

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
August 9, 2023**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority's Ecosystems & Education Center in Langley, Oklahoma on August 9, 2023. 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 22, 2022 at 10:56 a.m.; by posting the agenda with the Mayes County Clerks' offices on August 8, 2023, at 10:00 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of Grand River Dam Authority at least 24 hours prior to the meeting.

Chair Sublett called the meeting to order at 10:13 a.m. The Secretary called the roll. All members were present. Chair Sublett declared a quorum.

BOARD MEMBERS

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

ADMINISTRATIVE

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

Election of Officers

a. Nominations for Chair-Elect

b. Election of Chair Elect (Will Serve as Vice-Chair)

Chair Sublett declared nominations open for Chair-Elect. Chair Elam moved to nominate Chris Meyers as Chair-Elect, seconded by Director Richie. There being no other nominations, the nomination was voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4. New Business
4.a. Capital Work Order Report

Number	D365 Project	Funding Source	Title	Net GRDA Cost
RF023-01259	P001851	REVENUE	Pensacola Dam Bridge Crack Monitoring	559,012
RF023-01217	P001339	REVENUE	Feeder 35 LiDAR Remediation	1,944,663
Grand Total Work Orders				\$ 2,503,675

Mr. Sullivan explained the two items contained in the Capital Work Order Report. There were no questions from the Board of Directors.

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

CONSENT AGENDA

4. New Business

4.b. Resolutions of Commendation

- 1) James C. Henson
- 2) Ronnie L. Starks

4.c. Consideration, Discussion, and Possible Approval of Application and Authorization for Temporary Electric Service – Fortis Construction, Inc. – PRY8A gCUB Temp Service, Meter No. I890K at 3500 Main Street, Pryor, OK 74362

4.d. Consideration, Discussion, and Possible Approval of Application and Authorization for Temporary Electric Service – Fortis Construction, Inc. – North Feed Temp Service, Meter No, I890J at 3500 Main Street, Pryor, OK 74362

4.e. Consideration, Discussion, and Possible Approval of Resolution Appointing Delegate and Alternate Delegate to 2023 Annual Meeting of the Western Fuels Association, Inc.

4.f. Consideration, Discussion, and Possible Approval of Cooperative Agreement – Oklahoma Conservation Commission OCC-653 – Grand Lake Septic Tank Replacement)

4.g. Consideration, Discussion, and Possible Approval of Cooperative Agreement – Oklahoma Conservation Commission OCC-663 – RCPP Project Coordination

4.h. Consideration, Discussion, and Possible Approval of Cooperative Agreement – Oklahoma Conservation Commission OCC-764 – Illinois River Riparian Easements

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

Description and/or Make of Item	
Caterpillar/D5B/1984 - Dozer, 6 Cylinder Diesel	Osagian/Canoe - Aluminum canoe, from SRO, leaking - US-GUZ00149K607
Shop Built/Utility Trailer/1985 - Utility Trailer, Tandem Axle	Osagian/Canoe - Aluminum canoe, from SRO, leaking - GBFL02941889
Ford/F150/2011 - Crew cab, 6 passenger, V8, and 4 wheel drive	Osagian/Canoe - Aluminum canoe, from SRO, leaking - GBFH0997L586
Chevrolet/Silverado 1500/2013 - Crew cab, 6 passenger, V8, and 4 wheel drive	Office Chairs - Lot of 2
Target/PAC 111-115/1989 - Concrete Saw	Wooden Cabinets - Lot of 2
Shop Made/1998 - Skid mounted gas powered spray rig	Small Sofa
NorthStar/GCBPT-1713845/2014 - Skid mounted gas powered low pressure spray rig	Misc Non-Functioning Power Tools - 1 Lot
Osagian/Canoe - Aluminum canoe, from SRO, leaking - GBFN0702B191	Section 84 - 1 Lot of Misc. Oil and Air Filters
	Light Duty H150 Crosstube Helicopter Assembly - without power steering - H150E-1000-19

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
PCPA-000072	MOTOROLA SOLUTIONS - CHICAGO, IL	154,418.36
42360	ELECTRICAL CONSULTANTS, INC. - JENKS, OK	365,166.00
PCPO-001562	OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY - OKLAHOMA CITY,OK	148,012.44
PCPO-001791	TECHLINE, INC - AUSTIN, TX	420,326.01
PCPA-000089	STANTEC CONSULTING SERVICES, INC. - HOUSTON, TX	517,400.00
PCPO-001843	OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY - OKLAHOMA CITY,OK	17,498.30
PCPA-000095	GE STEAM POWER, INC. - ATLANTA, GA	160,430.00
Grand Total Standard POs & Contracts:		\$1,783,251.11
Grand Total Change Orders & Renewals:		\$0.00
Grand Total		\$1,783,251.11

Chair Sublett went over items on the Consent Agenda. There were no questions from the Board.

