

**Minutes of Regular Meeting  
Grand River Dam Authority  
Board of Directors  
Vinita, Oklahoma  
June 13, 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 June 13, 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 June 12, 2018 at 9:56 a.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 24 hours prior to the meeting.

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The Secretary called the roll. All members were present, with the exception of Director Meyers and Director Richie, 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	Absent
Chris Meyers	Present
Dwayne Elam	Present
Ed Townsend	Absent

**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	Absent
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	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
Justin Alberty, VP – Corp. & Strategic Communications	Present
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Mike Doublehead, TPWA; Keith Skelton, City of Sallisaw; s, Cherokee Nation; Gary Pruett and Jared Crisp, MUB/City of Pryor; Tom Rider, MESO; Phil Stokes and Glen Sam, City of Siloam Springs; Craig Stokes, City of Collinsville; Tyler Cline and Derric Lollar, City of Miami; Sherri L. Stephens and Jason Anderson, Grand Telephone Company; Holly Moore, Melanie Earl, Brylee Harbuck, Jeff Brown, Michelle Day, Laura Townsend, Jerry Cook, Cameron Philpott, Jennifer Weatherford, Tamara Jahnke, Ash Mayfield, Spencer Moore, Ed Ferguson, Dana Shrum, Terry Woolman, Dave McCollaum, GRDA.

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## CONSENT AGENDA

### 2. April Claims, \$ 27,119,274.06, and May Claims, \$ 30,053,672.30.

#### 4.a. Resolutions of Commendation

- 1) Brett Harrison
- 2) Dave McCollaum
- 3) Brent McSpadden
- 4) Sandra Shaffer
- 5) Terry Woolman

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

Description and/or Make of Item	Model Number
Lincoln Welder	R3R-400
Lincoln Welder	R3R-400
Plasma Cutter	102
Man Basket Air Motor	101
Man Basket Air Motor	101
Man Basket Electric Motor	104
Man Basket Electric Motor	104
2 Motor Operation Man Basket	MKD2- 111-536
Rheem PACKAGE UNIT	RPNC- 058D000
2016 Bobcat S850	
Dodge, Ram 1500, 1998	
Ford, F-150, 1999	
Ford, F-150, 1999	
Dodge, Ram 2500, 2001	
Intemational, 1854, 1981	
Module, WDPF, Bargraph	2840A91G01
Module, WDPF, MA Station, 4 Push Buttons	2840835G01
LEGEND PLATE: WHITE, SPLIT, FOR USE W/BTG BOARD OIM'S	4259A98H08
FILTER: FULL, AMBER, FOR USE W/BTG BOARD OIM'S.	4259A98H14
LEGEND PLATE: FULL, WHITE, FOR USE W/BTG BOARD OIM'S.	4259A98H07

DIVIDER: FOR USE W/BTG BOARD OIM'S.	607-033-000
FILTER: SPLIT, AMBER, FOR USE W/BTG BOARD OIM'S.	4259A98H21
FILTER: SPLIT, BLUE, FOR USE W/BTG BOARD OIM'S.	4259A98H18
Module, WDPF, Operator Interface, 6 Push Buttons	2840A36
Card, WDPF, QRT Bridge, G02	7380A92G02
Card, 2500, Power Supply Switch	743A362G02
TRANSFORMER: +5, +20 & -20 VOLTS	669A688H01
TRANSFORMER: X25	4258A40H01
TRANSFORMER:	1501D29801
PULLEY: CHART DRIVE	1730B30H01
SWITCH: MAGNETIC REED, (TOP ASSEMBLY)	278379-007
SWITCH: MAGNETIC REED, (BOTTOM ASSEMBLY)	278379-008
Card, WEMAC, RPO, Power Supply	2838A43G02
Card, WEMAC, RPC, Driver	2838A41G03
Cell, Conductivity, Leeds & Northrup Series 4905	4905-10-33-333-20-000
BAG: TRANSPARENT STATIC SHIELDING, 8" X 10" WIDE	TYPE 2100
BAG: TRANSPARENT STATIC SHIELDING, 12" X 16"	2100RSP12X16
BAG: TRANSPARENT STATIC SHIELDING, 8"X12"	2100 8"X12"
BAG: TRANSPARENT STATIC SHIELDING, 18" X 18"	TYPE 2100 RSP18X18
SOCKET: LAMP, INDICATING, 2-PIN	81590-8407
ASSEMBLY: VEE DEFLECTOR, FOR 3000 SERIES 02 PROBE	3534B48G01
SWITCH: SOCKET	308-9235-002
SWITCH: CAP, BLANK	607-9274-001
SWITCH: SOCKET	308-9274-006
SWITCH: SOCKET	308-9274-002
Card, Annunciator, RA-2849-1, Input Check	RA-2849-1
Supply, Power, 23-25 VDC, 4 Amp	PTM24-4
SOLENOID: ROTARY, VERTRAK (obsolete)	1500D39G03
Supply, Power, Veritrak, 24 VAC, 27 VDC, Internal	7510E25G02
CHART DRIVE: ASSEMBLY, VERITRAK RECORDER, 3/4"HR	1500D85G01
MOTOR: 3 HP, 460 VAC, 1800 RPM, 3 PHASE. U-1 SH & RH DAMPER	9E-77488
Module, WEMAC, Position Feedback, With J-Box And Limits	6634D99G08
TACHOMETER: ASSEMBLY, WEMAC DRIVE	478920-011
Card, Transmitter, Pressure, Amplifier	01151-0137-0001
Card, Transmitter, Pressure, Calibration	01151-0138-002
Card, Transmitter, Pressure, Calibration, 1151DR	01151-0309-0001
SWITCH: LIMIT ASSY	16-40851
BELT: RECORDER, VERITRAK	5503A66H02
BELT: COG, VERITRAK	5503A66H01
Supply, Power, Computer 12 Volt, 60 Amp, 110 R 20 VAC	SW-12-K-P2956
Supply, Power, Computer, 115 VAC, 5 Volt, 60 Amp, 12 Volt, 5 Amp	RT 301
THUMBWHEEL ASSEMBLY: 3 POSITION	80703

