

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
November 9, 2022**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority's Administrative Center in Chouteau, Oklahoma on November 9, 2022. Notice was given pursuant to 25 O.S.A. § 301 et seq. by submitting a schedule of regular monthly meetings to the Secretary of State on November 30, 2021 at 9:12 a.m.; by posting the agenda with the Mayes County Clerks' offices on November 8, 2022, at 9:44 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 Sublett called the meeting to order at 10:19 a.m. The Secretary called the roll. All members were present, with the exception of Directors Meyers and Richie. Chair Sublett declared a quorum.

BOARD MEMBERS

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

ADMINISTRATIVE

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

Others present were as follows: Ethan Edwards, Emily Rowland, Mike Parks and Addison Maddox, City of Broken Arrow; Mike Williams, Shangri-La Resort; Greg and Cassy Ware, Longs Resort; John Rehring, Carollo Engineers; Todd Elson, Indian Hills Marina; Clay Bretches, Vera Land Co.; Kristi Shaw HDR Engineering; Thom Jenkins, Insurica; Mike Doublehead, Kim Door and Lacy Creech, TPWA; Cheryl Adams, MESO; Robin Haggard, Jessica Robertson and Keith Skelton, City of Sallisaw; Jared Crisp and Travis Willis, Pryor MUB; Mike Starks, City of Cushing; Craig Stokes, City of Collinsville; Lindsey Pever, A New Energy; Samantha Stewart and Sarah Rock, Stilwell Utilities; Lo Smith, Stillwater Utility Authority; Brad White, City of Skiatook; Clifton Adcock, The Frontier; Jason Stutzman, MidAmerica Industrial Park; John Riesenbergh, Governor Kevin Stitt's Office; Justin Whitecotton, CPN; Sue Catron and Alan Chapman, City of Tahlequah; Tamara Jahnke, Melanie Earl, Justin Alberty, Michelle Day, Eric Alexander, Tonya Backward, Cameron Philpott, Jerry Cook, Christine Burmaster, Shannon Randolph, Leah

Messner, Matt Martin, Stephen Baldrige, Jeff Brown, Gary Pruet, Brylee Harbuck, Leah Maloy, Belinda Harvey, Jennifer Marquis, Patrick Magnon, Kevin Wheeler, Diana Martin, Ben Privett, Clint Heidelberg, Jacque Scarisbrick, Cory Fisher, GRDA.

4. New Business

4.a. Capital Work Order Report

Number	Funding Source	Title	Net GRDA Cost
RF022-01198	RESERVE	Mill PA Airflow Measurement Upgrade	\$ 345,321
Grand Total Work Orders			\$ 345,321

There were no questions from the Board on the Capital Work Order Report.

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

CONSENT AGENDA

4.b. Resolutions of Commendation

- 1) Kathleen Mary Ehrhard
- 2) Robert Joe Harshaw
- 3) Kurt J. Robbins

4.c. Power Cost Adjustment (PCA) of \$ 0 .03693 per kWh for December 2022

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

Description and/or Make of Item
DeWalt Reciprocating Saw
Amp Probe Meter
Ratchet Cutter
AB PC: Lot of 12
Cisco Switch: Lot of 6
Cisco Router
HP Printer: Lot of 4
HOPF Timeserver
Dell Monitors: Lot of 10
Wood Poles: Lot of 3 (Poor Condition)
Conductors: Lot of 3 (Poor Condition)

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
44022	BRENNTAG SOUTHWEST, INC. - NOWATA, OK	304,518.00
44036	FASTENAL COMPANY - VINITA, OK	280,000.00
44034	PRO-CRANE SERVICE, INC. - ROHNERT PARK, CA	50,000.00
Grand Total Standard POs & Contracts:		\$634,518.00
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
43809	ANIXTER, INC. - OKLAHOMA CITY, OK	2,323.03
43635	LB TECHNOLOGY, INC. - MEMPHIS, TN	277,000.00
43626	BLACK & VEATCH CORPORATION - OVERLAND PARK, KS	15,000.00
43888	SHAFFERS SUBSTATION CONSTRUCTION CO. - ELLSINORE, MO	10,070.00
Grand Total Change Orders & Renewals:		\$304,393.03
Grand Total		\$938,911.03

