

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
April 6, 2021**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Grand River Dam Authority Engineering & Technology Center in Tulsa, Oklahoma, on April 6, 2021. The option was given to attend via Cisco WebEx using access code 187 813 7034. Some attendees could join by phone at +1-408-418-9388 (Meeting Number/Access Code 187 813 7034). 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 16, 2020, at 11:31 a.m.; by posting the agenda with the Tulsa County Clerks' offices on April 5, 2021, at 9:57 a.m.; by posting said agenda at www.grda.com; and by posting said agenda at the principal office of Grand River Dam Authority at least 24 hours prior to the meeting.

Chair Lewandowski called the meeting to order at 10:01 a.m. The Secretary called the roll. All members were present. Chair Lewandowski declared a quorum.

BOARD MEMBERS

Mike Lewandowski, Chair	Present
Dwayne Elam, Chair-Elect	Present
Tom Kimball	Present
Chris Meyers	Present
James B. Richie	Present
Charles Sublett	Present
Michael Westbrook	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	Absent
Heath Lofton, General Counsel	Present
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Present
Nathan Reese, Executive VP – External Relations	Present
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	Absent
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: Craig Stokes, City of Collinsville; Loren Smith, Stillwater Utilities Authority; Jared Crisp, Pryor MUB; Jeri Fleming, Dragonfly Consulting, LLC; Tom Rider, OMA; Kim Dorr, TPWA; Phillip Patterson, City of Siloam Springs; Keith Skelton, City of Sallisaw; Tyler Cline, City of Miami; Lindsey Pever, ANewEnergyLaw.com in Oklahoma City; Tom Gray, Tamara Jahnke, Jeff Brown, Melanie Earl, Ash Mayfield, Matt Martin, Jerry Cook, Holly Moore, Jennifer Marquis, George Davis, GRDA.

4. New Business

4.a. Capital Work Order Report

Number	Title	Net GRDA Cost
RF021-01086	GREC 1&2 Auto 2 Terminal Upgrades	\$ 764,119
RF021-01085	GREC 1&2 Auto 1 Terminal Upgrades	\$ 827,085
Grand Total Work Orders		\$ 1,591,204

Mr. Sullivan explained items on the Capital Work Order Report. He asked if the Board had any questions or needed to follow-up on any item listed. There were no questions.

Director Elam moved the Board approve the Capital Work Order Report as presented, seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

CONSENT AGENDA

2. March Claims, \$125,878,899.6041,803,597.89.

4.b. Resolutions of Commendation:

- 1) Dana Shrum

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

Description and/or Make of Item	
Miscellaneous Office Chairs: Lot of 20	2012 JARRAFF
Dishwasher	2008 FORD PICKUP
Ice Maker: Lot of 2	2008 FORD TRUCK
Pedestal Table: Lot of 3	2013 GRASSHOPPER
Miscellaneous Chairs: Lot of 5	1982 FORD TRUCK
Folding Tables: Lot of 3	2012 HONDA CAR
Large Whiteboard	2012 HONDA CAR
Wood Desk Pieces	2007 FORD TRUCK
File Cabinets: Lot of 5	2004 CHEVY PICKUP
Microwaves: Lot of 6	2008 FORD TRUCK
2002 FORD PICKUP	2000 CHEVY TRUCK
2009 CHEVY PICKUP	1949 TRAILER
2014 CHEVY VAN	2011 FORD TRUCK
2013 FORD VAN	2005, Ford
2013 CHEVY VAN	2013 Chevrolet Express 3500 Cargo Van
2008 FORD TRUCK	1996 Ford F-350 Regular Cab 1996 Altec AT-250G
2005 FORD TRUCK	AC Audio codes: Lot of 2
2007 HYDRO-AX	hp Computer: Lot of 2

