

**Minutes of Regular Meeting  
Grand River Dam Authority  
Board of Directors  
February 14, 2024**

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 February 14, 2024. 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 21, 2023 at 9:55 a.m.; by posting the agenda with the Mayes County Clerks’ offices on February 13, 2024, at 9:56 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.

Chair Westbrook called the meeting to order at 10:09 a.m. The Secretary called the roll. All members were present. Chair Westbrook declared a quorum.

BOARD MEMBERS

Michael Westbrook, Chair	Present
Chris Meyers, Chair-Elect	Present
Dwayne Elam	Present
Tom Kimball	Present
Paul Matthews	Present
John Rupe, Jr.	Present
Charles Sublett	Present

ADMINISTRATIVE

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

**4. New Business**

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

Number	D365 Project	Funding Source	Title	Net GRDA Cost
RF024-01292	P003082	REVENUE	T&D Pole Yard Annex	576,428

Mr. Sullivan explained the item contained in the Capital Work Order Report. There were no questions from the Board.

Director Kimball moved the Board approve the Capital Work Order Report as presented, seconded by Director Rupe, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

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**CONSENT AGENDA**

- 4.b. Consideration, Discussion, and Possible Ratification of Change Order No. 3 to Contract 40524 for Long Term Service Agreement (GREC3) – Mitsubishi Power Americas, Inc.**
- 4.c. Consideration, Discussion, and Possible Ratification of Application and Authorization for Temporary Electric Service – Crossland Construction Company, Inc.**
- 4.d. Consideration, Discussion, and Possible Approval of Ninth Amendment to Power Purchase and Sale Agreement, Exhibit B Update – RAE Corporation**
- 4.e. Consideration, Discussion, and Possible Approval of Power Purchase and Sale Agreement – 3116 Properties, LLC**
- 4.f. Consideration, Discussion, and Possible Approval of Contract for Commercial Service – Progressive Technologies, LLC**
- 4.g. Consideration, Discussion, and Possible Approval of Contract for Commercial Service – Central Arkansas Welding Specialist, Inc.**
- 4.h. Consideration, Discussion, and Possible Approval of Amended and Restated U.S. Bureau of Reclamation Water & Energy Efficiency Grant (WEEG) Program Resolution**
- 4.i. Consideration, Discussion, and Possible Approval of Cooperative Agreement with Oklahoma Conservation Commission and GRDA – Lake Francis Wetland Planning**
- 4.j. Declare Surplus and Not Necessary to the Business of the District:**

<b>Description and/or Make of Item</b>
Endrun Technologies: Lot of 1
Cisco: Lot of 28
Palo Alto: Lot of 2
Cisco Rack Mounts: Lot of 8

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

<b>Standard Purchase Orders &amp; Contracts</b>		
<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
PCPO-005987	ANIXTER, INC. - DALLAS, TX	361,200.00
PCPA-000324	JOE COOPER FORD - EDMOND, OK	230,859.00
PCPA-000342	NAES CORPORATION - ISSAQUAH, WA	250,000.00
PCPA-000346	BLUEWATER ENERGY, INC. DBA BLUEWATER CONSULTING SERVICES - ACWORTH, GA	250,000.00
PCPA-000351	CHICKASAW TELECOM, INC. - OKLAHOMA CITY, OK	216,791.01
PCPA-000355	HITACHI ENERGY USA, INC. - RALEIGH, NC	2,253,159.00
<b>Grand Total Standard POs &amp; Contracts:</b>		<b>\$3,562,009.01</b>
<b>Change Orders &amp; Renewals</b>		
<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
44102	SCHWEITZER ENGINEERING LABOARATORIES, INC. - PULLMAN, WA	-17,190.00
PCPO-000575	TEREX UTILITIES, INC. - WATERTOWN, SD	19,884.00
PCPA-000305	SOFTCHOICE CORPORATION - CHICAGO, IL	5,465.17
PCPA-000114	JOHNSON CONTROLS FIRE PROTECTION LP - TULSA, OK	50,000.00
43801	RIZZO INTERNATIONAL, INC. - PITTSBURGH, PA	49,906.00
42763	GALT FOUNDATION - OKLAHOMA CITY, OK	800,000.00
PCPA-000089	STANTEC CONSULTING SERVICES, INC. - HOUSTON, TX	0.00
<b>Grand Total Change Orders &amp; Renewals:</b>		<b>\$908,065.17</b>
<b>Grand Total</b>		<b>\$4,470,074.18</b>

Chair Westbrook reviewed items on the Consent Agenda.

