

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
August 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 Ecosystems & Education Center in Langley, Oklahoma on August 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 August 13, 2024, at 9:38 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 Westbrook called the meeting to order at 10:02 a.m. The Secretary called the roll. All members were present, apart from Director Sublett. 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	Absent

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	Absent

Election of Officers

a. Nominations for Chair-Elect

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

Chair Westbrook declared nominations open for Chair-Elect. Chair Westbrook moved to nominate John Rupe, Jr. as Chair-Elect, seconded by Director Kimball. There being no other nominations, the nomination was voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4. **New Business:**

a. Capital Work Order Report (*Denotes Addenda Items): Sullivan

Number	D365 Project	Funding Source	Title	Net GRDA Cost
RF024-01324	2088874	REVENUE	Feeder 1 Flood Remediation	265,122
Grand Total Work Orders				\$ 265,122

Mr. Sullivan explained the item on the Capital Work Order Report.

There were no questions from the Board.

Director Elam moved the Board approve the Capital Work Order Report as presented, seconded by Director Matthews, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

CONSENT AGENDA

4. **New Business:**

b. Resolutions of Commendation: Chair Westbrook

1) **Lynn R. Yarnell**

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

d. Consideration, Discussion, and Possible Approval of Amendment to Agreement with Placer Labs/PlacerAi: Reese

e. Consideration, Discussion, and Possible Approval of Cooperative Agreement with Oklahoma Conservation Commission for Grand Lake Septic Tank Replacement – OCC-653: Townsend

f. Consideration, Discussion, and Possible Approval of Cooperative Agreement with Oklahoma Conservation Commission for RCPP Project Coordination – OCC-663: Townsend

g. Consideration, Discussion, and Possible Approval of Cooperative Agreement with Oklahoma Conservation Commission for Illinois River Riparian Easements – OCC-764: Townsend

h. Consideration, Discussion, and Possible Ratification of Invoice 10594491 for Nixon Peabody – Legal Services Rendered for 2024 Bond Issuance: Lofton

i. Consideration, discussion, and possible approval of First Amendment to Consulting Agreement with Solatium Associates, LLC: Sullivan

j. Declare Surplus and Not Necessary to the Business of the District: Sullivan

Description and/or Make of Item	
Lot of 162 Dell PCs (Laptops / Desktops)	1 Lot of Monitor Stands
Lot of 9 Apple Macbook Pro	Tmobile Cell Spot
1 Lot of Power Adapters	Netgear 24 Port Switch
1 Lot of Keyboards	Epson Printer
1 Lot of Mice	Canon Image Runner 2200
1 Lot of Docks	Lot of 45- 225 Gallon Plastic Totes
Canon Scanner	Lot of 25 - 55 Gallon Plastic Drums
1 Lot of Miscellaneous Cables	480/3 phase UniMac Dryer
Lot of 7 Dell Docking Stations	480/ 3phase Speed Queen Washer
Lot of 4 Dell Printers	65' Wood Transmission Pole
Lot of 19 Dell Monitors	

5. Reports:

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
PCPO-010552	OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY - OKLAHOMA CITY, OK	156,199.81
PCPA-000544	JOE COOPER FORD - EDMOND, OK	276,459.00
PCPA-000545	JOE COOPER CHEVROLET - SHAWNEE, OK	99,426.00
PCPA-000547	BENHAM DESIGNS LLC - TULSA, OK	265,480.00
PCPA-000546	BURNS & MCDONNELL ENGINEERING, INC. - KANSAS CITY, MO	1,911,645.00
PCPA-000552	TRENCH LIMITED - SCARBOROUGH, ONTARIO (CANADA)	37,800.00
PCPA-000555	PELCO STRUCTURAL - CLAREMORE, OK	114,217.00
PCPA-000566	PACIFIC AIR SWITCH CORPORATION (PASCOR) - FOREST GROVE, OR	35,142.00
PCPA-000553	MITSUBISHI POWER - LAKE MARY, FL AMERICAN PROFESSIONAL STAFFING SOLUTIONS DBA APS SOLUTIONS - SEDALIA, MO	168,015.00
PCPA-000560	MO	1,157,675.00
PCPA-000570	THIELSCH ENGINEERING, INC. - GRANSTON, RI	335,000.00
PCPA-000572	MOTOROLA SOLUTIONS - CHICAGO, IL	310,310.99
PCPA-000574	ELECTRICAL POWER PRODUCTS - DES MOINES, IA	670,712.00
PCPA-000576	PRYOR STONE - PRYOR, OK	250,000.00
PCPA-000579	VFP, INC. - ROANOKE, VA	867,532.00
PCPA-000587	TS CONDUCTOR CORP - HUNTINGTON BEACH, CA	1,667,871.00
PCPA-000585	DIS-TRAN STEEL - PINEVILLE, LA	645,791.00
		\$8,969,275.80
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
42362	BURNS & MCDONNELL ENGINEERING, INC. - KANSAS CITY, MO	84,133.00
PCPA-000306	STANTEC CONSULTING SERVICES LLC - HOUSTON, TX	380,300.00
44146	AT&T CORPORATION - BEDMINSTER, NJ	30,000.00
PCPA-000443	CROSSLAND CONSTRUCTION COMPANY - TULSA, OK	-117,536.34
PCPA-000342	NAES CORPORATION - ISSAQUAH, WA	0.00
PCPA-000346	BLUEWATER ENERGY, INC. DBA BLUEWATER CONSULTING SERVICES - ACWORTH, GA	0.00
42739	UNIVERSITY OF OKLAHOMA - NORMAN, OK	78,167.00
Grand Total Change Orders & Renewals:		\$455,063.66
Grand Total		\$9,424,339.46

