

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
June 8, 2022**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority's Engineering & Technology Center in Tulsa, Oklahoma on June 8, 2022. Notice was given pursuant to 25 O.S.A. § 301 et seq. by submitting a schedule of regular monthly meetings to the Secretary of State on November 30, 2021 at 9:12 a.m.; by posting the agenda with the Tulsa County Clerks' offices on June 7, 2022, at 9:31 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of Grand River Dam Authority at least 24 hours prior to the meeting.

Chair Elam called the meeting to order at 10:00 a.m. The Secretary called the roll. All members were present, with the exception of Directors Meyers and Richie. Chair Elam declared a quorum.

BOARD MEMBERS

Dwayne Elam, Chair	Present
Charles Sublett, Chair-Elect	Present
Tom Kimball	Present
Mike Lewandowski	Present
Chris Meyers	Absent
James B. Richie	Absent
Michael Westbrook	Present

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Executive VP - Chief Operating Officer	Present
Lorie Gudde, Chief Financial Officer/Corporate Treasurer	Present
Heath Lofton, Executive VP - General Counsel	Present
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Present
Nathan Reese, Executive VP – External Relations	Present
John Wiscaver, Executive VP – Corporate & Strategic Communications	Present
Laura Hunter, Executive VP - Chief Administrative Officer	Present
Darrell Townsend II, VP – Ecosystems & Watershed Management	Present
Robert Ladd, VP – Generation Operations	Present
Steve Jacoby, VP – Generation Engineering	Absent
Jeff Tullis, VP – Transmission, Distribution & Engineering	Absent
Chris Carlson, Deputy Chief – Law Enforcement	Absent
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Jim Noland, Phillips 66; Mike Doublehead and Kim Door, TPWA; John Feary, City of Claremore; Mike Starks, City of Cushing; Brad White, City of Skiatook; Craig Stokes and Mike Pruett, City of Collinsville; Jared Crisp, Pryor MUB; Cheryl Adams, MESO; Lindsey Pever, A New Energy Law Office; Shelldon Miggletto, City of Stilwell; Crystal Campbell and Caleb Cochran, Congressman Markwayne Mullin's Office; Tamara Jahnke, Ash Mayfield, Melanie Earl, Savannah Ellison, Cameron Philpott, Jerry Cook, Matt Martin, Jeff Brown, Michelle Day, Leah Maloy, Shannon Randolph, Ed Ferguson, Penny Frailey, Brylee Harbuck, Samuel Carlile, Mikenzi Taber, GRDA.

4. New Business
4.a. Capital Work Order Report

Number	Funding Source	Title	Net GRDA Cost
RF022-01170	RESERVE	Avamar/Data Domain Backup Replacement	\$ 247,490
RF022-01168	RESERVE	Pivot3 Video Storage Array Replacement	164,007
RF022-01165	RESERVE	GREC2 LCI Drive A/C Units	297,958
RF022-01159	RESERVE	Tulsa-Kerr Fiber Wave Division Multiplexing	691,277
RF022-01144	RESERVE	ASEA Breaker Replacement	1,235,972
RF020-01075		Cleveland 69 Upgrades - Revised Estimate	2,596,215
RF020-01075		Cleveland 69 Upgrades - Original Estimate	1,457,184
	RESERVE	Additional Funding for RF020-01075	<u>1,139,031</u>
RF020-01019		MAID OCB Replacement - Revised Estimate	1,408,165
RF020-01019		MAID OCB Replacement - Original Estimate	1,104,611
	RESERVE	Additional Funding for RF020-01019	<u>303,554</u>
Grand Total Work Orders			\$ 4,079,289

Mrs. Gudde stated she would like to ensure the Board is fully aware of why the funding source column was added for the directors' benefit. She explained the reasoning behind this and its relationship to the current budget. She told the Board they are working very closely with all department managers to manage supply chain issues for 2022 and how that relates to cash flow for GRDA at this time. Mrs. Gudde said, given the current situation, all items on the report this month will come out of the capital reserve fund.

There were no questions from the Board.

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

Director Westbrook left the meeting at 10:40 a.m.

