

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
Tulsa, Oklahoma
April 18, 2019**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Engineering & Technology Center, Tulsa, Oklahoma, on April 18, 2019. 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 27, 2018, at 1:12 p.m.; by posting the agenda with the Tulsa County Clerks' offices on April 17, 2019, at 9:34 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of GRDA at least 24 hours prior to the meeting.

Chair Kimball called the meeting to order at 10:00 a.m. The Secretary called the roll. All members were present, with the exception of Director Churchwell, and Chair Kimball declared a quorum. Mr. Philpott introduced guests.

BOARD MEMBERS

Tom Kimball, Chair	Present
James B. Richie, Chair-Elect	Present
Pete Churchwell	Absent
Dwayne Elam	Present
Mike Lewandowski	Present
Chris Meyers	Present
Joseph Vandevier	Present

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Chief Operating Officer	Present
Lorie Gudde, Chief Financial Officer/ Corporate Treasurer	Present
Steve Wall, Chief Information Officer	Present
Heath Lofton, General Counsel	Present
Ellen Edwards, Executive VP – Compliance	Present
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Present
Rob Braun, Executive VP – Human Resources	Present
Nathan Reese, Executive VP – External Relations	Present
John Wiscaver, Executive VP – Corp. & Strategic Communications	Present
Mike Herron, VP – Engineering, System Operations and Reliability	Present
Darrell Townsend II, VP – Ecosystems/Watershed Management	Present
Robert Ladd, VP – Grand River Energy Center Operations	Present
Steve Jacoby, VP – Hydroelectric Projects	Present
Mike Waddell, VP – Transmission and Distribution Operations	Present
Ed Fite, VP – River Operations and Water Quality	Present
Justin Alberty, VP – Corp. & Strategic Communications	Present
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Tom Elkins, Cherokee Nation; Mike Starks and Elton Willard, City of Cushing; Bethany Ryers, Baker Tilly; Jared Crisp and Travis Willis, Pryor MUB; Melanie Earl, Tricia Parker, Tom Gray, Jennifer Marquis, Kathy Ehrhard, Trent Fittje, David Hefner, Brent Scott, Steven Willis, and Donna Herron, GRDA.

CONSENT AGENDA

2. March Claims, \$40,072,028.77.

4.a. Resolutions of Commendation

- 1) William M. Herron
- 2) Eddie D. Gibe

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

Description and/or Make of Item	Serial Number	Model Number
1 Lot GREC Whse Surplus Inventory: 100 Section.		100 Section
1 Lot GREC Whse Surplus Inventory: 108 Section.		108 Section
1 Lot GREC Whse Surplus Inventory: 128 Section.		128 Section
1 Lot GREC Whse Surplus Inventory: 129 Section.		129 Section
1 Lot GREC Whse Surplus Inventory: 135 Section.		135 Section
1 Lot GREC Whse Surplus Inventory: 138 Section.		138 Section
1 Lot GREC Whse Surplus Inventory: 166 Section.		166 Section
1 Lot GREC Whse Surplus Inventory: 180 Section.		180 Section
Dell laptop computer	FF9JN32	Latitude 6440
Dell laptop computer	JHD4J02	Latitude 6430
Dell laptop computer	D6M0J02	Latitude 6430
Dell laptop computer	3BK1M12	Latitude 6440
Dell laptop computer	6K96YZ1	Latitude 6440
Dell laptop computer	DY66J02	Latitude 6430
Dell monitor	MX-0G324H-74261-191-2G3L	2007FPb
Dell monitor	CN-0KG49T-74261-33T-37RU	P2412Hb
Dell monitor	CN-039WWP-74261-26M-12HU	P1913Sb
Dell monitor	CN-039WWP-74261-26M-12PU	P1913Sb
Dell monitor	CN-046NYG-64180-266-1GPB	P1912Hc
Dell desktop computer	6L6NTW1	Optiplex 7010
Dell desktop computer	1TZMK02	Optiplex 7010
Dell desktop computer	1V2LK02	Optiplex 7010
Dell laptop computer	2NT4P12	Latitude 5540
Dell laptop computer	25PLT32	Latitude 6440
Dell laptop computer	C7ZJJ12	Latitude 6440
Dell laptop computer	FMS0Q12	Latitude 6440
Dell laptop computer	83FJZW1	Latitude 6430
Dell laptop computer	BWLZYZ1	Latitude 6440
Dell laptop computer	83FJW1	Latitude 6430
Dell laptop computer	4X2QWW1	Latitude 6430

