

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
Vinita, Oklahoma
July 12, 2017**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Administration Headquarters, Vinita, Oklahoma, on July 12, 2017. Notice was given pursuant to 25 O.S.A. § 301 et seq. by submitting a schedule of regular monthly meetings to the Secretary of State on November 30, 2016, at 3:32 p.m.; by posting the agenda with the Craig County Clerk's office on July 11, 2017 at 9:56 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of GRDA at least 24 hours prior to the meeting.

Chair Churchwell called the meeting to order at 10:01 a.m. The Secretary called the roll. All members were present, and Chair Churchwell declared a quorum. Mr. Philpott introduced guests.

BOARD MEMBERS

Pete Churchwell, Chair	Present
Joseph Vandevier, Chair-Elect	Present
James B. Richie	Present
Tom Kimball	Present
Chris Meyers	Present
Stephen R. Spears	Present
Ed Townsend	Present

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Chief Operating Officer	Absent
Eddie Rothermel, Chief Financial Officer	Present
Ellen Edwards, General Counsel	Present
Charles J. Barney, Executive VP - Fuel and Generation Projects	Present
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Present
John Goodwin, Executive VP – Human Resources	Absent
Nathan Reese, Executive VP – External Relations	Present
Mike Herron, VP – Engineering, System Operations and Reliability	Present
Darrell Townsend II, VP – Ecosystems/Lake Operations	Present
Robert Ladd, VP – Grand River Energy Center Operations	Present
Steve Jacoby, VP – Hydroelectric Projects	Present
Mike Waddell, VP – Transmission and Distribution Operations	Absent
Sheila Allen, Secretary	Present

Others present were as follows: Mike Williams, Shangri-La; Mike Doublehead, TPWA; David Rountree, City of Miami; Gary Pruett, Jared Crisp, MUB/City of Pryor;

Dwayne Elam, WPWA; Kristen Johanson, CitiGroup; Ed Fite, Jeff Brown, Michelle Day, Justin Alberty, Jerry Cook, Melanie Earl, Lorie Gudde, Heath Lofton, Cameron Philpott, Tamara Jahnke, Ash Mayfield, Holly Moore, Ed Ferguson, Jennifer Weatherford, Laura Townsend, Ron Hilton, , Tom Gray, GRDA.

CONSENT AGENDA

2. June Claims \$49,290,150.59.

4.a. Resolutions of Commendation: Chair Churchwell

(1) Ronald Richard Hilton, Sr.

(2) Tami L. Hockman

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

(1) Philips Heartstart FRx Defibrillator (2), Samaritan Pad Defibrillator

(2) Approximately 1000 Bushel Wheat Grain Bins (2), Approximately 2500 Bushel Wheat Grain Bin, Laboratory Washer, Total Nitrogen and Phosphorus Analyzer, Lab Water System, Ribotyper

4.c. Power Cost Adjustment (PCA) of \$0.00025 per kWh for August 2017

4.d. Order for Administrative Hearing Notice No. 2015-58 for Ron Haver

4.e. Ratification of Change Order No. 16 – EPC Contract 40529

4.f. Consideration, Discussion and Possible Approval of a Deed of Conservation Easement from Harvey and Paula Chaffin to GRDA (Scenic Rivers) for Property Located in Cherokee County, Oklahoma

4.g. Cooperative Agreement with Oklahoma Conservation Commission

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

PO Number	Vendor/Description	Pursuant to	Amount
41965	PINNACLE BUSINESS SYSTEMS, TULSA, OK Additional Riverbed application monitoring software and appliances to enhance and expand the current Riverbed network monitoring solutions capabilities. WO #107-00.58-02-RF017-00840	WSCA MNWNC-109	434,005.64

