

**Minutes of Regular Meeting  
Grand River Dam Authority  
Board of Directors  
December 14, 2021**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority's Engineering & Technology Center in Tulsa, Oklahoma on December 14, 2021. 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 16, 2020, at 11:31 a.m.; by posting the agenda with the Tulsa County Clerks' offices on December 13, 2021, at 9:43 a.m.; by posting said agenda at [www.grda.com](http://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.

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

**BOARD MEMBERS**

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

**ADMINISTRATIVE**

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

Others present were as follows: Craig Stokes and Pam Polk, City of Collinsville; Mike Doublehead, TPWA; Caleb Cochran, Congressman Markwayne Mullin's Office; John Feary, City of Claremore; Cody and Angela Bartmess, All American Floats, Wayne Bailey, Bailey Law; Rob and Bear, Riverbend Floats; Lindsey Pever, Anew Energy; Brian Dickson, Honey Creek Landing Marina; Tom Rider, MESO; Tom and Sheri Gray, Tamara Jahnke, Teresa Hicks, Ash Mayfield, Ed Fite, Jeff Brown, Gary Pruet, Melanie Earl, Randall Williams, Savannah Ellison, Jared Skaggs, Matt Martin, Penny Frailey, Sharon Foster, David Childress, Michelle Day, Holly Moore, Brylee Harbuck, Leah Messner, Leah Maloy, Jeri Fleming, David Minson, GRDA.

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**4. New Business**

**4.a. Capital Work Order Report**

<b>Number</b>	<b>Title</b>	<b>Net GRDA Cost</b>
RF021-01140	Profiler for Grand Lake	\$ 292,840
RF021-01137	2022-2023 SCADA Upgrade	2,356,082
RF021-01136	Furniture Fixtures and Equipment - New Admin HQ	2,200,000
RF021-01087	Afton Feeders 60 and 63 Relay Replacement - Revised Estimate	162,200
RF021-01087	Afton Feeders 60 and 63 Relay Replacement - Original Estimate	80,758
	<b>Additional Funding for RF021-01087</b>	81,442
RF020-01038	Collinsville Interconnect-Replace Relay Panel, Fdr 98 - Revised	151,876
RF020-01038	Collinsville Interconnect-Replace Relay Panel, Fdr 98 - Original	65,622
	<b>Additional Funding for RF020-01038</b>	86,254
<b>Grand Total Work Orders</b>		<b>\$ 5,016,618</b>

Mr. Sullivan explained items on the Capital Work Order Report. He asked if the Board had any questions or needed to follow-up on any item listed. There were no questions.

Director Kimball moved the Board approve the Capital Work Order Report as presented, seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

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**CONSENT AGENDA**

**2. November Claims, \$46,304,783.15.**

**4.b. Resolutions of Commendation:**

- 1) David D. Minson
- 2) Ricky Franklin

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

<b>Description and/or Make of Item</b>	
2012 Ford F150	1989 Shop made
2014 Chevrolet SSV Tahoe	1989 Shop made
2004 Ford F150	2008 Polaris Ranger R08WH68AR
2005 Ford 500	1972 Unknown/Unknown
2011 Dodge Charger(Police Car)	2016 Polaris Ranger R16RTE8A74
2014 Ford F150	2007 Dodge Ram 1500
2004 Ford Taurus	2009 Ford F250

2012 Ford Escape	2008 Chevrolet Silverado 2500
2011 Ford F250	1981 International 1854
2005 Ford Explorer	2007 Chevrolet Express 3500
2003 Ford F450	2010 Ford F150
2011 Ford F450	2015 Ford F250
2005 GMC Sierra 2500	2008 Ford F250
2005 Chevrolet Silverado 1500	2007 Ford F350
2005 Chevrolet Express 3500	2011 Ford F550
1993 Bandit Brush Chipper Model 90	2011 Altec AT40M
2013 Brooks Brothers Trailer	2006 Chevrolet Silverado 1500
1950 Equipment Trailer	2005 Vermeer BC1400XL
1988 Hilbilt	2014 Chevrolet Impala
1988 Load King 503/755DO	2013 Ford Taurus SE
2012 Chevrolet Impala	2013 Ford Taurus SE
2012 Chevrolet Impala	1992 Jonboat
2009 Chevrolet Silverado 1500	1993 Mercury Motor
2010 Chevrolet Silverado 1500	Super Chargers: Lot of 4
1968 RC Reel Trailer	Boat Aluminum T-Top Towers: Lot of 4
1980 Great Dane 730	Lowrance Locator
1984 Shop made	Lowrance Locator
1984 Puller Tensioner PT2766T	Lowrance Locator
2005 Kubota L4330	2002 John Deere 6310 Tractor
2007 John Deere 4720	1986 Caterpillar 834B Dozer
2009 Polaris RZR 800	1988 Caterpillar D25C Articulated Dump Truck
2010 Onan P5000	1994 Melroe Bobcat Skid Steer 553 Loader
2010 Ditch Witch RT45	1999 Caterpillar 924G Wheel Loader
2014 Generac GP 15000E	2006 Caterpillar 330DL Hydraulic Excavator

