

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
April 8, 2020**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held via Cisco WebEx Meetings on April 8, 2020. The Cisco WebEx Meeting used access code 264 974 356, and meeting password is *BoardMtg-040820*. Attendees could join by phone at +1-408-418-9388 (Meeting Number/Access Code 264974356), from a video system or application at 264974356@grda.webex.com (or by dialing 173.243.2.68 and entering the meeting number (264974356), or by using Microsoft Lync or Microsoft Skype for Business by dialing 264974356.grda@lync.webex.com. 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 Secretary of State on March 24, 2020, at 4:14 p.m.; and by posting said agenda at www.grda.com.

Chair Richie called the meeting to order at 10:00 a.m. The Secretary called the roll. All members were present. Chair Richie declared a quorum.

BOARD MEMBERS

James B. Richie, Chair	Present
Mike Lewandowski, Chair-Elect	Present
Pete Churchwell	Present
Dwayne Elam	Present
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	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	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: Dmitri Jarocki, Google; Tom Rider, OMA; Tamara Jahnke, Jeff Brown, Jennifer Marquis, Melanie Earl, Jerry Cook, Cameron Philpott, Jeff Tullis, Michelle Day, Ash Mayfield, Holly Moore, Matt Martin, Ed Ferguson, Tom Gray, Stuart Horton, GRDA.

4. New Business

4.a. Capital Work Order Report

Number	Title	GRDA Cost
RF020-01008	Miami Freehauf Interconnect Upgrade	\$ 4,410,620
RF020-01020	Pensacola Complete Elevator Modernization	667,734
RF020-01021	New Hallett Gang Operated Air Brake Switch	295,392
Grand Total Work Orders		\$ 5,373,746

Mr. Sullivan explained items on the Capital Work Order Report and asked if the Board had any questions or needed to follow-up on any item listed.

Director Churchwell asked if the Pensacola item was to modernize the gates. Mr. Sullivan said this item is only to modernize the elevator itself.

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

CONSENT AGENDA

2. March Claims, \$39,793,914.35.

4.b. Resolutions of Commendation:

- 1) Calvin K. Condray
- 2) Stuart N. Horton

- 3) Lindy G. Huxtable
- 4) Terry G. Latta

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

Description and/or Make of Item
Dahle 858 Paper Cutter
Video Camera w/ Camera Case
Amana PTAC
Dell Optiplex 7070 (Lot of 5)
Dell u2419H (Lot of 5)

4.d. Power Cost Adjustment (PCA) of \$0.01683 per kWh for May 2020

4.e. EDRSA II Service Agreement – City of Sallisaw

4.f. Extension of Pilot Agreement with WFEC

4.g. Fiber Optic Licensing Agreement – KAMO Electric Cooperative

4.h. PO 42992 – Blanket Agreement – Helena Agri-Enterprises, LLC

4.i. Customer Contract Exhibit B Update – RAE Corporation

4.j. Application and Authorization for Temporary Electric Service – RAE Corporation

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
106300	ALTEC NUECO LLC - BIRMINGHAM, AL	212,600.00
42985	VALMONT INDUSTRIES, INC. DBA VALMONT - NEWARK VALLEY, NE	305,723.00
42360	ELECTRICAL CONSULTANTS, INC. - JENKS, OK	575,000.00
42989	TORISHIMA SERVICES SOLUTIONS OF MICHIGAN LLC - BATTLE CREEK, MI	709,414.00
106453	SCHNEIDER ELECTRIC USA, INC. - PALATINE, IL	267,458.26
106462	SESCO, INC. - FORT WAYNE, IN	392,468.00

Grand Total Standard POs & Contracts: \$2,462,663.26

Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
34284	THE ENERGY AUTHORITY, INC. - JACKSONVILLE, FL	129,923.37
42731	RE-CON COMPANY - OKLAHOMA CITY, OK	19,175.18

