

**Minutes of Regular Meeting  
Grand River Dam Authority  
Board of Directors  
Tulsa, Oklahoma  
October 9, 2019**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Engineering & Technology Center, Tulsa, Oklahoma, on October 9, 2019. Notice was given pursuant to 25 O.S.A. § 301 et seq. by submitting a schedule of regular monthly meetings to the Secretary of State on November 27, 2018, at 1:12 p.m.; by posting the agenda with the Tulsa County Clerks' offices on October 8, 2019 at 9:36 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 Richie called the meeting to order at 10:00 a.m. The Secretary called the roll. All members were present, with the exception of Director Lewandowski that arrived at 10:06 a.m. Chair Richie declared a quorum. Mr. Philpott introduced guests.

**BOARD MEMBERS**

James B. Richie, Chair	Present
Mike Lewandowski, Chair-Elect	Present
Pete Churchwell	Present
Dwayne Elam	Present
Tom Kimball	Present
Mike Lewandowski	Present
Chris Meyers	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
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Present
Nathan Reese, Executive VP – External Relations	Present
John Wiscaver, Executive VP – Corp. & Strategic Communications	Present
Darrell Townsend II, VP – Ecosystems/Watershed Management	Present
Robert Ladd, VP – Grand River Energy Center Operations	Present
Steve Jacoby, VP – Hydroelectric Projects	Present
Mike Waddell, VP – Transmission and Distribution Operations	Present
Ed Fite, VP – River Operations and Water Quality	Present
Justin Alberty, VP – Corp. & Strategic Communications	Absent
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Dianne Taylor; Bob Corlett; Mike Shook, Mark Hall and Stephanie Richardson, City of Coffeyville; Larry Hughes, City of Claremore; Mitchell

Hornback, MCS; Jared Crisp, City of Pryor/MUB; Craig Stokes, City of Collinsville; Mike Starks and Elton Willard, City of Cushing; Clifton Adcock, The Frontier; John Feary, CIEDA; Dan Yancey, City of Skiatook; Jared Ward, U.S. Senator Jim Inhofe's Office; Senator Michael Bergstrom, Oklahoma State Senate; Tamara Jahnke, Jeff Brown, Jennifer Marquis, Melanie Earl, Brylee Harbuck, Cameron Philpott, Jerry Cook, Logan Francis, Ed Ferguson, Michelle Day, Ash Mayfield, Teresa Hicks, Mike Bednar, Laura Townsend, Holly Moore, Matt Martin, Dana Shrum, Sheril Thomas, Mason Mulry GRDA.

#### 4. New Business

#### 4.h. Capital Work Order Report (Denotes Addenda Items)

Number	Title	Gross Work Order Amount	Reimbursement	Net GRDA Cost
RF019-00994	Cascades 13.8/2.3kV 750kVA Transformers	\$ 89,837	\$ 81,137	\$ 8,700
RF019-00993	Storm Damage - Rebuild FDR 109/L 388	\$ 791,903	\$ -	\$ 791,903
RF019-00992	Palo Alto Firewall Upgrades	\$ 136,451	\$ -	\$ 136,451
RF019-00991	Pryor MUB Joint Fiber Use Installation	\$ 112,473	\$ -	\$ 112,473
RF019-00990	Install New Metering Cell Modems	\$ 91,720	\$ -	\$ 91,720
JF086-00000	GREC Landfill Eastern Boundary - CCR Compliance - Revised Estimate	\$ 3,590,687	\$ -	\$ 3,590,687
JF086-00000	GREC Landfill Eastern Boundary - CCR Compliance - Original Estimate	\$ 1,648,000	\$ -	\$ 1,648,000
	<b>Additional Funding Requested</b>	\$ 1,942,687	\$ -	\$ 1,942,687
RF019-00966	Feeder 70: Relay Upgrade GRDA Silver City Interconnect - Revised Estimate	\$ 194,443	\$ -	\$ 194,443
RF019-00966	Feeder 70: Relay Upgrade GRDA Silver City Interconnect - Original Estimate	\$ 107,328	\$ -	\$ 107,328
	<b>Additional Funding Requested</b>	\$ 87,115	\$ -	\$ 87,115
RF018-00941	Armin Road Distribution Line - Revised Estimate	\$ 660,570	\$ -	\$ 660,570
RF018-00941	Armin Road Distribution Line - Original Estimate	\$ 440,900	\$ -	\$ 440,900
	<b>Additional Funding Requested</b>	\$ 219,670	\$ -	\$ 219,670
RF018-00874	Siloam Springs Fdr 145 161 kV Terminal Upgrade - Revised Estimate	\$ 423,227	\$ -	\$ 423,227
RF018-00874	Siloam Springs Fdr 145 161 kV Terminal Upgrade - Original Estimate	\$ 315,000	\$ -	\$ 315,000
	<b>Additional Funding Requested</b>	\$ 108,227	\$ -	\$ 108,227
<b>Grand Total Work Orders</b>		<b>\$ 3,580,083</b>	<b>\$ 81,137</b>	<b>\$ 3,498,946</b>

Mr. Sullivan explained items on the report and said that several items are adjustments to funding, including the landfill at the Grand River Energy Center (GREC) where the Authority is doing some additional engineering work. He said GRDA wants to ensure they are meeting all environmental regulations where this is concerned.