CONSENT AGENDA

4.b. Resolutions of Commendation:

- 1) Danny L. Ragsdale

4.c. Power Cost Adjustment (PCA) of \$0.04272 per kWh for July 2022

- 4.d. **Approval of Assignment of Revocable License to Encroach from Thomas W. Jones and Catherine R. Jones to Jon Easter for Property Located in Delaware County, Oklahoma**
- 4.e. **Approval of Assignment of Revocable License to Encroach from Terry L. Henderson and Kathryn A. Henderson to Larry G. Johnson and Shannon L. Johnson for Property Located in Delaware County, Oklahoma**
- 4.f. **Approval of Assignment of Revocable License to Encroach from Ronald G. Richardson and Jack P. Richardson, Successor Trustees of the Richardson Family Revocable Trust dated the 12th day of June, 1997 to Kevin Pritchett, Jr. and Rachel Pritchett for Property Located in Mayes County, Oklahoma**
- 4.g. **Consideration, Discussion and Possible Approval of Amended Contract No. DE-PM75-98SW00380 (related to terms and conditions of transmission and interconnection service) between the GRDA and the United States Department of Energy, Southwest Power Administration**
- 5.b. **Purchase Order Report (*Denotes Addenda Items):**

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
118295	JOE COOPER TRUCK CENTER LLC - OKLAHOMA CITY, OK	367,659.00
43846	ENVIRONMENTAL ACTION, INC. - JENKS, OK	150,000.00
43847	TNT CRANE & RIGGING, INC. - HOUSTON, TX	150,000.00
121985	TECHLINE, INC - VAN ALSTYNE, TX	104,200.00
121986	GEOTEK LLC - AUSTIN, TX	159,600.00
43858	OKLAHOMA WATER RESOURCES BOARD - OKLAHOMA CITY, OK	70,600.00
121953	TEREX UTILITIES, INC. - WATERTOWN, SD	225,085.00
121928	TEREX UTILITIES, INC. - WATERTOWN, SD	370,186.00
121980	BELL LUMBER & POLE COMPANY - NEW BRIGHTON, MN	270,439.00
43725	DESHAZO CRANES - TULSA, OK	305,950.00
Grand Total Standard POs & Contracts:		\$2,173,719.00
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
42981	ALLGIER MARTIN AND ASSOCIATES, INC. - JOPLIN, MO	85,000.00
43326	BRENNTAG SOUTHWEST, INC. - NOWATA, OK	10,611.60
43692	OKLAHOMA STATE UNIVERSITY - STILLWATER, OK	35,823.00
43193	MICROSOFT CORPORATION - DALLAS, TX	0.00
43337	ROGERS STATE UNIVERSITY- CLAREMORE, OK	2,500.00
42584	OKLAHOMA STATE UNIVERSITY - STILLWATER, OK	-277,179.00
Grand Total Change Orders & Renewals:		-\$143,244.40
Grand Total		\$2,030,474.60

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

REGULAR AGENDA

1. **Regular Board Meeting Minutes of April 13, 2022, and Special Board Meeting Minutes of May 3, 2022.**

Director Kimball moved to approve Regular Board Meeting Minutes of April 13, 2022, and the Special Board Meeting Minutes of May 3, 2022, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

3. **Unfinished Business**

3.a. **Progress Reports**

3.a.1. **Current Operations Reports**

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following comparing total annual information for 2021 and 2022 for GRDA's Full Requirements Customers for the month of May. He said this month there was a 14 percent increase in demand and an 11 percent increase in energy. Some of this could have been from high temperature days. He showed graphs illustrating a comparison of resource energy production for May 2021 and May 2022. Mr. Sullivan noted that GREC Unit 2 was offline in May, which caused the difference. GRDA continues to see strong hydro generation that is expected to continue for the next week or so. He showed a chart illustrating the current Henry Hub natural gas futures and settlements, as well as explaining details of the chart.

Chair Elam commented that on the Comparison of Energy Resource Production there was an increase in the amount of market purchases and asked Mr. Sullivan to talk more about how these effects the monthly power cost adjustment and what the reason was. Mr. Sullivan stated market purchases increased due to GREC Unit 2 being offline for the entire month of May and there have been higher than expected natural gas prices. Chair Elam said he wanted the customers to know exactly what the cause was and that it could not have been avoided. Mr. Sullivan commented that at the recent Large Public Power Council (LPPC) meeting he attended his colleagues are seeing this across the country. He showed a graph on GRDA's Load Cost & Value of Resource Portfolio and explained details of this.