2014 CHEVY
2007 POLARIS
2006 NEW HOLLAND 11:22B1712:22:22

42" Monitors: Lot of 2
Keyboard hp

- 4.d. Power Cost Adjustment (PCA) of \$0.02219 per kWh for May 2021**
- 4.e. First Amendment to Power Purchase and Sale Agreement – Gold Bond Building Products, LLC, as Assignee of NGC Industries, Inc.**
- 4.f. Consideration, Discussion and Possible Approval of Exhibit B-1 Amendment and Revised Customer Load Notice and Agreement – Citizen Potawatomi Nation Utility Authority**
- 4.g. Recommendation to Award Contract 23549 – Cooling Water System Performance Monitoring & Chemical Treatment Supply**
- 5.b. April Purchase Order Report (*Denotes Addenda Items):**

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
42981	ALLGEIER MARTIN AND ASSOCIATES, INC. - JOPLIN, MO	526,000.00
43305	BRAINERD CHEMICAL COMPANY, INC. - TULSA, OK	509,628.00
43306	BRENTAG SOUTHWEST, INC. - NOWATA, OK	82,250.00
43309	INTERMOUNTAIN ELECTRONICS, INC. - PRICE, UT	219,445.00
43279	RE-CON COMPANY - OKLAHOMA CITY, OK	592,683.20
Grand Total Standard POs & Contracts:		\$1,930,006.20
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
43020	BRAINERD CHEMICAL COMPANY, INC. - TULSA, OK	14,000.00
108687	KEYSTONE ELECTRICAL MANUFACTURING CO. - DES MOINES, IA	168.00
Grand Total Change Orders & Renewals:		\$14,168.00
Grand Total		\$1,944,174.20

Director Meyers moved to approve the consent agenda as presented, seconded by Director Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes.

Motion passed (7-yes, 0-no, 0-abstained).

REGULAR AGENDA

1. Regular Board Meeting Minutes of March 10, 2021.

Director Sublett moved to approve the Regular Board Meeting Minutes of March 10, 2021, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

3. Unfinished Business
3.a. Progress Reports

3.a.1. Current Operations Reports

Mr. Sullivan provided a brief update for the Board on the construction contract for the new Administration Center. He stated at this time they had no additional items to discuss, but hopes to have something further next month.

Mr. Sullivan said GRDA does have changes they will be making to the Power Cost Adjustment (PCA). He explained this is a formulate change only that provides more flexibility to declare an extraordinary item be amortized on a different schedule than their regular fuel expenses. This will provide a mechanism that will allow GRDA to spread out the cost of the winter storm event. He stated there is an item related to this on the agenda to be discussed during the meeting. Mr. Sullivan told the Board there is a significant effort underway at the Oklahoma Capitol right now to pass legislation allowing for securitization of the costs associated with the winter storm event, and that the staff are waiting to see the language introduced. He said there will be two options for utilities depending on whether they are regulated or unregulated, and the program will optional. Mr. Sullivan stated they want to see what the details are and review it thoroughly to decide whether it is something GRDA should participate in, as there could be carrying costs and fees associated with the program they are not certain of yet. He said they intend to bring a recommendation to the Board once they know something more, and that they expect once a decision is made in the legislature the process will move rather quickly due to the number of people waiting to hear more on this.

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following comparing information from March 2021 to March 2020 for GRDA's Full Requirements Customers. He showed graphs illustrating a comparison of resource energy production and explained there were no significant changes in the amount of coal, gas or hydro production, but showed a slight increase in wind.

He stated GRDA has had a long-standing partnership with the University of Oklahoma (OU) in their School of Civil Engineering and Environmental Science and the Center for Restoration of Ecosystems and Watersheds, and Gallogly College of Engineering. He showed an article from the OU 'VPRP Research Insider' publication. Mr. Sullivan said Dr. Robert W. Nairn is a well-recognized instructor in this area and has spent a great deal of time doing research to create this report. The report is a compilation of programs,

projects and research performed and supported by GRDA's Ecosystems and Watershed Management and Scenic Rivers Operations Departments. He said OU is in the second 10-year graduate student support agreement with GRDA, and that he appreciates the continued relationship with OU and seeing students join GRDA to do this research and publish papers on this.