Dell monitor	CN-0WK522-71618-78N-AL0C	SP2008WFPt
Dell monitor	CN-0W5HWR-74445-31M-A4KL	P2012Ht
Dell monitor	MX-0T6130-48323-52N-0BCL	2005FPW
Dell monitor	CN-0UW042-64180-79H-1MAA	1908FPc
Dell monitor	CN-0RNMH6-74445-14N-ANPL	P190St
Dell monitor	CN-0KG49T-74261-33T-2ENU	P2412Hb
Dell monitor	CN-0CC280-71618-66M-AEGT	1707FPt
Dell monitor	12SN372	U2417H
Dell desktop computer	G2FJ7V1	Optiplex 790
Dell laptop computer	6SPXYJ1	Latitude 5400
Dell Printer	CRM2841	1700n
Dell Monitor	MX-0G324H-74262-88F-2F7L-A05	2007FPb
Dell Monitor	CN-0W5HWR-74445-31H-A4HL	P2012Ht
Dell Monitor	CN-0W5HWR-74445-31M-A43L	P2012Ht
Dell Printer	G9QKFP1	3130cn
Dell Monitor	CN-0CC352-64180-691-0K4S	1707FPc
Dell Monitor	CN-0CC280-71618-66M-AEKQ	1707FPc
Dell Monitor	CN-0RNMH6-7445-14N-AJSL	P190St
Dell Monitor	MX-004K3T-74262-231-1D2L	P190St
Dell desktop computer	G2BG7V1	Optiplex 790
Dell desktop computer	G2CG7V1	Optiplex 790
Dell desktop computer	6L1QTW1	Optiplex 790
Dell desktop computer	6KJPTW1	Optiplex 7010
Dell desktop computer	4S01KS1	Optiplex 790
Dell desktop computer	6KKPTW1	Optiplex 7010
Dell Monitor	CN-0C0646-46633-42H-17FL	
Dell laptop computer	93FKN32	Latitude 6440
Microsoft Surface	5234754553	Surface Pro 1
Microsoft Surface	34690660853	Surface Pro 1
Microsoft Surface	57810760553	Surface Pro 1
Microsoft Surface	9984555153	Surface Pro 1
Dell Keyboard	CN-05P02F-71581-263-06OD-A01	KB212-B
Dell Keyboard	CN-0502F-71581-268-000T-A01	KB212-B
Dell Keyboard	CN-04G481-71616-2B5-0SOG-A00	KB212-B
Dell Keyboard	CN-04G481-71616-51N-0HQH-A00	KB212-B
Dell Keyboard	CN-0DJ331-71616-06B-08VO	SK-8115
Dell Keyboard	CN-0DJ454-71581-31U-0ADU-A00	KB212-B
Dell Keyboard	CN-04G481-71616-2B5-11MC-A00	KB212-B
Dell Keyboard	CN-04G481-71616-2B5-0D33-A00	KB212-B
Elkay Drinking Water Fountain	70514266	ESWA81H

**4.c. Power Cost Adjustment (PCA) of \$0.01922 per kWh for May 2019;
Power Cost Adjustment (PCA) of \$0.01920 per kWh for June 2019**

- 4.d. Order for Removal in Administrative Hearing No. 2018-26 – Robin Mussa: Jahnke**
- 4.e. Order for Removal in Administrative Hearing No. 2019-01; Alma Carterman: Jahnke**
- 4.f. Exhibit B-1 Update – Whiting-Turner Contracting Company: Philpott**
- 4.g. Power Purchase and Sale Agreement – Oklahoma Mining Management, LLC: Philpott**
- 4.h. Exhibit A Update – Bholenaath, LLC – DBA Comfort Inn & Suites: Philpott**
- 4.i. Interlocal Agreement – Mayes County 911: Edwards**
- 4.j. EDRSA II Service Agreement – City of Claremore: Cook**
- 4.k. EDRSA II Service Agreement – Collinsville Municipal Authority: Cook**
- 4.l. EDRSA II Service Agreement – City of Pryor Creek: Cook**
- 4.m. EDRSA II Service Agreement – City of Siloam Springs: Cook**
- 4.n. EDRSA II Service Agreement – Stillwater Utilities Authority: Cook**
- 4.o. EDRSA II Service Agreement – Wagoner Public Works Authority: Cook**
- 4.p. Change Order #1 – Contract 42518 – Substation Construction Services for S907, S121, and S119: Herron**

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
42620	PINNACLE BUSINESS SYSTEMS, TULSA, OK	302,536.00
42633	BRENNTAG SOUTHWEST, INC., NOWATA, OK	151,000.00
42634	PINNACLE BUSINESS SYSTEMS, TULSA, OK	649,407.16
42642	J.A.M. DISTRIBUTING COMPANY, HOUSTON, TX	96,109.68
98874	CTEC HOLDING COMPANY DBA CUSTOM TRUCK & EQUIPMENT, OKLAHOMA CITY, OK	532,381.42
42635	COX COMMUNICATIONS, INC., OKLAHOMA CITY, OK	7,362.40
98969	VERSALIFT SOUTHWEST, WACO, TX	215,315.00
98988	VINSON PROCESS CONTROLS, LEWISVILLE, TX	268,292.34
42653	SMITH & GRAY COMPANY, GROVE, OK	177,138.00
42651	BRAINERD CHEMICAL COMPANY, INC., TULSA, OK	386,904.00
42656	BRENNTAG SOUTHWEST, INC., NOWATA, OK	108,587.50
42478	CINTAS CORPORATION, TULSA, OK	32,953.80
98972	SCHNEIDER ELECTRIC USA, INC., FRANKLIN, TN	98,585.49
42655	BENOIT DESROCHERS, PRYOR, OK	70,000.00
42559	TERRACON CONSULTANTS, INC., TULSA, OK	68,850.00
98927	OFFICE OF MANAGEMENT & ENTERPRISE SERVICES, OKLAHOMA CITY, OK	4,819.50

