

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
Vinita, Oklahoma
July 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 July 11, 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 Clerk's office on July 10, 2017 at 9:52 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of GRDA at least 24 hours prior to the meeting.

Chair Vandevier called the meeting to order at 10:01 a.m. The Secretary called the roll. All members were present, and Chair Vandevier declared a quorum. 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/ 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	Absent
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	Absent
Justin Alberty, VP – Corp. & Strategic Communications	Present
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Mike Doublehead, TPWA; Gary Pruett, Jared Crisp, MUB/City of Pryor; Tyler Cline, Derric Louar, City of Miami; Pat Cummins, ERMU; Tamara Jahnke, Melanie Earl, Miya Boyken, West Hilburn, Ed Ferguson, Cameron Philpott, Jerry Cook, Jeff Brown, Ash Mayfield, Tony Back, GRDA.

CONSENT AGENDA

2. June Claims \$27,043,541.08.

4.a. Resolutions of Commendation: Chair Churchwell

- 1) Thomas Gage

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

Description and/or Make of Item	Model Number
Office Chairs - Lot of 7	N/A
Canon Image Class D 1120 copier	
Brother Fax 2920	
Ametek Annunciator - ISM	N/A
Electronic Database/Printer- Dell	N/A

4.c. Power Cost Adjustment (PCA) of \$0.000200 per kWh for August 2018

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

4.e. Order for Removal in Administrative Hearing No. 2018-9 Pete and Desiree Powers

4.f. Amendment to Contract for Taking of Raw Water from Grand River or its Tributaries – Locust Grove Public Works Authority

4.g. Cooperative Agreement with Oklahoma Conservation Commission

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

Standard Purchase Orders		
PO Number	Vendor Name and City State	Amount
42268	MARMIC FIRE & SAFETY CO INC, TULSA, OK	116,842.00
90971	VANCE COUNTRY FORD, GUTHRIE, OK	90,837.00
91199	VINSON PROCESS CONTROLS COMPANY LP, LEWISVILLE, TX	87,217.54
90834	IBM CORPORATION, BEDFORD, MA	78,526.35
42284	BRENNTAG SOUTHWEST INC, NOWATA, OK	77,400.00
91140	ELECTRICAL POWER PRODUCTS INC (EP2), DES MOINES, IA	76,027.00
91090	VANCE COUNTRY FORD, GUTHRIE, OK	61,413.00
90962	JACK KISSEE FORD, CLAREMORE, OK	39,824.43
42285	MCDONOUGH CONSTRUCTION RENTALS INC, HOUSTON, TX	34,336.00
90630	VANCE COUNTRY FORD, GUTHRIE, OK	30,468.00
90964	VANCE COUNTRY FORD, GUTHRIE, OK	30,173.25
42282	SOUTH CENTRAL INDUSTRIES INC, SHAWNEE, OK	20,000.00
91051	NORTHEAST TECHNOLOGY CENTERS, PRYOR, OK	17,850.00
42270	OKLAHOMA STATE UNIVERSITY, STILLWATER, OK	12,725.00
91086	AUTODESK INC, DENVER, CO	3,150.00
42267	STANDLEY SYSTEMS INC, OKLAHOMA CITY, OK	3,068.31
Grand Total Standard POs:		\$779,857.88
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
41234	BUCKMAN LABORATORIES INC, MEMPHIS, TN	358,481.00
41494	PATTERN RECOGNITION TECHNOLOGIES INC, PLANO, TX	68,400.00
42272	CONSOLIDATED COMMUNICATIONS, WESTFIELD, NY	18,000.00
89780	THERMO ENVIRONMENTAL INSTRUMENTS LLC, FRANKLIN, MA	1,308.00
41000	WASTE MANAGEMENT, TULSA, OK	500.00
40105	YELLOWHOUSE MACHINERY CO OF OK, SAND SPRINGS, OK	0.00
40624	WARREN POWER & MACHINERY LP DBA WARREN CAT, TULSA,	0.00
40627	THE G W VAN KEPPEL CO, KANAS CITY, KS	0.00
40922	WARREN POWER & MACHINERY LP DBA WARREN CAT, TULSA,	0.00
40957	YELLOWHOUSE MACHINERY CO OF OK, SAND SPRINGS, OK	0.00
Grand Total Change Orders:		\$446,689.00
Grand Total		\$1,226,546.88