Mr. Sullivan told the Board GRDA assisted with the the 21st Annual Big Meat Run near the Disney, Oklahoma, area March 18-21, 2021. He said this event brings thousands of off-road enthusiasts to the trails below the Pensacola Dam for one of the largest rock crawling events in the country. Mr. Sullivan stated GRDA Police officers were out to help those in need and to enforce state regulations on state property. This year's event was a success with minimal issues, and brought in between 4,000 and 6,000 people for a strong turnout given the floodgate operations occurring during that time. He showed photographs from the event and said he saw a lot of related activity on social media. Mr. Sullivan said he and the staff are looking into possibly naming the area and putting together some additional and posted rules to maintain order, but also provide an opportunity for people to enjoy the area.

GRDA Officers John Haning and Robert Rohloff responded to Goat Island on Grand Lake in late March due to a report of a baby goat stranded on a cliff on the island. Mr. Sullivan said Goat Island is well-known for the number of goats that live there, and that officers found a baby goat that was stuck on a cliff on a bluff on the island. After some coaxing, he stated officers were able to get the juvenile goat in hand and returned to a safe part of the island where it was reunited with its family. He showed photographs of the officers and their successful efforts.

Mr. Sullivan said GRDA is celebrating a 70-year partnership with the City of Pryor this month. He thanked Mr. Jared Crisp for coming today to be recognized, and said GRDA appreciates the long-term relationship. He showed a historical photograph of the GRDA Transmission Office, and said the Authority is looking forward to another 70 years. Mr. Sullivan stated GRDA does not take any of their customer relationships for granted. Mr. Crisp stated he appreciated all GRDA does for the City of Pryor Municipal Utility Board and that they look forward to another 70 years as well.

Mr. Sullivan told the Board the construction on the main bridge over Pensacola Dam has now been completed, and now the roadway over the east spillways has begun. All lanes of SH-28 are closed east of the Pensacola Dam, near Disney, for the second phase of the bridge rehabilitation project. Traffic is once again detoured, with drivers urged to plan for extra travel time in this area. He said this is part of the \$14 million project by the Oklahoma Department of Transportation (ODOT) and GRDA to improve three bridges

on SH-28 at Grand Lake. The official highway detour for SH-28 will utilize SH-82 and SH-20 around this closure, with the overall project expected to be complete in summer 2021, weather permitting.

For the second straight year, and the third time in four years, GRDA received national recognition for achieving exceptional electric reliability in 2020. Mr. Sullivan said the recognition comes from the American Public Power Association (APPA), a trade group that represents more than 2,000 not-for-profit, community-owned electric utilities. APPA helps electric utilities track power outage and restoration data through its subscription-based e-Reliability Tracker service. Once per year, APPA's Reliability Team compares this data to national statistics tracked by the U.S. Energy Information Administration for all types of electric utilities. He stated APPA compared GRDA's reliability data compiled through their tracking service to the national reliability data collected by the Energy Information Administration (EIA). According to this comparison, GRDA is in the top quartile (25%) of utilities for System Average Interruption Duration Index (SAIDI) based on the EIA data in 2015 -2019, thereby qualifying for the 2020 Certificate of Excellence in Reliability. Mr. Sullivan said he appreciates everything the GRDA Team has done to make this happen.

Mr. Sullivan provided the Board with an update on the current COVID-19 situation as of April 5, 2021. He showed the current numbers and graphs illustrating the number of GRDA COVID tests and positive results timeline. Mr. Sullivan stated since the end of February there have only been 2 additional cases, and no active cases at GRDA as of yesterday. He said he is glad to see there were not any significant increase after Spring Break activities as well. As of April 1, 2021, Mr. Sullivan told the Board they have asked employees to return to the office, unless they have an approved situation that would require and exception for them. He said it is nice to have people in the office and see the comradery again.