Director Kimball said in the last few days there have been some issues on the Illinois River. He stated it appears there could be more issues coming soon as well, and the access areas are very important to the public and to GRDA's customers in the area. Director Kimball asked if this has been addressed to keep everything as it should be. Mr. Sullivan said it is usually a joint effort of GRDA and the float operators to keep things in check. He told the Board he is not aware of any significant issues right now, but with increased flows it could become that way at this time of year. Mr. Sullivan explained it is

an ongoing process and the joint effort in past years has worked well. Mr. Fite said GRDA is waiting for the water to go down to assess any damage, but everyone is especially watching the Hanging Rock area.

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

## CONSENT AGENDA

### 2. August Claims, \$36,105,261.17, and September Claims, \$ 33,543,713.90.

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

Description and/or Make of Item
Metering Outfit
Valve, Ball Assembly, 22", Flanged, For Unit 1&2 Burner Shut-Off Valve
Amana PTAC A/C Unit
Breaker
Transformer
Goodman Air Handler: Lot of 6
Dell Printers: Lot of 4
Dell Monitors: Lot of 32
Microsoft Surface Pro: Lot of 2
Dell Computers: Lot of 20
Dell Laptops: Lot of 22
Chevrolet - Tahoe - 2013
Chevrolet - Tahoe - 2012
Chevrolet - Tahoe - 2012

#### 4.b. Power Cost Adjustment (PCA) of \$0.01716 per kWh for October 2019, and Power Cost Adjustment (PCA) of \$0.01624 per kWh for November 2019

#### 4.c. Ratification of Power Purchase and Sale Agreement – Air Products & Chemicals, Inc.

#### 4.d. Ratification of Memorandum of Understanding – Pryor Chemical Company

- 4.e. Memorandum of Understanding – City of Pryor Creek/Municipal Utility Board**
- 4.f. Order for Cancellation on Administrative Hearing No. 2019-16 Arrow Docks, LLC**
- 4.g. Final Order in Administrative Hearing No. 2019-01 – Alma Carterman**
- 4.h. Final Order in Administrative Hearing No. 2019-02 – Richard Thompson**
- 4.i. Final Order in Administrative Hearing No. 2018-26 – Robin Mussa**
- 4.j. Change Order #1 – Contract 42769 – Engineered Disassembly and Repair Assessment of Unit 2**
- 4.k. Change Order #2 – Contract 42769 – Engineered Disassembly and Repair Assessment of Unit 2**
- 4.l. Change Order #3 – Contract 42769 – Engineered Disassembly and Repair Assessment of Unit 2**
- 4.m. Ratification of Deed of Conservation Easement – James Ray Chaffin, Jr. and Robert Harvey Chaffin, as Successor Trustees of the James Ray Chaffin Revocable Trust Dated November 30, 2014, and Harvey Lee Chaffin and Paula K. Chaffin – 18 Acres in Cherokee County, Oklahoma**
- 4.n. Ratification of Deed of Conservation Easement – Archie Peyton, Jr. and Rebecca Ann Peyton, and Archie Peyton, III – 10 Acres in Cherokee County, Oklahoma**
- 4.o. Reduction of Generation Bus Service Level Delivery Charges in the Schedule WP – Wholesale Full Requirements Power Service Rate Schedule, and Reduction of Payments Made Under the First Amended Capacity Purchase Agreement Between GRDA and The City of Coffeyville.**
- 4.p. Change Order 1 – Contract 42614 – Aviat Networks**
- 5.b. September Purchase Order Report (\* Denotes Addenda Items)**

<b>Standard Purchase Orders &amp; Contracts</b>		
<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
102343	TORISHIMA SERVICES SOLUTIONS OF MICHIGAN LLC, BATTLE CREEK, MI	279,747.00
42783	CONSOLIDATED COMMUNICATIONS - WESTFIELD, NY	225,551.16
102215	FOSSIL POWER SYSTEMS INC. - DARTMOUTH, NS	61,980.00
42767	STANDLEY SYSTEMS, INC. - OKLAHOMA CITY, OK	13,753.40
42772	GENERAL ELECTRIC STEAM POWER - OVERLAND PARK, KS	840,788.00
42779	SIEMENS POWER GENERATION INC - IRVING, TX	1,732,000.00

102209	PINNACLE BUSINESS SYSTEMS - TULSA, OK	132,092.00
102517	NORLEM TECHNOLOGY CONSULTING INC. - TULSA, OK	233,460.00
102511	MERCURY MARINE - FOND DU LAC, WI	110,187.00
<b>Grand Total Standard POs &amp; Contracts:</b>		<b>\$3,629,558.56</b>
<b>Change Orders &amp; Renewals</b>		
<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
42775	STARBOARD CONSULTING LLC - LONGWOOD, FL	265,510.25
41494	PATTERN RECOGNITION TECHNOLOGIES INC. - PLANO, TX	68,316.00
42524	NORTHEAST TECHNOLOGY CENTERS - PRYOR, OK	100,000.00
42258	MERRICK & COMPANY - DENVER, CO	585,223.33
42412	AMERICAN ELECTRIC POWER - CANTON, OH	15,000.00
41493	SPRINT SOLUTIONS - OKLAHOMA CITY, OK	2,997.50
42518	CONDUCTOR POWER - BRAINERD, MN	8,240.00
42784	WORKPLACE HEALTH & SAFETY - FRANKLIN, TN	122,186.40
<b>Grand Total Change Orders &amp; Renewals:</b>		<b>\$1,167,473.48</b>
<b>Grand Total</b>		<b>\$4,797,032.04</b>