Director Elam asked for clarification on item 4.b., a change order for Contract 40524 with Mitsubishi Power Americas, Inc. Mr. Ladd explained this is for the components necessary to upgrade the output of GREC Unit No. 4.

Director Kimball moved to approve the consent agenda as presented, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

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**REGULAR AGENDA**

**1. Discussion and Possible Action Regarding Regular Board Meeting Minutes of January 10, 2024.**

Director Sublett moved the Board approve the Regular Board Meeting Minutes of January 10, 2024, seconded by Director Rupe, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**3. Unfinished Business:**

**3.a. Progress Reports**

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following, comparing information for 2023 and 2024 for GRDA's Full Requirements Customers for the month of January. He said

there continues to be growth for GRDA's Tribal customer class due to the growth within Citizen Potawatomi Nation's Iron Horse Industrial Park, as Dr. Collard will be explaining further in his update. Mr. Sullivan showed graphs illustrating a comparison of resource energy production for January 2023 and January 2024. He noted there was more coal utilization in January 2024 versus 2023.

Mr. Sullivan said the Authority is at 72 safe days working accident-free. He expressed his appreciation for the employees in accomplishing this. There was a meeting to discuss safety for their office staff as part of the regular quarterly safety meetings.

Three boats caught fire at the Arrowhead Yacht Club & Marina on Grand Lake, near Afton on January 18. There were no people in the boats at the time, and no crews were injured towing the boats away from the docks. The quick response from Arrowhead and GRDA prevented the fire from spreading further. Surrounding fire departments involved included Monkey Island, Ketchum, and Bernice. On January 27, a second fire broke out at Arrowhead Yacht Club. While there were no injuries, the building was a complete loss. No foul play was suspected, and the fires were not connected.

Following the GRDA Customer Cost of Service Study meetings, held in January, there will be Customer comment period to provide feedback on results and plan for rate action: January 24<sup>th</sup> – March 1<sup>st</sup> to allow for comments and questions with a written response from GRDA; and March 2<sup>nd</sup> – March 25<sup>th</sup> for additional time to provide comments with no written response. The GRDA team will begin working to structure the individual rate components to achieve the targeted increases, and the review will include the rate impact study to determine how proposed changes will impact the various customers within each of the customer classes. Mr. Sullivan said a follow-up meeting will be held next week to provide a forum and review proposed changes to individual rate components for GRDA customers. The Audit, Finance, Budget, Policy & Compliance Committee will meet prior to the April Board meeting to finalize rate proposals that will be shared with the Board. Mr. Sullivan said this is the first time GRDA has had a rate increase in many years. He stated he hoped the plan has provided for extensive collaboration and feedback as they continue with this process.

Mr. Sullivan showed photographs and said that during a coal train delivery at the Grand River Energy Center (GREC) on February 2<sup>nd</sup>, the first car shifted, derailing from the track. This caused both front and rear wheel assemblies to become disconnected from the railcar. GREC Maintenance was notified, and a crew arrived, working through the night. They were relieved Saturday morning with a second crew. Repositioning the car and wheel assemblies was a complex evolution, but through great teamwork, safe work and communication, the team successfully completed the repairs. This was accomplished with mechanics, electricians, and HVAC technicians, with support from the Coal Yard and GREC Operations. Mr. Sullivan commended those involved for fixing this.

A recognition luncheon was held for members of the #1 GRDA Safety Committee. The group is made up of employees from the GREC, three Hydro facilities and Transmission. GRDA's Safety Director Mike Vernnon, along with members of his team, led the event. Mr. Vernnon talked about his appreciation for this group's efforts in enhancing GRDA's safety initiatives and the continued focus going forward. Mr. Sullivan said he is excited to have members of this committee going to other areas within the Authority to do safety audits, as well as their own areas to give them an opportunity to see hazards that may not be obvious to those working in that location regularly.