Mr. Sullivan asked Mr. Wiscaver to provide an update for the Board on what has been happening in Oklahoma City at the Capitol regarding legislation.

Mr. Wiscaver said there is a developing legislative issue associated with Google that has become quite challenging. He told the Board GRDA has been actively engaged in strategy discussions on this matter, and the conversation transitioned last week to Mr. Wiscaver and Google's legislative affairs employee holding a meeting with Capitol Leadership. These conversations have continued up until this morning in Oklahoma City. He said this taxation issue with Google and the structure for this within the State of Oklahoma has become quite challenging. He talked about misconceptions legislators had that are now alleviated due to an increase in communication of information on current investments and future expectations of growth from Google. Mr. Wiscaver state this has helped the situation and ensures there is

still understanding of the need for sensitivity associated with this and how Google does business with Oklahoma as a state. He said they will continue to make hard efforts to get this solved during the 2021 Oklahoma Legislative Session. Mr. Wiscaver told the Board there will be more meetings later today and tomorrow with an ultimate goal of drafting language that addresses Google's concerns.

Mr. Wiscaver told the Board he has hired a new Public Affairs and Government Relations Manager, Leah Maloy. He stated she is stationed in Oklahoma City and will be instrumental to the Authority.

Mr. Wiscaver said the bill introduced during the 2020 Legislative Session to change the domicile of the district for GRDA has now been fully discussed and will be taken to the Oklahoma House of Representatives for a full vote this week.

He explained that legislation for the repeal of the moratorium placed in the late 1990's when the State of Oklahoma was considering deregulating has been introduced. Mr. Wiscaver stated since that time the intended temporary moratorium has stayed in place, not allowing a municipality to change their service provider. He explained what this legislation included and communicated his hopes of being able to get this legislation passed for the benefit of the state. He said the legislation is now going to the House for a final vote in the next week, and that GRDA is hopeful it will pass.

Mr. Wiscaver said he and Mr. Sullivan had an opportunity to address the Oklahoma Joint Task Force on the Grand River Dam Authority. This task force is comprised of both state senate and house members. He commented on how well Mr. Sullivan did speaking to the task force. Mr. Wiscaver told the Board the through their work the next meeting of the task force is scheduled to reconvene this coming Thursday at 1:30pm. The ultimate goal is to move GRDA's legislation forward and doing it the right way. He said they are encouraged on the bond capacity bill as well.

4. New Business

4.h. GRDA/Guard the Grand Smartphone Application

Dr. Townsend gave an overview on the new GRDA/Guard the Grand smartphone application, which is now available on the App Store (iPhone) and Play Store (Android). This new application is designed to place resources of the Grand River Dam Authority's Guard the Grand Watershed Conservation Program at users' fingertips and is free. He told the Board this app will educate and inform residents in the Grand Lake Watershed about the roles they can all play to help improve water quality. Within the application, there

are videos of workshops, a calendar of program and Adopt-the-Shoreline events, program Frequently Asked Questions (FAQs) and other educational resources can be found. Dr. Townsend said, while developed for the Guard the Grand program, the application includes information that any user may find helpful, including lake levels, boating regulations, dock permit information, and information on other programs. It also contains a push notification feature that allows GRDA to send out notifications about events and other important information. He showed a video promoting the application.

Director Kimball asked what the plan is to keep the application accurate and up-to-date. Dr. Townsend said they will be monitoring and updating the application regularly. He recognized Ms. Jeri Fleming with Dragonfly Consulting that is working with GRDA to implement this, and thanked her for her assistance. Dr. Townsend said GRDA's Information Services Team has reviewed the application and understand they will continue to be involved in maintaining it going forward. Director Kimball asked what the estimated cost associated with keeping the application current would be. Dr. Townsend said most of the content in the application is developed as GRDA enhances their education program and other relative items. He stated most of the programs have been funded through grants, and that content is just copied to the application. Director Kimball asked if GRDA would be adding any additional personnel for this project. Dr. Townsend confirmed they would not be adding any additional personnel for this purpose.

