was also an opportunity for the public to submit written comments by February 18, 2022, and a public hearing was held on March 1, 2022. She explained the significant proposed changes to the rules. Licenses must be properly displayed on all flotation devices, and operators will be assessed a reasonable fee for lost licenses. Operators, when applying for license renewal, must demonstrate a history of compliance with state law and administrative rules, with the GRDA Chief Executive Officer having discretion to deny licenses. Licenses may not be transferred between Commercial Operators without notice to and permission from the GRDA Chief Executive Officer. There will be implementation of a random draw lottery process for any remaining licenses available. All vehicular equipment owned by Commercial Operators must be properly registered, licensed, and insured (street-legal). Commercial Float Area 2 has been increased in size to be more equitable to the float operators. Operators can only float in the licensed area, unless permission is received and a float plan is filed to participate in overnight camping/fishing. Camping is only allowed in Public Access areas, with 1 tent and 1 child's tent per site (maximum of 2 vehicles per site and pets must be leashed). River levels are determined by the USGS gage at Chewey Bridge when operating upstream of River Mile 40, and the USGS gage at Tahlequah when operating below River Mile 40. Drink coolers must be so closely tied to flotation devices as to be within arms-reach of the occupant of the flotation device to which it is attached.

Chair Elam invited the Board and guests in the audience to provide comments and questions regarding the presentation.

Mr. Austin Spears with Arrowhead Resort asked Mr. Sullivan if he would be the only one making decisions on matters related to these rules. Mr. Sullivan said the CEO is defined in the rules as the Chief Executive Officer of the GRDA or his designee. This could be delegated, but he stated any decision made by the CEO can be appealed through the administrative process to the Board of Directors. Mr. Spears

stated things that are being changed related to the river can directly affect the commercial operators. He talked about how the operators do not receive enough licenses to operate each season. He asked questions related to number of licenses and questioned whether their concerns were taken into account while these decisions were being made. Mr. Spears expressed his concern about how things were changing. He also spoke about the agreement with the Oklahoma Department of Wildlife Conservation (ODWC), and said their largest concerns is related to whether the agreement GRDA has with the ODWC is on a yearly basis. Mr. Spears said the operators need some kind of peace of mind knowing they will continue to be able to utilize those public use areas included in the agreement. He stated he and the other float operators were concerned they did not have a voice at GRDA from the Scenic Rivers area or from Northeastern Oklahoma. Mr. Sullivan clarified some points for the operators present. He told them GRDA intends to continue the same process to apply for licenses that has been in place for a very long time. Mr. Sullivan said some of the public use areas are the ODWC's property. If the ODWC did not have an agreement with GRDA to manage that property on their behalf, the float operators would not be able to operate out of those public access areas at all. He said the ODWC has received complaints from the public that there was not access to the area or that they were told those areas were not for public use, only for float operators. The agreement today is that the ODWC is going to continue to allow the float operators to utilize the public access areas they own, but that it is going to be made clear on what can and cannot be done on those properties. Mr. Sullivan explained that, with the rules changes and the agreements with ODWC, GRDA wants this to be a good situation for everyone, and for everyone to fully understand and be on the same page entering the season. He stated they hope this will help ease the process and the concerns that all stakeholders have had. GRDA cannot guarantee that the agreement with the ODWC will continue, but does understand the float operators' concerns. Mr. Sullivan said the float operators have GRDA's agreement that the Authority will work with the ODWC and with the float operators to make this a workable solution that fits everyone's needs. Mr. Spears asked if GRDA could help in getting the agreements solidified for a longer period of time to provide more peace of mind for the operators. Mr. Sullivan said it could be discussed, but that there is a risk in relying on someone else's property for their business. He stated that he believes the risk is lower than it was this time last year because of the agreements and the process being presented today. Mr. Spears asked why all the rules and agreements are changing now. Mr. Sullivan said part of the reason is to only clean up things not taken care of during the final part of the transition from the Scenic Rivers Commission to GRDA, but also some recent litigation that has pointed out there is some confusion due to

some of the old rules. This is intended to eliminate confusion as the float operators and general public are not served well by this. Mr. Sullivan said increasing the number of meetings held throughout the year surrounding the float season should help, and that the operators have GRDA's commitment to assist in them being successful as well as the City of Tahlequah as GRDA has a vested interest in this customer city.

Discussion ensued regarding the current economic climate, how different the budget for Scenic Rivers Operations is now compared to what it was before GRDA took ownership and how this positively financially impacts the businesses in the area. They also discussed how the environment at the river area has changed since GRDA took over.

Director Westbrook commented that his hope is that everyone can work together and hopes all of this is resonating with all visitors present, as it is a balancing act for the Authority.

Mr. Spears said GRDA has done an excellent job in policing the river area and are always there when the float operators need them.

