

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
Tulsa, Oklahoma
January 8, 2020**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Engineering and Technology Center, Tulsa, Oklahoma, on January 8, 2020. 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 5, 2019, at 4:01 p.m.; by posting the agenda with the Tulsa County Clerks' offices on January 7, 2020, at 9:43 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 Richie called the meeting to order at 10:01 a.m. The Secretary called the roll. All members were present, with the exception of Director Churchwell. Chair Richie declared a quorum. Mr. Philpott introduced guests.

BOARD MEMBERS

James B. Richie, Chair	Present
Mike Lewandowski, Chair-Elect	Present
Pete Churchwell	Present
Dwayne Elam	Absent
Tom Kimball	Present
Chris Meyers	Present
Charles Sublett	Present

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Chief Operating Officer	Present
Lorie Gudde, Chief Financial Officer/ Corporate Treasurer	Present
Steve Wall, Chief Information Officer	Present
Heath Lofton, General Counsel	Present
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Present
Nathan Reese, Executive VP – External Relations	Absent
John Wiscaver, Executive VP – Corp. & Strategic Communications	Present
Laura Hunter, Chief Human Resources Officer	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: Jeff Underwood, Senator James Lankford's Office; Randy Krehbiel, Tulsa World; Mike Williams, Shangri-La; Craig Stokes, Pam Polk, City of Collinsville; Phil Stokes, City of Siloam Springs; Mike Starks, Elton Willard, City of Cushing; Josh Owen, Congressman Markwayne Mullin's Office; Tamara Jahnke, Jeff Brown, Jennifer Marquis, George Davis, Melanie Earl, Brylee Harbuck, Cameron Philpott, Jerry Cook, Michelle Day, James Bissett, Ash Mayfield, Teresa Hicks, Penny Frailey, Ray Flaming, Holly Moore, Matt Martin, Kris Johnson, Tom Gray GRDA.

Election of Officers

a. Nominations for Treasurer

b. Election of Treasurer

c. Nominations for Secretary

d. Election of Secretary

e. Nominations for Secretary Pro Tem

f. Election of Secretary Pro Tem

Chair Richie declared nominations for Treasurer, Secretary, and Secretary Pro Tem open, and moved to nominate Lorie Gudde as Treasurer, seconded by Director Lewandowski. There being no other nominations, the nomination was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Chair Richie moved to nominate Sheila Allen as Secretary, seconded by Director Lewandowski. There being no other nominations, the nomination was voted on as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Chair Richie moved to nominate Susan Wagoner as Secretary Pro Tem, seconded by Director Lewandowski. There being no other nominations, the nomination was voted on as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

CONSENT AGENDA

2. December Claims, \$7,360,993.00.

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

Description and/or Make of Item	Serial Number
Millipore Milli-Q Integral 5 w/ 30 L Tank	F9MN3246A
Millipore Q-POD	F5JA16695
Millipore E-POD	F9MN12794L

4.c. Power Cost Adjustment (PCA) of \$0.01659 per kWh for February 2020

4.d. Renewal of Economic Development Consulting Services Contract for Industrial & Community Development – Smith and Gray Company, LLC

4.e Temporary Distribution Facility Agreement – Vision Electric, LLC

4.f. Memorandum of Understanding – LS Power – Regional Transmission Project

4.g. Contract No. 42759 – Kerr Dam Service Breaker Replacement

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

REGULAR AGENDA

3. Unfinished Business

3.a. Progress Reports

3.a.1.a. Monthly Video Update – GRDA January 2020

- 2019 Year in Review

Mr. Sullivan said GRDA's Vice President of GREC Operations Robert Ladd was in attendance for the Mitsubishi Hitachi Power Systems Americas (MHPSA) "March to One Million" event held in November 2019 in New Orleans, LA. Mr. Ladd made a presentation

with MHPSA Chief Executive Officer Paul Browning where GRDA was recognized for having the first M501J in the Americas. Mr. Browning presented GRDA with an M501J replica plaque. Mr. Sullivan showed a photograph from the event and thanked Mr. Ladd for representing GRDA.