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

Standard Purchase Orders		
PO Number	Vendor Name and City State	Amount
92844	CITEC HOLDING CO, LLC DBA CUSTOM TRUCK & EQUIPMENT, OKLAHOMA	417,074.00
92522	H&E EQUIPMENT SERVICES INC, BATON ROUGE, LA	143,300.00
42340	KONE CRANES INC DBA CRANE PRO SERVICES, TULSA, OK	100,050.00
92748	EPUMPS INC DBA ENGINEERED PUMP SOLUTIONS, TULSA, OK	90,099.00
92779	DEPARTMENT OF ENVIRONMENTAL QUALITY, OKLAHOMA CITY, OK	48,870.90
42338	AIRGAS INC, PRYOR, OK	6,900.00
Grand Total Standard POs:		\$806,293.90
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
92659	PINNACLE BUSINESS SYSTEMS, TULSA, OK	127,882.25
42335	OKLAHOMA WATER RESOURCES BOARD, OKLAHOMA CITY, OK	70,600.00
42330	MOTOROLA SOLUTIONS INC, FARMERS BRANCH, TX	64,214.99
41828	STILLWELL & ASSOCIATES OF THE USA INC, CHESAPEAKE, VA	55,493.00
42246	BENNETT SURVEYING INC, CHOUTEAU, OK	26,750.00
41619	MARMIC FIRE & SAFETY CO INC, TULSA, OK	6,162.50
42334	WASTE MANAGEMENT, TULSA, OK	4,000.00
42247	GREEN COUNTRY SURVEYING INC, PRYOR CREEK, OK	3,250.00
42248	ROSE & MCCRARY PC, GROVE, OK	3,150.00
42268	MARMIC FIRE & SAFETY CO INC, TULSA, OK	260.00
Grand Total Change Orders:		\$361,762.74
Grand Total		\$1,168,056.64

Director Kimball moved to approve the consent agenda, 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).*

REGULAR AGENDA

1. Special Board Minutes of April 26-27, 2018.

Director Churchwell moved to approve the special Board minutes of April 26-27, 2018, seconded by Director Vandevier, and voted upon as follows: Churchwell, yes, Elam, yes, Kimball, yes, Meyers, yes, Richie, abstain, Townsend, yes, Vandevier, yes. *Motion passed (6-yes, 0-no, 1-abstained).*

3. Unfinished Business

3.a. Progress Reports

3.a.1.a. Monthly Video Update – GRDA July 2018

• July 4th Lake/River Update

Mr. Sullivan greeted the Board and attendees. He said the annual American Public Power Association (APPA) National Conference was held June 17-20 in New Orleans, LA. Mr. Herron put his name in for an electric vehicle charging station during this time. The charger is a Class 2 charger and can charge faster than the Class 1, or home charger, units. Mr. Sullivan showed a photo of Mr. Herron being presented the unit and said this particular unit retails for around \$6,000, has 2 charging cables and stands about 5 feet tall to be mounted as a pedestal. The unit operates on a 2-pole, 40 amp, 240 volt (or 208 volt) breaker. He told the Board APPA will be presenting this unit to GRDA soon. Mr. Sullivan explained the staff have already been talking about acquiring some electric

vehicles for our fleet and this will help facilitate that. He also said, of course, GRDA will need to look at additional stations and locations to make certain everyone has access to this for those vehicles. Mr. Sullivan stated GRDA wants to be a leader in this area and it is one of the things as an industry that can be done to help lower carbon output, but also to make sure there growth in GRDA's load going forward. He commented this is a great way to do that and he is very glad Mr. Herron put his name in the hat.

Mr. Sullivan showed photographs from the Journey to the Bottom of the Creek day camp held at the Armory Municipal building in Tahlequah on June 27-28, 2018, and at the Scenic Illinois River. He said this event was organized by GRDA, the Oklahoma Conservation Commission Blue Thumb staff, and OSU Extension Services, who provided resources and activities. There were 18 children in attendance between the ages of 9 and 12. Campers learned about water quality, water conservation, aquifers, and the little creatures that live in the water with hands on activities and real life creek experiences. Mr. Sullivan stated GRDA has a similar program going on at the Ecosystems & Education Center in Langley at this time that also looks at water management for 6-8 year olds and helps to ensure clean water in the future. He told the Board his son was currently at the event and he is looking forward to hearing about his day. Mr. Sullivan said GRDA is very happy to participate in these types of programs and work alongside other organizations for this cause.