41968	PINNACLE BUSINESS SYSTEMS, TULSA, OK Additional EMC Xtreme IO Block storage to allow for continued growth and expansion of virtual systems for Kerr and Vinita for three (3) years from date of contract execution. WO #107-00.58-02-RF017-00841 and WO #107-00.58-15-RF017-00841	WSCA MNWNC-109	676,667.01
41976	SAWATZKY CONSTRUCTION LLC, WEATHERFORD, OK Construction services for American Disabilities Act boat ramp access and parking improvements at Salina Pumped Storage Project. WO #107-00.21-15- RF016-00790	OAC 300:20-1-1(d)	190,206.64
41987	PINNACLE BUSINESS SYSTEMS, TULSA, OK Additional EMC Xtreme IO Block storage to allow for continued growth and expansion of virtual systems for the Energy and Technology Center for three (3) years from date of contract execution. WO #107-00.58-02-RF017-00846	WSCA MNWNC-109	175,292.77
41989	PRYOR STONE INC, PRYOR, OK Four thousand (4,000) tons of aggregate and four thousand (4,000) tons of rip rap stone for the discharge pond at the Grand River Energy Center.	SW670	132,000.00
41990	EQ-THE ENVIRONMENTAL QUALITY CO DBA US ECOLOGY, LIVONIA, MI Disposal services for used oil filters and oil absorbent for the Grand River Energy Center for the period of July 18, 2017 through July 17, 2018 with options to renew for two (2) additional one (1) year periods.	RFQ 21596	10,000.00
41995	ALCATEL-LUCENT USA INC, PLANO, TX Configure and install NOKIA 7705 SAR-8 routers to replace ALU 7450 ESS devices that are end of life and upgrade current 5620 SAM network management application to latest version required to operate and maintain the new NOKIA network hardware for the operational network backbone. WO #107-00.58-02-RF017-00845	SW1053 and NASPO 05715	999,910.52
82847	BILL KNIGHT FORD, TULSA, OK One (1) F-250 Crew Cab 4x4 truck for the Relay department. WO #107-00.69-02-13200-T61K0	SW035	30,302.00
82849	BILL KNIGHT FORD, TULSA, OK One (1) F-250 Crew Cab 4x4 truck for the Transmission Line department. WO #107-00.69-02-13200-T61L0	SW035	30,302.00

82921	OFFICE OF MANAGEMENT ENTERPRISE SERVICES AGY 090, OKLAHOMA CITY, OK Construction and Properties administrative fee for use of the Paving Project Contract for construction services for American Disabilities Act (ADA) boat ramp access and	OAC 300:20-1-1(d)	6,657.23
83408	BIO-RAD LABORATORIES INC, HERCULES, CA Automated Droplet Generator as upgrade to manual droplet generator for QX200 of microbial source tracking (MST) for ECO lab. WO #107-00.21-02-13300-00000	Sole Source	79,294.55
83422	SEIMENS % LEN T DELONEY CO, MARRENO, LA Seimens Ruggedcom RSG920P and RS900G Ethernet switches for replacement at North and East substations and repeaters. WO #107-00.11-02- RF017-00837	RFQ 21585	71,755.20
83476	TRANE U S INC / DIV OF AMERICAN STD, BROKEN ARROW, OK Trane Tracer TU service tools subscription for chillers at Grand River Energy Center for a three (3) year period.	OAC 300:20-1-1(e) (9)	3,250.00
83519	ATLAS COPCO LLC OIL-FREE AIR DIVISION, HOUSTON, TX Replacement of two (2) air compressors that were damaged during freezing weather when power was isolated to conduct roof repairs from Unit 2 fire. WO #107-00.72-02-JF079-00000	RFQ 21581	406,388.80

Total Standard Orders

\$3,246,032.36

Change Order & Renewals

40237	PROCESS EQUIPMENT INC DBA PROCESS BARRON, PELHAM. AL CO #1 - Ratification for additional air flow and duct balance testing to validate and diagnose performance of Unit 2 after air quality control (AQC) upgrade project completion. WO #107-00.72-15-JF062-00000	RFP 40237	30,267.62
40924	MAYES COUNTY 911, PRYOR, OK CO# 3 To increase funds to extend data and voice services for Mayes County emergency 911 system for the period of July 1, 2017 through June 30 2018.	OAC 300:20-1-1(d)	1,560.00
41234	BUCKMAN LABORATORIES INC, MEMPHIS, TN Renewal for the second year of evaluation for the Circulating Water Chemical Treatment System at Grand River Energy Center for the period of April 26, 2017 through April 25, 2018.	RFP 41234	358,481.00

