

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
Tulsa, Oklahoma
February 14, 2018**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Engineering & Technology Center, Tulsa, Oklahoma, on February 14, 2018. 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 December 14, 2017, at 9:23 a.m.; by posting the agenda with the Tulsa County Clerks' office on February 13, 2018 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.

The Secretary called the roll. All members were present, and Chair Vandevier declared a quorum. Chair Vandevier called the meeting to order at 10:02 a.m. Mr. Philpott introduced guests.

BOARD MEMBERS

Joseph Vandevier, Chair	Present
Tom Kimball, Chair-Elect	Present
Pete Churchwell	Present
James B. Richie	Present
Chris Meyers	Present
Dwayne Elam	Present
Ed Townsend	Present

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Chief Operating Officer	Present
Eddie Rothermel, Chief Financial Officer	Present
Heath Lofton, General Counsel	Present
Ellen Edwards, Executive VP – Compliance	Present
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Present
John Goodwin, Executive VP – Human Resources	Absent
Nathan Reese, Executive VP – External Relations	Present
John Wiscaver, Executive VP – Corp. & Strategic Communications	Absent
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	Present
Sheila Allen, Secretary	Present

Others present were as follows: Gary Pruett and Jared Crisp, MUB/City of Pryor; Tom Elkins, Cherokee Nation; Brad Williams and Craig Cromley, AT&T; Jeff Underwood, Senator James Lankford's Office, Jed Cochran, Senator Jim Inhofe's Office; Tyler Cline, City of Miami; Johnny Smith, Kevin Walsh, Lorie Gudde, Ed Fite, Justin Alberty, Melanie Earl, Jerry Cook, Michelle Day, Cameron Philpott, Tamara Jahnke, Ash Mayfield, Ed Ferguson, Jennifer Weatherford, Holly Moore, GRDA.

CONSENT AGENDA

2. January Claims \$47,988,630.02.

4.a. Resolutions of Commendation

- 1) Tommy J. Rogers
- 2) Johnny L. Smith
- 3) Kevin W. Walsh

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

- 1) 3 OCB Breakers, 3 VCB Breakers
- 2) 3 Amana PTAC's
- 3) Cat Battery-1125 CCA-145 Amp, Rechargeable Sealed Lead Acid Battery-10AH-12V-DC, Gel Cell Battery-12V-7 AH, Gel Cell Battery-12V-20 AH, Sealed Lead Acid Battery-12V-18 AH Capacity, Lead Acid Battery-12 Volt, Rechargeable Lead Acid Battery-4V-5AH, Lithium Battery-9V-DC-4.2AH, Lithium Ion Battery-3.85V, Ni Rechargeable Battery-18V, Ni Rechargeable Battery-12V, Lead Acid Battery-7AH
- 4) OCB Breaker
- 5) Miscellaneous Office Chairs, Miscellaneous Wood/Metal Desks, Haier Refrigerator, Frigidaire Microwave, Shred Master Shredder, Lexmark Printer Server, 10 Electric Calculators, 4 Miscellaneous Vacuum Sweepers, HP Deskjet 100 Printer
- 6) Emitter Rapper Drive Gear Reducer, Ceramic Support Insulator Bushing, Switch, 2 Sensors, Pacemaker Motor Cooling Fan. Ozonator Air Dryer, Bridge (SOL Rectifier), Solenoid Drain Valve for Teco Model 14 B/E, 60HZ 110 VAC Vacuum Pump, Vacuum Pump Repair Kit for NOX Monitor, Photomultiplier Power Supply, Ozonator Power Supply, And 15 VDC Power Supply, High Voltage Instrument Power Supply (120 VAC Input), SO2 Analyzer Model 43 15-Volt Power Supply

4.c. Power Cost Adjustment (PCA) of \$0.00071 per kWh for March 2018

4.d. First Amendment to Public Financial Management, Inc. Agreement for Financial Advisory Services

4.e. WTU Rate Schedule

4.f. Order for Administrative Hearing Notice No. 2017-13 for Sam Rustin

4.g. Report and Recommendations of Hearing Officer and Order for Notice No. 2017-6 for Kelly Olds