Card, Annunciator, RA-2818, 16 Point Input	1031-018
Card, Annunciator, RA-2833, Input/Output	1031-033
Card, Annunciator, RA-2840, Logic Extender	1031-040
Supply, Power, Annunciator, RA2860-1 Logic	1031-060
Card, Annunciator, RA-2864, Input Check	1043-595
Card, Annunciator, RA-2866, +27 Volt Regulator	1031-066
Card, Annunciator, RA-2867, -30 Volt Regulator	1031-067
Card, Annunciator, RA-2868, -12 Volt Regulator	13-031-068
Ribbon, Printer, 1/2" x 60 Yards	RI-1021E
Card, Annunciator, AN-4113, Reflash Input	1035-826
Supply, Power, 12-4 Seperate Supplies, 12 And 24 VDC	AN-4159
Card, Annunciator, AN-4170, Power Supply, 6 VDC	1037-260
DIODE: LIGHT EMITTING	4860-710
CELL: TRANSMITTER, DP	0115-0112-0002
CELL: TRANSMITTER, DP4, 0-150" H2O	1151-0011-0042
KIT: CHLORINE RECHARGE	2002402
Card, Analyzer, pH and Conductivity, Alarm	2002060
LENS: LAMP, RED, MINIATURE	739B32G02
MOTOR: CARRIAGE DRIVE 10 CPI, SPARE PARTS	2232582-8001
SWITCH: MICRO, PAPER OUT, TI PRINTER	0996169-0001
NOSEGUIDE: PRINT HEAD	099698-0001
HOUSING: RIBBON GUIDE	0999731-0001
FAN: COOLING, ASSEMBLY, FOR TEXAS INSTR. MODEL 820 KSR	999819-0001
Cable, Special, 50 Foot	TYPE 380-50-12
METER: 5"	370-1104-401
GASKET: SET	2800-119
GASKET: SET	2800-297
METER: CONDUCTIVITY MONITOR, RANGE 0 TO 50 MICRO	2310-156
Card, Analyzer, Conductivity, Function 915N	SS600CD
Card, Analyzer, Conductivity, Rear Assembly	SS600CG
Card, Analyzer, pH and Conductivity, 4-20MA Output	40091
Card, Analyzer, Conductivity, Extender	6057
ASSEMBLY: 4 POSITION TW	772B310G02
Stem, Valve, w/Disc, For Kent Valve	Kent 227/1556
Ring, Seat, For Kent Valve	Kent 217/136SDSO
Guide, High Friction, For Kent Valve	Kent NBE003115
Gland, For Kent Valve	Kent 258/002
Washer, Packing, For Kent Valve	Kent 251/004
Assembly, Body, Pump, For Williams Injection System Model P250-D225	Williams P250DPB
Relay, Protective, LOD-TRAK II,	GE DS305MLTAA
Relay, Protective, LOD-TRAK III	GE DS3845LT 3A1A2
FUSE BLOCK: SINGLE POLE, SIDE SOLDER TERMINAL	Bussmann 4406
FUSE: TELECOMMUNICATION FUSE, GLASS FERRULE	Bussmann 70A 1 1/3

FUSE: TELECOMMUNICATION FUSE, GLASS FERRULE	Bussmann 70D-5
CURRENT LIMITER: BOLT MOUNT, 600 VAC, 1800 AMP	Westinghouse 140D316G10
FUSE CLAMP: NO. 4 TRON CLIP	Trico 4
FUSE CLAMP: NO. 2 TRON CLIP	Trico 2
Fuse, Power Distribution, Knife, Dual Element, Class RK1, 250VAC, 200A	Bussmann LPN-RK-200
FUSE: POWER DISTRIBUTION, KNIFE, DUAL ELEMENT,	Bussmann LPN-RK-125
FUSE: POWER DISTRIBUTION, KNIFE, DUAL ELEMENT	Bussmann LPN-RK-250
FUSE: POWER DISTRIBUTION, KNIFE BLADE CONNECTION	Bussmann KTN-R-400
FUSE: POWER DISTRIBUTION, KNIFE BLADE CONNECTION	Bussmann KTN-R-100
Fuse, Power Distribution, Bolt Mount, Time Delay, UL Class L, 800 Amp	Bussmann KRP-C-800
FUSE: POWER DISTRIBUTION, KNIFE BLADE CONNECTION	Bussmann KTN-R-150
FUSE: POWER DISTRIBUTION, KNIFE BLADE CONNECTION	Bussmann KTN-R-70
FUSE: POWER DISTRIBUTION, FERRULE, FAST ACTING	Bussmann KTN-R-60
FUSE: POWER DISTRIBUTION, KNIFE BLADE CONNECTION	Bussmann KTN-R-80
Fuse: Power Distribution, Knife Blade Connection, Fast Acting, UL	Bussmann KTN-R-600
Transmitter, Position, Rotary, Electro/Mechanical	Bailey Controls RQ20
ARM ASSEMBLY: FOR BAILEY RQ20 POSITION TRANSMITTER	Bailey Controls 6631505-1
BRACKET: MOUNTING	Bailey Controls 6622766A1
BEARING: BALL, FOR TWIN DISC CLUTCH	Twin Disc M201431
O-RING: FOR TWIN DISC CLUTCH	Twin Disc M201399N
RING: GASKET, CORPRENE, FOR TWIN DISC CLUTCH, ITEM #8	Twin Disc 211068
O-RING: FOR TWIN DISC CLUTCH	Twin Disc M201399U
BEARING: BALL, FOR TWIN DISC CLUTCH,	Twin Disc M2011432
O-RING: FOR TWIN DISC CLUTCH	Twin Disc A2916BV
KIT: SEAL ASSEMBLY, FOR TWIN DISC CLUTCH	Twin Disc X213153A
Card, Annunciator, AN-1165, Single Point Sequence	Rochester A-1025-266
Card, Annunciator, AN-1128, Interface Flasher	Rochester A-1020-743
Supply, Power, Computer, Input 125 VDC, Output 24 Volt And 9.6 Amp,	Rochester A-1029-534
Card, Annunciator, RA-857, 16 Point Optical Isolator	Rochester A-1027-530
Card, Annunciator, RA-840A, 10 Point Input	Rochester 1021-881
Paper, For Numeric Printer	Rochester A-1015-066
Ribbon, Printer, Rochester Numeric	Rochester A-1015-065
Card, Annunciator, RA-1813, Interface Module	Rochester A-1020-098
Supply, Power, Computer, Input 120 VAC, Output 24 VDCP,12 VDCP,	Rochester A-1019-963
Supply, Power	Rochester RA1859
Card, Annunciator, AN-1118R, Single Point With Relay	Rochester AN-1118R

