

GRAND RIVER DAM AUTHORITY
BOARD OF DIRECTORS
POLICY MANUAL

TABLE OF CONTENTS

POLICY STATEMENTS

No. 1-1 Formulation, Adoption, Review and Distribution of Board Policies
No. 1-2 Aims, Purposes, and Objectives

No. 2-1 Board Responsibilities
No. 2-2 Board Member Authority
No. 2-3 Board Committees
No. 2-4 Conflict of Interest and Business Ethics
No. 2-5 Expense Allowances for Official Business - Board of Directors
No. 2-6 Fraud Risk Management

No. 3-1 Duties of the GRDA CEO
No. 3-2 Employment of CEO

No. 4-1 Power Cost Adjustment and Provision for Board Review
No. 4-2 Economic Development, Marketing, Customer and Community Relations
No. 4-3 Energy Risk Management Policy
No. 4-4 Enterprise Risk Management

No. 5-1 Development of Annual Budget and Provision for Board Review
No. 5-2 Investment of Funds
No. 5-3 Security Deposit Requirements for Industrial and Commercial Customers
No. 5-4 Policy on Bond Issue Tax Code and Securities Law Compliance
No. 5-5 PPSA Late Fees for Payment Due Dates Falling on Non-Business Days

No. 6-1 Environmental Considerations

No. 7-1 Equal Employment Opportunity and Affirmative Action
No. 7-2 Nepotism
No. 7-3 Sexual Harassment and Harassment
No. 7-4 Alcohol and Controlled Substances Policy
No. 7-5 Prohibition of Use of Tobacco Products on State Property

No. 8-1 Vehicle Policy - Moved to Personnel Manual
No. 8-2 Employee Educational Loan Reimbursement Program
No. 8-3 Records Management Policy
No. 8-4 Employee and Dependent and Retiree Benefit Allowance

POLICY NO. 1-1

FORMULATION, ADOPTION, REVIEW AND DISTRIBUTION OF BOARD POLICIES

I. OBJECTIVE: To establish the basis for the formulation, adoption, review and distribution of GRDA board policies to effectively achieve the objectives, goals, plans and programs of the Authority.

It is through development and adoption of written policies that the board may exercise leadership and direction toward successful operation of the Authority.

II. POLICY:

A. Accountability

The Board of Directors is responsible for the development and management of board policy. The board policies will comply with the requirements of state and federal law, the Authority Bylaws, and Bond Covenants.

Should there be a conflict between policy and Authority Bylaws, Bond Covenants or requirements of state or federal law on like subject matter, such conflicting policy shall yield.

B. Scope

1. Development of Policies

While reserving unto itself final responsibility and authority to determine board policies, the Board of Directors welcomes the judgment and assistance of the CEO and GRDA employees as set forth herein in the development of policies.

The CEO and GRDA employees may initiate proposals for new policies and revision or repeals of existing policies. Proposals shall be given to the CEO or Chairman of the Board of Directors. Proposals will be referred to the board Policy Committee for consideration.

2. Policy Action

Adoption of new board policies and revision or repeal of existing board policies are the sole responsibility of the Board of Directors.

Adoption of new board policies or revision or repeal of existing board policies may be accomplished by a majority vote of the Board of Directors at any regular or special meeting, provided written notice of the proposed policy, revision or repeal shall have been given each Director at a regular board meeting prior to the meeting at which the proposed adoption, revision or repeal is to be considered.

3. Policy Review

   The CEO is given the continuing responsibility for calling the board's attention to all policies considered to be needed, revised or repealed and for standardization, attestation and distribution. All employees are given the continuing responsibility for calling the CEO's attention to all policies needed to be implemented, revised or repealed.

4. Policy Distribution

   The CEO is given the continuing responsibility for making available up-to-date copies of all policies to each member of the Board of Directors and GRDA employees.

5. Personnel Manual

   The CEO is responsible for developing and publishing a personnel manual for the employees of the GRDA. The personnel manual should contain information about the employment conditions, opportunities, policies, and procedures of the GRDA. The personnel manual should comply with all applicable state and federal laws and regulations. The personnel manual should be intended for information purposes only and should not be intended to constitute a contract of employment.

III. RESPONSIBILITY: Board of Directors.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

FORMULATION, ADOPTION, REVIEW AND DISTRIBUTION OF BOARD POLICIES

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 1-2

AIMS, PURPOSES, AND OBJECTIVES

I. OBJECTIVE: To further the Authority's mission to provide low-cost, reliable electric power and related services to its customers and to be responsive to the interests and concerns of public power users, the communities the Authority affects, and the people of the State of Oklahoma. The Authority pledges to assist in area economic development and help its customers adapt to changes in their business environments, as well as supporting environmental awareness, recreational development, and good safety practices on and around the Authority's lakes, to ensure the continued improvement of the quality of life for all those who utilize these resources.

II. POLICY: The following objectives of the Grand River Dam Authority are established to serve the needs of the Authority's customers, its employees, and the general public who utilize our resources; to conserve, preserve, and protect the environmental health and welfare of the lakes and lands within the Authority's district; and to utilize effectively the Authority's lakes and scenic rivers for recreational purposes. The Authority, its Board Members, Management, and Employees, in accomplishing these goals, will act only in accord with the highest ethical and legal standards, acknowledging the duty owed to the Authority's customers, its bondholders, and the citizens of the State of Oklahoma, to refrain from violating those standards.

The Aims, Purposes and Objectives of the Authority are set forth as follows:

A. To provide an adequate and reliable supply of power at the lowest possible cost, consistent with sound business and environmental principles.

B. To encourage conservation of electric power to meet the total energy requirements of its customers.

C. To strive to achieve and maintain widespread understanding, participation, and involvement of customers in the affairs of the Authority.

D. To protect the quality of the water in the Authority's lakes and streams.

E. To conduct the Authority's business to maintain its good reputation and ensure adequate low-cost capital, including funded reserves, sufficient to enable the Authority to assume its full financial responsibility.

F. To encourage and support the management and employees in the development and improvement of their full capabilities and performance.

G. To attain maximum use of manpower, physical, and financial resources through sound organizational structure, coordination, and integration of activities.

H. To provide reliable service and future expansions of facilities in anticipation of the expanding energy requirements of its customers.

I. To efficiently operate and maintain its facilities to provide reliability of service at the highest standard possible, consistent with sound business principles, prudent environmental practices, and requirements of all regulatory agencies.

J. To cooperate with the other power suppliers to ensure a reliable power supply, including interconnecting and interchanging of electrical power.

K. To keep in mind at all times the best interests of the customers and employees when making decisions and carrying out action programs at GRDA.

L. To promote and encourage the wise and beneficial uses of electricity and the Authority's resources to the end that the Authority will contribute to increasing community income, improved standards of living, better health conditions, and conservation of our natural resources.

M. To create a loyal and united customer base by ensuring superior service for all.

N. To provide factual information for the benefit of all interests connected with the generation and transmission of electrical energy.

O. To provide qualified employees with competitive compensation and benefits in order that superior service may be rendered to the customer base and the public in general.

P. To encourage participation in community activities to the extent that the public will be informed of the Authority's objectives and reminded that the Authority remains a good corporate citizen.

Q. To assist and cooperate with the U.S. Army Corps of Engineers to aid in flood control operations in an attempt to help prevent damages to person or property from the waters of the Grand River and its tributaries.

R. To develop and assist with programs designed to ensure conservation and recreational value of and environmental protection for the Authority's lakes.

S. To encourage and promote tourism by developing adequate facilities for boating, swimming, fishing and other recreational activities on the Authority's lakes and scenic rivers.

T. To conduct the foregoing activities on an equitable basis according to the best judgment of those whose responsibility it is to manage the affairs of the Authority and to do so in compliance with all applicable federal and state laws and regulations promulgated thereunder, bond resolutions, ethical standards, and Authority bylaws.

III. RESPONSIBILITY: Board of Directors, Management, and Employees.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 2-1

BOARD RESPONSIBILITIES

I. OBJECTIVE: To establish and define the duties and responsibilities of the Board of Directors to ensure the management, administration, and regulation of the business and affairs of the Authority are in accordance with GRDA's mission.

II. POLICY: In order to achieve this objective, it shall be the policy of the Grand River Dam Authority through its Board of Directors to establish the following provisions as the principal responsibilities and duties of Board members:

A. To establish and periodically review policies in compliance with applicable laws, rules, and regulations for the general management, administration, and regulation of the business and affairs of the Authority.

B. To employ a CEO to direct the operations of the Authority and execute the policies adopted by the Board, to evaluate the performance of the CEO annually, and to review the CEO's salary on an annual basis.

C. To provide oversight, governance and vigilance in the review, evaluation and monitoring of (i) the performance of the GRDA, and its employees, (ii) assigned and approved budgets, (iii) committed plans, (iv) adherence to assigned delegations-of-authority and policy, and to make specific directives as needed to be carried out by the CEO of GRDA.

D. To promote accountability and ownership of assigned budgets, financial plans and commitments at all levels throughout the GRDA, while acting within policy, statutes, assigned roles, and responsibilities, and delegations-of-authority.

E. To assure compliance with all legal requirements in the operations of the Authority.

F. To participate in and support other organizations for the purpose of gaining knowledge to assist in the strengthening of the Grand River Dam Authority and continued promotion of public power in general.

G. To continuously examine and evaluate the financial condition of the Authority to ensure its fiscal integrity and initiate corrective action as necessary.

H. To constantly be aware of operating conditions by evaluating reports of activities, including the approval by ratification of business expenses as may be required by state statutes.

I. To evaluate and approve appropriate studies, contracts and reports according to policy and authority as recommended by the Board, the CEO and consultants including, but not limited to, the annual budget, long-range plans, financial forecasts, rate studies, audits, insurance coverage, employee benefits and compensation.

J. To exercise authority as a body when the Board is in session for the efficient administration of the Authority.

K. To ensure that the most effective decisions are made in the best interests of GRDA and the State of Oklahoma, all Directors are expected to attend all regularly scheduled Board meetings, and to actively participate in all assigned committees.

L. To establish and maintain a Compliance Program that complies with North American Electric Reliability Corporation, Southwest Power Pool, and Midwest Reliability Organization reliability standards.

III. RESPONSIBILITY: Board of Directors.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 2-2

BOARD MEMBER AUTHORITY

I. OBJECTIVES:

A. To recognize that the Board of Directors establishes the policy of the Grand River Dam Authority, approves budgets, financial transactions, and other operational plans, delegates authority as needed, receives and approves management and employee commitments. The Board will engage in consistent and ongoing monitoring, evaluation, vigilance, governance, and oversight of GRDA operations and performance and will work with and through the CEO as needed to ensure satisfactory performance of plans, budgets, commitments and operation within approved policy and delegations-of-authority are achieved.

B. To disavow individual acts, statements and comments of individual Board members, unless such have been adopted by the Board by resolution, bylaws or other legal authorization or express ratification.

II. POLICY:

A. The business and affairs of the Authority shall be managed by the Board of Directors, which shall exercise all of the powers of the Authority by establishing policy and delegating day-to-day management to the CEO.

B. The Board of Directors may act only as a body in a legally constituted meeting or in any other legally permitted method of taking official Board action.

C. Individual Board members, unless otherwise authorized by statute, bylaws, specific resolution granting authority, or express ratification by the Board, may not by their individual acts, statements or comments, bind the Authority. Express disavowal by the Board of such acts, statements or comments shall not be required but may, if desired, be made.

III. RESPONSIBILITY: Board of Directors.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 2-3

BOARD COMMITTEES

I. OBJECTIVE: To provide for the establishment and operation of specific advisory committees to expedite action by the Board of Directors.

II. POLICY: For the purpose of expediting the final actions of the Board of Directors of the Grand River Dam Authority, and in accordance with the Authority's enabling legislation, the Board shall establish standing committees for the purpose of promulgating policies and oversight of the Authority.

The Chairman of the Board of Directors shall appoint each Committee Chairman and members of the standing committees and may, as required, establish or reassign committee responsibilities to implement activities of the Authority. Committees shall consist of three members. The Chairman of the Board may appoint at least one Board Member to serve as an Alternate Committee member. A Committee Chairman may request that an Alternate Committee member attend the Committee Chairman's committee meeting and participate as a member of the committee as necessary, to ensure the ability of the committee to perform its duties.

Standing Committees. The purpose of the committees is to provide a framework for the Board of Directors to establish the necessary policies and oversight to fulfill their statutory and fiduciary responsibilities. The Standing Committees shall be:

A. Assets Committee: The committee shall be responsible for recommendations to the Board of Directors concerning oversight of all real estate assets of the agency, lake operations, and scenic rivers operations. The committee shall review all dock applications and rentals or leases of real property as required by applicable law. The committee shall also review GRDA's Lake Rules and Regulations and Scenic Rivers Rules and Regulations, and review management's recommendations to the Board of Directors concerning revisions, deletions, or additions.

B. Audit, Finance, Budget, Policy and Compliance Committee: The committee is responsible for oversight and monitoring of GRDA's financial reporting, auditors, budget, compliance, and internal control activities in accordance with all applicable law, to effectively support the GRDA mission. The committee is responsible for oversight of the preparation of financial statements in accordance with generally accepted accounting principles. This oversight and responsibility may include assistance in selecting the independent auditors; reviewing financial, operating, and budget reports; advising management on internal control and budget practices; and meeting with the independent auditors.

The committee is responsible for oversight of policies, programs, and procedures that are designed to respond to the various compliance and regulatory risks facing the Authority. The committee shall review the bylaws and Board policies and make recommendations to the Board of Directors concerning revisions, deletions or additions.

C. Fuel and Long Range Planning Committee: The committee shall counsel, advise, and assist the CEO in matters relating to the purchase or sale and transportation of all coal, natural gas, oil, and other fuels used for combustion by the Authority, and in the disposition of by-products or residue of the combustion process. The committee shall review the Authority's current resources with a view to planning for the future needs of the Authority and its customers.

D. Compensation and Marketing Committee: The committee shall continuously review industry, state agency, and other compensation data to keep abreast of the competitiveness of market-based compensation related to the CEO. The committee shall conduct regular performance reviews of the CEO and report those results to the Board of Directors. The committee shall review, modify, and recommend to the Board marketing plans to carry out GRDA's mission and to communicate the value of services provided to Oklahomans.

Ad Hoc Committees. The Chairman may appoint ad hoc committees, not necessarily limited to Board membership of the Authority, to develop studies and recommendations on specific matters. All ad hoc committees shall be required to report any meetings to the Board of Directors. No ad hoc committee shall continue to function for a period in excess of twelve (12) months following initial appointment unless continued existence of the ad hoc committee is approved by the affirmative vote of four (4) members of the Board of Directors.

Implementation. All committees, acting in compliance with the Oklahoma Open Meeting Act, shall keep the full Board informed as needed of the matters within each committee's various responsibilities. Any Committee may meet by telephone, but shall not exercise any actual or de facto decision making authority. The CEO, or such other person as is designated to act in the CEO's capacity, shall assist these committees.

III. RESPONSIBILITY: Board of Directors

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 2-4

CONFLICT OF INTEREST AND BUSINESS ETHICS

I. OBJECTIVES:

A. To assure compliance by the Grand River Dam Authority in its business dealings, with its bylaws, and all applicable federal and state law, including Article 10, Section 11, of the Oklahoma Constitution, 21 O.S. § 344, and the Oklahoma Ethics Commission Act and the rules promulgated thereunder.

B. To assure fair and impartial treatment of all persons and firms with whom the Authority maintains business relationships.

II. **POLICY:**

A. Conflict of Interest

In order to accomplish the Authority's objectives and to protect the integrity of the Authority, the following policy is to be adhered to, not only by the Board of Directors, but also by the Authority's officers and employees.

