

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
July 8, 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 146 070 8502, and meeting password was BoardMtg070820. Attendees could join by phone at +1-408-418-9388 (Meeting Number/Access Code 1460708502), from a video system or application at 1460708502@grda.webex.com (or by dialing 173.243.2.68 and entering the meeting number - 1460708502), or by using Microsoft Lync or Microsoft Skype for Business by dialing1460708502@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 June 29, 2020, at 10:49 a.m.; and by posting said agenda at www.grda.com.

Chair Richie called the meeting to order at 10:02 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: Shanna Rippey, Visitor; Randy Krehbiel, Tulsa World; 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, Mason Mulry, James Bissett, GRDA.

4. New Business

4.a. Capital Work Order Report

Number	Title	GRDA Cost
RF018-00928	Phone System and Network Split - Revised	804,846
RF018-00928	Phone System and Network Split - Original	692,900
Net Amount of Additional Funding for RF018-00928		111,946
Grand Total Work Orders		\$ 111,946

Mr. Sullivan explained items on the Capital Work Order Report, saying these are a continuation of the split in GRDA's network systems and to expedite the process. There were no questions.

Director Kimball moved the Board approve the Capital Work Order Report 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).*

CONSENT AGENDA

2. June Claims, \$34,547,921.57.

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

Barn #1 - Neosho Bottoms Irvin Tract	Barn #3 - Neosho Bottoms Irvin Tract
Barn #2 - Neosho Bottoms Irvin Tract	

4.c. Power Cost Adjustment (PCA) of \$0.01888 per kWh for August 2020

4.d. Exhibit B-3 – RAE Corporation

4.e. Amendment to 2020 USGS-GRDA SRO Stream Monitoring and Gaging Stations Cooperative Contract

4.f. Mutual Aid Memorandum of Understanding – City of Siloam Springs

4.g. Exhibit B – City of Stroud

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

Standard Purchase Orders & Contracts

PO Number	Vendor Name and City State	Amount
107991	PINNACLE BUSINESS SYSTEMS - TULSA, OK	207,123.80
43069	TERRACON CONSULTANTS INC. - TULSA, OK	250,000.00
43070	STANDARD TESTING AND ENGINEERING COMPANYS - TULSA, OK	250,000.00
43071	KLEINFELDER INC. - TULSA, OK	250,000.00
43090	BADGER DAYLIGHTING CORP - PITTSBORO, IN	125,000.00
43091	FIDGETS OIL FIELD SERVICES LLC DBA FOS ENVIRONMENT - EUFALA, OK	125,000.00
43092	H&E EQUIPMENT SERVICES INC. - BATON ROGUE, LA	250,000.00
43093	HERC RENTALS INC. - TULSA, OK	250,000.00
43094	HUGG & HALL EQUIPMENT CO INC. - TULSA, OK	250,000.00
43095	SUNBELT RENTALS INC. - TULSA, OK	250,000.00
43096	UNITED RENTALS - CHOUTEAU, OK	250,000.00
43097	WHITE STAR MACHINERY & SUPPLY CO - TULSA, OK	250,000.00
43098	YELLOWHOUSE MACHINERY CO OF OK - SAND SPRINGS, OK	250,000.00
43099	BELGER CARTAGE SERVICE INC. - TULSA, OK	250,000.00
43100	BENNETT STEEL INC. - SAPULPA, OK	250,000.00
43101	CRANWORKS INC. - HOUSTON, TX	250,000.00
43102	EQUIPMENT WORLD INC. - CATOOSA, OK	500,000.00
43103	GLOBAL RENTAL CO INC. - BIRMINGHAM, AL	500,000.00
43104	NESCO LLC - BLUFFTON, IN	500,000.00
43105	GENERAL ELECTRIC INTERNATIONAL, INC. - ATLANTA, GA	170,000.00
43060	BURNS & MCDONNELL ENGINEERING - KANSAS CITY, KS	193,300.00
Grand Total Standard POs & Contracts:		\$5,570,423.80

Change Orders & Renewals

PO Number	Vendor Name and City State	Amount
106628	KOBELCO COMPRESSORS AMERICA, INC. - CORONA, CA	-159,078.00
42633	BRENNTAG SOUTHWEST INC. - NOWATA, OK	3,457.90

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

REGULAR AGENDA

1. Regular Board Minutes of June 10, 2020.

Director Elam moved to approve the regular Board minutes of June 10, 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 explained data shown as to GRDA's Demand and Energy for Load Following comparing information from June 2020 to June 2019 for GRDA's Full Requirements Customers. He said there was an overall increase in demand and energy. Mr. Sullivan commented he thought it was a reasonably good rebound across the system from the COVID-19 situation, and that GRDA's customer cities are reporting a fair amount of activity. He showed graphs illustrating a comparison of resource energy production from 2019 to 2020, and explained there was a slight increase in gas usage and a decrease in hydro production due to the extraordinary amount of rainfall in 2019. The 20th Anniversary of the Big Meat Run (BMR) was held last month in Disney, Oklahoma. The popular off-roading event, which typically brings in thousands, was originally scheduled for March and rescheduled due to high water in the area and the COVID-19 pandemic. He showed photographs and said there was a good crowd, but much smaller than normal.

