

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
Vinita, Oklahoma
April 11, 2018**

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 March 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 Craig County Clerks' office on April 10, 2018 at 9:45 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, with the exception of Director Meyers, and Chair Vandevier declared a quorum. Chair Vandevier called the meeting to order at 10:10 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	Absent
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/ Corporate Treasurer	Present
Steve Wall, Chief Information 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	Present
Mike Herron, VP – Engineering, System Operations and Reliability	Present
Darrell Townsend II, VP – Ecosystems/Watershed Management	Absent
Robert Ladd, VP – Grand River Energy Center Operations	Present
Steve Jacoby, VP – Hydroelectric Projects	Present
Mike Waddell, VP – Transmission and Distribution Operations	Present
Ed Fite, VP – River Operations and Water Quality	Present
Justin Alberty, VP – Corp. & Strategic Communications	Present
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Mike Doublehead, TPWA; Tim Elkins, Cherokee Nation; Gary Pruet and Jared Crisp, MUB/City of Pryor; Phil Stokes, City of Siloam Springs; Tyler Cline and Derric Lollar, City of Miami; Hans Hertzler and Edwin Loco, Oaks Fire Department; Lorie Gudde, Holly Moore, Melanie Earl, Brylee Harbuck, Jeff Brown, Michelle Day, Cameron Philpott, Tamara Jahnke, Ash Mayfield, Spencer Moore, Bob Scudder, GRDA.

CONSENT AGENDA

2. March Claims, \$4,015,066.10.

4.a. Resolutions of Commendation

- 1) Phillip O. Cook
- 2) Michael M. Collins
- 3) Gene Ratzlaff, City of Coffeyville

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

Description and/or make of item	Model Number
Filter, Hydraulic, Caterpillar+29:29A62:202:392:2:40	1R0722
Filter, Oil, Fram	PH8A
Filter, Primary, Caterpillar	7W5317
FILTER: FRAM, COOLANT, FRAM	PR393
FILTER: FIAT, FUEL, FIAT P/N	4965322
Filter, Air, Primary, Fiat	70671838
Filter, Air, Safety, Fiat	70671839
FILTER: FUEL, FIAT P/N 04788503 (NO-SUB)	4788503
O-RING: ENGINE DRAIN, FIAT P/N	70933466
O-RING: STEERING FILTER, FIAT P/N 70923834 (NO-SUB)	70923834
GASKET: FUEL FILTER, FIAT P/N 04727257 (NO-SUB)	4727257
O-RING: ENGINE DRAIN, FIAT P/N 70923663 (NO-SUB)	70923663
CARTRIDGE: LUBE OIL FILTER, FIAT P/N 01930595 (NO-SUB)	1930595
FILTER: FUEL, FIAT P/N 01909107 (NO-SUB)	1909107
FILTER: STEERING, FIAT P/N 70651532 (NO-SUB)	70651532
RING: FIAT P/N 70632062 (NO-SUB)	70632062
O-RING: FIAT P/N 70923587 (NO-SUB)	70923587
WASHER: FIAT P/N 70631869 (NO-SUB)	70631869
O-RING: FIAT P/N 70632063 (NO-SUB)	70632063
ELEMENT: AIR-SAFETY, FIAT P/N 70671839 (NO-SUB)	70671839
ELEMENT: FINAL DRIVE, FIAT P/N 70694661 (NO-SUB)	70694661
Kit, Filter, Fiat, Complete	75124801
FILTER: FIAT, FUEL, FIAT P/N 01909107 (NO-SUB)	1909107
FILTER: FIAT, COOLANT, FIAT P/N 04681776 (NO-SUB)	4681776
Filter, Cartridge, Caterpillar	1-9N3718
Filter, Air, Fiat	73127681
Filter, Air, Fiat	70671839

Filter, AVC, Primary, Donaldson	XLP182062SEP876
Filter, Fuel, Bobcat	3885315
Filter, Hydrostatic, Bobcat	6598903
Filter, Oil, Cartridge, Hydrostatic, System, Bobcat	6630977
Filter, Hydraulic, Caterpillar	4T6788
Filter, Air, John Deere	AT44378
Filter, Air, John Deere	AT65088
Filter, Hydraulic, John Deere	AT103193
Filter, Fuel, John Deere	AR50041
Filter, Air, John Deere	AR70106
Filter, Air, John Deere	AR70107
Filter, Conditioner, Air, John Deere	R60846
Filter, Conditioner, Air, John Deere	AT73529
Filter, Oil, John Deere	RE21748
Filter, Hydraulic & Transmission, John Deere	AT172912
Filter, Hydraulic & Transmission, John Deere	AT79080
O-Ring, Filter, John Deere	T56186
O-Ring, Filter, John Deere	R29936
Filter, Fuel, John Deere	AR86745
Filter, Fuel, Rear Tank, John Deere	RE160384
Filter, Conditioner, Coolant, John Deere	RE11992
Filter, Hydraulic Breather, John Deere	T19044
Filter, Differential Lock, John Deere	AT135800
O-Ring, Hydraulic Tank, John Deere	T76594
O-Ring, John Deere	U11017
O-Ring, John Deere	52449
Filter, Oil, Caterpillar	1R0713

