

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
May 13, 2020**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held via Cisco WebEx Meetings on May 13, 2020. The Cisco WebEx Meeting used access code 961 136 956, and meeting password was 4H9a7SkzwSJ. Attendees could join by phone at +1-408-418-9388 (Meeting Number/Access Code 961136956), from a video system or application at 961136956@grda.webex.com (or by dialing 173.243.2.68 and entering the meeting number - 961136956), or by using Microsoft Lync or Microsoft Skype for Business by dialing 961136956.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 May 4, 2020, at 10:21 a.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	Absent
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: 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, Eric Alexander, GRDA.

4. New Business

4.a. Capital Work Order Report

Number	Title	GRDA Cost
RF020-01034	vHost Refresh	\$ 240,247
RF020-01032	Stillwater 69 - Station Upgrades	2,191,167
RF020-01028	Microwave Upgrade Phase 3	1,606,831
RF020-01027	Pawnee 69 Upgrades	437,144
RF019-00955	Pawnee 69 - 15kV Recloser Addition - Revised	400,217
RF019-00955	Pawnee 69 - 15kV Recloser Addition - Original	189,465
	Net Amount of Additional Funding for RF019-00955	210,752
RF017-00851	Collinsville Interconnect - Feeder 13 Terminal Switch Replacement - Revised	189,887
RF017-00851	Collinsville Interconnect - Feeder 13 Terminal Switch Replacement - Original	90,200
	Net Amount of Additional Funding for RF017-00851	99,687
Grand Total Work Orders		\$ 4,785,828

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. There were no questions.

Director Elam moved the Board approve the Capital Work Order Report as presented, 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).*

CONSENT AGENDA

2. April Claims, \$37,400,541.13.

4.b. Resolutions of Commendation:

1) Robert L. Myers

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

Description and/or Make of Item
Vinita Headquarters Substation Items-S366
Vinita Headquarters Tap Line Items – Feeder 60

4.d. Power Cost Adjustment (PCA) of \$0.01914 per kWh for June 2020

4.e. First Amendment to Contract for Electric Service – Rocky Roads Operating LLC/Consolidated Oil & Gas, Inc.

4.f. Application and Authorization for Temporary Electric Service – Whiting-Turner Contract Co.

4.g. Amendment and Renewal of GRDA-SWPA Contract No. 380

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
42993	ROGERS STATE UNIVERSITY - CLAREMORE, OK	2,500.00
43015	PRYOR STONE, INC. - PRYOR, OK	208,500.00
42981	ALLGEIER MARTIN AND ASSOCIATES, INC. - JOPLIN, MO	2,500,000.00
43018	BRAINERD CHEMICAL COMPANY, INC. - TULSA, OK	404,544.00
Grand Total Standard POs & Contracts:		\$3,115,544.00
Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
42731	RE-CON COMPANY - OKLAHOMA CITY, OK	20,000.00
42711	HIGHER POWER ELECTRICAL LLC - TULSA, OK	-119,065.60
42788	COX COMMUNICATIONS, INC. - OKLAHOMA CITY, OK	49,999.80
47295	SIEMENS POWER GENERATION, INC. - IRVING, TX	148,000.00
47295	SIEMENS POWER GENERATION, INC. - IRVING, TX	111,000.00
41430	ALLEGIS GROUP, INC. DBA AEROTEK, INC. - TULSA, OK	200,000.00
41784	POWER COSTS, INC. - NORMAN, OK	24,000.00
42258	MERRICK & COMPANY - DENVER, CO	40,451.00
Grand Total Change Orders & Renewals:		\$474,385.20
Grand Total		\$3,589,929.20

Director Churchwell moved to approve the consent agenda as presented, 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).*

REGULAR AGENDA

1. Regular Board Minutes of April 8, 2020.

Director Meyers moved to approve the regular Board minutes of April 8, 2020, 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).*

3. Unfinished Business

3.a. Progress Reports

Mr. Sullivan explained data shown as to GRDA's Demand and Energy for Load Following comparing information from April 2020 to April 2019 for GRDA's Full Requirements Customers. He said it was a good month for GRDA. Mr. Sullivan commented it was an unusual month in terms of temperatures, being cooler than in many years, which changed the dynamics considerably. He said some of his Large Public Power Council (LPPC) colleagues have seen decreases up to 30 percent in their commercial load because of businesses being shut down, and Southwest Power Pool (SPP) is seeing somewhere between an 8 and 10 percent decrease in their load. Mr. Sullivan said he and the GRDA staff will continue to monitor this and keep everyone up to date.