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

<b>Standard Purchase Orders &amp; Contracts</b>		
<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
42839	PROGRAM MANAGEMENT DBA MIA'S - LANGLEY, OK	50,000.00
42840	GELCO CLOTHING & SHOES, INC. - TULSA, OK	98,000.00
42841	MURRAY UNDERWOOD DBA MIDAMERICA BOOT WORKS - PRYOR, OK	98,000.00
42842	RED WING BRANDS OF AMERICA, INC. - HOUSTON, TX	98,000.00
42843	SHARPE DRY GOODS COMPANY OF CHECOTAH, INC. - PRYOR, OK	98,000.00
42844	WOHALI OUTDOORS LLC DBA AXE - BROKEN ARROW, OK	98,000.00
<b>Grand Total Standard POs &amp; Contracts:</b>		<b>\$540,000.00</b>
<b>Change Orders &amp; Renewals</b>		
<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
42788	COX COMMUNICATIONS, INC. - OKLAHOMA CITY, OK	1,026,200.00
100214	TEXAS BOOM COMPANY, INC. - HOUSTON, TX	229.40
101735	MITSUBISHI POWER SYSTEMS AMERICA, INC. - LAKE MARY, FL	-48,465.21
42565	INTEGRATED POWER COMPANY - NORTH PLATTE, NE	-21,598.50
42419	SOUTHWEST POWER POOL - LITTLE ROCK, AR	55,800.00
42813	VERIZON - DALLAS, TX	200,000.00
42434	AM-RAIL CONSTRUCTION, INC. - TULSA, OK	25,000.00
<b>Grand Total Change Orders &amp; Renewals:</b>		<b>\$1,237,165.69</b>
<b>Grand Total</b>		<b>\$1,777,165.69</b>

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

## REGULAR AGENDA

### 1. Regular Board Minutes of August 14, 2019.

Director Meyers moved to approve the regular Board minutes of August 14, 2019, seconded by Director Elam, and voted upon as follows: Churchwell, yes, Elam, yes, Kimball, yes, Meyers, yes, Richie, abstain. *Motion passed (4-yes, 0-no, 1-abstained).*

### **3. Unfinished Business**

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

##### **3.a.1.a. Monthly Video Update – GRDA October 2019**

- **GRDA Educational Opportunities**

Mr. Sullivan said GRDA is pleased to announce that the Igloo Valley substation has now been energized as of August 15, 2019. This is a large project GRDA has been working on for some time. He showed a photo of the location and said this would tie GREC Unit 3 to the Tulsa North substation and conclude the 345 kV construction outage that began on July 17, 2019.

Mr. Sullivan told the Board another piece of this project to better serve Google and their growth in the MidAmerica Industrial Park is the 3500 Main Project. This is the second step of completion when the William M. Herron Substation was energized for the first time in late August. He stated the final remaining step of energizing the 161 kV transmission lines into the customer is pending completion of the customer's facilities, but is expected to occur in late September.

Mr. Sullivan said this is National Public Power Week, and GRDA is glad to continue to recognize the partnership with our communities, and showed an advertisement co-branded with the City of Collinsville to go out to social media and local media outlets. This celebrates the continued relationship GRDA has with their communities, but also the relationship the communities have with their end user, and the benefit they provide as a result of being a public power community.

Mr. Sullivan explained recently there has been an ongoing effort to increase GRDA's safety program. On September 17, 2019, the first GRDA Safety Fair at the GREC

occurred, and on September 18, 2019, at the Transmission Headquarters. The event provided opportunities for employees to receive immunizations, take a hearing test, along with respiratory fit checks. There were also a variety of displays and food trucks onsite. Mr. Sullivan thanked Mike Vernnon and his staff for all of their work.

Over 500 municipal officials from across Oklahoma attended the 2019 Oklahoma Municipal League (OML) Annual Conference and Exposition in Tulsa September 17-19. Mr. Sullivan said this year's event marked the 105th gathering and was the largest in OML history. GRDA had a booth at the conference to allow for more interaction with their customers, as well as with other communities to answer questions about public power. Each year, during the conference, individuals and communities are honored and recognized for exceptional achievements. He said a special highlight during the conference was the presentation of 5 officials representing a wide range of experience and expertise as inductees into the Oklahoma Hall of Fame for City and Town Officials. Mr. Sullivan stated 3 of the 5 inductees came from GRDA municipal customer cities, being City Manager Pam Polk from the City of Collinsville, Retired General Manager Gary Pruett from the City of Pryor Municipal Utility Board, and Retired City Manager Dan Galloway from the City of Stillwater. Mr. Sullivan showed a photo of the group and said it is great to see their work recognized.

He told the Board Mother Nature took its toll on GRDA's system last month. On September 25, a lightning strike damaged a span of the 161 kV transmission line between Kerr Dam and the Salina Pumped Storage Project. Mr. Sullivan stated the outage was short-lived as GRDA Transmission crews were dispatched to make quick repairs.

He told the Board GRDA received an order from the Federal Energy Regulatory Commission (FERC) granting their request for extension of their license to operate the Pensacola Project, with some changes. Mr. Sullivan showed timeline comparisons of

some of the relevant dates associated with the process and said the license would expire on May 31, 2025, versus the original expiration on March 31, 2022. He said GRDA would have to file the license application by May 31, 2023, with all of the study data and relevant information collected from stakeholders. Mr. Sullivan said GRDA is relieved that FERC is providing some additional time to finish all studies and get as much of the work done as possible as GRDA begins the new license period.