99112	REXEL USA, INC., BROKEN ARROW, OK	179,086.28
42665	L & S ELECTRIC, INC., SCHOFIELD, WI	140,800.00
42670	PROMINENT SYSTEMS, INC., HOUSTON, TX	90,000.00
42666	COLE EQUIPMENT DBA TRUE VALUE RENTAL, NORTH MIAMI, OK	10,000.00
42667	EQUIPMENT WORLD, INC., CATOOSA, OK	8,000.00
42668	HERC RENTALS, INC., JOPLIN, MO	1,500.00
42669	HUGG & HALL EQUIPMENT COMPANY, INC., TULSA, OK	2,500.00
42671	HERC RENTALS, INC., TULSA, OK	1,000.00
Grand Total Standard POs & Contracts:		\$3,603,128.57
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
42623	ONENET, OKLAHOMA CITY, OK	294,300.00
98241	ALCATEL-LUCENT USA, INC., PLANO, TX	103,600.99
42627	STANDLEY SYSTEMS, INC., OKLAHOMA CITY, OK	5,121.90
34284	THE ENERGY AUTHORITY, INC., JACKSONVILLE, FL	126,260.10
42384	A & M ENGINEERING & ENVIRONMENTAL SERVICES, INC., TULSA, OK	2,540.00
42593	KONE, INC., BROKEN ARROW, OK	152,156.00
41430	ALLEGIS GROUP, INC. DBA AEROTEK, INC., TULSA, OK	245,000.00
42260	BRENNTAG SOUTHWEST, INC., NOWATA, OK	19,050.00
42258	MERRICK & COMPANY, DENVER, CO	111,036.00
Grand Total Change Orders & Renewals:		\$1,059,064.99
Grand Total		\$4,662,193.56

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

REGULAR AGENDA

1. Regular Board Minutes of March 13, 2019.

Director Vandevier moved to approve the Regular Board minutes of March 13, 2019, seconded by Director Elam, and voted upon as follows: Elam, yes, Kimball, yes, Lewandowski, abstain, Meyers, abstain, Richie, yes, Vandevier, yes. *Motion passed (4-yes, 0-no, 2-abstained).*

3. Unfinished Business

3.a. Progress Reports

(1) Current Operations Reports

a. Monthly Video Update – GRDA April 2019

- **O Feeder 13 Repairs**
- **Big Meat Run Recap**

Mr. Sullivan reported the first Rush for Brush workshop of the year was held on Saturday, March 23, 2019, at Wolf Creek Park in Grove, Oklahoma with nearly 70 volunteers to construct 600 artificial habitats. He said the next workshop will be held on May 18, 2019, at the GRDA Ecosystems & Education Center in the lower parking lot.

Mr. Sullivan told the Board GRDA was very proud to participate in the American Public Power Association's Lineworkers' Rodeo, held in late March in Colorado Springs, Colorado. The GRDA Team participated as both competitors and judges, and did quite well. He explained that this event provides competitive events demonstrating lineworkers' skills and safe working practices. This year's event brought 80 teams, which included 133 apprentices from not-for-profit, community-owned utilities nationwide.

Mr. Sullivan shared he received a tour of the GRDA-Northeastern State University (NSU) Scenic Rivers and Watershed Research Laboratory on the NSU campus following the 2019 Tahlequah Chamber of Commerce State of the Community update on April 1, 2019. He said GRDA Vice President – River Operations & Water Quality Ed Fite, NSU Dean of the College of Science and Health Professions Dr. Pam Hathorn, and GRDA Biologist Courtney Stookey were also on hand.

Mr. Sullivan stated GRDA was one of 48 public power utilities to earn the Reliable Public Power Provider (RP3) ® designation from the American Public Power Association (APPA) for providing reliable and safe electric service. APPA made the announcement during its annual Engineering & Operations Technical Conference in Colorado Springs on April 1, 2019. According to APPA, the RP3 designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development and system improvement.

He said the criteria to receive this award includes sound business practices and a utility-wide commitment to safe and reliable delivery of electricity. Mr. Sullivan commented this was the first time for GRDA to apply for this award and shows the agency's commitment to reliability on behalf of their customers.

Mr. Sullivan shared that during the 2019 Municipal Electric Systems of Oklahoma (MESO) Public Power Conference, April 14-16, GRDA Vice President of Engineering Systems Operations and Reliability Mike Herron was honored with the Pruett-Lamb Lifetime Achievement Award, recognizing his long and distinguished career in Oklahoma public power. He said former GRDA employee Courtney Jarvis who passed away unexpectedly in August 2018 was also honored at the conference, receiving the Drake Rice Customer Service Award. Mr. Sullivan stated this award is given annually to an Oklahoma public power professional who delivers outstanding customer service. Jarvis' family was present to accept the award in her honor.

