

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
October 14, 2020**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Training, Safety & Environmental Building at the Grand River Energy Center in Chouteau, Oklahoma, on October 14, 2020. The option was given to attend via Cisco WebEx using access code 146 455 3136. Some attendees could join by phone at +1-408-418-9388 (Meeting Number/Access Code 146 455 3136). 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 5, 2019, at 4:01 p.m.; by posting the agenda with the Mayes County Clerks' offices on October 13, 2020, at 10:00 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 Lewandowski called the meeting to order at 10:00 a.m. The Secretary called the roll. All members were present, with the exception of Director Richie. Chair Lewandowski declared a quorum.

BOARD MEMBERS

Mike Lewandowski, Chair	Present
Dwayne Elam, Chair-Elect	Present
Tom Kimball	Present
Chris Meyers	Present
James B. Richie	Absent
Charles Sublett	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	Absent
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
Laura Hunter, Chief Human Resources Officer	Absent
Darrell Townsend II, VP – Ecosystems/Watershed Management	Present
Robert Ladd, VP – Grand River Energy Center Operations	Present
Steve Jacoby, VP – Hydroelectric Projects	Present
Mike Waddell, VP – Transmission and Distribution Operations	Absent
Ed Fite, VP – River Operations and Water Quality	Present
Justin Alberty, VP – Corp. & Strategic Communications	Present
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Alicia J. and Terry Gilley; Tonya Backward and Scott Fry, MidAmerica Industrial Park; Darryl Mackay, American Castings; Erin, Alex, Justin and Karla Howe; Jared Crisp, Pryor MUB; Mark Long and James Rich, Mayes County Robotics Team; Craig Stokes, City of Collinsville; Tom Gray, Tamara Jahnke, Jeff Brown, Jennifer Marquis,

Melanie Earl, Ash Mayfield, Matt Martin, Ed Ferguson, Tom Gray, Logan Frances, Teresa Hicks, Susan Wagoner, Jim Dooley, Patrick Richards, Corie Burditt, Tom Crittenden, Mark Schemet, GRDA.

4. New Business

4.a. Capital Work Order Report

Number	Title	Gross Work Order Amount	Net GRDA Cost
RF020-01007	Kerr Dam Log Boom - Generation Section - Revised Estimate	436,527	436,527
RF020-01007	Kerr Dam Log Boom - Generation Section - Original Estimate	132,835	132,835
	Net Amount of Additional Funding for RF020-01007	303,692	303,692
RF019-00969	Mid America District Service - Revised Estimate	525,692	525,692
RF019-00969	Mid America District Service - Original Estimate	472,175	472,175
	Net Amount of Additional Funding for RF019-00969	53,517	53,517
RF019-00955	Pawnee 69 - 15kV Recloser Addition - Revised Estimate	453,864	453,864
RF019-00955	Pawnee 69 - 15kV Recloser Addition - First Revised Estimate	400,217	400,217
	Net Amount of Additional Funding for RF019-00955	53,647	53,647
Grand Total Work Orders		\$ 410,856	\$ 410,856

Mr. Sullivan explained the items on the Capital Work Order Report. He asked if the Board had any questions or needed to follow-up on any item listed.

Director Kimball asked if the sizeable increase on the Kerr Dam log boom item would prevent much more damage and would pay for itself once there was a flood event. Mr. Sullivan and Mr. Jacoby confirmed this. Mr. Sullivan also said this will prevent the need to have GRDA Police officers on site around the clock should the buoy line be lost during such an event.

Director Elam asked if this item was anticipated prior to something occurring. Mr. Jacoby confirmed this was anticipated and explained how this item will further improve the situation going forward.