Supply, Power, Annunciator, 125 VDC	Rochester AN-1178
Clark, C500-Y110D, 1986	
ACTUATOR: WEMAC, ELECTRIC MOTOR, 1500 FT. LB RH W/ LEVER	6633D89G01
ACTUATOR: WEMAC	SO 9E-77491 AND 9E-77492
ACTUATOR: WEMAC, NON-MODULATING 3RR W/CONTROL	SO-9E-77493
ACTUATOR: WEMAC, NON-MODULATING 2 RH, W/CONTROL	SO-9E-77494
GCB	HPL170/25AL
General Electric 345/161/13.2 kV Autotransformer and associated RTE 15 kV switchgear	240/320/400/448 MVA

- 4.c. Ratification of Power Cost Adjustment (PCA) of \$0.00130 per kWh for June 2018**
- 4.d. Power Cost Adjustment (PCA) of \$0.00041 per kWh for July 2018**
- 4.e. Final Order for Administrative Hearing Notice No. 2017-16 for Kelly Olds**
- 4.f. Agreement with ODOT - Maintenance of Watts Area, Adair County, Oklahoma**
- 4.g. Order for Removal for Administrative Hearing Notice No. 2018-3 for Tim Colvard**
- 4.h. Permit for Fiber Optics Cable to Grand Telephone Company, Inc.**
- 4.i. Riparian Protection Conservation Easement – Bryan Tate**
- 4.j. Riparian Protection Conservation Easement – Blake and Kathryn Stephens**
- 4.k. U.S. Geological Survey and Grand River Dam Authority-Scenic Rivers Operations Surface Water Operation, Maintenance and Water-Quality Sampling of Gaging Stations in the Illinois, Neosho, Spring and Elk River Basins for the Calendar Year 2018. GRDA-SRO cost-share amount not to exceed \$147,700.00**
- 4.l. Amendment of Cooperative Agreement between Oklahoma Conservation Commission and Grand River Dam Authority related to Project 14-180 Illinois River Riparian Protection Conservation Easements**
- 4.m. MRO Membership**
- 4.n. Ratification of Power Purchase and Sale Agreement with AECI – Amendment to Exhibit B Pages**
- 4.o. GRDA Membership Agreement with Municipal Electric Systems of Oklahoma (MESO)**
- 4.p. Change Order #1 to Contract 42063**
- 4.q. Facility Use Agreement – KAMO**

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

Standard Purchase Orders		
PO Number	Vendor Name and City State	Amount
42252	AVIAT US INC, MILPITAS, CA	1,323,154.33
90517	HITACHI T&D SOLUTIONS INC, SUWANEE, GA	489,000.00
42264	BRAINERD CHEMICAL COMPANY INC, TULSA, OK	359,352.00
42260	BRENNTAG SOUTHWEST INC, NOWATA, OK	190,500.00
90395	BOB MOORE FORD, OKLAHOMA CITY, OK	149,565.00
90165	HUDIBURG AUTO GROUP, MIDWEST CITY, OK	148,676.00
42256	AIRGAS SPECIALTY PRODUCTS INC, LAWRENCEVILLE, GA	147,000.00
42234	L & S ELECTRIC INC, SCHOFIELD, WI	106,660.00
42262	BRENNTAG SOUTHWEST INC, NOWATA, OK	98,720.00
90594	REXEL USA INC, BROKEN ARROW, OK	86,485.45
90394	BOB MOORE FORD, OKLAHOMA CITY, OK	81,990.00
90218	POWER & INDUSTRIAL SERVICES CORP, DONORA, PA	78,720.00
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
<b>Grand Total Standard POs:</b>		<b>\$3,554,171.39</b>
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
41078	EXPRESS PROFESSIONAL SERVICES INC, OKLAHOMA CITY, OK	700,000.00
42077	SBC LONG DISTANCE LLC DBA AT&T LONG DISTANCE, SAN ANTONIO, TX	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
<b>Grand Total Change Orders:</b>		<b>\$814,179.86</b>
<b>Grand Total</b>	<b>\$4,368,351.25</b>	

**5.c. June Purchase Order Report (\* Denotes Addenda Items)**

Standard Purchase Orders		
PO Number	Vendor Name and City State	Amount
42320	HITACHI T&D SOLUTIONS INC, SUWANEE, GA	3,938,000.00
42296	PRYOR STONE INC, PRYOR, OK	201,250.00
42313	OKLAHOMA WATER RESOURCES BOARD, OKLAHOMA CITY, OK	180,384.00
42294	SAFETY RESOURCES UNLIMITED INC, OKLAHOMA CITY, OK	131,450.00
91838	JOHN DEERE COMPANY, CARY, NC	120,529.47
91772	ABB INC, ST. LAURENT QUEBEC CANADA,	119,000.00
91771	ABB INC, ST. LAURENT QUEBEC CANADA,	100,770.00
42319	C H GUERNSEY & COMPANY, OKLAHOMA CITY, OK	100,000.00
91795	VIRGINIA TRANSFORMER CORP, ROANOKE, VA	89,610.00
91933	JACK KISSEE FORD, CLAREMORE, OK	69,737.00
91352	WARREN POWER & MACHINERY LP DBA WARREN CAT, TULSA, OK	67,588.00
91889	S & C ELECTRIC COMPANY, TULSA, OK	63,603.00
91349	C & R OIL CO, PRYOR, OK	62,468.00
91298	WARREN POWER & MACHINERY LP DBA WARREN CAT, TULSA, OK	60,997.00
92126	B & M OIL CO INC, TULSA, OK	31,234.00
42292	ROGERS STATE UNIVERSITY, CLAREMORE, OK	2,000.00
<b>Grand Total Standard POs:</b>		<b>\$5,338,620.47</b>
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
42293	MUNICIPAL ELECTRIC SYSTEM OF OKLAHOMA INC - (MESO), OKLAHOMA CI	100,000.00
42104	SOUTHWEST POWER POOL, LITTLE ROCK, AR	80,000.00
40091	CONSOLIDATED COMMUNICATIONS, WESTFIELD, NY	36,206.31
42176	AMERICAN TIRE DISTRIBUTOR, TULSA, OK	35,000.00
91713	ADVANCED SYSTEMS FOR POWER ENG INC DBA ASPEN INC, SAN MATEO, C	16,807.10
89756	NOMAD GLOBAL COMMUNICATION SOLUTIONS INC, COLUMBIA FALLS, MT	10,436.23
40357	PUREWORKS INC DBA UL WORKPLACE HEALTH & SAFETY, FRANKLIN, TN	3,391.50
40624	WARREN POWER & MACHINERY LP DBA WARREN CAT, TULSA, OK	0.00
40105	YELLOWHOUSE MACHINERY CO OF OK, SAND SPRINGS, OK	0.00
41430	ALLEGIS GROUP INC DBA AEROTEK INC, TULSA, OK	0.00
40922	WARREN POWER & MACHINERY LP DBA WARREN CAT, TULSA, OK	0.00
40957	YELLOWHOUSE MACHINERY CO OF OK, SAND SPRINGS, OK	0.00
<b>Grand Total Change Orders:</b>		<b>\$281,841.14</b>
<b>Grand Total</b>		<b>\$5,620,461.61</b>

