

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
Chouteau, Oklahoma
November 8, 2017**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Energy Center, Chouteau, Oklahoma, on November 8, 2017. 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 November 30, 2016, at 3:32 p.m.; by posting the agenda with the Craig County Clerk's office on November 7, 2017 at 9:21 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of GRDA at least 24 hours prior to the meeting.

The Secretary called the roll. All members were present, and Chair Vandevier declared a quorum. Chair Vandevier called the meeting to order at 10:05 a.m. Mr. Philpott introduced guests.

BOARD MEMBERS

Joseph Vandevier, Chair	Present
Tom Kimball, Chair-Elect	Present
Pete Churchwell	Present
James B. Richie	Present
Chris Meyers	Present
Stephen R. Spears	Present
Ed Townsend	Present

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Chief Operating Officer	Present
Eddie Rothermel, Chief Financial Officer	Present
Heath Lofton, General Counsel	Present
Charles J. Barney, Executive VP - Fuel and Generation Projects	Present
Ellen Edwards, Executive VP of 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
Mike Herron, VP – Engineering, System Operations and Reliability	Present
Darrell Townsend II, VP – Ecosystems/Lake Operations	Present
Robert Ladd, VP – Grand River Energy Center Operations	Present
Steve Jacoby, VP – Hydroelectric Projects	Present
Mike Waddell, VP – Transmission and Distribution Operations	Present
Sheila Allen, Secretary	Present

Others present were as follows: Mike Doublehead, TPWA; Jared Crisp and Gary Pruet, MUB/City of Pryor; David Rountree, City of Miami; Phillip Stokes, Roger Bland, and David

Fletcher, City of Siloam Springs; Mark Chesney, Kansas Power Pool; Don Templeton, Dave Brubaker, Gene Morgan, T. J. Schultz, Rick Brenner, Dave Lucas, Barry Nichols, Mike Furrow, Siemens; Derek Plowman, Paul Munilla, David Novak, David Bawley, Hafil Tahir, GE; John Johnson, Tom Schrader, and Monty Hintz, Black & Veatch; Brian Glenn, MGTA; Mike Henning, Mike Molina, Steve Schrader, Chris Rosa, Mike Thomas, FM Global; Justin Alberty, Jeff Brown, Jeremy Conn, Jerry Cook, Willie Crawford, Michelle Day, Ben Desrochers, Melanie Earl, Ed Ferguson, Ed Fite, Tom Gray, Lorie Gudde, Tamara Jahnke, Craig Landrum, Terry Latta, Jennifer Marquis, Ash Mayfield, Holly Moore, Cameron Philpott, Aaron Roper, Laura Townsend, and John Wiscaver, GRDA.

CONSENT AGENDA

2. **October Claims \$38,459,326.51.**

4.a. **Resolutions of Commendation**

- (1) Charles J. Barney
- (2) Craig Landrum
- (3) Terry Latta
- (4) Willie Crawford
- (5) James C. Joseph

Mr. Sullivan stated Mr. Joseph is retiring as the State Bond Advisor and he previously served as a member on the GRDA Board of Directors from 1999 through 2002. Mr. Joseph was not able to be in attendance, but recognition is due as he has been an extremely valuable asset to GRDA over the years concerning the bond issues.

Mr. Sullivan explained there are three GRDA employees who are not retiring, but each achieving a tremendous milestone of 40 years of service to GRDA. Willie Crawford works in the Hydro Department and has done many different tasks over the years. His father also was employed by GRDA and their combined service spans over 80 years of employment. Craig Landrum started in February, 1978 and has held many leadership positions at GRDA, including being the head of the Pensacola project for a long time. If there are floods, Mr. Landrum measures the levels and ensures the project is operated safely and most efficiently. He has stepped up to some other general responsibilities

within the Hydro Department. He is the "go to" guy concerning Pensacola Dam. Terry Latta, Hydro Department, was recognized for his diligence in maintaining the hydro facilities.