Board members, officers and employees shall exercise sound, ethical business judgments and will conduct themselves and their activities in the best interest of GRDA without favor or preference when dealing with contractors, suppliers, consultants, customers and other persons doing business with GRDA and shall fulfill their ethical duties in appearance as well as in fact.

It is considered to be in conflict with the Authority's interest for:

1. A Board member, officer, employee, or any member of his or her family to have a financial interest in any business organization which sells goods and services to, and or has other business activity with the Authority, where there is an opportunity for preferential treatment to be given or received, except where such an interest comprises securities in widely held corporations which are quoted and sold on the open market, unless the ownership of securities is a material financial interest under the Rules of the Oklahoma Ethics Commission. A family member shall be defined as set forth in the Oklahoma Ethics Commission rules for purposes of this policy.

2. A Board member, officer, or employee to accept or solicit employment which would impair their independence of judgment in the performance of his or her duties for the Authority.

3. A Board member, officer, employee, or member of his or her family to engage in a business transaction with the Authority including the sale of goods and services, or to any company or individual who serves the Authority as a contractor or supplier in which the Board member, officer, or employee is in a position to give or receive preferential treatment.

4. A Board member, officer, or employee to release any data on competitive bids to anyone outside the Authority's employ prior to the opening of the competitive bid. Data on contract rates and the cost experience of the Authority shall not be released to anyone outside the Authority except where this is deemed essential and appropriate by duly designated management representatives and does not weaken the Authority's position in negotiating agreements with contractors and others for services and materials. The above prohibitions are subject to applicable laws, including the Open Records Act, the Open Meeting Act, and orders of courts of competent jurisdiction.

5. A Board member, officer, or employee to disclose confidential information or to use confidential information for personal gain or benefit.

6. A Board member, officer, employee, or member of his or her family directly or indirectly to solicit or accept any compensation, gift, loan, entertainment, favor or service given for the purpose of influencing such Board member, officer or employee in the discharge of his or her official duties. Gifts of nominal value, entertainment, meals or social invitations may be accepted if they conform to the Oklahoma Ethics Commission Rules.

7. A Board member, officer, or employee to use his or her official position to solicit or secure special privileges or exemptions for himself/herself or others.

8. A Board member, officer, or employee to receive or solicit any compensation from a source other than the Authority that would impair his or her independence of judgment.

B. Federal Award Conflict of Interest Compliance

For activities funded in whole or in part by federal awards, the Authority shall comply with all applicable conflict of interest requirements of the awarding agency. In the event of any inconsistency between this policy and federal requirements, the more stringent requirement shall apply to the federally funded activity.

C. Business Ethics

In order to carry out the Authority's objectives in a fair and ethical manner, it is mandatory that the Board of Directors, officers, and employees conduct themselves in a manner which exemplifies honesty and integrity in their day-to-day business activities.

All directors, officers, and employees will be provided annual training addressing the Authority's ethical and behavioral expectations. Upon completion, individuals will be asked to certify they have read this policy and have no known conflict of interest. Further, this process provides an opportunity for situations which may not be specifically identified in Section II A. of this policy to be disclosed and evaluated by management as to what is in the best interest of the Authority. As applicable, potential conditions may be developed to manage the particular circumstances. Potential violations of this policy will be reviewed by the General Counsel for final resolution.

Individuals shall be encouraged to report incidents of suspected fraud or compliance violations through GRDA's hotline. The caller may remain anonymous. The General Counsel shall provide to the Board an annual report summarizing the calls made to the hotline throughout the year. Such report shall include the nature of the call, the action(s) taken related to the specific call and whether any further action is needed.

A copy of this policy shall be made available to all Board members, officers and employees. In addition, the Board of Directors Policy Manual is available on the Authority's website.

III. RESPONSIBILITY: Board of Directors, Management and employees.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: September 9, 2026

Charles Sublett, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 2-5

EXPENSE ALLOWANCES FOR OFFICIAL BUSINESS - BOARD OF DIRECTORS

I. OBJECTIVES:

A. To establish a fair and equitable method for reimbursing expenses incurred on official GRDA business.

B. To expand the education and knowledge of GRDA Directors by providing expenses for attendance at school, seminars, and other official meetings.

II. POLICY: It shall be the policy of the Authority to pay for expenses incurred by the Directors while attending approved official meetings or authorized business of the Authority.

Payment of expenses shall be subject to the following provisions:

Expenses: Each Director shall be allowed actual and necessary expenses incurred in attending the meetings of the Board and in attending to the authorized business of the Authority.

"Authorized business," as used in 82 O.S. § 863.2 and in the bylaws of the Authority, means: when authorized by the Board of Directors, when requested by the Authority's CEO, when directed by the Governor of the State of Oklahoma or when required by any indenture or bond resolution of the Authority.

Claims for reimbursement of expenses shall be submitted on the regular authorized form of travel expense claim and shall be signed by the Director performing the travel and approved by ratification by the Board of Directors.

III. RESPONSIBILITY: Board of Directors.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 2-6

FRAUD RISK MANAGEMENT

I. OBJECTIVE: To establish and define the Fraud Risk Management Program, associated roles and responsibilities, and the methods in which the Grand River Dam Authority will manage risks associated with fraud.

II. POLICY: The Grand River Dam Authority (GRDA or Authority) is committed to ethical business practices within its operations. GRDA has a zero-tolerance approach to fraud and misconduct, both through the actions of its personnel or those working on GRDA's behalf. All personnel have a duty to help create and maintain a culture of integrity and opposition to fraud and misconduct.

The *Fraud Risk Management Policy* ("Policy") establishes a framework of internal controls for the prevention and detection of fraud and misconduct (collectively, "Fraud Risk Management Program") as well as protocols for conducting internal investigations.

This Policy applies to any fraud or misconduct, or suspected fraud and misconduct, involving employees as well as the Board of Directors (Board), management, and third parties with a business relationship with the Authority. Personnel are expected to be familiar with the types of fraud that could occur within their specific areas of responsibility and report any suspected or known instances of fraud within the Authority or committed by external parties (e.g., contractors, vendors). All employees have a duty to report suspected fraud. Any employee may submit a good faith concern or potential violation involving fraud without fear of dismissal or retaliation[1].

All fraud allegations and associated information are reviewed to determine if there is adequate evidence to proceed with an investigation. Investigations into suspected fraud will be conducted without regard to a party's length of service, position/title, or relationship to GRDA. Decisions regarding outcomes of substantiated fraud will be made by the board of directors, and/or the Chief Executive Officer. Such outcomes may include disciplinary action and/or referral to the applicable regulatory agency, prosecutor's office or law enforcement, depending on the nature and severity of fraud or misconduct.

III. DEFINITIONS:

Fraud is defined as any intentional act or omission designed to deceive others, resulting in the Authority suffering a loss and/or the perpetrator achieving a gain.

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[1] Employees can anonymously report concerns about waste, fraud, abuse or violation of law, rule or policy, etc. by calling the Ethics Point (an independent third party) hotline (1-866-604-7727) or visiting their website (www.grda.ethicspoint.com).

FRAUD RISK MANAGEMENT

Misconduct is defined as any intentional violation of the Authority's policies and procedures, as well as applicable laws and regulations with which the Authority must comply.

Retaliation is defined as any direct or indirect detrimental action recommended, threatened or taken, because an individual provided a good faith report of fraud or misconduct to the Authority or cooperated in assigned fact-finding activities.

IV. FRAUD CONTROL STRATEGY:

A. Roles and Responsibilities.

All personnel, regardless of their level, are responsible for helping deter and defend GRDA from fraud and misconduct. The section below highlights the roles and responsibilities of the Board and audit committee, management, legal department, human resources department, internal audit and employees within the Authority's Fraud Risk Management Program:

Board and Audit Committee

To set the appropriate tone for GRDA, the Board is responsible for ensuring that management designs an effective Fraud Risk Management Program by:

- Understanding and discussing fraud and corruption risks that could impact the Authority;
- Establishing independent board processes and practices;
- Periodically reviewing this policy, as well as other applicable Authority policies and procedures designed to help mitigate fraud risk;
- Ensuring that fraud risk has been considered as part of management's strategic objectives and risk assessment activities;
- Overseeing management's fraud risk assessment activities;
- Monitoring management's reports on fraud risks;
- Supporting the internal audit department's annual plan and ensuring accessibility to information, data, and employees; and
- Ensuring that the internal audit department has unrestricted access to the Board and its audit committee.

FRAUD RISK MANAGEMENT

Management

Executive management[2] has overall responsibility for the design and implementation of the Authority's Fraud Risk Management Program, including:

- Ensuring that fraud is addressed in the Authority's strategic objectives and risk assessment activities;
- Developing training and awareness activities to promote understanding and compliance with this policy as well as *Policy 2-4 Conflicts of Interest and Business Ethics;*
- Identifying and assigning personnel responsible for anti-fraud control activities and maintaining records that verify that those processes and controls have been properly executed;
- Providing defined, proactive processes and control activities to deter, prevent, and detect fraud;
- Implementing internal controls designed to prevent and/or detect fraud within each business unit;
- Maintaining an open-door policy and other mechanisms to report fraud and misconduct; and
- Monitoring the successful completion of disciplinary and corrective action, when assigned.

Legal Department

The Legal Department advises management on the legal ramifications of the Fraud Risk Management Program, which includes:

- Serving as the primary unit for administering the Authority's Fraud Risk Management Program, as well as reporting to the Board about fraud risk matters;
- Participating in the creation of key Authority policies and procedures;
- Guiding the escalation, assessment, investigation and closure of allegations involving fraud and misconduct;
- Participating in the flow of information about investigations to senior management and the audit committee, as well as regulators and law enforcement, as appropriate;
- Assisting in the recovery of lost assets due to fraud and misconduct;
- Managing fraud prevention and detection control activities, as assigned;

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[2] Executive management is comprised of the President, Chief Executive Officer; Executive Vice President, Chief Operating Officer; Executive Vice President, Chief Financial Officer; Executive Vice President, Chief Administrative Officer; Executive Vice President, General Counsel; Executive Vice President, Chief of Law Enforcement/Lake Operations; Executive Vice President, Strategic Communications; and Executive Vice President, External Relations.

- Answering questions about ethics-related matters; and
- Participating in management's fraud risk assessment, as well as fraud risk awareness and training activities.

Human Resources

The human resources department assists management and employees by executing key anti-fraud control activities through on-boarding, training, counseling, and issue resolution activities and processes, including:

- Screening of employee candidates;
- Facilitating new employee orientation and other employee training activities, which includes the annual review and affirmation of key corporate policies such as this policy and *Policy 2-4 Conflicts of Interest and Business Ethics*;
- Participating in management's fraud risk assessment activities;
- Providing management and the internal audit department with information about employee hires and departures;
- Reviewing resignation letters and conducting exit interviews in order to identify and escalate any potential concerns or complaints involving fraud and misconduct;
- Supporting internal investigation activities, as needed; and
- Monitoring the disposition of disciplinary or correction action, when administered.

Internal Audit

The internal audit department provides independent, objective assurance regarding the design and operating effectiveness of management's anti-fraud controls, including:

- Evaluating the potential for the occurrence of fraud and how GRDA manages fraud risk through walk-throughs and review of the Authority's Fraud Risk Management Program;
- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of controls commensurate with the extent of the potential exposure/risk in various segments of the Authority's operations;
- Incorporating information about fraud obtained through the fraud risk assessment process;
- Communicating with the audit committee about the adequacy of management's arrangements for mitigating fraud risk; and
- Assisting in investigations and reporting on matters to the Audit Committee.

Employees

Strong controls against fraud are the responsibility of everyone at GRDA. All levels of personnel within the Authority will:

- Have a basic understanding of fraud, be aware of red flags, be familiar with the types of fraud that might occur within their areas of responsibility, and be alert for any indications of fraud;
- Understand their roles within the internal control framework. Personnel must understand how their job procedures are designed to manage fraud risks and when noncompliance may create an opportunity for fraud to occur or go undetected;
- Read, understand and affirm Authority policies and procedures designed to mitigate fraud and misconduct (e.g., this policy, *Policy 2-4 Conflicts of Interest and Business Ethics*);
- As required, participate in the process of creating a strong control environment and designing and implementing fraud control activities, as well as participate in monitoring activities;
- Report concerns, suspicions or incidences of fraud; and
- Cooperate in investigations.

B. Fraud Risk Management Program:

The Authority's Fraud Risk Management Program is administered by the Legal Department who reports to the board on matters involving fraud risk. The Program reflects the concepts of governance, risk assessment, fraud prevention and detection, investigations and corrective action, and monitoring.

Each component of the Program is designed to help mitigate potential fraud and misconduct identified during management's fraud risk assessment. Each component is documented within this policy and periodically updated to reflect the evolving nature of fraud risk within the Authority's operations.

C. Relationship to Other Authority Policy:

The board and management have adopted this policy as a complement to *Policy 2-4 Conflicts of Interest and Business Ethics* designed to foster and promote the highest standards of ethical business practices among the Authority's operations. Personnel at every level have responsibility for ensuring that the Authority's business activities align with these policies.

Both policies are available to employees through GRDA's intranet and grda.com.

V. FRAUD RISK ASSESSMENT:

The Authority is committed to the timely prevention and detection of fraud and misconduct. Management, with the assistance of the internal audit department, conducts an annual fraud risk assessment for the purpose of identifying, analyzing and responding to key fraud risks.

The fraud risk assessment process considers key factors that drive fraud – opportunities, incentives and pressures, and attitudes and rationalization. The risk assessment methodology consists of identifying entity and process-level fraud risks utilizing common fraud scenarios; identifying the likelihood and impact of such risks; mapping fraud risks to internal controls; and identifying potential gaps or enhancement opportunities related to management's anti-fraud control activities.

VI. FRAUD PREVENTION AND DETECTION CONTROLS:

Management has designed a combination of preventive and detective anti-fraud control activities which occur at various levels of the Authority and are intended to help mitigate the occurrence of fraud and misconduct, as well as ensure the timely detection of fraud risk events within business operations.

GRDA's high-level fraud prevention control activities include:

- Business process control activities include the use of authority and responsibility limits, as well as human resource procedures such as employee background investigations, training, employee surveys, and exit interviews;
- Physical access control activities address admittance to the Authority's facilities and right to use of assets, such as inventory;
- Transaction control activities address procurement procedures and managerial approval requirements; and
- Technological control activities include monthly cyber security training, restricted access roles in GRDA systems, and two factor authentication.

The Authority's 's high-level fraud detection control activities include the Ethics Point hotline designed to receive, retain and treat concerns, complaints and information about potential violations of fraud and misconduct across the Authority's business operations.

VII. FRAUD REPORTING:

The Authority has a "speak up" culture and requires employees, management and the board to report all incidents of fraud and misconduct. Any employee who suspects fraud or misconduct must report the matter. There are several ways to report fraud. Staff may report suspected fraud to:

- Management;
- Legal, HR, or internal audit departments; and
- The anonymous hotline, Ethics Point.

GRDA has established an ethics hotline (Ethics Point) and corresponding Internet site (www.grda.ethicspoint.com or 1-866-604-7727) which are available on a 24-hour, 7 day per week and 365 day per year basis for the purpose of receiving concerns, complaints and information about fraud and misconduct. Furthermore, third parties are encouraged to report fraud and misconduct impacting the Authority through Ethics Point.

GRDA will make every reasonable effort to conduct all proceedings in a manner that will protect the confidentiality of all parties. To the extent possible, all information received in connection with the filing, investigation, and resolution of allegations will be treated as confidential except to the extent it is necessary to disclose particulars in the course of the investigation or when compelled to do so by law. Parties to the complaint should treat the matter under investigation with discretion and respect for the reputation of all parties involved.