Mr. Sullivan reported the boat count for the fireworks on Duck Creek were at about 1600 this year for the 4th of July. He said the organizers of this event, among many, developed a different setup this year and brought in a barge with music playing up to the time of the fireworks. Mr. Sullivan stated overall this was a very successful holiday week, and he thanked Mr. Edwards and his crew for their hard work. He explained the events

being spread out over several days was quite a challenge. Director Kimball thanked Director Richie for hosting a great party for the 4th of July and for inviting the GRDA staff.

Mr. Sullivan said as the departments have been working on efficiency efforts he and the staff wanted to provide an update on what is happening in GRDA's Hydro Department, and introduced Mr. Jacoby for the presentation.

3.a.1.b. Hydro Projects and Efficiency Improvements

Mr. Jacoby said the Hydro Department started this process a number of years ago when he came on staff. He stated this was his goal, to be able to change the department's focus and modernize things. Mr. Jacoby told the Board that he hoped they see today a broader sharing of information with others that has greatly improved results. He commented that the team has made a lot of progress, but that there is still a lot of work to do. Mr. Jacoby showed a diagram illustrating the process being used as an organizational redevelopment model, the Appreciative Inquiry Model. He explained that a lot of organizational development models start with top level employees and filter down to the employees doing the work. However, with this model, it picks up issue items and brainstorming from the bottom to come up with a solution delivered with input from the staff directly involved in its execution. This model is a continuous improvement process and the next step would be to go back and reevaluate to ensure that things are getting done. Mr. Jacoby said, most importantly, it is the employees that are our most important asset. Their knowledge and history with the organization is critical to the performance of GRDA's assets. He stated the Hydro Department is trying to get to the place where the team believes they have identified most of the major problems, and now will be reassessing those. Mr. Jacoby explained the department is setting up a

training evaluation program as well, which is not an easy task. He introduced Mr. Tony Back who is spearheading the activity around this.

Mr. Back provided a bit of his background to the board and said what the GRDA team is seeing with the new market is that things are changing rapidly and the team realizes they were behind in some of their maintenance practices. He stated they want to address these issues that were discovered through this process.

Chairman Vandevier asked where the efficiency model came from and how it came about. Mr. Jacoby said it is a model he was exposed to through his MBA curriculum; as part of the MBA courses, organizational development was the subject that appealed the most to him. As he was going through the program, this course allowed him to study organizational structure and the differences between different concepts and models. He explained information about a case study that supported the type of model chosen for the Hydro Department.

Mr. Back said what the team found during their analysis as to where we were at was that we have a very aged workforce, some structural inefficiencies within the department, and we recognized we had a very reactive approach to maintenance and this is a major concern for us. We discovered that in 2014 70% of our Hydro Department employees were eligible for retirement within 5 years. In 2018, we are at approximately 50%. A number of employees have been eligible for retirement for many years, but have chosen not to do so. We looked at our incumbent employees, some with 40 years of experience, there is a lot of information they hold that GRDA would like to capture before they do retire. We are building a retention plan for them with performance based initiatives, and we included a succession plan that placed them as mentors in developing new employees. We developed a multi-craft apprentice program and also looked at recruiting a bit smarter to find that person best suited for the position.

With there being such a separation of crafts, we wanted to consolidate plant maintenance personnel under the plant superintendent. We dispersed the plant electrical crew throughout the department. We are cross-training all of the single craft employees and have developed that training process. Then we have developed a new employee multi-craft culture. We track all of our training through the new LMS program at GRDA. This is a huge benefit to us. We are doing dam safety training for the first time, where we are able to track our hydro employees (required by FERC) through the LMS program. We restructure our plant organizational structure and explained this. He also said they have implemented a 10-hour per day work schedule. This is very important to us to minimize call-outs at our key times of day. He explained why this has been crucial and showed a graph illustrating that overtime and double time had dropped drastically. With our reactive approach to maintenance, we changed this and using a work order based maintenance plan through Maximo, which included preventive maintenance job plans, corrective maintenance reporting and compliance job plans for critical work orders. We wanted to go from reactive to predictive, using the Maximo Dashboard. The employees see the benefit of this and we have had a lot of buy-in. Mr. Back showed a graph explaining their results in total maintenance expense. He explained the graph and told the Board where maintenance in the department is headed. We are investing in our guys, making some improvements and are seeing some results.