Chair Elam said that at the \$2.5 million budget Scenic Rivers Operations has, it does create discussions among the rate payers. Mr. Mike Doublehead said as a representative of the GRDA Customer Group that when GRDA inherited the Scenic Rivers he received numerous calls about why the customers should contribute to this from the all 17 customer cities. Mr. Doublehead said he conveyed his belief that there may not seem to be a personal benefit to each city, but there is a benefit to the State of Oklahoma. He said it was not a safe place to take your children any longer, and knew that the emergency room visits during the season were now significantly reduced. Mr. Doublehead said he understands everyone's concerns when there is a change like this, but believes in time they will see a change for the better due to the efforts of the GRDA staff. He also said he believes the City of Tahlequah is going to benefit for years to come with this kind of a partnership.

Director Kimball said that there was a comment during the process that noted the size of coolers. He explained he talked with a marketing director for a company that manufactures these and asked them about this. Director Kimball stated the marketing director told him that the industry is changing and the standard is moving to 52-quart coolers, where 48-quart had been in place for many years. He asked that

GRDA make this change if possible. Mr. Sullivan said this is the time to amend the policy, and that they would make this part of the motion to approve.

Director Sublett said the members of the GRDA Board of Directors are all small business men and very sensitive to the needs and concerns of small business. More than anything else, he stated it is their obligation to see that GRDA operations are fair, reasonable, honest and transparent in every respect. Director Sublett asked the float operators to keep in mind the GRDA Board of Directors are all volunteers and giving their time and attention away from their own businesses.

The Board and Mr. Sullivan thanked the float operators for coming to the meeting to voice their concerns.

Director Westbrook moved to adopt the amendments as proposed to Chapter 40 of Title 300 of the Oklahoma Administrative Code related to GRDA's Scenic Rivers Rules, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item d, Director Westbrook moved to approved a License to Encroach to James David Jones and Winifred D. Jones in Delaware County, Oklahoma for the amount of \$227.00 per year, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item e, Director Westbrook moved to approve a License to Encroach to Rudy and Linda Forsman in Delaware County, Oklahoma for the amount of \$100.00 per year plus \$48.00 per month until the survey fee is paid, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item f, Director Westbrook moved to approve a License to Encroach to Thomas W. Jones and Catherine R. Jones in Delaware County, Oklahoma for the amount of \$224.00 per year, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item g, Director Westbrook moved to approve a new lease agreement with Spring Cove West Resort, LLC, for the amount of \$614.58 per month, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

Regarding item h, this item was withdrawn.

Regarding item i, Director Westbrook moved to approve the Second Amendment and Assignment to Shangri-La Resort, LLC, of Contract for Taking of Raw Water from Grand River or its Tributaries, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

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

a) Update - Revenue Bonds, Series 2022:

- (1) GRDA 14th Supplemental Resolution No. 5410**
- (2) General Authorizing Resolution No. 55409; Resolution Relating to the Sale, Issuance, and Delivery of Revenue Bonds**
- (3) Drafts of:**
 - a. Preliminary Official Statement, Including Appendices**
 - b. Bond Purchase Agreement**
 - c. Escrow Deposit Agreement**
 - d. Cost of Issuance**

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

Regarding item a, Mrs. Gudde provided an update on their market analysis as well as some background on what has happened thus far. She said she and the GRDA staff are proposing to refund Series 2014A and 2014B Revenue Bonds. Mrs. Gudde introduced Mr. Dirk Spoons with CitiGroup and said they wanted to present should the Board have questions. She said they are looked at all series to include and exceed 3 percent Net Present Value savings. It is now estimated there would be savings of roughly \$178,890,000 par value for Series 2014A and 2014B. This would also convert \$130,745,000 from tax-exempt debt to taxable debt. She explained how the estimated savings are calculated and presented both to the Board, front-loaded savings and level savings. Mrs. Gudde said she and the staff are recommending the front-loaded savings, even though the Net Present Value savings is less. She presented a table for

savings per year for both methods, and highlighted 2026 and 2027. The reason they are recommending this is strategic. 2026 is GRDA's first call date and the first real chance to see a large amount of savings. Due to discussions surrounding the 5-10 year forecasts, rate stabilization, and base rates, the staff believes GRDA will begin to see a need in 2025 and 2026 for a base rate increase. With the front-loaded savings, the Authority would see almost \$12 million in savings in 2026 off the debt service requirement. Mrs. Gudde explained how all of this is calculated and said this could help the GRDA through this period of time. She presented the refunding schedule for the Board, beginning with potential approval today by the Board of Directors and ending on the closing date of April 26, 2022.

Chair Elam said he agreed this has to be worth the Authority's while to pursue the refunding to save at least what has been spent, as was discussed during the committee meeting. He said, given what has been happening worldwide, it could be a moving target. Mrs. Gudde said she believes the current market is the most attractive GRDA may see in the short-term. Mr. Spoons stated he agrees with Mrs. Gudde and the staff, but noted the market has been a bit volatile and understands concerns the Board may have.