A Grand Opening was held for Mayes County MBX in the MidAmerica Industrial Park, near the Expo on Saturday, September 28, 2019. Mr. Sullivan said the track was created as part of a partnership between USA BMX, the MidAmerica Stem Alliance, and Mayes County BMX. He stated GRDA is proud to have been a part of this project and explained that, along with holding races, there are plans to use the track for several STEM educational programs. Oklahoma Lieutenant Governor Matt Pinnell, Senator Michael Bergstrom and Representative Tom Gann were all a part of the opening ceremonies. Mr. Sullivan showed photos of the event and introduced a video of the activities. He said this is a great addition to what has been happening at the industrial park under the leadership of Mr. Dave Stewart in creating a place where people want to live and be active in the area.

Mr. Sullivan told the Board MidAmerica Industrial Park Director of Workforce Development Scott Fry and Senator Michael Bergstrom presented GRDA's Dana Shrum with the 2019 Champion in Workforce Development Award on October 3, 2019, at Rogers State University-Pryor Campus during the 6th Annual Manufacturing Day and Chili Cook-Off. He showed the award to the Board, saying GRDA was selected as the recipient of the award for its efforts and commitment related to the development of its workforce through training and skill development programs and for making significant investments in its employees and workforce through internal and external training programs. Mr.



Sullivan said GRDA received this award in 2017 and has stayed committed to the MidAmerica Industrial Park and all of the customers there to help develop training and programs necessary to have a workforce that meets the needs of everyone in the area, including GRDA. He stated that as people look at the industrial park as a place for new investment, one of the questions is always about the type of workforce pipeline in place to provide resources necessary to make businesses successful, and this is an ongoing part of that. He thanked Senator Bergstrom and Mrs. Shrum for their efforts.

Last week, GRDA's Nathan Reese and Cameron Philpott represented GRDA at the 2019 KMEA/KMGA Annual Conference in Wichita, Kansas. Mr. Sullivan said GRDA was a Platinum Sponsor for the event, and KMEA had their partner cities present. He explained GRDA learned that they supply approximately 35 percent of the energy KMEA provides for their customers, and expressed his appreciation for the opportunity to continue to work with them and serve their customers.

Mr. Sullivan showed photos of the heavy inflows into the Illinois River Watershed over the weekend that led to a flood event Monday and into Tuesday. He said, as of Monday evening, all of the gages along the river had crested as water levels were receding.

Mr. Sullivan showed the Board a headline from the Tulsa World that read, "Millions face days without power in California due to wildfire danger-". He said this article talks about some outages happening this week to deal with the wildfire conditions in California as they are trying to prevent these from happening due to electrical transmission lines. Mr. Sullivan stated the utilities there have been hit with some significant fines and law suits over previous wildfires, and this is a way to mitigate that. He said this is something affecting the industry as a whole.

Next month at the November Board of Directors Meeting GRDA will hold the annual finale chili cook-off. Proceeds this year will benefit the Northeastern Oklahoma Food Bank through the Employee Charitable Campaign of GRDA.

Mr. Sullivan introduced the newest member of the Executive Team, Laura Hunter. He said Mrs. Hunter will be GRDA's new Executive Vice President – Human Resources and Chief Human Resources Officer. Mrs. Hunter greeted the Board and told them what her responsibilities are and commented on how gracious all of the staff has been in getting her up to speed. She said she feels like she is already a part of the organization and is looking forward to things to come. The Board welcomed Mrs. Hunter to the GRDA Team as she thanked everyone.

After the video was shown, Mr. Sullivan stated that if the GRDA customer communities had any questions on projects they would like to see GRDA assist them with, they are welcome to let one of the staff know. He said these are the opportunities he and the staff continue to look for and will continue to fit in with GRDA's workforce development programs.

### **3.a.1.b. Customer Recognition for Comments**

- **Craig Stokes, City of Collinsville – Assistant City Manager of Operations**
- **Larry Hughes, City of Claremore – Director of Electric Utility**

Mr. Sullivan introduced Mr. Craig Stokes and talked about the recent opportunity to assist the City of Collinsville with a mutual aid request in moving a large transmission line.

Mr. Stokes said he recently contacted Mr. Sullivan to gain assistance with moving a transmission line for the widening of State Highway 20. He stated they had received no bids on the project as there wasn't anyone able to tackle this large item at the time, as most crews were heading to the east coast. Mr. Stokes said within a few hours Mr. Reese

called him back and told him GRDA had everything set up to provide the assistance needed. He stated GRDA, the City of Claremore, the City of Pryor, the City of Siloam Springs, and the City of Edmond came to their rescue. Mr. Stokes said the City of Collinsville has been waiting 10 years for the widening project to come about and were only notified 4 months prior to this project needing to be completed. He thanked Mr. Sullivan, the Board of Directors, Mr. Reese, and all the crews that helped with this project from the bottom of their hearts for stepping up to help. Mr. Stokes said all the lines are now up and energized, with only the tear down of the old poles needed to meet the deadline. Mr. Sullivan commented that this is very timely with it being Public Power Week, and said GRDA has had an ongoing discussion with Tom Rider at the OMA since there was a similar request made by the City of Stillwater. He said for organizations and communities to come together to complete these kinds of projects is part of what GRDA wants to continue to do, and stated GRDA appreciates the opportunity to help.

Mr. Sullivan introduced Mr. Larry Hughes and said he will be leaving the City of Claremore soon to take a position at an electric cooperative in Branson, Missouri. He said he appreciates Mr. Hughes being here today.