Mr. Sullivan said testing for Unit 2 at the Grand River Energy Center (GREC) occurred last month, with the unit achieving 456 Megawatts of output over the initial testing weekend. He stated the 2017-2018 capital improvements, such as the auxiliary boiler fuel conversion, automated drum level control and BSOD upgrade/replacements, performed extremely well. This allowed operators to remain focused on other critical systems.

In an effort to provide protection for employees working onsite at GRDA facilities, Mr. Sullivan said GRDA Properties' team members recently constructed bandana masks that were made available for all GRDA employees. He explained the details and showed a photograph of Penny Frailey and Misty Kirby as they worked to accomplish this.

Mr. Sullivan stated GRDA Police have posted signs at recreational area access points at Grand Lake, Lake Hudson and the Illinois River to remind the public of the need to maintain personal distancing as required. This includes avoiding groups of 10 or more

people, as well as keeping a distance of at least 6 feet from others. He said everyone was glad to see people out enjoying the outdoors.

Mr. Sullivan told the Board GRDA Police Officer Cody Marquis recently accepted a generous donation to GRDA of 10 gallons of hand sanitizer from Mr. Doug White with the Oklahoma Emergency Responders Assistance Program, and the agency made plans to bring a second 10 gallon donation soon. He said it has been a blessing to have these donations. Mr. Sullivan stated GRDA has been able to provide some of their municipal customers with FR rated masks since the Authority had some extras to distribute. He said they are working toward getting these out this week.

Mr. Sullivan stated that with continued activity in the eagle's nest located in the off-roading area below the Pensacola Dam spillway, the area established around the nesting area earlier this year will remain closed to the public for an undetermined amount of time. The area will be reopened once all nesting activity has ceased for the year. Over the past few weeks GRDA Biologists have noted that the eaglet, dubbed "Aeric", has been stretching and pumping its wings to build strength for its first flight.

A fire broke out in the Siloam Springs Substation on May 5. Mr. Sullivan said this was after a failure of one of the metering devices on Feeder 1. While there were no reported outages, he stated GRDA did sustain equipment damage, but crews quickly jumped in to repair the damage by the end of last week. Mr. Sullivan explained the installation of the new equipment is anticipated to be completed this week. He showed a photograph of some of the damage.

There was a virtual meeting with Municipal Customers held on May 7. Mr. Sullivan showed screen shots of a part of the meeting. He said this was a great opportunity to get additional input and feedback from the customers, and a forum for them to have some

conversation amongst themselves. He stated GRDA appreciates everyone that participated and the team would like to try to do this on a monthly basis for now.

Mr. Sullivan told the Board the Authority is still in Operational Level 2 of their Emergency Operations Plan. He stated currently they are in Phase 1.5 of their Re-entry Plan as an intermediate step. Mr. Sullivan said leadership has asked for volunteers who would like to return to the office either full or part time at this stage, and have about 50 employees returning as of this week. He explained they will continue to work out the details of the Re-entry Plan as the Authority goes forward, and the current schedule is to move to Phase 2 on June 1, 2020. Right now, this is intended to be on a rotational basis, with 2 teams alternating their presence. Mr. Sullivan said GRDA will likely do this through most, if not all, of June depending on the situation. He also explained they have been collecting data on employees that have an issue with their own health or the health of someone in their household. These people may need some special consideration.

Chair Richie asked Mr. Edwards if everything is going well at the lake with the COVID-19 situation. Mr. Edwards said it is, and there are a lot of people on the water even with the low temperatures.

