

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
January 8, 2025**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority's Administrative Center in Chouteau, Oklahoma on January 8, 2025. 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 14, 2024 at 3:15 p.m.; by posting the agenda with the Mayes County Clerks' offices on January 7, 2025, at 9:51 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 Meyers called the meeting to order at 10:04 a.m. The Secretary called the roll. All members were present, except for Director Rupe. Chair Meyers declared a quorum.

BOARD MEMBERS

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

ADMINISTRATIVE

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

CONSENT AGENDA

4. New Business:

- b. Approval of Amendment and Assignment of Revocable License to Encroach from Duane A. Higgins and Linda C. Higgins to Jerry Allan Smith and Vicki Lynn Smith, as Trustees of the Revocable Trust Agreement of Jerry Allan**

Smith and Vicki Lynn Smith dated November 21, 2019 in Delaware County, Oklahoma

- c. **Consideration, Discussion, and Possible Action Regarding the Fifth Amendment to Work Authorization 43116 under Contract 42636 with Mead & Hunt**
- d. **Declare Surplus and Not Necessary to the Business of the District:**

Description and/or Make of Item
Smith & Wesson - M&P 2.0 9mm
AimPoint - Acro 2.0
SureFire - X300 Weapon Light
Lawman Badge
Lawman Badge

5. Reports:

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
PCPA-000740	NORTHWEST HYDRAULIC CONSULTANTS, INC. - NORTH VANCOUVER, BC	167,400.00
PCPA-000744	ROYAL SWITCHGEAR MANUFACTURING CO INC. - BESSEMER, AL	1,044,465.00
PCPO-014709	SOFTCHOICE CORPORATION - CHICAGO, IL	927,423.97
		\$2,139,288.97
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
PCPA-000443	CROSSLAND CONSTRUCTION COMPANY, INC. - COLUMBUS, KS	0.00
PCPA-000226	ELECTRICAL CONSULTANTS, INC. - JENKS, OK	28,942.00
43850R	OKLAHOMA STATE UNIVERSITY - STILLWATER, OK	76,580.00
PCPA-000305	SOFTCHOICE CORPORATION - CHICAGO, IL	5,804.57
PCPA-000473	OKLAHOMA DEPARTMENT OF COMMERCE - OKLAHOMA CITY, OK	0.00
PCPA-000261	AM-RAIL CONSTRUCTION INC - KANNAPOLIS, NC	0.00
		\$111,326.57
Grand Total		\$2,250,615.54

Chair Meyers reviewed items on the Consent Agenda.

There were no questions from the Board.

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

REGULAR AGENDA

- 1. **Discussion and Possible Action Regarding Regular Board Meeting Minutes of December 13, 2024.**

Director Kimball moved to approve the Regular Board Meeting Minutes of December 13, 2024, as presented, seconded by Director Sublett, and voted upon as follows: Kimball, yes, Matthews, abstain, Meyers, yes, Sublett, yes, Westbrook, abstain. *Motion passed (3-yes, 0-no, 2-abstained).*

3. Unfinished Business:

a. Progress Reports:

1) Current Operations Reports

a) GRDA Monthly Video Update – January 2025

- ***2024 Year-In-Review***

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following, comparing information for 2023 and 2024 for GRDA's Full Requirements Customers for the month of December. He said there is significant change, primarily caused by a higher number of heating degree days. Heating degree days refer to days when the temperature falls below sixty-five degrees. There was an eight percent increase in demand and a ten percent increase in energy, year over year. Mr. Sullivan showed graphs illustrating a comparison of resource energy production for December 2023 and 2024, noting their energy purchases and production remained stable year over year. Although the Authority experienced milder weather, leading to more market purchases, the changes in temperature throughout the month influenced energy usage.

The Authority is currently at fifty days working injury-free, and eighteen days without property damage, setting a strong tone for the year ahead.