Mr. Sullivan introduced the two videos to be shown. One covering the event to honor Senator James M. Inhofe who is the inaugural recipient of GRDA's Guardian of the Grand Award, and another updating the Board on precautions taken during Winter Storm Heather. He expressed his appreciation for everyone involved in enabling the Authority to generate electricity and deliver to their customers during the Winter Storm Heather event. Mr. Sullivan explained how the import and export of power works within the Southwest Power Pool (SPP) and how this was different than it was during the Winter Storm Uri event. He also thanked Senator Inhofe for all he has done for GRDA and the State of Oklahoma.

Chair Westbrook commended the entire team on a job well done during this difficult situation, and the most significant since Winter Storm Uri.

### **3.b. Economic Development Update – Citizen Potawatomi Nation: Dr. James C. Collard**

Mr. Sullivan introduced Dr. James Collard and thanked him for coming to provide an update for the Board.

Dr. Collard provided an overview of the Citizen Potawatomi Nation (CPN) for the Board, to include number of enrolled citizens, tribal enterprises, and governmental tribal services. He said they are working on four significant projects currently, the Firelake Casino, Firelake Hotel, CPN Headquarters, and the Iron Horse Industrial Park. Dr. Collard provided photographs of the three building projects and explained details of their current work within the Iron Horse Industrial Park. The park is a wholly owned subsidiary of the Citizen Potawatomi Nation and located in East-Central Oklahoma. Dr. Collard told the Board the Iron Horse Industrial Park is served by the Union Pacific and AOK railroads and is the only Foreign Trade Zone with activated sites on Native American Trust Land. He explained what this means for the CPN and provided an overview on what Foreign Trade Zones are. Dr. Collard expressed his appreciation for the GRDA and said that they are in large part the reason the Iron Horse Industrial Park is in play at the national level. He gave an individual commendation to Mrs. Tonya Schaffitzel for her hard work with the CPN and thanked the entire GRDA team.

Director Sublett asked Dr. Collard to speak to the employment situation at the industrial park. Dr. Collard said, currently there are only thirty-five jobs, but the CPN's economists are confident they will reach over one thousand jobs in the near future.

Director Elam asked what the size or acreage is of the industrial park. Dr. Collard stated there was originally about four hundred acres, with only about fifty acres of that land occupied so far. Director Elam commended the CPN team on their work.

Mr. Reese asked Dr. Collard to speak to the benefits of owning their own utility, not unlike GRDA's municipal customers. Dr. Collard explained the challenges and benefits of this, and stated it is working out very well.

Chair Westbrook expressed his appreciation for Dr. Collard providing this update for the Board and for his kind words about their GRDA staff.

Mr. Sullivan also introduced Mr. Justin Whitecotton with the CPN. He said Mr. Whitecotton works on the utility side and has worked well with GRDA's other wholesale customers. Mr. Whitecotton encouraged everyone to visit the Iron Horse Industrial Park to see what is happening. Dr. Collard provided their contact information should there be questions that come up after the meeting and thanked the Board and Mr. Sullivan for the opportunity to present this information.

## **4. New Business:**

### **4.k. Consideration, Discussion, and Possible Approval of Power Cost Adjustment (PCA) of \$0.02404 per kWh for March 2024**

Mr. Sullivan presented tables showing the GRDA Power Cost Adjustment (PCA) calculations based on the staff's forecast for March 2024, and explained the details. All figures are assumptions based on the information they have from historical data. Mr. Sullivan showed a graph illustrating the GRDA PCA rates (both actual and estimated) and what the under or over recovery is expected to look like for the next year. He presented another graph showing the overall value of GRDA's resource portfolio. The market cost of GRDA load is offset by the Authority's resource revenue, resulting in a cost that will be recovered by the monthly PCA rate. Mr. Sullivan information on the performance of GRDA generation assets during Winter Storm Heather. He said all generation assets continued to perform throughout the event, producing electricity above GRDA load requirements. Excess electricity was sold into the Southwest Power Pool (SPP) market at elevated prices, helping to offset GRDA fuel costs. Mr. Sullivan also presented a chart illustrating a comparison of the SPP South Hub day ahead on-peak and off-peak energy and the cost for natural gas for the Henry Hub, as well as a further comparison of February to March rate calculations. He noted anticipated load growth for GRDA's municipal customers.