There was no action needed on this item.

4.i. Consideration, Discussion and Possible Approval of Contract 43260 – Consulting Services for Shoreline Management Plan Updates for the Pensacola and Markham Ferry Projects

Mr. Edwards explained that, in 2008, GRDA was required to send in documents to the Federal Energy Regulatory Commission (FERC) for their Shoreline Management Plan. FERC provided the order in 2013 for this purpose. He said GRDA began the relicensing process for the Pensacola Project and needs the Shoreline Management Plan updates to include in the new license to operate, but would like to include the Markham Ferry Project to make it easier going forward as both plans would run on the same timeline. Mr. Edwards stated the vendor will provide consulting services for the plan updates and work closely with GRDA permitting and compliance staff to address issues and revise language for consistency among the 2 projects. This will address provisions required by the FERC Orders for both projects as well as supporting GIS or mapping needs as required. He said this contract would facilitate and support GRDA staff during

public meetings and consultation as necessary. Mr. Edwards told the Board that the Shoreline Management Plan updates are due to the FERC by January 1, 2023. He said proposals were sent to 17 vendors, and GRDA received 2 proposals back. Mead & Hunt is the lowest cost proposal and are currently under contract for other relicensing consulting services with GRDA. Mr. Edwards stated he believes it is in the best interest of the Authority to contract with their firm for these services and recommends approval.

Chair Lewandowski asked what the timeline on the contract would be. Mr. Edwards said they will begin their work as soon as possible and the information will have to go into the license application required to be filed by end of May in 2023. He stated that a more realistic timeframe for them to complete their work will be in 2022 to ensure all work is complete.

Director Westbrook asked if the difference in the estimates gave GRDA staff any pause. Mr. Edwards said the other vendor did not account for any public meetings as Mead & Hunt had. He explained that as the staff asked clarifying questions, their bid changed. Mead & Hunt also has a lot of experience working with GRDA and a tremendous amount of knowledge on the project. Dr. Townsend said the other vendor was also used previously and the contract had to be cancelled due to performance issues.

Director Kimball moved the Board approve the contract with Mead & Hunt to provide consulting services for Shoreline Management Plan updates as required by the FERC licenses for the Pensacola and Markham Ferry Projects, for a not to exceed amount of \$119,973.00, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.j. Consideration, Discussion and Possible Approval of Make-Whole Payment Agreement – Stillwater Utilities Authority

Mr. Brown told the Board this item is a Make-Whole Payment Agreement with the Stillwater Utilities Authority (SUA) associated with the February 2021 cold weather event. He provided background information on the contract, saying that under Exhibit F-2 to the Power Purchase and Sale Agreement, GRDA purchases capacity and energy from the 56 MW gas-fired Wartsila facility which the SUA owns. Mr. Brown said the Energy Payment term approximates the SUA's actual fuel costs, but is not intended to be a direct pass-through of this cost. During this event, he stated the gas index price varied significantly day to day, resulting in a \$4.2 million disconnect between the SUA gas bill and GRDA's contractual Energy Payment. Mr. Brown said the agreement with the SUA simplifies the gas index price Flow Date to the

Imbalance Day. He further explained in detail how this works and noted that the market revenues from Southwest Power Pool (SPP) would offset this additional cost. Mr. Brown told the Board this does not change any of the terms of the original agreement with the Stillwater Utilities Authority.

Director Meyers asked Mr. Brown to confirm that the energy from the 56 NW gas-fired Wartsila facility was cheaper than purchasing power elsewhere. Mr. Brown confirmed this and added that several days were priced at the peak price on SUA's pipeline of \$428 per MMBtu due to the weekend and holiday Monday.