Throughout 2024, GRDA hosted numerous school and civic groups at the Ecosystems and Education Center, as well as at the Pensacola Dam. They continue to offer tours of the dam on an appointment basis. Mr. Sullivan showed images of GRDA Tour Guide Roy Heginbotham engaging with members of the 2024 Leadership Grove Class. Additionally, Roy led a tour for a group of students from the electronics and gifted programs at Labette County High School in Altamont, Kansas. An alum of the school, Mr. Jeff Tullis helped arrange for the tour. Mr. Sullivan encouraged customer groups to reach out to arrange for these types of tours should they be interested, as these are not regular open to the public.

GRDA's Wholesale Customer Relations Team distributed travel mugs to the front office personnel of GRDA's wholesale utility customers. In response, Pryor Municipal Utility Board (MUB) showed their appreciation with fun holiday photograph.

GRDA received the Certificate of Excellence in Financial Reporting for the 23rd consecutive year. Their Finance Team, led by Deputy CFO Matt Martin, faced challenges last year due to ERP implementation but managed to achieve a perfect audit and handle their responsibilities under pressure. Team members include Ray Fleming, Austin Curd, Kendyl Stephenson, and Lindsey Schultz, all deserving of recognition for their hard work.

In a recent update, they announced that the Eagle's Nest below Pensacola Dam is being repopulated. The eagles are currently sitting on a nest. The chicks have not yet hatched. The Authority established a buffer zone to protect this area. Mr. Sullivan told the Board that recently Mr. Aaron Roper found a wounded eagle not related to the project and contacted local game wardens. The eagle was taken to Wild Heart Ranch, where it is expected to recover fully. He stated it is reassuring to have such resources for injured wildlife.

Mr. Sullivan said he has a special presentation to make to recognize an employee for twenty-five years of service to GRDA. Ms. Holly Wildman has reached that milestone. She has been heavily involved in various projects, including the construction and remodeling of several buildings. He expressed his appreciation for all she has done for GRDA and presented her a 25-year pin and watch.

Ms. Wildman thanked everyone and said she feels blessed to work at GRDA for these twenty-five years, and to have the opportunity to grow into her current role from where she started in Vinita.

Mr. Sullivan said two large components for GREC Unit No. 4 arrived at the Port of Catoosa in late December. He commented how fascinating it was to watch as it traveled through the navigation system and showcased the importance of this inland port, the furthest inland port in the United States. The generator for the project is currently in transit and expected to arrive this coming Friday. It will be brought by rail from the Port of Catoosa, and, once it arrives, they will transport the combustion turbine separately. Both components traveled together on the same barge but are being moved at separate times. The journey started around the end of November from Japan for the generator, while the combustion turbine came from Savannah, Georgia. They were then put on the same barge in Houston. He told the Board this provided significant cost savings compared to overland transport.

4. New Business:

e. Consideration, Discussion, and Possible Action Regarding Power Cost Adjustment (PCA) of \$ 0.02222 per kWh for February 2025

Mr. Sullivan presented tables showing the PCA calculations based on the staff's forecast for February 2025 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. The necessary amount projected for the next twelve months would be a PCA of 30.55 mills. For February, they are holding the PCA steady at 22.22 mills to match the January PCA calculation, as they are still in an over-collected state, which benefits customers in winter months. Natural gas prices were well below last year's price, assisting in keeping the calculation steady. He said they expect to return to zero in terms of over-collection or under-collection within the next year, anticipating slight increases in natural gas prices. GRDA has provided customers with a monthly chart showing average expected natural gas prices at about \$3.50 for the year. Mr. Sullivan presented another graph showing Henry Hub Natural Gas Futures – Settlements. He also showed a slide illustrating 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 on-peak amounts against the forward curves for Nymex. He also showed a graph comparing January and February rate calculations, saying there is a slight increase in production due to rising costs but overall, they expect stability to continue.