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

REGULAR AGENDA

1. Discussion and Possible Action Regarding Regular Board Meeting Minutes of July 12, 2023.

Director Westbrook moved to approve the Regular Board Meeting Minutes of July 12, 2023, as presented, seconded by Director Meyers, and voted upon as follows: Elam, yes, Lewandowski, abstain, Matthews, yes, Meyers, yes, Richie, yes, Sublett, yes, Westbrook, yes. *Motion passed (6-yes, 0-no, 1-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 2022 and 2023 for GRDA's Full Requirements Customers for the month of July. This month began cool, but warmer weather returned for the balance of the month. He said this month there was no change in demand, but a six percent increase in energy.

Mr. Sullivan showed graphs illustrating a comparison of resource energy production for July 2022 and July 2023. He noted there was very little change year over year.

GRDA has worked 25 days accident free. Mr. Sullivan thanked the Safety Team for their hard work and all of GRDA for working safely and efficiently. He said the GRDA Team is focusing on what can be done to prevent incidents in the future. As part of this process, the Authority has held safety forums in the third quarter July 18-20. The Safety Team led a series of forums at the Administrative Center for the Grand River Energy Center (GREC), Hydro and Transmission & Distribution (T&D) employees. During this time, the Safety Team also recognized employees in each division for their contributions. The Hydro Safety Committee Team leaders were recognized for their pro-active approach and industry leading efforts to control risk and loss in GRDA's Hydro facilities. GREC team members were recognized for exhibiting excellence in safety performance and attitude and engaging others on their team in risk reduction and safe work practices. The T&D Team was recognized for their response to Storm Derecho in the Collinsville area. They worked tirelessly for many hours repairing and replacing structures with zero injuries to restore power.

The transition of the Salina Pumped Storage Project to a Market Storage Resource (MSR), a market resource classification created in response to FERC Order 841, is complete. Several departments were involved to successfully transition the facility. With very few actual MSR's in the Southwest (SPP) footprint, converting a conventional generator to an MSR did have some software issues that the Southwest Power Pool (SPP) and General Electric (GE) worked to resolve. At midnight on August 1, 2023, SPP and GRDA successfully activated the largest Market Storage Resource in the SPP Integrated Marketplace.

Mr. Sullivan introduced the video to be shown and highlighted some of the details. He said there were several legislators present at the Legislative Getaway event held last month which had not attended in the past. Mr. Sullivan recognized Representative West and Representative Hardin for coming to the Board meeting and attending the event as well.

Claremore City Manager John Feary was recognized for comment. Mr. Feary commended the GRDA Team for reaching out during their recent outages related to the heat and stress on their system. He thanked Mr. Sullivan and several others on the Customer Response Team and Operations personnel for being there when the city needed them. Mr. Feary stated they could not have gotten through it without the help of GRDA and that they greatly appreciate the partnership they have in the Authority.

Mr. Sullivan introduced GRDA's new Chief Financial Officer Erik Feighner. He said Mr. Feighner started in July. Mr. Feighner greeted the Board and attendees. He said he is happy to be a part of the team and provided some background on his career. Mr. Feighner has worked in the energy industry for approximately 20 years for public, private, venture capital and private equity entities. He is excited to be at the Authority at a time when there are some dynamic changes in the energy industry, and to work with a great team at GRDA. Mr. Feighner told the Board he looks forward to meeting and getting to know everyone better.

3.a.1.b. Consideration, Discussion, and Ratification of the Placement of Property Insurance Coverage (Munich Re, Swiss Re, Energy Insurance Mutual, Scor Re, Allianz, Chubb, QBE, HDI, Travelers, Helvetia, Lancashire, Arch, Argenta, Hardy, Hannover Re, AIG, Aspen, Convex, and Amlin)