Chair Westbrook reviewed items on the Consent Agenda.

There were no questions from the Board.

Director Kimball moved to approve the consent agenda as presented, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

REGULAR AGENDA

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

Director Meyers moved to approve the Regular Board Meeting Minutes of July 10, 2024, as presented, seconded by Director Elam, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

3. Unfinished Business:

a. Progress Reports:

1) Current Operations Reports

a) GRDA Monthly Video Update – August 2024

- *Grand Lake Legislative Getaway Recap*

Mr. Sullivan presented a one-year service pin to CFO Erik Feighner, and a ten-year service pin to Corporate Secretary Sheila Allen.

He 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 July. He said there is not a significant change. There was a four percent increase in demand and a five percent increase in energy, year over year. Mr. Sullivan showed graphs illustrating a comparison of resource energy production for July 2023 and 2024, noting the figures are virtually identical.

The Authority is currently at twenty-seven safe days working accident-free. They continue to focus on vehicle-related incidents and ways to prevent these.

Mr. Sullivan said the Safety Team led third quarter safety forums at the Administration Center July 23 through July 25 for Hydro, Grand River Energy Center, and Transmission & Distribution employees, and showed photographs from the events. Topics discussed included: "Take an extra moment for Safety", situational awareness while traversing on walking and working surfaces, heat-related illnesses, GRDA Fleet safety, mid-year performance reviews, and more.

Following a site visit in early 2024, GRDA's Properties Maintenance Department (PMD) and Hydro Excavation began making plans for repairing a hole near a Pensacola Dam spillway support. As a cost-savings effort, the decision was made to complete the project in-house. Hydro Excavation built a temporary road up the channel for PMD to get equipment below the spillway to prepare the old rock and foundation for new concrete. The repairs began on July 8, 2024. A large pump truck was rented to get the concrete down to the site, with the first pour consisting of 108 cubic yards on July 22, and the final 54 cubic yards completed two days later. Mr. Sullivan showed photographs from the site.

GRDA Water Labs Research Manager Steve Nikolai was a presenter at the *Hydrovision International Conference*, held in Denver, Colorado, July 17 through 18. At the event, he shared preliminary data on GRDA's floating, solar powered, lake destratifier located in the Horse Creek arm of Grand Lake.

Mr. Sullivan provided an update on The Energy Authority (TEA) transition after the Board approved GRDA's membership in TEA. The membership agreement was signed at the end of June, with an effective date of July 1, 2024. GRDA hosted the TEA team on July 18-19, 2024, for onboarding discussions. A high-level project plan, detailed schedule and timeline was created for the transition. Seven working groups were established to facilitate that transition, with weekly meetings planned. TEA is working on system configuration and loading historical data. Mr. Sullivan explained they have key milestone targets beginning with TEA Systems Setup and Configuration by September 30, 2024, and full transition to occur by January 1, 2025. GRDA participated in their first TEA Board meeting and Finance and Audit Committee meetings during the last week of July.

Mr. Sullivan said he was a guest presenter at the Claremore City Council Meeting in early August, sharing information on the longstanding relationship between Claremore and GRDA (public power partners since 1946). He provided the council with additional information on GRDA's future rate objectives and rate change plan, as well as an update on construction of GRDA's GREC Unit 4. He thanked City Manager John Feary for the opportunity.

Mr. Sullivan showed photographs from the Supervisor Roundtable Meetings. He kicked off the events on August 7, 2024, at the GRDA Administrative Center. Mr. Sullivan talked to the group, updating them on current projects and activities, as well as opening the floor for questions from attendees. Safety Director Mike Vernnon was also in attendance, discussing several safety-related topics. Human Resources personnel led other discussions on the Family Medical Leave Act, (FMLA), employee leave, shared leave, short-term and long-term disability and conflicts of interest.