Charles Barney's retirement and dedication to GRDA was recognized. Mr. Sullivan related upon his arrival at GRDA Mr. Barney informed him regarding the status and future plans of the hydro projects and the thermal generation. At that time, environmental upgrades were being considered for Units 1 and 2. The plan was refined to include changes in the plans for Unit 1 and the addition of Unit 3. Mr. Barney has been the overseer of all of these projects to completion. A plaque in his honor will be placed in the Unit 3 Control Room which reads: "This room is named in honor of Charles J. Barney, Special Engineer, GRDA Executive Vice President of Generation Projects. Barney served GRDA from November 7, 1988 until December 31, 2017 with visionary leadership, extraordinary dedication, and an outstanding commitment to provide low cost and reliable power for GRDA customers. One of his many contributions was the successful construction of the Grand River Energy Center Combined Cycle Unit 3 utilizing North America's first Mitsubishi Hitachi M501J advanced class gas turbine that set new standards for efficiency, reliability, and environmental initiative. His dedication to excellence is represented by this unit who will continue serving as an inspiration for future generations of power industry leaders. Dedicated November 8, 2017." Mr. Barney thanked the Board for its tireless support in a visionary manner and for Mr. Sullivan's proficient leadership. Chair Vandevier expressed Mr. Barney is held in the highest esteem by the Board. He thanked all of the employees who have achieved 40 years of service and are still active. They are the heart of the company and part of the knowledge base.

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

- (1) Air Blast Breaker/Air Compressor
- (2) Trimble GEOExplorer 2008, Carrying Case (2), Charging Cord, GPS Pathfinder Office Software, Screen Protectors
- (3) Amana PTAC
- (4) 1981 International Dump Truck 1854, 1981 Mack Truck RD686S (2), 1986 Mack Truck RD686S, 1987 John Deere 862 Articulated Dump Truck, 1989 John Deere 862 Articulated Dump Truck, 1996 Freightliner Cabover Semi (2), 1997 Freightliner Cabover Semi, 1988 John Deere 862 Articulated Dump Truck, 1982 Trailmobile Dry Bulk Tank Trailer (2)
- (5) 1982 Trailmobile Dry Bulk Tank Trailer

4.c. Ratify Power Cost Adjustment (PCA) of \$0.00035 per kWh for December 2017

4.d. Power Purchase and Sale Agreement with KAMO – Amendment to Exhibit B

4.e. Power Purchase and Sale Agreement – Berry Plastics Corporation

4.f. Power Purchase and Sale Agreement – G.A. Roofing, Inc.

4.g. Master Purchase and Sale Agreement for Renewable Energy Credits

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

Standard Purchase Orders		
PO Number	Vendor Name and City State	Amount
86836	B & M OIL CO INC, TULSA, OK	83,118.00
86777	TRENCH LIMITED, SCARBOROUGH ONTARIO CANADA,	75,150.00
86583	C & R OIL CO, PRYOR, OK	28,042.00
86645	C & R OIL CO, PRYOR, OK	27,977.80
42089	EPUMPS INC DBA ENGINEERED PUMP SOLUTIONS, TULSA, OK	20,000.00
86534	C & R OIL CO, PRYOR, OK	13,678.00
Grand Total Standard POs:		\$247,965.60
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
42112	SOUTHWEST POWER POOL, LITTLE ROCK, AR	60,000,000.00
42107	SOUTHWESTERN POWER ADMINISTRATION, TULSA, OK	4,400,000.00
42128	SCHNEIDER ELECTRIC USA INC, PALATINE, IL	269,637.00
34284	THE ENERGY AUTHORITY INC, JACKSONVILLE, FL	69,726.17
42106	STANDLEY SYSTEMS INC, OKLAHOMA CITY, OK	36,877.80
42109	ONENET, OKLAHOMA CITY, OK	15,000.00
86127	STORMWIND LLC, SCOTTSDALE, AZ	14,950.00
40321	OATI - OPEN ACCESS TECHNOLOGY INTERNATIONAL INC., MINNEA	13,812.60
41564	AMERICAN ELECTRIC POWER, CANTON, OH	13,000.00
41637	ALSTOM POWER INC, MIDLOTHIAN, VA	12,504.50
41653	ALSTOM POWER INC, MIDLOTHIAN, VA	1,490.24
Grand Total Change Orders:		\$64,846,998.31
Grand Total		\$65,094,963.91

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

Number	Title	Amount
CF093-00000	U1/U2 Chimney Strobe Lighting	\$150,300.00
RF017-00860	Tahlequah 69kV Interconnect OGE_GRDA	\$248,400.00
Grand Total Work Orders		\$398,700.00

Director Churchwell moved to approve the consent agenda, seconded by Director Spears, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

REGULAR AGENDA

1. Regular Board Minutes of September 21, 2017 and October 10, 2017

Director Townsend moved to approve the regular Board minutes of September 21, 2017 and October 10, 2017, seconded by Director Meyers, and voted upon as follows: Churchwell, Kimball, Meyers, yes; Richie, abstain; Spears, Townsend, Vandevier, yes. *Motion passed (6-yes, 0-no, 1-abstained).*

3. Unfinished Business

3.a.(1) Progress Reports

Mr. Sullivan related a letter was received recently from one of the Florida State House of Representatives thanking the GRDA team for their efforts in the recovery and restoration after the hurricane. This is representative of many comments received on the GRDA Facebook page, other social media sites, and letters.