Director Kimball asked Mr. Brown to confirm that SPP asked GRDA to run no matter the cost, but SUA was concerned that this was going to be a huge financial setback for them and would have additional outages, and that GRDA Management had to make the decision during this extraordinary event with the Board to ratify what was already agreed upon. Mr. Brown confirmed this.

Director Elam thanked the City of Stillwater for stepping up to ensure customers kept their power on. Director Westbrook asked Mr. Brown to confirm that this Make-Whole Payment is the completion of the process on this, and GRDA is not expecting there could be additional charges forthcoming since this has taken a while to determine the details on this event. Mr. Brown did confirm this.

Director Kimball commented that he is very proud of the GRDA staff for doing exactly what they needed to do.

Director Elam moved for approval of the Make-Whole Payment Agreement with the Stillwater utilities Authority as presented, seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Mr. Loren Smith thanked the GRDA staff for their action during this time and working with them so diligently, with a special thank you to Mr. Jeff Wells.

4.k. Consideration, Discussion and Possible Approval of Amendments to GRDA Schedule PCA – Power Cost Adjustment

Mrs. Gudde explained that the existing Schedule Power Cost Adjustment (PCA) recovers all fuel & purchased power cost over a 12-month period. However, she said to allow GRDA to extend this period of time for the cost of the extraordinary weather event, there needs to be some formulate changes to their PCA rate schedule. Most GRDA power sales contracts provide for a 60-day notice of changes in Rate Schedules after Board approval. With Winter Storm Uri resulting in such extraordinary power costs, GRDA

will need these changes in place to allow them to move forward when all numbers are final. She said the Schedule PCA amendments will provide for a longer recovery period of extraordinary power costs, and defines the PCA as the sum of the Ordinary PCA (PCAO) and the Extraordinary PCA (PCAX). Mrs. Gudde explained what these terms mean and the elements and details associated with each, including all parts of the formula to be used to determine the PCAX. She said the PCAX allows GRDA a mechanism to pull out anything the Board of Directors deems “extraordinary” that can be recovered over a period longer than 12 months. She showed the PCAX calculation formula to the Board and asked if there were questions. There were no questions on this from the Board. Mrs. Gudde said going forward they would put this mechanism in place, if approved, today. She also said the GRDA Cash Reserve Policy will be coming to the Audit Committee in May, then in June the staff will propose to the Board the Extraordinary Power Cost and the amortization period. By then, she believes things will be much more clear on what options there are for the Authority.

Director Lewandowski asked how this will affect bonding. Mrs. Gudde said she has had preliminary discussions with rating agencies, including Moody’s and Fitch Ratings. During these discussions with Fitch Ratings about GRDA’s annual review and during the time of the winter storm, it was shared with the GRDA staff that cash position is one of the very strong elements of GRDA that substantiates their ratings. She said the Authority would need to look at the cash recovery period to make certain they rebuild that cash position in a reasonable timeframe based on the amendments to the GRDA Schedule Power Cost Adjustment and the Cash Reserve Policy. Mrs. Gudde stated the rating agencies are more concerned about the balance in account.

Director Elam asked what the anticipated timeline for this would look like. Mr. Sullivan said, it depends on if this is something GRDA will do on their own or if the Authority will be participating in the securitization plan that is being discussed in the legislature. The timeframe being discussed in the legislature is about 10 years. He explained GRDA staff has been looking at about a 4-year timeline internally to see what kind of impact that will have. Mr. Sullivan said they are trying to keep the increase down in the single digits to lessen the impact to the customers, but the securitization plan could be an option to GRDA, depending on what the cost of that is.

Discussion ensued regarding the possible details of the securitization plan the State of Oklahoma is looking at and what would be best for GRDA and the customers.

Director Meyers said he liked the idea of GRDA putting this mechanism in place to cover any and all scenarios as things unfold.