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, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

CONSENT AGENDA

2. September Claims, \$33,469,714.43.

4.b. Resolutions of Commendation:

- 1) Steve Howe
- 2) Daniel S. Sullivan

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

Description and/or Make of Item
Westinghouse Breakers - Lot of 17
ADR 8000 Radio - Lot of 12
Etek Flatback DCD - Lot of 2
Etek FP3ud com equip lvbd - Lot of 3
Major Power Converters - Lot of 2
Alcatel 3600 plus MainStreet
Stainless Steel Hoshizaki Ice Maker

4.d. Power Cost Adjustment (PCA) of \$0.01863 per kWh for November 2020

4.e. Deed of Conservation Easement – Baron Fork Holdings, LLC – 37.24 Acres in Cherokee County, Oklahoma

4.f. Amendment #1 to Contract Between GRDA and the City of Tulsa and Tulsa Metropolitan Utility Authority for a Supply of Water from Lake Hudson

4.g. Contract for Commercial Service – LML Investments

4.h. Power Purchase and Sale Agreement – Rocky Roads Operating LLC

4.i. First Amendment to Power Purchase and Sale Agreement – Oklahoma Ordnance Works Authority

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

PO Number	Vendor Name and City State	Amount
43180	M D HENRY CO, INC. - PELHAM, AL	701,410.00
43184	JOHNSTON TECHNICAL SERVICES, INC. DBA JTS - DALLAS, TX	107,175.74
Grand Total Standard POs & Contracts:		\$808,585.74

Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
42981	ALLGEIER MARTIN & ASSOCIATES, INC. - JOPLIN, MO	1,150.00
41260	ENTERPRISE FM TRUST - KANSAS CITY, MO	18,000.00
42535	MOTOROLA SOLUTIONS - FARMERS BRANCH, TX	35,149.80
42258	MERRICK & COMPANY - DENVER, CO	1,428,313.00
42944	PARSONS TRANSPORTATION GROUP, INC. - AUSTIN, TX	0.00
Grand Total Change Orders & Renewals:		\$1,482,612.80

Grand Total **\$2,291,198.54**

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

REGULAR AGENDA

1. Regular Board Meeting Minutes of September 9, 2020.

Director Meyers moved to approve the regular Board meeting minutes of September 9, 2020, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

3. Unfinished Business

3.a. Progress Reports

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following comparing information from September 2020 back to September 2019 for GRDA's Full Requirements Customers. He said there is an overall 2 percent increase over last year, and that gas continues to be the primary source in looking at GRDA's energy mix. Mr. Sullivan showed related graphs and stated it was a significant increase over the same month last year. He also

told the Board there has not been the hydro production in the last several months GRDA had a year ago.

Mr. Sullivan stated this week is National Public Power Week and GRDA had a great opportunity to celebrate what that means to all of their customer communities and the state. He said this celebration is a chance to annually remember what that contribution means to all in the State of Oklahoma, and provides an opportunity to highlight the many benefits of public power, as well as celebrating its productive history and exciting future across the country. GRDA joined with the nation's 2,200 other publicly owned electric utilities in this annual event.

GRDA's Wholesale Customer Group met on October 8th at Rogers State University (RSU) in Claremore. Mr. Sullivan said there would be items on the agenda that illustrate what had been decided at this meeting. He stated this was a great opportunity to meet with GRDA customers in-person, and the venue at RSU allowed attendees to social distance and utilize the proper protocols.

Mr. Sullivan told the Board that on October 31, 2020, GRDA and the City of Stilwell would celebrate a 70-year partnership. He said the staff has found handwritten logs and other aged documents on file that demonstrate how far the Authority has come, and how similar things still are in providing service to the city. Mr. Sullivan stated the city has been growing and continues to see good things on the horizon.

Mr. Sullivan told the Board Oklahoma Governor Kevin Stitt proclaimed Sunday, October 4, 2020, as "Pensacola Dam Day". In honor of the 80th anniversary, GRDA Coal Yard Supervisor George Grossman and his family drove his 1937 Model C Truck, similar to ones used during construction of the Pensacola Dam, as part of the celebration. He showed a photograph of the vehicle.

