

**Minutes of Special Meeting  
Grand River Dam Authority  
Board of Directors  
Monkey Island,  
Oklahoma  
April 26-27, 2018**

A special meeting of the Board of Directors of the Grand River Dam Authority was held at Shangri-La Resort, Monkey Island, Oklahoma, at 57301 East Highway 125, on April 26, 2018, and April 27, 2018. Notice was given pursuant to 25 O.S.A. § 301 et seq. by submitting a notice of special meeting to the Secretary of State on March 22, 2018, at 3:39 p.m.; by posting the agenda with the Craig County Clerk's office on April 24, 2018, at 9:37 a.m.; by posting the agenda with the Delaware County Clerk's office on April 23, 2018, at 2:32 p.m.; by posting said agenda at [www.grda.com](http://www.grda.com); and by posting said agenda at the principal office of GRDA at least 48 hours prior to the meeting.

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Chair Vandevier called the meeting to order at 10:02 a.m. The Secretary called the roll. All members were present with the exception of Director Richie. Chair Vandevier declared a quorum and stated notice has been given of this meeting as required by the Oklahoma Open Meetings Act, Title 25 Oklahoma Statutes Section 311.

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**BOARD MEMBERS**

Joseph Vandevier, Chair	Present
Tom Kimball, Chair-Elect	Present
Pete Churchwell	Present
James B. Richie	Absent
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/ 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	Present
Nathan Reese, Executive VP – External Relations	Present
John Wiscaver, Executive VP – Corp. & Strategic Communications	Present
Mike Herron, VP – Engineering, System Operations and Reliability	Absent
Darrell Townsend II, VP – Ecosystems/Watershed Management	Present
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
Sheila Allen, Corporate Secretary	Present

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Mr. Sullivan opened the meeting and welcomed everyone. He expressed his hope the Board and the staff would get a great deal out of this time together and provided an overview of the agenda.

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### **Finance Update**

Mr. Rothermel said items for future Audit, Finance, Budget, Policy & Compliance Committee items for Board of Directors action would include rate changes, rate stabilization, revisions to monthly financial statements, GRDA's financial advisor, GRDA's cash reserve policy, audit services, plant financials and other audit items. He reported on the amount of cash available through the rate stabilization and explained how the rate stabilization calculation is determined, as well as going over the policy related to rate stabilization.

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### **Executive Session:**

- a. Proposed Executive Session Pursuant to 25 O.S. § 307(B)(7) for the Purpose of Confidential Communications Between the Board and its Attorney to Discuss a Matter Where the Public Disclosure of Information Would Violate Confidentiality Requirements of State or Federal Law, and to 25 O.S. § 307(C)(10) for the Purpose of Confidential Communications between the Board and its Attorney to Confer on Matters of Economic Development**

**Where the Public Disclosure of Information Would Violate the Confidentiality of the Business.**

Director Kimball moved to go into executive session at 10:39 a.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Elam moved to return to regular session at 10:55 a.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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**Action on Executive Session Items**

**a. Action, As Necessary, Concerning Matters of Economic Development**

**Regarding item a**, there was no action necessary on this item.

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**Department Roundtable Discussions**

The roundtable discussions were set up into 3 stations, including IT and Strategic Communications at one station, GREC Operations and Transmission & Distribution Operations at another, and Law Enforcement & Lake Operations at a third. Board members and GRDA staff visited each of the stations and had an opportunity to ask questions and have open discussions.

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At 12:45 p.m., Chairman Vandevier announced the group would take a recess and reconvene at 1:45 p.m., following lunch. Three or more members of the Board of Directors of the Grand River Dam Authority (GRDA) may gather together to eat meals between meeting sessions. No action was taken and no business was discussed.

The group reconvened at 1:45 p.m. and continued the department roundtable discussions.

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### **Department Roundtable Discussions (continued)**

The roundtable discussions were set up into 3 stations, including IT and Strategic Communications at one station, GREC Operations and Transmission & Distribution Operations at another, and Law Enforcement & Lake Operations at a third. Board members and GRDA staff visited each of the stations and had an opportunity to ask questions and have open discussions.

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### **GRDA Strategic Plan Update**

Mr. Reese reported on GRDA's Strategic Plan and presented the scorecard related to this. He went over key areas of focus, the goal associated with each, who is responsible for making certain the goals are attained as well as reporting on the status.

Discussion ensued regarding topics Mr. Reese highlighted, to include items related to serving GRDA customers, financials, employees and workforce, environmental stewardship and supply.

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Director Townsend left the meeting at 2:31 p.m.

