

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
December 14, 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 December 14, 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 December 13, 2022, at 9:31 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of Grand River Dam Authority at least 24 hours prior to the meeting.

Chair Sublett called the meeting to order at 10:03 a.m. The Secretary called the roll. All members were present, except for Directors Lewandowski and Richie. Chair Sublett declared a quorum.

BOARD MEMBERS

Charles Sublett, Chair	Present
Michael Westbrook, Chair-Elect	Present
Dwayne Elam	Present
Mike Lewandowski	Absent
Paul Matthews	Present
Chris Meyers	Present
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	Absent
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	Absent
Chris Carlson, Deputy Chief – Law Enforcement	Absent
Sheila Allen, Corporate Secretary	Present

4. New Business

4.a. Capital Work Order Report

Number	Funding Source	Title	Net GRDA Cost
RF021-01138	CONTINGENCY	Kerr Spillway Stilling Basin Air Quality Monitoring and Ventilation Improvement Construction - Part 2b Gallery Ventilation Improvements	2,975,184

RF020-01007	REVENUE	Kerr Dam Log Boom - Generation Section - Revised Estimate	4,220,941
	REVENUE	Kerr Dam Log Boom - Generation Section - 1st Revision	436,527
Additional Funding for RF020-01007			3,784,414
Grand Total Work Orders			\$ 6,759,598

Mr. Sullivan explained the items on the report and how it relates to items later in the agenda.

Directors Elam and Matthews asked for some background on why amounts needed to be updated and background on the technical needs. Mr. Sullivan stated they intended to take care of this portion of the work in-house and now realize there is a need to bring in additional expertise for a warranted product. He also explained the history behind the technical and physical needs for this and said they do not anticipate any change orders. However, if there were needed change orders, those would need to be brought back to the Board. A report will be provided as well to keep the directors up to date.

There were no other questions from the Board.

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

CONSENT AGENDA

2. October Claims, \$64,987,892.61; and November Claims, \$58,406,965.12.

4.b. Resolutions of Commendation:

1) Laura Townsend

4.c Power Cost Adjustment (PCA) of \$ 0 .03806 per kWh for January 2023

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

Description and/or Make of Item	
Korenix	Alcaltel Switch
Safenet - Lot of 2	Cable - 1 Spool
Creative Labs	NTAP
Palo Alto - Lot of 4	Cisco Switch
Cisco ASA 5506 - Lot of 3	Cisco ASA 5505 - Lot of 2
Gigamon Tap	RuggedCom Switch
Alcaltel Phone	

4.e. Consideration, Discussion, and Possible Approval of Memorandum of Understanding Between Cherokee Nation, GRDA, and Mayes County, Oklahoma for the Maintenance of South 439 Road from Highway 20 and Continuing for 3.926 Miles to the South

4.e. **Approval of Assignment of Revocable License to Encroach from The Marsha Dene Conine Revocable Trust dated April 22, 2005 to Thomas Matthew Baine for Property Located in Craig County, Oklahoma**

4.f. **Approval of Assignment and Second Amendment to Lease from Dickson Marina, LLC to Clubhouse Capital III- Honey Creek, LLC for Property Located in Delaware County, Oklahoma**

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
44052	VALMONT SUBSTATIONS LLC - KANSAS CITY, MO	158,830.70
44073	UNITED STATES GEOLOGICAL SURVEY - OKLAHOMA CITY, OK	202,050.00
126462	GE STEAM POWER, INC. - ATLANTA, GA	1,224,959.80
44074	CHICKASAW TELECOM, INC. - TULSA, OK	283,593.25
Grand Total Standard POs & Contracts:		\$1,869,433.75

Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
43538	US LIME - ST CLAIR - DALLAS, TX	0.00
44022	BRENNTAG SOUTHWEST, INC. - NOWATA, OK	7,372.00
42535	MOTOROLA SOLUTIONS, INC. - DALLAS, TX	0.00
43692	OKLAHOMA STATE UNIVERSITY - STILLWATER, OK	0.00
117595	JOE COOPER FORD, INC. / FORD OF TULSA - EDMOND, OK	24,614.00
43168	PAUL GEOTEK ENGINEERING LLC - ARVADA, CO	24,680.00
43169	GEOLITH CONSULTANTS - ROLLA, MO	36,000.00
43170	SCHNABEL ENGINEERING LLC - ALPHARETTA, GA	38,500.00
42698	ALGONQUIN CONSULTANTS, INC. - MIAMI, OK	80,400.00
43204	PHOENIX INDUSTRIAL INSULATION CORP - GLENPOOL, OK	205,000.00
42535	MOTOROLA SOLUTIONS, INC. - DALLAS, TX	0.00
41375	TIMCO BLASTING & COATING, INC. - BRISTOW, OK	0.00
43850	OKLAHOMA STATE UNIVERSITY - STILLWATER, OK	305,478.00
Grand Total Change Orders & Renewals:		\$722,044.00
Grand Total		\$2,591,477.75

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

REGULAR AGENDA

1. Regular Board Meeting Minutes of October 12, 2022.

Director Matthews moved to approve the Regular Board Meeting Minutes of October 12, 2022, seconded by Chair Sublett, and voted upon as follows: Elam, yes, Matthews, yes, Meyers, abstain, Sublett, yes, Westbrook, yes. *Motion passed (4-yes, 0-no, 1-abstained).*

3. Unfinished Business

3.a. Progress Reports

3.a.1. Current Operations Reports

Mr. Sullivan presented a 5-Year Pin to Mr. Wiscaver, Executive Vice President – Corporate & Strategic Communications, and thanked him for his service. He also recognized Mr. Tom Rider with MESO for his retirement and service to the State of Oklahoma and wished him the best.

Mr. Sullivan said following this meeting today there is a scheduled meeting with their municipal customers and their law enforcement agencies to discuss some recent events like the event in North Carolina where a substation was shot at. He told the Board they want to continue their efforts with the municipal customers on security issues. There will be a representative from the FBI in attendance as well. It is a very real concern and everyone would like to ensure they coordinate and have the best lines of communication open. He thanked Chief Edwards and his personnel for putting this together. The event is scheduled for 1:30pm today.

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 November. He said this month there was an 11 percent increase in demand and energy. This is great to end the year on a strong note. Mr. Sullivan showed graphs illustrating a comparison of resource energy production for November 2021 and November 2022. He noted the significant change in the gas and coal used with the mild weather during the month.

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 have continued to drop, but as of the end of the month they see some increase in pricing for January being factored in. Mr. Sullivan stated he and the staff will continue to watch this.

Mr. Sullivan showed a graph on GRDA's Load Cost & Value of Resource Portfolio and explained details of this. He said they continue to see these numbers coming down. He showed 3 financial charts providing information on GRDA's Operating Results, Debt Service Coverage, and Cash Reserves as of October 30, 2022. The charts show the GRDA Team holding the line on expenses, an increasing demand from GRDA customers, and an increase in revenue year over year. Debt service coverage looks to be quite strong, and the decrease in the case reserves in the last several months has leveled off due to a better gas market.

GRDA was proud to participate with the Paralyzed Veterans of America (PVA) once again on their annual hunt, which brought eight participants and was held on GRDA property in Ottawa County. PVA is a congressionally chartered veterans service organization, founded in 1946. It has developed a unique expertise on a wide variety of issues involving the special needs of its members - veterans of the armed forces who have experienced spinal cord injury or dysfunction. Mr. Sullivan explained further information about the hunt and expressed his appreciation for GRDA personnel that participate and support the program.