Director Elam asked when GRDA staff expects all of this to be settled. Mrs. Gudde stated this is required to be settled by June 2021. Director Elam asked if there would still be a meeting with the customers on this before a final decision is made and a final plan is presented to the Board of Directors. Mr. Sullivan and Mrs. Gudde both confirmed this.

Discussion ensued about what GRDA's possible increase could be, and how this could compare to their competitors as well as how this formula was created. Mrs. Gudde thanked her staff for their work to come up with this.

Director Kimball moved to approve the amendment to the PCA Schedule as presented to be effective July 1, 2021, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.l. Other New Business, if Any, Which Has Arisen Since the Posting of the Agenda and Could Not Have Been Anticipated Prior to the Time of Posting (25 O.S. § 311(9)).

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

- a) Consideration, Discussion and Possible Approval of a Request by Clarence Howard Turner, for a Revocable License to Encroach for Property Located in Mayes County, Oklahoma.**
- b) Consideration, Discussion and Possible Approval of a Request by Christopher Patrick Kelley and Katherine Elizabeth Kelley for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- c) Consideration, Discussion and Possible Approval of a Request by Vernon Lee Moss and Sandra Moss for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- d) Consideration, Discussion and Possible Approval of a Request by Nathan Allen Nauman and Angie Kay Nauman for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- e) Consideration, Discussion and Possible Approval of Proposed Guidelines for Management of Flowage Easements.**

Director Westbrook said there are 4 standard requests for Revocable Licenses to Encroach. He stated these were all approved unanimously.

Regarding item a, Director Westbrook moved to approve a License to Encroach to Clarence Howard Turner in Mayes County, Oklahoma for the amount of \$112.00 per year plus \$50 per month survey fee until paid in full, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item b, Director Westbrook moved to approve a License to Encroach to Christopher Patrick and Katherine Elizabeth Kelley in Delaware County, Oklahoma for the amount of \$1,173.00 per year plus \$71.00 per month for survey fee, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item c, Director Westbrook moved to approve a License to Encroach to Vernon Lee Moss and Sandra Moss in Delaware County, Oklahoma for the amount of \$100.00 per year plus \$63.00 per month for survey fee, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item d, Director Westbrook moved to approve a License to Encroach to Nathan Allen and Angie Kay Nauman in Delaware County, Oklahoma for the amount of \$497.00 per year, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item e, Director Westbrook explained the last item on the agenda discussed guidelines for management of Flowage Easements. He said this work has taken several years, and asked Mr. Edwards to present the information to the Board of Directors.

Mr. Edwards provided background information, saying that in 2016 the Water Infrastructure Improvements for the Nation Act transferred the flowage easements from the U.S. Army Corps of Engineers to GRDA. These documents were negotiated and approved by both parties, and in December

2020 the U.S. Corps of Engineers signed the documents for this purpose. He said these proposed guidelines were developed for GRDA to apply to all construction projects on GRDA property and the flowage easements for Grand Lake and Lake Hudson. Mr. Edwards also said they were developed to provide consistency in the project approval process, while safeguarding the flood storage pool. He showed the descriptions of the terms Flowage Easement, GRDA Taking Line, and Project Boundary, as well as a list of information details that will be needed from applicants for them to build something on GRDA property around the lakes. Mr. Edwards said these rules will allow the Authority to regulate the types of materials used, as well as allowing a system to be in place to do compensatory storage on the same site if someone wanted to do something that would require it. He described the documents required for proposed construction projects with the Flowage Easement, and confirmed to the Board that GRDA is now the one entity citizens around the lake will need to come to for a decision on these matters.

Director Westbrook moved to approve the Construction Guidelines and Compensatory Storage Requirements for Flowage Easements and GRDA property as submitted, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

1. **Audit, Finance, Budget, Policy & Compliance Committee:** Director Lewandowski asked Mrs. Gudde to give the Board a high level view of what they have been working on.

Mrs. Gudde said they have completed the 2020 Financial Audit and have come out with a clean opinion. She stated GRDA now has audited financial statements published and will be working these into the annual report to be published later in June.