Recently, GRDA hosted the Line Workers Rodeo that MESO sponsors annually at the Mid-America Industrial Park. Monetary donations were collected from GRDA employees for the Fallen Line Workers Foundation. On October 28, 2017, the GRDA Family & Safety Appreciation Day was held at GREC. There was a very good turnout for this event.

Ed Fite, Vice President of River Operations and Water Quality, was appointed to the Keep Oklahoma Beautiful Board of Directors. Mr. Fite has worked tirelessly on many similar projects.

4. New Business

4.h. Pilot Program – Scheduling Agreements

Mr. Brown asked for the Board's approval for a pilot program that has been developed with GRDA's off-system firm customers. These customers are sometimes referred to as "partial requirements" customers since they take a fixed amount of capacity. Within the constraints of the capacity purchase from GRDA, there are minimum must-take energy requirements. The scheduling agreements act similar to a rider or supplemental agreement and the purpose is to mitigate the current minimum must-take requirements under the agreements. Most of these customers are required to purchase energy at a 75% capacity factor, or in some cases 100% capacity factor. This means if a customer has a 200 MW off take from GRDA, which is the case for Western Farmers, they are required to take the 200 MW 75% of the time or take 75% of the 200 MW from all of the hours or some combination thereof. Holding the customers to the minimum energy requirements is a holdover from the pre-integrated marketplace within the SPP market. Currently with the SPP market operation, the majority of our revenue requirements (or costs) are recovered through the demand charges. There are some administrative processes that will be tested in trying this method and there may be some market implications, but it should be minimal. This is the reason the scheduling agreements will be supplemental agreements rather than amending the long term power purchase and sale agreements. If this technique is successful, the power purchase and sale agreements with these customers may be amended with an increase in the contract term.

This program will initially be offered to GRDA's partial requirements customers who have shorter contract terms in their power purchase and sale agreements. The key terms of the scheduling agreement provides for a one year term with a 30 day cancellation

provision for either party with no minimum must-take requirement. Most of the fixed costs are being recovered through the demand charges. There is a small amount of fixed cost recovery that is being collected through the energy charges today which is approximately \$8.50 per megawatt hour. The way the pilot program is structured, the customer will continue to pay the \$8.50 per megawatt hour for the current must-take energy requirement. GRDA's current energy rate is \$23, which is what these customers could potentially avoid when the market price is lower than that. They will, to the best of their ability, not schedule any energy from GRDA when market prices are lower than our energy rate, as this opportunity will be available on a day ahead basis. The customer has to make an assessment of tomorrow's conditions and evaluate market implications.

A provision has been added that power must be scheduled in 12 hour blocks or greater. Even if all of the GRDA resources are off line, a power purchase will be made through the marketplace for resale to the customers and handled via a bilateral settlement schedule through SPP. The pilot program is limited to two customers. When the \$8.50 recovery component is subtracted, in theory, it should be revenue neutral at that point; however, with this flexible scheduling opportunity, it is expected the two customers will schedule more power during the on peak periods of the day than the off peak hours of the day. Some back office adjustments need to be made that will minimize and/or eliminate the potential power cost adjustment ("PCA") skew. To the extent that can be done, it would be truly revenue neutral without the small PCA skew effect that our other customers will be picking up. The off-system customers will not be subsidized by the other customers. The consideration for the program is to gain longer term agreements from these customers to match up with the Unit 3 life expectancy as it assists with power supply planning.

Director Spears stated in the past off-system contracts were a favor for the customers due to the load factor they created. He inquired as to the practicality of basically doing away with their load factor. Mr. Brown responded prior to the integrated marketplace and the energy imbalance market where energy could be bought and sold to and from the market, GRDA supplied its own load with its generation portfolio. The more the base load resources could be utilized at the time, *i.e.*, GREC 1 and 2, it improved GRDA's position (lowered power costs for all of its customers). With today's market, baseload type customers are not needed as they no longer affect the dispatch of our baseload resources.