The Authority was named the recipient of the 2022 Outstanding Stewards of America's Waters (OSAW) award by the National Hydropower Association. Dr. Darrell Townsend was on hand to accept the award. Mr. Sullivan thanked Dr. Townsend and explained more about the requirements to receive this honor. To address harmful algal blooms that have occurred on Grand Lake in recent years, GRDA, in cooperation with other resource agencies, is taking a more proactive approach by implementing a water quality modeling project. These efforts have helped to identify the nutrient sources contributing to those algal blooms. The Guard the Grand Program was developed to support this effort. To date, GRDA has enrolled 471 acres within the watershed into long-term, 30-year conservation easements and continues to measure the environmental outcomes of these easements to help curtail the frequent formation of harmful algal blooms in Grand Lake.

There were 33 peer review team members from across the country at GRDA's Administrative Center for a North American Transmission (NATF) Forum November 28 through December 1, 2022, to review processes and practices in the following areas: system operations, system operations training, system operations tools (SCADA), risk controls, compliance, and system protection. GRDA received good information on industry best practices as well as sharing their own. The NATF's mission is to promote excellence in the safe, reliable, and resilient operation of the electric transmission system.

The GRDA Customer Relations Team (CRT) was involved in a Listening Tour in Pryor, Oklahoma. The Listening Tours are providing an opportunity for GRDA's wholesale customer community leaders to meet GRDA Economic Development Manager Shelldon Miggetto and for the CRT to learn how GRDA can best assist the communities they serve. This is an ongoing process to support GRDA customers.

Mr. Sullivan told the Board the Authority has participated in approximately 30 Christmas parades over the last few weeks and that these have now concluded.

Mr. Sullivan said it is with heavy hearts he shares GRDA Police Officer Chad Nave passed away on December 12 this week. Chad served in the GRDA Police Department in a variety of roles since 2016, with his most recent assignment at the badging station at the Grand River Energy Center, where he was active until his death. He asked the group to keep his family and friends in their thoughts and prayers.

4. New Business

4.g. Opening of Rulemaking Record Pursuant to the Oklahoma Administrative Procedures Act for Title 300 of the Oklahoma Administrative Code, Chapters 1 Operations and Procedures, Chapter 10 Public Purpose Support and Assistance, Chapter 20 Acquisition Policy, Chapter 35 Lake Rules, and Chapter 40 Scenic Rivers Rules:

Mr. Lofton explained GRDA has enacted administrative rules addressing operations, community support and economic development assistance, disposing of surplus property, acquiring property, licenses to encroach on GRDA property, aircraft travel use logs, lake rules, scenic river rules, and administration of rules and hearings. Normally, GRDA opens the rulemaking process and Administrative Rulemaking Record in December. The Authority will publish the Notice of Rulemaking Intent by the end of this week with the State of Oklahoma. GRDA also notifies the Governor and Cabinet Secretary. During the first 30 days, GRDA accepts public comments. In February, they will hold a public hearing and the staff will present the proposed rule changes to the GRDA Board of Directors. In March, after consideration of public comments, the GRDA Board may adopt rules as proposed, revise rules in response to public comments and adopt revised rules, or determine that additional public comments should be solicited and direct the GRDA staff to publish a new Notice of Rulemaking Intent, beginning the process anew. All adopted rules are submitted to the Office of Administrative Rules, Governor, and Legislature. Mr. Lofton said this opens the process and provide everyone with an overview.

Chair Sublett asked if there were any changes to submit at this time. Mr. Lofton said that particular step will occur in February 2023.

Director Meyers moved to open the Administrative Rulemaking Record pursuant to the Oklahoma Administrative Procedures Act for Title 300 of the Oklahoma Administrative Code, Chapter 1 (Operations and Procedures), Chapter 10 (Public Purpose Support and Assistance), Chapter 20 (Acquisition Policy), Chapter 35 (Lake Rules), and Chapter 40 (Scenic Rivers Rules), seconded by Director Elam, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.h. Consideration, Discussion, and Possible Approval of Contract 43925 – Kerr Dam Log Boom and Boat Safety Buoy Upgrade