Grand Total Change Orders & Renewals: \$149,098.55

Grand Total \$2,611,761.81

Director Churchwell moved to approve the consent agenda as presented,

seconded by Director Elam, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

REGULAR AGENDA

1. Regular Board Minutes of March 11, 2020.

Director Elam moved to approve the regular Board minutes of March 11, 2020, seconded by Director Meyers, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

3. Unfinished Business

3.a. Progress Reports

Mr. Sullivan told the Board that for the second time in three years, GRDA has received national recognition for achieving exceptional electric reliability. 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 eReliability Tracker service and then compares the data to national statistics tracked by the U.S. Energy Information Administration (EIA) for all types of electric utilities. GRDA received the recognition primarily for its reliability record among its distribution customers in the MidAmerica Industrial Park. Mr. Sullivan stated, based on EIA data, GRDA ranks in the top 25 percent of utilities for System Average Interruption Duration Index (SAIDI). GRDA also received this recognition in 2018. He said, in April 2019, APPA also designated GRDA as a platinum level Reliable Public Power Provider (RP3) utility.

Mr. Sullivan said the GRDA property in Vinita is almost ready for Home of Hope to move into the building. He stated everything has now been moved to the Record Retention building on-site and is packed and ready to relocate to the Grand River Energy Center (GREC). Mr. Sullivan showed photographs of the Records Retention building and stated this process has been under the watchful eye of Mr. Charles Barney. There were 6,390 boxes handled in the last 90 days, with 1,004 boxes shredded, 90 boxes taken to other GRDA locations (climate controlled) and 5,296 boxes to be taken to the GREC. He said Home of Hope's funding has been delayed and GRDA has worked with them to secure a 30-day extension to closing. This considered change would move the closing date from April 15th to happen by May 15th.

Mr. Sullivan explained he and the staff wish to continue to provide data as to GRDA's Demand and Energy for Load Following each month to the Board. He showed a chart comparing this information for March 2020 as compared to March 2019 for Full Requirements Customers. Mr. Sullivan also explained the differences between these figures, saying there was a slight decrease in GRDA's load thus far, and the staff will continue to monitor this. He said the numbers for March 2020 are very comparable to March 2018 as well, and showed graphs illustrating a comparison of resource energy production of these 2 months.

Mr. Sullivan said GRDA's current continuity of operations is at Emergency Operation Level 2. He stated community transmission is occurring in the state. Mr. Sullivan told the Board every GRDA employee that can work from home is working from home at this time. He explained that further actions being taken are issuing telework instructions as applicable, limiting access to control rooms and implementing emergency operator shift schedules, physically separating O&M teams to provide smaller crews with focused areas of responsibility, staging critical supplies in warehouses, and asking everyone entering a

GRDA facility be screened and have their temperature taken. As of yesterday, Mr. Sullivan said GRDA does have digital thermometers on hand for this purpose. He stated the Authority has not had any change in their ability to respond to changes in operations or things that have come up over the last several weeks. Mr. Sullivan told the Board GRDA crews have been very responsive and have been dispatched due to some recent weather-related incidences, but no work is being performed that would require an outage of any kind at this point. He said the staff have been performing deep cleans in all GRDA facilities since a large portion of the normal personnel present have been evacuated. So far, Mr. Sullivan stated GRDA has not had to sequester any GRDA crews at their work locations, but that the crews and the Authority are ready should there be a need to move to Emergency Operation Level 3. If this happens, the sequestered crews would work in 7-day shifts. He said GRDA has been working to ensure there are plenty of supplies, bedding and necessary things to effectuate this plan, as he and the staff watch COVID-19 numbers in Oklahoma on a daily basis, and keep a special eye on a 50-mile radius around the GREC facility. As of today, Mr. Sullivan stated GRDA is only aware of 1 employee that has been exposed to the virus. He explained this employee's wife had been in the hospital and has tested positive for COVID-19, but the employee's test has come back negative, even though he has been symptomatic. Proper precautions are being taken regarding this.