Director Kimball emphasized his concern of an assurance that this program does not increase the PCA for the municipal customers. Mr. Brown responded the assurance is not included, and that is why this is a pilot program. If the impacts on the PCA are measurable or substantive, the two customers would be informed the program is ending until the back office systems are in place to ensure no impact to the PCA. The \$8.50 is the true, fixed cost component that will continue to be recovered from the customers. The PCA skew is more of a hypothetical depending on how the two customers schedule their power, but it may happen. Currently through the SPP charge codes, all of the fuel costs are put into one bucket and spread across the partial requirements and municipal customers. By this method, the SPP market charges involve market revenues generated from the portfolios. The portfolio provides a hedge for everyone and if these customers are taking fewer megawatt hours they are going to receive a smaller, pro rata allocation of the profit and loss. They will be charged on and off peak rates, not the flat \$23, which will help to mitigate the potential cherry picking of the higher cost on peak hours. Chair Vandevier suggested moving this item to the Long Range Planning Committee for more review, seconded by Director Spears, and voted upon as follows:

Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained)*. Director Kimball recommended when the Long Range Planning Committee reviews this issue that a type of reporting is created since it is a pilot program so the Board may receive a quarterly report to ascertain the effect to the PCA.

4. i. Work Authorization 41809 – Dam Safety Instrumentation – Burns & McDonnell

Mr. Jacoby explained GRDA has seven primary water retention structures in the dams and a number of monitoring instruments: 206 piezometers and over 350 relief wells that monitor 315 relief drains. The last time these instruments received a major cleaning and verification was in 1990. A number of issues have been identified over the years, and this work is mandatory per an Order from the last Federal Energy Regulatory Commission ("FERC") Part 12 Report. There is a component of this project that requires a professional engineer geologist to approve the findings and recommend how the instruments are treated or changed through FERC. Burns & McDonnell will be cleaning the wells, and developing video surveys to assess the overall condition. They will issue a Conditions Assessment Report and recommendations for elimination, replacement, addition or others which will be a secondary task after the recommendation has been provided to FERC. After the final report is developed, a meeting will be held with FERC and the current independent consultant to ensure agreement among the parties. The project will take 50 weeks for completion and is under the budgeted amount of \$472,000. Director Kimball moved to approve the proposed Work Authorization 41809 with Burns & McDonnell Engineering, for instrumentation evaluation and inspection of Pensacola and Markham Ferry (Kerr) Dams, Salina Dike and Salina Pumped Storage Project for a not to exceed value of \$429,100, seconded by Director Churchwell, and voted upon as follows: Churchwell,

Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

4. j. Contract 42060 – Pensacola Bridge Deck Lighting – AddCo

Mr. Jacoby reported the original 1941 lighting fixtures contained in the deck were augmented by conventional overhead lighting in 1965. The original lighting fixtures have been vandalized and are unsightly and unsafe. A part of this project is to cover the black plaques contained in the bridge deck for aesthetic reasons and for protection from further damage. Originally, 1940's period lighting fixtures were considered and guidance from the Oklahoma Historical Preservation Officer was sought for this project, who recommended matching the 1965 overhead lighting. LED lighting, similar in nature to the 1965 fixtures, has been chosen for this project. The overall budget for this project was approximately \$900,000. Two vendors bid on this project with no exceptions: All Star Electric in the amount of \$911,750 and AddCo Electric for \$844,148. Director Spears inquired what is driving the project other than aesthetic purposes. Mr. Jacoby responded the lights have shorted three to four times in the last four years, so the existing lights need to be either modified or removed. It is a rural setting, so the lighting is not a state requirement. However, for general safety due to the bridge being very narrow lighting is needed. There are many decorations that have been added over time and are difficult to manage. This is a step for having an improved system for safety and protection of our people placing decorations on the bridge deck and for legal liability issues. Director Townsend agreed it is a safety issue and proper lighting is very important. Mr. Edwards added when the lights are out on the bridge there is a possibility that vessels could drive into the dam. If the bridge does not have lights, the dam will require lights for safety, visibility for the security cameras, and light downstream.