4. New Business

4.h. Consideration, Discussion and Possible Approval of OSIsoft PI Project

Mr. Wall said the intent of this project is to increase efficiency through improved monitoring capabilities of critical real-time parameters at the Grand River Energy Center (GREC), such as unit loads, fuel consumption, and heat rates. This goal will be accomplished by the collection of data within a PI System. He explained the system will combine historical data with current real-time data, and a trend analysis can be used to improve operational performance. Mr. Wall told the Board the use of this data can extend

equipment life, increase production capacity and perform risk mitigation by being proactive with predictive analysis and notifications before there is an issue. He explained that a PI System is a data collection system for operational system data and regulatory compliance data. It includes system tools for analytics and trend analysis, reporting and decision making, predictive and What-If scenarios, system notifications and preventive maintenance. To remain competitive, he said companies must continually innovate, improve and streamline their operations. However, Mr. Wall stated accurately identifying how and where to improve operations can be extraordinarily challenging if the data that contains the answers is scattered among different incompatible systems, formats and processes. He said there are cost savings and efficiencies accomplished by the PI System in its ability to collect, analyze, visualize and share large amounts of high fidelity, time-series data from multiple sources to people and systems across all operations. Mr. Wall stated the original work order, approved by the Board of Directors on June 5, 2019, was for \$107,499. This updated work order would ask for additional capital funds of \$175,680 for additional vendor cost based on a more specific RFP and the cost of GRDA labor, hardware, and capitalized A&G. The total of the updated work order would be \$283,179.

Director Meyers asked what the savings achieved with this item would be. Mr. Wall said he does not have a current dollar amount available, but it would save on GRDA staff's time spent reporting and analysis, with a better work product.

Director Elam asked if there were any additional costs anticipated for this. Mr. Wall said if there is a need presented there could be additional cost, such as tying this to other control systems outside, a need to acquire additional storage and/or additional data points as GRDA grows.

Mr. Ladd said some of the cost savings realized would be for predictive maintenance. He explained how this would work. Mr. Ladd also stated it would also provide remote monitoring, providing some flexibility should GRDA choose to need this in the future to partner with large engineering firms that would offer those kinds of services.

Director Meyers moved to approve the additional capital funding of \$175,680 to current Work Order GF019-00029, for the GREC Controls OSIsoft PI System addition, for a total updated amount of \$283,179, seconded by Director Elam, and voted upon as follows: Churchwell, yes, Elam, yes, Kimball, yes, Lewandowski, no, Meyers, yes, Richie, yes, Sublett, yes. *Motion passed (6-yes, 1-no, 0-abstained).*

4.i. Consideration, Discussion and Possible Sale of Substation and Transmission Line Facilities, and Granting of Electric Line Easement to KAMO in Craig County, Oklahoma

Mr. Brown showed an aerial view of the GRDA property in Vinita, Oklahoma. He said the substation items and tap line items at this location were declared as surplus on the Consent Agenda this month and approved. This agenda item is related to these Vinita electrical facilities that served the GRDA Headquarters building for many years, as well as the KAMO Electric Cooperative Headquarters building just to the west. He explained to the Board where each of the assets was positioned, and said the proposed sale price for these assets is \$1,030,000. Mr. Brown showed survey drawings of the substation, line facilities, and easements needed for the sale and explained each. He showed an aerial view of the transmission line involved, describing it as an approximately 1.4 mile 69kV transmission line. Mr. Brown described the property involved, including associated wood structures, cross arms, hardware, conductor, ADSS and OPGW fiber, as well as the assignment of all easements, rights-of-way and permits acquired by GRDA. Mr. Brown

said KAMO has agreed to the sale price, but GRDA does not have anything in writing to date.

Director Elam moved (A) to declare the property described in the Contract for Sale of Assets, Including Real Property with KAMO as surplus and not necessary to the business of GRDA, and (B) to approve the Contract for Sale of Assets, Including Real Property, to KAMO for the amount of \$1,030,000.00, subject to final terms and conditions as approved by the CEO and General Counsel, seconded by Director Sublett, and 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).*

4.j. Consideration, Discussion and Possible Approval of Contract 42963 – Pre-Construction Services and Estimated Construction Manager’s Fee