**4.d. Power Cost Adjustment (PCA) of \$0.03118 per kWh for January 2022**

**4.e. Ratification of Contract for Commercial Service – USCOC of Greater Oklahoma, LLC (U.S. Cellular)**

**4.f. Ratification of Amended Power Purchase and Sale Agreement – HashPower, LLC**

**4.g. Approval of Assignment and Amendment to Revocable License to Encroach from James F. Wilkinson, Trustee of the James F. Wilkinson Trust dated February 5, 1996 to Teresa A. Aubrey for Property Located in Delaware County, Oklahoma**

**4.h. Ratification of the Payment of \$177,851.04 to Insurica for Cybersecurity Insurance Coverage Through Munich Re Syndicate 457**

**4.i. Consideration, Discussion and Possible Approval of Purchase Request 41469 – 9 Police SSV Tahoes**

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
43558	NOKIA OF AMERICA CORPORATION - MURRAY HILL, NJ	801,909.33
117741	AVIAT US, INC. - MILPITAS, CA	226,775.00
43559	MOTOROLA SOLUTIONS, INC. - DALLAS, TX	298,776.00
43574	PINNACLE BUSINESS SOLUTIONS - TULSA, OK	299,334.78
43573	HYDRO-OKLAHOMA LLC - TULSA, OK	200,000.00
43582	COLE EQUIPMENT & RENTAL DBA TRUE VALUE RENTAL - NORTH MIAMI, OK	200,000.00

43576	GE ENERGY MANAGEMENT SERVICES LLC - MELBOURNE, FL	1,470,394.00
118022	CHICKASAW TELECOM, INC. - TULSA, OK	214,117.76
43561	WEG TRANSFORMERS USA, INC. - WASHINGTON, MO	1,183,700.00
43562	FLEMING ELECTRIC, INC. - SAN FRANCISCO, CA	654,490.00
43592	GULF TURBINE SERVICES LLC - TUSCALOOSA, AL	310,000.00
43584	GE ENERGY MANAGEMENT SERVICES LLC - MELBOURNE, FL	951,702.00
43588	HIGH VOLTAGE INDUSTRY LLC - NEOSHO, MO	49,000.00
43589	TYNDALE ENTERPRISES, INC. - PIPERSVILLE, PA	49,000.00
117595	JOE COOPER FORD, INC. / FORD OF TULSA - EDMOND, OK	177,426.00
43568	U.S. DEPARTMENT OF THE INTERIOR - AUSTIN, TX	172,850.00
43595	AVIAT US, INC. - MILPITAS, CA	173,910.00
43599	PINNACLE BUSINESS SOLUTIONS - TULSA, OK	258,730.73
<b>Grand Total Standard POs &amp; Contracts:</b>		<b>\$7,692,115.60</b>

<b>Change Orders &amp; Renewals</b>		
<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
43186	SHAFFERS SUBSTATION CONSTRUCTION, CO. - ELLSINORE, MO	53,326.71
43395	DALLAS AIRMOTIVE, INC. - GRAPEVINE, TX	50,000.00
43212	EVERGREEN NORTH AMERICA INDUSTRIAL SERVICES - PONCA CITY, OK	2,312.00
43264	SOFTCHOICE CORPORATION - CHICAGO, IL	15,375.36
42465	LB TECHNOLOGY, INC. - MEMPHIS, TN	12,000.00
41430	ALLEGIS GROUP, INC. DBA AEROTEK, INC. - TULSA, OK	536,972.80
42897	UNIVERSITY OF OKLAHOMA - NORMAN, OK	0.00
43209	VERIZON - DALLAS, TX	200,000.00
42953	OSISOFT LLC - SAN LEANDRO, CA	99,955.89
<b>Grand Total Change Orders &amp; Renewals:</b>		<b>\$969,942.76</b>
<b>Grand Total</b>		<b>\$8,662,058.36</b>

Director Westbrook moved to approve the consent agenda as presented, with the exception of the surplus property included, seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0 no, 0 abstained).*

Chair Elam recognized Mr. Sullivan for 10 years of service to GRDA. He commended him for his accomplishments during that time and said he hoped the Authority could look forward to many more years of the same. Chair Elam presented him with his 10-Year Anniversary pin. Mr. Sullivan stated he has a great team and that it has been a great 10 years. He s looks forward to many more as well, as it is hard to believe it has been 10 years.

## REGULAR AGENDA

### 1. Regular Board Meeting Minutes of November 10, 2021.

Director Kimball moved to approve the Regular Board Meeting Minutes of September 16, 2021, and the Regular Board Meeting Minutes of October 13, 2021, seconded by Director Richie, and voted upon as follows: Elam, yes, Kimball, yes, Lewandowski, yes, Meyers, yes, Richie, yes, Sublett, abstain, Westbrook, yes. *Motion passed (6-yes, 0-no, 1-abstained).*

### **3. Unfinished Business**

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

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

Mr. Sullivan recognized Tom and Sheri Gray for their arrangement with GRDA that is ending this month. He said the Authority appreciates all the years they have dedicated to GRDA and the work they do on behalf of GRDA customers. Mr. Sullivan thanked them and said he hoped they enjoy their retirement. Mr. Gray stated they both very much appreciate working with the municipal customers and the GRDA staff doing the work they like to do. Chair Elam thanked them on behalf of the Board and the municipal customer group.