41431	ROUGH WATER DOCKS, AFTON, OK CO #1 - Increase to pay remaining invoices for buoy installation and maintenance for both routine and annual installation and December 2015 FEMA flooding event.	RFQ 20554	3,876.50
41432	AHS OKLAHOMA INC DBA AHS PRYOR HOSPITAL LLC, PRYOR, OK Ratification to move funds to contract 41666 to allow for payment of invoices since contract has been assigned to an entity with two separate billing departments. This contract is for medical services to include, but not limited to, pre-employment and post-incident physical examinations that will be billed under Alliance Health Pryor Hospital. The contract period is June 9, 2016 through June 8, 2017 with options to renew for two (2) additional one (1) year periods.	OAC 300:20-1-1(d)	-150,822.30
41436	UTILITY FINANCIAL SOLUTIONCS LLC, HOLLAND, MI CO #2 - To extend the contract completion date for electric cost of service and rate design study from July 31, 2017 to December 31, 2017.	OAC 300:20-1-1(d)	0.00
41569	SOUTHWEST POWER POOL, LITTLE ROCK, AR CO #1 - Increase funds for purchased power (integrated market) and transmission for January 1, 2017 through December 31, 2017.	OAC 300:20-1-1(d)	32,000,000.00
41666	AHS OKLAHOMA INC DBA UTICA PARK CLINIC, NASHVILLE, TN Ratification to move funds from contract 41432 to this contract to allow for payment of invoices since contract has been assigned to an entity with two separate billing departments. This contract is for medical services to include, but not limited to, pre-employment and post-incident physical examinations that will be billed under Alliance Health Utica Park Clinic. The contract period is June 9, 2016 through June 8, 2017 with options to renew for two (2) additional one (1) year periods.	OAC 300:20-1-1(d)	150,822.30
41828	STILWELL & ASSOCIATES OF THE USA INC, CHESAPEAKE, VA CO #1 - To increase funds for additional training and data migration for the safety permitting software for the Grand River Energy Center for the period of May 10, 2017 through May 31, 2023.	RFP 41828	4,400.00
41984	STANDLEY SYSTEMS INC, OKLAHOMA CITY, OK Renewal and consolidation of contracts 41236, 40866, 40562, and 40812 for maintenance agreements for six (6) copiers located at the Grand River Energy Center for the period of August 1, 2017 through June 23, 2020.	SW1013S	25,250.00

41985	THOMSON WEST, ST PAUL, MN	ITSW1046A	11,349.00
	Renewal of online access for CLEAR investigative background check services for law enforcement for the period of July 12, 2017 through June 11, 2020.		
83361	PINNACLE BUSINESS SYSTEMS, TULSA, OK	DIR-TSO-2644	101,164.56
	Renewal of maintenance for Brocade Director for network storage systems for a twelve (12) month period.		

Total Change Orders: \$32,536,348.68

Grand Total: **\$35,782,381.04**

5.c. Work Order Report (* Denotes Addenda Items)

Number	Title	Amount
RF017-00840	Riverbed Network Performance Monitoring	\$364,500.00
RF017-00841	Additional EMC Xtreme IO Storage	\$709,100.00
RF017-00843	Afton Feeder 22 Relay Upgrade	\$134,200.00
RF017-00844	GREC1/Claremore Feeder 86 Relay Replacement	\$234,200.00
RF017-00845	7450 Upgrade/Replacement	\$861,200.00
RF017-00846	Third Site EMC XIO Storage	\$134,100.00
RF017-00847	MUX Shelf Replacement	\$54,700.00
Grand Total Work Orders		\$2,492,000.00

Director Kimball moved to approve the consent agenda, seconded by Director Townsend, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

REGULAR AGENDA

1. Regular Board Minutes of June 14, 2017.

Director Vandevier moved to approve the regular Board minutes of June 14, 2017, seconded by Director Spears, and voted upon as follows: Churchwell, yes, Kimball, yes, Meyers, abstain, Richie, abstain, Spears, yes, Townsend, yes, Vandevier, yes. *Motion passed (5-yes, 0-no, 2-abstained).*

3. Unfinished Business

3.a.1. Progress Reports

Mr. Sullivan reported that last month the annual APPA meeting was held in Orlando, FL. He said he was happy to be re-elected to the Board for a 3-year term. Mr. Sullivan expressed his appreciation for the opportunity to continue to serve in this capacity. He included that several GRDA customers were able to join GRDA to attend this event this year, and said this kind of sponsorship program recently initiated will serve GRDA well in getting more involvement. Mr. Sullivan stated there is a lot of great information to be shared at this meeting and feel fortunate to be able to continue that.

Mr. Sullivan said GRDA filed a request yesterday with the Federal Energy Regulatory Commission (FERC) for a temporary variance on GRDA's lake level. He reminded the Board GRDA has a pending amendment to the GRDA license that would do what we have done through the variance process permanently. However, he said FERC has not had a quorum since February 2017. There are 5 members on the FERC Board, and right now there is only one member in place, Chairman Cheryl A. LaFleur. Mr. Sullivan stated the President has nominated 2 other members to constitute a quorum, and this has gone through the committee process. Now everyone is waiting for action from the Senate floor. He told the Board he knew the President had provided the name of another commissioner and is preparing to nominate the 4th. The protocol is for 3 members to be from the same party as the President and 2 from the other party. Chairman LaFleur is a Democrat appointment and will be remaining. Mr. Sullivan said he hopes that process will go quickly and believes the FERC staff can issue the variance without action by the full commission. He promised to keep the Board of Directors up-to-date on what happens.