Chair Richie asked what is allowed on the lakes and was concerned about the businesses around the lake, especially with last year's issues. Mr. Sullivan said the lakes are open and GRDA is working to make certain people are not rafting up and are maintaining social distance in groups of less than 10, if possible. He stated businesses around the lakes are finding creative ways to adapt to the changes. Mr. Edwards stated the lake is busy for this time of the year. He said GRDA has distributed a newsletter

around the lakes that includes information on COVID-19 and ways to stay safe on the water. Mr. Edwards told the Board the water is quite cold right now and this prevents a lot of people from being in the water. However, this could change once the weather warms up.

4. New Business

4.k. Consideration, Discussion and Possible Approval of Pro Forma Mutual Aid MOU

Mr. Mayfield said certain unforeseen events can disrupt a GRDA customer's ability to supply retail service via its distribution system. He explained GRDA Municipal customers could request assistance under this Memorandum of Understanding (MOU), using it as a framework for their request. GRDA would evaluate the request and potentially provide assistance, if feasible. Mr. Mayfield stated the MOU establishes the agreement that will apply if this assistance is required. If GRDA provides assistance, he said the customer receives an estimate of what this service would cost and will reimburse the Authority for its actual costs. GRDA staff requests the Board approve this MOU as a pro forma agreement and authorize the CEO to execute these agreements with customers so long as the MOU substantially complies with the presented pre-approved form. Mr. Mayfield stated this will help GRDA execute these contracts in a more efficient manner, and the Board will have pre-approved the form and content of the MOU.

Director Meyers asked if this would apply only in an emergency. Mr. Mayfield said the MOU is flexible enough to assist GRDA customers in a multitude of circumstances.

Director Elam moved to authorize the CEO to execute "Master Mutual Aid Memorandum(s) of Understanding" with its municipal customers, so long as the MOU(s) substantially conform to this preapproved pro forma MOU, seconded by Director Meyers, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.k. Other New Business

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- a) **Unfinished Business**
 - i. **Consideration, Discussion and Possible Approval of a Request by Spring Cove West Resort, LLC for a Lease of GRDA Property Located in Mayes County, Oklahoma.**

- b) **New Business**
 - i. **Consideration, Discussion and Possible Approval of Request by the Oklahoma Department of Transportation for an Easement to Replace a Bridge on State Highway 85A in Delaware County, Oklahoma.**
 - ii. **Consideration, Discussion and Possible Approval of a Request by Elizabeth A. Reburn, Trustee of the Elizabeth Reburn Trust Dated March 17, 1999 as Amended for a License to Encroach for Property Located in Delaware County, Oklahoma.**
 - iii. **Consideration, Discussion and Possible Approval of a Request by James L. and Jacquelyn Irwin for a License to Encroach for Property Located in Delaware County, Oklahoma.**
 - iv. **Consideration, Discussion and Possible Approval of a Request by Play Haven, LLC for a License to Encroach for Property Located in Delaware County, Oklahoma.**

Regarding item 1.a.i, Director Churchwell asked Mrs. Jahnke to explain this item and the recommendation.

Mrs. Jahnke said this is a request for lease of GRDA property located in Mayes County by the Spring Cove West Resort, LLC. She showed an aerial view of the area and stated this was initially leased in 2005 for 6.5 acres. The lease has been FERC-approved for 32 mobile homes or recreational vehicles and an office/home for \$614.58 per month based on a 2014 appraisal. Mrs. Jahnke stated this item was discussed last month when the owner was attempting to sell the property to a potential buyer, but the condition has now changed, and the contract was not able to be closed. With this situation, the GRDA staff is recommending the Authority enter into a 1-

year lease agreement with the current owner and a stipulation that the office/home in disrepair is removed within the first 6 months, and the septic system be taken care of.

Director Churchwell said after the recent flooding situation the committee was very concerned about the state of the septic system. However, he stated this plan was acceptable and the committee is recommending the 1-year lease for this.

Director Kimball commented he was very concerned specifically about the lateral lines, but is satisfied with the owner coming up with a plan to address this.