GRDA held two Emergency Action Plan (EAP) drills in December 2019. The Pensacola Dam drill was held at the Ecosystems and Education Center on December 3 and included, not only GRDA personnel, but several other outside agencies. On December 16, Mr. Sullivan said GRDA held its internal Storm Response Plan exercise at its Transmission Headquarters in Pryor, Oklahoma. He described the two different response plans GRDA maintains. Mr. Sullivan stated they have had a couple of these drills recently to be prepared in case of emergency to address any issues. He said GRDA has not had an emergency like this in a long time, but the Authority wants to be prepared in the event something could happen.

Mr. Sullivan explained GRDA does have some work being done on the Pensacola Dam, closing the roadway across the dam for about 4 hours recently. An evaluation of the emergency gate operation system at Pensacola Dam was held on January 7, 2020, and the bridge was closed to accommodate the work.

3.a.2. 2020 GRDA Goals

Mr. Sullivan told the Board that as the Stitt Administration is continuing to develop their plans and ways to record progress in the State of Oklahoma, they have asked all state agencies to provide reports on things accomplished last year and have asked what GRDA sees as challenges and opportunities for the coming year. The items to be presented are what the GRDA staff has compiled in the report they have submitted to the Governor's office. He said nothing is necessarily new, but he would like the Board to see this. Mr. Sullivan stated some of the 2019 major accomplishments are the completion of

the 3500 Main Project, being recognized by the American Public Power Association as a Platinum Level Reliable Public Power Provider, and the fact Moody's Investors Service affirmed GRDA's A1 credit rating and Fitch Ratings affirmed an A+ rating. He said the completion of the 3500 Main Project took an extraordinary effort to make sure the project was done on time and within budget, even with the effects of the weather and challenges along the way. Mr. Sullivan commended the GRDA teams that pulled together to make this happen. Mr. Sullivan went over challenges that lie ahead for 2020, and talked about the Pensacola Relicensing process and how this has went so far. He explained significant challenges are related to the regulatory environment, accelerating change in the industry driven by technological advancements and customer demands. However, he stated some of these things are ongoing items and are not unique to 2020.

Mr. Sullivan asked Tim Brown to talk about GRDA's Operations goals for 2020. Mr. Brown said gaining efficiencies in operations and improving reliability have been key components of GRDA's strategy that will continue into 2020. GRDA will continue development of the multi-disciplinary team approach (multi-craft/cross-training programs), expanded implementation of the computerized asset management program across all areas of the Authority, maximizing the value of GRDA's generation portfolio through use of newly-implemented software tools, achieving above average distribution reliability metrics in the MidAmerica Industrial Park, and improving outage coordination and planning methods to minimize system outages.

Mr. Sullivan asked Mrs. Hunter speak about GRDA's 2020 goals in regards to our employees. Mrs. Hunter said our focus is generally related to employees is creating consistent and common processes where the Authority can. She stated there have been great things going on, but GRDA is focusing on areas where they can have this happen and then share best practices. This makes it easily repeatable regardless of where

employees work within the Authority. Mrs. Hunter explained that the utility industry continues to be competitive for top talent, particularly in key technical areas such as Linemen. She said GRDA will continue to implement and maintain a common compensation structure and review programs, establishing GRDA-wide safety forums and create consistent tools and processes for incident reporting to identify consistent safety metrics for quarterly reporting, and create learning plans and continuously improve technical and non-technical training.

Director Kimball asked if there are synergies GRDA can export to their customer group. Mrs. Hunter said she believes there are and this is one of the things the team has been talking about extensively. She stated once the staff has a consistent and repeatable process in place they know there are opportunities to work with GRDA customers, and this will be a focus and priority. Mr. Sullivan said one of things discussed in the meetings with GRDA municipal customers is what can GRDA bring to them to make it easier for them to send their personnel through additional training, rather than have them leave the city and go somewhere else for this. He emphasized that the Linemen shortage is a critical issue right now across the industry. There is high competition for positions, and much discussion about ways to serve the communities to promote those roles and other vocational opportunities that are crucial to service reliability and filling needs.

Director Elam commented that higher education has been a focus for schools in the past, but the trades have went to the wayside. Mr. Sullivan said GRDA would continue to do what they can to help their communities to create a pipeline of talent.