Director Elam asked what kind of mechanical issues, if any, did the Authority have during the winter storm event. Mr. Sullivan said the units were operating but did have some challenges, as can happen with the freezing weather. However, the staff made sure the units were online and available and were able to fix issues that arose during this significant event, with no needed interruptions in service.

Director Sublett moved to approve the Power Cost Adjustment (PCA) of \$ 0.02404 per kWh for March 2024 as presented, seconded by Director Elam, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**4.l. Consideration, Discussion and Possible Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 20 Purchasing Policy**

**4.m. Consideration, Discussion and Possible Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 35 Lake Rules**

**4.n. Consideration, Discussion and Possible Adoption of Amendments to Administrative Rules OAC Title 300, Chapter 45 Administration of Rules and Hearings**

Mrs. Jahnke provided a summary of the Codified Rule Procedures and background on what GRDA had done thus far. She reviewed the proposed changes for the Board, noting that they received details on those changes in the information they receive prior to the meeting.

There were no questions from the Board.

**Regarding item 4.l.**, Director Matthews moved to adopt the changes as proposed to Chapter 20 (Purchasing Policy) of Title 300 of the Oklahoma Administrative Code, seconded by Director Kimball, and the item was voted on as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item 4.m.**, Director Elam moved to adopt the changes as proposed to Chapter 35 (Lake Rules) of Title 300 of the Oklahoma Administrative Code, seconded by Director Sublett, and the item was voted on as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item 4.n.**, Director Sublett moved to adopt the changes as proposed to Chapter 45 (Administration of Rules and Hearings) of Title 300 of the Oklahoma Administrative Code., seconded by Director Elam, and the item was voted on as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**4.o. Consideration, Discussion, and Possible Approval of Contract PCPA-000335/44129 for Bulk Hydrogen Supply – Air Products and Chemicals, Inc.**

Mr. Ladd told the Board each of the Grand River Energy Center (GREC) generators use gaseous hydrogen for cooling. One pound of hydrogen absorbs about ten times more heat than one pound of air and is less dense than air. The lower density decreases friction loss, and less mechanical energy is required to move hydrogen than to move air through the generator. The absence of oxygen in its cooling gas means the generator's medium-voltage insulation system is less likely to be damaged by any corona activity in the generator stator windings. He explained the requirements for GRDA's bulk hydrogen supply, including onsite storage. The existing tank that holds their hydrogen supply has been used since the late 1980's and is owned by Air Products and Chemicals, Inc. Their previous attempts to engage the market for replacement have been unsuccessful, with competing companies having no bids due to this project being too small. A Request for Proposal was issued to Air Products for updated pricing, including the tank replacement. Mr. Ladd showed a photograph of the overall plant, noting the location of the hydrogen storage tank. He showed the details of what the supplier would provide, and key contract terms to include temporary supply while

installing new equipment. Mr. Ladd showed hydrogen commodity data and explained the presented pricing with potential inflation adjustments.

Chair Westbrook asked if there would be any overlap on this project and what GRDA's future hydrogen needs may be, and whether there would be any issues or bargaining power with this contract related to that. Mr. Ladd said they did not word the contact in a way that would be exclusive to Air Products and the supply is so small it could really not be used for any other purpose.

Discussion ensued regarding the need to replace this tank and details around the terms of the contract.

Director Kimball asked if this was in their current budget. Mr. Ladd confirmed this does fall within their budget. He further stated that at the five-year mark they would have further information about GRDA's needs around hydrogen and be able to further evaluate this contract.

Director Kimball moved that Contract PCPA-000335 for Bulk Hydrogen Supply be awarded to Air Products and Chemicals, Inc. for an initial term of 5-years in an amount to not exceed \$970,000, subject to the final approval of terms and conditions by the CEO and General Counsel, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

#### **4.p. Consideration, Discussion, and Possible Approval of Amendment No. 1 to Contract PCPA-000187 for Supply of Electrical Equipment (GREC4) – Eaton Electrical Inc.**