Mr. Jacoby told the Board flood flows on the Grand Neosho River and its tributaries carry significant debris to the powerhouse and spillway at Kerr Dam. He explained what GRDA's existing protection looks like and how the flood flow collects debris across the cable, creating added resistance. Power intake draws debris to the powerhouse and spillway openings, allowing debris to travel downstream if it passes the cable. Debris snagged on the cable typically requires manual removal after an event or accumulates and breaks the cable causing issues for GRDA crews. A broken cable requires around the clock policing on the water to protect boaters until the cable is repaired. A cable break has occurred about 4 to 5 times over the past 7 years. Under similar conditions and debris loads the U.S. Army Corps of Engineers facilities on the Snake River had successfully implemented debris management systems that we are proposing to utilize. He showed a layout of the proposed trash boom and boat buoy they believe would greatly improve the situation. Mr. Jacoby presented images of the requested barriers, a semi-continuous buoy system that would minimize the connective cable and chain system. He said the buoy is a UV resistant EPDM lined float that has been demonstrated to shed debris to the power intake and avoid collection on the buoy. Mr. Jacoby told the Board the contract for this would be issued for a fully engineered, provider installed and warranted product. The design would be based on flow velocities identified by model studies performed for the spillway stabilization project. The anchor design and installation results in higher pricing than desired, but GRDA installation of the large concrete anchors is not believed to be safe. There is a Value Engineering cost reduction suggested by the low bidder for the project. He presented the 2 bids received and noted the exception that would need to be worked out before finalizing the installation portion of the agreement. He recommends moving forward and accepting the low bid from Worthington Products, Inc., and performing the Value Engineering cost reduction to avoid any further risk of additional flood breakages and/or risk to GRDA Police.

Discussion ensued regarding the way the log boom and buoy system is set up now versus what it will look like in the future and how it will function better.

Mr. Edwards explained how much of a challenge it has been for his officers, especially during high flow events given the nature of the lake.

Director Meyers moved to award Contract 43295 for the engineering design, material fabrication, and construction of Kerr Dam Trash Boom and Boat Buoy System Upgrade be awarded to Worthington Products, Inc. in the lump sum amount of \$3,565,642.00, subject to successful negotiation of terms for installation and value-engineering by the Chief Executive Officer and General Counsel, seconded by Director Matthews, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.i. Consideration, Discussion, and Possible Approval of Contract 44020 – Kerr Dam Spillway Gallery Ventilation Enhancements

Mr. Jacoby said geologic exploration for Kerr Spillway Stabilization produce unsafe natural gas levels. The gas levels have not since replicated levels encountered during the exploration, but monitoring has documented routine discharges of moderate expulsions of 4 to 6 hours every 2 to 6 weeks. High quality gas monitoring equipment has improved air quality condition awareness, and temporary ventilation equipment is in place. However, this needs a significant enhancement to meet recommended OSHA criteria. Dam safety instrumentation in the gallery requires monitoring and ventilation improvements to support the Dam Safety Program. Mr. Jacoby showed images of the existing monitoring equipment purchased in early 2022 and explained their function. He also went over the OSHA air quality improvements. He told the Board GRDA only received 1 bid from Williams Construction in Pryor, Oklahoma, and explained the details of that bid. Williams Construction did not take any exceptions to the bid, but did

reserve the right to adjust commodity price items during the project due to market volatility. GRDA has worked with this company on numerous projects for decades and has no issue with their work.

Director Westbrook asked if the staff believed that ventilation was adequate at the time the existing gas monitoring equipment was purchased. Mr. Jacoby confirmed the equipment, even though permanent equipment, was only a temporary installation needed quickly at the time, knowing that the monitoring equipment would need to be relocated to its final location when the supporting air quality/handling equipment would be installed, which is the intent of this action item.

Discussion ensued with the Board, General Counsel, GRDA staff and representatives from the contractor regarding pricing and how long that pricing is quoted for, based on the market, and what kind of risk this poses for everyone. Director Elam stated he had some concern at the beginning of this conversation, but that this is a safety issue for the Authority and needs to be corrected.