Discussion ensued regarding supply chain issues and how this effects every aspect of business, including GRDA's bottom line.

National Police Week offers honor, remembrance, and peer support, while allowing law enforcement, survivors, and citizens to gather and pay homage to those who gave their lives in the line of duty in Washington, D.C. On May 14, 2022, GRDA Police Chief Brian Edwards, Captain Casey King, and Officer Jason Weilert were in attendance, along with Officer Frank Cantey's widow Stacy. Officer Cantey passed away June 18, 2021, and was recognized during the Honor Guard Tribute.

Mr. Sullivan told the Board GRDA and the Tahlequah Public Works Authority celebrated 75 years of public power partnership on May 20, 2022. He said GRDA is happy to recognize that and will talk more about that later in the meeting.

GRDA's new helicopter was put into service over the Memorial Day holiday weekend. It is equipped with fly-by-wire technology, electronic instrumentation and a host of other flight controls that will improve performance, capabilities, and safety. The new aircraft also has a larger engine, allowing for added weights of passengers and equipment and will also provide for future capabilities such as hoist operations and sling loads, including "Bambi Buckets" for firefighting. It is factory built with a host of electronics to aid in GRDA's operations, including GPS mapping, hi-resolution video and digital photo capabilities with a 70-200 mm zoom lens. The new aircraft also includes a hi-intensity 800-watt spotlight and Forward Looking Infrared (FLIR) technology with real-time temperature readings to aid in power line faults, searches, and night operations. The Authority is very pleased to have this available. The reliability of their other helicopter has significantly decreased. So, having something that they can rely upon will increase the safety factor, particularly in flying lines and other high challenging situations. Mr. Sullivan showed a photograph of pilots Brian Lambert and Eddie Rose.

Construction at the Sallisaw City #3 Substation has been finalized. GRDA crews (Communications, Metering, Relay, SCADA and Substation), along with a contractor, completed the high-side late last year and the City of Sallisaw recently completed the low-side. The substation was energized in May 2022.

GRDA's Ed Fite was the guest speaker for Sustainable Tulsa, held at Neff Brewing on June 2, 2022. Fite discussed the importance of conservation, along with information on watersheds. Conservation personnel from the Oklahoma Aquarium, Cherokee Nation, and Oklahoma Blue Thumb were in attendance.

Mr. Sullivan presented a video on the "I Got Caught Wearing My Life Jacket" Safety Campaign and a recap of activities during Memorial Day weekend. He told the Board there was a missing boater over that weekend, and the recovery effort continues to search for that person. He asked Mr. Edwards if there have been any updates. Mr. Edwards said it has been an operation in very challenging circumstances with a

search area of approximately 4 square miles, with gates open below this location at the dam the entire time. Resources have been deployed to scan the waters, but the wind prevented searching for several days. He stated they have a piece of equipment coming today that could potentially help in searching deeper below the water. Director Kimball thanked the GRDA Police for their efforts during this exceptionally challenging time on the lake, also commenting on how dangerous it has been for them.

3.a.2. Resolution – Tahlequah Public Works Authority

Mr. Sullivan presented the resolution to Mr. Mike Doublehead with Tahlequah Public Works Authority and thanked them for their 75-year public power partnership and their dedication and service.

Mr. Mike Doublehead thanked GRDA for this recognition and commented on how beneficial their relationship with GRDA is.

Director Sublett moved to approve the resolution as presented, seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

3.a.3. Resolution – Wagoner Public Works Authority

Mr. Sullivan recommended the Board approve the resolution Wagoner Public Works Authority and thanked them for their 75-year public power partnership. He stated the resolution would be presented at the celebration event on June 22, 2022, in Wagoner, Oklahoma.

Director Kimball commented on how invaluable it is to have someone on the GRDA Board of Directors that works in a customer city. He commended Chair Elam on his efforts and thanked him for passing on his knowledge to the Board. Chair Elam thanked everyone for the recognition.