Mr. Hughes greeted everyone and said he appreciates the opportunity to speak. He stated he has been with the City of Claremore for 19 and one half years, and felt it was important to come to the meeting to say thank you. He expressed the importance of the relationship between the municipalities and their power provider and said there are times where there are instances like the City of Collinsville experienced, but there are also day-to-day things that GRDA goes above and beyond to help with. Mr. Hughes stated he has grown as a director and personally due to some of the education that many in the GRDA organization have provided, as well as many in the customer group. He said it has been a difficult thing for him to make the decision to leave the family atmosphere as a whole,

and again expressed his deep appreciation to everyone, as well as to the City of Claremore.

Director Kimball said there was an unfortunate incident in a GRDA customer community in Tahlequah recently where 3 officers were involved in a shooting and put on administrative leave. He stated this can be very difficult on a community like Tahlequah, but that GRDA Police Chief Edwards immediately called the city to offer any assistance needed from GRDA's law enforcement personnel. Director Kimball commented that GRDA has a tremendous team that greatly values their customers, and he is very proud of this.

### **3.a.1.c. Enterprise Resource Planning (ERP) Project Status Update**

Mr. Wall introduced Project Manager Sheril Thomas that joined GRDA in July. He said she comes to GRDA with a great deal of experience in project management and business process improvement, and is making a very real difference since she has been at the Authority.

Ms. Thomas greeted the Board and went over what she planned to cover. She provided an overview of what has happened to date with the ERP. She then went over the ERP modules for GRDA, and stated it would be integrating with the existing Maximo and utility billing systems. Ms. Thomas went over the program ownership and explained a little about each aspect. She noted the vendor resources and explained the Sopris team's recent on-site visit, with 3 additional visits planned by the end of the year for inventory and human resources topics. Ms. Thomas talked about the recent project reset that occurred in July 2019, but noted the Sopris project costs were not impacted by the scheduled change. She showed a graph of the current program schedule and financials, illustrating invoices paid and remaining project budget. Ms. Thomas stated the team has accomplished making decisions on payroll, confirming the budget, and completed the

human resources and talent functional design documents. Still in progress are the designing utility billing, the canned reports and power business intelligence, on-site visits with the vendor and data set-up and verification. She said the next steps are a continuation of Finance and inventory related functional design documents.

#### **4. New Business**

##### **4.q. Second Reading for Modified Board Policy No. 3-1**

Mr. Lofton said in order to modify a Board of Directors' Policy it must be brought to the Board at a regularly scheduled meeting and then approved at the following meeting. He stated there are a number of minor language changes and an update to the President and Chief Executive Officer's title from "General Manager". However, the substantive change he is proposing to Policy 3-1 is on item 4.f. which updates the policy to say the President and Chief Executive Officer "Approves, as delegated by the Board of Directors or in accordance with the provisions of the GRDA Purchasing Policy, purchases and contracts where the amount of money involved is One Hundred and Fifty Thousand (\$150,000) or less." This change is due to the statutory change effecting GRDA which also states it would include contracts for more than one year. Mr. Lofton provided an excerpt of the statute and said the change went into effect on July 1, 2019. This amendment was designed to allow the Board of Directors to set a threshold amount that delegates the authority to approve contracts without needing to bring so many directly to the Board each month for consideration. He provided a copy of the modification to the policy to each of the Board members. Mr. Lofton stated he plans on bringing more changes to the Board for review, but felt this change needed to be completed as soon as possible to move forward.

Director Meyers said during the legislative session there were a number of questions about these changes, and he is very pleased that now they can respond to any comments with the fact there is now a policy in place that addresses this. Mr. Sullivan stated the \$150,000 amount ties into the FEMA threshold for contracts that have to be sent out for bid, which is why the staff selected that amount in their recommendation.

Director Churchwell left the room at 10:41 a.m., and returned at 10:47 a.m., but missed the vote on this item.

Director Kimball moved to approve the modification to the Board of Directors' Policy No. 3-1 as presented, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, yes. Motion passed (5-yes, 0-no, 0-abstained).

#### **4.r. Ratification of Task Authorization No. 42776 – Service Agreement – Mead & Hunt, Inc.**

Mr. Edwards told the Board the Storm Adaptive Management Process as required of the current amended Pensacola License requires an external independent engineer familiar with the operations of the Arkansas River flood control management process review conditions during flooding events and to provide input as to methods of management as directed by the U.S. Army Corps of Engineers (USACE), or as elected by GRDA if not under direction of USACE. He stated when flood inflow moves water level above current target levels, the engineer shall review current conditions and prepare a report for distribution, consult with the USACE and determine independent findings, evaluate present conditions and coordinate this on a coordination call or other communication as required, respond to additional information requests from the Federal Energy Regulatory Commission (FERC) and report on results. The new FERC license

extension order would require a closing call as well. Mr. Edwards said this task authorization will complete GRDA's license requirements.

Director Lewandowski asked who initiates the Storm Adaptive Management Plan. Mr. Edwards said that GRDA initiates this, and uses a certain threshold on water levels. He also told the Board this tool has worked well for GRDA.

Chair Richie asked how the inflows from certain areas effect the lake level. Mr. Edwards said recently Grand Lake came up about 1 foot, rather quickly, and explained that the local runoff normally does not impact the lake level too much. However, he stated back in May 2019, when the lake was full, the local runoff was definitely a factor since there is no gaging on the smaller tributaries.

Director Elam moved the Board ratify the Task Authorization #42776 with Mead & Hunt for a not to exceed amount of \$70,000 in association with continuing Pensacola Amended License Requirements for Storm Adaptive Management Processes, seconded by Director Lewandowski, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

#### **4.s. Ratification of Contract 42700 – Engineering Services – Mead & Hunt, Inc.**

Mr. Edwards said to complete the remaining tasks associated with the Integrated Relicensing Process of the Pensacola Project GRDA is required to review study reports, prepare a draft license application, address comments on the draft license application, prepare the final license application, and respond to additional information requests from FERC. He stated that HDR Engineering has brought GRDA through the process up to this point, and that contract has been utilized. This new contract will amount to a savings of about \$800,000.