- 4.c. Power Cost Adjustment (PCA) of \$0.00099 per kWh for May 2018**
- 4.d. Power Purchase and Sale Agreement with Tack Designs – Amendment to Exhibit B Pages**
- 4.e. Power Purchase and Sale Agreement with Graybar Electric Co., Inc.**
- 4.f. Tower Lease Agreement with Mayes County 911 for New Tower at Pensacola Substation**
- 4.g. Contract 42063 – T-Line Foundation Excavation & Construction of Line 301K, Feeder 57**
- 4.h. Order for Administrative Hearing Notice No. 2018-2 for Judi Clanton**
- 4.i. Final Order for Administrative Notice No. 2018-12 Jayme Richardson**

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

90656	THERMO BOND BUILDINGS, LLC, ELK POINT, SD	66,372.00
90692	WHITE STAR MACHINERY & SUPPLY CO, TULSA, OK	63,127.17
90208	B & M OIL CO INC, TULSA, OK	55,594.00
42245	OFFICE OF ATTORNEY GENERAL, OKLAHOMA CITY, OK	55,285.44
42238	GRAINGER INC, TULSA, OK	45,000.00
90269	STORMWIND LLC, SCOTTSDALE, AZ	8,970.00
Grand Total Standard POs:		\$3,554,171.39
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
41078	EXPRESS PROFESSIONAL SERVICES INC, OKLAHOMA CITY, OK	700,000.00
40923	BURNS & MCDONNELL ENGINEERING CO INC, KANSAS CITY, MO	101,951.00
42077	SBC LONG DISTANCE LLC DBA AT&T LONG DISTANCE, SAN ANTONIO, T	58,634.46
42249	INTERCONTINENTAL EXCHANGE INC DBA ICE, HOUSTON, TX	45,000.00
41375	TIMCO BLASTING & COATING INC, BRISTOW, OK	15,680.00
42253	STANDLEY SYSTEMS INC, OKLAHOMA CITY, OK	5,704.40
89090	APP ENGINEERING INC, INDIANAPOLIS, IN	1,761.00
41864	ROUGH WATER DOCKS, AFTON, OK	0.00
40105	YELLOWHOUSE MACHINERY CO OF OK, SAND SPRINGS, OK	0.00
40624	WARREN POWER & MACHINERY LP DBA WARREN CAT, TULSA, OK	0.00
40627	THE G W VAN KEPPEL CO, KANAS CITY, KS	0.00
42172	AIRGAS INC, PRYOR, OK	-12,600.00
Grand Total Change Orders:		\$916,130.86
Grand Total:		\$4,470,302.25

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

Number	Title	Amount
CF094-00000	Outdoor Switchgear Upgrade -- Coal Yard	\$334,400.00
GF018-00019	Security and Access to GREC Waste Water Outfall	\$55,300.00
JF084-00000	Flyash Silo Piping Project	\$185,100.00
RF016-00790	Revised: ADA Boat Loading Ramp at NW Site at Salina PSP	\$247,400.00
RF018-00882	Additional Dell Blade Vhost Hardware	\$415,300.00
RF018-00884	Bar Code Tagging System	\$51,200.00
RF018-00886	L363 Feeder 105 & 144 OPGW Fiber Install	\$1,758,200.00
RF018-00887	Pensacola PLC Upgrade	\$1,044,200.00
RF018-00892	Kerr Generation Network Upgrade	\$100,900.00
RF018-00893	Pensacola Station Service Switchgear Breaker Retrofit	\$357,800.00
Grand Total Work Orders		\$4,549,800.00

Director Churchwell moved to approve the consent agenda, seconded by Director Townsend, and voted upon as follows: Churchwell, Elam, Kimball, Richie, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

