

**Minutes of Regular Meeting  
Grand River Dam Authority  
Board of Directors  
July 14, 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 July 14, 2021. 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 July 13, 2021, at 9:53 a.m.; by posting said agenda at [www.grda.com](http://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.

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Chair-Elect Elam called the meeting to order at 10:00 a.m. The Secretary called the roll. All members were present, with the exception of Chair Lewandowski, Director Meyers, and Director Richie. Chair-Elect Elam declared a quorum.

BOARD MEMBERS

Mike Lewandowski, Chair	Absent
Dwayne Elam, Chair-Elect	Present
Tom Kimball	Present
Chris Meyers	Absent
James B. Richie	Absent
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	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	Absent
Ed Fite, VP – River Operations and Water Quality	Absent
Justin Alberty, VP – Corp. & Strategic Communications	Present
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Loren Smith, Stillwater Utilities Authority; Jared Crisp, Pryor MUB; Mike Doublehead, TPWA; Keith Skelton, Robin Haggard, City of Sallisaw; Mike Starks, City of Cushing; Lindsey Pever, ANewEnergy Law Firm in Oklahoma City; Thomas Jenkins, Insurica; Jared Ward, Office of Senator Jim Inhofe; Caleb Cochran, Office of Congressman Markwayne Mullin; Tom Gray, Tamara Jahnke, Jeff Brown, Melanie Earl, Ash Mayfield, Matt Martin, Jerry Cook, Holly Moore, Jennifer Marquis, George Davis, Cameron Philpott, Gary Pruett, Ryan and Sarah Maddoux, Mark S. Schemet, Jim W. Dooley, Glenda Stump, Katie Foreman, GRDA.

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#### 4. New Business

##### 4.a. Capital Work Order Report

Number	Title	Net GRDA Cost	
RF021-01107	Microwave Upgrade Phase 4	\$	1,855,638
RF021-01100	Unit 3 BFW and TCA Pump Mechanical Seal Upgrade		459,658
<b>Grand Total Work Orders</b>		<b>\$</b>	<b>2,315,296</b>

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 Sublett moved the Board approve the Capital Work Order Report as presented, seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

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### CONSENT AGENDA

#### 2. June Claims, \$101,969,664.66.

##### 4.b. Resolutions of Commendation:

- 1) Mark S. Schemet
- 2) Dallas C. Soukup
- 3) Glenda S. Stump

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

Description and/or Make of Item	
Bae Battery Charger	Minolta Cameras: Lot of+A13:A23 2
Misc. Desks & Chair: Lot of 8	Tom Tom GPS
Book Shelves: Lot of 9	Waring Flare Kit
File Cabinets: Lot of 5	Piston Groove Cleaner
Misc. Office Supplies	Binding Machine
Mini Fridge	DeWalt 18V Battery
Microwave	Newton Meter
Thermoweld	Stihl Leafblower
Feed Wheel Tighten Bands	Shop Vac
Stihl Autocut Head 30-2	Stihl Weedeater
DeWalt Drills: Lot of 2	Cambell Spray Rig

##### 4.d. Power Cost Adjustment (PCA) of \$0.02712 per kWh for August 2021

##### 4.e. Consideration, Discussion and Possible Approval of Revised Cooperative Agreement with the Oklahoma Conservation Commission – Northeastern Riparian Protection Conservation Easements

- 4.f. **Consideration, Discussion and Possible Approval of Contract 43414 – Microsoft Unified Support Annual Renewal**
- 4.g. **Consideration, Discussion and Possible Approval of Contract 43415 – Microwave Radio Project Phase 4**
- 4.h. **Consideration, Discussion and Possible Approval of Excess Liability Insurance Coverage for \$339,200 to AEGIS Plus \$15,264 to State Risk Management for an Administrative Fee**
- 4.i. **Consideration, Discussion and Possible Approval of Excess Liability Insurance Coverage for \$155,982.18 to Energy Insurance Mutual plus \$7,019.20 to State Risk Management for an Administrative Fee**
- 4.j. **Consideration, Discussion and Possible Approval of Contract 43412 – Unit 3 EBI ISO Phase Repair and Parts**
- 4.k. **Consideration, Discussion and Possible Approval of Purchase Order 115257 – Service Truck with Lube Body & Crane for Hydro**
- 5.b. **July Purchase Order Report (\*Denotes Addenda Items):**