Director Meyers asked what the total employee for Hydro. Mr. Back said they are right now at 49, but have a couple of vacancies. We are working on trying to develop what the best count for the department would be, and trying to anticipate what upcoming retirements will mean for this as well. He said the recent high count was 54 in 2015.

Director Churchwell commented that most utility companies, particularly on the generation side, get to this for a number of reasons. He said this is what everyone in the industry is beginning to look at, particularly with new hires. Getting people who are or can be trained to do multiple tasks. The adjustment in the employees' work hours, once they get used to it, usually get rave reviews. He thought this was really on-target with optimizing the workforce, making them happier and being more productive for the organization. Wonderful effort.

Chairman Vandevier asked if they are monitoring in-service versus out-of-service incidents in some way, and how does this impact that. Mr. Back said this increases up time, especially when hydro generation is being used. We know what we have to do now and how to capitalize on opportunities to generate. Chairman said he thinks we are getting bang for our buck in optimizing and saving, but also keeping equipment ready to go when needed. We are beginning to gather enough records to have data to be more predictive in our maintenance activity. Director Churchwell asked if the manufacturer can help in gathering records and data on their equipment. Mr. Jacoby said they can, but it is difficult to acquire due to their schedules and other things.

Director Richie said he has had to make a lot of these type of presentations over the last 37 years and he commended Mr. Back, saying he did a great job.

3.a.1.b. Enterprise Resource Planning (ERP) Project Status Update – 3rd Quarter 2018

Mrs. Boyken provided a bit of background information for the Board about the ERP project. She said with GRDA's efficiency goals this is one of the top items to complete that will bring all departments together in a centralized fashion. She reminded the Board of the 2018 quarters 1 and 2 accomplishments where GRDA defined functional business requirements, date refinement, development of security configurations and determined how best to integrate with the Maximo Asset Management system. Mrs. Boyken said a

lot of firms use Maximo as a best-in-class asset management software and it has worked very well. Now GRDA intends to pull the purchasing and inventory functions out of Maximo and into the ERP. So, there is a need to do this successfully without negatively impacting current operational chains that use Maximo daily for work order management and restocking of inventory. After several weeks of research and working with the industry experts helping the GRDA staff (Sopris-ERP Vendor, and Starboard-Maximo Managed Services Vendor), on June 8, 2018, GRDA made the business decision to coordinate all functions for integrated supply chain management into the ERP as the centralized system of record as well. Currently, these functions reside within Maximo and integration must be developed to share information between the systems. Mrs. Boyken stated the GRDA staff is working with the vendors to come up with the actual financial cost to create the integration piece, and will likely be bringing a proposal to the Board for that piece in the near future.

Chairman Vandevier asked Mrs. Boyken to clarify that the decision was made to take purchasing and inventory and move it to the ERP instead of performing these functions from Maximo. Mrs. Boyken confirmed this. He also asked if ERP would do this better. Mrs. Boyken confirmed this also, and said that there are items in Maximo that are lacking, and there is a disconnect when it comes to GRDA being optimally financially stable and knowing what we have. She explained there is a study taking place now on GRDA's inventory management and the staff feels this is an opportunity to reset and make certain GRDA has the financial responsibility of our inventory and the purchasing portion, as well as vendor management, where it needs to lie. Chairman Vandevier asked if it was safe to assume that the cost to get the ERP running is going to go up a bit. Mrs. Boyken said GRDA is able to maintain in time and under budget for the ERP project, but the integration piece associated with it is through the Maximo managed services

agreement currently in place will need a change order. Chairman Vandevier asked if the staff was aware of the cost yet. Mrs. Boyken stated she was not certain at this time, but negotiations are occurring now.