Mrs. Hunter told the Board this would be an update on the new GRDA Administrative Center and an update on where the Authority is on construction contracts for this. She explained the Administrative Center progress to date with the pre-design phase being complete, to include design objectives being created, defined department requirements, identifying adjacencies, developing a conceptual floor plan, and completing conceptual renderings. Mrs. Hunter said this has been a great collaborative effort, with the next phase to work through the Construction Manager at Risk (CMAR) process for selection. She showed an aerial view of the property, showing where the Administrative Center would be located near the Grand River Energy Center (GREC). Mrs. Hunter also showed the current conceptual design for the building, stating the color schemes and material would continue to be worked out in the schematic design phase. The CMAR process involved Cyntergy and GRDA leaders across the Authority. She said the staff originally sent out 20 Requests for Letters of Interest (LOIs), and received responses from 13 firms. Out of

this, Mrs. Hunter told the Board 3 were selected for interview by a 5-person selection committee made up of GRDA leadership and Cyntergy personnel. They would go through a more thorough and formal interview process. At the end of this process, she said there was a unanimous decision that GRDA would like to select Crossland Construction Company to proceed with contract negotiations due to their project portfolio, safety focus and record, history of delivering on-time and on-budget projects, experience in the public sector, and GRDA's past experience with the vendor. Mrs. Hunter said GRDA's past experience was on the Ecosystems and Education Center in Langley, Oklahoma, and the Energy Control Center building and security fence near the Robert S. Kerr Dam near Locust Grove, Oklahoma. She said the team was also pleased the team Crossland brought forward included some of the same people that have worked with GRDA in the past. Mrs. Hunter showed a table illustrating the contract detail to include the pre-construction and construction phases. She said the construction manager fees for Crossland are consistent with other submissions received, and these fees are included in the overall \$15 million construction cost estimate for the building. Mrs. Hunter showed the next steps to include schematic design development in June 2020, design development in September 2020, construction documents by January 2021, and final construction documents by February 2021.

Director Churchwell moved to approve Contract 42963 in the not-to-exceed amount of forty-five thousand dollars (\$45,000) for pre-construction services and an estimated construction manager's fee of eight hundred sixty-two thousand five hundred dollars (\$862,500) all contingent on the General Counsel and Chief Executive Officer's contract approval, 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).*

4.k. Consideration, Discussion and Possible Approval of Contract 42970 – Substation Construction Services for CPN Substation

Mr. Tullis showed an aerial view of the location, noting the 69kV transmission line and Citizen Potawatomi Nation (CPN) substation site. He said in November 2018 GRDA signed a Memorandum of Understanding with the CPN, that included GRDA design and construct the CPN initial tribal utility substation on property they own south of Shawnee, Oklahoma. This substation will be a 69/13.8 kV facility with 28 MVA capacity, featuring 2 distribution feeds to service the Iron Horse Industrial Park and the capability to have 2 additional future distribution feeds. The source for the substation will come from an OG&E transmission line. Mr. Tullis stated the necessary Southwest Power Pool (SPP) studies have been completed and the connection has been approved. Once the substation is constructed, he said CPN will take over ownership of everything, with the exception of the GRDA revenue meter. Mr. Tullis showed a diagram of the substation. He said the project features provisions for a mobile substation connection, 69 kV and 15 kV breakers, oil containment, 2 15kV reclosers, and a control building. It was designed by Burns & McDonnell with an estimated construction contract of \$840,000. Mr. Tullis stated on May 1 the bid opening was held, with 7 bids received. He showed the list of bidders, with Shaffer's Substation Construction coming in as the lowest bidder. Their bid was more than the construction cost estimate, but the firm took no exception to GRDA terms and has had previous experience with Authority in building the Skiatook Cap Bank Addition in 2018. Mr. Tullis said the firm's performance was more than satisfactory.

Director Meyers asked if the CPN would reimburse GRDA for this cost. Mr. Tullis confirmed this project is 100 percent reimbursable.

Director Sublett asked where Shaffer Substation Construction is located. Mr. Tullis stated they are based out of Missouri.