Director Kimball moved to approve the resolution as presented, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

4. New Business

4.h. Renewal of Directors & Officers and Employment Practices Liability Insurance Coverage

4.i. Renewal of Excess Liability Insurance Coverage

4.j. Renewal of Pollution Liability Insurance Coverage

Regarding items h, i, and j, Mr. Lofton said these items renew on July 1, 2022. He and the staff were hoping to have renewal quotes for the Board at this meeting, but do not at this point. They are working with their partners to save some on cost of coverage. Mr. Lofton asked the Board for their input on how

they would prefer the Authority handle these when quotes are acquired. He stated the staff would like to make a decision once the renewal quotes are received, hopefully prior to the expiration date, and execute these as appropriate. Once the decision is made, they would then bring these items back to the Board for ratification next month. Mr. Lofton said the alternative would be to call a special Board meeting in between now and next month's regularly scheduled meeting.

Director Kimball said he does not have any issue with ratifying these items to avoid GRDA having a lapse in coverage. Mr. Sullivan stated that typically the Authority does not have many options. The other Board members agreed.

A motion was not necessary, but Director Sublett moved to approve ratification of these insurance coverage renewals and subsequent ratification, seconded by Director Kimball, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

4.k. Declare Surplus and Not Necessary to the Business of the District – NO_x Allowances

Mr. Ladd told the Board he and the staff are requesting permission to surplus some of the unused NO_x allowances allocated to have been allocated and reserved by GRDA. He showed a timeline of the history of various Environmental Protection Agency (EPA) regulations, including the Cross-State Air Pollution Rule (CSAPR) and its effect on GRDA thermal generation units. He stated that the Grand River Energy Center's (GREC) Unit No. 2 (G2) currently receives 701 allowances annually, but that amount is not enough to support a 100% capacity factor during the Ozone Season months from May through September. He showed a slide that illustrated estimated NO_x emissions per megawatt hour of energy production and stated that EPA's newly proposed Federal Implementation Plan (FIP), if passed, will further reduce GRDA's annual allocations, and therefore, further limiting operability of GRDA's thermal units. He further explained EPA's NO_x trading program and that unused allowances are maintained by utilities in NO_x allowance banks and provided an update of GRDA's reserved allowances. He stated that left unchanged, GRDA's bank of allowances would adequately support operational needs for years to come. However, the EPA's proposed NO_x FIP would subject such banks to a recalibration requiring allowance owners to forfeit the majority of their reserves. Mr. Ladd explained how the GREC thermal units would factor into the allocations and how GRDA staff has modelled multiple scenarios to support long term operational planning. Under the proposed NO_x FIP, GRDA would continue to lose allowances through 2026 and be

subject to further NOx market exposure. He recommended the Authority proactively liquidate 3,000 of these allowances and prepare for worst case scenarios. Mr. Ladd provided 2 scenarios and the differences to the Board. The GRDA staff has evaluated this and would like the Board to give their approval to surplus these on the market, as market conditions warrant.

Discussion ensued regarding the risks and benefits of liquidating the allowances now, and a need in the future to potentially purchase more.

Director Elam asked how much of these allocations have been utilized presently. Mr. Ladd confirmed that recent operating profiles haven't required GRDA to utilize many banked allowances. He also said 2021 was the closest the Authority had come to needing to utilize banked allowances. Director Elam asked what the penalty would be should GRDA need to purchase these allowances in the future. Mr. Ladd stated, if the Authority was to be put into a position to buy allowances, there would be significant market exposure which has ranged from \$200/ton to more than \$3000/ton and in a worst case scenario, a violation could lead to an "economic benefit" based penalty. Discussion ensued regarding what could happen in the future regarding assets and reallocation, as well as long-term grid reliability.

Director Sublett asked Mr. Sullivan to provide his thoughts on the matter. Mr. Sullivan stated the EPA has made it quite clear that they wish to cease all coal generation in the future. And while a lot of these previous efforts have been in support of that type of plan, this is the first time they have really said it. He went on to say there is always a chance that this could be recalibrated as it goes forward with a change in administration or a change of congressional oversight. However, there is no doubt that this is the direction the market is headed. Mr. Sullivan told the Board his concern is around what this does to GRDA's capacity going forward. If they are limited in any way, he wondered if the Southwest Power Pool would de-rate the unit for capacity purposes. The environmental concerns are present as well, and they are looking into some other options that might help in regard to carbon sequestration. Director Sublett asked if Mr. Sullivan believes this is an appropriate step at this time. Mr. Sullivan confirmed this. He stated this is a maturing market and he feels like this is a way to test what is happening to prevent GRDA being put in a negative position going forward.