Director Churchwell asked about recent articles published in *The Tulsa World* regarding ODOT exploring options to widen the bridge. Mr. Jacoby responded GRDA is conducting a number of studies in coordination with ODOT. Additionally, GRDA is pursuing a grant for widening, although the likelihood of obtaining it is minimal. The engineering contract considers going either side upstream or downstream for widening. In reality, due to cost upstream will not be a likely option, so the existing sidewalk will not be impacted. Structurally, several light arms have been lost on the existing lights and some others are fatiguing and coming to the end of their life. This is a major cost reduction in operations by switching to LED fixtures. Director Kimball presented a motion to accept the proposal of AddCo Electric, Inc. of Tulsa, Oklahoma for the Pensacola Bridge Deck Lighting Replacement Contract 42060 for the proposed not to exceed value of \$844,148.00, seconded by Director Townsend, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

**4.k. Agreement with Oklahoma Department of Transportation (ODOT) –
GRDA Lands in Ottawa County**

Dr. Townsend explained a pilot project is proposed with ODOT, due to ODOT's replacement of seven or eight bridges in the Grand Lake region. As part of that process, ODOT has to provide mitigation for any impacts either to wetlands or streams, as required by the Corps of Engineers. Since GRDA has approximately 3,600 acres located west of Miami in many of the areas where bridges are being replaced, it is believed GRDA lands could provide an opportunity for ODOT's mitigation of streams or wetlands due to the bridge projects. GRDA is trying to independently accomplish stream bank restoration as good management practices to improve water quality. The staff believes this is a beneficial partnership between GRDA and ODOT. To address the expenses, GRDA would develop a mitigation bank whereas GRDA can offer the

lands and provide the enhancements, or perform preservation or restoration projects to meet the mitigation needs for cost. Once the costs have been assessed acre for acre, the original purchase price of the lands will be recouped, plus additional dollars needed for the improvements. Initially, 1,200 acres were considered with ODOT, but for the pilot project the focus will be narrowed to 30 acres that provides streambank restoration and wetland issues for the necessary mitigation to satisfy the Corps of Engineers. Some of the dollar value derived from the project will be in the form of wetland credits and stream credits. In the situation with ODOT associated with the thirty acres, approximately 2.14 wetland credits are available, as well as 137 stream credits. The total mitigation value is approximately \$178,000. GRDA paid close to \$60,000 to acquire the thirty acres, so the original purchase price would be recouped, along with additional money that may be utilized for similar projects intended to improve water quality throughout the area. It is a win-win scenario for both GRDA and ODOT. Considering the total potential market value in this initial 1,745 acre survey after completion, and depending on the functionality of the project, partnerships could be marketed to other agencies or municipalities resulting in a possible net revenue of close to \$2 million. Director Spears questioned if the intent is to take the \$2 million and reinvest it in the land to make mitigation improvements. Dr. Townsend replied GRDA paid for these lands and will obtain a conservation easement. As part of the conservation easement, depending upon what type of credit it is, generally improvements are made to the stream bank, wetland areas, etc. that covers the expense of the improvements. It is a perpetual easement and the management associated with it is not outside what is currently implemented in that area and is consistent with GRDA's partnership with NEO A & M, as well as the hunting programs. Mr. Roper described the primary intent of the easement restrictions is not to dredge or

fill and maintain it as a wetland or if it is a stream bank to maintain it as such. A stipulation was added to allow hunting on the property in accordance with the state hunting regulations. Director Townsend presented a motion to approve the MOA between ODOT and GRDA for deed restriction associated with mitigation for the road projects, seconded by Director Churchwell, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

4.I. Other New Business

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. **Assets Committee:** Director Churchwell had no report.
2. **Audit, Finance, Budget, Policy & Compliance Committee:**
 - (a) **Travel Policy and Procedures.** Director Townsend reported the Committee met this morning and covered many items including the 2018 budget, which will be presented to the Board next month. The Travel Policy and Procedures is a parallel of what the state requires. The existing process has taken every revision to the Board for approval. Mr. Rothermel added GRDA is bound by the State Travel and Reimbursement Act and the policy primarily addresses the documentation aspect. Director Townsend presented a motion to transfer the Travel Policy and Procedures to the Personnel Manual, seconded by Director Spears and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

3. Compensation and Marketing Committee:

(b) Power Capacity Utilization Subcommittee Director Kimball reported the dedication was held recently for Unit 3 and one of the items the Board has noted over the past three years is that GRDA has accomplished many good deeds for which no credit has been received. Achievements have been made that did not get publicized well or realized by the general public. In the marketing industry there is a term "earned media" which is defined as free media determined by the cost that would have been paid for the exposure. With the Unit 3 coverage, it was hoped to attain \$300,000 of earned media. Director Kimball was proud to state the first report reveals \$498,000 of earned media has been received. People are starting to discover what GRDA is, its functions, and what a phenomenal job our group has achieved.