Mr. Ladd presented background information on this contract. He said this contract was previously awarded to Eaton Electrical in an amount no-to-exceed \$2,948,230 that included a five percent contingency. The Request for Proposal included motor control centers, switchgear and panelboards for medium and low voltage for GREC Unit No. 4. The fully assembled Power Distribution Center (PDC) was not included as lead times were initially beyond the necessary timeline. However, it was communicated that Eaton Electrical may provide schedule relief for the PDC, pending further discussions. Mr. Ladd showed a summary of the bids received for this, with Eaton Electrical Inc. being the lowest bidder. He went over the addition to the original contract per the Eaton-Fibrebond Integrated Electrical Enclosure for the PDC, with technical specifications. The additional funding needed would bring the revised total amount to \$5,321,397 plus a five percent contingency allowance. Mr. Ladd showed the board what was included in this cost, including the aggregate estimated savings, reduced onsite construction needs, a shift in assembly risks from GRDA to the Supplier, improved schedule certainty, and the potential for additional savings in the consolidation of UPS and battery systems. He presented photographs of a structure similar to this.

Directors Elam and Matthews asked Mr. Ladd to confirm the original contract did not include the structure housing the PDC and was just for material only. Mr. Ladd confirmed that is the case.

Discussion ensued regarding further details on the equipment what would be provided by the contractor.

Director Elam moved that Amendment No. 1 for Contract PCPA-000187 for Supply of Electrical Equipment for GREC Unit No. 4 be approved, increasing the approved amount to a not-to-exceed value of \$5,587,466 which includes a five percent contingency allowance, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

#### **4.q. Consideration, Discussion, and Possible Approval of Change Order No. 1 to Contract 44135 for EpCM Services for New Generation (GREC4) – Black & Veatch Engineering**

Mr. Ladd said the Board approved Contract 44135 in February 2023 for Engineering, Procurement, and Construction Management (EpCM) Services for new generation for Black & Veatch Engineering on a time and material basis. He presented the original approved amount, target contingency pool and the target project cost. As of January 2024, the target project cost remains the same, but there were some changes in the other figures. Mr. Ladd showed a table showing the contingency pool budget and the remaining

unallocated contingency pool figure. He explained where they are in the project and what the schedule looks like as of today. Mr. Ladd stated they are still on track to mobilize on May 1, 2024. When presented, it was communicated to the Board that target and actual costs for the design, procurement, and construction of the power transmission line from the GREC Unit No. 4 GSU to the GREC Substation were intentionally excluded. Since then, GRDA requested that Black & Veatch prepare a cost estimate and subsequent Change Order to leverage the existing contract to include EpCM services and support the installation of this section of power transmission line. Mr. Ladd showed a map of where this part of the project would be located. He explained the project scope and details of the change order that the project team is recommending, including the amount of the proposed change order at \$681,794 that would increase the contract amount to a not-to-exceed value of \$48,341,579.

Director Matthews asked Mr. Ladd to explain a bit further some of what will be provided within the contract. Mr. Ladd provided more details on what Black & Veatch would include in their services. Director Matthews asked him to confirm that this was not a part of the contract originally, but was expected. Mr. Ladd confirmed that is the case.

Discussion ensued regarding anticipated costs related to the project and what the Board can expect going forward.

Director Matthews expressed his appreciation for the team's transparency.

Director Sublett moved that Change Order No. 1 to Contract 44135 for Engineering, Procurement, and Construction Management (EpCM) Services with Black & Veatch be approved, increasing the Contract's amount not-to-exceed value to \$48,341,579, seconded by Director Rupe, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained)*.

#### **4.r. Consideration, Discussion, and Possible Approval of Amendment No. 1 to Contract 43204 for Insulation & Scaffolding Services – Phoenix Industrial Insulation Corporation**

Mr. Ladd provided background information on this existing contract originating in 2021 and showed a photograph of a structure that is included in this. The GREC often requires skilled craftsmen to perform quality insulation and scaffolding work throughout the facility. When the Board approved Contract 43204 in 2021, they awarded the contract to Phoenix Industrial Insulation Corporation. This increases overall efficiency at a reduced cost and improves response times during unit outages or similar emergencies. He explained the terms of this time and material-based agreement. Mr. Ladd provided a summary of previous funding. He said annual funding has been sufficient to support normal insulation and scaffolding needs of a typical operating year. Historical overruns are sometimes necessary for extraordinary circumstances and emergencies. He also said GRDA has had a great experience with Phoenix and received excellent results, and explained the normal winter weather readiness activities they assist with. Mr. Ladd stated this amendment was at GRDA's request to provide services to the Hydro facilities, and the approved amount will not be increased. The contractor has agreed to the increased scope of services and provided updated rates for this contract. He explained these rates will increase, but the overall contract value would not.

