

**Minutes of Regular Meeting  
Grand River Dam Authority  
Board of Directors  
Vinita, Oklahoma  
June 5, 2019**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Administration Headquarters, Vinita, Oklahoma, on June 5, 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 Craig County Clerks' offices on June 4, 2019, at 9:50 a.m.; by posting said agenda at [www.grda.com](http://www.grda.com); and by posting said agenda at the principal office of GRDA at least 24 hours prior to the meeting.

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

**BOARD MEMBERS**

Tom Kimball, Chair	Present
James B. Richie, Chair-Elect	Present
Pete Churchwell	Present
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	Absent
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; Craig Stokes, City of Collinsville; Jared Crisp, Pryor MUB; Tom

Rider, MESO; Melanie Earl, Jennifer Marquis, Christine Burmaster, Jerry Cook, Cameron Philpott, Mason M., Jeff Brown, Holly Moore, Brylee Harbuck, Jeff Tullis, Michelle Day, Mike Vernon, Ash Mayfield, Matt Martin, Mary Beth Dailey, GRDA.

## CONSENT AGENDA

### 2. April Claims, \$42,726,516.98; May Claims, \$37,569,731.07.

#### 4.a. Resolutions of Commendation

- 1) Jeffrey E. Thompson
- 2) Mary Beth Dailey

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

Description and/or Make of Item	Serial Number	Model Number
Obsolete Annunciator Boards: Lot of 6		91AF3T125DC4CE
APP Engineering - APP-601 Computer Monitor/Keyboard Unit	100126-1	
APP Engineering - APP-601 Computer Monitor/Keyboard Unit	100136-3	
APP Engineering - APP-601 Computer Chassis	100136-3	
APP Engineering - APP-601 Computer Monitor/Keyboard Unit	100136-2	
APP Engineering - APP-601 Computer Chassis	100136-2	
Westinghouse 1600 amp Breaker	4Y5883B1	DB50
Westinghouse 1600 amp Breaker	not legible	DB50
Westinghouse 1600 amp Breaker	44Y8499	DB50
Westinghouse 1600 amp Breaker	45Y1907	DB50
Westinghouse 1600 amp Breaker	224Y2728B	DB50
Westinghouse 800 amp Breaker	43Y4377	DB25
Westinghouse 800 amp Breaker	43Y3856	DB25
Westinghouse 800 amp Breaker	44Y9773	DB25
Westinghouse 800 amp Breaker	45Y6223	DB25
Westinghouse 800 amp Breaker	44Y9771	DB25
Westinghouse 800 amp Breaker	44Y9773	DB25
Westinghouse 800 amp Breaker	43Y5113	DB25
Westinghouse 800 amp Breaker	24Y2029B	DB25
Westinghouse 800 amp Breaker	44Y1621	DB25
Westinghouse 800 amp Breaker	24Y6314B7	DB25
Westinghouse 800 amp Breaker	44Y9973	DB25
Westinghouse 800 amp Breaker	44Y9778	DB25
Westinghouse 800 amp Breaker	44Y9776	DB25
Westinghouse 800 amp Breaker	44Y2786	DB25
Westinghouse 800 amp Breaker	43Y4377	DB25
Westinghouse 800 amp Breaker	4748417	DB25
Westinghouse 800 amp Breaker	not legible	DB25
Westinghouse 800 amp Breaker	4743651B	DB25

Westinghouse 800 amp Breaker	10V1196Z	DB25
TRANSFORMER	887028ROA	UUS
TRANSFORMER	887029EOA	UUS
TRANSFORMER	876176EOA	UUS
TRANSFORMER	91368111099	GE
TRANSFORMER	84A481518	WH
TRANSFORMER	84A470385	WH
TRANSFORMER	75AB3881	
TRANSFORMER	702024934	RTE
TRANSFORMER	77A492707	WH
TRANSFORMER	781082320	RTE
TRANSFORMER	00L105384	PEWELLS
TRANSFORMER	SFV8149-01	WH
TRANSFORMER	64771-1	CEN
TRANSFORMER	15161-1	CEN
TRANSFORMER	SCV8151-01	WH
TRANSFORMER	756002119	R+C
TRANSFORMER	M11A17571	POLEC
TRANSFORMER	00J048107	ABB
MC VPLEX Director	1CF2G8112600738	TRPE
MC VPLEX Director	1CF2G8112700225	TRPE
EMC Brocade Switch	BRCASS2530G00W	MP-7800B
EMC Brocade Switch	BRCASS2527H015	MP-7800B
EMC Fiber Switch	BRCALJ2520G05K	DS-300B
EMC Fiber Switch	BRCALJ2520G066	DS-300B
SUN	1211FMM0Y7	SunFire
Dell	C92N7D1	Latitude D630
Dell	G2BR7V1	Optiplex 790
Dell	56T5LB1	PE 1800
Dell	FJV68F1	Precision 390
Dell	G9CX942	PE R530
Dell	8ZCFFB2	PE R630
Dell	DLRFZK1	PE R710
Dell	GSDVJM1	PE R710
Dell	79L1QN1	OptiPlex 780
IBM	99E5968	System x3550M2
APC UPS	YS0351123782	DLA2200RM2U
APC UPS	JS0621027719	DLA2200RM2U
Dell	CJXTKF1	Latitude D630
Dell	ILRZQ61	PowerEdge 2160AS
Dell	59WQV91	PowerEdge 2160AS
IBM System Storage	78H2641	Tape Library
Cisco	CNMJ7NOB	2800
Alcatel	90228510	6602
FireEye	2306221100259026B A00	2300