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### **1. Executive Session:**

- b. Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Action, Hughes, et al., v. Grand River Dam Authority, Case No. CJ-2015-238, District Court of Mayes County, Oklahoma, Which GRDA has Determined, with the Advice of Its Attorneys,**

**that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Conduct the Litigation in the Public Interest.**

- c. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Action, Dennis Bradley James, et al., v. Grand River Dam Authority, Case No. CJ–2016–199, District Court of Mayes County, Oklahoma, Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Conduct the Litigation in the Public Interest.**
- d. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Action, Dane Lile v. Grand River Dam Authority, Case No. CJ–2017–223, District Court of Mayes County, Oklahoma, Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Conduct the Litigation in the Public Interest.**
- e. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Action, City of Miami, et al., v. Grand River Dam Authority, Case No. CJ–2008–619, District Court of Ottawa County, Oklahoma, Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Conduct the Litigation in the Public Interest.**

Director Churchwell moved to go into executive session at 13:15 p.m., seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Townsend, Vandevier, yes. Motion passed (6-yes, 0-no, 0-abstained).

Director Kimball moved to return to regular session at 4:35 p.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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### **Action on Executive Session Items**

**b. Action, As Necessary, Concerning the Pending Action, Hughes, et al., v. Grand River Dam Authority, Case No. CJ–2015–238.**

**c. Action, As Necessary, Concerning the Pending Action, Dennis Bradley James, et al., v. Grand River Dam Authority, Case No. CJ-2016-199.**

**d. Action, As Necessary, Concerning the Pending Action, Dane Lile v. Grand River Dam Authority, Case No. CJ-2017-223.**

**e. Action, As Necessary, Concerning the Pending Action, City of Miami, et al., v. Grand River Dam Authority, Case No. CJ-2008-619.**

Regarding item b, there was no action necessary on this item.

Regarding item c, there was no action necessary on this item.

Regarding item d, there was no action necessary on this item.

Regarding item e, there was no action necessary on this item.

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### **Discussion Related to Generation Resource Mix and an Update to Market Operations in SPP**

Mr. Brown talked about the creation of the SPP Integrated Marketplace, capacity versus energy, operating reserves, frequency and voltage control, portfolio design, power market products, capacity position forecast, and how SPP balances real-time load and generation (RTBM). He showed a map of the North American RTO's and ISO's, how the day-ahead market works, and presented base gas prices along with capacity information.

Discussion ensued regarding how the different types of energy and all of these aspects effect GRDA.

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At 5:17 p.m., Chairman Vandevier announced the group would adjourn for the day and reconvene at 9:00 a.m. the following morning on April 27, 2018. Three or more members of the Board of Directors of the Grand River Dam Authority (GRDA) may gather together to eat meals between meeting sessions. No action was taken and no business was discussed.

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The group reconvened at 9:03 a.m. on April 27, 2018, and continued discussion related to generation resource mix and an update to market operations in SPP.

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### **Board/Management Team Update on Legal/Ethics Issues**

Mrs. Edwards provided an outline of ethics principles for government officers and employees. She talked about integrity and went over the ethics framework in the State of Oklahoma, to include statutes covering this topic. She went over the rules to avoid ethical missteps as well as conflicts of interest. Mrs. Edwards talked about conflicts of interest specific to the GRDA and what officers and employees are and are not allowed to do.

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### **Executive Session:**

- f. Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between GRDA and Its Attorneys Concerning the Pending Investigation, Claim, or Action, related to Federal Energy Regulatory Commission Project No. 1494-348, Which GRDA has Determined, with the Advice of Its Attorneys, that Disclosure of Such Communication Would Seriously Impair the Ability of the GRDA to Process the Pending Investigation, Claim, or Action in the Public Interest.**

Director Kimball moved to return to regular session at 10:28 a.m., seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 11:19 a.m., seconded by Chairman Vandevier, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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### **Action on Executive Session Items**

- f. Action, As Necessary, Concerning the Pending Investigation, Claim, or Action, related to Federal Energy Regulatory Commission Project No. 1494-**

Regarding item f, there was no action necessary on this item.

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**Open Discussion on Issues of Interest to Board Members**

Chairman Vandevier said he would like to discuss and get comments from each of the directors on expenses and how GRDA might better control expenses. Each Board member made statements concerning this topic and discussed with the Board and staff what their thoughts were.

Mr. Sullivan closed the meeting, thanking everyone for their time and expertise, as well as commenting on the work ahead for GRDA.

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Director Townsend moved for adjournment on April 27, 2018, at 11:58 a.m., seconded by Director Kimball, and voted upon as follows: Churchwel, E l a m, Kimball, Meyers, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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Sheila A. Allen, Secretary

DATE APPROVED:

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GRDA Board of Directors