Mr. Sullivan also recognized Mr. Lofton for his 10 years of service to GRDA. He thanked him for his dedication and said he hoped that he plans to stay for at least 10 more. Mr. Lofton expressed his appreciation for this recognition.

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following comparing total annual information for 2020 and 2021 for GRDA's Full Requirements Customers for the month of November. He said GRDA continues to have a reasonably strong demand in energy with a 2 percent increase in demand and a 3 percent increase in energy. He showed graphs illustrating a comparison of resource energy production for November 2020 and November 2021. Mr. Sullivan said more moderate temperatures in November led to some different results compared to a year ago. He noted an increase in use of coal due to market prices, and a decrease in natural gas usage due mostly to an outage at Redbud and repair of GREC Unit 3. They continue to watch natural gas prices. To benefit GRDA customers, GRDA has recalculated the Powe Cost Adjustment (PCA) twice in the last couple of weeks to help bring this down to a level lower than if the normal calculation schedule would have been used. He said they continue to hold coal in inventory during the winter months, as is usual this time of year.

Mr. Sullivan showed photographs from the GRDA Municipal Customer Meeting held in Cushing, Oklahoma on November 16, 2021. This was a great opportunity to talk about several initiatives, including AMI deployment, load shed planning, power cost discussions, system improvements and contract extensions.

In November, Mr. Sullivan stated an urgent request with a short turnaround window was submitted through GRDA's new Vantage Portal. He told the Board the effort and cooperation to fulfill that request was

a great illustration of #1GRDA. Mr. Sullivan explained that the request was for a customized crate to be constructed in-house to transport the failed piping equipment that resulted in the recent GREC Unit 3 fire. Property & Maintenance personnel constructed the specialized crate as GREC Maintenance and Mechanical Construction Services (MCS) executed the piping removal. He showed photographs of the crate and personnel involved.

Mr. Sullivan said Speaker of the House Charles McCall and his leadership team toured GRDA's Grand River Energy Center and Energy Control Center last week. During the visit, GRDA's Executive Team had the opportunity to speak to the group about GRDA's commitment to its customers and strong investment in economic development for Oklahoma.

Mr. Sullivan showed photographs from Speaker McCall's visit and from recent holiday parades in GRDA customer cities. He also showed a video that recently came from LPPC regarding public power and its importance. Mr. Sullivan introduced the Keep Oklahoma Beautiful recognition video recognizing Jeri Fleming and the Authority's Guard the Grand application.

### **3.a.2. GRDA Administrative Center and WOKA Whitewater Park Construction Update**

Mrs. Holly Moore showed progressive photographs of the construction of GRDA's Administrative Center in Chouteau, Oklahoma, at the Grand River Energy Center site and explained general facts about the build. She showed aerial footage from Crossland Construction from November 2021, as well as current site photographs. Mrs. Moore told the Board there are some materials the contractor is having some challenges obtaining, but that the project is well underway. She said the structural steel, multi-purpose room hardened space and the domestic water line work has been completed. The team got word that there could be a significant savings if they could finalize their furniture order quickly. After a long meeting and extensive work, Mrs. Moore said they placed an order for approximately 95 percent of the furniture with a savings of approximately \$280,000. She stated the decking and slab is currently in progress as shown. The projected construction completion is September 2022, with a projected move-in of October 2022.

Mrs. Moore showed photographs of the WOKA Whitewater Park structures and explained details of the work shown. She also showed a diagram illustrating the course and additional detail. The restroom facility, sculpted concrete on features/drops 1 through 7 and jetties 2 through 8, the Twin Falls Road low water crossing improvements (in partnership with Adair County and the Cherokee Nation), island access, forming of the course entrance, pouring of the walking path along the course, and construction of the

maintenance building has been completed. Mrs. Moore stated, if no major rains or weather events prevent work, the project is scheduled for completion in spring 2023.

### **3.a.3. Fleet Management Update**

Mrs. Moore provided some background for the Board on what has been happening in Fleet Management in 2021. She said the team spent some time understanding the processes and procedures occurring in different areas regarding GRDA's fleet and made some significant changes. Mrs. Moore introduced Mr. David Childress and asked him to present this information.