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

REGULAR AGENDA

3. Unfinished Business

3.a. Progress Reports

3.a.1. Current Operations Reports

Mr. Sullivan welcomed the crowd to the new GRDA Administrative Center. He expressed how delighted GRDA personnel are to be in this new building and stated there would be an open house following this first Board meeting in Kimball Hall. Mr. Sullivan publicly thanked Mrs. Hunter, Mrs. Holly Moore, Mrs. Jacque Scarisbrick and the entire team that work on this large building project. He explained Mrs. Moore had to be absent today, and the crowd applauded their efforts.

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following, comparing information for 2021 and 2022 for GRDA's Full Requirements Customers for the month of October. He said this month there was a 1 percent decrease in demand and a 2 percent increase in energy.

Mr. Sullivan showed graphs illustrating a comparison of resource energy production for October 2021 and October 2022. He noted there was a flip between coal and natural gas, which is an indicator of what is going on with the current gas market. It also shows the effect of the outage of GREC Unit 2 during this time. Mr. Sullivan showed a chart illustrating the current Henry Hub natural gas futures and settlements, as well as explaining details of the chart. He said the numbers are a significant improvement over previous months as this does show in GRDA's power cost adjustment.

Mr. Sullivan showed a graph on GRDA's Load Cost & Value of Resource Portfolio and explained details of this as well. He said keeping costs low and paying close attention to these numbers allows GRDA to continue to benefit its customers and keep rates as low as possible. The number is trending down which is positive for GRDA customers related to the associated costs of producing electricity.

Mr. Sullivan showed 3 financial charts providing information on GRDA's Operating Results, Debt Service Coverage, and Cash Reserves as of September 30, 2022. He said the information in these charts do not include the Power Cost Adjustment (PCA) and explained each of these. The charts show the GRDA Team holding the line on expenses, an increasing demand from GRDA customers, a continued increase in debt service coverage, and cash on hand directly related to higher fuel costs.

Mr. Sullivan told the Board GRDA was recently recognized for "developing a Watershed Conservation Program to Improve Long-Term Water Quality" by the Environmental Federation of Oklahoma (EFO) in October by being awarded the Frank Condon Award for Environmental Excellence. He showed a photograph of the presentation and part of the conservation easements associated with the project.

The Ecosystems and Watershed Management Team offered a free Stormwater Construction Inspector Training in late October for stormwater professionals. There were representatives from Claremore, Collinsville, Coweta, Edmond, Owasso, Sand Springs, Tahlequah and the Village (near Oklahoma City), along with attendees from Cherokee County, Wagoner County, Tulsa County, the Department of Agriculture, University of Oklahoma and Oklahoma Department of Environmental Quality (ODEQ) and INCOG. Each attendee will be able to use the training as proof of being a "qualified person" under the ODEQ new permit rules and received 6.5 hours of continuing education.

Mr. Sullivan showed photographs from the "Legends of the Fall" offroad event held below Pensacola Dam by MidAmerica Outdoors on October 26, 2022. He said this large event was very well attended.

As the Authority celebrates Veteran's Day on Friday this week they would like to recognize the members of the GRDA workforce and Board of Directors that have served in the United States Armed Forces. The Authority is proud of their dedication to country and duty, as well as their service to GRDA. Mr. Sullivan thanked all veterans for their sacrifice to allow others the freedom to exercise their vote as they did yesterday.