Mr. Sullivan showed a "Thank You" graphic that was put together by the National Indian Women's Health Resources Center. He said the organization wanted to share the good responses they had received from float outfitters regarding GRDA Police officers and river management at GRDA Scenic Rivers. GRDA Police and Corporate Communications partnered

with the agency in late summer to put together Illinois River safety videos for social media. Mr. Sullivan commented these are always fun to see and that it is great to see the positive impact GRDA's team had on the Illinois River and how it has made a significant difference in the way people view the area now.

In other news, Mr. Sullivan said CoreCivic recently reopened the large penal facility near Cushing, Oklahoma, that will now be leased to the U.S. Marshals Offices of Oklahoma. This "restarting" of the CoreCivic penal facility will be a tremendous benefit to the City of Cushing as it generated over \$1 million per year in revenue to the city before the Oklahoma Department of Corrections had stopped utilizing it. He stated the reopening will allow for the preservation of nearly 200 jobs. Mr. Sullivan told the Board the official groundbreaking of the new Sallisaw Veterans Center was held September 25th. He showed photographs of the event and a rendering of the front of the new building.

Mr. Sullivan showed photographs of the ongoing work at the Citizen Potawatomi Nation Substation near Shawnee, Oklahoma. He said in a few weeks a dedication ceremony would be held. Mr. Sullivan stated it is nice to see the project coming along so well to provide power for those coming to the new industrial park.

Mr. Sullivan said GRDA hosted a tour for Secretary John Budd and Secretary David Ostrowe yesterday. Since GREC Unit 3 was down for a scheduled outage, they were able to climb inside and see parts of the unit not normally available. He stated it was great for them to get a better understanding of the scope of operations at GRDA, and everyone is grateful for them taking the time to visit.

The GREC Unit 3 outage is underway and progressing as expected. Mr. Sullivan said teams are working diligently to complete scheduled work and return the unit to service prior to November 1st. He stated that major projects include new rotor leaf seals and Row 1 & 2 vanes and ring segments for the CT, CT water-wash skid installation, fuel gas supply system cleaning, replacement of 71 cycle isolation valves, and chimney resurfacing. Mr. Sullivan explained there are roughly 75 contractors on-site working around the clock, while following COVID-19 protocols.

Also, GRDA's Safety Department has been working with them and GRDA Police have been on standby for those times when the contractors are working in a confined space. He said it has been a great effort to get the unit back online and no significant surprises have come up so far.

Mr. Sullivan stated that several months ago the staff and Board of Directors put in place non-emergency mutual aid agreements. These were signed with all of GRDA's municipal customers. He said last week GRDA line crews were in the municipal customer community of Collinsville to assist with a pole change-out for the city. Mr. Sullivan explained it is to be noted how all of the conductors are covered by insulating guards due to this occurring while the line remained energized. He said Collinsville City Manager Pam Polk was very grateful for the assistance in getting this accomplished.

Mr. Sullivan told the Board GRDA sent a team of linemen and GRDA Police to Lafayette, Louisiana to assist with Hurricane Delta restoration. He said he was happy to report the team returned home last night and are all back safe and sound. The team was able to assist in restoring roughly 5,000 meters. Mr. Sullivan stated GRDA Police Officer Sabrina Criswell was also deployed to Baton Rouge as a member of the Oklahoma Task Force-1 Search and Rescue Team, as this area had been hit hard by Hurricane Laura previously as well. Mr. Sullivan said he and everyone at GRDA hope she is also able to come home soon, and he showed a photograph of the team.

Mr. Sullivan told the Board he and the staff continue to see high COVID-19 numbers around GRDA's service area. He provided the Board with an update on the current COVID-19 situation as of October 12, 2020. Mr. Sullivan showed the current numbers and graphs illustrating a case status breakdown, local radius numbers, and active hospitalization numbers. He said there were 797 new cases in Oklahoma, and 217 new cases in the local radius/district. Mr. Sullivan stated the number that is most concerning is the active hospitalizations that have continued to increase. He said GRDA is watching this and that it is an opportunity for the GRDA Team to continue to reinforce the need for protocols that are already in place.