**Standard Purchase Orders & Contracts**

<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
43248	JOHNSTON TECHNICAL SERVICES, INC. DBA JTS - DALLAS, TX	1,163,801.37
115026	CELEROS FLOW TECHNOLOGY DBA FLOW AMERICA LLC - HOUSTON, TX	259,614.32
43402	EMERSON PROCESS MANAGEMENT POWER & WATER SOLUTIONS - PITTSBURGH, PA	425,770.00
43404	TORISHIMA SERVICES SOLUTIONS OF MICHIGAN LLC - BATTLE CREEK, MI	324,790.00
115155	SCHNEIDER ELECTRIC - HOUSTON, TX	205,250.13

**Grand Total Standard POs & Contracts: \$2,379,225.82**

**Change Orders & Renewals**

<b>PO Number</b>	<b>Vendor Name and City State</b>	<b>Amount</b>
43213	UNITED STATES DEPARTMENT OF INTERIOR - AUSTIN, TX	3,750.00
42953	OSISOFT LLC - SAN LEANDRO, CA	18,937.50
42535	MOTOROLA SOLUTIONS - DALLAS, TX	0.00
41375	TIMCO BLASTING & COATING, INC. - BRISTOW, OK	39,970.00
40315	PRYOR STONE, INC. - PRYOR, OK	21,031.55

**Grand Total Change Orders & Renewals: \$83,689.05**

**Grand Total \$2,462,914.87**

Director Kimball moved to approve the consent agenda with the presented surplus property item removed, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

## REGULAR AGENDA

### 1. Regular Board Meeting Minutes of June 9, 2021.

Director Kimball moved to approve the Regular Board Meeting Minutes of June 9, 2021, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

### 3. Unfinished Business

#### 3.a. Progress Reports

##### 3.a.1. Current Operations Reports

- a. Monthly Video Update - GRDA July 2021
  - July 4th Weekend Recap

- b. Winter Storm Uri Update

Mr. Sullivan said the Authority had a solid month in June 2021. He explained data shown as to GRDA's Demand and Energy for Load Following comparing total annual information for 2020 and 2021 for GRDA's Full Requirements Customers. Mr. Sullivan told the Board there was an 8 percent total increase in demand and a 5 percent increase in energy for the month. He showed graphs illustrating a comparison of resource energy production for June 2020 and June 2021, and said GRDA had more coal available to them due to market conditions. He said the balance was relatively unchanged.

Mr. Sullivan said GRDA's Distribution Line Crew recently assisted the Oklahoma Ordnance Works Authority (OOWA) with a line relocation at one of their water treatment facilities in the MidAmerica Industrial Park. The existing line was close to one of the tanks and doing this work allowed OOWA room to expand, if needed, and to be able to get equipment around the tank more easily for construction. The Distribution Crew performed the work while the line was energized to prevent disturbing the plant or causing any interruption of service to the customer. Mr. Sullivan commended the crew on a job well done.

GRDA sponsored a one-day fishing trip on GRDA's smallmouth pond at the Grand River Energy Center, and a Neosho Bottoms Hunt at the 2021 Home of Hope annual banquet and auction event held at the Tulsa Zoo on June 12, 2021. Mr. Sullivan said the funds raised at this year's banquet will support Home of Hope's programs for people with disabilities and help expand those services through an exceptional range of adult day services. This year's event included over 100 donors and participants and raised over \$118,000, including GRDA's in-kind live auction contribution of \$3,000 this year. Home of Hope and subsidiaries of Rogers County Training Center and the Delaware County Friendship Homes serve more

than 250 individuals in Northeast Oklahoma. The residential, vocational communities, and quality of life programs are primarily located in Vinita, Claremore, Jay, Grove, Miami and Pryor. He said it is great to see this relationship continue and to see Home of Hope's mission gain continued support from the community.

On June 18, 2021, Mr. Sullivan said Oklahoma Governor Kevin Stitt and the Oklahoma Department of Commerce announced that Canoo, a Los Angeles-based company that develops electric vehicles, plans to build its first "mega microfactory" on a 400-acre site in the MidAmerica Industrial Park. The factory is scheduled to open in 2023. He stated GRDA continues to look at other support businesses that could follow this company to the industrial park.