Director Westbrook moved to approve the Power Cost Adjustment (PCA) as presented, seconded by Director Sublett, and voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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

Mr. Ladd provided a schedule overview. He stated that most items are ahead of schedule. This is significant as they approached the end of the year, allowing the team to shut down on December 20, 2024, and restart on January 2, 2025. This closing allowed team members to return home for the holidays and return to begin a productive 2025. The foundations for various installations are ahead of schedule. From day one, Black & Veatch Engineering has conducted a risk and opportunity analysis as part of the project. They review risks every month and identify opportunities to manage them. Recently, the International Longshoremen's Association (ILA) port worker strike has come back into focus, with negotiations resuming. This could impact several components, including the delivery of the combustion turbine generator and other related items, with potential delays extending into March for electric transformation shipments. Mr. Ladd said the team will continue to monitor these risks. The main tasks include the delivery and installation of the combustion turbine and the power distribution center, which has had its delivery expedited. The combustion turbine and generator have reached the Port of Catoosa, with the generator expected on

January 10th and the combustion turbine between January 21st and 25th. The timing is flexible, depending on how smoothly the unloading goes. To visualize the equipment, he showed images of the combustion turbine in transit, highlighting its large size and weight, with a weight between 800,000 and 900,000 pounds. A specialized train car, one of the few in the world, is transporting it. Inspection delays have occurred, but mobilization is expected soon. Mr. Ladd showed an aerial view of the site. Activity on-site may seem limited due to the holiday shutdown, but things are now ramping up. There will be construction related to the generator and infrastructure, particularly for fire protection and utility buildings. Progress continues despite weather challenges, with preparations for the combustion turbine set to go ahead upon its arrival. He presented the project summary dashboard. Overall financial forecasts remain unchanged. Committed costs have slightly risen, while incurred costs have increased. The contingency pool balance has slightly decreased from \$75.2 million to \$74.9 million due to expediting fees for electrical equipment. The project is approximately half a percent ahead of schedule at sixty-four percent. Engineering is at 81.1 percent, showing slight delays but overall tracking positively with ongoing design reviews.

There were no questions from the Board on the project.

No action is required on this item.

g. 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:

- a) **Consideration, Discussion and Possible Approval of a Request by Colonial Center, LP, d/b/a Grand Lake Towne 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 Mayes County, Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of a Request by Ronald E. Kloefkorn and Linda Talotta Kloefkorn, as Trustees of the Kloefkorn Family Revocable Trust dated August 5, 2022, for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of an Amendment and Assignment of a Revocable License to Encroach from Ronald E. Kloefkorn and Linda Talotta Kloefkorn, as Trustees of the Kloefkorn Family Revocable Trust dated August 5, 2022, to Jeremiah Smith and Julia Jernigan for Property Located in Delaware County, Oklahoma.**
- d) **Consideration, Discussion, and Possible Approval of a Request by Michael Jackson for Release of Potential Interest in Property Located in Delaware County, Oklahoma.**

Regarding item a, Director Westbrook moved to approve the application including modifications and a waiver for the 1/3 of the cove for Dock C for Colonial Center, LP d/b/a Grand Lake Towne as submitted, as approved by the Assets Committee, and the items were voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

Regarding item b, Director Westbrook moved to approve a License to Encroach to Ronald E. Kloefkorn and Linda Talotta Kloefkorn, as Trustees of the Kloefkorn Family Revocable Trust dated August 5, 2022, in Delaware County, Oklahoma for an amount of \$476.00 per year, as approved by the Assets Committee, and the items were voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

Regarding item c, Director Westbrook moved to approve the Amendment and Assignment of a License to Encroach from Ronald E. Kloefkorn and Linda Talotta Kloefkorn, as Trustees of the Kloefkorn Family Revocable Trust dated August 5, 2022, to Jeremiah Smith and Julia Jernigan in Delaware County, Oklahoma, as approved by the Assets Committee, and the items were voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

Regarding item d, Director Westbrook moved to authorize GRDA staff to execute a Quitclaim Deed for the Delaware County property above 757 feet, PD as described in the Release of Flowage Easement, as approved by the Assets Committee, and the items were voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained)*.

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

- a) First Reading of Board Policy No. 5-3 – Security Deposit Requirements for Industrial and Commercial Customers**
- b) Notification of Energy Program Changes**

Director Sublett said these items are routine administrative matters, and neither will require action from the board today. He explained both and asked Mr. Feighner to present additional information.