Mr. Sullivan said he and the Authority would like to present a resolution recognizing Mr. Steve Howe, one of their team members recently lost to a very valiant battle with ALS. He recognized Mr. Howe's family members and read the resolution to those in attendance. Mr. Sullivan introduced members of Mr. Howe's family and expressed how appreciative he was to have the opportunity to present the resolution to them today and recognize the memory of Steve. He thanked the family and told them Mr. Howe will never be forgotten. Mr. Sullivan said shortly after he had passed Mr. Scott Fry with the Mid-America Industrial Park contacted him with the idea of developing a scholarship in Mr. Howe's name to help students going through the local robotics program. The scholarship would assist in preparing them to go to college and further their education. He stated this was a very fitting way to recognize him, and both GRDA and the Mid-America Industrial Park each contributed \$5,000 toward the scholarship as seed money to start the program. Mr. Sullivan said 2 of the 3 recipients are in attendance today as well. He introduced Mr. Scott Fry to speak on the industrial park's behalf.

Mr. Fry said they appreciate GRDA's partnership to establish this scholarship as a part of Mr. Howe's legacy. He stated he had a chance to get to know Mr. Howe through the Lego robotics program at the OSU facility in the park when his sons were a part of that. Mr. Fry said he was able to convince him to do some instruction with their academic programs and that Steve brought many others from GRDA to the program as well. He stated that this program is now a consolidated team of five high schools in Mayes County. Mr. Fry said Mr. Howe gave a lot of his personal time to make sure that the students in the program were served. He also said the park is very excited about establishing the scholarship and providing more resources for students who are taking this path. Mr. Fry stated October is the month Mid-America Industrial Park recognizes its partners in workforce development, with 3 awards awarded. Mr. Fry said there is 1 for a company, 1 for another organization, and 1 that goes to an individual. He explained the award that is given to an individual goes to someone who gives of their time and serves to promote educational career pathways and the technical industrial occupations. This year, he said Mr. Steve Howe has been selected for that award and Mr. Fry presented it to his family. Mr. Fry introduced Mr. Darryl Mackay

with American Castings, the President and Lead Mentor of the Mayes County Robotics Team who has worked with Mr. Howe in building this program over the last 5 years.

Mr. Mackay said Mr. Howe was a good friend and that he felt very privileged to be here and to be a part of the scholarship presentation. He presented the first scholarships to Mr. James Rich and Mr. Mark Long, saying the other recipient could not be present today due to COVID-19 restrictions. Mr. Mackay said this is a great program and he hopes it will be there for students for many years to come. He expressed his appreciation for GRDA and Mid-America Industrial Park and thanked both for their generosity.

Mr. Sullivan invited Mr. Howe's wife Erin to come forward to present the resolution to her and the family. He also thanked them for coming today for this.

Mrs. Howe thanked the GRDA Board of Directors and employees, as well as the Mid-America Industrial Park and the Mayes County Robotics Team. She said Mr. Howe loved his job at GRDA and the many friends he made there. Mrs. Howe stated when their son Alex wanted to participate in the robotics team her husband jumped in and found another passion. She said he loved teaching and mentoring the kids for the last 5 years, and it has meant a great deal to him. Mrs. Howe explained how excited he became as the program grew and he had the opportunity to watch the kids develop a comradery. She also said their son Alex is intending to go to college to become a robotics engineer, and that this means that Mr. Howe's legacy lives on. Mrs. Howe thanked everyone for honoring Steve's memory and expressed how much this means to the family.

Mr. Sullivan expressed his appreciation for Mr. Howe personally and thanked the family and others for attending today to honor him.