3.a.1.a. Grand River Energy Center Outage Update

Mr. Ben Privett, GRDA Senior Manager – O&M Generation Operations, introduced himself to the Board and went through highlights of the GREC Unit 2 and Unit 3 outages. He stated the crews performed several maintenance and repair items on both units and explained each of these. Mr. Privett went through the outage work schedule for both units and said planning and employee involvement lead to excellent outage execution. Safety was held as the priority by all personnel on-site. Plant employees actively worked with contractors to conduct work safely and stopped work on several occasions to evaluate risk. In some of these instances, changes were made to further mitigate risk and a safety stand-down was conducted by plant leadership. Over 40 work hours were utilized to prepare for these outages around outage safety alone. Mr. Privett told the Board this planning effort truly displayed safety excellence, inclusion of others, excellent planning, and shared trust among maintenance and operations teams. He said it was time well invested and truly showed huge dividends during the execution of these outages.

Discussion ensued regarding outage timing and any concerns that were brought forward.

There was no action needed on this item.

3.a.1.b. Hydropower Outage Update

Mr. Clint Heidelberg, GRDA Senior Manager – Hydro O&M Generation Operations, introduced himself to the Board and went through the core objectives of the outages. These were mitigating risk, maintaining reliable performance of GRDA's assets and managing asset lifecycle costs to maintain affordable energy production. He went through details of the outages on Pensacola Dam Unit 4, Kerr Dam Unit 2, and Salina Pumped Storage Project Unit 1. Mr. Heidelberg said the staff maintained reliability of the units and ensured they will be available with minimum forced outages to ensure reliability until a major overhaul is performed. There was only 1 reported safety incident during this outage season that was a loss of balance resulting in a fall. The Salina Pumped Storage Project gained improved signage and knowledge

around CO2 discharge, including the purchase of and training on supplied air escape hoods. Kerr Dam crews installed and tested a fall arrest system in the thrust bearing bracket area. The Pensacola Dam gained improved upper scaffolding after a near miss during the last outage. Mr. Heidelberg also went over some of the risk management information the Board was familiar with from previous meetings related to succession planning and future business needs.

Discussion ensued regarding what GRDA staff has seen during this outage and what inspection protocols are for all the units.

Mr. Sullivan noted there were 2 themes throughout both presentations, safety and the #1GRDA philosophy. Mr. Sullivan expressed how important utilizing resources among various departments is and how working together is making a significant difference for GRDA customers. He thanked Mr. Privett and Mr. Heidelberg for their work and commended the crews for their efforts.

There was no action needed on this item.

4. New Business

4.e. Consideration, Discussion, and Possible Approval of Cyber Liability Insurance

Mr. Lofton told the Board GRDA's cyber liability insurance coverage is currently provided by Munich Re Syndicate Limited, with a policy period of November 23, 2021, to November 23, 2022. Their liability limit is \$5 million, for a premium and surplus lines tax of \$177,851.00. He reminded the Board that this is the first time GRDA has obtained their own stand-alone policy for this type of coverage. Prior to last year, the Authority participated in the State of Oklahoma's policy that covered all state agencies. However, following the data breach involving the Oklahoma Department of Securities all state agencies that did not have their IT services provided by the Oklahoma Office of Management and Enterprise Services (OMES), like GRDA, were no longer insured under the State's cyber liability policy. As a result, GRDA was required to obtain its own coverage. Mr. Lofton explained what is covered under the current cyber liability coverage and explained the renewal quotation received from Munich Re Syndicate Limited for that same coverage, with a premium and surplus lines tax increase to \$195,268.96.

Director Elam asked what the direct reason was for the increase. Mr. Lofton stated it was due to the nature of the Authority's business. Mr. Thom Jenkins, GRDA's insurance consultant, said the average increase right now is about 20 percent, but some increases were closer to 100 percent. Cyber security is also a very complicated and a relatively new coverage. He explained the main exposures of not having this coverage and the current environment, saying this will evolve over the next few years. Mr. Lofton said he and Mr. Jenkins have discussed this in depth in relation to GRDA's current property coverage and the requirements and coming changes for losses related to cyber security.