Director Churchwell moved to approve a 1-year lease agreement with Spring Cove West Resort, LLC for the amount of \$614.58 per month, and was voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item 1.b.i, Director Churchwell said this item is a request of highway easement by the Oklahoma Department of Transportation (ODOT) for Highway 85A near Bernice. ODOT intends to replace the bridge in Bernice, and the GRDA staff has recommended this item be approved.

Director Churchwell moved to approve an easement to the Oklahoma Department of Transportation for the Highway 85A Bernice Bridge Project in Delaware County, Oklahoma; since GRDA will benefit from the project, GRDA will grant the easement without compensation, and the item was voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item 1.b.ii, Director Churchwell moved to approve a 30-year License to Encroach to the Elizabeth A. Reburn Trust dated March 17, 1999 as amended in Delaware County, Oklahoma for the amount of \$249.00 per year, and was voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item 1.b.iii, Director Churchwell moved to approve a 30-year License to Encroach to James L. Irwin and Jacquelyn Irwin in Delaware County, Oklahoma for the amount of \$355.00 per year, and was voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained)*.

Regarding item 1.b.iv, Director Churchwell moved to approve a 30-year License to Encroach to Play Haven, LLC in Delaware County, Oklahoma for the amount of \$382.00 per year, and was voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained)*.

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

- a) First Reading of the Proposed Revisions to Board of Directors' Policy No. 4-3 Energy Risk Management**
- b) Consideration, Discussion and Possible Approval of the Bank of Oklahoma ISDA Increase**
- c) 2019 Financial Statement Audit**

Regarding item a, Director Lewandowski thanked Mrs. Gudde and her team for forwarding training materials to assist with understanding some of the more complex issues regarding risk management. He said he believes the committee is comfortable with where GRDA is in this process, and commented the team deserves a great amount of credit in making sure the committee understands each piece.

Mr. Mayfield told the Board the purpose of this Board of Directors' policy is to create a series of internal controls to mitigate the risks associated with procuring, generating, and delivery of affordable and reliable power and energy to GRDA's customers. The goal being to maintain rate stability and adequate debt service coverage ratio by mitigating energy market risk. He said most of the revisions to this policy are clean-up. It clarifies that GRDA does not engage in speculative trading at all. It also streamlines and removes duplicative information, and is a more usable, readable and practical policy. Mr. Mayfield said the GRDA and most other utilities use master agreements to buy and sell different items. One of the proposed revisions to this policy clarifies that the exposure limits for certain Master Agreements will be limited to \$20 million unless an

increase has been approved by the GRDA Risk Oversight Committee and the GRDA Board of Directors. He stated the policy does allow the Risk Oversight Committee to reduce this amount without Board approval, but the committee may not increase it. Mr. Mayfield said this is the first reading of the revisions to this policy and no Board action is necessary today. The GRDA will request approval of these revisions at the next Board of Directors' meeting.

Director Elam asked what the exposure limit was prior to this revision. Mr. Mayfield confirmed the previous limits were \$15 million on this, and \$20 million on ISDA's.

Regarding item b, Mr. Mayfield said the Bank of Oklahoma ISDA is designed to allow GRDA to financially lock-in fuel cost for a certain volume of gas or fuel and for a certain amount of time to allow for more stable and predictable rates. He provided history on the Bank of Oklahoma ISDA and a timeline of what has occurred. Mr. Mayfield explained GRDA has approximately 9 million MMBtu's of gas volume on the books today, which means cost is fixed for this and GRDA has price locks that expire at different times. The existing transactions extend through December 2021. He showed a graph illustrating how GRDA is using strategy to lock in its prices for gas and the timing associated with this. Mr. Mayfield said this strategy does the best job at providing value to GRDA customers and protecting them from price blowouts. He further explained the Bank of Oklahoma ISDA does not require either party to post collateral as long as the party is not in default under the contract, the party has a high enough credit rating and the value of the party's positions is not unreasonably low considering their credit rating. Mr. Mayfield said this analysis defines both parties' non-margined "threshold" under the ISDA. He showed the current versus the proposed threshold levels, and explained what the thresholds would be based on credit rating. He said this is not an actual cash expense to GRDA, but a calculation of how much risk is acceptable without a party posting collateral.