Mr. Sullivan congratulated MidAmerica Industrial Park for being ranked as the Fifth Best Industrial Park in the nation by the Business Facilities' Annual Rankings Report. He said this recognition highlights their continued commitment to growth and excellence, offering critical infrastructure and support for both small and Fortune 500 companies. Mr. Sullivan stated that they have a lot of interest from data centers wanting to come into the industrial park and the Authority will be putting out a Request for Proposal (RFP) for those organizations that may be interested. GRDA will be asking them to provide a bid of how they would go about the business, financial guarantees, and other items included in the process.

The Southwest Power Pool (SPP) met recently and approved increases to the planning reserve margins (PRM) member utilities are required to maintain to support regional grid reliability. GRDA has been actively involved in these discussions, and this has been anticipated for some time. The changes discussed was that, starting in 2026, the winter planning reserve margin will be thirty-six percent and the summer planning reserve margin will be sixteen percent. Mr. Sullivan presented charts illustrating historical summer and winter peaks for the SPP footprint and explained each. He said right now the PRM for both the summer and winter peak is at fourteen percent. The most significant difference is that the Authority will be competing in the winter with winter heating loads in the residential setting for natural gas. Because of the critical nature of events that happen in the wintertime, SPP has increased that planning reserve margin. This means that the winter will become a very critical season for GRDA for capacity planning purposes. The Authority were also projecting surpluses through 2028 with other expected load growth. So, additional load growth in the industrial park and other areas can certainly change that. After 2028, they are also looking at long lead times for capacity additions and capacity purchases may be required. Mr. Sullivan explained some reasoning behind this and said they are actively working on getting something in place to be able to deal with this demand. He presented a table showing current supply and demand for Southwest Power Pool as a whole. The excess generation is quickly going away as load growth continues. As coal and gas generators are being retired, that will put additional stress on the grid. Emerging technologies can be helpful but need more investment and development to address today's challenges. All generation types are struggling to perform during extreme weather when demand is highest and human health and safety are at greatest risk, and there is a need for significant amounts of new transmission and generation which can be costly and take years to complete. Mr. Sullivan said the world is increasingly becoming electrified and demand is rapidly rising across the nation. Demand within SPP alone could be twenty-five percent higher by 2030. He talked about some of the new sources of demand, including data centers. Extreme weather events are more frequent and cause greater consumption during times of urgent need, and both season peak demands are growing at an alarmingly high rate.

Director Elam asked if this is on par with what GRDA expected from SPP. Mr. Sullivan confirmed this was more than what they anticipated. Director Elam asked, with the recent rate increases and the RFP going out for the MidAmerica Industrial Park, how would this impact future cost and wholesale customer rates. Mr. Sullivan said they have not built-in any significant new customer load in the industrial park but have been looking at whether the Authority is responsible for bringing on any additional generation to support this new load, particularly related to the RFP. This is why the team is looking for financial guarantees and other ways to reduce the burden on their other customers. Mr. Sullivan explained the developers put everything together to have an inventory of locations that are ready to house large data centers, then lease it or sell it to get the actual user in place. He said the developers also recognize there is not a lot of available capacity across the country. So, they are trying to find ways to get started and plan for significant increases in the future. The future needs is where the GRDA has focused to ensure it is not a burden on other customers. Director Elam stated he just wanted to make sure the wholesale customers are protected in the future.

Mr. Sullivan introduced the *Grand Lake Legislative Getaway Recap* video. After the video, he stated they had good feedback on the event.

4. New Business:

k. Power Cost Adjustment (PCA) of \$ 0.02271 per kWh for September 2024

Mr. Sullivan presented tables showing the PCA calculations based on the staff's forecast for September 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 said they are seeing a fairly stable natural gas market and the value of GRDA's resource portfolio. Mr. Sullivan 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 against the cost for natural gas for the Henry Hub, saying this is showing a very consistent pattern. He also showed another comparison of August and September rate calculations.

Director Kimball moved to approve the Power Cost Adjustment (PCA) as presented, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

l. GREC Unit No. 4 Project and Procurement Status Updates

Mr. Ladd said today's presentation is intended to provide a progress report on where GRDA stands with the GREC Unit 4 Project, as well as where it stands in relation to the budget and some updates on procurement of items. He reminded the Board that they have large contracts in place with Black & Veatch Engineering (EpCM Contract), Mitsubishi Power (Combustion Turbine Generator Train), and Crossland Construction Company, Inc. (General Civil Construction). The Mechanical and Electrical Construction contracts are to be determined at a later date but are in progress. Mr. Ladd showed aerial views of the construction site and noted the locations of components for the new unit. He went over the headcount for the site. He said, since mobilization in May 2024, there has been significant progress made. He noted a few of the key areas for the Board and described several things being done. Mr. Ladd showed a photograph of the combustion turbine rotor and said they were able to witness the high-speed rotor balancing and over-speed testing. This activity makes certain the machine is in line with the design, and it did pass that test. There will be final clearance checks and site inspections toward the end of September in Savannah, Georgia. However, everything is on-schedule. He showed photographs of the Generator Step-Up Transformer and the final assembly. This is a very important piece of the project, and the work is progressing very well. Representatives from Black & Veatch are on-site providing construction management services and making certain things are moving as they need to. Mr. Ladd showed images of the Hot Selective Catalytic Reduction (SCR) physical model and computerized Stack Flow Modeling. This