Director Matthews asked if there is a vetting process for contractors to enter the facility. Mr. Ladd said they would go through a GRDA background check before being allowed to enter. Contractor employees would also have to go through a safety orientation beforehand.

Director Elam commented that the rates seemed in line with current levels, but encouraged GRDA staff to continue to review and manage this. Mr. Ladd said they certainly would.

Director Elam moved that Contract Amendment No. 1 for Contract 43204 with Phoenix Industrial Insulation Corporation for Insulation and Scaffolding Services by approved, seconded by Director Matthews, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained)*.



#### **4.s. Consideration, Discussion, and Possible Approval of Contract PCPA-000321 for Fuel Gas Compressors to Kobelco Compressors America, Inc. (GREC4)**

Mr. Ladd provided an overview of the GREC Unit No. 4 project remaining items for the Board. This includes major procurements and major subcontracts. GRDA receives natural gas at its GREC delivery point at a guaranteed pressure of no less than 450 PSIG. The new M501JAC Combustion Turbine will require more than 850 PSIG for operation. He explained further details and that onsite compression is required for plant operation. Black & Veatch Engineering have developed certain specifications for this contract. Mr. Ladd provided some details related to those specifications and a photograph of the GREC Unit No. 3 compressor. He also presented a summary of the proposals received by GRDA. Two of the bidders were unable to provide a quote due to supply chain issues, and one was unable to submit their proposal by the due date. The one complete bid received was from Kobelco Compressors America, Inc. at \$9,960,000. Black & Veatch has extensive experience with all four bidders. Mr. Ladd explained Kobelco is the Original Equipment Manufacturer for the GREC Unit No. 3 compressor and has performed well. He proposed the base bid amount of \$9,960,000, with needed adders to bring that total to \$10,541,204. Mr. Ladd explained what those adders would cover and that there would be a potential option for a standalone soft starter per compressor skid, bringing the total amount of the contract, with the pending option under evaluation, to \$11,038,904. He said they have had extensive conversations with the entire team about why this contract is coming in so over budget, with the original budget at just over \$7.5 million. Mr. Ladd said this was based on Black & Veatch Engineering's most recent project, design capacity being 11.5 percent higher, minimum suction pressure 140 PSIG lower, required minimum pressure at GT being 65 PSIG higher, and current market conditions changing frequently. He further explained that the unit manufacturer is very strict on pressures coming into the unit and why.

Director Meyers asked if Mr. Ladd and the staff felt that this is a reasonable bid. Mr. Ladd asked Mr. Jeff Kurtz with Black & Veatch Engineering to explain. Mr. Kurtz said market conditions are robust right now, but delivery needs are the real driver of the increased cost. There is a somewhat compressed schedule overall to get the unit constructed, as the delivery date is critical. He further explained why the other bidders did not provide a proposal at all or needed extended time to evaluate the specifications to make a bid. Mr. Kurtz told the Board they are seeing increases in other projects as well, but not to this level. He stated these projects have a much longer timeline.

Discussion ensued around the increase in cost, information gathered by Black & Veatch and the GRDA staff, potential flexibility in equipment, contract terms, etc. Mr. Ladd and Mr. Kurtz answered several questions regarding the increased budget and the pending option that is included in the final contract amount for the standalone soft starter and details around this adder. The Board collectively expressed their disappointment in this large of a mistake on the budgeted amount.

Mr. Ladd told the Board there will be other items for the unit that they expect to come in under budget, but those contracts have not been fully completed and negotiated to date. He stated they anticipate some amounts to offset the cost of this.