4. New Business

4.j. 2020 Workers' Compensation Insurance Coverage

Mr. Lofton said today he has good news for the Board of Directors. He explained the GRDA has Workers' Compensation Insurance coverage through the self-insured program run by the

State Risk Management Division. The annual policy period is July 1 through June 30. This year, the premium for July 1, 2020, through June 30, 2021, is \$225,123.59, a significant decrease. He showed GRDA's recent Workers' Compensation Insurance premium history, their recent history of premium and expenses, the number of Workers' Compensation claims, and the number of absent days due to work-related incidents, explaining each.

There were no questions from the Board. They all commended the GRDA on its work to accomplish this.

Director Kimball moved to approve the payment of \$225,123.59 to the State of Oklahoma for Workers' Compensation Insurance coverage effective July 1, 2020, to June 30, 2021, seconded by Director Elam, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.r. Pensacola Powerhouse Bridge Crane Update - RFP 42966

Mr. Jacoby said the Pensacola Gantry crane has been in service for 80 years. He showed photographs of many of the parts. Mr. Jacoby stated the procurement process resulted in 3 potential upgrades: repairing and replacing of all major controls, repairing motors, adding remote operations, improving variable speed control and switchgear, and improving stabilization for load control safety. He told the Board 1 vendor indicated they could not quote on the improvements without a full replacement of the trolley and hoist, as well as other aged equipment. Mr. Jacoby said there were 2 bids received from 3 prospective bidders, but the bids received were not fully comparable. He presented these bids to the Board, and said Engineering Lifting Systems (ELS) bid for 2 options and found to be fully compliant with the specification, except that they would be replacing motors instead of rewinding. Contract exceptions were minor. The other bidder, Kone Crane bid the trolley replacement option and did not elect to bid these 2 options without a trolley replacement and their proposed trolley replacement option does not meet the current and needed powerhouse access requirements. The ELS proposal for the combination of Options 1 and 2, combined is the lower cost proposal and complies with our request.

There were no questions from the Board.

Director Sublett moved to award RFP 42966 for the Safety Upgrade of the Pensacola Gantry Crane to Engineering Lifting Systems, inclusive of Option 1 and Option 2 for the combined price bid of \$476,911.00, subject to final acceptance of terms and conditions by the Chief Executive Officer and General Counsel, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.m. 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 Wayne A. Bookout and Jean Ann Bookout, Co-Trustees of the Bookout Family Revocable Living Trust Dated May 9, 2019 for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of a Request by Ira Brittle, Trustee of the Ira Brittle and Ruth Brittle Joint Revocable Living Trust Dated June 2, 2010 for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request by Randy Jeff Davis and Carla Jewel Davis for a License to Encroach for Property Located in Mayes County, Oklahoma.**
- d) **Consideration, Discussion and Possible Approval of a Request by Carol R. Langenberg, Trustee of the Carol R. Langenberg Trust Dated May 12, 1990 for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of a Request by Kevin R. Kelley for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- f) **Consideration, Discussion and Possible Approval of a Request by Gayle Reece, Trustee of the Mary L. Ridenour Revocable Trust Dated February 26, 2012 for a License to Encroach for Property Located in Delaware County, Oklahoma.**