Mr. Lofton said there would need to be an update to the motion presented to ensure it added the surplus declaration language.

Director Kimball moved to declare NOx Allowances surplus and not necessary to the business of the district and authorize the liquidation of these surplus NOx Allowances by the GRDA staff, provided that

each transaction is subject to the approval of terms that are satisfactory to the General Counsel and Chief Executive Officer, seconded by Director Westbrook, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.I. Consideration, Discussion, and Possible Approval of Change Order 1 – Contract 43204 – Phoenix Industrial for Insulation & Scaffolding Services

Mr. Ladd provided background information on Contract 43204 for insulation and scaffolding services provided by Phoenix Industrial Insulation Corporation. During 2022 there has been approved funding for extraordinary circumstances affecting this contract, including the GREC Unit 3 fire event and recovery effort as well as the GREC Unit 2 high service factor throughout 2021 and the first quarter of 2022. As a result, the approved funding has been prematurely depleted. Mr. Ladd covered the costs associated with the work needed. He said annual funding has been sufficient to support normal insulation and scaffolding needs of a typical operating year, but the overages were driven by urgent and necessary service needs for these extraordinary circumstances. With much of the contract year remaining, and the contract balance for 2022 nearly depleted, a change order is recommended by GRDA staff to restore funding. Mr. Ladd said the additional funding needed now is \$419,818.80 to cover extraordinary costs of \$579,900.68.

Director Kimball asked if there would be any insurance claim assistance to cover some of the additional cost. Mr. Ladd confirmed there should be and the claim has been submitted. Director Kimball asked if it makes any sense for GRDA to purchase their own scaffolding. Mr. Ladd says, depending on the circumstances, it does and has been done in the past. However, it can become complicated when making certain all training requirements are met by GRDA employees, etc. He said for small jobs it can make sense. Chair Elam and Director asked the staff to try to bid purchasing scaffolding, and training GRDA employees, against hiring a contractor for this purpose in future contracts.

Director Lewandowski left the room at 11:14 a.m., and returned at 11:15 a.m.

Chair Elam asked if this amount was appropriate given the expected reimbursement by insurance. Mr. Ladd said this amount was needed alongside the reimbursement to cover all expected costs.

Director Kimball moved to approve Change Order No. 1 for Contract 43204 for Phoenix Industrial Insulation Corporation for Insulation and Scaffolding Services, to add \$419,818.80 to the contract, increasing the current renewal period total to \$1,260,348.80, seconded by Director Sublett, and the item

was voted on as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

4.m. Consideration, Discussion, and Possible Approval of: Task Authorization No. 13 for Engineering Support in Power Supply Planning

As aging equipment, generation demands, and regulatory pressures continue to evolve, GRDA must evaluate its existing fleet and available generation technologies against near-and long-term capacity needs. GRDA staff has initiated an internal power supply planning project that requires external support in the development of engineering, procurement, and construction (EPC) costs, expected operating and maintenance (O&M) costs, and performance metrics for various electricity generation technologies and scenarios. To ensure GRDA realizes the maximum value of this effort, staff has developed a phased analysis scope to outline expectations and support budgetary discussions with engineering firms. On August 10, 2021 GRDA executed a Master Services Agreement (MSA) No. 43025 with Black & Veatch Engineering. It is expected that proceeding with this firm would provide the most efficient and GRDA fleet-specific results while maintaining data continuity. Mr. Ladd provided a scope summary to include 3 phases for this project. Phase 1 would entail a Levelized Cost of Electricity (LCOE) Comparison Study; Phase 2 would be an analysis of the Grand River Energy Center (GREC) site; and Phase 3 would provide an analysis of alternative new generation sites. He told the Board the final report would include an executive summary, results and recommendations, permit requirements, site renderings, site specific EPC capital cost estimates, site specific operating and maintenance cost estimates, estimated staffing requirements, a comparative summary of alternative sites and the GREC, and a Level 1 EPC schedule. Mr. Ladd presented a timeline and estimated costs based on selecting Black & Veatch Engineering. He said the staff has been exceptionally pleased with their performance of similar studies and site development support. Given this firm's history with GRDA's specific generation sites, it is also the expectation of staff to realize time and monetary savings in maintaining firm continuity. Mr. Ladd said their recommendation is to proceed with the approval of Task Authorization No. 13 on a time and material basis.