Mr. Sullivan reported that the Oklahoma Department of Environmental Quality (ODEQ) has officially moved in to their new offices in GRDA' Engineering & Technology Center. He said the build out went very smooth and was finished ahead of time for ODEQ to move in, and on budget.

Mr. Sullivan showed photos of the new Jellystone Park near the GRDA customer community of Mannford. He said Chairman Churchwell and other GRDA staff had an opportunity to be present for the grand opening of the new park on the shores of Lake Keystone. He said this development will likely continue to grow over the next few years and there is interest from these developers in looking at the potential of a facility like this on Grand Lake. He asked Chairman Churchwell to speak on this. Chairman Churchwell commended Mr. Mike Nunley, City Manager of Mannford, in working with these developers and the Corps of Engineers to make it all come together. He stated he believes it will be a game-changer for the City of Mannford, and that people from all over northeast Oklahoma are going to visit. The Chairman said this is a wonderful facility and very family-oriented. He also explained that the people who are running this facility have other parks like this with campgrounds and know how to run an operation like this well. Chairman Churchwell stated he believes something similar to this on Grand Lake would be a huge attraction for the area. He said all of the land included in this development was leased from the Corps of Engineers to the City of Mannford for 50 years. So the people that built the facility did not have to purchase any land. At Grand Lake, it would likely be a different story and some kind of partnership would have to be formed. Director Townsend asked if the contribution was limited to the land in this case. Chairman Churchwell confirmed this and said this particular piece of land is part of a former campground. It is near 300 acres to include a large RV camping facility with it which is a large revenue generator for the developers. He went on to say there are activities on and

off the water. Mr. Sullivan said it made headlines at the time it was announced this facility would be built, and he thinks it is a great opportunity for GRDA to continue to look at what could be on Grand Lake as well. Chairman Churchwell encouraged everyone to visit the facility if they would be in the Tulsa area. Director Kimball commended Mike Nunley on his work in reaching out to these developer and making it happen. He also expressed his appreciation for GRDA's Economic Development Consultant, Tom Gray, who was very instrumental in helping Mr. Nunley. Chairman Churchwell added that the people that built this and are running it have put \$4 million of their own money into this project. He also said they have run one of these types of parks before.

Mr. Sullivan said he, Director Kimball, Nathan Reese and Tom Gray had an opportunity to visit with Cherokee Nation Businesses last week. He showed a photo of the group, saying Mr. Chuck Garrett, Executive Vice President, and Mr. Andy McMillan, Economic Development, attended and were given a tour of GRDA's assets to give them a better idea of GRDA operations and what is going on. Mr. Sullivan said there was also an opportunity to take the new Tulsa Airport Director for an asset tour recently.

Mr. Sullivan spoke about the successful fireworks events across Grand Lake over the 4th of July weekend and said it gave everyone a great opportunity to experience those events if they chose to do so. Director Kimball commended GRDA Police for doing such a great job even though they were taxed by the number and location of all of the events.

Mr. Sullivan showed photos of a bobcat found on a distribution pole in Kansas which had received a fatal shock after climbing to the top. He said he wanted to show this as a reminder of the dangers of power lines.

Mr. Sullivan said today in the Bond Buyer Fitch has downgraded the State of Oklahoma on its GL Bonds, from AA to AA-. He said the indication is that they will be in a stable condition after that. It is a concern that GRDA has, but something dealt with in

the discussions with the rating agencies in the past. He stated the state budget situation does not always directly impact GRDA economics, but the team certainly has to be prepared to respond to questions.

Mr. Sullivan introduced the videos on Blue Green Algae, the Kerr Dam Rip Rap Rebuild and the July 4th Weekend Wrap Up.

Regarding the blue green algae, Mr. Sullivan commented that one of the precipitating events which happened dumped 3.5 inches in an hour in mid-June. At this time, a lot of people are applying fertilizer to crops and fields in the Horse Creek area. He said the staff believes this was a great contributing factor to this specific event that washed a lot of phosphorus into the watershed. Mr. Sullivan stated it also demonstrates the need to continue education in the communities. He thanked Dr. Townsend and all of the employees working in the Ecosystems Department for their work on this as it was handled in a very calm and professional way, making decisions based on solid facts. Director Kimball also commended GRDA's Corporate Communications Department for their work in communicating the facts in an appropriate way.