Anyone reporting fraud shall act in good faith and have reasonable grounds for believing the information provided.

VIII. FRAUD INVESTIGATION PROCEDURES:

Upon receipt of a report, the matter will be evaluated by GRDA's legal department to determine the nature and treatment of the complaint. Supervisory personnel, as well as those in the human resources and internal audit departments who receive a report of fraud or misconduct, are required to immediately report the event to the legal department. The legal department will record the report, along with information about the disposition of the matter.

FRAUD RISK MANAGEMENT

IX. FRAUD MONITORING ACTIVITY:

The design of the components within the Fraud Risk Management Program will be evaluated during management's annual fraud risk assessment, or sooner, should a fraud risk event occur.

Periodically, the internal audit department will conduct a separate and independent evaluation of the Fraud Risk Management Program. In addition, the risk of fraud is considered as part of each assurance engagement performed.

DATE ADOPTED: January 14, 2026

John Rupe, Jr., Chair

DATE AMENDED:

Daniel S. Sullivan, President/CEO

POLICY NO. 3-1

DUTIES OF THE GRDA CEO

I. OBJECTIVES:

A. To define the duties and responsibilities of the CEO.

B. To delegate authority to the CEO for the efficient administration of the Authority's affairs.

C. To establish a continuous consultative management technique to inform the Board of Directors of the overall financial and operating conditions of the Authority.

II. POLICY: It shall be the policy of the Authority to achieve the above objectives by establishing the following parameters in the duties, authority, and responsibility of the CEO:

A. General

1. The Board of Directors shall retain a CEO, who shall be the Chief Executive Officer of the Authority, to whom it delegates authority and responsibility for the operation of the Authority within the limits of approved policies, programs, and budget.

2. The CEO shall recommend an organizational structure, which will most effectively and efficiently achieve the Authority's aims, purposes, and objectives.

3. The CEO shall employ, discharge, train, suspend, reprimand, discipline, transfer, promote and demote employees of the Authority within the guidelines of the Oklahoma Merit System, GRDA bylaws, and state and federal employment laws.

4. The CEO shall provide maximum service to GRDA and its customers by:

a. Keeping the Board of Directors adequately informed of operating conditions, financial positions, and other key areas of operations, together with reports on end results of programs, plans, policies, and Authority operations.

b. Advising and assisting the Board of Directors in establishing sound written objectives and policies, and seeing that they are effectively carried out.

c. Managing the affairs of the Authority in accordance with the objectives and policies of the Board of Directors and sound management principles, as well as acting within approvals and delegations-in-authority, and adherence to commitments.

d. Carrying out a continuous management improvement program based on consultative management with the application of more effective management techniques where applicable.

e. Providing leadership and effective administration of a well–planned and smoothly operating organization of adequately trained personnel.

f. Devoting the necessary time during normal business hours to the management of the Authority, and not engaging in activities that would conflict with the best interest of the business of the Authority.

g. Promoting a satisfactory working environment which will make available the opportunity for maximum creativeness, personal job satisfaction, sense of accomplishment, and effective operations.

h. Providing qualified employees with adequate compensation and benefits in order that superior service may be rendered to the Authority and its customers, subject to the provisions of the Oklahoma Personnel Act and other applicable state employment laws.

i. Establishing and maintaining an effective internal control system throughout the organization.

j. Promoting absolute accountability and ownership of assignments, commitments and policy at all levels, by all employees, throughout the GRDA.

B. Reporting Relationship

1. Reports to: Board of Directors.

2. Supervises: Chief Operating Officer, Chief Financial Officer, Executive Vice Presidents, and General Counsel.

C. Responsibilities and Authorities

1. Organization

a. Prepares appropriate agenda for board meetings.

b. Reviews, periodically, the activities and procedures of the Authority, and informs the Board of Directors the organization structure that would most effectively carry out the Authority's plans, programs, policies, and objectives.

c. Performs duties required of the CEO under terms of Base Bond Resolution No. 5107 and any Supplements thereto.

d. Interviews and informs the Board of the selection of his or her staff, in accordance with established policies and procedures.

e. Transfers, promotes, and terminates, in accordance with established policies and procedures, the members of his or her immediate staff.

f. Sees that each GRDA employee is thoroughly trained to meet the requirements and responsibilities of their respective position description.

g. Sees that effective job training and safety programs are carried out as necessary to improve job performance and to help employees develop and improve.

h. In accordance with established policy, sees that written position descriptions are prepared for the positions in the Authority which clarify reporting relationships, responsibilities, duties, authorities, general working conditions, and other relationships. Makes certain that each employee understands and accepts their responsibilities, authorities, and reporting relationships.

i. Reviews, and approves or disapproves, all wage and salary adjustments as recommended by the staff in accordance with the wage and salary policy.

j. Develops, generates, and maintains team spirit and enthusiasm throughout the organization by appropriate delegation, recognition of accomplishments, job enlargement, counseling, and by advancement according to merit, interest, and ability.

k. Develops, promotes, and maintains an effective climate of supervision throughout the entire organization which utilizes maximum participation of personnel in the development of operating policies, plans, and activities which affect them or for which they are responsible.

2. Directing

a. Directs and is accountable for the operations and activities of the Authority, ensuring that all responsibilities, authorities, and relationships are understood, accepted, and reflected in operations.

b. Delegates appropriate authority to his or her immediate staff to the extent that those fully trained for their respective position may perform on their own initiative and without prior approval of all activities outlined in their position descriptions.

3. Planning

a. Periodically reviews existing Authority policies, discusses with employees their effectiveness, and recommends any change or need for additional policies to the Board of Directors.

b. Initiates and develops through the staff, long-range system plans and annual work plans for the Authority.

c. Continuously evaluates Authority plans, operations, programs, policies, and procedures in order to provide for more effective methods and improvements in operations and services rendered by the Authority.

d. Plans, with the staff and consultants, the facilities required to effectively carry out Authority operations and services.

e. Plans, develops with employees, and recommends to the Board of Directors policies on finance, organization, purchasing, personnel, and compensation. Interprets approved policies to his staff, and sees that such interpretations are extended through appropriate channels and delegations to personnel concerned.

4. Performs Personally

a. Attends and participate in national, regional and state generation and transmission electric utility organizations and other related meetings; and should serve on committees.

b. Serves as member and actively participate in community organizations.

c. Advises and counsels with staff members with respect to special items beyond their authority, and makes necessary decisions.

d. Secures legal advice from legal counsel on special matters as necessary.

e. Reports to Directors on the Authority's operations, problems, and objectives.

f. Approves, as delegated by the Board of Directors or in accordance with the provisions of the GRDA Purchasing Policy, purchases and contracts where the amount of money involved is One Hundred and Fifty Thousand ($150,000) or less.

g. Reviews, in consultation with staff and consultants, loan applications, and submits them to the Board of Directors or other lenders for approval.

h. Signs checks in accordance with check signing procedures.

i. Signs and submits regular and special reports to regulatory agencies as required.

j. Accepts and reviews from staff, any revision necessary in the Authority's insurance coverage, and procures additional insurance requirements as recommended by the GRDA General Counsel.

k. Conducts negotiations with other power suppliers, as head of a staff negotiating team.

l. Periodically analyzes wage and salary studies to determine any changes needed to conform to Board policies.

5. Controlling

a. Evaluates the effectiveness in the accomplishments of overall functions and objectives of the Authority.

b. Reviews Authority operations with employees to discuss problems, attitudes, and needs which exist within the Authority.

c. Reviews adequacy of correspondence contacts by reviewing copies of letters to customers, government agencies, and others.

d. Receives and analyzes monthly operating reports.

e. Reviews and directs the submission of reports to state and federal regulatory agencies.

f. Reviews the annual financial audit to determine if corrective action is needed, and sees that such action is carried out.

g. Reviews system studies and financial forecasts to analyze the status of system operations, programs, and financial requirements.

h. Reviews financial forecasts, long-range plans, work programs, and power requirement studies and analyzes performance as compared to plans and standards.

D. Relationship

1. Internal

a. Board of Directors: To consult and advise the Board of Directors on matters pertaining to policies, plans, programs, the need for facilities, financing, operating requirements, and other areas as requested or required; to keep the Board of Directors fully informed of the end results of the operations; to carry out approved policies, plans, and programs; to seek advice and obtain necessary approvals. The CEO is delegated the authority to have the proceedings of the Board recorded in assisting the Secretary in the preparation of minutes of the Board meetings.

b. Attorney: To confer, consult, and obtain advice on legal matters, including compliance with federal and state laws.

c. Consultants: To obtain maximum advice and counsel regarding long-term system trends, and take advantage of broad technical services.

d. Auditors: To obtain advice on financial matters, to provide assurance of adequate and efficient financial records that effectively meet legal requirements.

e. Employees: To advise and consult on matters relating to Authority operations, plans, policies, and programs; to assure complete understanding, coordination, and cooperation necessary to ensure maximum use of employee services; and to effectively work toward overall Authority objectives.

2. External

a. Customers: To keep advised of customer reaction and satisfaction; to see that dependable and efficient service is provided for customers; and to obtain and promote their increased plans, policies, programs, and viewpoints.

b. National and State Associations: To participate in meetings; to serve on committees; to keep informed of industry, economic and social trends, policies, and new developments.

c. All Applicable Regulatory Entities: To observe and comply with rules and regulations as they apply to operations, and furnish information.

d. Other Generation and Transmission Utilities: To share experiences, and to confer on mutual problems.

e. Public and Community: To represent the Authority in public and community functions and projects, and to obtain acceptance of the Authority's philosophies and objectives.

f. Customer Development: To present a twelve-month plan to the Board in December of each year.

g. Public Relations: To promote the public's and customers' image of the Authority and maintain a close liaison with the state legislature and the Governor's staff.

III. RESPONSIBILITY: CEO.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 3-2

EMPLOYMENT OF CEO

I. OBJECTIVES:

A. To provide for the method of selecting a competent CEO to direct the operation of the Grand River Dam Authority and execute the policies adopted by the Board of Directors.

B. To provide for continuity of management subsequent to the sudden loss of the CEO.

C. To provide a plan of action for the orderly replacement of the CEO.

II. POLICY: It shall be the policy of the Authority to achieve the above objectives by establishing the following parameters to assist the Board of Directors:

A. Loss and Employment of the CEO

1. In the event of the necessity to employ a CEO for any reason, the Chairman shall be notified immediately by the current CEO, or in the absence thereof, by the General Counsel.

2. The Chairman shall appoint a temporary Acting CEO and call a special meeting of the Board of Directors, such meeting to be scheduled as soon as practical, but no later than ten (10) days from the date of occurrence of the vacancy.

3. The temporary Acting CEO shall:

a. Notify each Director of the circumstances and the time, place, and date of the special board meeting as authorized by the Chairman.

b. Notify the Authority's General Counsel of the circumstances and the time, place, and date of the special board meeting.

c. Conduct the day-to-day affairs of the Authority as necessary until the special board meeting.

d. Notify the Governor, primary financing institutions and other such entities as may be in the best interests of GRDA and the state.

4. In the special board meeting, the Board of Directors shall:

a. Appoint an Interim CEO.

b. Conduct the following business:

(1) Determine the method or methods of obtaining applications from highly qualified candidates for the vacancy, which may include, but not be limited to, the following:

(a) Secure a professional management search firm to recruit applicants.

(b) Advertise in nationwide utility industry publications and statewide periodicals and publications.

(c) Obtain a list of employees interested in the vacancy.

(2) Determine the salary range and benefits to be offered to candidates based on qualifications and experience.

(3) Establish a time schedule as a goal for the selection of the Manager.

5. The Board of Directors shall, as a courtesy, keep the Governor, State of Oklahoma, apprised of the status of the selection process.

III. RESPONSIBILITY: Board of Directors.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 4-1

POWER COST ADJUSTMENT AND PROVISION FOR BOARD REVIEW

I. OBJECTIVE: To establish a mechanism to adjust rates to reflect variation between the Base Power Cost and the actual cost of fuel used in generation for sales subject to the Power Cost Adjustment (PCA).

II. POLICY:

Application of this Rate

GRDA's PCA is applicable to all contract sales provided under a rate schedule.

The Power Cost Adjustment factor will be estimated and set at least every six months, but subject to more frequent or further revisions.

III. RESPONSIBILITY: The Power Cost Adjustment will be recalculated by the staff and presented to the Board of Directors for its approval at least every six months.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: April 10, 2013

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 4-2

ECONOMIC DEVELOPMENT, MARKETING, CUSTOMER AND COMMUNITY RELATIONS

I. OBJECTIVE: To state the policy of the Authority with regard to industrial development, marketing, and customer relations.

II. POLICY:

A. Personnel

GRDA shall hire and maintain on its staff a sufficient number of employees for the purpose of promoting and advancing economic development, marketing and customer and community relations.

These employees shall possess adequate education and/or experience in the fields of economic development and marketing, recognizing the needs of marketing, key account administration, public relations and electrical power generation and distribution.

B. Duties

1. Communicate with the Authority's customers regularly, supplying appropriate information relative to the efficient usage of electric power.
2. Communicate with prospective customers, explaining in detail the positive benefits of doing business with the Authority.
3. Represent the Authority with the Oklahoma Municipal Alliance, serve as an additional liaison to the Oklahoma State Legislature, and coordinate sales and marketing in a timely manner in order to respond to the demands of deregulation when authorized by the CEO.
4. To develop and help exercise competitive marketing capabilities.

III. RESPONSIBILITY: Management.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020



James B. Richie, Chair



Daniel S. Sullivan, President/CEO

POLICY NO. 4-3

ENERGY RISK MANAGEMENT

Table of Contents

I. PURPOSE OF THE ENERGY RISK MANAGEMENT POLICY 3
A. Introduction 3
B. Scope 3
C. Philosophy 3
D. Objectives 4
1. Customer Rate Stability 4
2. Preserve a Supply Cost Advantage 4
3. Efficient and Cost Effective Business Process 4
E. Policy Approvals 5
II. DISCUSSION OF RISK 5
A. Market Risk 5
B. Counterparty Risk 5
C. Credit Risk 6
D. Volume Risk: 6
E. Budget Risk 6
F. Regulatory Risk 6
G. Operations Risk 6
III. GOVERNANCE 7
A. Board of Directors 7
B. Risk Oversight Committee (ROC) 7
C. Chief Executive Officer 10
D. Chief Financial Officer: 10
E. Chief Operating Officer 10
F. Individual Authorities 11
IV. BUSINESS PRACTICES 12
A. Operational Practices 12
1. Standards of Conduct 12
2. Training 12
B. Trading Practices 12
1. Authorized Traders 12

2. Transaction Methods 12
3. Authorized Products 12
4. Authorized Counterparties 12
5. Model and Methodology Approval 13
V. EXPOSURES AND LIMITS 13
A. Term/Maturity Limits 14
B. Volume Limits 14
C. System Cost at Risk Limits 14
D. Exceedance of Limits 14
VI. CREDIT POLICY 14
A. Master Agreements 15
B. Analysis and Extension of Credit Limits 15
C. Credit Exceptions 17
VII. REPORTING 17
VIII. ACKNOWLEDGEMENT 17
A. Glossary 17
B. Acronym List 21

I. PURPOSE OF THE ENERGY RISK MANAGEMENT POLICY

A. Introduction: The Grand River Dam Authority (GRDA) is a non-appropriated agency of the State of Oklahoma and is governed by a seven-member board of directors. Included in GRDA's mission statement is its commitment to deliver affordable, reliable electricity to our customers. Consequently, GRDA faces a variety of utility operating risks. This energy risk management policy outlines how GRDA measures, monitors and reports on the energy market risks it encounters in its role as an electric utility.