Discussion ensued regarding potential scenarios and whether the Authority has the appropriate coverage. Mr. Lofton and Mr. Jenkins explained further about the risks surrounding a cyber-attack.

Mr. Sullivan told the Board GRDA also has a mutual aid system in place for Information Technology events such as this with the Large Public Power Council (LPPC). As a whole, all of the organizations that are part of LPPC come to each other's assistance during these types of events, similar to the mutual aid agreements in place for weather events. Mr. Mike Doublehead commented that the cities do have this type of coverage through the Oklahoma Municipal Assurance Group (OMAG). OMAG is a municipal insurance risk pool for many types of coverage.

Director Elam moved to approve the renewal of cyber liability insurance through Munich Re Syndicate Limited for \$195,268.96, seconded by Director Westbrook, and voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.f. 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 Longs Resort for Approval of a Commercial Permit Application for a Facility Located in Delaware County, Oklahoma.**

- b) **Consideration, Discussion and Possible Approval of a Request by Cowboy Marina Management LLC d/b/a Indian Hills Marina for Approval of Modification of an Existing Facility Located in Delaware County, Oklahoma and for a Waiver to Exceed the 1/3 of the Cove Rule.**
- c) **Consideration, Discussion and Presentation by Carollo Regarding the Grand River Comprehensive Water Plan: Update of the Existing Rate Structure of Raw Water Sales on a Cost Recovery Basis.**
- d) **Consideration, Discussion and Possible Approval of Request by Vera Land Company, LLC for a Raw Water Contract Located in Mayes County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of Agreement between The Edward L. Gibbs Trust dated April 8, 1986, and GRDA to Release Easements and to Remove Facilities Related to GRDA Transmission Line 315 Located in Tulsa County, Oklahoma.**

Director Westbrook said the committee met this morning and discussed several items. He briefly explained these and noted the order of the items was rearranged to accommodate a lengthy discussion on the water plan item.

Regarding item a, Director Westbrook moved to approve the commercial application for Long's Resort as submitted, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item b, Director Westbrook moved to approve the commercial application for Indian Hills Marina and a waiver of the 1/3 of the Cove rule for Dock 1, and applicant shall pay the remaining \$2,500 of the application fee within 2 years from today's date, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item c, Director Westbrook stated this item was tabled by the committee and would require further discussion.

Regarding item d, Director Westbrook moved to approve a five-year raw water contract to Vera Land Company, LLC to withdraw a maximum of 4 million gallons per month for June –September with a total maximum of 24 million gallons per year, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item e, Director Westbrook moved to declare the facilities discussed herein as no longer necessary to the business of GRDA, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Also regarding item e, Director Westbrook moved to approve the agreement to release easements and to remove facilities with the Edward L. Gibbs Trust dated April 8, 1986, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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

3. Compensation & Marketing Committee: Mr. Sullivan said there is no report for this committee.

a) Fall/Winter 2022 Marketing Campaign

Chair Sublett asked if there would be a report for the committee with Director Richie absent. Mr. Sullivan confirmed there is and asked Mr. Wiscaver to provide an update for the Board on GRDA's marketing and media campaign.

Mr. Wiscaver showed the latest version of the advertisement for the Authority. He stated during 2022 GRDA pursued a television and digital buy in the Tulsa and Eastern Oklahoma market via a Request for Proposal (RFP) and continued to take advantage of geotargeting which allows the Authority to specifically place this in the communities they serve. KOTV-Channel 6 (CBS affiliate) and KJRH-Channel 2 (NBC affiliate) were awarded contracts for this television and digital buy. The campaigns with both broadcast media outlets had 2 strategic timeframes, spring from mid-May to mid-July and a holidays campaign for November and December. Both campaigns' timeframes were developed to maximize return on investment. Mr. Wiscaver showed the performance of both media outlets regarding guaranteed and estimated deliverables in relation to GRDA's investment and explained these further. He stated GRDA invested a total of \$80,000.00, with an estimated gained value of \$161,050.00 (a 202 percent return on their investment) and does not account for the digital buy. There is no plan to increase the investment for 2023 as the Authority's objective is to only promote their story.