Director Sublett moved the Board award Contract 42970 – Substation Construction Services for CPN Substation to the low bidder, Shaffer Substation Construction, for the quoted price of \$896,800.00, 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).*

4.I. Consideration, Discussion and Possible Approval of Contract 42909 – Pensacola Generator Excitation Modernization

Mr. Jacoby said the GRDA is having difficulty getting parts for the 6 excitation units at the Pensacola Dam. With this, he stated it is time to move into digitalizing the equipment. Mr. Jacoby told the Board they received 6 bids on this project and showed the table illustrating this. He said some bids came in below GRDA's estimate, with the 3 lowest bids from Reivax USA, ABB and LS Electric. Mr. Jacoby said all of these firms have good experience and are well known to GRDA. This project would include all 6 excitation units delivered, installed, as well as allowing for spare parts. He said the GRDA staff looked at whether it would be best for GRDA or the contractor to take care of the installation. He told the Board the major benefit of GRDA installing the equipment would mainly be in training as it would afford employees the experience. He also said the benefits of the contractor installation would be that the contractor time would be focused on the project, no disruptions to GRDA personnel's daily work, labor cost control and specialized expertise, allowing more efficiency and a quicker timeline. He showed the cost estimate for GRDA to perform the installation. Mr. Jacoby said the price bid by the low cost contractor indicates that contractor installation will be higher than estimated

GRDA labor by as much as \$150,000. However, given concerns with delayed or deferred work due to COVID-19 response, he and the GRDA staff feels the contractor's flexibility to be preferential at this time.

Director Elam asked Mr. Jacoby to confirm the estimated engineering cost to be \$1.2 million. Mr. Jacoby confirmed this.

Director Meyers moved to award Contract No. 42909 to L&S Electric for the replacement, modernization and installation of six (6) antiquated and unmaintainable Pensacola Power Plant Excitation units for a value not-to-exceed \$984,910.00, 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).*

4.m. Other New Business

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- a) **Consideration, Discussion and Possible Approval of a Request by Curtiss A. Bailey and Tamra S. Bailey for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of a Request by Shelley R. Fautot and Steve A. Fautot, Co-Trustees of the Shelley R. Fautot Trust Dated December 19, 2014 for a License to Encroach for Property Located in Delaware County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request by Ronald G. Sparkman and Deidre J. Sparkman for a License to Encroach for Property Located in Ottawa County, Oklahoma.**
- d) **Consideration, Discussion and Possible Approval of a Request by Robert A. Williams and Blair L. Williams, Trustees of the Robert A. and Blair L. Williams Revocable Living Trust Dated July 31, 2013 and Harold**

A. Lewis and Karen T. Lewis, Trustees of the Harold and Karen Lewis Family Trust Dated August 27, 2015 for a License to Encroach for Property Located in Delaware County, Oklahoma.

- e) **Consideration, Discussion and Possible Approval of a Request by Rick G. and Judy C. Rose for an Amendment to a License to Encroach for Property Located in Delaware County, Oklahoma.**
- f) **Consideration, Discussion and Possible Action Related to an Annual Review of Raw Water Rates.**
- g) **Consideration, Discussion and Possible Approval of a Request by Quail Ridge Golf & Event Center for a Raw Water Contract.**
- h) **Consideration, Discussion and Possible Approval of a First Amendment to a Raw Water Contract with the Oklahoma Ordnance Works Authority.**

Director Churchwell asked Mrs. Jahnke to briefly go over the items associated with licenses to encroach. She explained each.

Regarding item a, Director Churchwell moved to approve a 30 year License to Encroach to Curtiss A. Bailey and Tamra S. Bailey in Delaware County, Oklahoma, for the amount of \$285.00 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 b, Director Churchwell moved to approve a 30 year License to Encroach to Shelley R. Faurot and Steve A. Faurot, Co-Trustees of the Shelley R. Faurot Trust dated December 19, 2014, in Delaware County, Oklahoma, for the amount of \$259.00 per year, 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 c, Director Churchwell moved to approve a 30 year License to Encroach to Ronald G. and Deidre J. Sparkman in Ottawa County, Oklahoma for the amount of \$100.00 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 d, Director Churchwell moved to approve a 30 year License to Encroach to Robert A. and Blair L. Williams Revocable Living Trust dated July 31, 2013 and Harold A. Lewis