Mr. Sullivan introduced the videos and commented that Feeder 13 repairs were conducted in an area over Lake Keystone with cooperation between GRDA Transmission and Police crews. He also stated that the Big Meat Run is a great event and attracts a lot of participants and spectators to the area which is great for the local economy.

Mr. Sullivan said GRDA participated in a program, through APPA, called Light Up Navajo to provide power to people that have never had electricity in their homes. He explained the Navajo Nation is the largest Native American territory in the United States, with an estimated population of 300,000. Among the 55,000 homes located on the 27,000 square mile reservation, about 15,000 of those homes do not have electricity. The Navajo Nation makes up about 75 percent of all un-electrified households in the United States. Mr. Sullivan told the Board and attendees that not having access to electricity has many repercussions for Navajo families, one of the

harshest being lack of access to running water. Families in the Navajo Nation drive 1 to 1 and a half hours once or twice a week to reach watering points where they can fill 250-gallon plastic tanks with water for cooking, cleaning, and drinking. Not having electricity has also deprived families of reliable lighting and appliances such as refrigerators, toasters, and microwaves. To keep food from perishing, families often have to use portable coolers filled with ice to preserve their food. The high cost of connecting isolated rural households to the grid, the sensitivity of families to utility costs, and the limited availability of government loans has made progress towards greater electrification slow. Mr. Sullivan explained that to expedite electrification projects in the Navajo Nation, the APPA in partnership with the Navajo Tribal Utility Authority (NTUA) has launched the initiative. This initiative is a pilot effort to begin electrifying the 15,000 Navajo households that still do not have power. This spring, volunteer crews from over 20 public power utilities across the country will be building electric lines for projects that will connect over a hundred new customers to the grid. He said the hope is that the pilot effort will serve as a successful model for future electrification projects. Mr. Sullivan asked the GRDA employees that had requested to participate in the project to stand and be recognized, as well as asking them to share their stories and experience with the Board and attendees, as they were among the first crews to arrive and begin work. GRDA Powerline Superintendents Trent Fittje, David Hefner, Brent Scott and Steven Willis shared information of their recent participation in the Light Up Navajo project which was led by the BTUA and APPA. A total of nine GRDA employees spent a week helping to electrify homes on the Navajo Reservation in Arizona.

4. New Business

4.q. Capital Work Order Report (* Denotes Addenda Items)

Number	Title	Gross Work Order Amount	Reimbursement	Net GRDA Cost
RF019-00958	EMC XtremIO Storage Array Refresh	\$ 685,765	\$ -	\$ 685,765
RF019-00960	Okla. Mining 2000KVA	62,351	-	62,351
RF019-00966	Fdr 70: Relay Upgrade GRDA Silver City IC	107,328	-	107,328
Grand Total Work Orders		\$ 855,444	\$ -	\$ 855,444

Mr. Sullivan showed the items listed on the report and asked if the Board had questions. There were no questions from the Board of Directors.

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

4.r. Contract 42563 – Cultural Resources Study – Wood

Dr. Townsend went over the scope of work as outlined in the revised study plan approved by the Federal Energy Regulatory Commission (FERC) on November 8, 2018. The project would need to be evaluated related to the effects on cultural resources by conducting archeological surveys using the Osage Nations Archaeological Block Survey standards and meet the requirements of Section 106 of the National Historic Preservation Act (NHPA). He said the study plan would require GRDA to report impact on the Area of Potential Effects (APE) and identify appropriate management measures for cultural resources. Dr. Townsend stated this item addresses the Cultural Resources component of GRDA’s license application to operate Pensacola Dam, and that these types of studies required by the NHPA are the most expensive. He shared that GRDA holds quarterly meetings with the Cultural Resources Working Group, to include the Native American tribes, to work on this subject. He said GRDA sent out 121 requests for proposals to interested parties and posted this on GRDA’s Web site. Dr. Townsend explained GRDA received 7 proposals back, noting the total estimated hours each vendor proposed and said that previous experience is that the total estimated hours is usually grossly underestimated. He told the Board none of the components of

the Pensacola license application have been routine as they were for Lake Hudson and the Salina Pumped Storage Project, and as part of this component GRDA is also submitting an extension to the license associated with the bathymetry study to acquire that data. Because of the extension, Dr. Townsend stated GRDA is looking at taking the requested extension time and completing these projects that in most cases are done post-licensing. He explained GRDA performed evaluations of the bidding process, and said that he and Mr. Edwards spent about a month traveling to the different tribes to discuss the process. Dr. Townsend said GRDA sees this as a partnership with the tribes, and would like to give them an opportunity to comment on the proposals received as well. He said he and Mr. Edwards shared their recommendation with the Cultural Resources Working Group and did not receive any objections from the tribes or otherwise on this selection. He stated Wood has previous experience with GRDA on the Markham Ferry Project and has also assisted Ameren Services for the Osage Hydroelectric Project. The State Historic Preservation Office has also spoken very highly of this firm. Dr. Townsend went over the differences in the presented proposals and the cost per hour of each. He said he and Mr. Edwards feel the proposed number of hours provided by Wood is more appropriate than the other vendors' proposals as there have been a number of issues that have impacted the relicensing process and caused delays and unexpected issues.