Mr. Lofton reminded the Board that after the last meeting they had locked in a renewal premium of \$3,668,753.27. This represented a 3.7 percent increase in their insured property values, for an overall 7.56 percent increase in premium over the last year. When you factor in the increase in property values, the actual increase came in at approximately 3.85 percent increase. This policy covers generation facilities, substations, heavy equipment, and mobile substations. It does not cover buildings, etc. This type of coverage is under a different type of policy. At the time this was brought to the Board last month, they were in ongoing negotiations, but this has now been completed. Mr. Lofton said they were expecting a 7 to 15 percent increase this year for this coverage. He showed premium quotes from carriers within the U.S. and London markets as well as comparisons of these premiums from July to August 1, 2023. Mr. Lofton explained these charts and details of how he and Mr. Thom Jenkins' continued negotiations with potential carriers. They were proud to tell the Board the premium at the last Board meeting was significantly reduced to \$3,608,331.56, saving roughly \$60,000.00, plus a 4 percent administrative fee to State Risk Management as required. Mr. Lofton presented the proposed motion and recommended the Board approve this item.

Director Lewandowski asked what GRDA receives from the State of Oklahoma for the 4 percent administrative fee. Mr. Lofton said the State of Oklahoma has a contract with Marsh McLennan as the broker. This is the extent of their participation this fee pays for.

Director Elam thanked Mr. Lofton for bringing this item back to the Board and providing an update on what had taken place. Mr. Lofton recognized Mr. Thom Jenkins for his work on behalf of the Authority.

Director Meyers moved to ratify the acquisition of property insurance for the policy period of August 1, 2023, to August 1, 2024, as presented for a total premium of \$3,608,331.56 plus the applicable State Risk Management Administrative Fee of 4 percent, seconded by Director Elam, and the item was voted on as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Matthews left the room at 10:57 a.m., returning at 10:58 a.m.

4. New Business

4.j. Consideration, Discussion, and Possible Approval of Power Cost Adjustment (PCA) of \$0.03319 per kWh for September 2023

Mr. Sullivan presented tables showing the PCA calculations based on the staff's forecast for September 2023, and explained the details. All figures are assumptions based on the information they have from historical data. He 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 also showed a graph illustrating the current Henry Hub natural gas futures and settlements. Mr. Sullivan explained the graph and noted things seem to continue to track on a consistent trend for the next year or two. 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 presented a chart illustrating a comparison of the Southwest Power Pool (SPP) South Hub day ahead on-peak and off-peak energy with a comparison against the cost for natural gas for the Henry Hub as of July 27, 2023. He showed another comparison of August to September rate calculations as well.

Director Elam moved to approve the Power Cost Adjustment (PCA) of \$ 0.03464 per kWh for July 2023 as presented, seconded by Director Richie, and voted upon as follows: Elam, Lewandowski, Matthews, Richie, Sublett, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

4.k. Consideration, Discussion, and Possible Approval of Directors & Officers and Employment Practices Liability Insurance Coverage

Mr. Lofton stated the Authority maintains \$35 million in Directors & Officers and Employment Practices liability insurance coverage. He noted that, according to their brokers peer review or peer vision marketing, they say this is high in GRDA's group of peers. Mr. Lofton was not suggesting changing the amount, but wanted to answer that question for the Board. This policy provides coverage to GRDA the entity as well as the employees and directors. The types of claims this insurance coverage covers are claims involving breach of duty or errors and omissions, as an allegation that the board or employees failed to take certain actions. It also provides employment practices coverage for things like discrimination or retaliation as an employer. This also covers claims of antitrust violations. The coverage in place now is expiring September 1, 2023, and is in three tiers. It is currently through AEGIS, Hartford Allied World. Mr. Lofton presented the current policy information and premiums, alongside the renewal quotes for the coming policy period that include no increase, for a total premium of \$213,164.10. However, negotiations continue as Mr. Lofton and Mr. Jenkins ask for better quotes. Mr. Lofton said there is no action required at this time by the Board, and that they intend to come back for full approval next month.

Director Meyers asked if postponing a vote would cause an issue in securing coverage by September 1, 2023. Mr. Lofton said they intend to come back to the Board for ratification. Mr. Sullivan stated another option would be to approve up to the \$213,164.10 amount today, if that is the pleasure of the Board.

Director Matthews moved to approve Directors & Officers and Employment Practices Liability Insurance Coverage move forward with a an annual not-to-exceed amount totaling up to \$213,164.10, subject to approval of final terms by the CEO and General Counsel, seconded by Director Meyers, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Lewandowski left the room at 11:12 a.m., returning at 11:13 a.m.

4.l. Consideration, Discussion, and Possible Approval of Excess Liability Insurance Coverage

Mr. Lofton told the Board that this item is not ready for presentation as the team has not even received the renewal quotes as of today, as it is a complicated renewal. It will need to be brought back next month for ratification.