Mr. Childress said GRDA has a very diverse fleet and explained this. He said their team performed a Fleet Assessment, taking an inventory of all fleet assets, refreshing decals, etc. This is ongoing at this point. Mr. Childress stated they located, photographed and verified vehicle information and registration for 100 percent of vehicles, 82.5 percent of equipment, and 71.8 percent of accessories and attachments at GRDA during this process for a count of 823 total items. He said the Fleet Right-Sizing Initiative was introduced to allow voluntary return of assigned fleet units, establish a minimum annual mileage standard, identify underutilized units, implement site pool vehicles, and provide for an Executive Vice President review of their fleet units. This would drive a OneGRDA culture, reduce under-utilized vehicles and allocate capital funds for the highest and best use Authority-wide. He said they now have a projected annualized mileage for all vehicles and have identified under-utilized vehicles based on an industry standard at 12,000 annual miles per year. All Executive Vice Presidents have reviewed their under-utilized vehicles, including units that are specialized lower mileage. The Fleet Management Team met with divisions to review their current fleet and future needs as well. Mr. Childress showed a table illustrating the potential net reduction in all types of fleet units. He said, with the net reduction, the fleet total would be down to 760 items. Mr. Childress showed a timeline and next steps for the team, noting that they would be updating fleet policies and procedures during first quarter 2022, as well as utilizing technology to improve the customer experience. He said GPS will now begin being utilized more fully to ensure proper and improved use.

Chair Elam asked if the team is working with management to ensure reductions are not excessive to allow for usage of equipment when needed, either in an emergency or otherwise. Mr. Childress and Mrs. Moore both confirmed this. Further discussion ensued regarding the mileage limits on vehicles and the criteria to be used going forward to evaluate fleet requirements.

Mr. Sullivan stated the Board was not able to approve the surplus items that included these fleet items this month, but that they would be included in next month's consent agenda.

**3.b. Consideration, Discussion, and Decision Concerning the Matter of James Cody Bartmess d/b/a All American Floats, Notice of Violation No. 2021-4, and the Hearing Officer Recommendations and Order issued by K. Ellis Ritchie on September 7, 2021**

Mr. Lofton reminded the Board of the similar item brought before the Board last month. He showed an excerpt from the hearing final order related to the Board of Directors. Mr. Lofton said the Board of Directors' obligation at this point in time is to either adopt, amend or reject the findings or conclusions presented to them, and issue a final order reflecting the finding of fact, conclusions of law, and specifying the action to be taken. He stated the Board received a proposed final order from the staff in their material. Mr. Lofton explained this proposed final order would accomplish 3 things, to adopt all the findings of fact by Mr. Ritchie who served as the administrative hearing officer with the exception of the idea that a commercial float operator can rent to another operator unused licenses, find that there was a willful pattern of violation, and to recognize that it is December 2021 and outside of the float season and no further action will be taken in either suspending or revoking licenses. He said the rules do not provide for a "rental" of licenses outside of a transfer process. Mr. Lofton also told the Board this was their decision and he would be glad to make any amendments or answer any questions.

Mr. Wayne Bailey, attorney for Mr. Cody Bartmess, stated he would like to speak further to the Board about this matter being outside the jurisdiction of the Authority and not having the authorization to reject issuance of permits in the future. He asked to speak to the Board further on the timeline of events. Chair Elam said this item was discussed very thoroughly last month and, unless any other Board member has a different opinion on this, this matter has been settled as far as the GRDA Board of Directors is concerned. Director Kimball stated Mr. Bailey and Mr. Bartmess had the opportunity to present anything they would have wanted to this Board and to the hearing officer, and that it would not be good practice to continue to bring in new information and proposals each month. Chair Elam entertained a motion and concluded the discussion.

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



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

##### **4.j. Possible Action Regarding Administrative Rulemaking: Opening of Rulemaking Record Pursuant to the Oklahoma Administrative Procedures Act for Title 300, Chapter 20 Acquisition Policy, Chapter 30 Aircraft Travel Use Logs, Chapter 35 Lake Rules, Chapter 40 Scenic Rivers Rules, Chapter 45 Administration of Rules and Hearings; and Title 630, Chapter 1 OSRC Operations, Chapter 3 Election Procedures, Chapter 4 Hearing Procedures, Practices, and Appeals, Chapter 10 Licensing and Use Permits, and Chapter 15 Protection of Natural Resources**

In Mr. Edwards' absence, Mr. Lofton said this item complies with the Fair Procedures Act to formally open the Administrative Rulemaking process.

Director Kimball moved to open the Administrative Rulemaking process as presented, seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

##### **4.k. Ratification of Contract 43592 - Electrical Installation Contractor for Unit 3 Restoration Project (BOP Scope)**

Mr. Ladd provided an overview and update on the GREC Unit 3 progress to date on repairs from the fire near the combustion turbine enclosure on October 26, 2021. He showed photographs of the outside of the unit, both past and current. Mr. Ladd said borescope inspections are now complete and showed the overall assessment. He told the Board inspections are either done or close to being done, presenting information and photographs to illustrate each. Mr. Ladd said some results of the inspections showed large metal components to be in good shape, but other parts would need to be replaced. He stated that some instruments, a transmitter, positioner, and limit switches that they are finding still work, but would not want to reuse. Mr. Ladd provided background on the electrical repairs for the unit. Many electrical control systems were left inoperable, and the Authority will require restoration services to return GREC Unit 3 to a safe and reliable condition. He said following inspection, it was determined some systems were available for immediate repair under Phase 1 of this proposed contract. These include fuel gas valve enclosures, purge air and sweep air enclosure, exhaust thermocouples, CCVs, lighting and communication systems, fire suppressions (heat detectors), and the grounding system. Mr. Ladd presented items in Phase 1 of the electrical repairs and stated Gulf Turbine Services (GTS) is the electrical contractor on-site working as a subcontractor for Mitsubishi Power for their scope of the fire event recovery effort. Since much of the