At the recent APPA National Conference, Mr. Sullivan said GRDA's David Hefner was recognized for leading a team that went to the Navajo Nation a couple of years ago and accepted an award on behalf of GRDA for bringing electricity to the homes of 300 Navajo families. He said GRDA crews plan to help again next year from April 24, 2022 to May 1, 2022, and the Authority has indicated this to those that run the program. Mr. Sullivan showed a photograph from the conference. He stated this is a great opportunity for our crews to contribute more as many wanted to return and found it very fulfilling.

GRDA provided its first "sneak peak" of the WOKA Whitewater Park during a hard hat tour of the construction site on June 29, 2021. Mr. Sullivan said the event drew several media outlets: Five television stations, and approximately \$110,000 in earned media coverage. He told the Board there were several guests in attendance from the Walton Family Foundation, including Jim Walton and his wife, the City of Siloam Springs, the Cherokee Nation, Team GRDA and other entities. Mr. Sullivan said this was a great opportunity to see what progress has been made and said he was grateful to everyone that coordinated this successful event.

Director Kimball stated he was very proud to hear from Mr. Jim Walton that Team GRDA had greatly exceeded his expectations. Mr. Sullivan said the team had a chance to sit down for lunch with Mr. Walton and his wife to talk about his vision for this park. He showed photographs, and stated it was a great experience to spend some time with them and appreciated his kind remarks.

Mr. Sullivan said he and GRDA staff met with its retail and municipal customer groups on July 8, 2021, at RSU's Pryor Campus to share an update on Winter Storm Uri, the costs associated with the event, and the options available for cost recovery. He told the Board there will be a version of this update provided later in this meeting. He also said it was a chance to gain good feedback and discussion from GRDA's customers, as well as being a nice opportunity to see their customers in-person again.

Yesterday, Mr. Sullivan and Mrs. Hunter led an internal Town Hall event. Mr. Sullivan said the discussion focused mainly on a Winter Storm Uri update, the pay for performance project status and administrative building plans. He stated GRDA's new pay practices will take effect August 1, 2021.

Mr. Sullivan told the Board their GRDA co-worker Frank Cantey passed away June 18, 2021. He said Frank served 20 years with the Pryor Police Department before being elected Mayes County Sheriff, where he served three terms from 2001 to 2012. In 2015, Mr. Sullivan explained that Frank joined Team GRDA as a part-time officer, working first at GRDA's Administrative Headquarters in Vinita before transferring to the Ecosystems and Education Center in 2020. He stated Frank was an important part of the team over the last few years, bringing a wealth of knowledge and experience to the GRDA Police Department, and that he will be greatly missed.

Mr. Sullivan introduced the video showing an update of the July 4th holiday weekend. He commended the team at GRDA for keeping visitors safe. Mr. Wiscaver commented he had heard from many people throughout the State of Oklahoma on how much better their experience has been visiting GRDA lakes and Scenic Rivers in the last few years. Mr. Sullivan stated that throughout the July 4th weekend there were 10 arrests, 27 citations, and 291 calls for service. Many of the calls for service included water rescues.

**Regarding item b**, Mr. Sullivan said he and the team wanted to provide an abbreviated Winter Storm Uri update given to GRDA customers recently. He showed a map of the SPP region in the coldest part of the United States during Winter Storm Uri between February 14-16, 2021. The map illustrated the SPP service territory of the balancing authority and the temperatures during this period of time. Mr. Sullivan told the Board some of the drivers for the temporary service interruptions were generation unavailability, lack of fuel supply, icing and extreme cold weather-related outages, rapid reduction of energy imports, transmission congestion related, as there were tightening supply conditions in neighboring areas and record wintertime energy consumption that rivaled some summer peak consumption levels. He showed a chart displaying the energy that met demand in the real-time market, noting the two EEA3 events in February 2021 when there were curtailments. Mr. Sullivan explained the source types included in the chart and how each source was used. Mr. Sullivan stated the Authority also asked customer cities to fire up units that rarely run.