4. New Business

4.h. Recommendation to Approve Change Order No. 4 – Unit 2 Restoration Contract 41500

Mr. Barney provided a summary of Change Order No. 4 for Contract 41500 and the costs associated with it. He said all the major components for Unit 2 have arrived at the Grand River Energy Center and are in the process of being assembled. Mr. Barney stated GRDA is in hopes to have the unit back in operation as of August 23, 2017. He said this work has been approved for reimbursement by FM Global. The item in question is an excitation transformer that weighs about 25 tons and is in a very

awkward position. GRDA engaged Siemens to do this change out under their base contract. Mr. Barney explained the original contract was for \$40 million, with previous change orders totaling \$24,428,338, and this proposed Change Order No. 4 is for \$206,244 and will require Board approval. He showed photos of the existing transformer that suffered heat, fire and smoke damage and will be necessary to be removed and replaced. Mr. Barney explained there is no way to get this piece of equipment lifted into place easily and a temporary support structure needs to be constructed. He said the replacement transformer arrived June 16, 2017, and the work has already been completed this past Saturday with no issues. So there is a need for the Board of Directors to ratify this change order.

Director Townsend moved the Board approve Change Order No. 4 to Contract 41500 with Siemens Energy, Inc. in the amount of \$206,244, subject to approval of final terms by the CEO and General Counsel, seconded by Director Spears, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spear, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.i. Update - Revenue Bonds, Series 2017

- (1) GRDA 13th Supplemental Resolution No. 5312**
- (2) General Authorizing Resolution No. 5313; Resolution Relating to the Sale, Issuance, and Delivery of Revenue Bonds**
- (3) Drafts of:**
 - a. Preliminary Official Statement, Including Appendices**
 - b. Bond Purchase Agreement**
 - c. Escrow Deposit Agreement**
 - d. Cost of Issuance**

Mr. Rothermel said at the last Audit, Finance, Budget and Policy Committee meeting everyone agreed to refunding the 2010 bonds. He stated GRDA's Bond

Counsel, Mr. Steve Turner, has drafted the resolutions and the team has a meeting to go over everything else next Monday to finalize those documents. He introduced Kristen Johanson with Citigroup to present the economics for this item.

Ms. Johanson greeted the Board and provided a recap of the Series 2016 A&B transaction from October 2016. She said the proceeds were used to refinance outstanding debt of the Authority with GRDA receiving ratings upgrades which helped bolster demand for the bonds. The Authority was able to achieve over \$69.5 million of net present value savings on its Series 2016 refunding. Ms. Johanson stated when this refunding was done there was about \$95.5 million that did not make the Authority's savings target. So it was kept out of the previous refunding and the team has been keeping an eye on the market. She told the Board while municipal interest rates are slightly higher today than late fall of last year, shortening the escrow period by over 8 months and higher escrow reinvestment rate have improved savings and escrow efficiency on the refunding of the outstanding Series 2010A bonds. Ms. Johanson said refunding the Series 2010A bonds could produce approximately \$637,000 of average annual cash flow savings for the Authority. GRDA anticipates advanced refunding of the callable bonds using tax-exempt proceeds. She explained in the current rate environment, GRDA's refunding produces over \$8.5 million in Net PV Savings, with potential additional savings if there is market interest in sub-5 percent coupons at an appropriately lower yield-to-maturity at the time of sale. Ms. Johanson stated the financing team from the 2016 transaction remains intact for the 2017 transaction and listed everyone for the Board of Directors. She provided the Board with a preliminary financing schedule going forward and said it is planned for pricing to take place the week of August 7, 2017, with closing to be scheduled at the end of August.

Director Townsend asked if she had any concerns about the recent rating downgrade of the State of Oklahoma. She confirmed there was not any concern about this. He asked Ms. Johanson also if she has talked with the rating agencies about this. She confirmed she has and assured the Board they will view this as a separate issue.

Director Kimball asked if there would be a portion available to Oklahoma residents as usual. Ms. Johanson confirmed this and said that is definitely the case. She also commented this is always the intention and will be made a high priority each time as it is very important.

Director Townsend asked who would offer this to Oklahoma residents. Ms. Johanson said a number of the team of managers involved which have offices in Oklahoma would be offering this to residents, of course, as well as other larger more professional money management companies.

Director Vandevier complimented everyone involved and commended them on working so hard and so quickly to make this come together.