B. Scope: This Energy Risk Management Policy (Policy) applies to transactions executed by the Front Office.

C. Philosophy: GRDA recognizes that certain risks are inherent in the energy business environment. The organization seeks to manage these risks in order to provide rate stability to its customers while maintaining a debt service coverage ratio that supports its credit rating of AA-.

1. GRDA manages its utility operations risks through the following business practices:

a. Proper Oversight. The Board of Directors, through various committees, provides oversight and sets policies that establish guidelines and parameters for GRDA's business operations. GRDA's directors review policies to provide reasonable assurance that:

(1) effective business management systems are in place to ensure GRDA remains financially sound;

(2) necessary internal controls are employed;

(3) GRDA resources are maintained in accordance with good utility practices; and

(4) GRDA remains in full compliance with applicable external regulatory mandates.

b. Statutory Restrictions. GRDA's statutory restrictions currently allow GRDA to engage in financial hedging activities, but specifically prohibit speculative trading. See 82 O.S. § 862(2).

c. General Bond Resolution Restrictions. GRDA's General Bond Resolution No. 5107 referring to Revenue Bonds specifies different payment priorities for "Operating Expenses"

and other expenses including for Settlement Amounts under Fuel Hedges.

d. Secure Revenue Stream. GRDA has secured a significant portion of its revenue requirements well into the future through long-term contracts with the majority of its wholesale customers. These contracts provide for the full recovery of all future fixed and variable revenue requirements, thereby substantially securing GRDA's future revenue requirements and debt service coverage ratios.

e. Diverse Portfolio of Generation Resources. GRDA maintains a diverse generation portfolio which may include a mix of coal, natural gas-fired combined cycle, hydro, hydrogen, pumped-storage, battery storage, solar, and wind resources.

D. Objectives: The primary objectives of GRDA's energy risk management activities are to balance the business goals of:

1. Providing stable electric rates to customers;
2. Preserving a supply cost advantage through hedging; and
3. Managing business processes to allow the organization to work efficiently and cost effectively.

When the above goals are in conflict, the Risk Oversight Committee (the ROC) will collaborate with GRDA staff and the executive team to resolve the conflict.

1. Customer Rate Stability: Stable rates are of high value to the customers of GRDA. However, energy commodity market prices can be volatile. Therefore, GRDA will endeavor to manage market risk, weather risk, volume risk, and credit risk to avoid volatility in GRDA's power cost adjustments.

2. Preserve a Supply Cost Advantage: GRDA's staff will endeavor to:

   a. Manage exposure to wholesale energy and fuel price movements;

   b. Manage exposure to transmission congestion; and

   c. Manage uncertainty in supply cost by taking advantage of flexibility inherent in GRDA's purchased power and fuel contracts and its diverse portfolio of resources.

3. Efficient and Cost-Effective Business Process: GRDA's staff will use sufficient business practices and controls to identify, evaluate,

measure and manage energy risks through appropriate recording, analysis and reporting requirements. Staff will strive to improve the risk management procedures to enhance productivity, optimize the cost and value of conducting risk management activities, and maintain transparency and the value of the risk management process.

E. Policy Approvals: GRDA's Board of Directors must approve this Policy, including limits, as well as any future changes to the Policy or limits, in order for those revisions to become effective. Board approval shall not be required to amend, supplement, or update the Hedging Program appendices; however, all changes to the appendices, as approved by the Risk Oversight Committee, will be reported to the Board of Directors. On an annual basis, the Chief Financial Officer, in collaboration with the ROC, will review this Policy and determine if it should be amended, supplemented or updated to account for business developments or for other appropriate business reasons.

Additional policies and procedures that may be developed to fully implement this Policy do not require Board approval, so long as such policies and/or procedures do not conflict with this Policy. In the event that any other policies or procedures conflict with this Policy, this Policy shall prevail.

II. DISCUSSION OF RISK

The following section describes certain risks that GRDA seeks to manage through this policy.

A. Market Risk: Market risk represents the risk associated with the uncertainty in GRDA performance due to participation in the wholesale energy markets, and includes, but is not limited to, volatility risk, forward price risk, basis risk, correlation risk and liquidity risk. These risks are inherent in and can be realized through GRDA's operations, and can increase the uncertainty of GRDA's revenues, expenses, customer rates, and the value of energy-based assets and liabilities.

B. Counterparty Risk: Counterparty Risk is the risk associated with losses incurred due to a counterparty not fulfilling contractual obligations. This risk can be realized through a physical or financial nonperformance. GRDA will manage this risk through the Credit Policy and the limit structure in this Policy. The Credit Policy will manage credit exposure and potential adverse financial impacts related to wholesale commodity transactions by:

1. Establishing a credit risk management governance and oversight structure as part of the overall risk management program;

2. Providing a framework to enable GRDA to qualify energy suppliers and transact with approved counterparties;

3. Providing counterparty transacting parameters (limits) to control and measure GRDA's exposure to any one supplier; and

4. Implementing a mechanism to monitor and report on supply portfolio related counterparty credit exposures.

C. Credit Risk: Credit Risk is the risk that a decline in credit rating may require additional collateral posting. Changes in Credit Risk may be associated with changes in Counterparty Risk.

D. Volume Risk: Volume Risk represents the potential for unforeseen changes from projections of excess or shortfall of capacity or energy from the forecasted needs that affect the amount of capacity or energy that GRDA will transact with the market. When variances are large, coupled with large costs to transact and adverse moves in market prices, this risk could be realized. In management of this risk, GRDA must be aware of the fact that unexpected variations in volume are often highly correlated with price movements.

E. Budget Risk: Budget Risk is the risk associated with actual power and energy prices being higher than budgeted power and energy prices. This risk can be managed by monitoring the market uncertainty and the impact to the GRDA portfolio. GRDA manages this risk through active hedge management and the limit structure in this Policy.

F. Regulatory Risk: Regulatory Risk is the risk associated with participating in regulated markets, and the impact that changes in regulations could cause in those markets, and in GRDA's operations.

G. Operations Risk: Operations Risk is the exposure that GRDA faces daily due to operations. Specifically, operations risk includes:

1. Execution Risk is the uncertainty of GRDA performance due to delays or factual deficiencies regarding transaction execution.

2. Operational Risk is the uncertainty of GRDA performance due to imperfections in the quality, scope, content, or execution of human resources, technical resources, systems, and/or operating procedures

III. GOVERNANCE

A. Board of Directors: The Board of Directors is responsible for high-level oversight of this Policy; and therefore, retains the authority to approve revisions to this Policy. The Board delegates implementation of this Policy to the Risk Oversight Committee ("ROC"). In addition to the responsibilities of the Board outlined in ***Board Responsibilities (Policy No. 2-1)***, by their approval of this Policy they also undertake the following responsibilities:

1. Approve amendments to this policy;

2. Approve all transactions outside of ROC authorization limits;

3. Delegate the oversight and maintenance of the Policy functioning to GRDA's ROC;

4. Delegate approval of transactions within the authority of the ROC; and

5. Ensure a review of GRDA's compliance with Risk Policy related policies and procedures is conducted annually.

B. Risk Oversight Committee (ROC): The Risk Oversight Committee is responsible for: (1) primary operational risk oversight for GRDA; and (2) the implementation of this Policy. The ROC shall meet at least monthly, chaired by the Chief Financial Officer or the Chief Financial Officer's designee. The ROC, at an operational level, is accomplished through a supervisory review, approval and separation of duties. GRDA's functions are generally separated into the Middle Office, Front Office, and Back Office functions as discussed below. The Chief Financial Officer provides executive oversight for the Middle Office functions while the Chief Operating Officer oversees the Front and Back Office functions.

The ROC shall be comprised of GRDA employees. The following GRDA employees will be voting members, each having one vote: (1) Chief Executive Officer (CEO); (2) Chief Operating Officer (COO); and (3) Chief Financial Officer/Treasurer (CFO). The voting members of the ROC may delegate their vote to a proxy. The proxy must be in the same part of the organization as the voting member. At a minimum, the CFO or the CFO proxy must participate in all ROC votes. Decisions will require a majority vote of all ROC members, regardless of meeting attendance. The ROC will ask GRDA's general counsel, or other legal representative, be present at ROC meetings as a non-voting member when warranted by the discussion topic. Other GRDA staff may be asked to attend meetings from time-to-time, as the ROC deems necessary.

On June 5, 2024, The GRDA Board approved GRDA to become a member of The Energy Authority ("TEA"), a nonprofit corporation. As a member of TEA, GRDA can take advantage of certain core services of TEA including:

1) Portfolio management;
2) RTO Market Management & Trading;
3) Natural Gas Management;
4) Bilateral Energy Trading;
5) Certain Advisory Services, and;
6) Credit and Risk Management

GRDA, in conjunction with TEA, will manage the Authority's risk management activities in accordance with the Board approved policies and procedures. GRDA's CEO, CFO and COO will maintain oversight of TEA's trading, credit and risk policies through their respective positions on the TEA Board of Directors, Finance and Audit Committee, and Settlement and Operations Committee.

The Board has delegated to the ROC ongoing maintenance and enforcement of GRDA's approved policies and procedures for trading and risk management. The responsibilities of the ROC shall include:

1. Monitor the risk exposures of GRDA's individual portfolio to ensure that such exposures are within tolerable limits and being managed in a manner consistent with this Policy;

2. Understand and approve methodologies, models and strategies used for market and credit risk measurement and management;

3. Review any new GRDA counterparties and approve their credit limits, as recommended by GRDA or TEA staff where transactions are executed on GRDA agreements. The ROC shall provide oversight regarding credit matters. When requested by the ROC, a review of an individual counterparty credit and credit documentation status will be included in a monthly ROC meeting; TEA will remain responsible for the credit risk of its counterparties that it transacts with under its own agreements.

4. Receive, review and approve changes to existing and any new risk reports prepared by GRDA or TEA's Middle Office;

5. No less than annually, review Risk Policy related Policies and Procedures for suitability and recommend changes to the Board;

6. Establish and approve qualitative and quantitative limits for hedging products as deemed necessary;

7. Understand the risk/reward relationship of proposed hedging transactions to ensure consistency with GRDA's overall operating objectives, business strategies and risk tolerances;

8. Ensure that employees have received adequate training for the products they execute;

9. Approve individuals at GRDA that are authorized to commit GRDA to risk through energy trading activities;

10. Approving new products used to manage risk;

11. Ensure that independence and segregation of duties exist in the Energy Risk Management program at GRDA and TEA;

12. Represent to the Board the sufficiency of GRDA's trading and risk infrastructure and its overall compliance with policy and procedures;

13. Ensure all GRDA staff are aware of and understand their individual responsibilities for compliance with this Policy;

14. Review exceptions to this Policy; and

15. Review proposed legislation and regulation for potential impacts to GRDA business.

GRDA's risk management process will be outlined in GRDA's ***Energy Hedging Program*** to be approved by the ROC and presented to the Board.

The Chief Financial Officer, in collaboration with other key GRDA staff, will determine the sufficiency of control and reporting requirements.

Meeting minutes will be kept (including any electronic votes taken outside of the meeting) and will be retained by GRDA consistent with GRDA's ***Records Management Policy (Policy No. 8-3)***. Additionally, any materials used in the analysis or decision to enter into a swap, as defined by the U.S. Commodity Futures Trading Commission including confirmation documents, will be retained as specified by 17 CFR § 1.31.

C. Chief Executive Officer: The CEO is responsible for the day to day operations of GRDA and has overall responsibility for executing and ensuring compliance with this Policy as adopted by the Board. The CEO's roles and responsibilities are outlined in ***Duties of the GRDA CEO (Policy No. 3-1)***. The CEO may delegate these responsibilities to one or more officers as outlined in ***GRDA's Bylaws***.

D. Chief Financial Officer: The CFO is the chair of the ROC and heads the Finance Department (the Middle Office) which provides the primary independent oversight role. The Middle Office, under the management of the CFO, is comprised of TEA and GRDA staff and institutes, supervises, and reviews all risk management activities including portfolio exposure, credit exposure, transaction compliance and on-going approval of counterparties and transaction limits. Additionally the CFO is responsible for billing activities and accounting. The Middle Office responsibilities include:

1. Monitoring and reporting on GRDA's risk exposures and ensuring compliance with policies, guidelines, and procedures.

2. Maintaining this Policy;

3. Ensuring this Policy is effectively communicated to all necessary individuals;

4. Reporting to the Board on risk management issues (as needed), and recommending when changes in policy or operating procedure are required. These recommendations may relate to the temporary or permanent halting of transactions with one or more counterparties, exceptions to rules and procedures, other operational exceptions, and any other topic the CFO believes represents an unacceptable risk exposure;

5. Establishing appropriate accounting methods for all transactions executed by GRDA; and

6. Monitoring and ensuring compliance with General Bond Resolution No. 5107 payment priorities for different exposures under transactions.

E. Chief Operating Officer: The Chief Operating Officer provides executive oversight for the Front and Back Office functions.

The Front Office, is comprised of GRDA and TEA staff primarily responsible for resource planning and procuring energy supplies and services on a short-term basis. This Department has a critical role in risk management through its transacting operations. Generation, Operations, and Marketing has the authority to commit GRDA capital to energy transactions with counterparties. As such, this Department is a central clearing point for risk assumption and risk management.

The Back Office, is comprised of GRDA and TEA and staff primarily responsible for settlement of transactions and deal verification. This Department's roles in oversight are ensuring and independently monitoring and recording transactions into the deal capture system and verifying and reporting on compliance with procedures as reflected in the deal tracking documentation.

The Generation, Operations, and Marketing Department's roles in risk management include:

1. Implementation of GRDA-approved, generation, operations, and marketing procedures consistent with Board approved policies;

2. Development and implementation of energy portfolio management plans following Market Protocols for the dispatch guidelines; and

3. Proper recording of all transactions within GRDA's deal capture systems.

The Generation, Operations, and Marketing Department Manager shall review and discuss changes in daily operating plans with the Chief Operating Officer.

F. Individual Authorities: After the ROC approves individuals to commit GRDA to transactions, the individual and his or her authorities will be recorded by the ROC in the Energy Hedging Program. Only approved employees and TEA can commit GRDA to energy market transactions. Approved employees and TEA can only authorize and execute transactions for products for which they have approval and within the limits set forth in this Policy and the Energy Hedging Program.

IV. BUSINESS PRACTICES

A. Operational Practices

1. Standards of Conduct: GRDA, as a non-appropriated agency of the State of Oklahoma, operates under Oklahoma state statutes, administrative rules, and other directives, and follows Oklahoma ethics rules and Code of Conduct Standards. GRDA employees are also to conduct themselves under GRDA's Conflict of Interest and Business Ethics Policy.

2. Training: The Generation, Operations, and Marketing Department Manager will ensure employees that are authorized traders for GRDA have received adequate training and understand the implications of their trade commitments. Additionally, the COO, in conjunction with the Generation, Operations and Marketing Department Manager, will ensure that TEA maintains sufficient knowledge and guidance from GRDA to transact as directed.

B. Trading Practices

1. Authorized Traders: All transactions must be committed to by an authorized trader. The ROC shall maintain a list in its Energy Hedging Program of authorized traders and the products in which the trader is authorized to transact.

2. Transaction Methods: All transactions must be recorded by some electronic means or confirmed through a signed confirmation or other agreeable method from both parties, that meets state record retention statutes.

3. Authorized Products: The ROC will be responsible for authorizing all products and commodities to be used for energy risk management. All products transacted must be on the Approved Product List published in the ROC's Energy Hedging Program.

4. Authorized Counterparties: All transactions must be executed under a Master Agreement, a Participation Agreement or a non-standard industry agreement and credit must be established and available. GRDA and TEA staff will be responsible for assessing credit worthiness of a new counterparty, and the ROC will be responsible for approving credit worthiness when those transactions are executed on GRDA agreements. TEA will remain responsible for the counterparties it chooses to transact with under TEA agreements.