2. **Compensation & Marketing Committee:** Director Kimball had no report.

3. **Fuel and Long-Range Planning Committee:**

- a) **Consideration, Discussion and Possible Approval of Wholesale Power Service Outside Control Area Capacity and Net Energy Revenue Rider**

b) Consideration, Discussion and Possible Approval of First Amendment to Restatement of Service Schedule PPA Power Purchase and Sale Agreement and waiver of 60-Day Notice Period with Western Farmers Electric Cooperative

Director Meyers said the committee met via video conference last Thursday to discuss two items, and that the committee is recommending approval of these.

Regarding item a, Mr. Brown said the Wholesale Power Service Outside Control Area (WP-OCA) Capacity & Net Energy Revenue Rider would replace a pilot program with similar terms and would be available to the WP-OCA Class customers. Mr. Brown told the Board all terms of the Power Purchase and Sale Agreement would remain for these customers, except the Power Cost Adjustment (PCA). He explained that normally they refer to these types of customers as “off system” and they take partial requirements service from GRDA for a set amount of power. In lieu of the PCA, customers taking service under this rider would receive a pro rata share of the Net Energy Revenue (NER) of GRDA’s generation portfolio. NER is equal to the Southwest Power Pool (SPP) market revenue less fuel and purchased power costs. Mr. Brown said there would be a provision for cost recovery of the February 2021 storm event and a provision for future extraordinary power cost events to be included in the rider.

Director Meyers moved to approve the Wholesale Power Service Outside Control Area Capacity and Net Energy Revenue Rider, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item b, Mr. Brown said the amendment to the Western Farmers Electric Cooperative (WFEC) Restatement of Service Schedule PPA Power Purchase and Sale Agreement would incorporate the new rider into Western Farmers’ agreement. He stated Exhibit A to the agreement now references the Schedule PCA, but would be amended to reference the rider schedule going forward, replacing the Schedule PCA in their contract. Mr. Brown told the Board WFEC has agreed to waive the 60-day notice period to ensure the rider becomes effective immediately.

Director Meyers said the committee did ask many questions about the risk to GRDA on this, and the committee agreed this was a good idea to move forward. Directors Elam and Westbrook concurred.

Director Meyers moved to approve the First Amendment to Restatement of Service Schedule PPA Power Purchase and Sale Agreement and waiver of 60-day notice period with Western Farmers Electric Cooperative, and the item was voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

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 City of Miami, Oklahoma vs. Federal Energy Regulatory Commission, United States Court of Appeals for the District of Columbia Circuit, Case Nos. 20–1325, 20–1446 (consolidated).**
- b. Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between the GRDA and Its Attorneys Concerning a Pending Investigation Involving the Southwest Power Pool that GRDA, With the Advice of its Attorney, Determines that Disclosure will Seriously Impair the Ability of the GRDA to Process the Claim or Conduct a Pending Investigation.**

Director Kimball moved to go into executive session at 11:41 a.m., seconded by Director Elam, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 12:44 p.m., seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

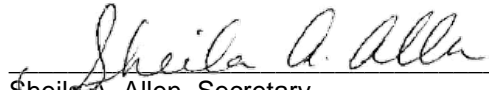
7. Action on Executive Session Items

- a. Action, as Necessary, Concerning City of Miami, Oklahoma vs. Federal Energy Regulatory Commission, United States Court of Appeals for the District of Columbia Circuit, Case Nos. 20–1325, 20–1446 (consolidated).**
- b. Action, as Necessary, Related to Confidential Communications Between the GRDA and Its Attorneys Concerning a Pending Investigation Involving the Southwest Power Pool.**

Regarding item a, there was not action needed on this item.

Regarding item b, there was not action needed on this item.

Director Elam moved for adjournment at 12:45 p.m., seconded by Director Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (7-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

May 12, 2021

GRDA Board of Directors