existing work within the combustion turbine enclosure extends into the BOP areas. To eliminate potential and costly errors and delays resulting from multiple contractors and to maintain continuity in electrical runs, it is in GRDA's best interest to utilize the on-site contractor. He said a time and material proposal was sought directly from GTS, with a not-to-exceed amount of \$310,000, and this amount is expected to be reimbursed by GRDA's insurance carrier. Mr. Ladd showed further photographs of the work being performed as well.

Chair Elam asked if any of other areas have the same gaskets as the one that failed. Mr. Ladd stated there are several other gaskets in the system that are the same. He said their team has disassembled and removed an additional downstream flange gasket that was in poor condition, and this has also been given to the investigation team. They are also working with Black & Veatch who is the material supply engineer to determine what the proper gasket moving forward. He also said every gasket in the system will be replaced before the unit is restarted.

Director Kimball moved Contract 43592 for Electrical Installation Contractor for Unit 3 Restoration Project (BOP Scope) be ratified for Gulf Turbine Services (GTS), in the not-to-exceed amount of \$310,000.00, subject to negotiation of final terms which are satisfactory to the General Counsel and CEO, seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

#### **4.I. Ratification of Contract 43596 - Electrical Installation Contractor for Unit 3 Restoration Project (Combustion Turbine Scope)**

Mr. Ladd said this item is the same work, references, and background, but is related to the combustion turbine portion of the scope. The Authority would be working through Mitsubishi for all the work on the combustion turbine. He showed photographs this portion of the site and said while the footprint outside of the combustion turbine enclosure is much larger, the work scope inside the enclosure is much more complex. Mr. Ladd told the Board the LTSA (long term service agreement) contract provides locked in rate sheets and terms and conditions when it was executed in 2014. By using this process, it allows GRDA to review the scope of work and execute under the same terms and conditions of the contract already in place. He said the staff is asking the Board to ratify this extra work agreement for the electrical services and the combustion turbine scope. It is a time and material-based estimate and assumes 10 full weeks of work. Mr. Ladd stated if there is not 10 full weeks of work, GRDA does not pay for the full 10 weeks. He

also said this amount is expected to be reimbursed by GRDA's insurance carrier that has been very involved in all processes.

Director Westbrook moved Contract 43596 for Electrical Installation Contractor for Unit 3 Restoration Project (CT Scope) be ratified for Mitsubishi Power (MPW), in the not-to-exceed amount of \$1,214,178.05, subject to negotiation of final terms which are satisfactory to the General Counsel and CEO, seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

#### **4.m. Ratification of Contract 43597 - Mitsubishi Power Engineering and Mechanical Support for Unit 3 Restoration Project**

Mr. Ladd said this item is to ratify the engineering mechanical support services for the Unit 3 Restoration Project. He said this allows for support through the OEM through Mitsubishi Power for on-site field service tools, transportation, commissioning, all engineering support, on-site machining and tooling. It would provide for anything GRDA would need from the time this was executed through the end of the project. This time and material-based estimate of \$2.7 million is based on 90 days of continuous work. Mr. Ladd said they will monitor this closely and if there is not a need to spend the entire amount, they will ensure it is not.

Director Kimball moved Contract 43597 for Engineering and Mechanical Support for Unit 3 Restoration Project be ratified for Mitsubishi Power (MPW), in the not-to-exceed amount of \$2,755,204.91, subject to negotiation of final terms which are satisfactory to the General Counsel and CEO, seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

#### **4.n. Consideration, Discussion and Possible Approval of Contract 43615 – EWA 08 GREC Unit 3 Fire Related Valve Repairs**

Mr. Ladd told the Board that rather than issue on large blanket contract or EWA (extra work authorization) for the recovery effort to increase the transparency and GRDA control over every step, they are issuing multiple EWAs rather than lumping all of the root repair and recovery efforts into one. This is an example of that. He said they did issue an extra work authorization for a little more than \$40,000 to do valve inspections referenced in pictures earlier, but all of the large bore and small bore valves that were exposed to heat had to be opened up and inspected. This recommendation for the Board's approval is a not

ratification. This is for Mitsubishi and their subcontractor to execute the recommended repairs. Mr. Ladd said it is the GRDA staff's position that all of those repairs are just and necessary. He explained that there will be some off site disassembly as some of the hydraulic actuators will have to be shipped back to the OEM to be repaired. Some will be repaired on site and this would cover all of the work. Mr. Ladd asked for, in addition to the original estimate, is a 30% contingency factor. He said that within the estimate there are some items that are pending the final report, but they did not want to hold up the repair work for the other items that are already ready to go. Knowing that this additional cost is coming, the staff thought it best to bring an up to 30% contingency allowance to the Board for approval. This would bring the total estimate of this EWA to \$425,478.70.