The process for seeking ROC approval for counterparty creditworthiness for transactions entered into by GRDA is as follows:

a. New counterparties justification will be recommended to the ROC by the Chief Operating Officer (COO);

b. The Chief Financial Officer (CFO) will be responsible for providing the suggested credit limit;

c. GRDA general counsel will be responsible for ensuring contract language is acceptable to GRDA;

d. The ROC is responsible for approving credit limits and documentation requirements for any new trading partner; and

e. A new counterparty will not receive final approval until the ROC's approval is obtained. Trading with the counterparty is not allowed until the ROC completes this process.

5. Model and Methodology Approval: All models for risk measurement, valuation, or pricing shall be used only after the GRDA ROC or TEA Risk Management Committee ("RMC") has approved the methodologies and assumptions underlying their respective models. To the extent risk measurement, valuation and pricing models are developed and maintained by TEA, the ROC will have an adequate understanding of the methods and assumptions underlying the model and approve the use of them to perform these activities on GRDA's behalf.

V. EXPOSURES AND LIMITS

An important element to any risk management program is the regular identification, measurement, and communication of risk. The limit structure put forth in this document sets the maximum exposure on risks that GRDA is willing to accept when entering into transactions covered under the Policy. Risk associated with GRDA transactions shall be quantified and compared against maturity, term, location and value exposure limits contained below.

Setting and adherence to risk exposure and transaction limits are important elements in the management of risk. Well-designed limit structures help ensure GRDA does not assume greater aggregate risk than is intended and helps ensure risk taking at the transaction level is appropriate under the circumstances.

A. Term/Maturity Limits: All power and natural gas purchase activity shall be made in accordance with an Energy Hedging Program that has been presented to the Board.

B. Volume Limits: The total volume of hedge transactions shall be as deemed necessary and prudent to take advantage of previously approved products contained in Appendix B of the Energy Hedging Program to reduce risk and may not exceed the projected volume of use of the hedged commodity.

C. System Cost at Risk Limits: Market risk exposure associated with GRDA positions shall be quantified using System Costs at Risk (SCaR). SCaR is the positive difference between the target system cost and the P95 system costs as stochastically modeled by TEA over a given future time period (e.g. rolling 12 months and/or rolling 36 months). The annual targeted system cost, risk profile, and ScAR Limits will be set with the annual budget process based on the acceptable risk profile and measures approved by the board in conjunction with the annual budget. The ScAR shall be reviewed at least on an monthly basis taking into account changes in GRDA's net positions and market conditions.

   The management of GRDA's System Costs at Risk metric is further described in GRDA's ***Energy Hedging Program.***

D. Exceedance of Limits: In the event a limit is exceeded, unless specified elsewhere in this Policy, the ROC will be notified as soon as possible. The CFO will report all exceptions to the Board.

VI. CREDIT POLICY

GRDA recognizes the potential for significant losses due to events of financial default or the failure to perform by GRDA's counterparties.

GRDA adheres to the credit policies and credit limits set forth in this Policy. GRDA's management determines the credit quality of counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances. This section shall apply to transactions executed on GRDA agreements. Transactions executed on TEA's agreements are subject to the credit policies of TEA.

In order to manage that credit risk, GRDA has established the following policies:

1. Commodity transactions, both physical and financial, will be entered into only with approved counterparties who have sufficient remaining credit to support the transaction;

2. Counterparties will be evaluated using GRDA or TEA's methodology. Each new Counterparty Credit Limit or increase to an existing limit will then be taken before the ROC for approval. Each counterparty will be reassessed no less than annually;

3. The status of credit risk will be tracked by counterparty at the agreement level and the information made available monthly to the appropriate trading and scheduling personnel and those responsible for risk oversight; and

4. GRDA shall not intentionally exceed the Counterparty Credit Limit with any counterparty without the approval of the ROC; the ROC may grant short-term exceptions as necessary to accommodate operational requirements. Specifically, violation of Counterparty Credit Limits is permissible in must sell situations. Changes in transaction value against the fair replacement value can result in credit exposures beyond the assigned credit limit.

A. Master Agreements: GRDA and TEA may also enter into transactions executed under a Master Agreement, Participation Agreement or non-industry standard Agreement with an approved counterparty. GRDA and TEA's legal department will maintain all signed agreements with all counterparties approved for transactions.

B. Analysis and Extension of Credit Limits: Transactions will be executed only with counterparties approved by the ROC or TEA RMC with credit available to support the transactions. The creditworthiness of a counterparty not cleared through ICE will be determined by both qualitative and quantitative factors. Factors shall include, but not be limited to:

1. A company's credit ratings provided by the rating agencies;

2. Financial data such as an analysis of the income statement, balance sheet, and cash flow, as well as liquidity and capital structure; and

3. Subjective factors such as a company's fuel diversity, overall size, risk management policy and internal controls, geographic diversity, differences in offer price, lack of qualified suppliers, and market intelligence.

A credit limit is the amount of unsecured credit granted to a counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the mark-to-market differences in value of any collateral which the counterparty has provided GRDA. Maximum credit limits, as determined by Rating Agency ratings for counterparties other than ISDA counterparties (e.g., certain financial institutions), shall be evaluated as follows.

Rating (S&P equivalent)	**Maximum Credit Limit**
AA- and higher	$ 20,000,000
A- up to AA-	$ 15,000,000
BBB+	$ 10,000,000
BBB- up to BBB+	$ 5,000,000
Below BBB-	$ - 0 -

Counterparties that are not rated or below investment grade, in most situations, will have credit limits equal to collateral posted. The collateral posting requirements will be determined by the Middle Office.

Any net exposure above the collateral threshold will require the posting of collateral by the counterparty or trading with this counterparty will be halted until there is credit available to support trading activities.

Provided, the maximum credit limits for counterparties with which GRDA contracts shall be limited to $20,000,000, unless an increase in that amount has been recommended by the ROC and approved by the GRDA Board of Directors. The ROC may decrease the maximum credit limits for Commodity Transaction Contract counterparties without GRDA Board approval. GRDA staff will use their best efforts to prevent a Commodity Transaction Contract counterparty's credit exposure from exceeding this threshold. However, if the threshold is inadvertently exceeded due to unforeseen changes in mark-to-market valuation or the credit rating of a party, GRDA and or TEA staff will take prompt and reasonable steps to bring the Commodity Transaction Contract counterparty's credit exposure back into compliance with this paragraph. All applicable credit limits and collateral call requirements will be described within the terms of the individual Commodity Transaction Contract.

A credit limit for the Southwest Power Pool is not subject to the Maximum Credit Limits defined above.

Because ICE cleared transactions have a robust risk management framework that provides real-time position monitoring, intraday mark to market margining, substantial default resources, rigorous stress testing, comprehensive oversight, and extensive transparency, ICE cleared transactions are not subject to the Maximum Credit Limits defined above. GRDA's transactions through ICE must be through an approved ICE clearing member. Clearing members in ICE must meet a series of requirements, including carefully calibrated minimum capital levels, operational and technical capabilities, and demonstrated risk management competence. Once admitted as a clearing member, ICE continues to monitor clearing members for on-going compliance with stringent financial, risk management and operational requirements.

C. Credit Exceptions: All GRDA and TEA personnel executing transactions, either physical or financial, are limited to trading within the established counterparty credit limits. The ROC can suspend trading activity with a counterparty if the counterparty's exposure has been reached or the activity exceeds the counterparty limit.

All credit exceptions will be documented and reported to the ROC and the Board as Policy Exceptions.

VII. REPORTING

A. Key to the energy risk management associated with this Policy is the monitoring of risks and the accurate and timely reporting of information to all parties involved in any aspect of energy risk management. Monitoring and reporting allows each party to perform their respective functions appropriately. Reports will be provided for distribution to the ROC, which provide details on the organization's overall risk exposure as follows:

1. Counterparty Credit Exposure Report that conveys exposures resulting from the transactions covered under this Policy.

2. Monthly Risk Measurement Report that shows GRDA's system cost uncertainty against the SCaR limit.

VIII. ACKNOWLEDGEMENT

The Energy Risk Management Policy applies to all GRDA and TEA employees engaged directly or indirectly in transacting in the energy markets. Consistent with the Board's business practice policies, GRDA and TEA must maintain

awareness of all risks it faces in the marketplace. It is critical that all members of the organization have awareness that participation in the energy business entails a host of risks and that all members have knowledge of the Energy Risk Management Policy.

After Board approval of changes to GRDA's Energy Risk Management Policy, the changes to the Policy will be communicated to GRDA staff. All GRDA staff engaged directly or indirectly with transactions covered under the Policy shall acknowledge they:

1. Understand the changes to the Policy;

2. Understand any policies or procedures referenced in the Policy; and

3. Will comply with the Policy.

A. Glossary

1. Back Office – The aggregate of TEA and GRDA's Energy Markets and Analytics Department which handles transaction accounting, confirmations, management reporting, and working capital management.

2. Basis Risk - The difference between the index used in a financial hedge versus the physical commodity being hedged. For example, if a company hedged future purchases of natural gas with an index based on the price of natural gas at a certain delivery point, a risk would exist that the price of natural gas delivered to the company would go up and the price of natural gas at the financial delivery point (Henry Hub) would not.

3. Budget Risk - The risk associated with not hitting or falling outside a tolerance band of an organization's budget.

4. Capacity - The real power output rating of a generator or system, typically in megawatts, measured on an instantaneous basis.

5. Commodity - A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange,

commodities must also meet specified minimum standards, also known as a basis grade.

6. Counterparty – For purposes of this Policy, the party participating in an energy market transaction with GRDA and or TEA. Every transaction must have a counterparty for a transaction to take place.

7. Credit Risk – The uncertainty of a company's financial performance due to the chance of non-performance in payment or delivery.

8. Electric and Gas Master Agreement – An agreement reached between two parties that outlines terms including but not limited to billing, deal confirmation, credit and collateral terms. Examples of types of Master Agreements include EEI, ISDA, Power, NAESB and WSPP.

9. Execution Risk – The uncertainty of a company's financial performance due to the lack in the speed or accuracy of the transaction execution.

10. Financial Product – Any Future, Swap or Options contract, or any combination thereof, with any approved physical or Financial Product as the underlying commodity or instrument, which customarily settles financially and in which the primary intent is to settle the transaction financially.

11. Front Office – The aggregate of TEA and GRDA's Generation, Operations, and Marketing Department which executes trades and ensures the physical delivery of commodities.

12. Hedging Transaction/Hedge - A transaction designed to reduce the exposure of a specific outstanding position or portfolio; "fully hedged" equates to complete elimination of the targeted risk and "partially hedged" implies a risk reduction of less than 100%.

13. ICE – Intercontinental Exchange – a global clearing house offering a range of liquid derivatives markets including gas and energy.

14. Mark-to-Market – A measure of the current value of unrealized positions; both Open Positions and Closed Positions. The total value of Unrealized Gains/ (Losses) is the Mark-to-Market value.

15. Market Risk – The exposure an organization faces due to changes in the value of market variables.

16. Maturity - The time between the date on which a transaction is executed to the last date that power or gas will flow (in the case of physical transactions) or be settled financially (in the case of financial transactions).

17. Middle Office – The Aggregate of TEA and GRDA's Finance Department which measures and reports on market risks, develops risk management policies and monitors compliance with those policies, manages contract administration and credit, and keeps management and the Board informed on risk management issues.

18. Model Risk – The uncertainty of a company's financial performance due to inaccurate or incomplete models being used to evaluate a particular transaction.

19. Operational Risk – The uncertainty of a company's performance due to imperfections in the quality, scope, content, or execution of human resources, technical resources, systems, and/or operating procedures.

20. Option - The right but not the obligation to buy or sell the underlying asset at a specified price for a specified period of time.

    a. Call Option – A contract between two parties (buyer and seller) in which the buyer of the option has the right, but not the obligation to buy an agreed quantity of a particular commodity or financial instrument from the seller of the option at a certain time (the expiration date) for a certain price (the strike price). The seller is obligated to sell the commodity or financial instrument should the buyer so decide. The buyer pays a fee (called a premium) for this right.

    b. Put Option – A contract between two parties (buyer and seller) in which the buyer of the option has the right, but not the obligation to sell an agreed quantity of a particular commodity or financial instrument to the seller of the option at a certain time (the expiration date) for a certain price (the strike price). The seller is obligated to purchase the commodity or financial instrument should the buyer so decide. The buyer pays a fee (called a premium) for this right.

21. Policy – GRDA's governing policy for energy commodity risks, as amended and approved by The Board of Directors.

22. Portfolio – A collection of transactions.

23. Price Risk – The uncertainty of a company's financial performance due to uncertain future price levels.

24. Regulatory Risk – The uncertainty of a company's financial performance due to potential change in laws and/or regulations.

25. Speculative Trading – Trading purely to generate trading profits by buying or selling physically or financially derived electricity or natural gas instruments, which are not backed by generation assets and/or physical purchases of energy.

26. Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term "Swap" is further defined in 7 U.S.C. 1a (47).

27. System Cost at Risk (SCaR) – A risk measurement method that summarizes the uncertainty and potential impact on customer rates over a specific period of time. SCaR is defined as the positive difference between the expected (mean) system cost and the P95 system costs as stochastically modeled by TEA.

28. Trading – The buying and selling of physical and financial energy transactions to realize profits, take advantage of market inefficiencies, or capture current market prices or price relationships.

29. Term – The total duration of a contract, defined as the number of days between the beginning flow date and ending flow date, inclusive.

30. Volume Risk - The uncertainty of a company's performance due to the uncertainty in native load peak demand and energy volumes, and in the quantity of energy deliveries under variable-take energy sales contracts and/or options contracts.

B. Acronym List

1. CEO – Chief Executive Officer
2. CFO – Chief Financial Officer
3. COO – Chief Operating Officer
4. ROC – Risk Oversight Committee
5. SPP IM – Southwest Power Pool Integrated Marketplace
6. WSPP – Western Systems Power Pool

DATE ADOPTED:	February 12, 2014
DATE 1st AMENDED:	November 13, 2024
DATE 2ND AMENDED:	July 9, 2025
REVIEW SCHEDULE:	Annually
DATE REVIEWED:	July 9, 2025

John Rupe, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 4-4

ENTERPRISE RISK MANAGEMENT

I. OBJECTIVE: The objective of the risk management process is to develop a holistic view of significant risks to the achievement of GRDA's *Five E's of Excellence* and develop strategies for managing those risks to tolerable levels.

II. POLICY: Executive Vice Presidents (EVPs) will be responsible for identifying and updating significant risks to the achievement of their respective program level objectives. These risks will be evaluated by executive management for enterprise level significance and mitigation strategies will be developed by June 30 annually. The Audit, Finance, Budget, and Policy Committee will be updated on this process at that time and summary level information and strategies will be shared with the Board of Directors at the annual retreat.

III. RESPONSIBILITY: CEO/Executive Vice Presidents

DATE ADOPTED: January 11, 2023

Charles Sublett, Chair

DATE AMENDED: _____

Daniel S. Sullivan, President/CEO

POLICY NO. 5-1

DEVELOPMENT OF ANNUAL BUDGET AND PROVISION FOR BOARD REVIEW

I. OBJECTIVE: To establish an annual budget of the Authority sufficient to maintain the system in good working order and repair such that the operating efficiency will be of high character and operated in an efficient and economical manner; and to provide for the amount, if any, necessary to maintain the required balance in the Debt Service Reserve Account in the manner required under the Base Bond Resolution No. 5107.

II. POLICY: The Board of Directors of the Authority shall adopt an annual budget of the Authority on or before its regularly scheduled December meeting.