**5.d. Work Order Report (\* Denotes Addenda Items)**

Number	Title	Amount
RF018-00894	Install Meters per ITA Agreement	\$55,300.00
RF018-00896	Stilwell - 69kV CB and Relay Upgrades	\$1,188,600.00
RF018-00899	Salina Pump Storage station service breaker replacement	\$283,200.00
RF018-00900	Hydro Compliance TK PRO LOTO Project	\$52,500.00
RF018-00901	Power Invertors for RTU Firewalls	\$78,100.00
<b>Grand Total Work Orders</b>		<b>\$1,657,700.00</b>

Director Churchwell moved to approve the consent agenda, seconded by Director Kimball, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. Motion passed (5-yes, 0-no, 0-abstained).



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## **REGULAR AGENDA**

### **3. Unfinished Business**

#### **3.a.(1) Progress Reports**

Mr. Sullivan reported there was an opportunity in May to go to Washington, DC, with the Tulsa Regional Chamber. He stated that during his time there the group had opportunity to meet with some Large Public Power Council colleagues. Mr. Sullivan presented a photo of the group and identified non-GRDA personnel. He stated the group had an opportunity to meet with several members of Congress, specifically talking about cyber security and activity in that arena, saying he is also very concerned about overreaction to cyber events with hopes that what Congress gives the industry is real-time data and fewer reports to complete.

Mr. Sullivan said Memorial Day weekend was very busy for GRDA. The weather was good and boat counts were up. He reported boat counts on that Saturday being 1,660 on Grand Lake, 66 on Lake Hudson, and 1354 over the weekend on the Illinois River. Mr. Sullivan said water levels were normal and there were no major accidents or incidents on GRDA waters. He was also happy to report there were no drownings statewide over the weekend.

Mr. Sullivan told the Board there was a fire in one of GRDA's transformers at the Grand River Energy Center (GREC). He showed photographs of the substation yard and the transformer, and said this was a 35 year old transformer on the list for replacement. Mr. Sullivan explained the Engineering Team is further evaluating this to determine needs, etc. He said the problem seemed to be an internal failure and the team had just recently performed testing of this unit with it testing fine. However, with age performance can be difficult to anticipate. Mr. Sullivan said there was a brief shutdown of GREC Unit

2, but the unit was restarted that evening, and it has not otherwise had any major impact on operations.

He said GRDA hosted all of the superintendents of the Oklahoma Department of Career Tech recently at our GREC facility. They came from all over the state as part of their annual meeting. Mr. Sullivan welcomed them and talked about GRDA's needs. He said the attendees had an chance to tour GREC Unit 3, and this was a great opportunity to show them that the next generation will need to have the training and expertise to be a part of something state of the art.

On this past Wednesday, Mr. Sullivan addressed the Rotary Club of Tulsa to give them an overview of GRDA. He state that one of the things he appreciates about these opportunities is describing GRDA is like talking to the blind man trying to describe an elephant, whatever they know at the time is what they think it is. Mr. Sullivan said, if you are a lake customer that is what you see GRDA as; if you are one of GRDA's electric customer cities that is what you see GRDA as. He explained he received some great feedback and questions about the operations of GRDA.

Mr. Sullivan reported that GRDA received a Certificate of Special Recognition from the office of Congressman Markwayne Mullin for the Rush for Brush program. His Field Representative, Debbie Dooley, presented the award to Mr. Sullivan and Dr. Darrell Townsend. Mr. Sullivan said he recognized the great work that Dr. Townsend's group has done and wanted to recognize them for that. He said GRDA appreciates this and is glad to build on the fish habitat each time the great number of volunteers work on this project. Mr. Sullivan and Dr. Townsend said this program has been in place for almost 11 years and is gaining momentum. Dr. Townsend said one of the last events held recently was almost all with new volunteers.

Mr. Sullivan said later this week a number of GRDA staff and a number of customers will be leaving for New Orleans, Louisiana, for the annual APPA meetings and conference. They will have a good representation from GRDA and the group is looking forward to meeting with everyone.

Mr. Sullivan said GRDA has recently dubbed 2018 the year of efficiency and would like to begin with the GREC. He introduced Mr. Ladd.