Director Lewandowski asked about the timeline for this contract. Mr. Edwards said this will run through the end of the relicensing process.

Director Kimball moved the Board ratify Contract #42700 with Mead & Hunt for a not to exceed amount of \$434,000 as part of the relicensing process for the Pensacola Project as presented, seconded by Director Churchwell, and voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

#### **4.t. GREC Unit 1 Retirement Date Recommendation: Ladd**

Mr. Ladd reminded the Board of his August 2019 presentation on this subject. He showed the previous motion approved by the Board as well. Mr. Ladd said he would like to establish a retirement date which is important for internal and external reasons. He asked the Board to amend the motion and add language saying, “pending the final approval and determination of an official retirement date by the Southwest Power Pool (SPP).” Mr. Ladd said once SPP’s approval is received by GRDA, an official retirement date can be established.

Director Churchwell moved the Board authorize GRDA staff to proceed with the decommissioning of GREC 1 and report the unit as being fully retired to State and Federal regulatory agencies, pending the final approval and determination of an official retirement date by the Southwest Power Pool (SPP), seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

#### **4.u. Recommendation to Award Contract 42750 – Welding and Mechanical Services**



Mr. Ladd provided background information about the use of highly qualified contractors for repair services at the GREC. He said to eliminate unnecessary duplicative costs the work scopes of each of the GRDA's contracts has been consolidated. Mr. Ladd stated the proposed contract term would be 1 year, with provisions for renewal in 1 year increments (up to 4). He said the request for proposal went out as a time and material based contract with a value estimated by using the maximum annual work hours. Bidders were required to submit 5 references that included the related work needed and specifications, and to submit safety performance records. Mr. Ladd said GRDA received 3 bids and showed these to the Board. After the bid evaluation, it was determined that Mechanical Construction Services, Inc. (MCS) met all specifications, submitted all required documents, and took no exceptions to GRDA's terms. Additionally, Mr. Ladd stated MCS is a qualified contractor that has demonstrated excellent work performance at the GREC for GRDA in the past. He showed budgeting information and said the bids came back a bit higher than anticipated, but that the proactive plan would be to manage the contract very conservatively and that he does not expect to exceed GRDA's budget.

Director Elam asked if GRDA has always had this type of contract in place at the GREC. Mr. Ladd confirmed this. Director Elam asked if GRDA utilizes this in the maintenance department. Mr. Ladd said GRDA has not used this much in the past, but this contract would allow for that. GRDA is looking at the onsite staffing to see where they could utilize some personnel to assist with this type of work.

Director Lewandowski commented it seems like a large task to try to stay under budget given what the contractor has quoted. Mr. Ladd said he would do everything in his power to manage this contract to stay within the budget set for these services. He also stated he is confident he can do this, and told the Board that as long as there are no

emergencies this should not be a problem. Director Lewandowski asked if the budget was produced based on history. Mr. Ladd confirmed this.

Director Elam asked if this is always the way the maintenance has been handled at the GREC. Mr. Ladd confirmed this and explained there has been some kind of contract in place since he has been with GRDA, since 1999.

Directors Meyers commented that some of these services are highly technical and specialized and GRDA would not want to have someone on staff full time for something like this. Mr. Ladd agreed and provided an example of some of these services.

Director Kimball asked how much of the contract amount is labor. Mr. Ladd said the majority of the contract is labor, but that if the labor is not utilized it is not charged. He stated that to add GRDA staff capable of handling these types of repairs would cost GRDA much more than what this contract is covering. Discussion ensued regarding the benefits and challenges associated with this contract..

Director Kimball moved the Board award Contract 42750 for Welding and Mechanical Services to Mechanical Construction Services, Inc. in the annual not to exceed price of \$3,404,319.75, subject to approval of final terms that are satisfactory to the General Counsel and Chief Executive Officer, seconded by Director Churchwell, and voted upon as follows: Churchwell, yes, Elam, no, Kimball, yes, Lewandowski, yes, Meyers, yes, Richie, yes. *Motion passed (5-yes, 1-no, 0-abstained).*

#### **4.v. Ratification of Contract 47295 – Repair, Assembly, Startup, and Commissioning of Unit 2**

Mr. Ladd provided background information about the event occurring on the evening of July 29, 2019, and subsequent shutdown of GREC Unit 2 which resulted in damages to the low pressure section of the GREC Unit 2 turbine. He said at the August 2019 Board of Directors Meeting he gave the Board an update and overview of the root cause

analysis, and had asked Siemens Energy, Inc. to conduct their own analysis that confirmed GRDA's findings. Mr. Ladd showed photographs of the parts of the unit that were damaged and explained each, as well as showing the casing and rotor at Siemens' shop. He said Contract 42769 was awarded to Siemens Energy, Inc. Upon completion of their damage assessment, Siemens presented a proposal for Phase 3 repairs, Phase 4 unit assembly, and Phase 5 unit commissioning and startup. This contract is a fixed price contract based on terms and conditions similar to those used in Contract 42769. Mr. Ladd explained each portion of the contract and said he has been working closely with GRDA's insurance provider, FM Global, and have their approval to proceed. He told the Board this will be reimbursed according to GRDA's policy. Mr. Ladd said the deductible for this is \$1.3 million, and right now the estimate puts the total at about \$14 million for repairs.