Mr. Sullivan asked Mrs. Gudde to talk about GRDA financial and business process goals for 2020. She said there is increasing complexity in utility operations and financial transactions which necessitates utilization of leading-edge software for business processes and data management. Mrs. Gudde stated there is a pursuit of digital

transformation strategy, including deployment of an enterprise resource planning system (ERP) to promote efficient business processes throughout GRDA. She said the ERP will integrate with the Enterprise Asset Management System, Maximo, which will allow for more nimble operational decision-making, and stated the ERP deployment strategy includes campaigns designed to promote awareness and gain buy-in, development of training materials to promote the new technologies to ensure efficiency and information security. Mrs. Gudde said the GRDA Team is strategizing the most optimal utilization of cash reserves to prevent or lessen future rate actions by decreasing peak years' debt service requirements and overall future interest expense via an advanced bond refunding.

Mr. Sullivan went over major projects planned for 2020 and beyond. He explained each aspect of retiring GRDA Unit 1, rehabilitating the Pensacola Dam bridge and generator rotors at the Salina Pumped-Storage Project, revitalizing the stilling basin at the Robert S. Kerr Dam, continuing substation and transmission reliability upgrades, finalizing the sale of the property in Vinita, Oklahoma, building a new administration facility at the Grand River Energy (GREC) site, and constructing the WOKA Whitewater Park in partnership with the Walton Family Foundation.

4. New Business

4.h. Microsoft 365 Transition

Mr. Wall went over why GRDA intends to migrate to Microsoft 365. He described what Microsoft 365 is and what is included with the application. Mr. Wall said GRDA has assumed an obligation to purchase Windows/Office licenses, and everything that comes with that. There are additional features that will include OneDrive, Teams, Automated Workflow, and more. He stated this application will come with advanced security, analytics and voice capabilities, and GRDA e-mail will now be guarded with exchange online advanced threat protection. Mr. Wall said Microsoft guarantees 99.9% uptime and

24/7 Support for the system. He explained that other state agencies are implementing this environment as well, and GRDA now intends to join them in this. Mr. Wall told the Board the migration will focus on GRDA's corporate environment. He explained what Microsoft Teams is, stating it is an intelligent communication portal with a team approach that supports group and private messaging, maintaining threaded and persistent conversations, enabling secure editing of files and organizing communication by topic or channels. He stated the benefits are in productivity gains, enriched communications, better focus on work, increased transparency, a seamless move to a digital workplace, and improving knowledge transfer for new team members. Mr. Wall explained that Microsoft OneDrive is an enterprise cloud storage solution with security features, including secure file sharing, unlimited storage for users' data, enterprise grade security, encryption of data in transit and at rest, and Data Loss Prevention. He stated the benefits would be reduced hardware, software and cyber requirements, accessing files from all devices, supporting collaboration and coauthoring, simplified file searching and file versioning. Mr. Wall told the Board the team is going to ensure a successful project by conducting a 90-day pilot implementation, ending in March 2020. They will be utilizing GRDA's Project Management Office, engaging the Microsoft Customer Success, Experience and Fast Track Teams, and engaging professional services where needed as well. He stated that GRDA would make use of lessons learned from other entities such as the Department of Energy and OMES, as well as utilizing customer campaigns to promote excitement, and training to enhance the user's experience. There will be some team members sent to Microsoft conferences to gain additional insight and knowledge. Mr. Wall stated the cost of Microsoft 365 is based on 550 users and at full retail pricing at \$343,200. Purchases for this product will also be based on business need and the team will continue to monitor the legacy environment for cost saving opportunities to offset this

cost. Mr. Sullivan said this item would be brought to the Board of Directors in February or March for approval. There is no action required on this item today.

Director Elam asked what the estimated offset cost the team believes they can achieve. Mr. Wall said he is aware of two items that will help to offset the cost right now. These are a \$31,000 item and a \$35,000 item, plus ongoing hardware cost. However, this is just two pieces of several possibilities we are looking at. Mr. Wall said he sees much more coming from the security tools portion, but these of course have to be decommissioned more slowly. He assured the Board he would get more data on this as soon as possible.