- g) **Consideration, Discussion and Possible Approval of a Request by Garland D. Ritter and Carolyn K. Ritter for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- h) **Consideration, Discussion and Possible Approval of a Request by Gary John White and Kathleen Ann White for a License to Encroach for Property Located in Mayes County, Oklahoma.**
- i) **Consideration, Discussion and Possible Approval of a Request by Jay Dee Whitlock and Mary B. Whitlock for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- j) **Consideration, Discussion and Possible Approval of a Request by Ronald G. Richardson and Jack P. Richardson, Successor Trustees of the Richardson Family Revocable Trust Dated the 12th Day of June, 1997 for a License to Encroach for Property Located in Mayes County, Oklahoma.**
- k) **Consideration, Discussion and Possible Approval of a Request by Silver Thunderbird Club for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- l) **Consideration, Discussion and Possible Approval of a Request by Terry R. Gilley and Alicia J. Gilley for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- m) **Consideration, Discussion and Possible Approval of a Request for an Assignment of a License to Encroach from Terry R. Gilley and Alicia J. Gilley to Matt McFeeters and Samantha McFeeters for Property Located in Delaware County, Oklahoma.**
- n) **Consideration, Discussion and Possible Approval of a Request for an Assignment of a License to Encroach from Roger L. and Margaret J. Kelly to John Derfelt and Imogene Derfelt for Property Located in Delaware County, Oklahoma.**
- o) **Consideration, Discussion and Possible Approval of a Request by GL Grand View, LLC for a Lease of GRDA Property Located in Delaware County, Oklahoma.**

Director Kimball said the committee went through a number of routine items on the committee's agenda this morning, but encouraged Board members to ask any questions they may have as the items are discussed.

Regarding item a, Director Kimball moved to approve a 99-year License to Encroach to Wayne A. Bookout and Jean Ann Bookout, Co-Trustees of The Bookout Family Revocable Living Trust dated May 9, 2019, in Delaware County, Oklahoma for the amount of \$1,061.00 per year, and was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item b, Director Kimball moved to approve a 99-year License to Encroach to Ira Brittle, Trustee of the Ira Brittle and Ruth Brittle Joint Revocable Living Trust dated June 2, 2010 in Delaware County, Oklahoma for the amount of \$279.00 per year, plus survey cost of \$77.00 per month, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item c, Director Kimball moved to approve a 99-year License to Encroach to Randy Jeff Davis and Carla Jewel Davis in Mayes County, Oklahoma, for the amount of \$100.00 per year, and was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item d, Director Kimball moved to approve a 99-year License to Encroach to Carol R. Langenberg, Trustee of the Carol R. Langenberg Trust dated May 12, 1990, for the amount of \$306 per year, plus survey fee of \$79 per month until paid., and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item e, Director Kimball moved to approve a 99-year License to Encroach to Kevin R. Kelley in Delaware County, Oklahoma, for the amount of \$100.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item f, Director Kimball moved to approve a 99-year License to Encroach to Gayle Reece, Trustee of the Mary L. Ridenour Trust dated February 26, 2012, in Delaware County, Oklahoma, for the amount of \$100.00 per year, plus survey cost of \$150.00 per month, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item g, Director Kimball moved to approve a 99-year License to Encroach to Garland D. Ritter and Carolyn K. Ritter in Delaware County, Oklahoma, for the amount of \$300.00

per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item h, Director Kimball moved to approve a 99-year License to Encroach to Gary John White and Kathleen Ann White in Mayes County, Oklahoma, for the amount of \$100.00 per year, plus survey cost of \$56.00 per month, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item i, Director Kimball moved to approve a 99-year License to Encroach to Jay Dee Whitlock and Mary B. Whitlock in Delaware County, Oklahoma, for the amount of \$701.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item j, Director Kimball moved to approve a 99-year License to Encroach to Ronald G. Richardson, and Jack P. Richardson, Successor Trustees of the Richardson Family Revocable Trust dated the 12th day of June, 1997 in Mayes County, Oklahoma, for the amount of \$100.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item k, Director Kimball moved to approve a 99-year License to Encroach to Silver Thunderbird Club, an Oklahoma Corporation, for the amount of \$139.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item l, Director Kimball moved to approve a 99-year License to Encroach to Terry R. and Alicia J. Gilley in Delaware County, Oklahoma, for the amount of \$984.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item m, Director Kimball moved to approve the assignment of the 99-year License to Encroach from Terry R. and Alicia J. Gilley to Matt and Samantha McFeeters in

Delaware County, Oklahoma, for the amount of \$984.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item n, Director Kimball moved to approve an amendment of the License to 99 years and an assignment of License to Encroach to John Derfelt and Imogene Derfelt in Delaware County, Oklahoma for the amount of \$310.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item o, Director Kimball moved to approve a lease for property in Delaware County, Oklahoma, to GL Grand View LLC for the amount of \$965.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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

a) Amendment to the Power Cost Adjustment Schedule

b) Resolution to Defer Revenues and Create Rate Stabilization Account II

Director Lewandowski asked Mrs. Gudde to explain the items the committee has discussed and recommends.