Extreme Networks	CNMV9D0ARB	Summit 48S
Alcatel	90228110	OminStack 6300-24
Alcatel	A10004108	OmniAccess 4308
Allied Telesis	A03276G091800658	AT-FS 708
CISCO	FTX150904JG	800 Series
Dell	GS3KK31	Power Connect 2124
HP Tipping Point	PR16B1Q02J	1400N
SafeNet	302201	Ethernet Encryptor
HP Tipping Point	PR24BOC00N	Power Bypass
CISCO	JMX0750L33V	2600
CISCO	JMX0518K0EL	2600
CISCO	CNMKD00ARF	3500
RSA Server	4HJ6842	Series 4S
RSA Server	62LP942	Series 4S
RSA Server	5B75S22	Series 4S
RSA Server	62LQ942	Series 4S
RSA Server	GLR7VR1	Series 4S
RSA Server	FJZHWR1	Series 4S
RSA Storage Array	RSACF24Y141601428	KTN-STL3
RSA Storage Array	RSACF24Y143203593	KTN-STL3
RSA Storage Array	RSACF24Y142301116	KTN-STL3
RSA Storage Array	RSACF24V132100361	KTN-STL3
RSA Storage Array	ACLOA113901484	KTN-STL3
RSA Storage Array	AC794113602029	KTN-STL3
RSA Storage Array	AC794115105660	KTN-STL3
RSA Server	8DYXPQ1	E01S
RSA Server	GFTJVQ1	E01S
NetWitness Server	G0C08P1	E07S
NetWitness Server	3GFM7S1	E07S
NetWitness Storage Array	2111-285264	NWA2400
NetWitness Server	FFZC9S1	E13S
NetWitness Server	92227S1	E13S
RSA Server	1X59VR1	E01S
RSA Storage Array	AR2AJ103801899	KTN-STL4
NetWitness Server	E13S	B9N17S1
NetWitness Server	E13S	CFZC9S1
Dell Server	QSH00260003	Unlisted - part of VPLEX
Alcatel Microwave Radio	Hot Standby Composition	MDR-8000
Alcatel Microwave Radio	Hot Standby Composition	MDR-8000
Alcatel Microwave Radio	Hot Standby Composition	MDR-8000
Alcatel Microwave Radio	Compact Composition	MDR-8000

- 4.c. Power Cost Adjustment (PCA) of \$0.01718 per kWh for July**
- 4.d. Ratification of EDRSA II Service Agreement – Pawnee Public Works Authority**
- 4.e. Ratification of EDRSA II Service Agreement – Tahlequah Public Works Authority**
- 4.f. Ratification of EDRSA II Service Agreement – Stroud Utilities Authority**
- 4.g. Ratification of EDRSA II Service Agreement – City of Skiatook**
- 4.h. Ratification of EDRSA II Service Agreement – City of Coffeyville**
- 4.i. Ratification of EDRSA II Service Agreement – Stilwell Area Development Authority**
- 4.j. Ratification of First Amendment to Power Purchase and Sale Agreement – Mannford Public Works Authority**
- 4.k. Ratification of First Amendment to Power Purchase and Sale Agreement – Claremore Public Works Authority**
- 4.l. Ratification of First Amendment to Power Purchase and Sale Agreement – City of Pryor Creek-Municipal Utility Board**
- 4.m. Ratification of First Amendment to Power Purchase and Sale Agreement – Tahlequah Public Works Authority**
- 4.n. Ratification of First Amendment to Power Purchase and Sale Agreement – Stilwell Area Development Authority**
- 4.o. Ratification of First Amendment to Power Purchase and Sale Agreement – Skiatook Public Works Authority**
- 4.p. Ratification of First Amendment to Power Purchase and Sale Agreement – City of Stillwater**
- 4.q. Ratification of First Amendment to Power Purchase and Sale Agreement – Cushing Municipal Authority**
- 4.r. Ratification of First Amendment to Contract for Commercial Service – Oklahoma Department of Environmental Quality**
- 4.s. Pensacola Powerhouse Access Road Paving**
- 4.t. Cooperative Agreement between Oklahoma Conservation Commission and Grand River Dam Authority Related to Project 16-180 and 17-180, Conservation Partnership Support**