Mr. Ladd reported that he and his staff are proud of the achievement thus far in 2018. He said he will be going over some projects that are ongoing and some feedback on projects that have been completed and efficiency improvements for the Grand River Energy Center (GREC). Mr. Ladd stated they would like to make the complicated simple and find out how to reduce input and improve output, thus improving efficiency. He said the key to efficiency improvements is to conduct a baseline evaluation and understand GRDA's current position, as compared to the ideal position, then to expose limiting factors in processes that result in a less than desirable outcome. Also, he would like to foster an innovative environment and culture, empowering teams to develop solutions. He said the next questions they asked themselves was why thermal generation efficiency improvements are critical. Mr. Ladd showed a screen shot taken in May from SPP showing metrics as to current generation mix percentages by fuel type as well as system metrics and milestones. He said there is a need to reduce operating costs through efficiency improvements that are plant- and performance-based, as well as business processes that need to be updated. He explained to finalize the initial study the GREC team came up with a 2018 Efficiency Improvement Plan. Mr. Ladd showed a graph illustrating the GREC Unit 2 heat rate improvement, which is 15.9 percent. He said the potential fuel cost savings based on 2015 generation would equal \$5,140,651.66. He presented some project examples to the Board of heat rate and cycle efficiency and went

over each, totaling a \$806,842 investment. This was done by working smarter, not harder and trying to do more with less, as well as maintaining and sealing up the systems well to prevent waste. Mr. Ladd said a lot of these projects were conducted in-house by GREC staff, and not only did the GREC need to improve efficiency, but also needed to improve reliability. One of the most significant reliability hits for GREC Unit 2 was the automated drum level control during startup. He described how the startup process works with SPP and associated costs, as well as the risk and why the drum level control was such a big area of concern. Mr. Ladd told the Board prior to January 2018 GRDA would take the operator away from the board to sit at a desk and manually control the drum level for 12 hours until the next person came to relieve them. He showed the number of drum level trips per year for GREC Unit 2 and commented since the implementation of the changes there have been no trips during 2018. The total project cost was \$18,781.99 and was designed and implemented in-house. Mr. Ladd explained the next example was to improve turn down ratio. He showed a graph and explained what the graph displayed. Mr. Ladd said where the GREC units stand today is GREC Unit 2 is a 520MW coal unit , with the previous minimum load being 225MW, now 150MW and testing at 120MW. This reduction will minimize overnight losses to improve our position in the market using \$0 capital investment, and all work was done internally. GREC Unit 3 is a 495MW gas unit with a current minimum load being 260MW. The team needs this to be at about 150MW or lower. He explained this unit will require a capital investment since it is operating a bit differently than originally anticipated. Mr. Ladd said he recently traveled to Orlando, Florida, to give a presentation on why turn down ratio is so important to GRDA, and stated, as it turns out, Mitsubishi has a package/case study available for the M501G unit, the predecessor to the M501J GRDA has. GRDA is working with their team to implement a program and has had some great feedback. Mr. Ladd said the next phase is for staffing

optimization. He showed the peak head count and what the head count was in 2017, as well as 2018. He commented the opportunities and challenges are to maintain a safe work environment, minimize overtime, invest in GRDA employees and maintain efficient and reliable plant performance. Mr. Ladd showed average overtime hours per pay period over the last few years and how it has significantly decreased. He said to get all the work done with fewer people they implemented a maintenance scheduling solution in 2016 through Maximo Scheduler software. Mr. Ladd stated the total estimated savings from 2015 to 2016 was \$596,770.70 in contract services, craft overtime costs and completed work orders. Mr. Ladd showed the up-front costs of the Maximo Anywhere and Scheduler applications and what the cost-benefit analysis was. The benefits gained by using this was improved labor efficiency, budget accuracy and accountability, safety culture, environmental inspections, plant and process efficiency, data collection and reduced operator error. Mr. Ladd showed graphs illustrating scheduling and asset management measurements and explained each. The team's preventative maintenance goal is 97 percent completion rate by the end of this year. Currently, they are trending in the right direction and are at 87 percent. Emergency work that requires overtime and situations that are not anticipated where the goal is 10 percent, and the current rate is 25 percent. Mr. Ladd showed the work order completion rates for 2015 to date, and said the team is on track to meet the number anticipated. He said the availability and reliability, which include Equivalent Availability Factor (EAF) and Equivalent Forced Outage Rate (EFOR) is currently at 95.04 percent EAF, and 19.6 percent EFOR for GREC Unit 2, and GREC Unit 3 is exceeding our standards at 99.56 percent EAF, and 0.65 percent EFOR. Mr. Ladd told the Board the next step in sustaining peak human performance is to conduct Baseline Assessment Testing for all employees, and this is about 90 percent complete. They are issuing personalized training to each employee; recertification of long tenured

employees; and investing in multi-craft type positions as an O&M Technician. He said he believes this will capitalize on reserved shutdown opportunities and provide 24/7 maintenance coverage. Mr. Ladd explained there has been a group of people selected for this and the program is in place as of June 1, 2018. He showed what a GREC Operations Department Training & Career Progression chart looks like to a new employee and a graph showing the GREC O&M expenses relative to the budgeted amount and the actual amount from 2013 to date. Mr. Ladd said it is likely they will be under budget by a little over \$3 million by the end of 2018. Currently, the O&M budget position through April 30, 2018, is \$3,444,735 under budget.

Chairman Vandevier asked if this includes the new maintenance agreements related to GREC Unit 3. Mr. Ladd said this includes everything, only excluding fuel pumps. Director Churchwell asked what the training time for the multi-craft position discussed. Mr. Ladd said it depends on the individual and their experience and knowledge. He said there are currently a couple of employees that have already had all of the training needed and could function today at that level, but there are also some entering the program that could take 3 to 4 years to complete their training. It is very personalized. Mr. Ladd said the industry is moving toward this type of multi-craft position at many facilities.

Director Elam commented he liked the recertification process Mr. Ladd described because this keeps everyone's skillset sharp.

Director Kimball asked Mr. Ladd to clarify, with the new heat rates on GREC Unit 2, are they operating the unit more overnight to keep from having to restart. Mr. Ladd said if the prices are so terrible that it would not make sense to continue to run the unit, they will cycle the unit, but GRDA can put themselves in a better position overall if the numbers make sense to turn down the unit. Director Kimball commended them for this.

Chairman Vandevier commented this is an impressive effort and very good to see.

Mr. Sullivan stated GRDA will have additional presentations each month. Mr. Jacoby will be making a presentation next month on what his department is doing, as well as Transmission and others. He said he would like to give the Board an overview of what is being done Authority-wide. He commended Mr. Ladd and his team on what they are doing, saying they have brought vision and energy to the process with obvious results. Mr. Sullivan thanked Mr. Ladd for presenting this information to the Board.

He also said the Training Department under Mr. Goodwin has been centralized and is utilizing additional software and programs to make sure Authority-wide there is a central location to maintain all of the training records. Mr. Sullivan stated he anticipates having one of our future Board meetings this year at the new Training, Safety and Environmental building at the GREC. He told the Board GRDA has repurposed the building that had been for Construction Management previously.