Discussion ensued regarding resource availability and the reasons behind the unprecedented situation, as well as the need for infrastructure improvements.

Mr. Sullivan showed a graph illustrating natural gas prices during this time period and explained what this meant for GRDA. He then asked Mr. Ladd to present the next portion of the update.

Mr. Ladd showed several photographs of the Grand River Energy Center and how crews took extraordinary measures during this difficult time according to their Severe Weather Action Plan. He described what this plan includes and what the situation entailed. Mr. Ladd said he visited the control rooms during this time to make sure things were ready for the storm and noticed that many people had “self sequestered” themselves for the coming weather. To ensure they had adequate staffing on-site, several folks were concerned about making it home and back to continue to operate the units, and then decided to stay at or near their workstations for the duration of the event. He said he even had one employee voluntarily stay a total of 14 days.

Mr. Ladd recognized Mr. Ryan Maddox for his dedication during this event and for his work to attain his welding certifications. Mr. Maddox spoke about his appreciation for his wife in taking care of their responsibilities at home which allowed him to dedicate his time to GRDA.

Mr. Ladd recognized Mr. Jim Dooley for his work and dedication in staying with the boiler round the clock to repair a leak before the winter storm arrived. Mr. Dooley is the Authority’s certified inspector responsible for boiler operations. He said with this and Mr. Maddox’ welding skills, they were able to get the a repair job done and have a unit back in service in 52 hours. Mr. Ladd stated he has never seen a repair such as this done in that amount of time in the 22 years he has been with GRDA.

Mr. Ladd showed a photograph of frozen floodgates at the Pensacola Dam. He said after talking to GRDA’s Generation Marketing Department they realized there was a need to relocate some “fuel”. In this case, the fuel is water at Grand Lake to make it available for generation at other locations. He said crews at the site diligently worked to free the floodgates at Pensacola Dam even under extreme adverse conditions. Mr. Ladd said he imagined it took extraordinary effort to do this. He told the Board GRDA requested the Federal Energy Regulatory Commission (FERC) allow them to deviate from target elevations in response to SPP’s request for the Salina Pumped Storage’s Chimney Rock Reservoir to be filled to cover high load conditions during the “polar vortex” event. He explained Oklahoma experiences its lowest minimum and maximum temperature records throughout the state through the event. Mr. Ladd showed photographs of GRDA employees working to keep things at the Grand River Energy Center running by thawing frozen areas and protecting the system. He said GRDA employees spent a lot of time outside in the elements to remove ice.

Mr. Sullivan showed a slide showing gross generation for February 2021 versus February 2020 and explained the chart. He said the key to reliability is to have the resources available to the Authority to respond to market events like this. Mr. Sullivan asked Mrs. Gudde to present the next portion of the presentation.

Mrs. Gudde said, as calculated on 7/7/2021, GRDA's cost over and above their fuel and purchased power for the month of February was \$102,388,191. She stated the figures she is to present are approximations of average future rate impacts related to Winter Storm Uri, using assumptions based upon historical load, and using current SPP Integrated Marketplace settlement data. Mrs. Gudde told the Board these numbers can change over time. She presented GRDA's cost recovery methodology. Mrs. Gudde said the fixed cost allocation recovers each customer's actual share of costs based on February 2021 energy usage and provides certainty over the repayment term. The term would be up to 120 months, with the possibility of utilizing the state's securitization law. She explained what the basics of this law are. Mrs. Gudde said there are 3 options for customers. She stated the PCAx options were approved by the Board of Directors a few months ago. Mrs. Gudde explained these and said Option 3 would be to use the traditional PCA calculation to be paid over 12 months, but would need to be determined prior to GRDA obtaining financing. She said the Authority has met with GRDA's municipal and retail customers on this, and has provided each customer a report on their share of this cost at that meeting. Mrs. Gudde told the Board there is now a need for them to take subsequent actions in the coming months on this, to include determining the cost to be recovered (PCA EPC), allowing the Authority to issue new debt, and approving a new Schedule PCAx that covers the securitization and 120-month payback. She said they are estimating beginning recovery of this cost in the 4th Quarter of 2021. Mrs. Gudde stated there will be an interest rate and administrative fees to include in the carrying cost, and the Authority will present an amortization schedule for each customer to provide a fixed monthly payment for this period of time.