4.h. Order for Administrative Hearing Notice No. 2017-12 for Jayme Richardson

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

Standard Purchase Orders		
PO Number	Vendor Name and City State	Amount
42206	CENTRAL STATES CRANE & HOIST LLC, CLAREMORE, OK	327,040.00
89071	MOTOROLA SOLUTIONS INC, FARMERS BRANCH, TX	193,921.00
89051	INDUSTRIAL MAINTENANCE INC, PRYOR, OK	146,243.85
89123	KRUEGER INTERNATIONAL INC, GREEN BAY, WI	111,513.66
42210	OKLAHOMA CONSERVATION COMMISSION, OKLAHOMA CITY, OK	100,000.00
89035	SIEMENS DEMAG DELAVAL TURBOMACHINERY INC, TRENTON, NJ	90,066.20
89090	APP ENGINEERING INC, INDIANAPOLIS, IN	79,732.00
42214	SIEMENS INDUSTRY INC, WENDELL, NC	73,003.50
42199	BENTON COUNTY STONE CO INC, PRYOR, OK	62,351.75
89065	C & R OIL CO, PRYOR, OK	59,444.00
88824	B & M OIL CO INC, TULSA, OK	59,010.00
42208	MAIL FINANCE INC, MILFORD, CT	46,449.60
42205	MIKON CORPORATION, ST JOSEPH, MO	43,900.00
42201	US ARMY CORPS OF ENGINEERS - USACE, TULSA, OK	36,000.00
42177	SIXPR, TULSA, OK	30,000.00
88635	C & R OIL CO, PRYOR, OK	29,442.00
88781	B & M OIL CO INC, TULSA, OK	29,302.00
88295	C & R OIL CO, PRYOR, OK	28,910.00
89048	HYDROTEX DYNAMICS INC, HOUSTON, TX	28,330.00
42176	AMERICAN TIRE DISTRIBUTOR, TULSA, OK	25,000.00
42211	OSU FIRE SERVICE TRAINING, STILLWATER, OK	24,930.00
89047	ROTATING EQUIPMENT REPAIR INC, SUSSEX, WI	11,909.93
42209	HOME OF HOPE INC, VINITA, OK	5,000.00
Grand Total Standard POs:		\$1,641,499.49
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
88597	LARGE PUBLIC POWER COUNCIL, RALEIGH, NC	95,390.00
40491	JAMI M LONGACRE MARKETING & CONSULTING DBA LONGACR, KELLYVILLE, OK	48,000.00
41673	SHI INTERNATIONAL CORP, SOMERSET, NJ	16,696.00
41606	AT&T MOBILITY, GREELEY, CO	3,513.19
42183	ADDCO ELECTRIC INC, TULSA, OK	2,500.00
40878	FAIRPOINT COMMUNICATIONS, WESTFIELD, NY	2,000.00
Grand Total Change Orders:		\$168,099.19
Grand Total		\$1,809,598.68

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

Number	Title	Amount
JF083-00000	GREC 2 OSC Security Upgrade	\$86,000.00
RF018-00873	L305B Feeder 146/22 OPGW Fiber Install	\$1,095,000.00
RF018-00874	Siloam Springs Fdr 145 161kV Terminal Upgrade	\$315,000.00
RF018-00875	Feeder 49 Relay Panel Replacements	\$250,200.00
RF018-00786	L320 Feeder 32 OPGW Fiber Install	\$1,095,000.00
RF018-00877	Phase One: Microwave Radio Network Equipment Upgrade	\$2,496,300.00
RF018-00878	Bio-Retention Cell Project at ECO	\$214,000.00
Grand Total Work Orders		\$5,551,500.00

Director Meyers moved to approve the consent agenda, deferring item 4.e. until a later date, seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Richie recognized Mrs. Sheila Allen, and welcomed her back on behalf of the Board of Directors.

REGULAR AGENDA

1. Regular Board Minutes of December 13, 2017 and Regular Board Minutes of January 10, 2018.

Director Richie moved to approve the regular Board minutes of December 13, 2017, seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained)*

. Director Vandevier moved to approve the regular Board minutes of January 10, 2018, seconded by Director Elam, and voted upon as follows: Churchwell, abstain, Elam, yes, Kimball, yes, Meyers, abstain, Richie, yes, Townsend, yes, Vandevier, yes. *Motion passed (5-yes, 0-no, 2-abstained).*

3. Unfinished Business

3.a.(1) Progress Reports

Mr. Sullivan introduced Mr. Steve Wall, GRDA's new Chief Information Officer. Mr. Wall joined GRDA in February. Mr. Sullivan invited Mr. Wall to introduce himself to the Board and tell a bit more about himself. Mr. Wall said he came from Southwestern Power Administration, as had others who have joined GRDA in the last couple of years. He stated he is getting familiar with his team and GRDA locations right now, and looks forward to making a significant contribution to the GRDA Team. Mr. Wall told the Board since he has been at GRDA he has noticed there is a prominent team atmosphere, and that he has been very impressed with everyone he has had the opportunity to meet. He said he hopes to cultivate that going forward. Chairman Vandevier welcomed him to GRDA on behalf of the Board of Directors.