Chairman Kimball commented about the difference in price of Wood and the lowest bidder. He also said he questions whether 5 out of 7 people are incorrect in their presented number of hours. Dr. Townsend said he believes the number of hours Wood proposed is much more accurate than any of the others due to the number of miles of shoreline that will need to be surveyed. He said essentially the vendor chosen will have to dig holes about every 150 feet around the shoreline of the project. What is found in these digs will determine what is needed based on the National Historic Preservation

Act requirements. He explained what this means if an artifact is found and the time and cost entailed.

Director Vandevier asked if this had ever been done before. Dr. Townsend said it has not. Director Vandevier asked why GRDA needs to do this now if it has never been done before. Dr. Townsend stated the National Historic Preservation Act is the reason why this must now be done.

Director Elam asked, if GRDA is honing in on the price per hour, why the hours are not being scaled back at the onset. He also asked if GRDA can add additional hours as the project progresses. Mr. Edwards explained that the Request for Proposal (RFP) stated this item was to be for 2 years as a baseline, but it is actually for 4 years due to the requested license extension. He said the staff sat down with Wood and laid out the scope of the work and all of the nuances of the project, including the 2 additional years, which is one reason why such a variation is seen on the hours. Mr. Edwards also stated this is a time and materials contract with a not to exceed amount attached.

Director Vandevier asked how easy it would be to determine how much work has to be done, and if this is difficult for GRDA to determine and manage. He also commented he believes it is a balancing act where GRDA wants to do the right thing, but at the same time it seems a bit murky as to what has to be done and where it has to be done. Dr. Townsend said it is very difficult for GRDA to determine and manage this, with the number one reason being the interaction with a number of different tribes. He explained that, to his knowledge, most relicensing includes 4 or 5 tribes at most, and GRDA has 19 tribes included in this relicensing process. Dr. Townsend also explained what each phase of this study will entail. Director Vandevier asked who will oversee this from GRDA. Dr. Townsend confirmed it is primarily Mr. Edwards and himself that are responsible for this. He also told the Board that GRDA's attorney in Washington, DC,

Charles Sensiba, is very skilled at this and has a lot of experience in these areas. Dr. Townsend said Mr. Sensiba is also helping to evaluate each study and project, and has seen and approved these proposals as well.

Chairman Kimball asked if the GRDA staff believes Wood is the most qualified of the bidders for this project. Dr. Townsend confirmed this and explained why he believes this is so. He also said other bidders do not have the experience that Wood has had in complex relicensing work. Chairman Kimball asked if there could be a change order on top of this amount in a couple of years due to something unforeseen. Dr. Townsend said this is a potential risk.

Director Elam asked why GRDA does not scale back the number of hours to match more closely what the other vendors have proposed. Director Richie commented he believes the number of hours needed is really not known right now. Dr. Townsend confirmed this. Mr. Edwards stated one of the complexities of this study is that most of GRDA's property is only accessible by water with adjoining landowners.

Chairman Kimball asked who will own the artifacts once they are found along GRDA property. Dr. Townsend said it would depend on the location, but technically they would belong to GRDA with the intention of returning the artifacts to the respective tribes. He said it may not be the best idea to have to maintain the artifacts due to additional cost of curation and proper storage.

Director Elam said he would like to see a better and more even comparison with everyone on the same playing field with the number of hours adjusted for 2 years. He stated he has no issue with Wood, but is not comfortable with the not to exceed amount presented, especially since there are so many unknowns. Dr. Townsend said GRDA would likely have to maintain the 4-year plan due to the requested license extension

with FERC. A discussion ensued about other vendors providing a price and hours for 4 years.

Director Meyers asked if GRDA must use the same company for each phase of the study. Dr. Townsend said if artifacts are found, the stakeholders will want to have access to the same entity going forward so they may claim those artifacts, as well as making it less difficult when GRDA is required to preserve any found artifacts at the time they are found. Mr. Sullivan stated it becomes a consultation issue with the tribes as well to make certain they are comfortable with the people doing the work within this study. He also said it is largely out of GRDA's control, but the staff has worked diligently to maintain the scope as much as possible since some of the requests were extreme, such as surveying a 1-mile radius around the lake or draining the lake. Dr. Townsend explained that FERC had conveyed it was not uncommon for the Cultural Resources portion of the relicensing work to be the most expensive item in the process.

Chairman Kimball asked what would happen as the survey is occurring with the operation of the lake. Mr. Edwards stated the normal operation of the lake would continue during the surveys. Mr. Sullivan said it is a very sensitive issue and a somewhat difficult issue to navigate due to the significance to the tribes. He also pointed out that there are 19 different entities that have an interest in this, but the most responsive to work with have been the Osage and Cherokee Nations thus far. Mr. Sullivan stated once the artifacts below Pensacola Dam were found and it was determined they originated 500 years ago, the Osage Nation became involved because they were here before the removed tribes came to the area. He said there are jurisdictional issues that will have to be determined related to the age of any artifacts found, but the study process that FERC approved was proposed by the Osage Nation. So, he said, they and the Cherokee Nation have been good partners in helping GRDA work through all of this. Mr. Sullivan explained it is very important for GRDA to get the

right group to work with on this because this part of the process is what can cause the most challenges in scheduling and delays on the relicensing process.