Mrs. Boyken showed the forecasted ERP modules, which the Board had seen before. She showed a graph of the ERP Project budget, including invoices paid, managed services costs and the remaining project budget. Mrs. Boyken presented the implementation costs and said GRDA is 10 percent through the project budget to date. She further explained the project plan now has 424 project tasks, and right now 6 percent of the project work has been accomplished, but the team will now start loading in and populating data. Mrs. Boyken said the managed services agreement is GRDA's 5-year ongoing long-term partnership with the ERP implementer, but this has not been invoiced and will not be until the system goes live. The estimated time to go live is August 2019. She showed previously approved ERP Project expenses and explained these and what is included. GRDA has determined a Progressive Elaboration (Big Bang) approach be used as the ERP modules are interconnected and build upon the functional capabilities throughout the system. The Project Plan tasks will be divided into 7 group tasks (called Sprints) that build upon the interconnected modules. In the September time frame, Mrs. Boyken stated GRDA's ERP team will be able to see the system in action with real data in it, and be able to enhance and modify items. On the second Sprint, there can be more data refinement in the November time frame. At the end of this repetitive process, she said the team will have a truly live system that has been fully vetted through all of the project teams. There will be many test on reporting as well as training. This will allow the system to be used effectively and efficiently. Mrs. Boyken commented she feels very strongly this is the best approach for GRDA. She said there are 10 dedicated Sopris team members assigned to GRDA's ERP implementation as module functional experts and

they are very dedicated to the utility industry. Mrs. Boyken also said there are 21 dedicated GRDA team members on this project as their extra duties and there is a lot of progress being made. She stated the next steps are during quarter 3 and 4 to design, build and populate GRDA's data into the test environment of the ERP and that the Board would receive another update at the October 2018 Board meeting. She hopes by then she may be able to show the Board the actual system in action.

4. New Business

4.g. 2019 Workers' Compensation Insurance Coverage

Mr. Lofton said on July 1, 2018, GRDA's Workers' Compensation insurance coverage renewed. We have this coverage through the self-insured program run by the State Risk Management Division. The premium this year was \$434,002 and the annual policy period is July 1 through June 30. Mr. Lofton presented a graph that shows GRDA's recent history of premiums versus expenses dating back to 2013. It demonstrates what has been happening with the organization's increased focus on safety. He explained some of the recent changes in coverage over the last few years and said we are saving a great deal of money. He showed a graph of the number of Workers' Compensation claims per year, showing a trend downward in the number of total claims and lost time claims. He also showed a graph illustrating the number of absent days due to work-related incidents, with a great trend downward.

Chairman Vandevier commented that these types of statistics do not just happen on their own, it must be managed and this shows excellent results.

Director Townsend moved to approve the payment of \$434,002 to the State of Oklahoma for Workers' Compensation Insurance coverage effective July 1, 2018, to June 30, 2019, 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.h. Renewal of Property Insurance Coverage

Mr. Lofton said this policy renews August 1, 2018, and coverage is provided by FM Global. You will notice that the expiring policy was a 2-year policy. We met with FM Global of June 2016 where they presented their quote for this type of policy, which was new. They quoted very good rates for the term and then on July 1, 2016, we had the Unit 2 fire. At that point, we had not accepted that offer but it was not withdrawn because of the fire and they honored the quote. In August 2017 the premium came due and totaled about \$1.3 million. This took into account an FM Global membership credit provided to all insureds. He showed a graph illustrating the cost drivers associated with the renewal quote, saying these 3 things are the addition of GREC Unit 3, no membership credit provided by FM Global for any insureds, and a rate increase. He said the new total premium quote is for \$2,177,112.

Chairman Vandevier asked Mr. Lofton to clarify the amount of the rate increase portion. Mr. Lofton said there is a substantial increase in premium this year, but it is not only driven by the 20% rate increase. There is additional value of \$412 million property, as well as FM Global deciding not to offer a membership credit to their insureds. Chairman Vandevier asked if the membership credit is prorated across all FM Global clients in an equal fashion. Mr. Lofton confirmed this.

Director Townsend said the premium in relation to the insured amount is not out of line at all.

Director Kimball commented that with everything that has happened in the industry FM Global insures over the last 2 years he is frankly surprised the increase is

not higher. He also said he does not think GRDA could have had a better experience with an insurance carrier on the GREC Unit 2 claim.