On Monday evening, Mr. Sullivan returned from the LPPC CEO Meeting. He said at this meeting he was pleased to be nominated and elected as the LPPC Vice Chairman for the next 2 years. Mr. Sullivan said he appreciates the opportunity GRDA's Board of Directors has provided in allowing staff to participate in this organization. He showed a photo from the meeting and a map of the utilities that are a part of the Large Public Power Council. Mr. Sullivan expressed how important a group of people as diverse as LPPC is, especially when visiting Washington, D.C. He shared it provides a solid voice about what is happening in the utility industry, and that he has seen this first-hand in being the CEO Sponsor for the Government Relations Task Force with Mr. Nathan Reese in recent years.

Mr. Sullivan stated GRDA recently received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Assn of the U.S. and Canada (GFOA) for GRDA's 2016 comprehensive annual financial report (CAFR). The Authority has received this award for the last 17 years. He said he appreciates the entire Finance Team's work on this report that communicates the financial strength of the organization to customers and everyone else. GRDA is proud to receive this award.

Mr. Sullivan reported that the annual Tulsa Boat, Sport and Travel Show has just been held where GRDA had a booth with a different presentation this year. The presentation demonstrates how long it takes to put a life jacket on, if you wait until you are in trouble. He told the Board the beer goggles were also used to demonstrate how much drinking can impair a person's ability to get a life jacket on as well. Mr. Sullivan said these types of exercises show the public how significantly different the outcome can be if you wait until there is an emergency, versus always having a life jacket on while on the water. He stated there were no drownings on the waters GRDA is responsible for in 2017, and that everyone would like this to continue in 2018.

At the Senate Energy Committee's "Energy Summit" held January 31st, Mr. Sullivan said GRDA had an opportunity to make a presentation, along with other utilities, to the group. Oklahoma Senator Mark Allen facilitated the event as a way for the Oklahoma energy industry to show the significant financial impact energy-related companies have on Oklahoma's rural economies. Mr. Sullivan expressed how glad he was for GRDA to have the opportunity to be a part of this event.

Mr. Sullivan introduced the "Overview of Pensacola Project Relicensing Process" video. He said the public scoping meetings were just held last week as a part of the process for FERC. The idea behind these meetings is to make sure that anyone who had requests for studies can request them. He stated this way GRDA has the opportunity to

respond to those requests. The meetings also offer a chance to look at the scope of the studies required in this process, and for that to be laid out now to allow GRDA to prepare and work toward the completion of those. Mr. Sullivan told the Board this is a very important and public part of the process which is why there were a series of 5 meetings. GRDA had about 15 minutes to make a presentation about the Authority and opted to put this video together. He said this video was shown at all of the scoping meetings and it offers GRDA the opportunity to use this video in smaller pieces for other purposes.

4. New Business

4.i. Contract 42148 – Substation Construction Services, Skiatook City Substation

Mr. Herron said this is the staff recommendation to the Board of Directors on a substation construction contract. He showed a photo of the Skiatook Substation, noting that this property is owned by the City of Skiatook. Mr. Herron stated GRDA received a notification from SPP last year that the Authority needed to install a 69 kV capacitor bank on a tap line that feeds this substation. He told the Board there is a needed completion date of July 2018 that will not be met, but this is due to a temporary fix in place. GRDA installed a temporary capacitor bank at the KAMO Substation previously on this tap. Mr. Herron said GRDA is covered as far as the SPP requirements, but will still need to get this completed soon. He showed a diagram of the substation, saying that GRDA will need to put containment around the transformer, build a 69 kV set of structures, as well as capacitor banks and a control building. This contract involves the below grade work that needs to be done, to include piers, slabs, ground grid, conduit, oil containment, fencing and rock. He stated GRDA will have a separate contract for the control house. Once that is done, he said GRDA crews will finish the project. The contract went out for bid at the

end of 2017, with a pre-bid meeting held on January 11, 2018. The meeting was well-attended, but when the bidding opened on January 25th GRDA only received 1 bid. This bid was from Shaffer Substation Construction Company. Mr. Herron said the company's paperwork was acceptable, and their bid was \$248,310.00. GRDA's internal estimate was \$280,000.00. He told the Board he believed the reason GRDA only received 1 bid was that the project was small enough it was not economic for other companies to mobilize and demobilize. Shaffer Substation Construction Company has not done work for GRDA before, but has worked extensively for KAMO doing this same type of work. GRDA has observed their work as well and the staff does not have an issue with them.

Director Townsend moved that the Board award Contract 42148 – Substation Construction Services – Skiatook City Substation to the low bidder, Shaffer Substation Construction Company, for the quoted price of \$248,310.00, seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.j. Second Reading of Amendment to Policy 2-3 Board Committees

Mr. Lofton explained GRDA Policy 2-3 has been amended to recognize changes to Board committees, noting that it now provides a description for the Power Capacity Utilization Subcommittee, and shows that the Fuel Committee has been combined with the Long-Range Planning Committee. He said this is the second reading and the staff recommends the Board of Directors approve the revised policy as described. Mr. Lofton stated there have been questions on some of the descriptions and the staff will continue to look at these and could make further changes this year at a later date. Mr. Sullivan said this vote will take care of structural issues.