Director Meyers asked when the coverage expires. Mr. Lofton stated it expires on September 1, 2023. He also said they sometimes do not receive quotes until the last day or two before expiration. So, it would not be possible to even provide general information to the Board at this point.

There is no action required on this item.

4.m. Consideration, Discussion, and Possible Approval of Pollution Liability Insurance Coverage

Mr. Lofton stated GRDA maintains \$20 million of pollution liability insurance coverage over a \$500,000.00 self-insured retention. This covers expenses incurred resulting from a pollution condition, including on-site clean-up and third-party claims for off-site clean-up. It also covers losses that GRDA becomes obligated to pay to third parties for bodily injury or property damage due to a pollution condition. He said there is also coverage for third-party claims resulting from sudden and accidental pollution in excess of GRDA's \$60 million liability insurance coverage. Mr. Lofton showed the expiring policy premium from Beazley Insurance and the renewal quotes from them for this coming year, with an approximate 6.5 percent. Mr. Lofton said this seems to be very fair. He explained that, even though the premium is lower than the threshold amount

for internal approval, the staff wanted to bring this item to the Board for approval in an effort to continue to keep the Board informed and comply with GRDA's bond requirements.

There is no action required on this item.

4.n. Update on Water Quality Monitoring and Management

Dr. Townsend told the Board he would like to provide an update on GRDA's water quality monitoring and management. He presented a graph representing the lake nutrients in 2023, specifically phosphorus. The graph also provided a long-term average phosphorus level and how that relates to rainfall amounts. He presented additional illustrations of these types of readings for the Horse Creek area at Grand Lake during the 2021 algae bloom. Dr. Townsend showed how the conservation easements are being evaluated to restore riparian structure and function and assist with increased fish and macroinvertebrate diversity, as well as decreasing organic matter decomposition. The easements seem to increase plant biomass and decrease temperatures. Dr. Townsend showed a map of the Horse Creek Watershed and a photograph of one of the warning buoys the Authority has acquired in partnership with the University of Oklahoma. He presented the telemetry results from 2018 to the present, noting that on June 9, 2021, the buoys noted daily fluctuations in dissolved oxygen and phycocyanin associated with a rapid increase in surface water temperature. On June 10, 2021, they started monitoring the Horse Creek area for a cyano-bloom. June 13 brought the first observation of streaking and surface scum to the area, and June 15 the buoys first detected a higher level of microcystin than the Environmental Protection Agency (EPA) recommends. Dr. Townsend said they are planning to combat algae outbreaks with this information and new technology, solar powered destratification. He stated they believe they can assist with algae bloom issues by mixing the water column and presented a diagram of the water column for the Board. He showed a photograph of the mixers being considered to be ready for next spring and summer. Also, the Grand River Energy Center (GREC) may have a need and a potential pilot project for floating solar. It is something new that is being discussed for a few areas containing water at the facility. Dr. Townsend explained how this could work here, at the Pensacola Dam and at the Salina Pumped Storage Project.

Director Westbrook asked if the floating solar would be in addition to the energy produced by GRDA. Dr. Townsend said it is potentially in addition to what is already being discussed. There have not been any decisions made to date, but there is a grant that could fund some of the equipment and work.

Director Meyers asked Dr. Townsend to confirm this would not produce a significant amount of power. Dr. Townsend confirmed this.

Chair Sublett asked what the status of the mixers are for the Horse Creek area. Dr. Townsend said they are currently in the design phase, but expect to install their first one in late September or early October as of today. The cost will be approximately \$75,000.00 for initial mixer. Chair Sublett asked what Dr. Townsend's feeling is on the effectiveness of this. Dr. Townsend said he feels and hopes it will be very positive. It is one of the things that can be done on the lake itself that can make a significant impact. He stated they will be taking a look at one unit only for right now before committing to more cost for this. Dr. Townsend stated they believe the Horse Creek area will need three units based on the original engineering. Chair Sublett asked if this would be brought back to the Board. Dr. Townsend said the first unit would not, but could come back to the Board to additional units should the first one prove to be beneficial.

The Board expressed their appreciation for bringing this information to them and thanked Dr. Townsend.

There is no action required of the Board on this item.

Mr. Mike Doublehead asked to be recognized. Chair Sublett recognized Mr. Doublehead for comment. Mr. Doublehead thanked and expressed his deep appreciation to the GRDA water quality team for their help in Tahlequah concerning their waste treatment plant. The system was not able to handle the loading and there was a discharge into a stream. GRDA was crucial in assisting with this process alongside the Oklahoma Department of Environmental Quality (ODEQ).