Director Lewandowski asked how old the unit is. Mr. Ladd said it was built in 1986, and restored in 2017.

Director Elam moved the Board ratify Contract 47295 to Siemens Energy, Inc., in the not to exceed amount of \$8,881,450, seconded by Director Meyers, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

#### **4.w. Design & Engineering Services Contract 42857 – New Office Building at Grand River Energy Center – Cyntergy**

Mrs. Moore showed a rendering of a possible look to the new building, saying this is very preliminary. She showed a photograph and aerial view of the site, explaining each. Mrs. Moore said Cyntergy performed the preliminary design and planning on the previous Transmission Headquarters project, and has provided previous design and engineering services to GRDA in the past, meeting and exceeding expectations. Cyntergy has submitted a proposed contract outlining the tasks necessary to program, develop, design,

bid and construct the new building at the GREC, and GRDA would select and contract with a Construction Manager at Risk in the future to provide construction services. She stated Cynergy will then work with the Construction Manager and GRDA to complete the project. Mrs. Moore said GRDA does have money in the 2019-2020 budget and money set aside for the project to move forward.

Director Churchwell asked where Cynergy is located. Mrs. Moore said they are located in Tulsa, Oklahoma. She also stated they are working on The District project at the MidAmerica Industrial Park as well.

Director Meyers asked if the staff felt comfortable that this is a competitive bid. Mrs. Moore said she compared what GRDA is paying the architect working on the Lake Frances project currently and this is 30 percent less than what that project is. Director Meyers asked what other work Cynergy has done for GRDA. Mrs. Moore said they worked on the Engineering & Technology Center in Tulsa, the mobile substation at the Transmission Headquarters and an addition to the Property Maintenance building there. She stated Cynergy has always met GRDA's needs and exceeded expectations. Mr. Sullivan said this amount is a reduction of what the original proposal was after sitting down with GRDA staff to remove some things from the scope of the project.

Director Lewandowski asked is they calculated cost on square footage, and how does the staff know this is a good deal. Mrs. Moore said the staff looked at hourly rates compared to other engineering contracts. Director Lewandowski asked what the total is to be for the project. Mrs. Moore said this is a part of what GRDA is asking Cynergy to do in scoping the project. She stated since this is a comprehensive consolidation of many departments within GRDA it is difficult to finalize an amount. Mrs. Moore explained a bit more about the contract and what it entailed. Mr. Sullivan said GRDA has about \$14 million set aside for the project right now, but this scope can change based on the findings.

He stated the staff feels like the contract is in line with GRDA's needs, but Cyntergy will be able to help. Mr. Sullivan said the sale of the property in Vinita, Oklahoma, is progressing and GRDA anticipates having a sale agreement to come before the Board at a later date, possibly December 2019. He told the Board when the staff is able to come back to them with the final plan and entire scope, including cost per square foot, they hope to have an actual total for the project.

Director Meyers asked if there is an exit provision built into the contract. Mrs. Moore confirmed this. Mr. Sullivan said there are certain sequences Cyntergy will have to follow to get to the next portion of work.

Chair Richie asked if there would be any work done at all until the sale of the Vinita property is final. Mr. Sullivan said the staff intends to move forward with this portion, but they are not going to issue any construction contracts. He also stated this contract could be stopped at some point and we would not be spending the entire \$1.4 million.

Director Churchwell moved to approve the award of Contract 42857 with Cyntergy for an amount not to exceed \$1,402,877, subject to the approval of the terms of the contract with the Chief Executive Officer and General Counsel, seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

#### **4.x. Amendment No. 3 to Engineering Contract 41806 – Pensacola Dam Bridge Rehabilitation**

Mr. Jacoby provided background on the original project, and said the Oklahoma Department of Transportation (ODOT) and GRDA are continuing to work in coordination for the improvement and preferable widening of the State Highway 28 bridge over Pensacola Dam. He stated a "BUILD Grant" application for widening is in process at the U.S. Department of Transportation with an outcome to be determined in November or

early December 2019. Construction of the determined “widen” or “no-widen” option will be made ready for bids and award of construction in July 2020. In order to achieve this goal and accommodate ODOT Office Engineering processes and Resource Agency Reviews, it has been determined that plans need to be advanced for both. Mr. Jacoby presented the costs of the needed expedited tasks for both options, for a total of \$265,280 for this amendment. This includes roadway, safety and traffic control, pre-grant notification on the bridge design, and post-grant notification on the bridge design. He explained the reasons behind the need for this.

Director Churchwell asked for confirmation that there would be 2 plans, a plan to widen the bridge and a plan to leave the bridge as is with some improvements. Mr. Jacoby confirmed this.

Director Meyers asked at what point does GRDA just leave this alone and ODOT builds another bridge parallel to it. Mr. Jacoby said that process had been looked at by ODOT for a number of years, but there are some secondary issues associated with that path and ODOT does not want to go this route, as the cost was considerably more for that type of project.

Director Churchwell moved that professional engineering and planning Contract 41806 be amended by \$265,280 for the BUILD Grant reapplication to a total not to exceed price of \$2,239,940, seconded by Director Lewandowski, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

#### **4.y. Other New Business**

There was no other new business

Chair Richie apologized to the Board for missing his first meeting as Chairman. He explained it could not be avoided and stated he wanted to personally thank previous

Chairman Kimball for filling in for him and for the work he does and has done for GRDA. He said Chairman Kimball is truly GRDA's ambassador and listens to the customers and employees. Director Kimball said he appreciates this and stated he loves what he does.