Mr. Jacoby told the Board there could be language added to the motion to ensure the Board is comfortable with the approval. Chair Sublett asked if Mr. Jacoby is comfortable with selecting Williams Construction for this project. Mr. Jacoby confirmed this and said he and the staff have had extensive experience working with Williams Construction. They are also a GRDA customer.

Director Elam moved to award Contract 44020 for the construction of Kerr Dam Spillway Gallery Ventilation Improvements to Williams Construction Company of Pryor, Oklahoma, for the lump sum amount of \$1,942,345.00, subject to the approval of the Chief Executive Officer and General Counsel, seconded by Director Westbrook, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.j. Consideration, Discussion, and Possible Approval of the Rescinding of Board Resolutions 5409 Resolution Relating to the Sale, Issuance, and Delivery of Revenue Bonds, and Resolution 5410 Fourteenth Supplemental Resolution, and the Cancellation of All Associated Contracts

Mrs. Gudde provided background on these Board resolutions. An analysis was performed for several months to evaluate the possibility to capture savings by refunding certain series of bonds issued in 2010 and 2014. On March 9, 2022, the Board of Directors approved two resolutions, Resolution 5409 Resolution Relating to the Sale, Issuance, and Delivery of Revenue Bonds, and Resolution 5410 Fourteenth Supplemental Resolution. All contracts related to the sale were competitively bid and awarded. Through changing market conditions and interest rate increases by the Federal Reserve during this time, the analysis resulted in savings that would not meet GRDA targets of refunding. Therefore, GRDA Management has chosen to formally cancel the effort to refund any outstanding bonds.

Mr. Sullivan stated one of the credit rating agencies has already rescinded their credit rating for this deal and have withdrawn.

Director Matthews asked if there was any cost with cancelling these contracts. Mrs. Gudde said there is no cost to cancelling them, but the Authority did pay fees to the rating agencies to do the work. She also told the Board their plan is to work with the State Treasurer's office to competitively bid all the different components in more of a blanket format annually where GRDA will always have a team in place to prevent issues with timing in the market. This allows the Authority to be more nimble.

Director Matthews moved to rescind Resolution 5409 Resolution Relating to the Sale, Issuance, and Delivery of Revenue Bonds and Resolution 5410 Fourteenth Supplemental Resolution and cancel all related contracts, seconded by Director Elam, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.k. Consideration, Discussion, and Possible Approval of Power Purchase and Sale Agreement between GRDA and Northern Data OK, LLC

Mr. Reese provided background on the publicly traded company, Northern Data AG, headquartered in Frankfurt, Germany. As per public information, the company operates 10 data centers globally. They announced in March 2022 they would establish their North American Operational Headquarters at MidAmerica Industrial Park. Per the company, the project is ultimately projected to create more than 150 jobs, with a total investment of \$270 million. He told the Board GRDA is in the final stages of signing a Power Purchase and Sale Agreement (PPSA) with the company and all anticipate this to be completed within the next 30 days.

Discussion ensued regarding the usage deposit to cover 2 months of anticipated usage that is typical for these types of contracts. The group continued to discuss the benefits and risk of moving forward with this project.

Mr. Reese and Mr. Sullivan told the Board the staff will come back to update them on this, and will make every effort to protect the Authority.

Director Meyers moved to authorize the execution of a Power Purchase and Sale Agreement with Northern Data, as presented, with such terms as agreed to by the Chief Executive Officer and General Counsel, seconded by Director Elam, and voted upon as follows: Elam, yes, Matthews, abstain, Meyers, yes, Sublett, yes, Westbrook, yes. *Motion passed (4-yes, 0-no, 1-abstained).*

4.l. Consideration, Discussion, and Possible Approval of AMI Item and HCI Membership

Mr. Reese said they had hoped to bring this item to the Board today, but the staff was not able to negotiate terms. He briefly explained they have met with GRDA customers and decided to reissue the request for proposal. The hope is for a March recommendation to complete this for GRDA's municipal customers. However, there is no action needed on this item.

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 Waterfront Development Company d/b/a Colony Cove, for an Extension of a Commercial Permit.