is an important component of the project, and it is important that it is designed and engineered properly. He explained further how complex some of the systems are within the project and said the delivery of the Hot SCR components is expected to begin as early as September. Mr. Ladd presented financial information for the project. He showed and explained the current financial forecast, committed costs, actual costs incurred, and the contingency pool balance for the Board. He stated it all seems to be moving in the right direction.

Chair Westbrook asked for additional explanation on how the committed costs are being tracked. Mr. Ladd explained their process and said if they had a contract come back for more than was forecasted the contingency pool balance would decrease to accommodate for that cost, but the rest of the forecast or Target Cost would remain the same.

Director Elam asked what percentage of the big-ticket item have been secured compared to the rest of the contracts, to include the electrical portion. Mr. Ladd said there are two remaining large contracts for the mechanical and electrical construction portion of the project, and that he will provide further information in another portion of the presentation.

Mr. Ladd explained the project completion status for each aspect of the project and the events behind this. He said there are a few items tracking behind schedule, but the entire team is working together to mitigate any issues that would affect the completion. They feel they are in a good position. Mr. Ladd showed a detailed budget and forecast update, to include information discussed during the October 2023 Board Meeting. He noted an increase in the gas supply cost estimate and an increased EpCM Contingency. The team is expecting to mobilize the mechanical and electrical construction contractor in October 2024. He provided a budget for the contracts and details of the bidding process for each. The potential bidders list was developed by GRDA and Black & Veatch Engineering, with a request for interest and a questionnaire form sent to potential bidders to gauge their interest and qualifications. The team conducted a pre-bid call with all bidders two weeks after releasing the proposal to cover the scope and proposal expectations. Bidders were also invited to a presentation by Mitsubishi for the Combustion Turbine Generator and Baskin Ridge Presentation for the SCR Stack to further understand the scope of work. Depending on how things progress over the next few weeks, the team may be able to bring these to the October Board meeting. However, there may be a need to award these construction contracts before that Board meeting. In that case, the team intends to present what is known at the September Board meeting to seek approval to ratify the agreements at the October Board meeting.

Director Matthews asked if the contractors are aware of the notice for mobilization that may be required before the October Board Meeting. Mr. Ladd confirmed this. Director Matthews asked if the existing plan to mobilize in October will get the contractors on site to meet scheduling requirements. Mr. Ladd confirmed this and said that pushing mobilization any further out could lead to some problems. He stated they want to give the contractor as much time as possible to ensure they have the proper workforce to fully mobilize. Director Matthews asked if getting the equipment to the site could become an issue. Mr. Ladd stated they have provided full expectations to meet the schedule for each of the bidders and they seem excited to be a part of the project. He also said that when the existing contractors on-site have had some struggles with obtaining items, they have been able to utilize other contractors' contacts to work through any issues to date.

Discussion ensued regarding potential issues that could arise and budget totals.

There is no action required for this item.

m. Consideration and Discussion of Directors & Officers and Employment Practices Liability Insurance Coverage through AEGIS, Hartford, and Allied World

Mr. Lofton stated the Authority maintains \$35 million in Directors & Officers and Employment Practices liability insurance coverage and explained what this coverage includes. 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 and covers claims of antitrust violations. The coverage in place now is expiring September 1, 2024, and is currently in three tiers. It is currently through AEGIS, Hartford

and Allied World. Mr. Lofton presented the current policy information and premiums, alongside the renewal quotes for the coming policy period that includes a slight decrease, for a total premium of \$205,383.80. However, negotiations continue as Mr. Lofton and Mr. Jenkins ask for better quotes. Mr. Lofton said there is no action required by the Board, as each of these policies is below the threshold for formal Board approval.

There were no questions from the Board.