Chairman Kimball asked if GRDA has any exposure with the other vendors since they were bidding on a 2-year project and Wood was chosen based on a 4-year project. Mr. Lofton confirmed it is not a Title 61 issue. However, he said he would have to look at the RFP that went out, anticipating there is typical language within it that preserves the right to negotiate. Dr. Townsend said that when the RFP originally went out, all proposals received were for a 2-year project, including Wood's. He stated after the proposals were received GRDA decided to begin to negotiate with Wood on a 4-year proposal.

Dr. Townsend clarified that when the RFP went out all proposals were received based on the 2-year basis, and Wood was the firm that was chosen to recommend to the Board. Chairman Kimball asked what the rate was from Wood for the 2-year project. Mr. Edwards and Dr. Townsend said the amount per hour was the same at \$82.71 per hour and the original number of hours proposed was approximately 12,000. Director Vandevier and Director Elam said this still bothers them because the other bidders seemed to be in alignment on the number of hours and Wood was not. Dr. Townsend said that Wood is much more familiar with what would realistically be needed for this study. Mr. Sullivan said he believes the key issues here are the rates and qualifications. He explained that in considering both of these items, Wood is the best offer within the group. Mr. Sullivan stated based on everything the GRDA staff has seen to date, all vendors have underestimated the number of hours needed for this study. He said this is one of the key components in the external relationship issues portion of the relicensing process as well. Chairman Kimball agreed and commented it is an extremely sensitive area.

Director Richie commented that he is inclined to vote for this, but believes the Board members have brought up some very valid points and is concerned about the difference in the number of hours. Mr. Sullivan said it is definitely going to be a management issue to follow this and keep track of the hours as the study continues. He said there are areas that would most likely contain artifacts and we are aware of those areas and can make certain that is part of the conversation.

Director Vandevier asked if there is an opportunity for GRDA to cancel the contract if management does not believe the work is being performed in a way deemed appropriate. Mr. Lofton said almost all of our contracts contain a clause that allows GRDA to terminate for convenience with certain notice given, but we would have to look at the contract to ensure that was in fact present and acceptable. Mr. Edwards said he would be happy to make certain that is in fact in the contract. Director Vandevier commented if the staff believes this is the right vendor and is a competitive rate he is comfortable going forward with the hours being closely managed. Director Meyers agreed with Director Vandevier.

Director Lewandowski said he has not dealt with the Federal Energy Regulatory Commission (FERC) or the tribes on anything like this before and realizes the staff has done a lot of work on this. He stated, however, he had not seen a discrepancy in bidding like this in a project. Discussion ensued regarding how GRDA got to this point and emphasis on the fact the staff believes GRDA has the right vendor in mind and believes Wood offers a competitive rate, and agreed this will need to be closely managed to ensure everyone is doing the right thing. Mr. Edwards said the staff has had the same internal conversations and completely understands the directors' concerns. He also stated that when Wood and GRDA are at the 10,000 hour mark management can let the Board know what the study is looking like and how the project is going. Director Elam and Chairman Kimball said they would be more comfortable with

something that included that. Mr. Sullivan stated that this contract is a not-to-exceed type contract and we can alter to what the Board approves. He and Mrs. Gudde said the only risk is that the amount per hour can increase if it is not locked in. in this scenario/situation. Mr. Sullivan explained Wood was selected as the vendor of choice based upon their qualifications, hourly rate and other factors before the license extension was requested and the project was expected to be for 4 years. He stated this contract would just secure the hourly rate for the entire project.

Director Vandevier said as long as there was an opportunity for GRDA to cancel without cause he would be comfortable in going forward, but with a very firm review by management, after which they would come back to the Board of Directors for approval to continue. Mr. Sullivan said this is easily done since this project is a phased process and on an annual cycle. He told the Board that, as GRDA finishes the first year of studies, there is a report prepared and the staff will have an opportunity to give the Board and all stakeholders an update. There will be other check-in points as well should that information be needed. Mr. Sullivan stated GRDA would have to provide a yearly report to the FERC anyway, and this would be a good time to present it the Board as well.

Director Vandevier moved the Board approve the contract with Wood to conduct the Cultural Resources study for a not to exceed amount of \$1,466,844.77 as part of the relicensing process for the Pensacola Project, with a stipulation that the contract will contain the ability to terminate without cause and that the Board will receive a yearly report on the progress, seconded by Director Meyers, and voted upon as follows: Elam, no, Kimball, yes, Lewandowski, no, Meyers, yes, Richie, yes, Vandevier, yes. *Motion passed (4-yes, 2-no, 0-abstained).*