Director Elam asked if there was a breakdown document available of what costs were to municipal customers versus retail customers. Mr. Sullivan stated the municipal customers comprised approximately 45 percent of the total cost.

Director Westbrook asked, since the loan program has been approved, if the state unveiled the actual distribution information. Mr. Sullivan said they are hopeful. He explained that this is not a product that the Oklahoma Development Finance Authority (ODFA) has ever offered, and that they have hired a financial advisor to help them through this process. Mr. Sullivan stated that this is their proposal to the



customers, but that they anticipate having more information from the ODFA before the August meeting. At this point, he said they believe GRDA is the only utility utilizing the non-regulated piece of the program since the Oklahoma Municipal Power Authority (OMPA) did their own bonding for this. However, Mr. Sullivan told the Board GRDA has a bond cap that the Authority has been working to lift for several years. He explained what the market normally looks like in relation to bonds. He said they believe this ODFA program is the best alternative for those customers that choose the 120-month recovery. Several customers are currently assessing what makes sense for them. Mrs. Gudde said they are also working on a Request for Information to see what the Authority could obtain regarding commercial financing for this amount for the same term. She stated the Authority wants to make certain this is the most cost-effective way to move forward.

Director Kimball asked if the team has had any estimates on interest rates. Mr. Sullivan said they did not. He told the Board it would be based on GRDA's bond rating at worst and at best at AAA, or the state's rating.

Mr. Sullivan said they are hopeful to begin recovery during 4th Quarter of 2021, assuming the Board approves everything at the August 2021 Board of Directors' Meeting. He and Mrs. Gudde said they are putting together frequently asked questions from their customers. They provided a printed copy of some of these to the Board.

Director Elam commended and thanked the GRDA staff for all they have done and for their dedication throughout this event. Mr. Sullivan thanked him for his kind words and said he and the GRDA Team appreciated the great feedback from the customers. He also stated that with the ongoing COVID-19 situation, it was a great learning opportunity that made it a bit easier to have employees at home to allow them to be operational around the clock as the team utilized new technologies to an extent they had not previously.

## **4. New Business**

### **4.1. Blue-Green Algae Status Update**

Dr. Townsend provided a timeline of the events surrounding the recent blue-green algae bloom in and around Horse Creek on Grand Lake. He said on June 9, 2021, water quality buoys in Horse Creek noted a substantial increase in water temperatures and a "jumping" of their blue-green algae sensor. Dr. Townsend stated the team observed a lot of flecks of blue-green algae in the water June 10, 2021, and throughout the weekend following. He showed photographs and graphs associated with this, and said the

first wave began June 13, 2021, and concluded June 19, 2021. He explained how the situation progressed and the levels of toxins in the water, as well as noting the changes in the weather which presented some issues. Dr. Townsend said the second wave began June 22, 2021, and concluded June 25, 2021. He told the Board the wind kept the water column well mixed at this point and there was a halt in sampling due to the heavy rain experienced at that time. Dr. Townsend said the third wave began June 28, 2021, concluding on July 4, 2021, when no scums were visible. However, he stated all sites were teeming with zooplankton. Dr. Townsend said the fourth wave occurred on July 6, 2021, as the zooplankton was gone. He showed graphs illustrating the densities of blue-green algae through the water column and explained each and how they related to each of the events. Dr. Townsend presented the expected insights from the data collected during this time from the lake and watershed. He said they now have a better understanding of what conditions lead to these blue-green algae blooms in Horse Creek, and explained some of this data. Dr. Townsend showed data on streamflow from the watershed and explained water quality data and modeling related to nutrients, DNA source tracking and macroinvertebrates. He explained how the DNA source tracking helps in determining where the nutrient sources come from in relation to events like this. Dr. Townsend noted GRDA's latest conservation easements and how this has affected water quality in the Horse Creek area. He said there are approximately 4 additional landowners that are interested in talking to GRDA about these conservation easements. Dr. Townsend told the Board things seem to be clearing up in the area, and the team does not anticipate any major issues as of today.