Director Lewandowski asked why it is only the CEO and General Counsel approving these. Mr. Mayfield said this is typical of how agreements are normally approved to limit the time it takes to finalize negotiations and execute an agreement. He stated the ability to fix GRDA's price for

gas is not available until the agreement is fully executed. Director Lewandowski said the committee does believe this type of approval is sufficient for them to authorize this type of motion. Director Sublett agreed.

Director Kimball asked if GRDA has a target price for gas to hedge against, or an average cost for gas for the year. Mr. Brown confirmed GRDA does not have a price target, but only that this type of transaction is part of the process of mitigating the risk.

Director Lewandowski moved to authorize the CEO to amend the BOK ISDA Thresholds that apply to GRDA's and BOK's S&P Long Term Issuer Credit Rating, in an amount not to exceed \$35M for A- or better, \$30M for BBB+, \$25M for BBB, and \$0 for less than BBB, with the final terms for any such amendments being subject to the final approval of the CEO and General Counsel, and it was voted upon as follows: Churchwell, yes, Elam, yes, Kimball, no, Lewandowski, yes, Meyers, yes, Richie, yes, Sublett, yes. *Motion passed (6-yes, 1-no, 0-abstained).*

Regarding item c, Mrs. Gudde said GRDA's 2019 Financial Audit has been finalized on March 27, 2020. This is 3 days prior to the statutory deadline. She stated normally it has not been finalized and filed with the State of Oklahoma until sometime in May. Mrs. Gudde said she very much appreciates GRDA's partnership with Baker Tilly, and is very impressed by their professionalism and efficiency, as well as their knowledge of the public power sector. She stated they continue to save the GRDA staff a tremendous amount of time and stress. Mrs. Gudde commended her staff for completing this process in record time, especially while relocating from the Vinita location. She said the audit went very well and there were no findings, and an unqualified opinion was issued. Mrs. Gudde said there is no motion needed to approve this, but the Board has been sent copies of all materials related to this.

Director Elam commented this move last year was a good one. Mrs. Gudde said it has been a tremendous relationship and has provided many more resources to GRDA. Director Elam commended Mrs. Gudde and her team for their work. Mrs. Gudde provided a brief update on

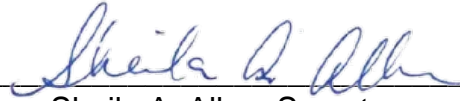
GRDA's 2019 Financial Audit. She said they are at an unprecedented state in the audit. The team has completed field work and has moved to partner review. Mrs. Gudde stated the audit will now be done about 2 weeks ahead of schedule.

3. **Compensation & Marketing Committee:** Director Kimball had no report.
4. **Fuel and Long-Range Planning Committee:** Director Meyers said the committee and staff met directly after last month's Board of Directors' Meeting on March 11, 2020. The committee reviewed generation assets GRDA currently has and the current fuel mix. Director Meyers' signal was lost, but he remained logged into the meeting. Mr. Sullivan said the committee and staff compared GRDA's assets to their projected loads to make certain the Authority could adequately service their customers. He stated there is no vote necessary today.

Mr. Sullivan stated the next Board of Directors Meeting is scheduled to be an in-person meeting, but will most likely be a virtual meeting again based on how things continue to progress. He said there will be proper notice in advance of the format. Mr. Sullivan said he appreciates everyone's participation, and that his goal has been to keep things moving as routinely as possible. Having this meeting to take care of business matters has assisted greatly. He thanked the Board and everyone present on the virtual meeting.

Chair Richie and Director Churchwell thanked Mr. Sullivan and commended the staff for keeping everything running so smoothly.

Director Kimball moved for adjournment at 11:10 a.m., seconded by Director Churchwell, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

May 13, 2020

GRDA Board of Directors