Mr. Sullivan told the Board a virtual town hall event was held on Tuesday, June 24, with himself and Executive Vice President of Human Resources Laura Hunter. The duo answered questions submitted by employees on various topics relating to the COVID-19 pandemic. He said there was a lot of great feedback from this. He also said they

anticipate holding more of these in the future. Mr. Sullivan stated a lot of questions were related to travel during this time as GRDA has encouraged their employees to take their vacation time when they would like to, but asks they do it in a way that reduces risk to the rest of GRDA. He talked about how GRDA is asking those that need to be tested do so 5 to 7 days after exposure and how this can provide a reliable result, which has reduced the overall number of days those employees would need to quarantine. As part of a "Heroes Work Here" initiative, GRDA recently purchased and delivered banners for each of its public power electricity customer communities. The banner program allows GRDA to thank these essential municipal employees for taking good care of their citizen-customers and provides another way for GRDA to say how proud they are to be their public power partner. He showed photographs of the people involved in the Collinsville, Claremore and Tahlequah communities.

Mr. Sullivan said GRDA Scenic River Float and Ground Crew members have collected 24,940 pounds of trash so far in 2020, with 568 pounds of that to be recycled. He also stated they collected between 150-200 tires have been collected, which will also be recycled. Mr. Sullivan said these crews pick up trash on a weekly to add to the recycling total. He commended this great effort and said the ladies that do this are very committed to their work and keeping the river clean.

Activities on Grand Lake, Lake Hudson, and the Illinois River all saw an increased presence of visitors over the holiday weekend. Mr. Sullivan said there were almost 1900 boats on Grand Lake, almost 200 boats counted on Lake Hudson, and over 1800 on the Illinois River. Even with larger crowds, he stated the weekend was a success as GRDA Police did not work any incidents involving serious injuries or drownings. The large crowds kept officers busy with calls, but arrests and citations were low. GRDA officers assisted with five firework shows over the weekend, including the Duck Creek

Fireworks, which featured the addition of an aerial acrobatics show before the fireworks display. On Lake Hudson Saturday, there was a fireworks display in the town of Salina that was seen by a large crowd. Mr. Sullivan commented that the 80th anniversary of the construction of Pensacola Dam made the Grand Lake events even more special than usual as he showed photographs from the events.

Mr. Sullivan provided the Board with an update on the current COVID-19 situation as of yesterday and showed the current numbers and graphs showing a case status breakdown, local radius numbers, and active hospitalization numbers. He said there were 858 new cases in Oklahoma (434 new on July 6), and there were 577 new cases in the local radius/district with 427 of those being in-state and 150 out-of-state. Mr. Sullivan stated there was a new high of 3,811 active cases in Oklahoma at this time, up 280 cases from Monday, July 6. There are 3,830 active cases in the local radius/district, up 117 cases from July 6. He said the numbers seem to be a bit more encouraging, but that there seems to be a younger population being affected now which is concerning. Mr. Sullivan told the Board he and the GRDA staff will continue to watch this and keep them updated as more information is gathered.

Director Kimball stated Chair Richie was the host of another great event on July 4th in Duck Creek at his home. He also said they were able to share the event with Lieutenant Governor Matt Pinnell. He complimented all who coordinated the fireworks and air show.

Chair Richie thanked Director Kimball for his kind words and thanked Director Sublett for his presence at the event and commented how much he enjoyed this commentary and explanation during the air show.

3.b. Request by Shanna Rippy to Address the Board of Directors

Mr. Fite told the Board there was a loss of life on the Illinois River on May 30, 2020. He said the river level was above normal flows, and there were rafters caught near War Eagle Resort in what is called a “strainer” where a tree is in the water. Mr. Fite said Miss Hannah Rippy drowned, and stated her mother, Mrs. Shanna Rippy, would like to address the Board.

Mrs. Rippy greeted the Board members and asked GRDA to clear out the tree in that area. She also asked if the operators on the Illinois River were supposed to let people know the water levels were high, sharing her concerns that not enough was done to prevent these types of situations.

