

**Minutes of Special Meeting
Grand River Dam
Authority Board of
Directors
Monkey Island,
Oklahoma
April 23-24, 2019**

A special meeting of the Board of Directors of the Grand River Dam Authority was held at Shangri-La Resort, Monkey Island, Oklahoma, at 57301 East Highway 125, on April 23, 2019, and April 24, 2019. Notice was given pursuant to 25 O.S.A. § 301 et seq. by submitting a notice of special meeting to the Secretary of State on March 27, 2019, at 3:23 p.m.; by posting the agenda with the Craig County Clerk's office on April 19, 2019, at 9:45 a.m.; by posting the agenda with the Delaware County Clerk's office on April 19, 2019, at 9:41 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of GRDA at least 48 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 Richie. Chair Kimball declared a quorum and stated notice has been given of this meeting as required by the Oklahoma Open Meetings Act, Title 25 Oklahoma Statutes Section 311.

BOARD MEMBERS

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

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Chief Operating Officer	Present
Lorie Gudde, Chief Financial Officer/ Corporate Treasurer	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
Steve Wall, Chief Information Officer	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 – Corporate Communications	Present
Sheila Allen – Corporate Secretary	Present

Others present were as follows: Eric Alexander, Jeff Tullis, GRDA. GRDA.

Mr. Sullivan opened the meeting and welcomed everyone. He expressed his hope the Board and the staff would get a great deal out of this time together and provided an overview of the agenda.

Finance Update

Mrs. Gudde provided 2018 year end results for the Board, and went over the most probable figures for the 2019 budget. She talked about the 2018 budget variance and provided revenue numbers. Mrs. Gudde explained the current results as of March 31, 2019, to include the actual, budgeted and variance amounts. She showed graphs of GRDA's contract energy sales, annual payment to GRDA bond holders, capital improvements from revenues and bonds, end of year cash and investments, GRDA operation and maintenance expenses, as well as the average annual contract sales prices.

There was no action on this item, and the group took a short 15 minute break.

Discussion Related to Generation Resource Mix

Mr. Brown talked about GRDA's power supply strategy to review existing assets and new resource options, supplemental supply strategy, municipal clean energy program, and GREC2 possible decommissioning. He went over GRDA's generation resources as well as existing and projected requirements. Mr. Brown showed GRDA's capacity position forecast depending on what scenarios presented themselves to the

Authority. He explained to the Board more about GRDA's production costs and energy margins, the energy value of GRDA's resources and 2018 margins, and how this is all related to the Power Cost Adjustment. Mr. Brown went over the net cost of owning and operating GRDA facilities. He explained to the Board the municipal Clean Energy Program and how it would work, along with discussing GREC 1 and GREC2 decommissioning and demolition costs, equipment sales value and scrap value. Mr. Brown also presented a graph illustrating the GRDA retail rate comparison per kilowatt hour.

Discussion ensued regarding how the different types of energy and all of these aspects effect GRDA.

At 12:00 p.m., Chairman Kimball announced the group would take a recess and reconvene at 1:00, following lunch. Three or more members of the Board of Directors of the Grand River Dam Authority (GRDA) may gather together to eat meals between meeting sessions. No action was taken and no business was discussed.

The group reconvened at 1:00 p.m.

GRDA Strategic Plan – Visioning and Planning

Mr. Reese reported on GRDA's Strategic Plan and presented the scorecard related to this. He went over strategic areas of focus, customer, financial, workforce, environmental stewardship and watershed management, and supply ends statement and goals. He talked about management creating a procedure manual for all positions for succession planning purposes, tracking and enhancing internal agency communication to disseminate information regarding financial policy and processes,

statutory changes, and training opportunities. Mr. Reese said the GRDA staff would like to complete development of benchmarks to measure the protection and preservation of GRDA Scenic Rivers and improvement of water quality on all GRDA lakes and rivers by March 2019, and talked about the final draft of the Comprehensive Water Plan.

Discussion ensued regarding topics Mr. Reese highlighted, to include items related to serving GRDA customers and employees.

Department Roundtable Discussions

The roundtable discussions were set up into 3 stations, including Generation Operation and Marketing at one station, Water and Lake Operations at another, and Human Resources, Training, Safety, Properties and IT at a third. GRDA Board members and staff visited each of the stations and had an opportunity to ask questions and have open discussions.

At 5:05 p.m., Chairman Kimball announced the group would adjourn for the day and reconvene at 9:00 a.m. the following morning on April 24, 2019. Three or more members of the Board of Directors of the Grand River Dam Authority (GRDA) may gather together to eat meals between meeting sessions. No action was taken and no business was discussed.

The group reconvened at 9:01 a.m. on April 24, 2019.

Proposed Executive Sessions:

- a. Executive Session Pursuant to 82 O.S. § 862.1(2)(c), Which Exempts the**

GRDA from the Open Meetings Act to Authorize the GRDA Board of Directors to Confer on Security Plans and Procedures in Connection with the GRDA's Role as an Electric Utility Regulated by the Federal Government.

- 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 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.**
- c. Proposed Executive Session Pursuant to 25 O.S. § 307(B)(7) for the Purpose of Confidential Communications Between the Board and its Attorney to Discuss a Matter Where the Public Disclosure of Information Would Violate Confidentiality Requirements of State or Federal Law, and to 25 O.S. § 307(C)(11) for the Purpose of Confidential Communications between the Board and its Attorney to Confer on Matters of Economic Development Where the Public Disclosure of Information Would Violate the Confidentiality of the Business.**

Director Elam moved to go into executive session at 9:02 a.m., seconded by Director Meyers, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Elam moved to return to regular session at 10:15 a.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Action on Executive Session Items

- a. Action, as Necessary, Concerning Security Plans and Procedures in Connection with the GRDA's Role as an Electric Utility Regulated by the Federal Government.**
- b. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494-348.**

c. Action, as Necessary, Concerning Confidential Communications Between the Board and its Attorney.

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

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

Regarding item c, there was no action necessary on this item.

ERP Update

Mrs. Gudde and Mr. Wall explained the different ERP modules involved in this new application, as well as going over the budget and expenses to date. They provided a timeline for the Board of Directors as of September 2018, and a project schedule proposed in April 2019, highlighting updated implementation dates. Mrs. Gudde and Mr. Wall told the Board the previous plan would have 7 “sprints” in roughly two week windows, and that the new plan would now have 10 “sprints” at 20 days each. They commented that there is no flexibility in the new sprint schedule, with no contingency period.

Discussion ensued about the reasons for the changes and how this would affect the Authority.

Open Discussion on Issues of Interest to Board Members

Chairman Kimball opened up the discussion to discuss how GRDA can be more involved with their customer cities. The group brainstormed about different ways to achieve this.

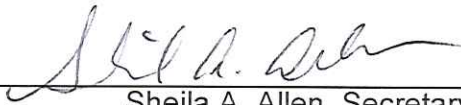
Director Churchwell talked about his past visit to SPP in Arkansas and Mr. Sullivan opened up the discussion to see how the other Board members felt about a trip to see the SPP facilities. The directors agreed this would be a good use of their time to

familiarize themselves with SPP and have meaningful meetings with SPP officials.

Discussion ensued regarding GRDA's strategic initiatives and ways to accomplish the goals discussed previously in Mr. Reese's presentation.

Mr. Sullivan closed the meeting, thanking everyone for their time and expertise.

Director Churchwell moved for adjournment on April 24, 2019, at 11:55 a.m., seconded by Director Vandevier, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

July 10, 2019
GRDA Board of Directors