The annual budget shall be prepared for the calendar year and will include the following items:

A. estimated revenues;
B. aggregate bond service requirement;
C. estimated operating and maintenance expenses;
D. estimated requirements for the Bond Service Reserve Account;
E. outstanding subordinated debt service requirements, if any; and
F. general operating fund balance and any other requirements of the system and base bond resolution.

A comparison of the budgeted and actual financial results will be submitted to the Board of Directors no less than quarterly.

III. RESPONSIBILITY: The annual budget shall be prepared by the GRDA staff under direct supervision of the Treasurer/Chief Financial Officer. The budget shall be reviewed prior to submission to the Board of Directors by Senior Management and the Audit, Finance, Budget and Policy Committee. The Treasurer/Chief Financial Officer shall provide oversight and maintain coordination of the preparation and review of the annual budget and report directly to the CEO on all matters relating to the policy.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 5-2

INVESTMENT OF FUNDS

I. OBJECTIVE: To invest the funds in a manner which will provide the maximum security with the best investment return, while meeting the daily cash flow demands of the Authority and conforming to all bond resolutions or indentures and state law. The primary objectives, in priority order, of the Authority's investment program shall be:

A. Safety: Safety of principal is the foremost objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the Authority will diversify its investments by investing funds among a variety of securities offering independent returns.

B. Liquidity: The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements which might be reasonably anticipated.

C. Return on Investment: The investment policy shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

II. POLICY:

A. Conflict of Interest. All employees involved in the investment process shall refrain from personal business activity or other activities that could conflict with proper execution of investments, or that could impair their ability to make impartial investment decisions. Employees must disclose all conflicts of interest and potential conflicts of interest related to the investment process.

B. Investments shall be deposited in the name of the Authority in one or more banks or trust companies organized under the laws of any state of the United States which is willing and able to accept the reasonable and customary terms and authorized by law to act in accordance with the provisions of Resolution 5107.

C. Securities shall generally be held until maturity. Securities may be sold due to liquidity needs of the portfolio, to minimize loss of principal, or to improve the quality, yield, or target duration in the portfolio. Securities shall be booked at the amortized cost and marked to fair value monthly.

D. The Authority is permitted to invest in the following categories of investments:

1. United States Treasuries — Bills, Notes and Bonds and obligations fully insured or unconditionally guaranteed as to the payment of principal and interest by the United States government or any of its agencies or instrumentalities.

2. United States Government Agency Securities:

    a. Issued by one of the following agencies:

    Federal National Mortgage Association
    Federal Home Loan Bank
    Federal Farm Credit Bank
    Federal Home Loan Mortgage Corporation
    Government National Mortgage Corporation
    Farmers Home Administration

3. Obligations of State and Local Governments, including obligations of Oklahoma state public trusts, provided at the time of purchase such obligations are rated in either of the top two categories by Moody's, S&P, or Fitch:

    a. Issued by any state, other than Oklahoma, of the United States of America, provided the full faith and credit of such state is pledged

    b. Issued by any Oklahoma State Trust

    c. Issued by any Oklahoma state or local government

4. Obligations of Public Agencies or Municipalities:

    a. New Housing Authority Bonds issued by public agencies or municipalities and fully secured by a pledge of annual contributions as to the payment of principal and interest under Contracts with the United States of America.

    b. Project Notes issued by public agencies or municipalities and fully secured by a requisition or payment agreement with the United States of America as to the payment of principal and interest.

5. Collateralized or Insured Certificates of Deposit or other evidences of Deposit:

    a. Issued by a bank, savings bank, savings and loan association, or credit union located in Oklahoma, provided any uninsured amounts must be collateralized.

    b. Certificates of Deposit Account Registry Service (CDARS) may include financial institutions located outside Oklahoma, provided the CDARS investment is fully FDIC insured.

6. Negotiable certificates of deposit, provided at the time of purchase such CD's short term rating must be at least "A-1" by S&P or "P-1" by Moody's:

    a. Issued by a nationally or state-chartered bank, a savings bank, a savings and loan association or a state-licensed branch of a foreign bank.

7. Money market mutual funds and short term bond funds, provided rating must be "AAA" or the equivalent:

    a. Fund investments consist of:

    Obligations of the United States government and U.S. government sponsored enterprises and obligations fully insured or unconditionally guaranteed as the payment of principal and interest by the United States government or any of its agencies and instrumentalities.

    Repurchase agreements collateralized by obligations of the United States government and the U.S. government sponsored enterprises.

8. Cash sweep or short-term investment funds deposited with domestic commercial banks in the two highest long-term rating categories of the highest short-term rating category available by Moody's or S&P and which are insured by the Federal Deposit Insurance Corporation or fully secured by obligations described below:

a. Obligations of the United States government and U.S. government sponsored enterprises and obligations fully insured or unconditionally guaranteed as the payment of principal and interest by the United States government or any of its agencies and instrumentalities.

9. Investment agreements:

   a. Issued with companies or banks whose senior debt obligations are rated no lower than the second highest rating category given by either Moody's, S&P, or Fitch at the time of the execution and delivery of such agreement.

10. Repurchase agreements and tri-party agreements:

    a. Investment must be collateralized by:

       Obligations of the United States government and U.S. government sponsored enterprises and obligations fully insured or unconditionally guaranteed as the payment of principal and interest by the United States.

    b. Counterparties must have a minimum short-term debt rating must be no lower than "A-1" by S&P and "P-1" by Moody's, or the equivalent AND must be either:

       A diversified securities broker-dealer who is a member of the National Association of Securities dealers having $5 billion in assets and $350 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; or

       A bank, savings bank or savings and loan association having $5 billion in assets and $500 million in capital and regulated by the Superintendent of Financial Institutions, or through an institution regulated by the Comptroller of the Currency, Federal Deposit Insurance Corporation, or Board of Governors of the Federal Reserve System.

E. Diversification is desirable in order to reduce overall portfolio risk resulting from an over-concentration of assets. Investments shall be diversified by security type and maturity. With the exception of U.S. Treasury securities and obligations fully insured or unconditionally guaranteed as to the payment of principal and interest by the United States government or any of its agencies and instrumentalities, no more than 50% of the Authority's total funds available for investment will be invested in a single security type. The following diversification limitations shall be imposed on the portfolio:

1. Securities of United States government sponsored enterprises may not exceed 70% of the total funds available for investment, nor may be more than 35% of the total funds available for investment be invested in any one issuer. Mortgage-backed pass-through securities may not exceed 25% of the total funds available for investment.

2. Collateralized or insured certificates of deposit and other evidences of deposit may not exceed $5,000,000 with any one financial institution, unless the deposit is in the form of a Certificate of Deposit Account Registry Service (CDARS). Investments in CDARS may not exceed the maximum FDIC insured level of $50 million with any one financial institution.

3. Negotiable certificates of deposit shall not exceed 7.5% of the total funds available for investment, nor may more than 2.5% be invested in any one commercial bank.

4. Obligations of state and local governments, including obligations of Oklahoma state public trusts shall not exceed 10% of total funds available for investment, nor may more than 5% of the total funds available for investment be invested in the obligations of any one issuing government.

5. Money Market Mutual funds shall not exceed 30% of the total funds available for investment, nor shall more than 15% of the total funds available for investment be invested in any one fund. The calculation of the money market mutual funds percentage shall not include funds restricted by Forward Investment Agreements, funds required to be liquid for semi-annual debt service payments and monies held in money market accounts that are in the process of being reinvested.

6. Cash sweep or similar account arrangement of the Bond Fund Trustee shall not exceed 30% of the total funds available for investment.

7. Investment Agreements shall not exceed 35% of the total funds available for investment, nor shall more than 35% of the total funds available for investment be invested in with any one company or bank.

8. Repurchase Agreements and tri-party repurchase agreements shall not exceed 30% of the total funds available for investment, nor may more than 10% of the total funds available for investment be invested with any counterparty.

F. The investment portfolio shall maintain sufficient liquidity to enable the Authority to meet all operating requirements which might be reasonably anticipated. The balance of the portfolio may be actively managed to meet return on investment objectives, respecting safety as a first priority. Investments may be invested and reinvested to mature not later than such times as shall be necessary to provide moneys when anticipated to be needed for payments.

1. Investments held in the following funds may be invested and reinvested by the Authority:

   a. Revenue Fund
   b. General Reserve Fund

2. Investments held in the following funds may be invested and reinvested by the Construction Fund Trustee:

   a. Construction Funds

3. Investments held in the following funds may be invested and reinvested by the Bond Trustee to the fullest extent practicable:

   a. Debt Service Fund

4. Investments held in the following funds may be invested and reinvested by the Bond Trustee to the fullest extent practicable, provided the maturity shall also not be later than 10 years from the date of such investment unless invested under an investment agreement that permits withdrawals without penalty when needed.

   a. Debt Service Reserve Fund

G. Maturities of individual securities from the date of purchase shall also be limited as follows:

1. United States Treasury Securities and obligations fully insured or unconditionally guaranteed as to the payment of principal and interest by the United States government or any of its agencies and instrumentalities shall not exceed 10 years to maturity.

2. Securities of U.S. government sponsored enterprises shall not exceed 10 years to maturity. The average life of mortgage-backed pass-through securities shall not exceed 10 years based on a nationally recognized, publicly available model to determine the prepayment speed and average life of a security.

3. Collateralized or insured certificates of deposit and other evidences of deposit shall not exceed 365 days, excluding weekends and holidays to maturity.

4. Negotiable certificates of deposit shall not exceed 180 days to maturity.

5. Obligations of state and local governments, including obligations of Oklahoma state public trusts, shall not exceed 15 years.

6. Investment agreements shall not exceed 30 years.

7. Repurchase Agreements and tri-party repurchase agreements shall not exceed 14 days excluding weekends and holidays.

III. RESPONSIBILITY: The CEO with the advice and counsel of the Treasurer/Chief Financial Officer shall provide oversight and supervision of the investment policy and shall report directly to the GRDA Board of Directors on all matters relating to the policy. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. Individuals acting in accordance with these written policies and procedures and exercising due diligence under a standard of a "prudent person" and/or "prudent investor" shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 5-3

SECURITY DEPOSIT REQUIREMENTS FOR INDUSTRIAL AND COMMERCIAL CUSTOMERS

I. OBJECTIVE: To establish guidelines for the Authority in administering the security deposits required from an Industrial or Retail Customer.

II. POLICY: The Board of Directors of the Authority is responsible for the prudent management of the Authority's finances. For new industrial and commercial customers, a deposit for utility services is collected as security that all bills will be paid in full by their due date. The security deposit protects the Authority from significant financial losses resulting from the non-payment of bills. A security deposit in the amount of two (2) months of the customer's estimated bill plus the cost to extend service shall be collected at the time service is initiated. Additionally, the customer shall grant the Authority a security interest in the deposit. Deposits may be in one of the following forms:

A. Cash Deposit: The customer may pay a cash deposit, together with a deposit agreement, which grants the Authority a security interest in the deposit. All cash deposits will be refunded promptly and automatically when service is terminated in accordance with the terms of the Power Purchase Contract. All outstanding amounts on the final bill will be deducted from the cash deposit amount.

B. Utility Bond: The customer may supply an unconditional surety bond equal to the amount specified as the deposit, valid for the life of the Power Purchase Contract. The bond must be written in a form satisfactory to the Authority by a surety company licensed to do business in the State of Oklahoma, rated "A" or better from A.M. Best Company, and of a Financial Size Category of IX or better.

C. Letter of Credit: The customer may supply an unconditional and irrevocable Letter of Credit issued by a financial institution authorized to do business in the State of Oklahoma that carries a credit rating of "A" or better and which has a net worth of no less than ten (10) times the amount of the Letter of Credit. The Letter of Credit must be valid for the life of the Power Purchase Contract and be written in a form satisfactory to the Authority.

D. Substitution by Customer: In the event a customer desires to replace a cash deposit with a Utility Bond or Letter of Credit, the customer will be required to obtain the bond or letter of credit in an amount equal to three (3) months of the customer's highest expected monthly bill.

SECURITY DEPOSIT REQUIREMENTS FOR INDUSTRIAL AND COMMERCIAL CUSTOMERS

III. RESPONSIBILITY: The administration of the security deposit shall be the responsibility of the Treasurer/Chief Financial Officer. The Treasurer/Chief Financial Officer shall provide oversight and supervision of the administration and report directly to the CEO on matters relating to the policy.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: February 18, 2009

John Rupe, Chair

DATE AMENDED: February 12, 2025

Daniel S. Sullivan, President/CEO

POLICY NO. 5-4

POLICY ON BOND ISSUE TAX CODE AND SECURITIES LAW COMPLIANCE

I. GENERAL:

The GRDA, which from time to time issues bonds, notes or other obligations to accomplish the purposes for which it was created, hereby states its official policy that it shall comply fully with all applicable requirements of Oklahoma and Federal law pertaining to issuance and existence of governmental bonds, including but not limited to, provisions of the United States Internal Revenue Code (as amended, with attendant rules and regulations, the "Code"), provisions of Federal securities laws, including those statutes, rules and regulations pertaining to the Securities and Exchange Commission ("SEC"), and requirements of other State and Federal administrative and regulatory agencies pertaining to the issuance, sale, delivery, existence and payment of bonds.

II. ADMINISTRATION:

The CEO with the advice and counsel of the Treasurer/Chief Financial Officer shall provide oversight and supervision of the bond compliance policy and shall report directly to the GRDA Board of Directors on all matters relating to the policy. The day-to-day operation of GRDA, including, but not limited to, actions to obtain and maintain compliance with applicable State and Federal laws, shall be conducted by the Treasurer/Chief Financial Officer of GRDA. In event of the absence or incapacity of the Treasurer/Chief Financial Officer, the Deputy Chief Financial Officer shall be responsible for such functions. Provided, the above named individuals shall be responsible to, and under the direction of, the GRDA CEO and/or the Board.

The Treasurer/Chief Financial Officer of GRDA (or in his or her absence or incapacity, the Deputy Chief Financial Officer) shall have and exercise the duty of assuring compliance with applicable State and Federal laws relating to GRDA bonds. This duty shall include the keeping of books and records of GRDA in a full and accurate manner, and the reporting of activities of GRDA to appropriate State and Federal authorities which may include, but

not be limited to, the GRDA Board, the Oklahoma State Bond Advisor, the Oklahoma Securities Commission, the United States Internal Revenue Service ("IRS"), the United States Securities and Exchange Commission ("SEC") and such other boards and agencies with jurisdiction over the process of issuing bonds by GRDA. Such activities shall include actions to assure compliance with laws, rules and regulations relating to GRDA or other governmental bonds after the time such bonds are issued.

III. BOND ISSUANCE:

The Chief Financial Officer shall maintain (or cause to be maintained), in either paper or electronic format, full and correct copies of all proceedings relating to the approval, sale, issuance, delivery and use of GRDA bonds. Such proceedings shall include:

A. A complete transcript of proceedings relating to each GRDA bond issue, including all GRDA Board resolutions and all documents relating to such bond issue, and related approvals.

B. A complete accounting of all costs of issuance of each individual GRDA bond issue, including, but not limited to, fees and expenses, as applicable, of:

1. Bond Counsel;
2. Securities Counsel;
3. Special Tax Counsel;
4. Accountants or providers of bond financial analysis;
5. Approval by the Council on Bond Oversight and/or the State Bond Advisor;
6. Rating Agencies;
7. Providers of bond insurance, letters of credit or other forms of credit enhancement;
8. Trustee bank(s) or the State Treasurer (if acting as bond trustee) including acceptance fees;
9. Providers of investment services, including investment of bond proceeds;
10. CUSIP or similar bond registration services;
11. Attorney General document preparation and transcript review services;
12. Providers of printing services for bonds, or official statements;
13. Administrative fees if any of GRDA;

14. Fees for appraisal, demand surveys or feasibility studies for bond-financed property; and
15. Services of any and all other providers related to the GRDA bond issue.