REGULAR AGENDA

3. Unfinished Business

3.a.(1) Progress Reports

Mr. Sullivan reported the Big Meat Run was a couple of weeks ago, March 22-25. He explained that pictures do not properly illustrate the 4.4 off-road event held below the spillways of Pensacola Dam. Mr. Sullivan said there were approximately 14,000 people attending the event, with about 1200 vehicles involved. He told the Board there were food trucks set up along the road and all the parks were full. There were very few problems, especially considering the size of the crowds. There was one unfortunate fatality incident where a gentleman was thrown from a vehicle in which he was not restrained,

Mr. Sullivan stated a luncheon was held Tuesday, April 3 at the newly renovated Collinsville Veterans Building. There were over 85 in attendance, and speakers included Collinsville Mayor Bud York, City Manager Pam Polk, Superintendent of Collinsville Public Schools Lace West. Mr. Sullivan had the honor to introduce U.S. Senator James Lankford who also spoke at the event. He said it was a great chance to hear what he has been doing in Washington, and his presence was greatly appreciated.

On April 4, Mr. Sullivan, Michelle Day, Jennifer Marquis and Laura Townsend, along with GRDA retiree Carolyn Dougherty were in the municipal customer community of Coffeyville to present Director of Electric Utilities Gene Ratzlaff, who officially retired April 1 with a Resolution of Commendation. Mr. Sullivan said it was a great opportunity for Mr. Ratzlaff to end on a high note and the GRDA is very glad for him after a great career in Coffeyville.

Mr. Sullivan said the City of Siloam Springs Electric Department received national recognition from APPA for achieving exceptional electric reliability in 2017. They have a reliability rating of 99.9949%. The average total outage time for an electric company is

129 minutes per year, and in total Siloam Springs customers had only 26.57 outage minutes in 2017. He stated GRDA was also recognized after APPA compiled GRDA's reliability data and system outage data through its eTrackerReliability Service and compared similar data for other utilities, as collected by the Energy Information Administration. According to those numbers, Mr. Sullivan said GRDA's System Average Interruption Duration Index (SAIDI) for distribution level electric service was only 19 minutes. He explained this means during 2017 the length of any GRDA electrical outages for its distribution customers (the industries of the MidAmerica Industrial Park) were 110 minutes shorter than the national average for outages. Mr. Sullivan said GRDA appreciates the APPA recognizing Siloam Springs and GRDA for this achievement.

Mr. Sullivan reported that after an event last spring with high water on the Illinois River a lot of challenges were created for GRDA's law enforcement division. He said GRDA officers do not make up a typical police department, as GRDA is not a typical utility. Mr. Sullivan stated the officers had to engage in rescue operations by boat. He showed photos from the event and said it was a very serious event. The incident involved passengers in a truck, and GRDA Police officers and local firefighters made efforts to safely retrieve them. They were successful, but it was a near miss with GRDA officers and their safety. Mr. Sullivan said with the increased training and continued investment in equipment everything came out alright, but his hope is that there are not further tests like this. He told the Board GRDA would like to recognize those involved for their efforts. Oaks firefighters Hans Hertzler and Edwin Loco were presented with GRDA's Police Life Saving awards, along with GRDA Police officers Jeremy Cantrell, Lynn Hershberger, Lissa Kennedy and Tim Thompson. GRDA Chief of Law Enforcement Brian Edwards said they rely on the area fire departments to assist since GRDA officers are scattered across 6 different counties. He also stated that 99 percent of these fire departments are volunteer

fire departments and these men and women keep a bad situation from getting worse. Mr. Edwards said the water was moving at a very high velocity and the passengers in the truck and our GRDA officers were very thankful these firefighters were on hand. He said GRDA would like these firefighters to accept these awards on behalf of everyone at GRDA, and thanked them for all they do. Mr. Sullivan and Mr. Edwards recognized each officer as well, and told their part of the story and thanked GRDA for the honor.

Mr. Sullivan introduced the GRDA Safety Initiatives Update video. He thanked the Board for their support of these safety initiatives. Chairman Vandevier commended the GRDA Team on their accomplishments and said he is very proud of the progress the staff has made.