Director Elam asked when the Authority would begin to see results from the conservation easements being put in place. Dr. Townsend said this is actually the first season they have been in place and it will be a while. He went on to explain that the University of Oklahoma is looking at how much nutrient is being trapped in the easements, and said it would be a 2 to 3 year project to gather that data.

Dr. Townsend said the Authority did not detect any other blooms outside of the Horse Creek area. He said there were other areas that saw very small amounts, but no actual blooms.

There was no action needed on this item.

#### **4.m. Consideration, Discussion and Possible Approval of Contract 43413 - Helicopter Purchase**

Mr. Edwards said this is a proposal to transition GRDA to a new aircraft. He stated the Authority has over 1,200 miles of transmission lines, over 210 river miles of water and 667 miles of lake shoreline to maintain, with an on-demand need for an aircraft in other situations as well. Mr. Edwards also said aircraft technology has advanced and would benefit the Authority greatly as the current aircraft is becoming obsolete. GRDA currently has 2 aircraft, a 1982 Bell 206 Long Ranger, and a 2001 Robinson R44. The 2001 Robinson is currently listed for surplus auction to close on July 22, 2021. He showed photographs of both of these helicopters. Mr. Edwards said they are in the process of a major engine inspection and maintenance on the Long Ranger. He explained this should increase the surplus value at a later time upon completion. In July of 2019, Mr. Edwards said the Long Ranger had a failure of the Kapton wiring, causing the engine RPMs to over speed on takeoff, and caused the linier actuator to fully extend. If this had occurred in flight, he told the Board the GRDA pilot would have had to make a forced auto-rotation landing. Mr. Edwards said GRDA is rapidly nearing the time to rewire the entire aircraft, as it is now 39 years old. While completing a rewiring, they would also need to update the airframe structure and transmission controls. He stated the cost for this is significant at approximately \$1.5 million. Mr. Edwards said GRDA staff investigated what other Large Public Power Council (LPPC) entities had. He showed photographs of these types of aircraft and explained what Nebraska Public Power District, New York Power Authority, and the Salt River Project in Arizona have. Mr. Edwards stated the Authority went out for bid and is now looking at a Bell 407GX<sub>i</sub> aircraft. He showed photographs of the aircraft and explained the differences in this and GRDA's current aircraft, including the differences in the current and new cameras on each aircraft and differences in technology to enable GRDA staff to take photographs of electric lines and structures without having to use handheld cameras and flying close. Mr. Edwards told the Board there is also an infrared camera included in this that can be used day or night with multiple uses for GRDA in detecting hot spots and providing real-time temperature readings. He said the camera comes with a radiometric package to include analysis software with a number of capabilities. Mr. Edwards showed several photographs from the 45.7 megapixel camera. He also showed a photograph of the light that will be installed on the aircraft, a Trakka Beam TLX. He said this will give the Authority the ability to fly the aircraft at night, and showed samples of how this light looks and can be used. Mr. Edwards said GRDA received 2 bids for a fully provisioned aircraft for a 2021 Airbus H125 at \$5,089,022.00, and a 2022 Bell 407GX<sub>i</sub> for \$4,971,298.00. He provided an image of what the new Bell aircraft might look like.

Director Kimball asked how many passengers it would accommodate. Mr. Edwards said it would hold 7 passengers.

Director Elam asked what the expected longevity is on this aircraft. Mr. Edwards said it would likely depreciate over a 20-year period, but could get approximately 30 years out of it with proper maintenance. Director Elam asked if this has been budgeted for. Mr. Edwards confirmed this is the case as it is well within budget.

Director Kimball asked if the staff knew what the comparison of operating cost per hour is for the new aircraft and old aircraft. Mr. Edwards said the current cost per hour to operate the existing aircraft is approximately \$1,200 per hour, but that the new aircraft would be less than that. He also stated GRDA would have a warranty from Bell for the first 5 years they have the aircraft. Director Kimball asked if equipment would need to be added to the aircraft after GRDA receives it. Mr. Edwards said everything is included, with the exception of the GRDA radio that will later be installed that is included in the cost. Director Kimball asked if this includes any training for the pilot. Mr. Edwards said this does include training on the camera system, light system, and the aircraft. He stated GRDA's pilot is currently certified to fly Bell aircraft and will get a "check ride". An added benefit would be that GRDA's pilot is a certified Bell aircraft mechanic to provide the Authority the ability to service the aircraft in-house. Director Kimball asked if the hours of use are expected to increase. Mr. Edwards said he did not expect for those hours to increase, as night flights would be mission-specific for outages and rescues. Mr. Sullivan stated the annual hours of usage logged are significantly suppressed over the last several years due to the existing maintenance issues with the aircraft as it is not always available. Director Kimball said he has been concerned about safety every time the current aircraft is in the air. Mr. Sullivan said there was an aerial tour recently where one of the guests was a pilot, and he told the group that the Authority was flying too old an aircraft for the types of precise flying needed.