Regarding item a, Mrs. Gudde said these items will assist GRDA in planning for future rate stabilization. She explained the key financial metrics to maintaining GRDA's credit rating. Mrs. Gudde explained Debt Service Coverage and why it is so important. She said this Debt Service Coverage is essentially the Authority's ability to meet debt obligations with current year revenues. Mrs. Gudde told the Board rating agencies require 1.5 times coverage to maintain the Authority's current status. She showed a graph illustrating GRDA's average contract sales price projected out until the year 2029, saying that the Authority is looking at stark rate increases in 2026 and 2027 if there is not a plan to deal with this. Mrs. Gudde stated there is a perfect storm of some contract expirations for off system customers, as well as drastic increases in their debt payments. She showed a graph representing GRDA annual debt payment to the Bond Trustee

for the same timeframe, and said this slide represents in millions GRDA's annual debt service. She explained how the bond was structured and why payments were structured the way they are. Seeing what the future could bring, Mrs. Gudde said GRDA needs to take some action now to avoid steep rate increases out into the future for their customers. She said the staff's first proposal to the plan is changing the Power Cost Adjustment (PCA) Schedule. The PCA includes just purchased energy from the market, but does not recover GRDA's purchased capacity. Mrs. Gudde told the Board the committee is recommending GRDA recover purchased capacity through the PCA, but not recommending a shift from the base rate. In addition to adding purchased capacity into the PCA, the committee recommends changing how spot sales revenue flows into the PCA. She said they are proposing the full revenue from spot sales credits the PCA. Mrs. Gudde showed the actual red line copy of the schedule and its language, and that the exact edits they would like to make. She then presented a graph illustration of these impacts to the PCA in terms of numbers and explained the details of this 5-year past look.

Director Kimball moved to approve the amendment to the PCA Schedule as presented, and was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item b, Mrs. Gudde said the second part of the committee's proposal is to take any excess revenue generated by this PCA and create a second Rate Stabilization Account that is not tied back to any bond contractual language. They propose a resolution to allow the GRDA management team, at their discretion, to take some of the revenue earned now while debt service is high and save it for the future. She explained how this will work to keep debt service coverage up, and said the team could more easily manage this account with the Chief Executive Officer as the decision-maker in the process. Mrs. Gudde stated his only restriction would be that he cannot defer so much revenue that it drops GRDA's debt service coverage below that 1.5 coverage level, along with language that allows the GRDA to use the account only after Board approval, and it can only be used with the purpose of reducing or deferring rate increases, or other rate actions for GRDA's customers. She told the Board the customers had many questions

about this, and the timing was a little rushed to get Board approval at least 60 days before the item would go into effect. However, she said it has been thoroughly talked through with them.

Mr. Jared Crisp said the customer group has met numerous times since this came about, but the customers understand the timeline and it has been worked out and thoroughly understood. He stated he believes it will be a benefit to the customers and to GRDA, but the customers would like this account used instead of sitting.

Mr. Sullivan said this second Rate Stabilization Account is a deferral of revenue. So, GRDA can recognize it in the year it is used, which is the actual benefit. He stated there may be some ways for GRDA to use the first Rate Stabilization Account that still helps in reducing forward-looking costs or changing the character of it. Mr. Sullivan said the goal is to find a way to merge the accounts at some point.

Director Elam and Director Meyers commented that the Authority has to cover costs.