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
42673	NORTHEAST RURAL SERVICES, INC., GROVE, OK (DBA BOLT)	2,022.76
42674	NORTHEAST RURAL SERVICES, INC., GROVE, OK (DBA BOLT)	2,022.76
99417	PREMIER TRUCK GROUP OF TULSA, TULSA, OK	124,675.00
42675	PRYOR STONE, INC., PRYOR, OK	203,650.00
42676	US LIME COMPANY- ST CLAIR, DALLAS, TX	2,192,400.00
42678	JOHNSON CONTROLS FIRE PROTECTION LP, TULSA, OK	966.00
99882	J-S MACHINE & VALVE, NOWATA, OK	91,900.00
42684	PRYOR WASTE & RECYCLING LLC, PRYOR, OK	15,000.00
42685	OKLAHOMA WATER RESOURCES BOARD, OKLAHOMA CITY, OK	340,986.00
42699	BURNS & MCDONNELL ENGINEERING COMPANY, INC., KANSAS CITY, MO	181,700.00
42703	ROGERS STATE UNIVERSITY, CLAREMORE, OK	2,500.00
42683	KESTREL POWER ENGINEERING LLC, FAIRBURG, IL	85,000.00
100186	KEYSTONE ELECTRICAL MANUFACTURING COMPANY, DES MOINES, IA	350,676.49
42702	THE GOODYEAR TIRE & RUBBER COMPANY, AKRON, OH	50,000.00
42704	T & W TIRE COMPANY, TULSA, OK	30,000.00
100214	TEXAS BOOM COMPANY, INC., HOUSTON, TX	69,847.01
42696	NATIONAL OCCUPATIONAL HEALTH SERVICES, TULSA, OK	15,000.00
42707	AUTOMATIC PROTECTION SYSTEMS CORP, BROKEN ARROW, OK (DBA APS FIRE)	77,000.00
42706	WORKHEALTH SOLUTIONS LLC, TULSA, OK	100,000.00
42721	A & M ENGINEERING & ENVIRONMENTAL SERVICES, INC., TULSA, OK	468,404.51
<b>Grand Total Standard POs &amp; Contracts:</b>		<b>\$4,403,750.53</b>
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
42526	ENVIRONMENTAL WORKS, INC., SPRINGFIELD, MO	17,000.00
42294	SAFETY RESOURCES UNLIMITED, INC., OKLAHOMA CITY, OK	0.00
42532	REXEL USA, INC., BROKEN ARROW, OK	4,445.00
42263	WHITNAH CONSTRUCTION CONTRACTORS, INC., WELLSTON, OK	-6,050.00
42360	ELETRICAL CONSULTANTS, INC., JENKS, OK	99,166.00
42697	MOTROLA SOLUTIONS, INC., FARMERS BRANCH, TX	138,120.92
42361	HDR ENGINEERING, INC., OMAHA, NE	87,000.00
42709	MUNICIPAL ELECTRIC SYSTEM OF OKLAHOMA, INC., OKLAHOMA CITY, OK	100,000.00
40492	CONSOLIDATED COMMUNICATIONS, WESTFIELD, NY	48,206.67
42419	SOUTHWEST POWER POOL, LITTLE ROCK, AR	62,400.00
<b>Grand Total Change Orders &amp; Renewals:</b>		<b>\$550,288.59</b>
<b>Grand Total</b>		<b>\$4,954,039.12</b>

Director Churchwell moved to approve the consent agenda as presented, seconded by Director Richie, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

## **REGULAR AGENDA**

### **1. Special Board Minutes of March 28, 2019.**

Director Churchwell moved to approve the Special Board minutes of March 28, 2019, seconded by Director Elam, and voted upon as follows: Churchwell, yes, Elam, yes, Kimball, yes, Lewandowski, abstain, Meyers, abstain, Richie, yes, Vandevier, yes. *Motion passed (5-yes, 0-no, 2-abstained).*

### **3. Unfinished Business**

#### **3.a. Progress Reports**

##### **(1) Current Operations Reports**

##### **a. Monthly Video Update – GRDA June 2019**

- **GRDA Storm Response/Flooding/Memorial Day Weekend Recap**
- **GREC3 Outage**

Mr. Sullivan told the Board a GRDA Lineman, Mr. Chuck Dixon, was killed in a helicopter accident in Arkansas at a music festival over the weekend. He stated there is no formal information on services yet, but the staff expects that to be determined soon. Mr. Sullivan said he did not have many details other than there was weather in the area and his wife was at the festival with him. He commented that all of GRDA has his wife and family in their thoughts and prayers during this time.