C. All leases, subleases or use agreements relating to the bond-financed property.

D. A complete accounting of all receipts, including but not limited to, rental or lease revenues, administrative and other fees, and investment earnings in relation to the bonds.

E. A complete accounting of all payments of principal of, and interest or premiums on the bonds.

F. Computation on the arbitrage yield, net interest cost and true interest cost of the bonds, any and all Form 8038's or similar IRS reports reflecting bond issuance and costs, and evidence of timely filing of such reports.

G. Computation, in accordance with Code requirements, of arbitrage yield restriction and rebate, if any, due the United States, and evidence of timely payment of any such liability.

H. A detailed accounting of the purposes or projects for which bond proceeds are used, and any change in such purpose or project during the course of its acquisition or construction.

I. A detailed accounting of the expenditure of bond proceeds for project purposes, including copies of requisitions, invoices and bills together with contracts for construction, renovation or acquisition of bond financed facilities, a time line or draw schedule indicating the date of such expenditure, and a detailed list of assets acquired.

J. Evidence of the retirement, redemption, refunding, reissuance or restructuring of such bonds, including dates of such occurrences.

K. A complete accounting of administrative or other fees or expenses charged or incurred in connection with the particular GRDA bond issue.

L. Newspaper articles, brochures or other publications relating to the bond issue.

M. Accounting for any federal or state government grants received related to the project.

N. Periodic statements of bond trustees for the bond issue.

O. Audited financial statements of GRDA relating to the bond issue.

P. Correspondence (letters, e-mails, faxes, etc.) related to the bond issue or project.

Q. Reports of any prior IRS examinations of GRDA or the bond issue.

R. All guaranteed investment contracts or other investment instruments for bond proceeds.

S. All agreements for swaps or financial derivatives, and an accounting for the income and expenses related to such financial instruments relating to the bonds.

T. Contracts, agreements or other evidence relating to the bidding and cost of financial products.

U. All documents, agreements or instruments of whatsoever kind or character (including, but not limited to, leases, subleases, naming rights, management agreements, etc.) relating to use of any part of the bond-financed property or project for private business use (including 501(c) corporations), and accounting of any revenues received in relation thereto.

V. Agreements with underwriters or other persons regarding the obligation of GRDA to provide continuing disclosure of information pertinent to the bonds after closing.

Notwithstanding any provisions of Oklahoma law relating to document retention to the contrary, the above records, in either paper or electronic format, shall be retained for a period of not less than the term of the bonds plus three (3) years.

IV. POST-BOND ISSUANCE REQUIREMENTS:

The Chief Financial Officer (who may act on advice of bond counsel or other qualified tax or securities counsel, as appropriate) shall maintain, in either paper or electronic format, full and correct copies of all materials or proceedings required by applicable State or Federal tax and securities laws or rules to be kept in relation to substantial changes in the project or the bonds after the closing of the GRDA bond issue, and to

disclose such materials and changes, so as to fully comply with applicable tax and securities law laws, rules and regulations of the SEC, IRS and other regulatory agencies, and with provisions of any continuing disclosure agreements of GRDA related to the bonds.

Such records and disclosures in connection therewith, shall be kept or made in such a manner as to allow GRDA to fully comply with applicable laws, rules and regulations including, but not limited to, the following:

A. Change in use of the bond-financed project or property [Code §§103, 141 and related regulations]. The Chief Financial Officer shall, upon advice of qualified bond counsel or tax counsel experienced in such matters, shall undertake any remedial actions recommended by such counsel and approved by the GRDA Board and report a change in use of the bond financed project or facilities to the IRS in a timely fashion. A change in use may occur as a result of entering into asset sale contracts, leases, management or operation(s) contracts, research agreements, service contracts, incentive payment contracts, guarantee contracts, naming rights contracts, take or pay contracts, put or pay contracts, output contracts or joint ventures which may provide for or result in private business use and private payments and security of any portion of a bond-financed project or property.

B. The Chief Financial Officer will maintain a database of the amounts of private business use and private payments and security at each bond-financed project of property for each issue of GRDA bonds that financed or refinanced such bond-financed project or property for each annual period beginning from the issue date of each such issue until the final maturity or redemption of such issue and will update the database at least annually or whenever a material change in use of a bond-financed project of property occurs and is made known to the Chief Financial Officer. The Chief Financial Officer will consult with bond counsel in updating and maintaining the database.

C. The Chief Financial Officer will retain the services of an arbitrage consultant to prepare reports on the amounts of rebate liability and yield restriction liability for each issue of GRDA bonds required to be paid, if any, to the IRS. The Chief Financial Officer will make timely payments of all such liabilities and will maintain copies of all reports, evidences of payments and forms and correspondences filed with the IRS.

D. Occurrence of events required by continuing disclosure undertakings ("Undertakings") entered into by GRDA pursuant to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12) including any official interpretations thereof, as in effect on the date of the closing of GRDA bonds, to be reported to the Municipal Securities Rulemaking Board ("MSRB"). Such events shall consist of:

1. Principal and interest payment delinquencies.
2. Nonpayment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to rights of security holders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of GRDA. This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for GRDA in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or Federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of GRDA, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a

court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of GRDA.

13. The consummation of a merger, consolidation or acquisition involving GRDA or the sale of all or substantially all of the assets ofGRDA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Undertakings require the filing with the MSRB of (i) notices of such events (within 10 business days of the occurrence), (ii) audited (or, if they are not available, unaudited) financial statements and certain financial information and operating data as specified in the Undertakings (within 6 months after the end of each fiscal year), (iii) notices of material compliance failures, and (iv) other matters on a voluntary basis. The Chief Financial Officer shall determine the materiality of events for filing (where appropriate), the advisability of voluntary filings, the conformity of financial statements, financial information and operating data to the requirements of the Undertakings, and the accuracy of all filings, all in consultation with appropriate officers and employees of GRDA, and oversee and confirm the filings. The Chief Financial Officer shall review each Undertaking periodically, but at least annually, and make the appropriate filings, and in the manner, as required by the Undertakings. The Chief Financial Officer shall consult with qualified bond counsel when necessary with respect to compliance with the Undertakings.

Notwithstanding any provisions of Oklahoma law relating to document retention to the contrary, the above post-bond closing records, in either paper or electronic format, shall be retained for a period of not less than the term of the bonds plus three (3) years, or such longer time as recommended by qualified bond or tax counsel so as to allow GRDA to comply with all applicable tax and securities law requirements.

V. IRS INTERACTIONS

A. The Chief Financial Officer will promptly notify bond counsel upon receiving notification of an audit, an information document request or other similar document from the IRS with respect to any issue of GRDA Bonds and will coordinate with bond counsel in developing an effective plan for responding to the IRS.

B. The Chief Financial Officer is aware that, when GRDA is unable to self-correct certain violations of the Code under the remedial action rules in § 1.141-12 of the tax regulations, GRDA may, pursuant to the Voluntary Closing Agreement Program ("VCAP") described in IRS Notice 2008-31 and Internal Revenue Manual 7.2.3.1, submit a request for a voluntary closing agreement with the IRS to correct such violations.

VI. CONTINUING EDUCATION

A. As an integral part of the Policy, GRDA will ensure that its officers and employees involved in tax compliance are sufficiently informed and understand the basic requirements of the tax-exempt requirements of the Code applicable to GRDA bonds. The Chief Financial Officer will continue to consult regularly with bond counsel regarding such Code requirements and changes to such Code requirements, and GRDA will regularly update the Policy to reflect any such changes. In addition, the Chief Financial Officer will consult regularly with the arbitrage rebate consultant to refine and improve its arbitrage rebate and yield restriction compliance efforts and update the Policy accordingly.

B. GRDA will arrange at least once annually to conduct classes and training sessions for its officers and employees involved in tax compliance and may enlist the arbitrage consultant and bond counsel in providing such continuing education.

DATE ADOPTED: February 10, 2010

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 5-5

PPSA LATE FEES FOR PAYMENT DUE DATES FALLING ON NON-BUSINESS DAYS

I. OBJECTIVE: This Policy clarifies how GRDA will assess late fees for payments arising under Power Purchase and Sale Agreements ("PPSA") that are due on a non-business days (weekends and bank holidays; collectively "Non-Business Day").

II. POLICY:

A. If the due date for a payment under a PPSA falls upon a Non-Business Day, Customers are encouraged to pay any amounts due in advance of the due date. Nevertheless, GRDA will not assess a late fee for PPSA payments that are due on a Non-Business Day if the payments are tendered to GRDA on the next business day immediately following the Non-Business Day.

B. Nothing in this Policy will be construed to require GRDA to amend a due date on an invoice to account for a Non-Business Day, or to otherwise identify the presence or absence of a Non-Business Day.

C. GRDA may amend or rescind this Policy at any time, and for any reason. By enacting this Policy, GRDA does not permanently waive or release any rights it has under any contract.

III. RESPONSIBILITY: The CEO, with the advice and counsel of the CFO, shall oversee and execute this Policy.

DATE ADOPTED: August 10, 2022

Dwayne Elam, Chair

DATE AMENDED: August 10, 2022

Daniel S. Sullivan, President/CEO

POLICY NO. 6-1

ENVIRONMENTAL CONSIDERATIONS

I. OBJECTIVE: To establish a policy concerning environmental considerations in connection with the furnishing of an adequate and reliable supply of electric power and energy to customers.

II. POLICY: The Grand River Dam Authority will:

A. Plan, construct, and operate utility facilities so as to provide its customers with an adequate and reliable power supply that is compatible with the environment.

B. Place environmental considerations in proper perspective with other vital issues such as safety, reliability, and cost. This will include staffing of adequate personnel to implement an effective environmental policy.

C. Explore alternative actions in order to avoid adverse environmental effects, including cost-effective, pro-environmental energy sources.

D. Carefully assess the potential impact of its actions on physical, natural, and aesthetic resources in order to avoid adverse environmental effects, and restore or enhance environmental quality to the greatest extent practicable.

E. Endeavor to avoid actions which might contribute to pollution of the air, water, or land; threaten health and public welfare; damage ecological systems of Flora or Fauna; curtail the range of beneficial uses of the environment; or serve short-term objectives to the detriment of long-term environmental goals.

F. Endeavor to avoid actions which might be detrimental to or diminish public enjoyment of existing or planned recreation resources, or resources of historic and scenic value.

G. Endeavor to avoid actions which might conflict with existing or contemplated land-use planning policies or appropriate governmental bodies, or with other public services.

H. Fulfill its utility responsibilities in an environmentally aware and environmentally responsible manner; take affirmative action to actively cooperate with groups interested in environmental resources; and keep the public informed of significant construction plans.

I. Coordinate proposed transmission line construction to the maximum extent possible to avoid disruption of floodplains or wetlands where there is a practical alternative, and minimize environmental harm to floodplains and wetlands.

ENVIRONMENTAL CONSIDERATIONS

In implementing this policy on environmental considerations, the Grand River Dam Authority will be guided by the environmental criteria and guidelines issued by agencies of the Federal Government under the National Environmental Policy Act and, where appropriate, by environmental guidelines and criteria which might be issued by State and local governments in areas in which it operates.

III. RESPONSIBILITY: Board of Directors and Management.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: _____

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 7-1

EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

I. OBJECTIVE: To state the policy of the Authority with regard to equal employment opportunity and affirmative action.

II. POLICY:

A. The Authority is an equal opportunity employer and shall conduct activities according to state and federal laws and regulations addressing Equal Employment Opportunity. The Authority prohibits discrimination and harassment of any type and affords equal employment opportunities to employees and applicants for employment without regard to race, color, creed, religion, sex, age, disability, or national origin. This policy applies to all aspects of the relationship between the Authority and its employees and applicants, including:

1. Hiring, placement, promotion, transfer, demotion, discipline, advertising or solicitation for employment;
2. Selection for training, including apprenticeship;
3. Layoff or termination;
4. Rates of pay or other forms of compensation;
5. Working Conditions;
6. Employee benefits.

B. The Authority shall conduct all operations in a manner which ensures compliance with state and federal laws and regulations addressing Equal Employment Opportunity.

C. The Authority is committed to employ only U.S. citizens and aliens who are authorized to work in the United States.

III. RESPONSIBILITY: Board of Directors, CEO and GRDA employees.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 7-2

NEPOTISM

I. OBJECTIVES:

A. To state the policy of the Authority with regard to the employment of "close relatives" of members of the Board of Directors and of existing employees of the Authority.

B. To prohibit the possible undesirable influences of family relationships and to make employment available to as many different families as possible in view of the public service nature of the Authority's business.

II. POLICY: It shall be the policy of the Authority to fulfill the above objectives by establishing the following provisions:

A. "Close relatives," as used in this policy, means persons related by affinity or consanguinity within the third degree (21 O.S. § 481). In addition, persons related by affinity or consanguinity shall be "close relatives" if such persons are members of the same household.

B. No person shall be employed by the Grand River Dam Authority who is a close relative, as defined herein, to any member of the Board of Directors, the CEO, the General Counsel, or any corporate or executive officer. The CEO may waive this policy for temporary internships and educational opportunities, provided that neither is placed in a supervisory position over the other.

C. Other than is mentioned in Paragraph II. B. above, the Authority may employ a close relative of an employee provided that neither is placed in a supervisory position over the other.

III. RESPONSIBILITY: Board of Directors, CEO and GRDA employees.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: June 20, 1990

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 7-3

SEXUAL HARASSMENT AND HARASSMENT

I. OBJECTIVES:

A. To state the policy of the Authority with regard to sexual harassment and harassment in the workplace.

B. To ensure the Authority neither commits nor condones any action relating to sexual harassment or harassment which would constitute a violation of federal, state, and local law as well as applicable government regulations and executive orders.

II. POLICY: It shall be the policy of the Authority to fulfill the above objectives by establishing the following provisions:

A. The CEO shall take all necessary steps to ensure compliance with this policy.

B. Prohibited sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment.

2. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individuals.

3. Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

C. Prohibited harassment also includes unwelcome conduct that is based on race, color, creed, religion, sex, age, disability, or national origin. Harassment becomes unlawful where:

1. Enduring the offensive conduct becomes a condition of continued employment.

2. The conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

D. Violations of this policy, regardless of whether an actual law has been violated, will not be tolerated. The Authority encourages employees to report all incidents of sexual harassment or harassment to the Human Resources Department, the Legal Department, or a member of management. The Authority will promptly, thoroughly, and fairly investigate every issue that is brought to its attention in this area and will take disciplinary action when appropriate, up to and including termination of employment.

III. RESPONSIBILITY: Board of Directors, CEO and GRDA employees.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: February 15, 1995

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 7-4

ALCOHOL AND CONTROLLED SUBSTANCES POLICY

I. OBJECTIVE: To state the policy of the Authority with regard to substance abuse in the workplace.

II. POLICY: It is recognized that the use and abuse of alcohol and controlled substances is one of the greatest health problems in the United States, one that touches every community and that is epidemic in scope. GRDA further recognizes that the state of an employee's health affects his or her job performance, the kind of work he or she can perform, and may offset opportunities for continued employment.

The use of controlled substances at any time by any GRDA employee constitutes a direct threat to the lives and property of citizens and the public health, safety, and welfare of all GRDA employees and creates a situation fraught with serious consequences to the general public at large. Additionally, the use of alcohol by an employee in a manner that affects his or her job performance or brings discredit upon GRDA constitutes a similar threat to both GRDA employees and to the general public. Accordingly, if an employee's personal habits or health problems affect his or her job performance, good management compels GRDA to become involved with these problems, and the legitimate interest of GRDA in becoming so involved must include a program designed to ensure that employees do not engage in drug abuse on or off the job or in alcohol abuse in a manner that affects their job performance or brings discredit upon GRDA.