Director Westbrook said the committee met this morning. He explained the item approved unanimously by the committee members. He asked if there were questions or comments on this item. There were no questions from the Board of Directors.

Regarding item a, Director Westbrook moved to approve an extension for modifications to Water Front Development's (Colony Cove) commercial dock permit until March 1, 2023, as approved by the

Assets Committee, and the items were voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

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

- a) First Reading of the Board of Directors' Policy No. 4-4 Enterprise Risk Policy.**
- b) Required Annual Communications to the Board of Directors.**
- c) Consideration, Discussion, and Possible Approval of the 2023 Audit Plan.**
- d) Updates to GRDA Energy Hedging Program.**
- e) Consideration, Discussion, and Possible Approval of the Fiscal Year 2023 Budget.**
- f) Consideration, Discussion, and Possible Approval of the Use of Special Reserve and Contingency Funds.**

With Director Lewandowski unable to attend the meeting today, Chair Sublett asked Mrs. Gudde to provide the Board with the needed information. Mrs. Gudde stated that Mr. Jeff Brown would present the first 4 items to the Board.

Regarding item a, Mr. Jeff Brown provided information on the first reading of the Board of Directors' Policy No. 4-4 related to Enterprise Risk. He said the Risk Oversight Committee (ROC) recently discussed developing an enterprise level risk policy and created a 10-person working group to evaluate potential risk assessment methods and provide policy options to the ROC for consideration. The language for this policy was approved by the ROC in September and the Audit, Finance, Budget, Policy & Compliance Committee in November 2022. Mr. Brown presented the language in the policy and said it was also included in the Board's packet for the meeting.

Regarding item b, Mr. Brown presented required annual communications regarding the Internal Audit Services Charter, organizational independence, the Quality Assurance and Improvement Program, conformance with the Code of Ethics and Standards, and resource requirements for Internal Audit Services budget for 2023.

Regarding item c, Mr. Brown said the 2023 Audit Plan information was presented to the Executive Team and to the committee and included in the Board's material for this meeting. He explained the plan encompassed Utility Infrastructure Management, Construction Inspections, Metering, ERP Conversion, and Travel and Business Expenses. Mr. Brown said the staff and committee recommend approval.

Director Matthews moved to approve the 2023 Audit Plan as presented, seconded by Director Elam, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

Regarding item d, Mr. Brown stated this is only a communication to the Board. He said this is required by Board Policy 4-3 which outlines certain objectives, assumptions, and directives to follow in executing energy hedging activities. Updates to the program are communicated to the Board, but formal approval is not required. The modification removes a retired employee as an authorized trader and includes his replacement.

Regarding items e and f, Mrs. Gudde presented GRDA's 2023 budget goals and objectives, with the priority stated to hold the base rate steady. She explained further about preparing for increased talent retention and attraction, implementing a cash reserve strategy and preparing for future borrowing for generation and transmission, along with a cost-of-service study to support the 2024 rate recommendations. Mrs. Gudde provided a detailed table to illustrate the overall budget for GRDA. This includes numbers from the 2022 Budget, 2022 Most Probable Results and 2023 Projected Budget. She explained further details of the table information. Mrs. Gudde showed a graph illustrating a breakdown of the non-fuel operating expenses and explained they expect an increase from 2022 most probable results, also clarifying what this would include in detail. She broke down the capital improvements budgeted for 2023 and expanded on details associated with these and how it is different from last year's in noting the associated operations

category. The total expenditure budgeted for capital improvements for 2023 would be \$115,437,738. Mrs. Gudde said they would need a motion to approve the 2023 financial budget as presented and to approve the use of the Special Reserve and Contingency Fund for projects related to the Kerr Stilling Basin improvements, Kerr Spillway Scour Projects, and the Kerr Gallery Improvements.

Chair Sublett said, after very extensive discussion, the committee voted unanimously to approve the budget and recommend to the Board for approval.

Director Elam agreed and said the process is now much more efficient and streamlined than it has been in the past. He commended the GRDA staff for the enormous amount of work they put in on this each year.