Mr. Sullivan commented that FM Global did honor the 2-year renewal quote in 2016, when there was an opportunity with the GREC Unit 2 fire to do otherwise.

Director Churchwell moved to authorize the payment of \$2,177,112 to Oklahoma Management and Enterprise Services for the property insurance coverage provided by FM Global from August 1, 2018, to August 1, 2019, seconded by Director Kimball, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.i. Contract 42277 - Salina and Pensacola Service Breaker Improvements

Mr. Jacoby said the Pensacola and Salina station service breakers are in need of replacement. We do not operate them often, but they are getting old. We have problems as we do operate them. There are a number of these involved in this contract, 9 1600-amp and 32 800-amp breakers. During the Kerr Dam renovation, we upgraded the technology during the generation system overhaul between 2007 and 2014. The performance is an issue with these aged breakers that have the potential for safety issues. We put these out to bid and received 3 bids. The lowest bidder requires 10 days of generation outage on the plant during the installation of all of these breakers, but there is a risk here. The best provided bid is \$40,000 higher than the lowest bid with Schneider Electric, but does not require an outage. He showed the bids received and explained the lessened risk with Schneider Electric regarding lost revenue and generation. He explained that the recommended motion provides for an alternative if terms cannot be negotiated with Schneider Electric because of the exceptions they

have taken to the terms of the agreement. The CEO would be authorized to move to the first low bid with ABB, Inc. in that case.

Director Churchwell asked Mr. Jacoby to give an example of their exceptions. Mr. Jacoby said the biggest example was with liquidated damages being removed.

Chairman Vandevier asked what the value of a 10-day outage would be. Mr. Jacoby said he would not be able to provide an exact number, but it would be relatively high and a lot more than the additional \$40,000. He did say it is possible for GRDA to work with ABB, Inc. to schedule the outage during a good time should there be a need.

Director Churchwell moved that subject to successful negotiations of contract terms by Counsel, Contract 42277 for the replacement of station service breakers at the Salina and Pensacola Projects be awarded to Schneider Electric, USA as the lowest and best bid for a lump sum price of \$488,000; if the terms cannot be negotiated, the Chief Executive Officer is authorized to move to the first low bid, 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.m. 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 Elk River Mobile Home Park for a Lease of GRDA Property Located in Delaware County, Oklahoma.**

Regarding item a, Director Churchwell said there was only one item brought before the committee this morning. The item is related to a lease extension for a mobile home facility on the Elk River. This piece of property was leased in August. However, between 1996 and today there was not any review of the property values to help determine the amount of monthly remuneration that GRDA would receive. Director Churchwell said GRDA now has a new survey and an updated amount that is acceptable to the leasee. However, he stated the people that live there are retirees on fixed incomes and the substantial increase would be very difficult for them. To help ease some of the hardship caused by this for the residents, Director Churchwell stated the motion will be to phase-in over a 2-year period the full amount of the increase. He explained this is acceptable to the leasee and the leasee believes it will be acceptable to the residents there. This allows GRDA to recover the appropriate lease cost, but will also help out the residents and leasee of this property.

Director Churchwell moved the Board approve a 10-year lease to The Cummins Family Living Trust for the amount of \$1,340.00 per month to be phased in over 2 years with the \$1,340.00 per month beginning the third year, seconded by s 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.
 - a) Compliance Committee: Director Vandevier had no report.
- 3. Compensation & 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.

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.**

Director Kimball moved to go into executive session at 11:08 a.m., 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).*

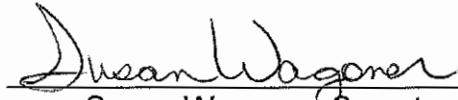
Director Townsend moved to return to regular session at 11:42 a.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Meyers, Richie, Townsend, Vandevier, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

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

Regarding item a, Director Churchwell moved for approval of the amendment to the Master Agreement related to the Federal Energy Regulatory Commission Project No. 1494-348, as discussed in executive session, 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).*

Director Churchwell moved for adjournment at 11:43 a.m., 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).*



Susan Wagoner, Secretary Pro Tem
for Sheila Allen, Corporate Secretary

DATE APPROVED:

9-18-2018
GRDA Board of Directors