4.s. Contract 42561 – Aquatics and Terrestrial Species & Wetlands Study – Wood

Dr. Townsend said this item is a continuation of the relicensing study process for the aquatics and terrestrial species, and wetlands component to operate Pensacola Dam. He went over the scope of work, to include aquatics, terrestrial and wetlands impacts, and explaining what this means. Dr. Townsend stated the RFP was sent out to 19 vendors, and GRDA received 3 resulting proposals. He said, again, there is a discrepancy in the number of hours, cost per hour, and the overall bids. Dr. Townsend explained that Bio-West, INC bid was disqualified due to their current contracts with Tetra Tech, which the City of Miami is using to do all of their modeling. He also said HDR came in at substantially more per hour. Dr. Townsend said the staff's recommendation is to select Wood due to their previous experience with GRDA on the Markham Ferry Project and assistance to Ameren Services for the Osage Hydroelectric Project. Wood has committed more hours to the project than the other two proposals received. He went on to say that there is a distinct advantage to having a single firm do the work on these parts of the study plan as they will essentially need to be submitted in the same format for the final license application. Dr. Townsend told the Board, from a management standpoint, it will save time and be more efficient. He stated there have been a lot of unforeseen issues so far in the relicensing process, and the staff believes this can be mitigated by using a single firm, especially since all stakeholders will get a chance to review these.

Director Vandevier asked when this work had to start. Dr. Townsend said this work would begin after the Bathymetry Study, which would be 3 years from now. Director Vandevier asked how long this would take to complete. Dr. Townsend said this study would take 1 to 2 years, depending on what is found.

Director Elam asked if this study would need to be treated as the previous contract discussed. Dr. Townsend said there was not an extension of time or hours on

this item. He also said, if the extension is not granted by FERC, the work component on this would be exactly the same.

Director Vandevier asked Dr. Townsend to confirm that the difference in the proposals was not caused by a change in the scope of the project. Dr. Townsend confirmed this.

Director Vandevier said he would like to delay approval of this contract due to the difference in hours without a difference in scope. Director Elam agreed, but asked if there was any advantage to GRDA being engaged in this now versus 3 years from now. Mr. Edwards said if the Board would like to postpone voting on this contract, the staff could make that work.

Chairman Kimball asked if there was any overlap in the two contracts with Wood that would need GRDA to be engaged now. Mr. Edwards and Dr. Townsend both said it is not likely there would be any overlap, as this will be based on the modeling work after the Bathymetry Study is complete.

Director Elam asked if there is a possibility that the scope of this project could change in the next 3 years. Dr. Townsend said with this process anything is possible, but there is not much related to this portion that would change. Director Vandevier commented he would like to see a better understanding of why the hours were double from what the other firm was proposing. Dr. Townsend said it is very difficult for GRDA to predict what will be found when they do these studies and how long that will require. He stated, subsequent to this, there would be outside resource agencies that would have input on the direction these studies go as well. The contract can be extended.

Chairman Kimball said he sees that it would likely be cheaper to do this now since the rate per hour in 3 years would likely be higher. He also stated he believed the scope of the proposal could change within those 3 years, and the contract is flexible enough to allow for changes in scope. Dr. Townsend confirmed this, and said this is part

of the hours presented and that there would be annual reports produced with this that will determine whether we need to proceed into the second year. Director Vandevier commented on his concerns about the uncertainty of this. Mr. Sullivan commented that in GRDA's experience so far with HDR they have grossly underestimated most things. He said GRDA has tried to come to the Board with the best estimate to allow the GRDA staff to plan for those costs so the Board is aware of what will be needed to get this project finished.

Director Elam asked that the staff provide a bit more detail in why a recommendation like this is being made with such a discrepancy, which will help the Board make a better decision as well.

Director Meyers said it may be wise or have some benefit to wait and see how Wood performs during the previously approved project before giving them the second piece of work.

Director Richie moved the Board approve the contract with Wood to conduct the Aquatics, Terrestrial and Wetlands Study for a not to exceed amount of \$511,130 as part of the relicensing process for the Pensacola Project, seconded by Director Vandevier. *No vote was taken.*

After discussion, the motion was withdrawn by Director Richie.

Director Elam moved to table this item, seconded by Director Vandevier, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.t. Contract 42584 – Governmental Interagency Agreement – Pensacola Dam Foundation Evaluation – Oklahoma State University

Mr. Jacoby passed around a core sample of the foundation rock that sits below the Pensacola Dam. He explained to the Board that GRDA dams are founded in the Mississippian Age Boone Formation, and at the surface and dam contacts it is a near horizontally bedded cherty limestone. Mr. Jacoby stated the sedimentary deposits that,

under pressure and time, have become densely consolidated and cemented. He explained they are very competent, but that weaker seams in the rock can be pressurized and, much like the intentional fracking of current tertiary petroleum access, the beds can be separated and uplifted with adequate pressure. Mr. Jacoby said the condition is not new and in fact was used to advantage at the Pensacola Spillways to hydraulically excavate the spillway instead of expending mechanical effort to open the spillways. He showed photos of the foundation rock and said these demonstrate an example of the size of the slabs excavated during the early history of the dam. Mr. Jacoby also showed a photo of the stratigraphy as effected by weathering and told the Board there is no significant immediate concern, and the foundations have performed well over the lives of the dams. However, he said recent performance has indicated changing conditions that are not significant, but the trend presents a need for additional study. Mr. Jacoby explained the areas where the specific changes in geologic performance were observed and showed a diagram of the geologic conditions around the dam. He showed how the foundation has performed under fracking forces in different conditions and under repetitive fracking cycles and said the staff has identified the conditions of concern but that further investigation is needed to determine methods to monitor and prepare for future stabilization, if needed. Mr. Jacoby stated GRDA solicited a Request for Information (RFI) and requested industry and academic guidance in regard to investigations and remediation. GRDA received 4 responses. Of these, 3 were from qualified professional geotechnical firms and 1 from the Oklahoma State University – Boone Pickens School of Geology. Two of the professional proposals were essentially qualification statements, and one was a qualification statement that included some very specific measures for monitoring from A&M Engineering. The academic approach was a targeted research and monitoring methodology. The GRDA staff found the OSU academic approach and A&M Engineering approaches supportive