Director Elam asked if the staff anticipates any delay other than what was expected to get the unit back in service. Mr. Ladd said now the original return to service date issued was April 22, 2022. Since that initial release, it has already been moved back to March 1, 2022, and GRDA has an informal commitment from Mitsubishi that they feel they can improve on that. He stated he doesn't see any reason for delays at this point, but there may need to be some painting and resurfacing done in the summer. However, this would not delay the unit from operating safely. Mr. Ladd said they will do everything possible to get the unit back in service in February. Director Elam said he understands there are things out of the staff's control and expressed his appreciation for all they are doing to speed up the process, especially with customer concerns surrounding the winter months and other factors. Mr. Sullivan said in conversation with GRDA's insurance consultant, he made the comment that he had not seen anything come together as quickly as this has. He continued to say that the team wanted to make certain from the very beginning that they were not just turning everything over to Mitsubishi and that there has been significant effort to reduce the lead time by everyone.

Director Kimball commented on what a great job the team has done putting all of these pieces together so quickly, and how the GRDA staff has built tremendous relationships with Mitsubishi and others. He said he applauds them for their efforts.

Mr. Sullivan stated that this situation has went quite differently than with the GREC Unit 2 restoration project.

Director Westbrook moved Contract 43615 for GREC Unite No. 3 Fire Related Valve Repairs be approved for Mitsubishi Power (MPW), in the not-to-exceed amount of \$425,478.70, subject to negotiation of final terms which are satisfactory to the General Counsel and CEO, seconded by Director Lewandowski,

and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

**4.o. 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.

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**5. Reports**

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

**1. Assets Committee:**

- a) Consideration, Discussion and Possible Approval of a Request by Dickson Marina LLC d/b/a Honey Creek Landing Marina for Approval of a Commercial Permit Application.**

**Regarding item a,** Director Westbrook moved to approve the request of Dickson Marina, LLC, d/b/a Honey Creek Landing Marina to: convert 7 slip dock (Dock E) into 12-12'X18' covered boat slips and add one PWC slip; add existing 7 slip dock currently permitted as CG000073 to CG000219 (the current permit for Dickson Marina, LLC); Permit CG000073 will be cancelled; approved facility will have 121 boat slips and 14 PWC slips, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

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

- a) Consideration and Possible Approval of Internal Audit Services Charter and 2022 Audit Plan**
- b) Consideration and Possible Approval of Resolution to Restructure Board-Designated Contingency Reserve Funds**
- c) Consideration and Possible Approval of Amendments to the Cash Reserve Policy**
- d) Consideration and Possible Approval of Contribution to Special Reserve Contingency Fund**
- e) 2022 Financial Budget**

Director Lewandowski asked Mr. Jeff Brown and Mrs. Lorie Gudde to present the information to the Board.

**Regarding item a**, Mr. Brown explained background information on the International Standards for the Professional Practice of Internal Auditing Standards. He said GRDA does not currently follow these standards, but has set a goal to begin in 2022. Mr. Brown stated previously his department was called “Financial Compliance” and will now be named “Internal Audit Services”. He presented the department’s mission and core principles to the Board. Mr. Brown said the Internal Audit Services Charter is required by the standards and defines the internal audit activity’s purpose, authority and responsibility. This has been approved by the Chief Financial Officer, Chief Executive Officer, the Chair of the Audit, Finance, Budget, Policy & Compliance Committee. The Audit Plan is required by the standards, and states in part, “The chief audit executive must communicate the internal audit activity’s plans and resource requirements...to senior management and the board for review and approval...” Mr. Brown and Mrs. Gudde stated this has been approved by the committee.

Director Lewandowski moved to approve the Internal Audit Services Charter and 2022 Audit Plan as approved by the Audit, Finance, Budget, Policy & Compliance Committee, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

**Regarding items b,c, and d**, Mrs. Gudde stated she would present a combined presentation for items b, c, and d. Mrs. Gudde showed a table to update the Board on GRDA’s cash reserves. She said this comes back to a commitment made earlier in the year to create a plan to address current cash reserve needs and future plans for cash reserves. Mrs. Gudde explained the numbers associated with Winter Storm Uri and how this has effected cash reserves. She said as of November 2021, GRDA is actually sitting at \$426.7 million in cash. This allowed GRDA staff to look further at cash reserves, contingency funds and truly develop a plan to move forward to safeguard against another situation like Winter Storm Uri in 2021. They also are putting procedures in place to make sure there is a rigorous safety net in place this coming year. Mr. Gudde said they are proposing GRDA has a combined Special Reserve and Contingency Fund I and II. She told the Board this would eliminate ambiguity of the 2 funds’ purposes and simplify the funding strategy of the fund as they overlap in the risks they address. It would also establish an annual review of reserves to determine appropriate contribution to the contingency fund, with a target review date of May of each year. Both fixed amounts and formulaic contributions quickly become outdated in the volatile utility environment and do not allow for more complex analytics of the current business factors. Also, the staff would like to propose restricting the previously unrestricted System Capital Improvements Fund. Mrs.