4. New Business

4.j. 2015-2017 Construction Cost Comparison

Mr. Waddell said a few years ago GRDA began to examine how some projects could be done in-house rather than using an outside contractor. He stated the projects he would be presenting today would include power line projects. Mr. Waddell explained the first project he would discuss would be Feeder 55, a line that runs from Claremore to Oologah, Oklahoma. The project included removing 29 existing wood structures and installing steel structures to mitigate FERC Alert line ratings for clearance. He showed the comparison in cost related to a similar out-sourced project, saying the total savings on this was \$630,277. Mr. Waddell presented information on another difficult project for Feeders 112 and 118 to bring 161 kV line into and out of GRDA's Gerald Gay Substation at the MidAmerica Industrial Park. He said GRDA did not have a direct comparison for this project, but the engineer's estimate for contractor labor and equipment has been used. This project replaced existing structures, constructed 1.38 miles of new 161 kV double-circuit line with bundle conductor and OPGW fiber optic

cable. Mr. Waddell showed the comparison in cost and explained the details of how this was calculated, saying the total savings on this project was \$652,290. He stated the next project is the largest project GRDA has performed in-house on a transmission line. This was to remove the existing 69 kV wood structures, wire and associated hardware on the Feeder 13 line, Collinsville to Skiatook Tap, and replace with steel, single poles, 795 ACSR conductor and OPGW. It also installed 2 steel structures with 3-way GOAB switches for the Park Meadows Tap and Skiatook Tap. He said GRDA did not have a direct comparison for this project, but the team has used the engineer's estimate for contractor labor and equipment as well. With this, he showed the comparison in cost and said the total savings was \$1,661,551. Mr. Waddell told the Board currently there are multiple departments working on in-house projects identified in his presentation. In-house work scheduled for 2018 includes fiber optic installation, substation work, terminal upgrades and transformer upgrades, as well as many others. He presented the positives and negatives associated with doing these projects in-house, saying that some equipment must be rented and personnel are sometimes pulled from projects due to an emergency or immediate need for the Authority. However, he said the employees like working on these types of projects and it has improved employee morale. Mr. Waddell said the total savings to GRDA for these 3 transmission line projects presented between 2016 and 2017 total \$2,944,118.

Chairman Vandevier asked if there is a list of projects identified for 2018 and beyond. Mr. Waddell said there is and explained some details of what some of those would be.

Director Elam commended the GRDA Team for taking this initiative and said he is pleased to see GRDA move in this direction.

Director Kimball asked if this work was done with current employees or was there any personnel added. Mr. Waddell said GRDA used current employees, but does rotate 3 interns through OSU-IT and uses 1 temporary summer employee as well. Director Kimball commented that he believes a move toward doing as many projects in-house is a very positive thing as GRDA crews would likely see things that an outside contractor would not. Mr. Waddell agreed.

A discussion ensued regarding safety, costs of travel associated with these types of projects, maintaining reliability, procurement of supplies, and work-life balance.

Mr. Sullivan thanked the Board for their support of GRDA's safety program and commended Mr. Bob Scudder and his crew for their work. Mr. Scudder said he is very thankful that GRDA realizes safety comes from the top down and appreciates all the support from the Board, Mr. Sullivan and the vice presidents.

4.k. Other New Business

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

- 1. Assets Committee:** Director Churchwell had no report.
- 2. Audit, Finance, Budget, Policy & Compliance Committee:** Director Townsend said the committee had a meeting on Friday, March 30, 2018. They mainly discussed the Deloitte audit. He stated they had provided an unqualified opinion and had no issues with management. Director Townsend stated the audit went extraordinarily well, but there was one item to be examined. He said he believes this will be resolved and does not impact the integrity of the numbers at all. Director Townsend reminded the Board and summarized the savings accomplished recently and said the committee would continue to address the rate issue.

- a. **Compliance Committee:** Chairman Vandevier had no report.
3. **Compensation and Marketing Committee:** Director Kimball had no report.
 - a. **Power Capacity Utilization Subcommittee:** Director Kimball said there are a lot of meetings occurring and a lot going on. He stated the team is doing an extremely good job and hope to have some good announcements in the near future.
 4. **Fuel and Long-Range Planning Committee:** Director Meyers was absent, but Chairman Vandevier was not aware of any report needed.

6. Executive Session:

- a. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning a Pending Investigation, Claim, or Action, Which GRDA has Determined, with the Advice of its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Process the Investigation, Claim, or Action in the Public Interest.**

Director Elam moved to go into executive session at 11:00 a.m., seconded by Director Townsend, and voted upon as follows: Churchwell, Elam, Kimball, Richie, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 11:49 a.m., seconded by Director Elam and voted upon as follows: Churchwell, Elam, Kimball, Richie, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

- a. **Action, As Necessary, Concerning Confidential Communications on Matters of Economic Development.**

Regarding item a, Director Townsend moved to authorize Management to complete discussions with the Contractor as discussed in Executive Session, seconded by Director Richie, and voted upon as follows: Churchwell, Elam, Kimball, Richie, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Churchwell moved for adjournment at 11:53 a.m., seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Richie, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Sheila A. Allen, Secretary

DATE APPROVED:

GRDA Board of Directors