No action is required for this item.

n. Consideration and Discussion of Excess Liability Insurance Coverage through AEGIS and Energy Insurance Mutual

Mr. Lofton said GRDA maintains \$60 million of Excess Liability coverage over a \$2 million self-insured retention. This provides coverage for claims involving bodily injury and/or property damage, as well as coverage for claims arising from sudden and accidental pollution and Acts of Terrorism. GRDA does maintain separate pollution liability coverage, but this is provided in addition to this policy. He explained this and showed GRDA's current excess liability coverage and expiring premium, alongside the renewal quotes from AEGIS and Energy Insurance Mutual (EIM). Negotiations with AEGIS are ongoing, and the premium presented could be less. Mr. Lofton showed a breakdown of the quotes from AEGIS and EIM from Mr. Thom Jenkins, GRDA's consultant on these matters. He explained this and noted that in AEGIS had a significant increase in their wildfire coverage premium for transmission and distribution utilities, and EIM has added this coverage premium to their quote. They met with the AEGIS underwriter and AEGIS explained the surcharge varies based on the utility's exposure. GRDA's robust vegetation management program, existing plans in place to respond to a fire, as well as general location in Oklahoma has brought the surcharge down from what other areas/states pay in the U.S. Mr. Lofton presented the projected renewal premium mounts for this coming year, for a total amount, including surplus tax and State Risk Management Department administrative fee, of \$1,302,488.85.

Director Elam asked Mr. Lofton to communicate any updates to the Board as negotiations progress. Mr. Lofton confirmed he would.

Director Meyers said he has heard that some insurance companies are not going to cover wildfire and asked if Mr. Lofton or Mr. Jenkins had heard this. Mr. Jenkins stated the industry as a whole does not cover wildfire. However, mutual insurance companies still do cover wildfire, depending on the exposure. He said he spent a lot of time with GRDA's vegetation management and dispatch personnel to understand how the interconnections work. The Authority has a very comprehensive plan in place and these wildfire premiums are well below the market. Mr. Jenkins recommended purchasing the coverage and explained why.

Director Matthews asked what the Oklahoma Surplus Lines Tax is. Mr. Lofton and Mr. Jenkins explained that the state charges a tax on premium paid of 6.175 percent.

Director Kimball asked Mr. Lofton to send an e-mail to the Board to provide an update for them on this coverage. Mr. Lofton confirmed he would. He also recognized Mr. Jenkins for all the work he has done to ensure the Authority has the best value for the premiums paid.

Director Kimball moved to authorize GRDA staff to renew the excess liability insurance coverage for a combined premium of up to \$1,182,200, plus the State Risk Management administrative fee of up to \$47,288 and the Oklahoma Surplus Lines Tax of up to \$73,000.85, for a total of \$1,302,488.85, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

o. Consideration and Discussion of Pollution Liability Insurance Coverage through Beazley USA Services, Inc.

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 five percent increase. Mr. Lofton said this seems to be very fair and the team was expecting a ten to fifteen percent increase. 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 to continue to keep the Board informed and comply with GRDA's bond requirements.

Chair Westbrook asked what "sudden and accidental pollution" would be regarding this policy. Mr. Lofton and Mr. Jenkins explained that it would be a sudden event that would occur without warning versus a gradual pollution event over a more extended period of time.

Director Kimball left the room at 11:12 a.m., returning at 11:14 a.m.

Director Matthews left the room at 11:13 a.m., returning at 11:15 a.m.

No action is required for this item.

p. Update on Water Quality Monitoring and Management

Dr. Townsend showed a graph illustrating the Independence Day boat counts on Grand Lake, Lake Hudson, and the Illinois River. He said this is typical to what they have seen over the last ten years on average. Dr. Townsend presented graphs showing nutrient levels for the months of April, May, June, and July 2024. He said their primary concern is the month of June when they typically have issues with blue-green algae. However, nutrient levels were lower, compared to previous years. The Authority continues to utilize conservation easements to try to improve water quality. These are ongoing and the team is now assessing these easement by easement, making certain they are being managed appropriately to meet their overall goal of reducing nutrients in the lakes. GRDA currently has approximately 2,140 acres enrolled in conservation easements. The GRDA team has visited fifty-five of the sixty-six easements so far in 2024 to monitor biodiversity. He described their education outreach efforts that continue throughout the summer and showed photographs of activities around the Northeast Oklahoma area. Dr. Townsend said, as part of GRDA's relicensing efforts, the Federal Energy Regulatory Commission (FERC) requires GRDA to monitor the bat population and conservation features within and around caves where they are located. Emergent counts from the caves have been conducted in partnership with Rogers State University, and acoustic bat detectors are being moved around Lake Hudson and its tributaries to help understand foraging patterns and develop a record of community composition in the area. GRDA received the 2024 "GEO for Good" Award from Google for their Bald Eagle Monitoring Program. The Authority currently has twenty-five active nests surrounding their hydropower project boundaries and the Scenic Rivers. Dr. Townsend reminded the Board that last year they discussed implementing use of a destratifier device to mix the water column in the Horse Creek area to improve water quality and reduce the frequency of blue-green algae outbreaks. He explained how the device works and said it has been monitored weekly since the month of May. In theory, this was expected to impact a much larger area than what the actual result showed. It is reducing nutrients coming from the sediments but has fallen short of what was projected as far as the area affected. Dr. Townsend showed a map of where the destratifier is located and the actual and projected areas of impact. He said these devices are normally used in smaller areas where a constant electric source is present. With GRDA's situation, the device is out in the lake and relies on solar power to operate. He explained this further and said the power supply is insufficient. The team would like to extend the time the destratifier is powered with onboard battery storage to compliment the solar panels and increase runtime in periods of low solar radiation. They would like to double the solar array as well. Dr. Townsend showed images of the current and proposed setup. This would allow the device to maintain its momentum for longer and potentially run for more than twenty hours per day. They also would like to reposition the destratifier to more effectively work with the flow of water instead of against it, moving it further north without interfering with recreation as it would be in a relatively shallow part of the area.