Director Sublett asked if GRDA would be in violation of any laws or regulations associated with this. Mrs. Gudde assured him that this is a very common accounting practice.

Director Kimball said he is excited to see this due to the fact that GRDA's customer cities and the Oklahoma Department of Commerce are looking at a record number of economic development projects, and this could be a great tool to recruit business. He thanked Mrs. Gudde for her explanation.

Director Kimball moved to approve the deferral of revenues and the creation of Rate Stabilization Account II, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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

4. Fuel and Long-Range Planning Committee:

a) Approval of Amendments to Wholesale Service Policy, Effective January 1, 2021;

- b) Approval of GRDA's Wholesale Distributed Generation Rider (Rider WP-DG), Effective January 1, 2021;**
- c) Approval of Amendments to Schedule WP, Effective January 1, 2021;**
- d) Approval of the Waiver of Collection of the Make Whole Demand Adjustment (and Refund of Collected Make Whole Demand Adjustment) Under Schedule WP for the Calendar Year of 2020.**

Director Meyers said the committee met right before the Board meeting and discussed many things related to distributed generation and solar. He asked Mr. Mayfield to explain the updates and amendments.

Mr. Mayfield provided the Board with history of GRDA's Distributed Generation Rider. He said the Authority wanted to clarify that if a wholesale customer has end-user rooftop solar installed on its system, the customer would not be in default of the Power Purchase and Sale Agreement. Mr. Mayfield went on to say GRDA wants to prevent unreasonable cross-customer subsidization and wants to ensure the recovery of its fixed costs, which are necessary to supply firm electrical service to customers. He explained that GRDA revised its Distributed Generation Policy in 2018, and went over those changes. Mr. Mayfield said customers must annually report installed Distributed Generation to GRDA to allow them to maintain adequate system awareness and comply with any necessary Southwest Power Pool (SPP) requirements. He provided the initial purpose and the reason for the update to the rider, which is to provide sufficient flexibility to develop retail Distributed Generation programs. Mr. Mayfield explained policy amendments that the GRDA Staff and the Fuel & Long-Range Planning Committee are proposing.

Mr. Sullivan added that this is really evolutionary. He said the staff began this plan in 2018 and they have seen the need to make these changes. Mr. Sullivan also said there was not a guarantee there would be no more changes as this continues to grow, but that GRDA wants the program to be flexible enough to respond to any issues that arise. He also stated that the

underlying guiding principle for this has been to not be a detriment to the development of solar in the communities nor an excuse not to do it. Mr. Sullivan said he believes everyone is on the same page on this.

Regarding item a, Director Meyers moved to approve the amendments to the GRDA Wholesale Service Policy, to be effective January 1, 2021, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item b, Director Meyers moved to approve GRDA's wholesale Distributed Generation rider (Rider WP-DG), to be effective January 1, 2021, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item c, Director Meyers moved to approve the amendments to GRDA Schedule WP, to be effective January 1, 2021, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item d, Director Meyers moved to approve the waiver of collection of the Make Whole Demand Adjustment (and refund of \$88.88 in collected Make Whole Demand Adjustments) under Schedule WP for the calendar year of 2020, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

6. Executive Session:

- a. 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 11:19 a.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

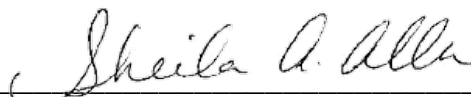
Director Sublett moved to return to regular session at 12:04 p.m., seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

a. Action, as Necessary, Concerning Coal or Gas Fuel Supply and Transportation Contracts.

Regarding item a, Director Kimball moved to ratify the acceptance of the Coal Transportation offer as discussed in Executive Session, subject to the approval of final contract terms and conditions by the CEO and General Counsel, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Kimball moved for adjournment at 12:05 p.m., seconded by Director Elam, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

November 10, 2020

GRDA Board of Directors