Director Kimball asked if GRDA has done an audit to ensure we are decommissioning other software or applications we are no longer using. Mr. Wall confirmed this and said he and his team have been able to save the Authority over \$1 million last year on software and telecommunications items.

4.i. Second Reading of Modified Board of Directors' Policy Manual

Mr. Lofton stated at last month's meeting he presented the changes to the Board of Directors' Policy Manual. He and the staff recommend approving the changes as presented. There were no further questions from the Board.

Director Elam moved to approve the amendments to the Policies of the Board of Directors as first presented to the Board on December 19, 2019, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.j. Second Reading of Proposed Revisions to the GRDA Bylaws

Mr. Lofton stated at last month's meeting he presented the revised version of the GRDA Bylaws. He and the staff recommend approving the changes as presented. There were no further questions from the Board.

Director Kimball moved to approve the amendments to the Bylaws of the Grand River Dam Authority as first presented to the Board on December 19, 2019, seconded by Director Elam, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.k. 2019 Earned Media

Mr. Wiscaver explained what earned media is and said GRDA is trying to accomplish a measurable return on investment in terms of what they do related to marketing and outreach. He told the Board they have had ongoing conversations and strategy to get to where they are today, and this takes a concerted and strategic effort. Mr. Wiscaver stated there were 641 news and broadcast clips that were GRDA-related in 2019. He said this is a significant number for a non-retail type of brand, and the team has really tried to begin to better tell the GRDA story to the general public, customers, and to elected officials. The total television audience reached with this activity was 2,272,856, which creates a total television publicity value of \$447,235. Mr. Wiscaver explained the total television, online and print audience reached was 4,481,589, where flooding created a lot of unique moments for GRDA. The total earned media overall for GRDA was \$994,753.

Director Lewandowski asked how this compared to previous years. Mr. Wiscaver said compared to 2018 this is a 31 percent increase, and since this measurement began, in 2017, this number is up 92 percent.

Director Kimball commented on how important it is to have a well-prepared staff to handle these media interactions. Mr. Wiscaver said his team has done an amazing job in

coming up with some new strategies in working with all departments at GRDA, and he is very proud of them and their work.

No action is required on this item.

4.1. 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 Shangri-La Hotel Properties, LLC for a Lease of Property Located in Delaware County, Oklahoma for Additional Parking Spaces.**

Regarding items a, Director Kimball said he sat in for Director Churchwell today at the committee meeting. Director Sublett sat in as their third member as well. He told the Board there was a good discussion this morning during the committee meeting, and asked Mr. Mike Williams to explain the item.

Mr. Williams described to the Board what the plans are for the property. The property would accommodate a parking area for a \$6 million activity park they intend to break ground on in the coming weeks. This project will have indoor and outdoor facilities, and he described what some of those activities would be. Mr. Williams said they are excited about this project and believe it will draw additional tourism and business conferences to the Grand Lake area, especially during the winter months.

Director Kimball thanked Shangri-La for the tremendous investment in the area, and thanked their staff for their work as well. He commented that they have been a great professional partner to work with.

Director Kimball moved to approve Elam moved to approve a lease of .331 acres in Delaware County, Oklahoma, to Shangri-La Hotel Properties, LLC for a term ending July 31, 2041, with yearly monthly lease payments in the amount of \$403.00 through July 31, 2021, to be reappraised in July, 2021, with the 20.5 year term being beneficial to the business of the Authority by reducing administrative costs, and was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

2. **Audit, Finance, Budget, Policy & Compliance Committee:** Director Lewandowski had no report.
3. **Compensation & Marketing Committee:** 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 Sublett moved to go into executive session at 11:40 a.m., seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Elam moved to return to regular session at 12:55 p.m., seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

7. Action on Executive Session Items

- a. **Action, As Necessary, Concerning the Pending Investigation, Claim, or Action Related to Federal Energy Regulatory Commission Project No. 1494-348.**

Regarding item a, no action was needed on this item.

Director Kimball moved for adjournment at 1:02 p.m., seconded by Director Lewandowski, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

February 12, 2020
GRDA Board of Directors