#### **4. New Business**

##### **4.r. Renewal of Directors and Officers and Employment Practices Liability Insurance Coverage**

Mr. Lofton said the Grand River Dam Authority maintains \$35 million in Directors and Officers Employment Practices Liability Insurance. This amount is recommended by GRDA's insurance broker for a utility of its size and this policy provides coverage to GRDA as the entity and to the directors, officers and employees. It covers claims involving breach of duty, errors and omissions, failure to act and employment practices. He stated GRDA added coverage for Antitrust matters a couple of years ago with a \$10 million liability sublimit. It is co-insured where AIG pays 80 percent and GRDA pays 20 percent should there be a claim of this type. Mr. Lofton shared that Directors and Officers coverage is provided through 3 layers that total \$35 million. He showed a table illustrating who holds the current coverage and the amounts of each for AIG, Navigators and AWAC.

He showed the expiring annual premium and said that all 3 companies offered GRDA renewal premiums with no increases. Mr. Lofton said GRDA's insurance brokers approached other competing carriers who declined to quote because they either did not feel they could compete or because GRDA is not the type of business they prefer to insure.

Director Churchwell moved to obtain Directors and Officers Liability Insurance Coverage from AIG, Navigators Insurance, and Allied World Assurance Company as presented for the combined amount of \$156,064, seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

#### **4.s. Renewal of Excess Liability Insurance Coverage**

Mr. Lofton said the GRDA maintains \$60 million of Excess Liability insurance coverage over a \$2 million self-insured retention. This provides coverage for claims involving bodily injury and/or property damage and includes coverage for claims arising from sudden and accidental pollution, as well as coverage for Acts of Terrorism. He stated that GRDA has 3 layers of coverage, provided by ACE, Ironshore and Starr. He said when this policy came up for renewal, Ironshore and Starr offered a renewal premium without change, but ACE offered a renewal with an increase of about 3 percent. ACE provided the first layer of coverage at \$25 million, Ironshore provided the second layer of coverage at \$25 million, and Starr provided \$10 million in coverage. With this, AEGIS saw an opportunity and gave GRDA an additional quote to pick up the first layer of coverage, previously held by ACE, and increase it by \$10 million. ACE decided to offer to pick up the remaining \$25 million of coverage. Mr. Lofton said the end result would instead be a roughly 3 percent increase. GRDA would now be looking at about an 11 percent reduction over what the renewal quote was originally. He said AEGIS has an exclusion in their



sudden and accidental pollution coverage if the claim results from a pollutant that is stored for 12 months or longer at a facility. Mr. Lofton stated GRDA does not feel this is a significant risk, but nonetheless would like to make certain not to lose that coverage. Notably, the other carriers would not have this restriction, but the brokers over the last couple of weeks have been in talks with ACE and with GRDA's pollution coverage carrier. He told the Board it appears that ACE is going to assume the first layer of coverage for the sudden and accidental pollution coverage (\$25 million), then the pollution carrier would come in and pick up the next \$20 million. Mr. Lofton said the staff believes ACE will do this without any additional premium, but that the pollution coverage carrier will likely be asking for an additional 5 to 10 percent, to be discussed in the next presentation.

Director Meyers asked if there was a need for a second part of the motion if Mr. Lofton was confident ACE would accept the terms discussed. Mr. Lofton said he is not confident that ACE would not have an increase in premium with the changes. He stated the motion can be modified, if needed.

Director Kimball said he was very comfortable authorizing the \$384,553 or less to ensure this was executed without issue.

Director Meyers moved to authorize management to renew excess liability insurance coverage as presented for the combined premium and fees of \$384,553 or less, if the terms of coverage are acceptable to the Chief Executive Officer and General Counsel, seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

#### **4.t. Renewal of Pollution Liability Insurance Coverage**

Mr. Lofton stated GRDA maintains \$20 million of pollution liability insurance coverage over a \$500,000 self-insured retention. This covers expenses incurred resulting

from a pollution condition, including on-site clean-up and third-party claims for off-site clean-up. It also covers losses that GRDA becomes obligated to pay to third parties for bodily injury or property damage due to a pollution condition. He said coverage for third-party claims resulting from sudden and accidental pollution is in excess of \$60 million liability insurance coverage, but this could change depending on the result of the previous agenda item presented. Mr. Lofton showed the expiring policy premiums and the renewal and additional quotes.

Director Kimball moved to authorize management to obtain pollution liability insurance from Beazley with the \$500,000 self-insured retention for the total cost of \$102,596, or alternatively, should management agree to terms with AEGIS and ACE on excess liability coverage, authorize management to renew pollution liability insurance from Beazley for the total cost of up to \$112,856, seconded by Chairman Vandevier, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

#### **4.u. Transmission Tariff Update**

Mr. Brown showed an SPP transmission map of northeast Oklahoma. He explained some details of the map and went over transmission cost savings efforts. These efforts include increased engineering staff to replace engineering consultants, transitioning from maintenance-only operation to a maintenance and construction operation, increased focus on formal Asset Management program, proposed cross training program, proposed improvements to Fleet Management program, and amending the GRDA-KAMO Integrated Transmission Agreement. Mr. Brown showed a map of GRDA's transmission line map of northeast Oklahoma, as well as one that shows the same for KAMO. He explained both maps and what each illustrated, saying there has been an agreement in place between GRDA and KAMO for quite a few years and showed

a timeline of the steps in an effort to amend the GRDA-KAMO Integrated Transmission Agreement. Mr. Brown said the final settlement was reached in March of 2018. The settlement takes care of all claims in the arbitration case. He stated the total value of the settlement is about \$23 million. Mr. Brown explained the particulars of the settlement and said the terms of the amended and extended agreement were effective January 1, 2018, with a term of 20 years. He also explained there will be an on-going cost sharing consistent with the SPP Tariff and showed a graph representing the settlement revenues and details associated with this. Mr. Brown showed all of GRDA's peers within the SPP market and the average zonal rate. GRDA has the next to highest rate in this group as of 2016. However, with all of the efficiency efforts and savings, GRDA is currently much more in line with their peer group. He said things are moving in the right direction and talked about unforeseen and unavoidable expenses, and how the staff continues to work diligently to manage those.