There was no action needed on this item.

4. Fuel and Long-Range Planning Committee:

- a) **Commencement of the Consideration Process for the Proposed Demand Response Practice and Electric Vehicle Charging Program Required by 16 U.S.C. § 2621(d)(20) & (21).**

Chair Sublett asked if there would be a report for the committee with director Meyers absent. Mr. Sullivan confirmed there is and asked Mr. Lofton to provide information on this item for the Board.

Mr. Lofton said Mr. Ash Mayfield worked on this presentation, but Mr. Mayfield was not able to attend the Board meeting today. He explained that the Public Utility Regulatory Policies Act of 1978 (PURPA), in response to the energy crisis then, was amended by the Infrastructure Investment and Jobs Act (IIJA) in 2021. He further explained the purpose behind the original act, as well as how this effected GRDA's coal unit construction. The result of this is that GRDA must consider a couple of new policy items under PURPA. These 2 new policy items are Demand Response Rate Mechanisms and Electric Vehicle Charging Programs. The Authority is required to open the consideration process on or before November 15, 2022. The process has to end, and a decision made on or before November 16, 2023. In the meantime, GRDA will need to have public meetings to discuss these matters. The comments from the meetings will need to be evaluated and the staff will need to perform some internal analysis. Mr. Lofton presented further details and a timeline from the actual PURPA language. The first standard is related to the demand response rate mechanisms and practices. The Authority will be considering policies that promote the reduction of electric consumption during periods of high demand to mitigate stress on the electric system. The second standard is related to the electric vehicle charging programs. The GRDA will be required to consider measures to promote greater electrification of the transportation sector, including establishing rates that promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure, improve the customer experience associated with electric vehicle charging, including reducing charging times all vehicles, accelerate third-party investment in electric vehicle charging for all vehicles, and appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure. Mr. Lofton presented the procedural requirements for GRDA to consider doing what the act asks them to do. He also provided an example of a previous PURPA consideration issued by the Lincoln Electric System Administration Board in 2005-2007. The recommendations today are to commence the consideration process and authorize the CEO to appoint staff to hold public meetings and evaluate the information acquired. In the first quarter 2023, public meetings

are proposed to be held. In the second quarter of 2023, the Fuel and Long-Range Planning Committee will be asked to consider staff recommendations and public comments. This will allow the Authority to propose a final recommendation and make a final decision in the third quarter 2023 to adhere to the November deadline.

Director Matthews moved to open the process for the consideration of the Demand Response Practice and the Electric Vehicle Charging Programs required by 16 U.S.C. § 2621(d)(20) & (21); and authorize Dan Sullivan, President & CEO, to appoint representatives to hold the public hearing, evaluate the information acquired, and provide their recommendations, seconded by Director Westbrook, and voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Westbrook stated the committee did meet last week and there will be an additional item to be discussed during Executive Session.

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) for the Purpose of Allowing the GRDA Board of Directors to Confer on a Gas Fuel Supply and Transportation Contract.**

Director Elam moved to go into executive session at 11:41 a.m., seconded by Director Lewandowski, and voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Westbrook moved to return to regular session at 12:39 p.m., seconded by Director Matthews, and voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

- a. **Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494-348.**
- b. **Action, as Necessary, Concerning a Gas Fuel Supply and Transportation Contract.**

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

Regarding item b, Director Westbrook moved to approve the amendment of the fuel management services agreement with Symetry to extend the term to April 1, 2024, and to authorize Tim Brown to negotiate additional terms subject to the approval of the President and CEO, seconded by Director Lewandowski, and voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Elam moved for adjournment at 12:41 p.m., seconded by Director Matthews, and voted upon as follows: Elam, Lewandowski, Matthews, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

March 9, 2023

GRDA Board of Directors