4.o. Consideration, Discussion, and Possible Approval of Contract 44227: Combustion Turbine Generator (CTG) and Related Services for GREC Unit No. 4 – Mitsubishi Power America

Mr. Ladd provided background on this project. He also presented graphs showing capacity needs for the current Southwest Power Pool (SPP) Resource Adequacy Report for 2023 and explained details of these. Mr. Ladd showed the actual GRDA projected capacity position base case load forecast for 2022-2030, including all energy resources of the Authority. He went over what was driving the need for this and the evolving regulatory challenges. Beyond environmental considerations, the fleet has been further evaluated against financial and operational considerations. GRDA Management continuously evaluates the near-term and long-term effectiveness of their generation fleet to ensure the most economically feasible resources are serving all GRDA customers. The requirements include risk management, investment certainty, efficient, flexible, reliable operations, and low-cost production capability, along with overall longevity. Future investment considerations for coal generation and GREC2 have been reallocated to the hydro, gas, and renewable fleet. Mr. Ladd covered key considerations in this decision. He also went over screening-level capital cost, non-fuel operations and maintenance (O&M) cost, and performance estimates for various new power generation options, as well as the site advantages of the Grand River Energy Center (GREC).

Mr. Ladd said he is presenting information on a large, advanced class, simple cycle, fast start and ramping capability unit that is hydrogen capable with a maintained option for future combined cycle expansion at about 420 MW of capacity, with a delivery date of April 1, 2026. Knowing this, the GRDA Team engaged Black & Veatch to produce detailed specifications for the CTG train. Lessons learned from the GREC3 process were implemented in the GREC4 specifications. On April 4, 2023, GRDA solicited competitive bids for a Combustion Turbine Generator (CTG) train assembly including related services for GREC4, and a Long-Term Service Agreement (LTSA) which provides critical planned maintenance for such equipment. The three major CTG manufacturers, Siemens (SEI), General Electric (GE), and Mitsubishi Power (MPW) returned bids on June 6, 2023. A thorough evaluation of bids has been conducted by Black & Veatch and GRDA Staff. General technology, demonstrated operation, industry reputation and overall risk were among key considerations and OEM manufacturing facility visits were also conducted by the team. Mr. Ladd provided an overview of the bid evaluation and summation, as well as delivery schedules and construction risk for the vendors. They also compared levelized cost of capacity for each vendor. GRDA Management agrees with the evaluation and recommends maintaining presented options offered by MPW. The team is further evaluating other options to upgrade. Mr. Ladd recognized his evaluation team, Derek Frailey, Ben Privett, Keith Small (B&V), Dave Oldham (B&V), Maria Saucedo, and Sammie Prince, and expressed his appreciation for their expertise and hard work.

Director Meyers said he feels like the Authority is fortunate that this option can also meet the time requirements. He also stated he is confident in the staff in evaluating this.

Director Elam agreed with Director Meyers. He also asked about the upgrade options. Mr. Ladd explained some of the details of those potential upgrades and the reasoning behind having those options. Director Elam asked if the staff is confident in doing this. Mr. Ladd confirmed that is the case. He also stated this machine is favored by the insurance companies they have discussed this with.

Discussion ensued regarding how the hydrogen conversion would work and details around how that could come to be a reality, as well as what the regulatory environment is seeing around green energy.

Chair Sublett asked Mr. Sullivan to weigh in on this item. Mr. Sullivan stated GRDA is doing this to cover existing load, not for expansion of load. This decision is not based on expansion in the Mid America Industrial Park. When you think about the risks associated with GREC 2 being uninsurable, and a catastrophic event could take this unit out of service, and the potential capacity cost, availability of that capacity, as well as not knowing what the regulatory environment will look like in 2026. We want to be able to keep the lights on. We are trying to be as frugal as possible, but want to remove as many of these risks as we can. Mr. Sullivan strongly recommended approval of this item. Chair Sublett asked for Mr.

Brown's comments on this as well. Mr. Brown agreed with Mr. Sullivan and the needs surrounding this recommendation.

Discussion ensued around how hydrogen could be introduced if this option became feasible for the Authority given the uncertain regulatory environment right now.

Mr. Feighner told the Board he and Mr. Sullivan have had numerous conversations with underwriters and none have said anything about the market being closed to the Authority based on our assets, and have not had any conversations that would give him pause. Mr. Sullivan said the timeline discussed with the bond underwriting team may be pricing in the first week of December this year.