Mr. Sullivan commented that during the last Oklahoma legislative session the State Bond Advisor's office is moving into the Treasurer's office as of November 1, 2017. He said Mr. Jim Joseph who has served in that role for several years now is going to retire as of October 31, 2017.

Mr. Rothermel thanked Ms. Johanson for helping GRDA sort through this process and expressed how much he appreciated her.

Director Townsend moved to approve GRDA Resolutions 5312 and 5313 authorizing the issuance of up to \$200 million par value bonds to refund the 2010 bonds, as well as approving the draft forms of the preliminary official statement,

including appendices, the bond purchase agreement, escrow deposit agreement and any additional fees necessary to issue the bonds, seconded by Chairman Churchwell, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, *yes. Motion passed (7-yes, 0-no, 0-abstained).*

4.j. 2018 Workers' Compensation Insurance Coverage

Mr. Lofton said GRDA is insured for Workers' Compensation risk under a self-insured program run by the State Risk Management Division. The annual policy period is July 1 through June 30. He stated GRDA has received a bill for this year, with the current annual premium being \$514,274. He presented a graph showing how this premium measures up to GRDA's recent history, comparing premiums versus expenses. Mr. Lofton said GRDA produced this graph to show the great strides made in reducing Workers' Compensation cost. He explained more about what the graphs showed and said that we have a much higher deductible, being at \$100,000 per claim, than when we were with CompSource, being a \$500 per claim deductible. With the current safety efforts at GRDA costs have been reduced and the staff wanted to highlight the reduction in the number of Workers' Compensation claims which is reflected.

Board members commented that these numbers are incredible. Mr. Sullivan also told the Board that GRDA has added several people to the Safety Department within GRDA. He also said this is due to the leadership at our facilities and overall commitment to safety.

Director Spears said the Board and staff began to discuss this several years ago. He stated all of the staff has excelled in providing the training, but wanted to also

commend the employees for adopting a safety culture that has evolved over the last few years.

Chairman Churchwell commented that in this industry he does not recall ever seeing a reduction in numbers like this.

Mr. Lofton presented a final graph showing the number of absent days due to work-related incidents. The graph showed a reduction in these numbers from 436 in 2012 to 118 in 2016.

Director Spears moved to approve the payment of \$514,274 to the State of Oklahoma for Workers' Compensation Insurance coverage effective July 1, 2017, to June 30, 2018, seconded by Director Meyers, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.m. Other New Business

There was no other new business.

Director Kimball said the 2017 Grand Lake Legislative Getaway begins tomorrow. He said the event's registration numbers have been great this year. Mr. Sullivan said there will be a dinner Thursday evening at Shangri-La and a cookout at the GRDA Ecosystems & Education Center on Friday evening, and invited all to attend. He also said the entire group is very excited about the new Shangri-La Hotel that will be the venue at the center of this event and most of the activities. Mr. Sullivan thanked Mike

Williams for his assistance in coordinating this as this group will be one of the first groups to utilize the new facility.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- (a) Consideration, Discussion, and Possible Approval of GRDA's Application for Private No Wake Buoy Placement and Private Buoy Installation Specifications.**
- (b) Consideration, Discussion, and Possible Approval of GRDA's Application for Domestic Raw Water Permit.**
- (c) Consideration, Discussion, and Possible Approval of GRDA's Application for Breakwater.**
- (d) Consideration, Discussion, and Possible Approval of GRDA's Application for Permit to Construct Retaining Wall, Boat Ramp, Tram System, and Rip Rap.**
- (e) Consideration, Discussion, and Possible Approval of GRDA's Application for a Sanctioned Event Permit.**
- (f) Consideration, Discussion, and Possible Approval of GRDA's Application for a Commercial/Homeowner Association Dock.**

Chairman Churchwell said the changes to be discussed and voted upon will be mainly to make the lake rules and applications for activities on the lakes become consistent. He stated all were approved by the Asset Committee this morning. He asked Mr. Edwards to review the items.

Regarding item a, Mr. Edwards went over the changes and said the main change on this item is that the fee stays the same, the applicant buys the buoy and the light, and will now pay to have it installed as well as perform maintenance on it. Also,

this changes the responsibility wholly to the applicant to make certain GRDA receives up-to-date contact information. We are also including installation specifications.

Chairman Churchwell stated these are not our navigational buoys we install, but are privately ordered for a number of reasons.