Mr. Sullivan introduced and welcomed Mr. Mike Vernon, GRDA's new Director of Safety. Mr. Vernon comes to GRDA from the Muskogee area, and brings a wealth of experience to GRDA.

Mr. Sullivan told the Board a Collinsville Visioning & Planning initial vault group met in late April. There were about 40 people in attendance. He said the various committees identified additional team members to be involved and coordinated individual meetings during May, with a plan to meet again in June with a larger group to identify the strategy for their goals and actions.

Mr. Sullivan stated each spring as the school year begins to wrap up, GRDA's involvement with area schools increases. He said GRDA was proud to participate in Mayes County's Third Graders Go To Work, the MidAmerica Industrial Park's first annual STEM Showcase. Mr. Sullivan explained GRDA also partnered with Claremore and Skiatook schools in May and he showed photos of the children and GRDA staff.

Mr. Sullivan showed photos of the flooded areas in the community of Blackwell. He said GRDA Police sent a team of officers in early May to the community to assist with water rescues following heavy rains in the area.

As a fun way to kick off National Safe Boating Week held each year in late May and to encourage wearing life jackets anytime near or in the water, Mr. Sullivan said the National Safe Boating Council designated May 17 as "Wear your Life Jacket to Work Day." He showed a photograph of members of GRDA's Employee Communication Committee who participated by donning their jackets following a recent meeting.

Mr. Sullivan told the Board Senate Bill 985 was signed by Governor Stitt on May 29, 2019, allowing GRDA to make sound, business-focused decisions in several key areas, and will provide GRDA and its electric customers relief from the current bureaucratic processes required by state law. He explained these current obstacles limit GRDA's ability to efficiently and effectively manage its business operations, but does that nothing in this legislation eliminates any requirement to adhere to the Oklahoma Open Meeting Act or Oklahoma Open Records Act. Mr. Sullivan said Senate Bill 985 exempts GRDA from Title 61 of the Oklahoma Statutes. Title 61 does not allow negotiations over price or terms and places unnecessary timing and bonding requirements on the bid award process. Obtaining bonding from a vendor always results in a direct pass-through of those costs to GRDA. He stated within a 15-month period, extending through 2016-2017, GRDA expended \$115 million on 34 projects covered by the Public Competitive Bidding Act without any price negotiation. Mr. Sullivan explained



that GRDA has had a tremendous amount of expenditures on bonds that provided no benefit to the Authority. He said of these, GRDA looked at a 16-month period and GRDA had spent over \$2 million on payment bonds and some other bonds no one made any action to collect on. It is an additional cost that could be dealt with in contractual terms, warranties, and retention payments that have much more benefit to GRDA and their customers. Mr. Sullivan said by being able to put in effect new rules GRDA also hopes to get better participation from bidders. He said this bill also exempts GRDA from the Information Technology Consolidation and Coordination Act, which requires annual state CIO approval of GRDA's operation of its own IT and Cybersecurity Programs. GRDA is already required to comply with a multitude of federal cyber security regulations and this eliminates the duplicative regulatory framework. Although, GRDA will continue to work with the CIO's office on implementing best practices. Senate Bill 985 exempts GRDA from the State Travel and Reimbursement Act, which will allow for better rates and faster processing. Mr. Sullivan explained what this would mean going forward, using a system in place and used by the Federal government. So GRDA would not need to create anything new. He stated this will be much easier to administer, and will make it more user-friendly to the traveling employee as well. The bill also exempts GRDA from the Surplus Property Act, except to the extent GRDA opts to use the state surplus system. It allows the GRDA Board of Directors to set cost-of-service fees for services performed by GRDA and gives the Board of Directors the authority to set the spending limit of the Chief Executive Officer. The bill does contain a variety of important updates to financial provisions that align our statutes with current accounting and banking practices and gives GRDA bondholders additional confidence in their investment in GRDA bonds. Mr. Sullivan said the one thing that did not change with this legislation is GRDA's bond limit at \$1.4 billion, set in 1977. He stated GRDA wanted to change this originally, but it was taken out to keep the bill moving. Mr. Sullivan

explained GRDA does not have plans to issue any bonds at this time. So this was not needed to get the balance of the bill accomplished. As this bill becomes effective, he said the GRDA staff will be presenting new policies and procedures to the Board of Directors for approval.