4. Long-Range Planning/Fuels Committee: Director Meyers had no report.

5. Compliance Committee: Director Vandevier had no report.

5. b. GREC 2 Rededication

Mr. Sullivan explained recognition is due for all of the efforts that went into the reconstruction of Unit 2 due to the fire that was experienced on July 2, 2016. At the time of the fire, an \$80 million project was just completed to redo the air emissions for Unit 2 to comply with the Mercury and Air Toxics Standards ("MATS") and it was anticipated to run the unit with the new equipment. After the fire, a team of people were assembled. The groups that worked on the project came together for the common goal and mission. FM Global representatives arrived right after the event and have been extremely helpful in navigating all of the issues. Black & Veatch was involved as the owner's engineer on the work for the environmental upgrades and continued to work with GRDA to ensure this goal was achieved. General Electric and Siemens worked together seamlessly on this

project. Mr. Sullivan thanked all of the groups for their collaborative efforts in the acquisition of equipment from all over the world and the associated logistics.

Mr. Sullivan recognized the efforts of some GRDA employees. Ben Desrochers was previously employed by Alstom and had worked on GRDA's hydro units until he was assigned to this responsibility. Mr. Desrochers' dedication is appreciated. Jeremy Conn of the Purchasing Department is assigned to the GREC facility and was involved in all of the logistical issues concerning equipment procurement. Karen Davis was recognized for her diligence in reviewing invoices. Mr. Sullivan commented there are many others who contributed to the efforts and expressed his appreciation.

Mr. Ladd thanked the Board of Directors and the customers for their support. After the fire event, there was not a single layoff as many employees were able to secure work in other areas of the Authority. Mr. Ladd thanked the entire team who spent many hours on the project and specially recognized Steve Howe, who was the overseer of the startup and commissioning effort and the right person for the job.

Mr. Barney had a presentation regarding Unit 2 with photos of the fire and aftermath. There was a large lightning strike that tripped the boiler, and the generator breaker failed to open. The secondary and tertiary measures failed as well. With FM Global's support, recommendations were obtained as to how to attack this project based on their experience with similar catastrophes. The action taken resulted in replacement of a much more reliable ABB designed breaker. The roof was also damaged which allowed water in and Black & Veatch expedited the roof repair. Initially, there were serious, legitimate concerns that Unit 2 would have to be scrapped. As a result of discussions with General Electric, who performed assessments, GRDA entered into an agreement with General Electric for restoration. Siemens was selected for project

management and Mr. Brenner provided a visualization of how the project could be accomplished.

Mr. Doublehead thanked the GRDA team for finding a viable solution to continue to provide low cost, dependable electricity for the GRDA communities. Mr. Rountree praised the efforts of the staff in the restoration of Unit 2 and the construction of Unit 3 without a rate increase to the customers.

6. Executive Session:

- a. **Proposed Executive Session Pursuant to 25 O.S. Section 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.**
- b. **Proposed Executive Session Pursuant to 25 O.S. Section 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 Townsend moved to go into executive session at 12:12 p.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 12:38 p.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

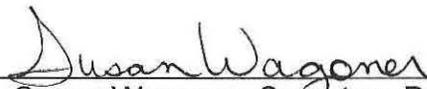
7. Action on Executive Session Items

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

Regarding item a, Director Vandevier moved to authorize management to proceed as discussed in Executive Session, seconded by Director Townsend, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item b, Director Vandevier moved to authorize management to proceed as discussed in Executive Session, seconded by Director Townsend, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Kimball moved for adjournment at 12:41 p.m., seconded by Director Spears, and voted upon as follows: Churchwell, Kimball, Meyers, Richie, Spears, Townsend, Vandevier. *Motion passed (7-yes, 0-no, 0-abstained).*



Susan Wagoner, Secretary Pro Tem

DATE APPROVED:

January 10, 2018
GRDA Board of Directors