Director Kimball asked if this was within budget. Mr. Ladd confirmed it is. Mrs. Gudde stated, after the recent IRS audit, something like this would be required by the IRS should GRDA want to finance a project with tax exempt bonds.

Director Lewandowski stated this is something he believes GRDA should be doing.

Director Sublett asked if Mr. Ladd and the staff truly believe this is a necessary and appropriate expenditure to accomplish GRDA's mission. Mr. Ladd said he and the staff do believe this is very important given the evolving market and changing conditions.

Chair Elam asked if this study would include all options for generation. Mr. Ladd said all options were included, with the exception of hydro generation, as well as wind and solar since that is different effort.

Mr. Brown stated they are looking at future needs based on new customers within the MidAmerica Industrial Park and new customers within GRDA's customer communities. The goal would be to have a plan by the end of 2022.

Director Lewandowski moved to approve Task Authorization No. 13 under Master Services Agreement 43025 – Engineering & Expert Consulting Services, in an amount not-to-exceed \$179,000 subject to approval of final terms and conditions, seconded by Director Sublett, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

4.n. Consideration, Discussion, and Possible Approval of Interagency Agreement Oklahoma State University Geologic Investigation Amendment – Kerr Dam Foundation Conditions

Mr. Brown provided an update for the Board on the Kerr Dam foundation conditions. He said the magnitude of damages and criticality of dam safety necessitated a review by an approved expert Board of Consultants. Improvement designs require confirmation of geologic condition parameters to support structural designs assumptions. Time is of the essence for restoration of the Lake Hudson flood pool. Typical approaches to obtain the information with exploration in the spillway inspection gallery cannot be continued at this time and would normally be the most appropriate location. Mr. Brown presented the proposed surface exploration, saying the depth of the holes would vary between 135 and 215 feet for testing. He also showed an aerial view of the dam with labels as to where specifically the exploration would occur. Mr. Brown said drilling on this project would be estimated at \$1,018,000.00, with down hole geophysics, rock testing, and Oklahoma State University (OSU) programming and support, bringing the estimated total cost to \$1,427,184.00.

Director Kimball asked if GRDA is currently restricted on their ability to generate at the Kerr Dam. Mr. Brown said right now, with the recent rainfall, all the units at Kerr Dam are online but the tailwater, at

times, is too high relative to the Lake Hudson side of the dam, which is currently limited to a level of 621.5 feet.

Director Sublett asked Mr. Brown to explain GRDA's relationship with the OSU Boone Pickens School of Geology and why this is the most appropriate entity to handle this for the Authority. Mr. Brown said the school is very well-known and renowned for their work. Mr. Steve Jacoby with GRDA and his colleagues outside of GRDA have a continued working relationship with the school as well, and have been very pleased with their work. Mr. Sullivan said OSU has been involved with this for about 2 years and have provided very good support for this and other projects.

Chair Elam asked if Kerr Dam is producing hydropower for GRDA at this point. Mr. Brown said yes but the Federal Energy Regulatory Commission (FERC) requirement to hold the level of Lake Hudson to 621.5 foot elevation is in effect and he is not certain to what extent this has affected generation. He stated that we believe this is at a much more conservative level than is necessary.

Director Kimball moved to approve the Oklahoma State University Boone Pickens School of Geology be authorized to perform surface and water based exploration, testing and instrumentation for the Kerr Dam Scour Improvement under Contract 43850; the costs shall be at unit price basis not-to-exceed \$1,427,18.00, seconded by Director Sublett, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

4.o. Consideration, Discussion, and Possible Approval - Change Order 4 - Contract 42493 – National Electric Coil for Salina Pumped Storage Project Rotor Rehabilitation

Mr. Brown presented the status of the Salina Pumped Storage Project Unit 5. He said Contract 42493 was awarded to National Electric Coil (NEC) for rehabilitation of the rotor field poles. GRDA staff were to remove and reset the poles, but were unable to do so. NEC completed the removal of the poles through Change Orders 1-3 and has completed the original scope of their service for this unit. GRDA has asked NEC to do the reinstallation due to workload and seasonal demands for the units. Mr. Brown showed photographs of the pole unloading, pole setting and wedge installation, and explained each. This change order is for \$0.00, and the total not-to-exceed amount of \$1,984,715.50 will remain.