Mr. Sullivan said the GRDA.com Web site has recently undergone a major facelift. He showed a screen shot of the new GRDA Home Page and stated the re-designed and upgraded site, which represents an important and vital tool in GRDA's efforts to share its story, launched yesterday. Mr. Sullivan told the Board GRDA's new site was done completely in-house, saving GRDA hundreds of thousands of dollars had the Authority contracted with a firm for this project to be completed. He explained the site pulls all information together, organizing it, and providing a new and updated look, and has represented a large challenge for GRDA's internal team. Mr. Sullivan thanked the members of the IT and Strategic Communications teams for devoting significant time and talents to the effort. He stated there are a number of stakeholders that look at GRDA.com on a regular basis, and the staff hopes this improves the experience for everyone.

Mr. Sullivan showed a diagram and legal description of a piece of property at Grand Lake, along with photographs to illustrate an encroachment on the lakes. He said this has become a large discussion for GRDA and has become a discussion at the Oklahoma Legislature as well, holding up some progress on legislation. Mr. Sullivan pointed out the GRDA Taking Line on the diagram for the Board, and said there is a portion of the house that is over the Taking Line on this particular property. He stated the photo was taken when the Grand Lake water level was at almost 755', and shows that the Taking Line is almost an exact match for what the photographs show. He said GRDA has been criticized as an agency for enforcing these encroachment rules that are there for a reason, and this is an example of why homes should not be built across the

Taking Line. GRDA does not want people's homes destroyed by floods or high water. Mr. Sullivan said GRDA will continue to work to make this process as user-friendly as possible, and expect to see some changes. He stated as an agency GRDA established the 30-year term for these licenses, and looking at extending that further. Mr. Sullivan said this will bring some certainty to residents that have these issues, but will also make sure the property of GRDA and the project itself is being protected. He told the Board the staff has tried to make it as simple as possible so everyone understands what is expected of them, and most importantly prevent these types of encroachments from happening in the future. Mr. Sullivan said GRDA staff fly over the lakes every month, and they are able to stop several projects that would have been an encroachment, as well as making sure everyone understands that when they purchase property on the lakes they obtain a survey that has a GRDA Taking Line, flowage easement, and all the relevant items marked on it. This allows them to know what they are buying and where they may build if they would like to.

Mr. Sullivan said, because of the high water and the activity we have had the last several weeks, the design limits on the Pensacola Dam (755') have been tested. He stated this is likely the longest period the water has stayed this high. Mr. Sullivan told the Board this has put a lot of stress on GRDA's law enforcement, Hydro and Transmission Departments. He spoke about the manual system for gate operations at the dam, and noted the demands this has put on GRDA personnel. Mr. Sullivan recognized member of the Hydro Department taking care of dam operations. He said Steve Jacoby, Craig Landrum, James Frailey, Gary Stricklen, David Mitchum, Mike Pierce, Chris Potter, Angie Long have been working long hours and at all times of the day and night. Mr. Sullivan thanked everyone for their work on behalf of GRDA and asked them to pass everyone's appreciation along to their coworkers that were not able to be present for the Board meeting.

Chairman Kimball also recognized the group and expressed his appreciation for their hard work. He made special mention of GRDA's Transmission crew, GRDA Police and others involved with keeping the system working.

Director Churchwell asked when lake residents might begin to see the lake levels reduce. Mr. Sullivan explained what the inflow has been the last couple of days and said all indications are that there is no plan to make any changes. He suspects it will be some time before water levels lower, and stated GRDA's main goal is to get as much head room as possible to allow for future rain.

#### 4. New Business

##### 4.u. Capital Work Order Report (\* Denotes Addenda Items)

Number	Title	Gross Work Order Amount	Reimbursement	Net GRDA Cost
RF019-00971	Chief Information Officer (CIO) Office Area	\$ 81,022	\$ -	\$ 81,022
RF019-00968	OPGW Installation for Feeder 83&84 L321	2,456,338	-	2,456,338
GF019-00029	GREC Controls OSISOFT PI System Addition	107,500	-	107,500
<b>Grand Total Work Orders</b>		<b>\$ 2,644,860</b>	<b>\$ -</b>	<b>\$ 2,644,860</b>

Mr. Sullivan showed the items listed on the report and explained each. There were no questions from the Board of Directors.

Director Vandevier moved the Board approve the Capital Work Order Report as presented, seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

##### 4.v. Renewal of Directors and Officers and Employment Practices Liability Insurance Coverage

Mr. Lofton said the Grand River Dam Authority has maintained \$35 million in Directors and Officers Employment Practices Liability Insurance. This amount is recommended by GRDA's insurance broker for a utility of its size and this policy

provides coverage to GRDA as the entity and to the directors, officers and employees. It covers claims involving breach of duty, errors and omissions, failure to act and employment practices. He stated GRDA added coverage for Antitrust matters with a \$10 million liability sub-limit. It is co-insurance where AIG pays 80 percent and GRDA pays 20 percent should there be a claim of this type. Mr. Lofton shared that this Directors and Officers coverage was previously provided through 3 layers of coverage that totaled the \$35 million. He showed a table illustrating who holds the current coverage and the amounts of each for AIG, Navigators and AWAC. He showed the expiring annual premium and said that AIG and AEGIS provided quotes for the first layer of coverage, AEGIS for the second layer of coverage, and Navigators for the third layer of coverage. Mr. Lofton explained that GRDA's brokers are still working to get the fourth layer of coverage quoted, but the estimate is approximately \$15,000.