Director Sublett moved that Contract PCPA-000321 for Fuel Gas Compressor Equipment for GREC Unit No. 4 be awarded to Kobelco Compressors America, Inc., as a lump sum amount of up to \$11,038,904 which includes option pricing; and the Board approves an additional five percent contingency allowance to be managed by GRDA's Designated Representative, subject to approval of final contract terms and conditions that are satisfactory to the General Counsel and Chief Executive Officer, seconded by Director Matthews, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

#### **4.t. 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 Red Arrow Marina Restaurant, LLC for Approval of a Commercial Permit Application and for a Waiver to Exceed the 1/3 of the Cove Rule for a Facility Located in Delaware County Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of a Request by Pikes Landing LLC for Approval of a Commercial Permit Application for a Facility Located in Delaware County, Oklahoma**
- c) **Consideration, Discussion and Possible Approval of Proposed Changes to the GRDA Application for a Private Dock.**
- d) **Consideration, Discussion and Possible Approval of Proposed Changes to the GRDA Application for Private No Wake Buoy Placement.**
- e) **Consideration, Discussion and Possible Approval of 2024 GRDA Scenic Rivers Operations New Commercial Flotation Device License Applications.**

Chair Westbrook said the committee met this morning. He stated all items were approved unanimously by the committee members and briefly explained what each of the items entailed. He asked if there were questions or comments on these items.

There were no questions from the Board of Directors.

Chair Westbrook did ask Mr. Hunter to present information on item e to allow for those motions to be fully board-approved.

**Regarding item a,** Chair Westbrook moved to (i) approve the commercial application for Red Arrow Marina Restaurant, LLC as submitted and (ii) to waive the 1/3 of the cove rule for Docks B, C, and D, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item b,** Chair Westbrook moved to approve the commercial application for Darin and Lisa Pike and Pike's Landing, LLC, for the replacement of the existing dock with one covered dock that includes 20 boat slips and a boat ramp, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item c,** Chair Westbrook moved to approve the revisions to the Application for Private Dock Permit as submitted, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item d,** Chair Westbrook moved to approve the Application for Private No Wake Buoy Placement as submitted, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

**Regarding item e,** Chair Westbrook asked Mrs. Hunter to present the information on this item to the Board.

Mrs. Hunter went over a summary of the Oklahoma Scenic Rivers Act, and presented a map of the Illinois River Commercial Float Areas. She further explained rule changes effective during the 2024 season regarding river levels and license application requests. Mrs. Hunter presented the *Carrying Capacity of the Illinois River Findings and Considerations* study done by Northeastern State University. She explained that carrying capacity can be broadly described as the highest level of public use that river corridor can support

without causing undesirable alterations or significant harm to its various resource values. The study considered four aspects of carrying capacity: social, physical/spatial, ecological and facility. Mrs. Hunter presented a summary of the findings regarding water quality, erosion, ecosystem health, a survey of recreational users, and explained details around this to include an economic analysis of these findings. She explained the majority of public access areas are owned by the Oklahoma Department of Wildlife Conservation (ODWC), with GRDA acting as the custodian. Any improvement or modification requires ODWC approval and could require additional funds and personnel. GRDA already invests more than \$2.5 million on Scenic Rivers annually. Private and commercial use changes require a statutory rule change which is subject to the rulemaking process, and the timeline is lengthy with changes done now would not be effective until the 2026 float season. She proposed forming a representative committee to discuss potential implications of and remedies in response to the capacity study. Mrs. Hunter also presented statistics on 2023 GRDA Police calls and broke those numbers down into each float area for the Board. She listed the Commercial License renewal request for 2024, noting that one operator lost fifteen percent of their licenses due to missed deadlines and one operator's compliance concerns. Alongside this, she presented the GRDA staff's and committee's recommendation for 2024 Commercial License renewal.

There were no questions from the Board.

Chair Westbrook moved to authorize GRDA Scenic Rivers Operations to renew 3,443 Commercial Flotation Device Licenses and hold 311 pending administrative hearing with All American/Falcon Floats, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Mrs. Hunter further presented information regarding Commercial License availability. With the above motion approved by the Board, there will be 3,443 licenses renewed for 2024, with 311 pending administrative hearing. Per statute, regarding the limitation of floatation devices, the number of licenses shall be set at a maximum of 3,900. There are 146 licenses available as new licenses for 2024, and 861 new licenses have been requested. She presented the list of new license applications, noting the new applicants and one operator with compliance concerns and the GRDA staff's and committee's recommendation.