Gudde said annual contribution of the unspent portion of the annual base rate recovery for capital improvements would be up to \$100 million. Thereafter, contributions would be at Board direction. Funds would be used for any Board-approved capital projects, if annual spend exceeds \$50 million, or for specific and identified projects. She stated over the past several years, GRDA has underspent what was recovered by these base rate revenues (under \$50 million). Mrs. Gudde said the staff is proposing that anything that is not spent be added into this System Capital Improvements Fund each year, until the fund reached \$100 million. She further explained examples of how the fund can be used.

Chair Elam asked Mrs. Gudde to clarify that utilization of this fund needed Board approval. Mrs. Gudde confirmed that it will take Board approval to utilize this fund.

Mrs. Gudde said there are other “housekeeping” items to take care of while making these amendments. She said the staff is still analyzing the securitization effort and what is best for GRDA customers. The securitization bill requires that GRDA have a reserve fund on the books, and this adds that fund into the cash reserve policy. This way, the Authority has it if it is needed and there is clarification on their Debt Service Reserve Account. Currently, the policy says Board approval is required to withdraw anything from the Debt Service Reserve Account, and the only thing that can be withdrawn is excess over the maximum future payment. This amendment would clarify use and remove Board approval as that is not required by the Trustee and has not been the practice. Also, the amendments would clarify that rate stabilization is intended for base rate stability as the recent Power Cost Adjustment (PCA) schedule revisions allow for mechanisms to provide PCA rate flexibility and stability. It would also remove unnecessary commentary around rate stabilization. Mrs. Gudde said the GRDA staff is recommending a contribution of \$50 million for 2021 to the Special Reserve and Contingency Fund now created. This is approximately 2 months’ operating expense equivalent and a gas supply contract call provision. It has been approved by the Audit, Finance, Budget, Policy & Compliance Committee. The System Capital Improvement Fund contribution will be automatic, but the best estimate of unspent portion of the capital base rate recovery is approximately \$15 million for 2021. The Securitization Reserve Fund first invoices for PCAx-120 which will be sent out in January 2022. All funds received for this from GRDA customers will be deposited herein until remitted to Oklahoma Development Finance Authority (ODFA). Mrs. Gudde said they do not have a debt instrument yet, but the GRDA staff will look for any requirement that effects how much

is kept in this fund. She showed language in the resolution which formalizes what has been presented, and has been included for the Board's review in their packet of information.

Chair Elam asked for further clarification on the Rate Stabilization Fund around how it is designed around PCA within the GRDA customer contracts. He wanted to ensure that it would be available should it be needed in the future to adjust this. Mrs. Gudde said she believes the customer contracts say it will be credited back to the customer through a mechanism within the PCA. Chair Elam stated he believe the staff has made great progress recently. Mrs. Gudde said regardless of how the definitions are written this is to be used at the discretion of the Board of Directors.

Discussion ensued regarding how all this relates to customer contracts and the situation around when the Rate Stabilization Fund was created and what it was created for, with all the recent changes.

Director Kimball said he is pleased to see what has been brought to the Board and that he believes this cleans up a lot of issues.

Chair Elam commended the staff and committee that have worked tirelessly to come up with this plan.

Director Kimball asked if this is the first time the customer group has seen these changes. Mrs. Gudde confirmed the customers had not seen this yet. Director Kimball asked if the customers had any questions. Chair Elam stated it was mentioned at a previous customer meeting and has been discussed.

Mr. Sullivan said the true focus of all this is to simplify and make the process more transparent on what the funds really mean and what they are intended to cover. He explained as he and the staff have been looking at securitization, GRDA's cash position can position the Authority to save money by potentially not participating in the securitization program, and providing much more flexibility for a better outcome for everyone.

Mrs. Gudde said these changes will also shore up some risks that the rating agencies may be looking at. The more layers of risk mitigation with regard to GRDA's cash reserve and availability to cash will increase the grade card with them. She stated there would be a line of credit item to be brought to the Board in January 2022 once that is ready.



**Regarding item b,** Director Lewandowski moved to approve the amendments to the Cash Reserve Policy as presented, seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

**Regarding item c,** Director Lewandowski moved to adopt the resolution to restructure the current restricted reserve accounts and addition of new reserve accounts, seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

**Regarding item d,** Director Lewandowski moved to Contribute \$50 million to the Special Reserve and Contingency Fund, seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

**Regarding item e,** Mrs. Gudde stated GRDA is not asking for a base rate increase. She presented and explained the goals and objectives for 2022 and provided a detailed table to illustrate the overall budget for GRDA. This includes numbers from the 2021 Final Budget, 2021 Most Probable Results and 2022 Projected Budget.

Director Westbrook asked why the fuel and purchased power budgeted for 2022 came close to the 2021 numbers. He explained he would think this number would be much lower since we do not normally plan to have fuel costs like seen during Winter Storm Uri. Mrs. Gudde said the number budgeted for 2022 was calculated based on fuel costs at the time the budget was created.