Recognizing the problem of alcohol and controlled substance abuse and its potential danger is an important part of the solution to the problem. In this regard, GRDA has developed a comprehensive alcohol and controlled substances policy that will comply with the legal requirements of 49 C.F.R. § 40 and 382 et seq. and 40 O.S. §§ 551-563.

III. SCOPE OF PROGRAM:

A. All applicants and employees of GRDA are covered by this Alcohol and Controlled Substances Policy regardless of classification and job description.

B. GRDA prohibits the presence or use of alcohol or drugs by its employees on GRDA or customer property or premises, in GRDA vehicles, or while

employees are on the job, or in any situation where such use adversely affects the employees' performance.

C. All applicants for safety-sensitive positions as designated by the Board of Directors will be tested for alcohol and controlled substances upon a conditional offer of employment.

D. GRDA recognizes that certain sensitive positions are critical to the public welfare from a health and safety point of view. As a result, GRDA employees who (1) are police or peace officers, (2) have drug interdiction responsibilities, (3) are authorized to carry firearms, (4) are engaged in activities which directly affect the safety of others (including those who are in safety–sensitive positions), or (5) work in direct contact with inmates in the custody of the Department of Corrections will submit to drug screening on a randomly selected basis.

E. When GRDA is required by law, such as to be in compliance with existing U.S. Department of Transportation (DOT) regulations, applicants and employees shall be tested in accordance with those requirements.

F. In any situation in which alcohol or controlled substances are detected, GRDA employees will be referred to the State of Oklahoma's Employee Assistance Program for professional evaluation and/or treatment.

G. Employees shall be subject to periodic random testing for up to 24 months if previously entered into an approved rehabilitation program after receipt of a positive test for drugs or alcohol.

H. Violations of GRDA's Alcohol and Controlled Substances Policy shall subject employees to disciplinary action up to and including termination.

IV. RESPONSIBILITY: Board of Directors, Management and Employees. The CEO and General Counsel are directed to submit a written comprehensive Alcohol and Controlled Substances Policy for inclusion into GRDA's General Employment Policy Manual. This policy will contain, among other things, general procedures, policy notifications and affirmations, definitions of prohibited substances, supervisory guidelines, and other related matter.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: January 17, 1996

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 7-5

PROHIBITION OF USE OF TOBACCO PRODUCTS, ELECTRONIC CIGARETTES, AND VAPING DEVICES ON STATE PROPERTY

I. OBJECTIVE:

The Smoking in Public Places and Indoor Workplaces Act, 63 O.S. § 1-1523(A), *et seq.,* prohibits smoking in a public place. That Act defines a public place as an enclosed indoor area where individuals other than employees are invited or permitted. That Act further prohibits smoking in all vehicles owned by the State of Oklahoma and its agencies.

Executive Order 2013-43 prohibits the use of electronic cigarettes and vaping devices on all properties owned, leased, or contracted for use by the State of Oklahoma and all of its agencies and instrumentalities.

The Grand River Dam Authority enacts this policy with the objective to provide a safe, tobacco and chemical free environment, eliminating all tobacco, electronic cigarette, and vaping device use:

A. on property owned, leased or contracted for use by the Grand River Dam Authority (hereinafter "GRDA property");

B. in vehicles owned, leased or contracted for use by the Grand River Dam Authority (hereinafter "GRDA vehicles");

C. in aircraft owned, leased or contracted for use by the Grand River Dam Authority (hereinafter "GRDA aircraft"); and

D. in watercraft owned, leased or contracted for use by the Grand River Dam Authority (hereinafter "GRDA watercraft").

II. POLICY:

A. The use of tobacco products, electronic cigarettes, and vaping devices is prohibited throughout all indoor and outdoor areas of GRDA property, including parking lots, entrances, sidewalks, and other walkways, owned or under the control of the Grand River Dam Authority.

PROHIBITION OF USE OF TOBACCO PRODUCTS, ELECTRONIC CIGARETTES, AND VAPING DEVICES ON STATE PROPERTY

B. The terms "tobacco" and "tobacco products" as used in this policy shall refer to all products made of or containing tobacco intended for consumption including, but not limited to, cigarettes, cigars, pipes, chewing tobacco, snuff, smokeless tobacco, electronic cigarettes, and vaping devices.

C. The terms "electronic cigarettes" and "vaping devices" as used in this policy shall refer to any electronic or other device which simulates tobacco smoking, whether or not it resembles a cigarette, cigar, or any other tobacco product, or any other product packaged for smoking or the simulation of smoking.

D. The prohibition of the use of tobacco products, electronic cigarettes, and vaping devices on all outdoor areas of GRDA property shall not prohibit visitors of Grand Lake and its tributaries, Lake Hudson and its tributaries, W.R. Holway Reservoir, or the Scenic Rivers of Oklahoma from using these products and devices while outdoors, though the use of these products and devices by visitors at those locations is strongly discouraged. Nonetheless, employees of the Grand River Dam Authority are prohibited from using tobacco products, electronic cigarettes, and vaping devices while on Grand Lake and its tributaries, Lake Hudson and its tributaries, W.R. Holway Reservoir, or the Scenic Rivers of Oklahoma and its tributaries while acting within the scope and course of their employment with the State of Oklahoma.

E. The use of tobacco products, electronic cigarettes, and vaping devices is prohibited in GRDA vehicles, GRDA aircraft, and GRDA watercraft.

F. This policy applies to all employees, visitors, and others while on the premises of any GRDA property.

G. At all Grand River Dam Authority locations that share a building or property with other agencies or other entities, the use of tobacco products, electronic cigarettes, and vaping devices is prohibited in the offices of the employees of the Grand River Dam Authority and in other locations that are under the control of the Grand River Dam Authority.

H. Employees of the Grand River Dam Authority are prohibited from using tobacco products while providing services in the scope and course of their employment with the Grand River Dam Authority regardless of their location.

PROHIBITION OF USE OF TOBACCO PRODUCTS, ELECTRONIC CIGARETTES, AND VAPING DEVICES ON STATE PROPERTY

I. Adherence to this policy is mandatory. Noncompliance by an employee will be cause for intervention by management and/or the employee's supervisor and may result in corrective or disciplinary action up to and including termination of employment.

J. Noncompliance by visitors and others will be handled in the following manner: Any nonemployee who is discovered to be using a tobacco product, electronic cigarette, or vaping device on GRDA property or in a GRDA vehicle, GRDA aircraft, or GRDA watercraft will first be asked to immediately cease the use. If the nonemployee refuses to immediately cease the use of tobacco products, electronic cigarettes, or vaping devices, then the individual will be asked to leave the premises. If necessary, the individual may be escorted off the premises by law enforcement.

K. The Grand River Dam Authority is committed to providing support to all employees who wish to stop using tobacco products, electronic cigarettes, or vaping devices. The Grand River Dam Authority is committed to ensuring that its employees have access to several types of assistance, including cessation medications and telephone counseling through the Oklahoma Tobacco Helpline. Supervisors are encouraged to refer employees who wish to stop using these products to the Oklahoma Tobacco Helpline, 1-800-QUIT-NOW.

III. RESPONSIBILITY: Board of Directors, CEO, and employees of the Grand River Dam Authority.

This policy supersedes and cancels all other existing policies and instructions which may conflict with its provisions.

DATE ADOPTED: July 11, 2012

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

EMPLOYEE EDUCATIONAL LOAN REIMBURSEMENT PROGRAM

I. OBJECTIVE: To promote recruitment, retention, and the professional development of employees by implementing a statutorily created program to assist in payment of educational expenses.

II. POLICY:

A. Criteria

The Authority may provide educational loan reimbursement for employees, provided sufficient funds are available and the following eligibility criteria have been satisfied:

1. Any permanent, classified or unclassified, full-time employee is eligible to participate in the Educational Loan Reimbursement Program.

2. The debt must be a qualified educational loan. A "qualified educational loan" means a debt owed by the employee to any private or public lending institution for which repayment is legally required over a period greater than one (1) year; the proceeds from which were used by the employee to make payment of tuition, fees, or other education expenses, such as books and materials, to an institution of higher learning, including any private college or university for course work to obtain an undergraduate or graduate degree. Loans from individuals do not qualify.

3. The loan must have been incurred prior to employment with the Authority or for educational expenses directly related to employment incurred during employment and for which repayment is legally required over a period of more than one year.

B. Educational Loan Reimbursement Payments

The Authority may make direct payments not to exceed $5,000.00 in any 12-month period on behalf of an eligible employee to any private or public entity for qualified educational loan expenses. The cumulative total reimbursement cannot exceed $15,000.00.

1. The Authority will make payments for educational loan reimbursement directly to the lending institution. No payments will be made to the employee.

2. Applications may be approved or denied contingent upon available funding and compliance with program guidelines.

C. Application Process

1. The Employee Educational Loan Reimbursement Program will be administered by the Human Resources Department.

2. Applications for the Employee Educational Loan Reimbursement Program will be accepted as announced by the Human Resources Department.

3. Applicants must complete the Authority's Request for Financial Reimbursement of Educational Expenses form and submit with the required documentation from a qualifying financial institution and the required academic information. Additionally, applicants must complete the Authority's Employee Educational Loan Reimbursement Program Participant Agreement.

4. Initial approval of an application shall be made by the Human Resources Department. Final approval of an application shall be made by the CEO or the Chief Operating Officer.

D. Service Commitment

1. In exchange for receiving the benefits of the Employee Educational Loan Reimbursement Program, a participating employee shall be committed to a required payback period of 2,000 hours of full-time employment for each $5,000.00 of reimbursement.

2. If an eligible employee on whose behalf payment has been made terminates service with the Authority prior to the expiration of the required payback period, the employee shall be required to reimburse the Authority for the amount of the qualified education loan expense. If the employee performs less than the number of hours of service required for the full amount of the expense paid, the agency shall be reimbursed on a pro rata basis based upon the actual number of hours of service performed by the employee. Nothing in this policy or

program shall be construed to create an employment contract, or create a continued expectation of employment.

E. Termination/Suspension of Program

The Educational Loan Reimbursement Program may be terminated or suspended at any time by the CEO at his sole discretion.

DATE ADOPTED: November 12, 2008

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 8-3

RECORDS MANAGEMENT POLICY

I. OBJECTIVE: To state the policy of the Authority with regard to the management and disposition of agency records.

II. POLICY: It shall be the policy of the Authority to fulfill the above objective by establishing the following policies:

A. The Grand River Dam Authority retains sole ownership of its records. Employees who create the records have no ownership over them and must turn them over intact to the Authority. This policy is to be used as a guideline for the retention, review, and disposal of the Authority's documents and records.

1. All departments are responsible for reviewing and maintaining records according to the Authority's Consolidated Records Disposition Schedule (89-13) which stipulates the minimum retention periods for certain administrative, financial, personnel, and electronic records common to the Authority in accordance with the type of record. This disposition schedule is available at http://www.grda.net/. The schedule is reviewed periodically and modified as needed to remain in compliance with both the State General Records Disposition Schedule and Title 18 C.F.R. § 125.3 Schedule of Records and Periods of Retention.

2. The departments shall identify the records for which they are responsible, maintain and store said records in a practical and cost effective format, and ensure that all disposition requirements outlined in the schedule and this policy are met. Each department must also determine whether their specific circumstances warrant the retention of records in excess of required retention periods. Each employee is responsible for taking appropriate actions to comply with the procedures herein and the Oklahoma Open Records Act for any records in their custody or control.

3. Users of Authority e-mail and instant message services are placed on notice that under the Open Records Act all records that are created by, received by, under the authority of, or coming into the custody, control, or possession of the Authority are public records. Such records include messages stored in electronic or magnetic format. All electronic communications or correspondence, therefore, unless subject to a specific statutory privilege, are subject to production under the Oklahoma Open Records Act, and when relevant, to discovery in civil litigation. There is no expectation of privacy associated with the use of electronic

communications or correspondence. It may be necessary to view electronic data, records, or information relating to the use of these resources. It shall be the Information Technology Department's responsibility for facilitating adequate accommodations and processes for appropriate storage of electronic media in accordance with these procedures and the Oklahoma Open Records Act.

4. Pursuant to the requirements of the Oklahoma Open Records Act, requests for copying and document review are to be made in writing and directed to the GRDA Legal Department. Such requests are subject to the specifications and charges provided in the Authority's Fee Schedule located at http://www.grda.net/.

5. All departments that wish to destroy Authority documents and records must submit a request to the GRDA Records Management Coordinator on the appropriate request for destruction form located on the Oklahoma Department of Libraries website at http://www.odl.state.ok.us/oar/recordsmgt/forms.htm. No documentation or record may be shredded or destroyed without submitting the proper completed form to the GRDA Records Management Coordinator and receiving prior signature approval from the State Records Administrator.

III. RESPONSIBILITY: Board of Directors, CEO, and GRDA employees

DATE ADOPTED: March 21, 2012

DATE AMENDED: January 8, 2020

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO

POLICY NO. 8-4

EMPLOYEE AND DEPENDENT AND RETIREE BENEFIT ALLOWANCE

GRDA employees are provided with group insurance through benefits offered by the State of Oklahoma through the Employee Benefits Department, Human Capital Management, Office of Management and Enterprise Services ("EBC"), under a flexible benefits plan. Each employee receives a specified amount as a flexible benefit allowance which is available monthly to purchase insurance benefits. Except for limited circumstances defined in statute where the employee is currently covered by a separate group health insurance plan, employees are required to purchase medical, dental, basic life and disability coverage. Optional benefits including vision, supplemental life and dependent life coverage may also be purchased. Any unused amount of the allowance will be paid to the employee as taxable income. If the cost of the elected coverage exceeds the flexible benefit allowance, the employee must pay the difference.

The GRDA flexible benefits allowance will be calculated as follows on an annual basis and communicated to employees prior to the insurance enrollment period in conjunction with their state insurance enrollment packages.

A. Employee Coverage

The flexible benefit allowance available to all GRDA employees includes One Hundred Fifty Dollars ($150) per month for a supplemental insurance allowance, plus the greater of:

1. The specified flexible benefit allowance determined by the EBC for the plan year for all state employees;

   or

2. An amount equal to the 100% of the monthly premium of the HealthChoice High Option plan, the average monthly premiums of the dental plans, the monthly premium of the disability plan, and the monthly premium of the basic life insurance plan offered to state employees.

B. Dependent Coverage

The flexible benefit allowance available to all GRDA employees for their dependents is the greater of:

1. The specified flexible benefit allowance for dependents determined by the EBC for the plan year for all state employees;

   or

2. An amount equal to the 100% of the monthly premium of the HealthChoice High Option plan for dependent(s).

EMPLOYEE AND DEPENDENT AND RETIREE BENEFIT ALLOWANCE

C. Retiree Benefits

As authorized by Oklahoma Statutes, GRDA shall contribute Two Hundred Dollars ($200) per month for medical and dental benefits for eligible retirees. This amount is paid directly by GRDA to the Office of Management and Enterprise Services. This contribution shall not be made for beneficiaries, survivors or directly to the retired member. "Eligible retirees" as used in this policy, are those employees who have retired from GRDA, without subsequent employment with any other agency of the State of Oklahoma, and are receiving monthly retirement benefits from the Oklahoma Public Employees Retirement Plan or the Oklahoma Law Enforcement Retirement Plan. A GRDA employee who ends employment with GRDA and is subsequently employed with another state agency, and then retires while employed at a state agency other than GRDA shall not be eligible to receive the GRDA premium contribution as described in this paragraph.

DATE ADOPTED: December 11, 2013

DATE AMENDED:

REVIEW SCHEDULE: Annually

DATE REVIEWED: January 8, 2020

James B. Richie, Chair

Daniel S. Sullivan, President/CEO