Mr. Lewandowski commended the team and thanked them for their work in getting this result, as well as making it understandable for the Board.

Director Elam asked Mr. Sullivan and Mr. Ladd whether they are comfortable in choosing Mitsubishi Power America's machine. Mr. Ladd said, with his personal experience of the existing M501J GREC 3 unit, he believes this unit will be better than GREC 3 for several reasons. He also said all units come with some kind of risk, but he believes Mitsubishi has gone above and beyond to work with the Authority on this. Mr. Brown agreed with Mr. Ladd. Mr. Sullivan also stated there are some synergies with GREC 3 that GRDA can capitalize on.

Director Meyers moved that Contract 44227 for Combustion Turbine/Generator and related services be awarded to Mitsubishi Power America, subject to approval of final contract terms and conditions that are satisfactory to the General Counsel and Chief Executive Officer, seconded by Director Elam, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Chairman Sublett called for a break at 12:06 p.m., the Board reconvened at 12:15 p.m.

4.p. Consideration, Discussion, and Possible Approval of Contract 44228: Long Term Service Agreement (LTSA) for the GREC Unit No. 4 Combustion Turbine Generator (CTG) – Mitsubishi Power America

Mr. Ladd said this agreement would provide planned maintenance services for the combustion turbine. The term of the Long-Term Service Agreement (LTSA) shall be at 3,600 equivalent starts. This equates to a twelve-year term based on an estimated profile of 300 starts per year. Having these discussions upfront and coupling the combustion turbine and LTSA together results in some significant savings and value. He said the agreement provides for around the clock monitoring, OEM engineering support, and routine periodic maintenance for the CTG, beginning at the initial fire of the machine. The agreement provides additional discounts for covered parts, non-covered parts, and additional OEM services not subject to the terms of this contract. He explained the program costs, including a mobilization fee invoiced six months prior to the performance start date and a variable fee per effective start. Mr. Ladd showed diagrams of the combustion turbine in different scenarios, and explained what the agreement would be covering. Regarding key performance terms of the agreement, the contractor guarantees the reliability of the covered unit, with liquidated damages applied for underperformance. Mr. Ladd provided details related to the guaranteed output degradation value and guaranteed heat rate degradation factor. He said there is also collateral damage coverage as well. In this, the contractor shall pay and bear the costs (at T&M Rates), without reimbursement or other payment from the owner, except as expressly provided and subject to the caps in the agreement, of all parts and services for the covered unit as may be required for "Collateral Damage Repair" in accordance with the limit negotiated. He explained in more detail how this would work. Mr. Ladd presented additional options for future consideration to the Board at a later date. He explained

how each of these options would be beneficial and the cost associated with all of them. Mr. Ladd said the base agreement would not include these future options at this time.

Director Meyers asked what the term is for the agreement. Mr. Ladd stated it is 3600 starts, based on operation at approximately 12 years.

Chair Sublett asked why there would be a need to start this unit 300 times per year. Mr. Ladd stated it is not ideal, but the unit is designed to do this. He explained there are times when it could be necessary to support market operations, but may not reach that number.

Discussion ensued regarding the unit being designed to start quickly when needed and how that works in conjunction with the LTSA and SPP market needs, including varying run times. The Board and staff want the unit to be properly utilized.

Director Meyers stated it sounded like the staff is confident in proceeding with this, and he agrees.

Director Elam moved that Contract 44228 for Long Term Service Agreement (LTSA) Services for Combustion Turbine/Generator be awarded to Mitsubishi Power Americas, in a negotiated amount to be adjusted annually to CPI adjustments as defined by the Contract, and subject to approval of final contract terms and conditions that are satisfactory to the General Counsel and Chief Executive Officer, seconded by Chair Sublett, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.q. Consideration, Discussion and Ratification of Time Extension Change Order 11 and Possible Approval of Change Order 9 – Revision for Reallocation of Flooding to Tuning Contingency with Crossland Construction Company for the WOKA Whitewater Park

Mrs. Moore provided an overview of the WOKA Whitewater Park project. She showed a current timeline, noting that the team is currently in the “tuning” phase of the project. They expect the project to reach substantial completion by August 31, 2023, with an opening to follow soon after. Mrs. Moore went over accomplishments by the team, including IT infrastructure and systems, as well as procurement of equipment, fixtures, and merchandise. She said there have been challenges, noting flooding events dam mitigation and the unique project and scope. The team hopes to open the park in mid to late September. Change Order 11 is for an extension of time needed to complete the project due to these delays. Change Order 9 would revise the previous change order and reallocate funding to the tuning contingency with Crossland Construction Company for the project due to the tuning phase including some major construction. Mrs. Moore explained more about what this entails and what the next steps will be.