Mrs. Gudde showed a graph illustrating a breakdown of the non-fuel operating expenses and explained they expect an increase from 2021 most probable results of \$7.9 million, also clarifying what this would include in detail. She broke down the capital improvements budgeted for 2022 and expanded on details associated with these, to include the WOKA Whitewater Park, Administrative Complex and helicopter replacement. Mrs. Gudde commended the GRDA staff for their work in controlling costs in 2021. She said the total expenditure for capital improvements for 2022 would be \$90,061,924 should they be able to fully execute the \$50 million in the revenue fund. Supply chain issues could cause issues with this, but what is not spent would be moved to the Reserve Fund.

Director Lewandowski asked where the difference lies between the budgeted \$70 million and the \$90 million in capital improvements. Mrs. Gudde said the \$70 million worth of capital improvements was

strictly from the revenue fund and noted that portion of the presentation where that information was provided.

Chair Elam asked Mrs. Gudde to clarify if any of the capital improvements triggered a base rate increase. She confirmed they do not.

Mrs. Gudde introduced Ms. April Huckleby and recognized her and her team's work on the budget this year, saying the process was wrapped up much earlier than was expected.

Director Westbrook asked if this has been approved in committee. Director Lewandowski and Mrs. Gudde stated it has been previously approved by the committee.

Director Lewandowski moved to approve the 2022 financial budget as presented, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

### **3. Compensation & Marketing Committee:**

Director Kimball asked Mr. Wiscaver to provide a quick update on what is happening regarding GRDA marketing.

Mr. Wiscaver provided a brief summary of 2021 and 2022 on advertising and marketing for GRDA. He said they have been able to maximize savings by outsourcing some internal functions and have come up with ways to reallocate that money to enhance other areas they are focused on. He gave some overall numbers associated with the past and current budget as well.

Director Kimball commended the team on their work and marketing efforts, saying what is being done now has surpassed anything done in the past. He also stated legislators and state officials have given great feedback on the advertising acquired by the Authority.

Chair Elam commented that the team has done an outstanding job on this and GRDA has some great prime spots on local television.

### **4. Fuel and Long-Range Planning Committee:** Director Meyers was absent, but had no report.

Mr. Sullivan said GRDA intends to issue a press release about GRDA's 2022 budget, and noted that 6 years in a row they have not had a base rate increase. Also, he told the Board discussions around use of public access areas at the Illinois River owned by the Oklahoma Department of Wildlife Conservation (ODWC) and restrictions on what can be done on those properties, there is a problem with use for commercial activity. The Authority previously had a Memorandum of Understanding with the ODWC that has now expired. Yesterday discussions were held on this, and there will be a meeting tomorrow with Illinois River float operators. Mr. Sullivan stated he believes there is an opportunity for ODWC and the float operators to come to an agreement on how these areas can be used and alleviate any public concerns as well. One of the most common complaints GRDA has received is that the float operators have staged equipment on the gravel bars at the river, preventing others from being able to utilize those public access areas. These pieces of property are not owned by GRDA nor are the restrictions something the Authority has any control over.

Chair Elam said he does not want to see GRDA take blame for something they have no control over.

Mr. Sullivan agreed and said it has been a difficult message to get out, particularly when the public sees articles by local news channels stating GRDA is closing these public access areas. He confirmed this is not the case at all. Public comments on this issue have been very interesting to see. Mr. Sullivan told the Board he is in hopes a sustainable path will be found and would create a real positive for all involved, especially with more activity on the river and citizens bringing personally owned equipment, etc.

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## **6. Executive Session:**

- a. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning City of Miami, Oklahoma vs. Federal Energy Regulatory Commission, United States Court of Appeals for the District of Columbia Circuit, Case Nos. 20-1325, 20-1446 (consolidated).**
- b. **Proposed Executive Session Pursuant to 25 O.S. section 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning Contract 42636 Amendment to Task Authorization 42639 with Mead & Hunt, 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.**

Director Kimball moved to go into executive session at 12:13 p.m., seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 12:58 p.m., seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

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## 7. Action on Executive Session Items

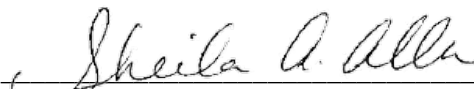
- a. **Action, as Necessary, Concerning City of Miami, Oklahoma vs. Federal Energy Regulatory Commission, United States Court of Appeals for the District of Columbia Circuit, Case Nos. 20–1325, 20–1446 (consolidated).**
- b. **Action, as Necessary, Concerning Confidential Communications Between GRDA and Its Attorneys Concerning Contract 42636 Task Authorization 42639 with Mead & Hunt.**

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

**Regarding item b**, Director Westbrook moved to approve the amendment to Task Authorization 42639 under Contract 42636 with Mead & Hunt as discussed in Executive Session, seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

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Director Kimball moved for adjournment at 12:59 p.m., seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

  
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Sheila A. Allen, Secretary

DATE APPROVED:

February 9, 2022  
GRDA Board of Directors