Director Elam asked what the percentage of dissolved oxygen that has been changed in the area impacted. Dr. Townsend said dissolved oxygen has improved about three mg/l. He also stated as long as they can change conditions from anoxic, they can generally have an impact with this device.

Director Elam left the room at 11:23 a.m., returning at 11:25 a.m.

Director Kimball asked if they have had any damage to the unit from curiosity seekers. Dr. Townsend said the unit has not received any damage from lake users. However, the birds have impacted the solar panel efficiency. GRDA has a crew that helps with washing the solar panels every so often when this becomes an issue.

No action is required on this item.

q. Consideration, Discussion, and Possible Approval of FERC Invoice for Hydropower Fees

Mr. Jacoby said the Federal Energy Regulatory Commission (FERC) is authorized to recover expenses borne in regulating licensed facilities. The FERC 2024 annual administrative charges involved for GRDA Hydro facilities totaled \$638,775.64. He presented a breakdown of the charges for each facility. This annual fee is estimated by application of an estimated rate in the year billed and reflects adjustments from the previous year. Mr. Jacoby presented a chart illustrating the four-year annual charge history for GRDA for their FERC-licensed hydropower projects. He said GRDA's amounts are thankfully staying in a consistent range.

Director Matthews moved to approve the \$638,775.64 annual administrative charges from the Federal Energy Regulatory Commission (FERC), seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

r. Consideration, Discussion, and Possible Approval of Change Order 6 and Change Order 7 to Contract 44026 – Brayman Construction – Spillway Anchorage Completion

Mr. Jacoby said the anchoring project at the Kerr Dam was near completion this past April. The contractor was in the process of demobilizing and they had achieved needed tasks on budget. Through the reconciliation process of the contract, the additional amount for contract closeout on Change Order 6 for Contract 44026 with Brayman Construction will be \$477,373.87. The additional amount for contract closeout on Change Order 7 for Contract 44026 for the gallery and upstream piezometer installation, including a natural gas vent well, will be \$299,587.00. With these two additional amounts the revised total for the contract is at \$21,347,557.47. The original contract budget was for \$25 million. Mr. Jacoby explained further details on the closeout items. He said they are very pleased with the outcome on this, but there will be a Board of Consultants meeting in two weeks for further information to be presented and discussed.

The Board commended Mr. Jacoby for his and the entire team's hard work.

Director Elam moved to approve the adjustment of the final unit price for Change Order 6 for items as constructed for the Kerr Dam Anchor Project, Contract No. 44026, as reflected by the net addition of \$477,373.87 to reconcile final unit price costs and an addition of \$299,587.00 for Change Order 7 for instrument installation; these recommended adjustments result in the final adjusted Contract Value of \$21,347,557.47, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

s. Consideration, Discussion, and Possible Approval of Payroll & Human Capital Management Project – Contract PCPA-000588 – WorkDay HCM Subscription Software, and Contract PCPA-000593 – Strada for Professional Services