Director Meyers said the recommended level of coverage is \$35 million, and asked who makes that recommendation. Mr. Lofton said State Risk Management and GRDA's insurance brokers recommend this level of coverage. He also stated GRDA is within range of coverage for a utility of this size.

Director Churchwell moved to obtain Directors and Officers Liability Insurance Coverage from AIG (\$10 Million), AEGIS (\$10 Million), and Navigators (\$10 Million) for the combined premium of \$149,898, plus an administrative fee of \$6,745.41, for a total of \$156,643.41, and to authorize management to continue negotiations with insurance carriers to obtain the fourth layer of coverage (\$5 Million) for an amount not-to-exceed \$15,000, seconded by Director Richie, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

#### **4.w. Renewal of Excess Liability Insurance Coverage**

Mr. Lofton said the GRDA maintains \$60 million of Excess Liability insurance coverage over a \$2 million self-insured retention. This provides coverage for claims involving bodily injury and/or property damage and includes coverage for claims arising from sudden and accidental pollution, as well as coverage for Acts of Terrorism. He stated that GRDA has been quoted for 3 layers of coverage, provided by AEGIS and ACE/Chubb. Mr. Lofton showed a chart illustrating the difference in the expiring coverage and premiums, and the renewal quotes. This year there was a 3 percent increase in premium with AEGIS, and a 15 percent increase from ACE/Chubb. Brokers are still working with insurance carriers and the GRDA staff is being told they can expect a better quote for the second layer of coverage.

Director Kimball asked who GRDA's broker is. Mr. Lofton told him it is Marsh. Mr. Sullivan stated all of this has occurred through State Risk Management who uses Marsh as their broker. Mr. Lofton said Marsh also has a division that is devoted to energy and utilities only. He explained that this firm has helped GRDA with all of their policies. Director Kimball asked Mr. Lofton to confirm that Marsh is who GRDA used last year. Mr. Lofton confirmed this and said the Authority has only been using them for the last 4 to 5 years, and has worked very well.

Director Elam moved to authorize the renewal of excess liability insurance coverage through AEGIS (\$35 million) and ACE/Chubb (\$25 million) for the combined premium and fees of \$366,910.12; and authorize management to continue negotiations with other insurance carriers for the second layer of coverage (\$25 million) and, if in the opinion of management the terms are better than the terms offered by ACE/Chubb, obtain excess liability coverage through those companies., seconded by Director Meyers, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

#### **4.x. Renewal of Pollution Liability Insurance Coverage**

Mr. Lofton stated GRDA maintains \$20 million of pollution liability insurance coverage over a \$500,000 self-insured retention. This covers expenses incurred resulting from a pollution condition, including on-site clean-up and third-party claims for off-site clean-up. It also covers losses that GRDA becomes obligated to pay to third parties for bodily injury or property damage due to a pollution condition. He said there is also coverage for third-party claims resulting from sudden and accidental pollution in excess of GRDA's \$60 million liability insurance coverage. Mr. Lofton showed the expiring policy premium from Beazley, and the renewal and additional quotes from Beazley and Ironshore for this coverage. He noted key differences between the policies being that Ironshore will not write coverage in excess of the \$60 million of coverage for sudden and accidental pollution that is provided by our liability policies, Beazley provides \$500,000 of coverage for crisis and reputation management expenses, the different demolition, dismantling, maintenance and upgrade exclusions, and Ironshore excludes from coverage any pollution incident that is discovered during a voluntary investigation (i.e. an investigation performed as part of a property sale, transfer, or lease).

Director Churchwell moved to authorize the renewal of the pollution liability insurance through Beazley with the \$500,000 self-insured retention for the total cost of \$110,539.60, seconded by Director Vandevier, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

#### **4.y. Recommendation to Ratify Contract 42537 – Chimney Inspection & Repair**

Mr. Ladd provided background for the GREC 1 and GREC 2 chimneys, including when they were built, how they are constructed, and the height and diameter of each. He said there is no existing contract in place to perform routine structural integrity inspections and subsequent repairs, and repairs would be charged on a time and material basis, with a 1-year term. Mr. Ladd stated GRDA has asked vendors to include 2 levels of inspections in this contract, a Class I inspection which is recommended by GRDA's insurance provider and done annually, and a Class II inspection which is more involved and includes more testing. He showed photos of the interior of the chimneys illustrating patched cracks, and told the Board the structural integrity inspection would be a large part of the potential contract. Mr. Ladd said Girard Chimney was the sole bidder, and their proposal is acceptable and the firm has the necessary expertise and experience. He went over their quotation and the costs associated with each part, and stated this project has been budgeted for 2019.