Director Elam asked if there was no additional funds needed to complete the project. Mrs. Moore confirmed this. He also asked for confirmation that the other item is just an extension of time. She also confirmed this. Director Elam asked, with the initial cost of operations for the first year being \$700,000 and paid by the Walton Family Foundation, what the ongoing cost per year would be afterward. Mrs. Moore said the plan is that visitors to the park would cover the cost of operations. She explained some of these costs.

Director Matthews moved to approve Change Order 9 for a revision and reallocation of flooding to tuning contingency with Crossland Construction Company for the WOKA Whitewater Park, seconded by Director Westbrook, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Matthews moved to ratify Change Order 11 for a time extension of nineteen days with Crossland Construction Company for the WOKA Whitewater Park, seconded by Director Westbrook, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.r. Consideration, Discussion and Ratification of Contract 44235: Pensacola Dam Crack Monitoring – Underwater Acoustics International, Inc.

Mr. Jacoby said this item is about GRDA's work on dam safety. He explained movement in structures is expected and engineering designs provide for expected movement. Movement beyond expected and cyclical norms can indicate structural degradation and changes in foundations. GRDA has historically monitored structural movement with conventional survey and visual observations, which has resulted in some inaccurate survey results the Kerr and Pensacola dams. GRDA ceased conventional horizontal surveys and reached out to OSU Pickens School of Geology to study alternatives. They identified fixed station GPS/GNSS satellite monitoring as working well (near 1mm accuracy) at Kerr Dam, Salina Dike, and Salina Pumped Storage project features. However, at the Pensacola Dam the GNSS satellite system was found to be inadequate due to the height of the dam and limited exposure to a full horizon. This would require alternate methods of monitoring. Four methodologies were proposed. These are inclinometers that monitor direct foundation movement at select locations (6), real time strain gauge monitoring of select buttresses (18), long-term high resolution photographic comparisons of changes in cracking in most buttresses and continue the twice-yearly visual assessments. The initial execution is more expensive, but there is limited annualized monitoring cost thereafter. Conventional surveys of the Pensacola Dam twice yearly costs approximately \$80,000 per year and results have been unreliable and sight lines require monitoring taken in undesirable locations. These have also resulted in more confusion than resolution. Mr. Jacoby showed photographs of the Pensacola Dam showing diagonal settlement cracking in most of the buttress faces.

Contract 44235 is for a high-resolution fix trial and baseline survey of 46 of the 52 buttresses. There were three bids received for this contract. One bid was late and disqualified, with two responsive bids from Underwater Acoustics International, LLC and Niricson Software, Inc. These vendors have variations in available technology and have excellent experience. However, the GRDA Team is recommending the lowest cost bid from Underwater Acoustics International, LLC.

Director Matthews asked if this would take care of the Federal Energy Regulatory Commission (FERC) requirements for GRDA. Mr. Jacoby stated he is very confident in this very robust system and explained that other agencies use this.

This contract has not been awarded yet and is not a ratification as stated on the agenda.

Director Meyers moved to approve Contract 44235 High Resolution Comparative Photography to Underwater Acoustics International, LLC at the not to exceed value of \$241,371.00, seconded by Director Matthews, and the item was voted on as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.s. Consideration, Discussion and Ratification of Proposal PCPA-000090: Pensacola Dam Arch Buttress Movement Monitoring Gauges – White Electrical Construction Co.

Proposal PCPA-000090 is for the installation of GRDA owned strain gauges and the controller. The vendor would supplement with two additional banks of gauges and controllers. This contract would be from a sole source solicitation of a gauge provider already purchased and installed by their partner electrical construction installer, White Electrical Construction Company.

This contract has not been awarded yet and is not a ratification as stated on the agenda.

Mr. Jacoby said he is confident in the systems, but not as comfortable with the pricing. However, this has been a long-term project to come up with a monitoring program for the mile-long Pensacola Dam, and he feels confident this is the path to take. Mr. Jacoby explained some background around this item.