Mr. Mike Doublehead commented that he and the City of Tahlequah made a joint decision with GRDA to build their own generation. So some of this does not concern them, but he can see where it could concern others. He stated he believes others may feel they are behind the curve, but that he believes GRDA is ahead of this curve for its customers. Mr. Doublehead added he thinks GRDA will be where other utilities have to get.

#### **4.v. Recommendation to Award Contract 42194 – Generating Machinery Services**

Mr. Ladd said GRDA has a contract in place for immediate use when needed with an existing contract that has expired for generating machinery services. This contract is to maintain reliability, expedited restoration of turbines, generators, and related machinery that is required. Prompt repair after a breakdown reduces the cost of

replacement purchase power and reduces risk to the electric system reliability. He stated GRDA is looking for an annual major repair contract for about \$4 million in services, with about \$500,000 on average being expected in a typical year. Mr. Ladd showed a chart of what these types of expenses have been historically and said this is a time and materials-based contract. This contract would be for 1 year, with provisions for renewal in 1-year increments, with a maximum of 4 renewals. Mr. Ladd said there was a sole bidder, Mechanical Dynamics and Analysis LLC (MD&A), a subsidiary of Mitsubishi Hitachi Power Systems, Ltd. (MHPS), which currently holds the expiring contract with GRDA. Their bid is \$4 million. He stated MD&A has provided quality work over the last 4 years, and a technical review of the bid finds MD&A is acceptable. The MD&A bid included exceptions to the terms and the GRDA staff is working through these. Mr. Ladd said the budgeted amount for this was about \$5.3 million for 2018 for equipment-related contractor work, but a lot of this work has been done in-house, and the actual payments year to date have been \$207,080.

Chairman Vandevier asked Mr. Ladd to clarify that this is a time and materials contract and we would only pay for what is needed. Mr. Ladd confirmed this.

Director Meyers moved that Contract 42194 for Generating Machinery Services be awarded to Mechanical Dynamics and Analysis, LTD in an annual amount not-to-exceed \$4,000,000, subject to approval of final terms that are satisfactory to the General Counsel and Chief Executive Officer, seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

**4.w. Proposed Task Request No. 11 under Work Authorization 38680 – Black & Veatch Engineering**

Mr. Ladd said the original work authorization provided for evaluation and engineering services of GREC Units 1, 2, and 3. The contract he is requesting approval for today will allow GRDA some flexibility and engineering services during the post-construction design modifications during the warranty period for GREC Unit 3, and continue to evaluate efficiency upgrades to the unit. Mr. Ladd said the \$658,461 was budgeted in 2018 for engineering services on this. Actual payments to date have been \$1,289. He gave examples and budgeted amounts for projects that would be a part of this contract, to include the GREC Unit 3 auxiliary boiler enclosure and demineralizer water supply, compressed gas bulk storage and the common back-up fire system supply.

Director Churchwell moved the Board approve the proposed Task Request No. 11 under Work Authorization 38680, with Black & Veatch, to perform authorized engineering and construction management services at the Grand River Energy Center, in a not-to-exceed amount of \$1,000,000, seconded by Director Meyers, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

#### **4.x. Amendment to Salina Bluff Stabilization Project**

Mr. Jacoby gave background on the project and said the penstocks, canal and forebay at Salina are excavated into weathered cherty limestone of the Keokuk formation. He stated this project has not been priority because of other work related to flooding damage and FEMA, but is being handled in-house for the most part. Mr. Jacoby explained seepage into the rock results in freeze-thaw action on the jointed rock and ultimately deposition of talus material of varying sizes from gravel size to 3-foot diameter boulders. He told the Board the larger boulders present a significant safety hazard and have caused various forms of damage to the penstocks. The original work order included engineering design, but there was a need for GRDA to discuss the problem with the Federal Energy

Regulatory Commission (FERC). GRDA made their own assessment and asked what the designer's recommendations would be for ways to go forward. The team came up with a revised design and FERC has approved the concepts and detail of the construction in progress. The area adjacent to the west wing wall has been found to be different from what was anticipated, and FERC has ordered that there is a need to redesign the foundation at the wing wall and prepare detailed geologic construction mapping. He said GRDA staff agrees with this. Mr. Jacoby went over the details of the original contract and the proposed redesign and mapping fee, with a proposed amended fee of \$220,351.

Director Meyers commented that this project has been ongoing. He said the Board has known that the situation is different than what originally thought, and the staff is just now at the point they are ready to complete this. Mr. Jacoby went over the details of what had happened since the onset of this project.

Director Meyers moved that previously approved Work Authorization No. 40923 with Burns & McDonnell Engineering, for engineering services needed for the design of the Salina West Penstock Bluff Stabilization Project be amended to review abutment stability issues encountered during construction by \$101,951 for a total amount not to exceed \$221,351, seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

#### **4.y. Other New Business**

There was no other new business.

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## 5. Reports

### 5.a. Board of Directors Committee Reports

1. **Assets Committee:** Director Churchwell had no report.
  - a. Consideration, Discussion and Possible Approval of Request by Waterfront Development Company d/b/a Colony Cove, for an Extension of a Commercial Permit.
  - b. Consideration, Discussion and Possible Approval of a Request by Elk River Mobile Home Park for a Lease of GRDA Property Located in Delaware County, Oklahoma.
  - c. Consideration, Discussion and Possible Approval of a Request by Sugartree Nursery for a Raw Water Contract.
  - d. Consideration, Discussion and Possible Action Related to Annual Review of Raw Water Rates.

**Regarding item a,** Mrs. Jahnke showed a map of the Ketchum Cove area and went over the details of this item, as well as the requirements of FERC. Director Churchwell said part of the discussion in the committee meeting was related to the 14 years this has been occurring. In the meantime, conditions have changed and the committee believes it is in the best interest of GRDA going forward to evaluate on a case by case basis for items such as this.

Director Kimball commented these extensions do require a lot of extra work on our staff.