Regarding item e, Chair Sublett moved to approve the 2023 financial budget as presented, seconded by Director Westbrook, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

Regarding item f, Chair Sublett moved to approve the use of the Special Reserve and Contingency Funds for projects related to the Kerr Stilling Basin Improvements, Kerr Spillway Scour Projects, and the Kerr Gallery Improvements, seconded by Director Elam, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

3. **Compensation & Marketing Committee:** Director Richie is absent, but had no report.

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

a) **Consideration, Discussion, and Possible Approval of Amendment to & Extension of Power Purchase and Sale Agreement between GRDA and Western Farmers Electric Cooperative**

Director Meyers said the committee met November 30, 2022. They discussed a couple of solar purchase power agreements that will be further discussed during Executive Session today. The committee also reviewed the extension of a Power Purchase and Sale Agreement with Western Farmers Electric Cooperative (WFEC) and recommends the Board approve this extension and agreement to the year 2050.

Regarding item a, Director Meyers moved to approve the Second Amendment to the Restatement of the Service Schedule PPA Power Purchase and Sale Agreement with Western Farmers Electric Cooperative, seconded by Director Elam, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

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 to Allow the Board of Directors to Confer on a Utility-Scale Solar Power Purchase and Sale Agreement that is Exempt from the Oklahoma Open Meeting Act Pursuant to 82 O.S. § 862.1(2)(b).**

- c. **Proposed Executive Session to Allow the Board of Directors to Confer on a Distributed Generation Solar Power Purchase and Sale Agreement that is Exempt from the Oklahoma Open Meeting Act Pursuant to 82 O.S. § 862.1(2)(b).**
- d. **Discussion of Security Plans and Procedures as an Electric Utility Regulated by the Federal Government, Which is Exempt from the Open Meeting Act Pursuant to 82 O.S. § 862.1(2)(c).**

Director Matthews moved to go into executive session at 11:59 a.m., seconded by Director Meyers, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Westbrook moved to return to regular session at 2:19 p.m., seconded by Director Matthews, and voted upon as follows: Elam, Matthews, Meyers, 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 Utility-Scale Solar Power Purchase and Sale Agreement that is Exempt from the Oklahoma Open Meeting Act Pursuant to 82 O.S. 862.1(2)(b).**
- c. **Action, as Necessary, Concerning a Distributed Generation Solar Power Purchase and Sale Agreement that is Exempt from the Oklahoma Open Meeting Act Pursuant to 82 O.S. 862.1(2)(b).**
- d. **Action, as Necessary, Concerning Security Plans and Procedures as an Electric Utility Regulated by the Federal Government, Which is Exempt from the Open Meeting Act Pursuant to 82 O.S. § 862.1(2)(c).**

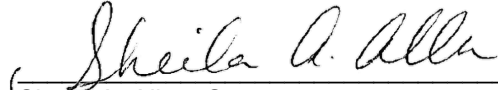
Regarding item a, there was no action needed.

Regarding item b, Director Westbrook moved to authorize the execution of the utility-scale solar power purchase agreement discussed in executive session, subject to negotiation and approval of final terms acceptable to the Chief Executive Officer, seconded by Director Matthews, and voted upon as follows: Elam, yes, Matthews, yes, Meyers, yes, Sublett, abstain, Westbrook, yes. *Motion passed (4-yes, 0-no, 1-abstained).*

Regarding item c, Director Matthews moved to authorize the execution of the distributed generation solar power purchase agreement discussed in executive session, subject to negotiation and approval of final terms acceptable to the Chief Executive Officer, seconded by Director Elam, and voted upon as follows: Elam, yes, Matthews, yes, Meyers, yes, Sublett, abstain, Westbrook, yes. *Motion passed (4-yes, 0-no, 1-abstained).*

Regarding item d, there was no action needed.

Director Elam moved for adjournment at 2:21 p.m., seconded by Director Matthews, and voted upon as follows: Elam, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

March 9, 2023

GRDA Board of Directors