Director Meyers moved to approve Proposal PCPA-000090 for the purchase, installation and startup of one set of LifeSpan Technologies Movement Monitoring Instruments and two new sets as a contract number to

be developed, to White Electrical Construction Company, Inc. at the not to exceed value of \$358,500.00, seconded by Director Matthews, and the item was voted on as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.t. Recognition of Outgoing Chair

Mr. Sullivan presented Chair Sublett with a print on behalf of himself, the customers and employees of GRDA for his dedication to the organization and in remembrance of his time as Chairman this past year. He recognized Mr. R.C. Livesay, the photographer, and expressed his appreciation for Chair Sublett's representation of the Authority as a whole and his leadership through all that has happened in the last twelve months.

Chair-Elect Westbrook presented Chair Sublett with a plaque and thanked him for his thoughtfulness and leadership.

Chair Sublett stated it has been a humbling experience and commented that GRDA runs like a well-oiled machine. He expressed his appreciation for the GRDA staff and said it has been an honor working as Chairman for such an organization.

4.u. Other New Business, if Any, Which Has Arisen Since the Posting of the Agenda and Could Not Have Been Anticipated Prior to the Time of Posting (25 O.S. § 311(9)).

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- a) **Consideration, Discussion and Possible Approval of Request by Paradise Cove Real Estate LLC for Approval of a Modification of an Existing Facility Located in Delaware County, Oklahoma and for a Waiver to Exceed the 1/3 of the Cove Rule.**
- b) **Consideration, Discussion and Possible Approval of Request by Grand View Estates Property Owners Association, Inc. for Approval of a Raw Water Contract Located in Delaware County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of Request by Rural Water District #3 of Mayes County, Oklahoma for Approval of a Raw Water Contract Located in Mayes County, Oklahoma.**

Director 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.

Director Elam asked if the raw water contracts are locked in at a certain price. Director Westbrook stated these rates are evaluated annually with the potential change in rates, as necessary.

Regarding item a, Director Westbrook moved to approve:

- (1) the commercial application for Paradise Cove Real Estate, LLC with modifications to the original application, as approved by the Assets Committee, and the item was voted upon as follows: Elam,

Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained)*; as explained below:

- a) Remove walkway between Dock A and C
- b) Add a walkway from Dock A to the shoreline
- c) Pull Dock A closer to the shoreline by approximately 24'
- d) Remove proposed 8 PWC slips
- e) Reduce all roof heights to 10.5'-12' at the peak

2) Waiver of the 1/3 of the Cove Rule for Docks A, B, and C.

Regarding item b, Director Westbrook moved to approve a ten-year raw water contract to Grand View Estates Property Owners Association, Inc. to withdraw a maximum of six million gallons per year, as approved by the Assets Committee, and the item was voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained)*.

Regarding item c, Director Westbrook moved to approve a forty-year water contract to withdraw water from Grand Lake to Rural Water District #3 Mayes County, Oklahoma., as approved by the Assets Committee, and the item was voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained)*.

2. **Audit, Finance, Budget, Policy & Compliance Committee:** Director Lewandowski had no report.
3. **Compensation & Marketing Committee:** Director Richie had no report.
4. **Fuel and Long-Range Planning Committee:** Director Meyers had no report.

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. 1494-348, Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Process the Pending Investigation, Claim, or Action in the Public Interest.**
- b. **Proposed Executive Session Pursuant to 25 O.S. § 307(C)(11) for the Purpose of Conferring on Matters Pertaining to Economic Development, the Public Disclosure of Which Would Interfere with the Development of Services and Would Violate the Confidentiality of the Business.**
- c. **Proposed Executive Session Pursuant to 82 O. S. § 862.1(2)(a) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning Coal or Gas Fuel Supply and Transportation Contracts, Which are Exempt from the Provisions of the Open Meetings Act.**

Director Richie moved to go into executive session at 1:13 p.m., seconded by Director Meyers, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained)*.

Director Westbrook moved to return to regular session at 1:57 p.m., seconded by Director Lewandowski, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items:

- a. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494-348.**
- b. Action, as Necessary, on Matters Pertaining to Economic Development.**
- c. Action, as Necessary, Concerning Coal or Gas Fuel Supply and Transportation Contracts.**

Regarding item a, no action was required on this item.

Regarding item b, no action was required on this item.

Regarding item c, Director Meyers moved to approve the Peabody COALSALLES, LLC 2024 Base Price proposal, as discussed in Executive Session, seconded by Director Lewandowski, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Elam moved for adjournment at 1:59 p.m., seconded by Director Meyers, and voted upon as follows: Elam, Lewandowski, Matthews, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

September 13, 2023
GRDA Board of Directors