Director Vandevier asked if the inspections are associated with structural integrity or function. Mr. Ladd confirmed the inspections are for structural integrity. He also said, with operating conditions on GREC 1, the question was raised whether the inspections and repairs were needed. Mr. Ladd stated that until the chimney has been demolished, GRDA is required to do this.

Director Churchwell moved the Board ratify Contract 42537 Repair with Girard Chimney Company in \$251,626, for labor hours and material, seconded by Director Elam, and voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

#### **4.z. Ethnographic Research Study**



Mr. Edwards said this item is part of the Pensacola Project Relicensing process. He explained to conduct the Ethnographic Research and Traditional Cultural Properties (TCP) Inventory as part of the Cultural Resources Study, GRDA will need to identify TCP's and other traditional cultural sites of religious or historical significance, schedule and hold interviews with appropriate and knowledgeable elders and traditional practitioners of each Native American Tribe, and conduct the TCP Inventory using the guidance provided in the National Register. Mr. Edwards stated GRDA has had some very good meetings with the Cultural Resources Working Group regarding this process, and that the GRDA staff is recommending approval of this contract with Algonquin Consultants. He said they are known to GRDA and the Native American Tribes and have the proper relationships to complete this.

Director Vandevier moved to approve the contract with Algonquin Consultants to conduct the Ethnographic Research and Traditional Cultural Properties Inventory associated with the Cultural Resources Study for a not to exceed amount of \$95,600 as part of the relicensing process for the Pensacola Project, seconded by Director Churchwell, and voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

#### **4.u. Other New Business**

There was no other new business.

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### **5. Reports**

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

##### **1. Assets Committee:**

- a) Consideration, Discussion, and Possible Approval of a Request by Maynard R. Hemphill Trust and Teresa K. Virginia Revocable Trust**

for a License to Encroach for Property Located in Delaware County, Oklahoma.

- b) **Consideration, Discussion, and Possible Approval of a Request by David and Diane Fahey for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request by William Paxson St. Clair and Jill Petrie St. Clair for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- d) **Consideration, Discussion and Possible Approval of a Request by Mike C. and Colleen Brummer-Brown for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of a Request by Steven Hizek and Julie Evers-Hizek for a License to Encroach for Property Located in Mayes County, Oklahoma.**
- f) **Consideration, Discussion and Possible Approval of a Request by Richard L. and Margaret L. Carpenter for a License to Encroach for Property Located in Mayes County, Oklahoma.**
- g) **Consideration, Discussion and Possible Approval of a Request by the City of Grove for a Second Amendment to a Lease between the City of Grove and GRDA.**
- h) **Consideration, Discussion and Possible Action Related to an Annual Review of Raw Water Rates.**

**Regarding item a**, Director Churchwell moved to approve a 30 year License to Encroach to Maynard R. Hemphill Trust and Teresa K. Virginia Revocable Trust in Delaware County, Oklahoma for the amount of \$100.00 per year, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item b**, Director Churchwell moved to approve a 30 year License to Encroach to David and Diane Fahey in Delaware County, Oklahoma for the amount of \$379.00 per year, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item c**, Director Churchwell moved to approve a 30 year License to Encroach to William Paxson St. Clair and Jill Petrie St. Clair in Delaware County, Oklahoma for the amount of \$714.00 per year, and was voted on as follows: Churchwell,

Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item d**, Director Churchwell moved to approve a 30 year License to Encroach to Mike C. and Colleen Brummer-Brown in Delaware County, Oklahoma for the amount of \$374.00 per year, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item e**, Director Churchwell moved to approve a 30 year License to Encroach to Steven Hizel and Julie Evers-Hizel in Mayes County, Oklahoma for the amount of \$100.00 per year, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item f**, Director Churchwell moved to approve a 30 year License to Encroach to Richard and Margaret Carpenter in Mayes County, Oklahoma for the amount of \$100.00 per year, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item g**, Director Churchwell asked Mr. Edwards to go over the request by the City of Grove for a Second Amendment to their lease.

Mr. Edwards said this is also an encroachment and it is the City of Grove's intent to tie this to the Wolf Creek area as additional public use facilities. He said this 709 square foot encroachment includes their shelter and a portion of the parking lot at the dog park. Mr. Edwards stated this area is under water right now.

Director Churchwell moved to approve a Second Amendment to Lease to the City of Grove in Delaware County, Oklahoma, seconded by Director Elam, and voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item h**, Director Churchwell asked Mrs. Jennifer Marquis to go over the GRDA Annual Raw Water Rate Review.