Discussion ensued regarding modernizing the units at the Salina Pumped Storage Project facility and the need to have these units online.

Director Lewandowski moved that the scope of work authorized of National Electric Coil for Contract 42493 be modified under Change Order No. 4 to install the rotor poles for Salina Pumped Storage Unit No. 5 Rotor; the cost of the scope change shall not exceed \$325,000; and the overall cost of the contract shall remain \$1,984,715.50, seconded by Director Sublett, and voted on as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

4.p. First Reading of the Board of Directors' Policy No. 5-5 PPSA Late Fees for Payment Due Dates Falling on Non-Business Days

Mrs. Gudde said the Customer Relations Team, Legal Team and Finance Team came together to bring this item to the Board today. This policy clarifies how GRDA will assess late fees for payments arising under Power Purchase and Sale Agreements that are due on a non-business day. The policy would simply say that, while GRDA encourages people to pay their invoice on the due date, should they remit their payment on the very next business day there would be no late fee assessed. She told the Board this is just a first reading for this policy and it would be brought back next month for final approval.

The Board agreed this was an appropriate change.

There is no action needed on this item.

4.q. Other New Business, if Any, Which Has Arisen Since the Posting of the Agenda and Could Not Have Been Anticipated Prior to the Time of Posting (25 O.S. § 311(9)).

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- a) **Consideration, Discussion and Possible Approval of a Request by David Timberlake and Sarah Timberlake for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of a Request by Terry L. Ary and Debra S. Ary for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request by Michael M. Beachner and Angela C. Beachner for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**

- d) **Consideration, Discussion and Possible Approval of a Request for an Assignment of a Revocable License to Encroach from Michael M. Beachner and Angela C. Beachner to Paul A. Biggs and Deborah N. Biggs for Property Located in Delaware County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of a Request by Phillips 66 Carrier, LLC for a Temporary and Permanent Right-Of-Way Easement in Osage County, Oklahoma.**
- f) **Consideration, Discussion and Possible Approval of a Request by David L. Bogle and Bogle Ranch, LLC for a Commercial Water Contract for the Taking of Raw Water from Grand River or its Tributaries.**

Before Director Westbrook left the meeting, he said the committee met this morning on relatively routine docket items. He explained what these items included. All 6 items were approved unanimously in committee.

Regarding item a, Director Westbrook moved to approve a License to Encroach to David and Sarah Timberlake in Delaware County, Oklahoma, for the amount of \$100.00 per year, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. Motion passed (5-yes, 0-no, 0-abstained).

Regarding item b, Director Westbrook moved to approve a License to Encroach to Terry L and Debra S. Aryin Delaware County, Oklahoma, for the amount of \$156.00 per year, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. Motion passed (5-yes, 0-no, 0-abstained).

Regarding item c, Director Westbrook moved to approve a License to Encroach to Michael M. Beachner and Angela C. Beachner in Delaware County, Oklahoma, for the amount of \$315.00 per year, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. Motion passed (5-yes, 0-no, 0-abstained).

Regarding item d, Director Westbrook moved to approve the Assignment of a License to Encroach from Michael M. Beachner and Angela C. Beachner to Paul A. and Deborah N. Biggs in Delaware County, Oklahoma, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. Motion passed (5-yes, 0-no, 0-abstained).

Regarding item e, Director Westbrook moved to approve a temporary and permanent easement to Phillips 66 Carrier, LLC in Osage County, Oklahoma for the amount of \$10,800.84, and the item was

voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. Motion passed (5-yes, 0-no, 0-abstained).

Regarding item f, Director Westbrook moved to approve a one-year raw water contract to David L. Bogle and Bogle Ranch, LLC to withdraw a maximum of 3.8 million gallons per month, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, Westbrook, yes. Motion passed (5-yes, 0-no, 0-abstained).

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

a) Second Reading of the Proposed Revisions to Board of Directors' Policy No. 4-3 Energy Risk Management and the Risk Oversight Committee's Energy Hedging Program for Approval and Acceptance, Respectively

Regarding item a, Mrs. Michelle Day stated the Board received the final version of this policy and there have not been any changes since the last meeting. She said there would need to be a motion to approve the policy alongside a vote to acknowledge the receipt of the Risk Oversight Committee's Energy Hedging Program as amended.