Director Sublett asked where this aircraft would be kept. Mr. Edwards said right now the current aircraft is at R.L. Jones Riverside Airport in Tulsa. Eventually and ideally, he said GRDA would like to work something out with the airport in Pryor, Oklahoma, but if needed the new aircraft had enough lift to enable it to come out of the Grand River Energy Center. Mr. Edwards stated these decisions would be based on cost and value. He said they do not expect delivery of the aircraft until April or May 2022 at the earliest, and this will allow some time to find a proper place.

Director Elam said he mirrored Director Kimball comments and concerns in usage of the aircraft. He urged the staff to be judicious in using it appropriately.

Director Westbrook and Director Kimball asked if the decision to purchase this aircraft was based on price or GRDA's needs. Mr. Edwards said it was based on GRDA's needs, as the aircraft will have a much smoother ride on a windy day as it is a 4-blade machine, versus the Airbus which is a 3-blade machine. He also stated it is a safer option as there is an autopilot capability. Mr. Edwards said both are good machines, but the Bell aircraft is configured better for what the Authority will use it for.

Director Elam asked if the Transmission & Distribution Department is in favor of this purchase. Mr. Brown said their subject matter expert did check out the camera and setup and agreed with the need for purchase.

Director Kimball moved to approve the purchase of a 2022 Bell 407GX<sub>i</sub> equipped with a TRAKKA TLX Light and SWE 400 Camera for an amount not to exceed \$4,971,298.00, subject to the approval terms and conditions by the President/CEO and General Counsel, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

#### **4.n. Consideration, Discussion and Possible Approval of Property Insurance Coverage**

Mr. Lofton said that GRDA contracted with Mr. Tom Jenkins, an insurance consultant with Insurica, who is present at the meeting today. Mr. Lofton said Mr. Jenkins has provided consultation concerning the property insurance program. He stated the Authority's insurance broker has their property insurance coverage package approximately 75 percent complete, and there will be nothing to approve today. Mr. Lofton asked Mr. Jenkins to provide more information for the Board on this.

Mr. Jenkins greeted the Board and provided a hard copy of what GRDA's insurance broker sent to him. He said analytics are included in the package presented to the Board as well as what the cost is. Mr. Jenkins said the cost is increasing, but there is more work to do to ensure the Authority is getting the best value. He explained the current environment for insurance companies and how the move toward a zero-carbon footprint has affected the industry with respect to utilities. Mr. Jenkins stated coal has now come into the conversation at a much higher level, as well as GRDA's customers' carbon footprint. He said GRDA is going to have to get intimately involved with their underwriters, and possibly participate in insurance conferences where the power industry is discussed. Mr. Jenkins went over problems he saw and what could be done about it and changes that could be made.

Mr. Ladd said, during the last cycle, they brought Marsh in to do the loss prevention study at the sites. This was their first cycle to go through this process as those costs were typically embedded with FM Global. He told the Board they went out for bid and ended up partnered with Global Risk Consultants. Mr. Ladd stated he believes that GRDA received a superior product for about 50 percent of the previous cost. He said a detailed report was provided and they received more information than has been gained in the past, with a very industry-specific report for utility companies.

Mr. Jenkins said the risk is different for each of GRDA's generation resources, and these reports provide more information to properly manage that risk for the broker, the insurance company and for the Authority. He explained to the Board more of what he saw in looking at last year's insurance policies and fees.

Director Kimball said last year the Board recommended that Mr. Lofton and the staff acquire a consultant or some form of assistance in choosing how the Authority is insured. He asked if Mr. Jenkins could provide a bit more background on himself. Mr. Jenkins provided more information about his career and his extensive qualifications for the Board.