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## **5. Reports**

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

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

- a) **Consideration, Discussion and Possible Approval of an Assignment of a License to Encroach from Daniel R. and Shelia M. Taber to James F. Wilkinson, Trustee of the James F. Wilkinson Trust Dated 2-5-1996, for Property Located in Delaware County, Oklahoma.**
- b) **Consideration, Discussion, and Possible Approval of a Request by James Trupp, d/b/a Lakeside Terrace Mobile Home Park and RV Campground for a Lease for Property Located in Mayes County, Oklahoma.**
- c) **Consideration, Discussion, and Possible Approval of a Request by Cowboy Marina Management, LLC, d/b/a Indian Hills Marina and RV Park for a Lease for Property Located in Delaware County, Oklahoma.**
- d) **Consideration, Discussion, and Possible Approval of a Request by Diane and Jimmy Taylor Regarding a Flowage Easement in Mayes County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of a Revised License to Encroach Form**
- f) **Consideration, Discussion, and Possible Approval of a Request by Patricia Conner and Terrance Mitchell for a License to Encroach for Property Located in Ottawa County, Oklahoma.**
- g) **Consideration, Discussion, and Possible Approval of a Request by Blane E. Snodgrass for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- h) **Consideration, Discussion and Possible Approval of a Request by David and Cynthia Eimen for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- i) **Consideration, Discussion and Possible Approval of a Request by Jerry and Patricia Pyle for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- j) **Consideration, Discussion and Possible Approval of a Request by Frank Glenn Mefford for a License to Encroach for Property Located in Delaware County, Oklahoma.**

- k) **Consideration, Discussion and Possible Approval of a Request by Wesley D. Jenkins for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- l) **Consideration, Discussion and Possible Approval of a Request by Wesley D. Jenkins for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- m) **Consideration, Discussion and Possible Approval of a Request by Jason S. Van Scyoc for a License to Encroach for Property Located in Ottawa County, Oklahoma.**
- n) **Consideration, Discussion and Possible Approval of a Request by Deborah Thompson for a License to Encroach for Property Located in Mayes County, Oklahoma.**
- o) **Consideration, Discussion and Possible Approval of a Request by St. Andrew's Harbor for an Extension of a Commercial Permit.**

**Regarding item a**, Director Churchwell moved to approve the assignment of the 30 year License to Encroach from Sheila and Daniel Taber to James F. Wilkinson, Trustee of the James F. Wilkinson Trust dated February 5, 1996, in Delaware County, Oklahoma for the amount of \$255.64 per year, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**Regarding item b**, Director Churchwell moved to grant a 5 year Lease of GRDA property located in Mayes County, Oklahoma to Lakeside Terrace Mobile Home Park & RV Campground for the amount of \$342.00, the 5 year lease being beneficial to the business of the Grand River Dam Authority by reducing administrative costs, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**Regarding item c**, Director Churchwell moved to approve a lease of .61 acres in Delaware County, Oklahoma to Cowboy Marina Management, LLC d/b/a Indian Hills Marina and RV Park for a term of 10 years with monthly lease payments in the amount of \$362.00 through September 30, 2021, and \$196.00 thereafter, the 10 year term being



beneficial to the business of the Authority by reducing administrative costs, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**Regarding item d**, Director Churchwell moved that pursuant to the flowage easement language contained in the 1970 deed, Jimmy and Dianne Taylor may build a stilt house above 646.5 mean sea level upon satisfaction of the following requirements: GRDA review plans for the house, GRDA review plans for septic and it be approved by the ODEQ, and GRDA receive confirmation the house and septic are built as proposed, and was voted on as follows: Churchwell, yes, Elam, yes, Kimball, no, Lewandowski, yes, Meyers, yes, Richie, yes. *Motion passed (5-yes, 1-no, 0-abstained).*

**Regarding item e**, Director Churchwell moved to approve revisions to the License to Encroach form as presented, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**Regarding items f through n**, Director Churchwell moved to approve a 30 year Licenses to Encroach for Patricia Conner and Terrance Mitchell, Blane E. Snodgrass, David and Cynthia Eimen, Jerry and Patricia Pyle, Frank Glenn Mefford, 2 licenses to Wesley D. Jenkins, and Deborah Thompson, and voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

**Regarding item o**, Director Churchwell moved to approve an extension until October 15, 2022, of the GRDA permit issued to St. Andrews to allow them to complete the approved modifications, and was voted on as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

- 2. Audit, Finance, Budget, Policy & Compliance Committee: Chair Richie** said there was no report.

3. **Compensation & Marketing Committee:** Director Kimball said he appreciates the comments from the customer representatives today and the staff is doing an excellent job. The advertisements have been well-received as well and he is very proud of these and the staff for their work.
  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.**
- b. **Proposed Executive Session Pursuant to 82 O.S. § 862.1(2)(a) Which Exempts the Grand River Dam Authority from the Oklahoma Open Meetings Act for the Purpose of Conferring on Matters Pertaining to Coal or Gas Fuel Supply and Transportation Contracts.**

Director Kimball moved to go into executive session at 11:51 a.m., seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 12:36 p.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-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.**
- b. **Action, as Necessary, Concerning Matters Pertaining to Coal or Gas Fuel Supply and Transportation Contracts.**

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

**Regarding item b**, Director Meyers moved approval of the agreement discussed in Executive Session, seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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Director Elam moved for adjournment at 12:39 p.m., seconded by Director Lewandowski, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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Sheila A. Allen, Secretary

DATE APPROVED:

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GRDA Board of Directors