Regarding item a, Mr. Feighner went over Board Policy 5-3 related to Security Deposit Requirements. He said last year, in November and December, the Risk Oversight Committee reviewed the Authority's policy and approved some changes. The two main changes were to add the cost to extend service to the calculation of the required security deposit, and to change the required Utility Bond or Letter of Credit calculation to be based on three months of the highest expected monthly bill, versus three months of the highest proceeding twelve months. Mr. Feighner explained this is only the first reading of the policy as it was included in the Board's information prior to the meeting, with the second reading and potential action coming next month.

No action is required on this item.

Regarding item b, On November 13, 2024, the Board of Directors approved updates to Board Policy 4-3 regarding Energy Risk Management to reflect GRDA's membership in The Energy Authority (TEA). This policy established and governs GRDA's Energy Hedging Program, covering the objectives and directives to follow in executing hedging activities. The Energy Hedging Program was also updated in November 2024 and approved by the Risk Oversight Committee (ROC) to reflect the TEA membership. Key changes to the Energy Hedging Program include: acknowledgment of membership in TEA; updates to include TEA as the responsible party for certain activities; and the addition of TEA as an Authorized Trader in Appendix A. Changes to the Energy Hedging Program are approved by the Risk Oversight Committee and are to be reported to the Board of Directors.

No action is required on this item.

3. Compensation & Marketing Committee:

Director Kimball said the Bassmaster Classic fishing tournament, highlighted on the prior video shown, is potentially headed back to northeast Oklahoma. He stated GRDA's Grand Lake O' the Cherokees has hosted the tournament three times in the last nine years, more than any other lake in the U.S. As this tournament has a large economic impact on the area, all stakeholders are working toward bringing Bassmaster back and believe that will happen soon. Director Kimball also told the Board Mr. Wiscaver will be presenting information next month on GRDA's marketing efforts and 2024 results.

4. Fuel and Long-Range Planning Committee: Chair 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, Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Process the Pending Investigation, Claim, or Action in the Public Interest.**
- b. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning City of Miami et al. vs. Grand River Dam Authority, District Court of Ottawa County, Oklahoma, Case No. CJ-2008-619.**
- c. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between Grand River Dam Authority and Its Attorneys Concerning Grand River Dam Authority v. Federal Energy Regulatory Commission, United States Court of Appeals for the D.C. Circuit, Case No. 24-1071.**
- d. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(3) for the Purpose of Discussing the Purchase or Appraisal of Real Properties in Cherokee County, Oklahoma.**
- e. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(3) for the Purpose of Discussing the Purchase or Appraisal of Real Properties in Ottawa County, Oklahoma.**
- f. **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.**

Director Kimball moved to go into executive session at 10:45 a.m., seconded by Director Westbrook, and voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Westbrook moved to return to regular session at 1:20 p.m., seconded by Director Sublett, and voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items:

- a. Action, as Necessary, Concerning the Pending Investigation, Claim, or Action, Related to Federal Energy Regulatory Commission Project No. 1494.**
- b. Action, as Necessary, Concerning the 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 Grand River Dam Authority v. Federal Energy Regulatory Commission, United States Court of Appeals for the D.C. Circuit, Case No. 24-1071.**
- d. Action, as Necessary, Concerning the Purchase or Appraisal of Real Properties in Cherokee County, Oklahoma.**
- e. Action, as Necessary, Concerning the Purchase or Appraisal of Real Properties in Ottawa County, Oklahoma.**
- f. Action, as Necessary, Concerning Matters Pertaining to Economic Development.**

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

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

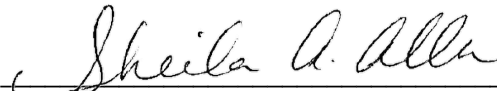
Regarding item c, there is no action required for this item.

Regarding item d, Director Westbrook moved to approve this item as discussed in Executive Session, seconded by Director Kimball, and voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Regarding item e, Director Kimball moved to approve this item as discussed in Executive Session, seconded by Director Sublett, and voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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

Director Matthews moved for adjournment at 1:21 p.m., seconded by Director Kimball, and voted upon as follows: Kimball, Matthews, Meyers, Sublett, Westbrook, yes. *Motion passed (5-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

February 12, 2025
GRDA Board of Directors