Mr. Lofton stated GRDA's property insurance will come up for renewal on August 1, 2021. Mr. Sullivan said this item would be up for ratification at the next Board of Directors' Meeting in August, unless there is something out of line with what the staff is expecting. He thanked Mr. Jenkins for coming to have this discussion with the Board.

There is no action needed on this item today.

#### **4.I. 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.

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## **5. Reports**

### **5.a. Board of Directors Committee Reports**

#### **1. Assets Committee**

- a) **Consideration, Discussion and Possible Approval of a Request by AXH Air Coolers, LLC for a Non-exclusive Driveway Easement Located in Rogers County, Oklahoma**

- b) **Consideration, Discussion and Possible Approval of a Request by Michael J. Miller for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request by Kenneth W. Collins and Sandra J. Collins, individually, and as Co-Trustees of the Kenneth W. Collins and Sandra J Collins Revocable Trust dated February 11, 1999 for a Revocable License to Encroach for Property Located in Mayes County, Oklahoma.**
- d) **Consideration, Discussion and Possible Approval of a Request by Brian Wesley Cross and Alisa Michelle Cross for a Revocable License to Encroach for Property Located in Delaware County, Oklahoma.**

Director Westbrook said the committee met this morning. He stated all 4 items were approved unanimously by the committee members and entertained questions. There were no questions from the Board.

**Regarding items a,** Director Westbrook moved to approve the proposed non-exclusive driveway easement to AXH Air Coolers, LLC for the amount of \$500, as approved by the Assets Committee, and was voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

**Regarding item b,** Director Westbrook moved to approve a License to Encroach to Kenneth W. Collins and Sandra J. Collins, individually and as Co-Trustees of the Kenneth W. Collins and Sandra J. Collins Revocable Trust dated February 11, 1999 in Mayes County, Oklahoma for the amount of \$577.00 per year, as approved by the Assets Committee, and was voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

**Regarding item c,** Director Westbrook moved to approve a License to Encroach to Michael J. Miller in Delaware County, Oklahoma for the amount of \$285.00 per year, as approved by the Assets Committee, and was voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

**Regarding item d,** Director Westbrook moved to approve a License to Encroach to Brian Wesley Cross and Alisa Michelle Cross in Delaware County, Oklahoma for the amount of \$146.00 per year, as approved by the Assets Committee, and was voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

2. **Audit, Finance, Budget, Policy & Compliance Committee:** In Director Lewandowski's absence, Director Elam stated there was no report.

3. **Compensation & Marketing Committee:** Director Kimball had no report.
  4. **Fuel and Long-Range Planning Committee:** In Director Meyers' absence, Mr. Sullivan said there is no report. However, he said the committee is planning to meet before the next Board of Directors' meeting.
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## 6. Executive Session:

- a. **Proposed Executive Session Pursuant to 25 O.S. § 307(B)(4) for the Purpose of Confidential Communications Between the GRDA and Its Attorney Concerning a Pending Investigation, Claim, or Action Related to Kerr Dam, Which the GRDA has Determined with the Advice of Its Attorney that Disclosure of Such Communications Will Seriously Impair the Ability of the Public Body to Process the Pending Investigation, Claim, or Action in the Public Interest.**
- b. **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).**

Director Kimball moved to go into executive session at 12:04 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

Director Kimball moved to return to regular session at 12:45 p.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*

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## 7. Action on Executive Session Items

- a. **Action, as Necessary, Concerning a Pending Investigation, Claim, or Action Related to Kerr Dam.**
- b. **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).**

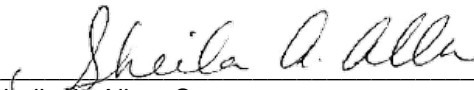
**Regarding item a**, there was not action needed on this item.

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

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Director Sublett moved for adjournment at 12:46 p.m., seconded by Director Kimball, and voted upon as follows: Elam, Kimball, Sublett, Westbrook, yes. *Motion passed (4-yes, 0-no, 0-abstained).*



  
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Sheila A. Allen, Secretary

DATE APPROVED:  
August 12, 2021

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GRDA Board of Directors