Mr. Sullivan thanked Mrs. Rippy for joining the meeting and stated he and the entire GRDA Family are very sorry for their loss and expressed the Authority’s condolences. He explained the river is something GRDA does not have complete control over, and that they do issue warnings whenever water levels are high to enable float operators and anyone else that checks the GRDA Web site information to see what current conditions are. However, Mr. Sullivan told Mrs. Rippy that GRDA does not close the river, but it usually does close itself when water levels are at a certain point. He said the tree involved has been removed, but it is very difficult for GRDA to get equipment into the area to remove these when the water is high, preventing removal. Mr. Sullivan stated the Authority receives significant cooperation from the float operators and others in the area to work toward removing these obstacles as soon as possible, but sometimes it is not as quick as they would like. The conditions that contribute to these trees being in the river also prevent easy access to remove them. He told Mrs. Rippy he appreciates her reaching out to them and stating her concerns and stated these have not fallen on deaf ears. Mr. Sullivan thanked Mrs. Rippy for giving GRDA the opportunity to address this and told her

they will continue to look at what further can be done to warn visitors. He also said they are happy to stay in contact and answer any other questions or concerns she may have. Mrs. Rippy asked that GRDA reinforce the warnings to the float operators. Mr. Sullivan said GRDA will work with the float operators to find a way to ensure people at the river are more informed of the conditions as they meet with them on a regular basis. Mr. Sullivan conveyed his condolences again, and thanked Mrs. Rippy for joining the meeting.

Mrs. Rippy thanked the staff and Board for listening and for their help.

3.c. Ratification of Renewal of Directors & Officers and Employment Practices Liability Insurance Coverage

Mr. Lofton said the Grand River Dam Authority has maintained \$35 million in Directors and Officers Employment Practices Liability Insurance. This amount is recommended by GRDA's insurance broker for a utility of its size and this policy provides coverage to GRDA as the entity and to the directors, officers and employees. It covers claims involving breach of duty, errors and omissions, failure to act and employment practices. He stated GRDA added coverage for Antitrust matters with a \$10 million liability sub-limit. This is co-insurance where AIG paid 80 percent and GRDA pays 20 percent should there be a claim of this type. However, this policy expired as of July 1, 2020. Mr. Lofton shared a graph illustrating the coverage that expired. He said the insurance companies providing this coverage were AIG, AEGIS, Navigators, and Allied World for a total of \$163,498 in premium. This Directors and Officers coverage was previously provided through 3 layers of coverage that totaled \$35 million. He showed a table of the renewal proposal if GRDA were to continue with AIG in the lead for a premium of \$204,030, a 20 percent increase. Mr. Lofton said this is the first significant increase GRDA has had in the last several years due to their excellent claims history, and that this is

clearly a market-driven increase. He showed a second renewal proposal table and said this year AEGIS has offered to take the lead role. They would assume \$20 million in coverage subject to a self-insured retention of \$250,000. AIG has agreed to provide the next layer of coverage at \$10 million, with Allied World following with the rest at \$5 million of coverage. This would be a total cost of \$199,752 in premium, about an 18 percent increase over last year. Mr. Lofton said the key difference between these 2 policies is in the antitrust coverage and described these. He said the antitrust coverage through AEGIS is much better with comes with no sublimit, no co-insurance and a \$250,000 deductible, the same as last year. He said, based on this, he and the staff recommend the ratification of this new policy lead by AEGIS versus AIG.

Director Kimball asked Mr. Lofton to clarify that this GRDA's D&O coverage expired on July 1, 2020. Mr. Lofton confirmed this, but added that GRDA secured coverage though AEGIS, AIG, and Allied World prior to the expiration of the former policies. The GRDA is seeking the ratification of the decision to obtain D&O coverage through AEGIS, AIG, and Allied World. and said GRDA did not receive the renewal quotes in time for the last Board of Directors Meeting in June, and was then listed as new business.

Director Elam moved to ratify the decision of the Chief Executive Officer to obtain Directors and Officers Liability Insurance Coverage from AEGIS, AIG, and Allied World as presented for the combined premium of \$199,752, plus the State Risk Management administrative fee of \$8,989, for a total of \$208,741, 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).*

4. New Business

4.h. Pensacola Dam Bridge Improvements ODOT Contract Agreement 31855(05)