Director Lewandowski moved to approve the amendments to the Energy Risk Management Policy 4-3 as submitted by the Risk Oversight Committee, seconded by Director Kimball, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

Director Lewandowski moved to acknowledge receipt of the Risk Oversight Committee's Energy Hedging Program as amended, seconded by Director Kimball, and the item was voted on as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

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

a) 2022 Marketing Update

Regarding item a, Director Kimball asked Mr. Wiscaver to provide the Board with an update on what GRDA is doing in 2022 related to marketing and earned media.

Mr. Wiscaver said, during 2022, GRDA is making an investment in a television/digital buy in the Tulsa/Eastern Oklahoma market via a Request For Proposal. Both the KOTV-Channel 6 (CBS affiliate) and KJRH-Channel 2 (NBC affiliate) were awarded the contracts. The campaigns with both broadcast media outlets had two strategic timeframes, spring from mid-May to mid-July and a holidays campaign for November and December. Both campaigns timeframes were developed to maximize GRDA's return on

investment. He went over guaranteed deliverables for each media outlet, noting GRDA's investment amounts, timing, and goals. Mr. Wiscaver said a combined investment total of \$75,000.00 would have an expected 200 percent return on investment goal for the Authority and explained this. He talked further on the amount of earned media expected and said he would have further information for the Board at a later time on what that looked like.

Director Kimball commented on how Mr. Wiscaver's team has been able to utilize their budget wisely and commended them on their work.

Mr. Wiscaver expressed his appreciation for his team and spoke about how crucial they are to allowing him to be effective in his position. He provided a brief update on the 2022 Oklahoma Legislative Session. They discussed activities, including business development opportunities and bills brought to the legislature. He said it has been remarkable to see the change in attitude at the capitol regarding GRDA over the past few years and commended everyone involved, including Mr. Sullivan and Leah Maloy for their work. He told the Board the Legislative Getaway is set for July and invited the Board to be a part of that, and thank ed them for their support.

There is not action needed on this item.

3. **Fuel and Long-Range Planning Committee:** Director Meyers was absent, but the other Board members were not aware of anything that would need to be brought to the Board today.
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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.**
- b. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning Federal Energy Regulatory Commission Docket No. EL22-44, for Which the GRDA has Determined, with the Advice of Its Attorneys, that Public Disclosure Would Seriously Impair the Ability of GRDA to Process the Claim or Conduct Litigation.**
- c. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning City of Miami, et al. v. GRDA, District Court of Ottawa County, Oklahoma, Case No. CJ-2008-**

619, for Which the GRDA has Determined, with the Advice of Its Attorneys, that Public Disclosure Would Seriously Impair the Ability of GRDA to Process the Claim or Conduct Litigation.

- 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 Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494-455, 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.**
- e. 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 Sopris Systems, 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 Investigation, Claim, or Action in the Public Interest.**
- f. Executive Session Pursuant to 25 O.S. § 307(B)(1) to Discuss the Annual Review and Salary of the Chief Executive Officer.**

Director Kimball moved to go into executive session at 12:17 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 1:40 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

- a. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, related to Federal Energy Regulatory Commission Project No. 1494-348.**
- b. Action, as Necessary, Concerning the Federal Energy Regulatory Commission Docket No. EL22-44.**
- c. Action, as Necessary, Concerning City of Miami, et al. v. GRDA, District Court of Ottawa County, Oklahoma, Case CJ-2008-619.**
- d. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No 1494-455.**
- e. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, related to Sopris Systems, LLC.**

f. Action, as Necessary, Concerning the Annual Review and Salary of the Chief Executive Officer.

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

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

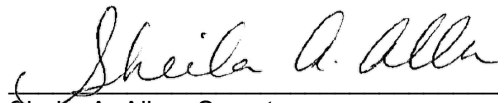
Regarding item c, there was no action needed on this item.

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

Regarding item e, Director Kimball moved to terminate the Professional Service Agreement with Sopris Systems, LLC, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

Regarding item f, Director Kimball moved to approve the review and salary of the Chief Executive Officer, and express support for salary changes for the Executive Team, effective June 12, 2022, as discussed in Executive Session, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

Director Lewandowski moved for adjournment at 1:42 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Sublett, yes. *Motion passed (4-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

July 13, 2022

GRDA Board of Directors