and Karen T. Lewis, Trustees of the Harold and Karen Lewis Family Trust dated August 7, 2015, in Delaware County, Oklahoma, for the amount of \$377.00 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 e, Director Churchwell moved to approve an amendment to the 30 year License to Encroach to Rick G. and Judy C. Rose in Delaware County, Oklahoma to revise the yearly payment fee to the amount of \$581.00 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 f, Director Churchwell explained this item is regarding the annual raw water rate review performed each year. The basis for the raw water rate was established by the 2007 water study, allowing for adjustments to the base rate and variable. He said the cost would stay the same at this time at \$0.12 per 1000 gallons, and the staff and committee recommends no change to the base raw water rates effective July 1, 2020. He showed the annual contract water revenues as well.

Director Churchwell moved to approve no change to the water rates, and was voted upon as follows: Churchwell, yes, Elam, no, Kimball, yes, Lewandowski, yes, Meyers, yes, Richie, yes, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

Regarding item g, Director Churchwell said this item is a request from Quail Ridge Golf and Event Center, LLC for a new 10 year contract in Delaware County, Oklahoma. He showed an aerial view of the area. Director Churchwell said this property was owned by the Cherokee Grove Golf at Carey Bay since 2014, but sold to Quail Ridge this past year. The water would be to water the golf course, with 1 intake, and a maximum take of 7 million gallons per year with a maximum take of 1.8 million gallons per month.

Director Churchwell moved to approve a 10 year raw water contract to Quail Ridge Golf and Event Center, LLC, and was voted upon as follows: Churchwell, yes, Elam, no, Kimball, yes,

Lewandowski, yes, Meyers, yes, Richie, yes, Sublett, yes. *Motion passed (6-yes, 1-no, 0-abstained).*

Regarding item h, Director Churchwell asked Mr. Sullivan to explain this item.

Mr. Sullivan said this is an amendment to the raw water agreement with the Oklahoma Ordnance Works Authority (OOWA), or MidAmerica Industrial Park. There has been a lot of effort toward expansion in the industrial park, and the park has requested this change based on recent and future needs. Currently, the contract allows OOWA to draw 50 million gallons per day. However, we are proposing to increase this to 75 million gallons per day, with a maximum draw of 27,375,000,000 gallons per year. This item was approved by the committee.

Director Elam asked if their rate had changed. Mr. Sullivan confirmed it had not.

Director Churchwell moved to approve the First Amendment to the Raw Water Contract with Oklahoma Ordnance Works Authority, and was voted upon as follows: Churchwell, yes, Elam, no, Kimball, yes, Lewandowski, yes, Meyers, yes, Richie, yes, Sublett, yes. *Motion passed (6-yes, 1-no, 0-abstained).*

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

a) Second Reading of the Proposed Revisions to Board of Directors' Policy No. 4-3 Energy Risk Management

Director Lewandowski asked Mr. Mayfield to explain more about this item.

Regarding item a, Mr. Mayfield said this item was presented to the Board for the first reading during the April 2020 GRDA Board of Directors Meeting. He 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. The policy was first adopted in February 2014, and was last amended in April 2017. 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.

Director Lewandowski moved to approve the revisions to the GRDA Energy Management Risk Policy (4-3) as proposed, 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).*

3. Compensation & Marketing Committee: Director Kimball had no report.

4. Fuel and Long-Range Planning Committee: Director Meyers had no report.

Mr. Sullivan stated the open session portion of the virtual meeting would remain open while the Executive Session portion is conducted. After the Executive Session is complete the Board of Directors and staff will reconvene in the same open session. He thanked the Board and everyone present on the virtual meeting.

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.**
- b. Proposed Executive Session Pursuant to 82 O.S. § 862.1(2)(c), Which Exempts the GRDA from the Provisions of the Open Meeting Act to Confer on Security Plans and Procedures in Its Role as an Electric Utility Regulated by the Federal Government.**

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

Director Meyers moved to return to regular session at 11:44 a.m., 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).*

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.**
- b. **Action, as Necessary, Concerning Security Plans and Procedures.**

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

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

Director Kimball moved for adjournment at 11:45 a.m., 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).*



Sheila A. Allen, Secretary

DATE APPROVED:

June 10, 2020
GRDA Board of Directors