Mr. Jacoby said the Board has authorized GRDA twice to pursue grants alongside the Oklahoma Department of Transportation (ODOT) to widen the South Highway 28 bridge over the Pensacola Dam. So far, that has not been approved. He said GRDA is looking at structural upgrades per instruction from the Board to get the bridge up to current highway standards on this combined project between the GRDA and ODOT. Mr. Jacoby stated bids were received by the ODOT on their normal bid schedule on June 18, 2020, and were awarded at the ODOT Commission Meeting on July 6, 2020. GRDA has a pending interagency agreement with the ODOT that will advance the awarded value of the GRDA contract to them. He said GRDA needs to evaluate the value and repairs and authorize the agreement. Mr. Jacoby told the Board the cost and schedule management concerns for this complicated project include budget (at approximately \$8.5 million, estimated a few years ago), bids running high over the last several months for routine work, and escalating costs. There is also a concern with the upstream bridge hinges, and a risk of a tight construction timeframe. To mitigate this, he said the staff implemented a cost management and evaluation methodology of the base bid with add alternatives. These include add alternates that allow evaluation of bids to determine what work needs to be awarded, a primary add alternate of repairing versus replacement of main bridge hinges, with other less critical add alternate items. Mr. Jacoby explained the 6 elected alternates for price control. He said GRDA prepared a net present value evaluation of the alternatives. He said the intent was to present the time-based expenditure against the future risk of multiple life cycle contingencies, specifically adding construction cycles near term or for the future. Mr. Jacoby told the Board that the Governor toured the Grand Lake area the week bids were coming in and had heard significant concerns from citizens about the bridge not being widened. He stated he was told the Governor has asked the ODOT to look further into widening possibilities. Mr. Jacoby showed a table representing the

combined ODOT and GRDA engineers estimate and bids for this project, noting the GRDA recommended total of \$9,367,354. This was the base bid plus the recommended add alternates 3,5 and 6 that were presented. He said, given the potential for the ODOT to further investigate widening the bridge, there could be additional bridge closures planned. Mr. Jacoby explained this also presents an option for the upstream beam hinge repair or replacement without a construction delay during this repair contract, and defers the upstream hinge construction from this construction contract to minimize the price risk. He said the minimal beam hinge repair can be accommodated with the unit price quantities included in the contract award. Mr. Jacoby stated he and the GRDA staff recommend awarding the base bid along with primary strengthening and walkway rail removal and reset alternatives, while setting the hinge item aside to assess later alongside further widening possibilities or repairs.

Mr. Sullivan commented that one of the important points in this is the ODOT is coordinating the entire project, freeing GRDA staff to handle other things.

Director Kimball moved to enter into an interagency agreement with the Oklahoma Department of Transportation (ODOT) for the processing and payment of authorized construction identified as ODOT Project Agreement 31855(05) which shall be inclusive of GRDA construction tasks identified as Base Bid, Alternate 3 (Rail Reuse), Alternate 5 (Beam End Strengthening) and Alternate 6 (Spandrel Column Strengthening); the final terms of the agreement shall be approved by GRDA's Chief Executive Officer and General Counsel; the value advanced to ODOT per the agreements shall be established as \$9,400,000.00, seconded by Chair Richie, and voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (7-yes, 0-no, 0-abstained).*

4.i. Other New Business

There was no other new business.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee:

- a) **Consideration, Discussion and Possible Approval of Request by the Oklahoma Department of Transportation for an Easement for Highway Construction on State Highway 59 in Ottawa County, Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of a Request Samantha E. Davis for a License to Encroach for Property Located in Craig County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request for an Assignment of a License to Encroach from Elizabeth A. Reburn, Trustee of the Elizabeth A. Reburn Trust Dated the 17th Day of March 1999 to Chad Eric and Kandy Kay Keeney for Property Located in Delaware County, Oklahoma.**

Director Churchwell said these 3 items are very routine and it was a very short meeting for the committee. He asked Mrs. Jahnke to briefly go over the items, and she explained each.

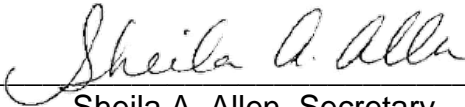
Regarding item a, Director Churchwell moved to approve a Highway Easement to the Oklahoma Department of Transportation in Ottawa County, Oklahoma, and compensation for damages to fencing and a gate for the total amount of \$6,600, and was voted upon as follows: Churchwell, Elam, Kimball, Lewandowski, 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 Samantha Davis in Craig County, Oklahoma for the amount of \$100.00 per year plus monthly payments for survey of \$90.00, 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 the Assignment of a 30 year License to Encroach to Chad Eric Keeney and Kandy Kay Keeney 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)*.

- 2. Audit, Finance, Budget, Policy & Compliance Committee:** Director Lewandowski had no report. but said there would be a meeting held directly after the Board Meeting today.
 - 3. Compensation & Marketing Committee:** Director Kimball had no report, but said there would be a meeting held directly after the Board Meeting today.
 - 4. Fuel and Long-Range Planning Committee:** Director Meyers had no report.
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Director Elam moved for adjournment at 11:02 a.m., 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)*.



Sheila A. Allen, Secretary

DATE APPROVED:

August 12, 2020
GRDA Board of Directors