Director Kimball moved to approve the proposed changes, including the adoption of specifications for Private Buoy Installation, to GRDA's Application for a Private No Wake Buoy be approved as submitted for consistency with the previously approved GRDA Rules and Regulations, seconded by Director Townsend, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item b, Mr. Edwards said this item also better defines what the use is, now will require an electrical inspection and does not allow any submersible pumps.

Director Kimball asked Mr. Edwards if all GRDA applications will be online. Mr. Edwards confirmed this.

Director Townsend moved to approve the proposed changes to GRDA's Application for a Domestic Raw Water Permit as submitted for consistency with the previously approved GRDA Rules and Regulations, seconded by Director Kimball, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item c, Mr. Edwards said the most important change on this item is moving the insurance requirement from \$100,000 to \$1 million for a comprehensive general liability policy, and listing GRDA as the additional insured.

Director Townsend moved to approve the proposed changes to GRDA's Application for a Breakwater Permit as submitted for consistency with the previously approved GRDA Rules and Regulations, seconded by Director Meyers, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item d, Mr. Edwards said GRDA will be adding the Shoreline Management Plan classification. The application is in line with the rules for a boat ramp. He noted that approval from the U.S. Army Corps of Engineers, FERC and/or state and federal agencies may also be required until GRDA gains control of those easements, etc.

Director Kimball moved to approve the proposed changes to GRDA's Application for a Permit to Construct a Retaining Wall, Boat Ramp, Tram System or Install Rip Rap as submitted for consistency with the previously approved GRDA Rules and Regulations, seconded by Chairman Churchwell, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item e, Mr. Edwards told the Board this item requires 30 days notice. We have added entertainment on the water as criteria for a permit as well. GRDA shall also be listed as an additional insured on the applicant's insurance policy.

Director Vandevier asked for an example of an event just on the water. Mr. Edwards said the boat races, fireworks shows, or anything that would take place on the water related to an event. He also stated fishing tournaments have their own permit for their events.

Director Kimball moved to approve the proposed changes to GRDA's Application for a Sanctioned Event Permit as submitted for consistency with the previously approved GRDA Rules and Regulations, seconded by Director Townsend, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item f, Mr. Edwards said the only large change here is the addition of GRDA as an additional insured on the applicant's insurance policy.

Director Kimball moved to approve the proposed changes to GRDA's Application for a Commercial/HOA Permit as submitted for consistency with the previously approved GRDA Rules and Regulations, seconded by Director Richie, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

2. **Audit, Finance, Budget and Policy Committee:** Director Vandevier had no report.
3. **Fuel Committee:** Director Spears had no report.
4. **Compensation and Marketing Committee:** Director Kimball had no report.
5. **Long-Range Planning Committee:**

(a) GRDA Strategic Plan

Director Meyers told the Board that the last time the Long-Range Planning Committee met after the Board Meeting and discussed the Strategic Plan and some of the actions needing to be taken. He asked Mr. Reese to share the results of that meeting and the work since then.

Mr. Reese showed the Strategic Planning Process chart that illustrates what each of the steps are in putting together the plan which began in November

2016 facilitated by Mr. Tim Blodgett. He went through the overview for each step and told the Board that management has went forward with the work they were asked to do regarding the ends statements, goals and action items. Mr. Reese reviewed the Strategic Areas of Focus with the Board asking what GRDA's mission, values, SWOT, and customer needs are for the most critical strategic issues facing the Authority. GRDA management have said these are: the customer, financial issues, workforce issues, environmental stewardship issues and supply issues. He said the next step to take was for management to develop ends statements and goals for each of these. Mr. Reese went over each of these for the Board and noted the changes made since some had last seen this information. He also explained that all of this is closely related to GRDA's 5 E's of Excellence. He said the last item in the plan will be the action items which will be up to the GRDA management and staff for specific deliverables to accomplish goals and any details as to implementation.

Director Meyers stated what the GRDA staff has done is consistent with what the Board has asked them to do. Mr. Sullivan said this is a living document, but that it would be good to adopt the

Director Kimball commented that the plan mentions many times the phrase "for our customers" and said it is centered on our customers. Director Townsend also said the environmental aspect is also very important and is glad to see that included as something still for our customers.

Director Meyers asked what would be an appropriate time to report back to the Board on progress of the plan. Mr. Sullivan said this had not been discussed yet, but would like to have the Board's feedback as to preference. He suggested possibly twice per year. Director Vandevier recommended a biannual

report to the Board and to make certain there is an “owner” posted next to each action item to make certain the Board knows who to go to for questions, etc.