Mrs. Marquis said the basis for the raw water rate was established by the 2007 water study, with annual adjustments to the Base Rate and Variable Rate. She showed a chart illustrating the differences in the rates between 2014 and 2018, and highlighted some of the details for the Board. Mrs. Marquis said the GRDA staff recommends no change to the base raw water rates effective July 1, 2019.

Director Churchwell moved approval of the rates as presented, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**2. Audit, Finance, Budget, Policy & Compliance Committee:** Director Vandevier had no report.

**3. Compensation & Marketing Committee:**  
**a) Ratification of KJRH Agreement**

**Regarding item a**, Director Kimball said there was a brief committee meeting to review an agreement with KJRH-TV. He asked Mr. Sullivan to present the item to the Board.

Mr. Sullivan said this a continuation of a previous agreement, and that this agreement would be for the summer months, June through August of 2019. He stated that for \$14,900 KJRH-TV would provide several opportunities for in-studio promo spots on Tulsa Today, a 30-second spot airing on KJRH.com running regularly, and a static advertisement and link to GRDA.com. Mr. Sullivan told the Board this is a great price for what the Authority is getting and provides an opportunity to talk about Public Power, lake safety, lake levels, and other things. He showed the 30-second spot currently airing on KJRH-TV and said the spot was done in-house with KJRH-TV taking care of production costs.

Chairman Kimball commented that this item was budgeted for 2019 and unanimously approved by the committee. He said the committee also recommends that, as long as this item is within budget and a reasonable amount and a quick buy, GRDA staff are authorized to commit.

Mr. Sullivan commented that this is a great value for what GRDA is receiving, and the staff wanted the customers to also know the Authority is getting a tremendous amount of exposure in their communities as well for this price point.

Chairman Kimball stated buying this kind of coverage directly would normally be in excess of \$40,000.

Director Elam said he is glad to see the Public Power conversation promoted because this resonates back to GRDA's communities.

Director Vandevier commented he appreciates this and said this is the type of thing the Board needs to be aware of, but asked if Board action is required on this due to the amount. Mr. Sullivan confirmed it is not required, but the committee and GRDA staff felt it was important for the Board and the customers to be aware.

Chairman Kimball moved to ratify the agreement with KJRH in the amount of \$14,900 for the communications package presented, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Chairman Kimball said Mr. Wiscaver is putting together a report that will come to the Board to include the amount of good press GRDA has received during the recent flooding events. He stated there have been some very good comments about GRDA and our response, with earned media mentions in excess of \$4 million already. Chairman Kimball said there has not been a single negative comment on any of the newscasts about GRDA's response, and GRDA's people have done a great job in getting the word out.

Mr. Sullivan said he appreciates the Chairman telling everyone about this and wishes he could say the same about Facebook and other social media. He went on to say he would like to address comments that have been made many times about the idea GRDA is releasing water and flooding people downstream to save the large expensive homes on Grand Lake. He stated he believes this comes from a fundamental misunderstanding of how lakes operate, and that this definitely not the case. Mr. Sullivan said the Taking Line and lake is designed in such a way that the maximum fill at 755' would not impact any home around the lake, unless residents building across the Taking Line, and GRDA has to release water to prevent it from going over the spillways where the Authority cannot control the releases. He asked that those that talk to people in their communities and have an understanding of this please spread this information and educate those that may think in this way. Mr. Sullivan explained that when GRDA is let beyond 100,000 cfs out of Pensacola Dam the water will be outside the river channel, and farther beyond that would possibly cause flooding. He reiterated that this is not done to protect homes on the lake, as there is also upstream flooding to be considered.

Chairman Kimball said the press has picked up on some of these comments and said Mr. Wiscaver has done an extremely good job in addressing these questions from media outlets when GRDA has been contacted.

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

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**6. Executive Session:**

- a. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Investigation, Claim, or Action, related to Federal Energy Regulatory Commission Project No. 1494-348, 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.**

Director Elam moved to go into executive session at 11:27 a.m., seconded by Director Richie, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0 no, 0 abstained).*

Director Churchwell moved to return to regular session at 12:15 p.m., seconded by Director Meyers, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0 no, 0 abstained).*

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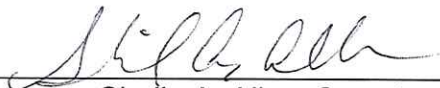
## 7. Action on Executive Session Items

- a. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, related to Federal Energy Regulatory Commission Project No. 1494-348.

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

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Director Meyers moved for adjournment at 12:17 p.m., seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Vandevier, yes. *Motion passed (7-yes, 0 no, 0 abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

July 10, 2019  
GRDA Board of Directors