Discussion ensued regarding how the Authority leveraged cash and used other ways to stay financially secure now and for the future.

Director Kimball asked how much the cost of issuance is for this. Mrs. Gudde stated is approximately \$800,000. Director Kimball asked if the savings acquired by doing this would eliminate the needed rate increase in 2026. Mrs. Gudde confirmed this. Mr. Sullivan said the positive piece of this is that GRDA is looking at some very significant savings, along with discussions with a couple of contracts that expire during this time and seeing some tremendous growth in the MidAmerica Industrial Park. He said today there was an announcement of a new customer coming to the park, Northern Data, and as part of this announcement has said they will be needing up to 250 megawatts of energy for their operations. This and other growth will continue to help in keeping the stable rate situation for GRDA customers.

Director Lewandowski moved to approve Resolutions 5409 and 5410 authorizing the issuance of up to \$200 million par value bonds to refund the Series 2014A and Series 2014B bonds, as well as approve the draft forms of the preliminary official statement, including appendices, the bond purchase agreement, escrow deposit agreement, and any fees necessary to issue the bonds, seconded by Director Sublett, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Mrs. Gudde said the second part of the cost of issuance is for those that chose the PCAx option related to Winter Storm Uri the GRDA staff now have a proposed carrying cost. She stated the staff explored the securitization route at length, met with disclosure council, underwriters, and Oklahoma Development Finance Authority (ODFA). The longer the staff looked at securitization, the more they were seeing the cost of the issuance and the way that ODFA and their underwriters were proposing to structure it may not be beneficial to the Authority's customers. Securitization gave customers almost no flexibility. Mrs. Gudde explained they talked to ODFA about breaking the series down into shorter call dates and costs went up from there, as issuance costs for securitization were almost a full percent of the total. So, she said they did not want to recommend the securitization route. There were a significant number of customers (almost a third) that chose either the PCA immediate payment or paid within 12 months. This rebounded cash quickly and the GRDA staff worked hard to defer expenses as they held the reins on maintaining only critical infrastructure and halting spending. Mrs. Gudde told the Board she and the staff are proposing they set this at a 3 percent carrying cost, at simple interest. There would be a simple 3 percent annual cost that would apply to a customer's outstanding balance. So, every payment the customers makes would be smaller than the one before it. She said the accounting behind that is extremely cumbersome and explained how they came up with the 3 percent cost based on the market analysis. GRDA staff looked at the line of credit as well, but it was much higher overall. Mrs. Gudde said they avoid all of the cost of securitization and it gives every customer the option at any moment to pay the remaining balance should they have an influx of cash, unavailable through securitization.

Director Kimball asked if the staff had a calculation of how much GRDA would save their customers by doing this versus the securitization. Mrs. Gudde said they did not at this time. Mr. Sullivan stated it would be at least 1 percent. He commended everyone involved for their hard work and creative thinking.

Director Lewandowski moved to approve the EPC carrying cost be set at 3 percent and applied to the balances of PCAx-120 beginning April 1, 2022, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Lewandowski commended Mr. Sullivan, Mrs. Gudde and all the staff for their hard work on this to be able to secure this kind of savings for the Authority. He also said he knows the customers also appreciate the savings that will be seen due to these efforts.

Director Sublett said he mirrored Director Lewandowski sentiments and further commended the staff for their efforts, as did the rest of the Board.

3. **Compensation & Marketing Committee:** Director Kimball had no report.
4. **Fuel and Long-Range Planning Committee:** Chair Elam said, since Director Meyers was unable to come to meeting today, there will be some discussion during Executive Session related to topics discussed by the committee.

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 82 O.S. § 862.1(2)(a) and (b), Which Exempts the Grand River Dam Authority from the Open Meetings Act for the Purpose of Discussing a Proposed Fuel Supply and Power Purchase Agreement.**

Director Sublett moved to go into executive session at 11:50 a.m., seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Sublett moved to return to regular session at 1:20 p.m., seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

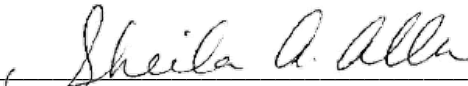
7. Action on Executive Session Items

- 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, Concerning Discussion of a Proposed Fuel Supply and Power Purchase Agreement.**

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

Regarding item b, Director Westbock moved to approve the Futures & Exchange-Traded Options Customer Agreement with StoneX (the FCM Division of StoneX Financial Inc.), subject to approval of the final contract terms and conditions by the General Counsel and Chief Executive Officer, seconded by Director Lewandowski, and voted upon as follows: Elam, yes, Kimball, no, Lewandowski, yes, Sublett, yes, Westbrock, yes. *Motion passed (4-yes, 1-no, 0-abstained).*

Director Kimball moved for adjournment at 1:21 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, Westbrock, yes. *Motion passed (5-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

April 13, 2022
GRDA Board of Directors