Director Churchwell moved to approve the 2018 version of the Grand River Dam Authority Board of Directors Policy Manual, seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.k. Other New Business

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- a) Consideration, Discussion and Possible Approval of a Request by Southwestern Bell Telephone Company, d/b/a AT&T Oklahoma for an Amendment of an Existing Permit to Cross Monkey Island in Delaware County, Oklahoma.
- b) Consideration, Discussion and Possible Approval of 2018 GRDA – Scenic Rivers Operations New First-Time Commercial Flotation Device License Applications.

Regarding item a, Director Churchwell moved to approve an amendment to license to Southwestern Bell Telephone Company, d/b/a AT&T Oklahoma at Monkey Island in Delaware County, Oklahoma, for the amount of \$500, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item b, Director Churchwell moved to authorize GRDA-SRO Staff to issue New First Time 2018 Commercial Flotation Device Licenses, adhering to provisions of GRDA-SRO Administrative Rules (as codified in O.A.C. 630:Scenic Rivers Commission Chapter 10, pursuant to Oklahoma Statutes, Title 82 § 896.2.D) for All

American Floats (60 licenses for use in DFA 3), Elephant Rock Outfitters (24 licenses for use in CFA 3, Illinois River Outfitters (55 licenses, specifically limited to 10 licenses for use in CFA 2 and 80 for used in CFA 3), and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

2. **Audit, Finance, Budget, Policy & Compliance Committee:** Director Townsend had no report. However, Chairman Vandevier said the new Compliance Committee had their first meeting January 18, 2018. Mrs. Edwards gave the committee an update on what is happening in the Compliance Department. He stated compliance is critical to GRDA and Compliance Department and this new committee will be bringing more focus to the effort. Chairman Vandevier said he anticipates within the next 3 months Mrs. Edwards will provide a presentation to the Board on how her department's work is coming together.
3. **Compensation and Marketing Committee:** Director Kimball had no report. Director Vandevier provided an update
4. **Fuel and Long-Range Planning Committee:** Director Meyers had no report.

6. Executive Session:

- a. **Proposed Executive Session Pursuant to 25 OS 307(B) (4) for the Purpose of Confidential Communications Between a Public Body and its Attorney Concerning a Pending Investigation, Claim or Action if the Public Body, with the Advice of its Attorney, Determines that Disclosure will Seriously Impair the Ability to the Public Body to Process the Claim or Conduct a Pending Investigation, Litigation, or Proceeding in the Public Interest.**
- b. **Proposed Executive Session Pursuant to 25 OS 307(B) (4) for the Purpose of Confidential Communications Between a Public Body and its Attorney Concerning a Pending Investigation, Claim or Action if the Public Body, with the Advice of its Attorney, Determines that Disclosure will Seriously Impair the Ability to the Public Body to Process the Claim or Conduct a Pending Investigation, Litigation, or Proceeding in the Public Interest.**
- c. **Proposed Executive Session Pursuant to 25 OS 307(B) (4) for the Purpose of Confidential Communications Between a Public Body and its Attorney Concerning a Pending Investigation, Claim or Action if the Public Body, with**

the Advice of its Attorney, Determines that Disclosure will Seriously Impair the Ability to the Public Body to Process the Claim or Conduct a Pending Investigation, Litigation, or Proceeding in the Public Interest.

Director Churchwell moved to go into executive session at 10:44 a.m., seconded by Director Richie, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 11:37 a.m., seconded by Director Churchwell and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

- a. Action, As Necessary, Concerning a Pending Claim or Action.**
- b. Action, As Necessary, Concerning a Pending Claim or Action.**
- c. Action, As Necessary, Concerning a Pending Claim or Action.**

Regarding item a, Director Kimball moved that the Board of Directors authorize the Chief Executive Officer to execute he agreement discussed in Executive Session for a not-to-exceed value of \$70,000, seconded by Director Richie, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item b., Director Kimball moved that the Board of Directors authorize the Chief Executive Officer to execute he agreement discussed in Executive Session for a not-to-exceed value of \$80,000, seconded by Director Townsend, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item c., Director Kimball moved that the Board of Directors authorize the Chief Executive Officer to execute he agreement discussed in Executive Session for a

not-to-exceed value of \$40,000, seconded by Director Meyers, and voted upon as follows:
Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed*
(7-yes, 0-no, 0-abstained).

Director Elam moved for adjournment at 11:39 a.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed* (7-yes, 0-no, 0-abstained).

Sheila A. Allen, Secretary

DATE APPROVED:

GRDA Board of Directors