Mrs. Hunter provided background on why the GRDA Team is looking at a new payroll and human capital management program. She explained why this is now needed after implementing the Enterprise Resource Planning (ERP). Microsoft has halted investment in the payroll portion and no longer supports it. Payroll tax tables will not update if the tax brackets are adjusted for the Consumer Price Index (CPI). This lack of support impacts the Authority's ability to fix payroll flaws, weaknesses or vulnerabilities, as well as the ability to make updates based upon any changes that arise. Mrs. Hunter said the Human Resources functionality in Dynamics 365 is rudimentary and has been supplemented by multiple feature systems. This drives a lot of manual work and data management between systems, which provides little opportunity for re-use or lookback reporting. This new project's initial requirements would be to replace the existing payroll system, ensure there is support for project-based time tracking, interface with their existing systems and vendors, and drive efficiencies. It will simplify time entry, mobile access, and replace manual processes. The GRDA Team has completed the Request for Proposal (RFP) process for the new payroll system. They received four qualified bids that were vetted, with a selection process focused primarily on functionality. The team reviewed and assessed Workday alongside the RFP. Workday is a payroll and human capital management application used the State of Oklahoma. They found that Workday addresses their primary objective of moving to a supported payroll solution. It aligns GRDA payroll and Human Resources processes with the State of Oklahoma, including retirement and health-related benefits sourced through the State. GRDA would be able to leverage State of Oklahoma license volume discounts and configurations and interfaces in a dedicated Authority environment. There are some GRDA personnel that have Workday experience and expertise. This application would provide a robust foundation to consolidate other systems, lowering expenses, simplifying processes, and enhancing access to needed data. Mrs. Hunter said they are recommending implementing Workday payroll and core functionality with a five-year contract. The implementation and ongoing professional services would continue to be provided by Strada. This would further consolidate systems and support for key business processes. She explained how this will support the Authority better and provide some significant savings over time. Mrs. Hunter presented their implementation plan to the Board. Project startup, planning, tenant build, and scope definition will begin in September. Testing and planning for cutover would happen in January 2025, with a Go Live date of April 1, 2025. After that date, there will be hyper care support until July 2025. She presented a chart breaking down the cost over the next five years for this project.

Discussion ensued regarding the other bids received during the RFP process, differences in costs, benefits of consolidating systems, comfort levels with this change, ongoing cost of the new system, risk reduction, flexibility of the system with a diverse group of employees, and potential ongoing support and the cost around that.

The Board expressed their concerns around how this system will perform versus what they understood the ERP would do for the Authority when that project began. Mrs. Hunter explained she has implemented this system in another organization that is consistent with the Authority and the application needed to be tailored a bit, but they looked as whether customization was necessary or was a modification to their processes warranted. She stated that the challenge with the current ERP system now is that they had chosen to heavily customize the system. This drives an inordinate amount of extra work. The customization in the current ERP continues to create challenges as the overall system upgrades and evolves. Mrs. Hunter said it is usually much easier to consider adjusting their processes to match the system before working on a more complicated and customized version. However, there are some instances where the customization is called for. She said, once the system is honed, there should be fewer changes and lower ongoing cost.

Director Matthews asked if there would be any needed hardware upgrades that would cost the Authority additional money. Mrs. Hunter explained this would be a cost Workday would be responsible for. They would need to maintain the infrastructure related to the system because it is a cloud system.

Director Elam said he is supportive of making things less complicated but wants to be certain should there be an issue with one module that portion can be pulled out. Mr. Feighner said, given what they saw with the ERP system, moving the Go Live date from January to April 1, 2025, allows the team additional time to test this new system. Also, he stated that Workday has extensive experience with the complexity and

diversity of personnel with the State of Oklahoma and integrating with the State on benefits. This also presents less risk on implementation. Director Elam asked if this is supported by other departments and personnel. Mr. Feighner said they have met with Finance, Human Resources, and Information Technology. They have not broadened it out to other groups yet, but they are aware this is potentially coming. Director Elam stated he would like to see all departments fully understand what these changes will be. Mr. Sullivan stated that no one likes change, particularly when it comes to entering time. However, there are problems with the existing system that need to be fixed.

Director Kimball said he believes the team has had more experience with this now and a bit more knowledgeable in these areas to alleviate the need to go through these types of changes again. He also is encouraged by moving to a system that is consistent with the State of Oklahoma. Mrs. Hunter stated that their relationship with their State of Oklahoma colleagues has improved and they seem to be encouraged the Authority will be better positioned to be compliant with the State's processes.

Director Rupe moved to approve request in the amount of \$1,733,197 to purchase Workday HCM subscription software licenses for 5 years and fund Strada professional consulting services (T&M) for implementation as outlined in the statements of work to support Payroll and HR business processes, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

t. Recognition of Outgoing Chair

Chair-Elect Meyers presented Chair Westbrook with a plaque and thanked him for his leadership and hard work.

Mr. Sullivan presented Chair Westbrook 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 expressed his appreciation for Chair Westbrook's representation of the Authority as a whole and his leadership through the last twelve months.

Chair Westbrook thanked everyone and stated it has been a privilege to have an opportunity to peek behind the curtain and experience just how diverse the Authority is. He commended the GRDA Team and expressed his appreciation for the opportunity. Chair Westbrook said he has been honored to serve as Chair.

No action is required for this item.

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, and no action is required for this item.

5. Reports

a. Board of Directors Committee Reports

1. Assets Committee: Director Westbrook had no report.

- a) Consideration, Discussion and Possible Approval of a Request by HOCO Properties, LLC d/b/a Monkey Island Marina 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 Grand Lake O' The Cherokees RV Resort, 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.**
- c) Consideration, Discussion and Possible Approval of a Request by Trudy J. Richardson, Trustee of the Trudy J. Richardson Trust Dated 2-9-2009 for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**

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.