of one another and requested OSU lead a team to provide GRDA the research and monitoring methodologies GRDA believes are needed to carry the Authority safely into the future. With OSU leading the team and geophysical evaluation, A&M Engineering would support exploration and monitoring installations. Mr. Jacoby said the GRDA staff has reviewed the approach with FERC, as the result of the near failure at Oroville Dam in California will guide these investigations and the long-term monitoring program. He stated the program, as developed, was scoped by GRDA staff and negotiated with the implementation team. The project would be a phased program that would be led by the geophysical research evaluations of the foundations, and anticipate the program take as much as 5 years. The program's Phase 1 would be approximately 1.5 years in length and guided by the professors at OSU around a master's thesis. The program's Phase 2 would be guided around a second master's thesis embedded within the continuing research of the first master's candidate and that candidate's PhD work. Mr. Jacoby stated that Phase 1 of the project was negotiated at \$542,825, and Phase 2, after being scoped, is estimated to be \$990,000. He stated he did budget this project at approximately \$2 million.

Director Vandevier moved that Phase 1 for the Solutions for Evaluating, Monitoring and Improving Dam Foundation Geologic Conditions be awarded to Oklahoma State University under Contract 42584 at a not to exceed price of \$542,825, seconded by Director Elam, and voted on as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.u. Other New Business

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- a) **Consideration, Discussion, and Possible Approval of a Request by Ronald & Deborah Powers for an Amendment to a License to Encroach Regarding Appraisal for Property Located in Ottawa County, Oklahoma.**
- b) **Consideration, Discussion, and Possible Approval of a Request by Paul & Glenna Crockett, Trustees of the Crockett Family Revocable Trust for an Amendment to a License to Encroach Regarding Appraisal for Property Located in Ottawa County, Oklahoma.**

Regarding item a, Director Richie approve the Amendment of Revocable License to Encroach for Ronald and Deborah Powers which amends the yearly value to the amount of \$88.00 beginning April 1, 2019, and it was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding item b, Director Richie moved the Board approve the Amendment of Revocable License to Encroach for the Crockett Family Revocable Trust which amends the yearly value to the amount of \$100.00 beginning April 1, 2019, and it was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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

a) 2018 Financial Statement Audit

Regarding item a, Director Vandevier moved to accept the results of the 2018 annual financial statement audit, and it was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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

4. Fuel and Long-Range Planning Committee: Director Meyers had no report.

6. Executive Session:

- a. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(3) for the Purpose of Discussing the Appraisal of Real Property in Craig County, Oklahoma.**
- b. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Claim Related to Peabody COALSALES, LLC, 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 Claim in the Public Interest.**
- c. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Claim Related to Mitsubishi Hitachi Power Systems Americas, Inc. 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 Claim in the Public Interest.**
- d. **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 Claim Related to John Carlile v. GRDA, District Court of Mayes County, Oklahoma, 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 Claim in the Public Interest.**
- e. **Executive Session Pursuant to 82 O.S. § 862.1(2)(b), Which Exempts the GRDA from the Open Meetings Act for Matters Related to Power Purchase Agreements.**

Director Elam moved to go into executive session at 11:58 a.m., seconded by Director Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (6-yes, 0 no, 0-abstained).*

Director Elam moved to return to regular session at 1:43 p.m., seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (6-yes, 0 no, 0 abstained).*

7. Action on Executive Session Items

- a. **Action, as Necessary, Concerning the Purchase or Appraisal of Real Property in Craig County, Oklahoma.**
- b. **Action, As Necessary, Concerning the Pending Claim Related to Peabody COALSALES, LLC.**
- c. **Action, As Necessary, Concerning the Pending Claim Related to Mitsubishi Hitachi Power Systems Americas, Inc.**
- d. **Action, As Necessary, Concerning the Pending Claim Related to John Carlile.**

e. Action, As Necessary, Concerning Matters Related to Power Purchase Agreements.

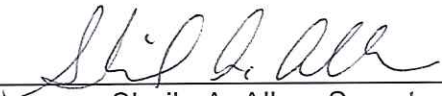
Regarding item a, no action was needed on this item.

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

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

Regarding item d, no action was needed on this item.

Director Lewandowski moved for adjournment at 1:44 p.m., seconded by Director Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (6-yes, 0 no, 0 abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:


GRDA Board of Directors