There were no questions from the Board.

Chair Westbrook moved to authorize GRDA Scenic Rivers Operations to issue 146 surplus Commercial Flotation Device Licenses as listed below, with a random draw for the remaining three licenses, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained):*

- Fidler's Bend Outdoor Adventure, LLC – 16 CFA 1
- Gypsy Camp and Canoe – 16 CFA 1
- Highwater Camp, LLC – 16 CFA 1
- Illinois River RV Campground & Float – 16 CFA 1
- Lazy River Campground – 16 CFA 1
- Hanging Rock Camp – 16 CFA 1
- Peyton's Place Resort – 16 CFA 2
- War Eagle Resort – 16 CFA 2
- Illinois River Outfitters – 15 CFA 2
- Illinois River Outfitters – 0 CFA 3
- All American/Falcon Floats – 0 CFA 3
- Diamondhead Resort – 0 CFA 3
- Sparrow Hawk Rec. Inc. – 0 CFA 3
- Town Branch Guest Ranch – 0 CFA 3

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

### **a) Cost of Service Study Update**

Director Sublett asked Mr. Feighner to present this item.

**Regarding item a**, Mr. Feighner went over background information on the Cost-of-Service Study, IOU rate increase history, and key items driving the overall 2028 revenue requirements. He presented the summary of the study findings and the rate proposal for each customer rate class. The Cost-of-Service Study identified gaps in certain rate classes between the cost to provide service and the revenues collected from the service. He showed forecasted rate schedules, alongside GRDA goals and guidelines for this change. Mr. Feighner stated that the forecasted 2028 results meet overall revenue targets while moving closer to cost-of-service. He provided a chart of the five-year progress toward cost-of-service and explained details for the Board, along with the 2024 recommendation part of the five-year plan and annual forecasted rate increases, per customer class. Once overall rate increase targets are finalized, rate structure and components will be evaluated to determine the best path to achieve targeted revenue increases. Evaluation will help determine potential changes on individual customers through rate impact studies. Mr. Feighner presented information related to the next steps, including dates for customer comments, work on structure of the individual rate components to achieve targeted increases, a follow-up meeting on February 20 for customers, a committee meeting prior to the April Board Meeting to finalize rate proposals, after which the Board will consider proposed rate changes, with a targeted effective date on or after July 1, 2024.

Discussion ensued regarding the reason for the study, who performed the study (Guernsey), as well as the cost of this work and what was originally anticipated.

No action is required on this item.

**3. Compensation & Marketing Committee:** Director Kimbal had no report.

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

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## 6. Proposed Executive Sessions:

- 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. 1494-461, 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 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning City of Miami et al. vs. Grand River Dam Authority, District Court of Ottawa County, Oklahoma, Case No. CJ-2008-619.**
- c. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning a Pending Investigation Involving All American Floats, Which the GRDA with the Advice of Its Attorney has Determined that Disclosure will Seriously Impair the Ability of the Public Body to Conduct the Investigation in the Public Interest.**
- d. **Proposed Executive Session Pursuant to 82 O.S. § 862.1(2)(a), Which Exempts the GRDA from Compliance with the Open Meeting Act to Authorize the Board of Directors to Confer on Coal or Gas Fuel Supply Contracts.**

Director Matthews moved to go into executive session at 12:30 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 1:42 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

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## 7. Action on Executive Session Items:

- a. **Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494-461.**
- b. **Action, as Necessary, Concerning City of Miami et al. vs. Grand River Dam Authority, District Court of Ottawa County, Oklahoma, Case No. CJ-2008-619.**
- c. **Action, as Necessary, Concerning a Pending Investigation Involving All American Floats.**
- d. **Action, as Necessary, Concerning Coal or Gas Fuel Supply Contracts.**

**Regarding item a**, there is no action required for this item.

**Regarding item b**, there is no action required for this item.

**Regarding item c**, there is no action required for this item.

**Regarding item d**, Director Meyers moved to approve the contract discussed in Executive Session, seconded by Director Elam, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

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Director Meyers moved for adjournment at 1:43 p.m., seconded by Director Matthews, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

  
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Sheila A. Allen, Secretary

DATE APPROVED:

March 13, 2024  
GRDA Board of Directors