Regarding item a, Director Westbrook moved to (i) approve the commercial application for HOCO Properties d/b/a Monkey Island Marina for 5 docks containing 41 slips as submitted and (ii) to waive the 1/3 of the cove rule for Docks A, B, C, D, and E, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding item b, Director Westbrook moved to approve (i) the commercial application for Grand Lake O' the Cherokees RV Resort, LLC for one existing dock with 10 slips and a boat ramp and (ii) to waive the 1/3 of the cove rule for the existing dock, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding item c, Director Westbrook moved to approve a License to Encroach to Trudy J. Richardson, Trustee of the Trudy J. Richardson Trust dated 2-9-2009 in Delaware County, Oklahoma for the amount of \$481.00 per year, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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

- a) First Reading of Updates to Board of Directors' Policy No. 2-4 Conflict of Interest and Business Ethics**

Regarding item a, Mr. Sullivan said, since Director Sublett was not going to be available for the meeting today, the staff provided this information to the committee. This is the first reading of a proposed change to Board Policy 2-4 regarding conflicts of interest and business ethics, and the final consideration is planned to be voted on next month. He asked Mr. Jeff Brown to present the information for this to the Board.

Mr. Brown said GRDA does not have a formal mechanism for identifying and evaluating potential conflicts of interest (by fact or appearance) for employees and board members. The intent to develop a formal process was communicated by executive management to the board of directors in late 2022. He stated a proposed approach has been developed and is being shared today to gain the Board's feedback. GRDA strives to exercise good judgment and apply principled practices in every interaction. The goal of the process is to develop annual training, certification, and disclosure procedures. Mr. Brown explained a bit about their objective and how it will be achieved through their Learning Management System (LMS). He outlined what the training platform would look like for employees and board members, as well as the process to disclose any conflicts or other relationships that should be evaluated.

There were no questions from the Board.

No action is required for this item.

3. **Compensation & Marketing Committee:** Director Kimball had no report.
 4. **Fuel and Long-Range Planning Committee:** Director Meyers said there is a committee item that will be addressed in Executive Session but had no other 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. 1494-348, 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(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 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.**
- d. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning State of Oklahoma ex rel. Gentner Drummond, Attorney General of Oklahoma vs. ET Gathering & Processing, LLC, successor by merger to Enable Midstream Partners, LP, Enable Oklahoma Transmission. LLC, Enable Gas Transmission, LLC, and Enable Energy Resources, LLC, District Court of Osage County, Oklahoma, Case No. CJ-2024-77, and State of Oklahoma ex rel. Gentner Drummond, Attorney General of Oklahoma vs. Symmetry Energy Solutions, LLC, District Court of Osage County, Oklahoma, Case No. CJ-2024-78.**
- e. **Proposed Executive Session Pursuant to 25 O.S. Section 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning an Action to Quiet Title to GRDA Owned Land in Mayes County, Oklahoma, 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 Elam moved to go into executive session at 12:23 p.m., seconded by Director Rupe, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Matthews moved to return to regular session at 1:54 p.m., seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items:

- a. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494-348.**
- b. Action, as Necessary, Concerning 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 Coal or Gas Fuel Supply and Transportation Contracts.**
- d. Action, as Necessary, Concerning State of Oklahoma ex rel. Gentner Drummond, Attorney General of Oklahoma vs. ET Gathering & Processing, LLC, successor by merger to Enable Midstream Partners, LP, Enable Oklahoma Transmission. LLC, Enable Gas Transmission, LLC, and Enable Energy Resources, LLC, District Court of Osage County, Oklahoma, Case No. CJ-2024-77, and State of Oklahoma ex rel. Gentner Drummond, Attorney General of Oklahoma vs. Symmetry Energy Solutions, LLC, District Court of Osage County, Oklahoma, Case No. CJ-2024-78.**
- e. Action, as Necessary, Concerning an Action to Quiet Title to GRDA Owned Land in Mayes County, Oklahoma.**

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

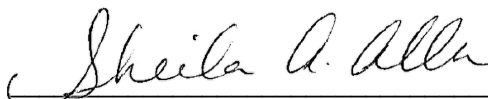
Regarding item b, there is no action required for this item.

Regarding item c, Director Meyers moved to approve the Peabody COALSALES, LLC 2025 Base Price proposal, as discussed in Executive Session, seconded by Director Elam, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding item d, there is no action required for this item.

Regarding item e, Director Kimball moved to approve the filing of a quiet title action for GRDA property located in Mayes County, Oklahoma as discussed in Executive Session, seconded by Director Elam, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Elam moved for adjournment at 1:56 p.m., seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Matthews, Meyers, Rupe, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

September 11, 2024
GRDA Board of Directors