Director Townsend commented that he believes it to be very difficult to concentrate on strategic issues at a regular Board meeting and discussion ensued regarding if this was appropriate to discuss at ever Board Retreat, held every other year. Mr. Sullivan said he agrees and assumes the directors will want to have another Board Retreat, but that this had not been discussed yet. Chairman Churchwell suggested doing a mid-year review at a Board meeting and then have a fall update of the process. He also asked for a clean copy of the plan, to include a copy of the process chart. Nathan agreed to provide this to him.

Director Kimball asked how often the Board Retreat would be held. Chairman Churchwell said once per year was discussed, but it had not been decided yet. Director Meyers and Director Kimball suggested every other year. Director Kimball said he believes having one every 12 months is a bit too soon, but could be more effective at every 24 months in relation to the Strategic Plan.

Director Townsend moved the Board adopt the GRDA Strategic Plan as amended, seconded by Chairman Churchwell, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. Motion passed (7-yes, 0-no, 0-abstained).

Mr. Sullivan took this opportunity to introduce Mr. Jerry Cook who just joined GRDA as of Monday. He said Mr. Cook is a long-time resident of Tahlequah serving as the Mayor there, has been on the TPWA Board and recently retired from Northeastern State University to come to GRDA. Mr. Sullivan said he brings a tremendous amount of experience to help GRDA in the

customer relations area, and the staff is very happy to have him with us. The Board welcomed Mr. Cook to GRDA. Mr. Cook commented he is glad to be here and has met some tremendous people so far at the Authority.

6. Executive Session:

- a. **Proposed Executive Session Pursuant to 82 O.S. § 862.1(2)(a) Which Exempts the Grand River Dam Authority from the Oklahoma Open Meetings Act for the Purpose of Conferring on Matters Pertaining to a Coal Fuel Supply Contract.**
- b. **Proposed Executive Session pursuant to 82 O.S. § 307(B)(4) for the Purpose of Confidential Communications between the GRDA Board and Its Attorney Concerning a Pending Claim, that the Board, with the Advice of Its Attorney, has Determined that Disclosure of Such Confidential Communications will Seriously Impair the Ability of the Board to Process the Claim in the Public Interest.**
- c. **Proposed Executive Session pursuant to 82 O.S. § 307(B)(4) for the Purpose of Confidential Communications between the GRDA Board and Its Attorney Concerning a Pending Claim, that the Board, with the Advice of Its Attorney, has Determined that Disclosure of Such Confidential Communications will Seriously Impair the Ability of the Board to Process the Claim in the Public Interest.**
- d. **Proposed Executive Session pursuant to 82 O.S. § 307(B)(4) for the Purpose of Confidential Communications between the GRDA Board and Its Attorney Concerning a Pending Claim, that the Board, with the Advice of Its Attorney, has Determined that Disclosure of Such Confidential Communications will Seriously Impair the Ability of the Board to Process the Claim in the Public Interest.**

Director Kimball moved to go into executive session at 11:17 a.m., seconded by Director Vandevier, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 12:19 p.m., seconded by Director Townsend, and voted upon as follows: Churchwell, Kimball, Meyers,

Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

- a. Action, As Necessary, Concerning a Coal Fuel Supply Contract.**
- b. Action, As Necessary, Concerning a Pending Claim.**
- c. Action, As Necessary, Concerning a Pending Claim.**
- d. Action, As Necessary, Concerning a Pending Claim.**

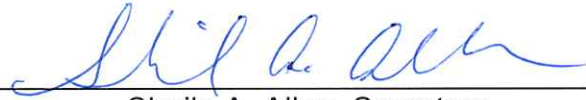
Regarding item a, there was no action needed on this item today.

Regarding item b, Chairman Churchwell moved the Board approve the no cost Change Order No. 17 to EPC Contract 40529 for Combined Cycle Unit 3, subject to review and approval of final terms by the CEO and General Counsel, seconded by Director Spears, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7 yes, 0 no, 0 abstained).*

Regarding item c, Chairman Churchwell moved to authorize the CEO and Management to enter into negotiations with The Industrial Company (TIC) as discussed in Executive Session, seconded by Director Spears, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7 yes, 0 no, 0 abstained).*

Regarding item d, Chairman Churchwell moved to authorize the CEO and Management to enter into negotiations with Mitsubishi Hitachi Power Systems America (MHPSA) as discussed in Executive Session, seconded by Director Richie, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7 yes, 0 no, 0 abstained).*

Director Kimball moved for adjournment at 12:23 p.m., seconded by Director Townsend, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

August 15, 2017
GRDA Board of Directors