Director Churchwell moved approval of a 3 year extension of the commercial permit issued to Water Front Development company-Colony Cove, For a total not to exceed price of \$118,455.00, subject to final approval by the Chief Executive Officer and the General Counsel, and the item was voted upon as follows: Churchwell, Elam, Kimball, Townsend, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

**Regarding item b,** Director Churchwell said this item is tabled until further work is done.

**Regarding item c,** Mrs. Jahnke said this is a request for a raw water contract to draw from the 14 Mile Creek area for Sugartree Nursery. She showed a map of the area and an aerial view of the facility. Mrs. Jahnke told the Board the nursery has been a customer since 2002 and showed what the current contract allows them to take per year. She said they have requested to renew the contract at 45 million gallons per year, and the staff is recommending a 2 year contract at the rate of \$0.11 per 1,000 gallons.

Director Churchwell moved the Board approve a new 2 year raw water contract to Sugartree Nursery, LLC for the maximum withdrawal of 45 million gallons per year, and the item was voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

**Regarding item d,** Mrs. Weatherford said the basis for the raw water rate was established by the 2007 water study. She stated the annual adjustments can affect the base rate, adjusted for the Consumer Price Index (CPI), and the variable rate, adjusted for actual expenses. Mrs. Weatherford showed a

calculation over 5 years and said the GRDA staff recommendation is to increase the base raw water rates effective July 1, 2018 by 9 percent. She explained how this affects different customers and showed the annual contract water revenues GRDA receives. Mrs. Weatherford said there would be an increase of \$21,438 in 2018 in revenue. Director Churchwell commented that committee discussion revolved around rate structures and obligations GRDA has. He also said there has been a political environment around what GRDA does and what has been done in the past, but stated in the future there may be more flexible opportunities to sell GRDA water at varying rates and to varying kinds of customers.

Chairman Vandevier clarified what the new rates would be. Director Churchwell said GRDA is one of the few entities in the State of Oklahoma that sells raw water.

Director Elam asked what the total number of raw water customers is. Mrs. Weatherford said GRDA has no more than 30.

Director Churchwell moved for approval of the rates as presented, and the item was voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

## **2. Audit, Finance, Budget, Policy & Compliance Committee:**

### **a. Ratification of Contract for Financial Advisory Services**

**Regarding item a,** Chairman Vandevier said Director Townsend is absent today, but there is one matter to discuss. There is a contract that needs ratification for financial advisory services. Mr. Rothermel said the chosen would provide independent financial advice and serve solely in the interest of the Authority. They would be familiar with GRDA's existing debt levels and covenants related to that debt, resolutions, financial policies, strategic plan, capital plan and anticipated financing needs. The financial advisor will provide timely credit market information, evaluation and presentation of financing options, long-term financial planning, documentation of finance decisions and on-going quantitative analysis. They would analyze and evaluate proposals received from underwriters and make necessary recommendations, as well as assisting with continuing documentation and review. The financial advisor would also assist with communications to the Authority's Board of Directors, customers and other outside organizations, as well as attending Board meetings and customer meetings to provide presentations as needed. The financial advisor will assist GRDA in preparing and presenting information to the credit rating agencies. He said we received 3 proposals, from Hilltop Securities, Columbia Capital Management, LLC, and PFM Financial Advisors, LLC. PFM has been our advisor for the past several years. We used best value criteria to evaluate who to award this contract to, and showed a chart illustrating this. He said PFM has so much more experience in the utility and public power industry it was worth the higher price to award this contract to



them. Mr. Rothermel said the State Bond Advisor reviewed the RFP and the responses. We met with the Audit, Finance, Budget, Policy & Compliance Committee on April 12, 2018 to discuss the evaluation and to obtain their approval and concurrence. The current contract expired on June 4, 2018.

Director Vandevier moved to ratify the selection of, and related contract with, PFM Financial Advisors, LLC to provide financial advisory services to the Authority, and the item was voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

b. **Compliance Committee:** Chairman Vandevier had no report.

3. **Compensation and Marketing Committee:** Director Kimball had no report.

a. **Power Capacity Utilization Subcommittee:** Director Kimball had no report.

4. **Fuel and Long-Range Planning Committee:** Director Meyers had no report.

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## 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 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.**
- 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 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.**
- c. **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.**

- 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 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.**
- e. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between the Board and its Attorney Concerning a Pending Claim Between GRDA and Northeast Electric Cooperative, Inc., which GRDA has Determined, with the Advice of its Attorney, that Disclosure of Confidential Communications will Seriously Impair the Ability to Process the Claim in the Public Interest.**
- f. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(1) to Discuss the Annual Review and Salary of the Chief Executive Officer.**

Director Kimball moved to go into executive session at 12:01 p.m., seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Director Churchwell moved to return to regular session at 2:00 p.m., seconded by Director Elam and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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## **7. Action on Executive Session Items**

- a. **Action, As Necessary, Concerning Confidential Communications on a Pending Investigation, Claim, or Action.**
- b. **Action, As Necessary, Concerning Confidential Communications on a Pending Investigation, Claim, or Action.**
- c. **Action, As Necessary, Concerning Confidential Communications on Matters of Economic Development.**
- d. **Action, As Necessary, Concerning Confidential Communications on a Pending Investigation, Claim, or Action.**
- e. **Action, As Necessary, Concerning Confidential Communications on a Pending Claim, or Action.**
- f. **Action, As Necessary, Concerning the Annual Review and Salary of the Chief Executive Officer.**

**Regarding item a.,** Director Churchwell moved to approve the amendment to Task Authorization related to Federal Energy Regulatory Commission Project No. 1494-348 as discussed in executive session, seconded by Director Meyers, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

**Regarding item b.,** Director Meyers moved to approve the Task Authorization related to Federal Energy Regulatory Commission Project No. 1494-348 as discussed in executive session, seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

**Regarding item c.,** Director Kimball moved to authorize management to proceed as discussed in executive session, seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

**Regarding item d.,** there was no action needed on this item.

**Regarding item e.,** Director Kimball moved to authorize management to proceed as discussed in executive session, seconded by Director Churchwell, and voted upon as follows: Churchwell, yes, Elam, yes, Kimball, yes, Meyers, abstain, Vandevier, yes. *Motion passed (4-yes, 0-no, 1-abstained).*

**Regarding item f.,** Director Kimball moved the Chief Executive Officer's salary be adjusted as discussed in executive session, seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

Chairman Vandevier moved for adjournment at 2:04 p.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Vandevier, yes. *Motion passed (5-yes, 0-no, 0-abstained).*

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Sheila A. Allen, Secretary

DATE APPROVED:

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GRDA Board of Directors