

**Minutes of Special Meeting
Grand River Dam Authority
Board of Directors
July 30, 2020**

A special meeting of the Board of Directors of the Grand River Dam Authority was held via Cisco WebEx Meetings on July 30, 2020. The Cisco WebEx Meeting used access code 146 911 6368, and meeting password was BoardMtg073020. Attendees could join by phone at +1-408-418-9388 (Meeting Number/Access Code 1469116368), from a video system or application at 1469116368@grda.webex.com (or by dialing 173.243.2.68 and entering the meeting number - 1469116368), or by using Microsoft Lync or Microsoft Skype for Business by dialing 1469116368@grda@lync.webex.com. Notice was given pursuant to 25 O.S.A. § 301 et seq. by submitting a notice of special meeting to the Secretary of State on July 27, 2020, at 12:07 p.m.; and by posting said agenda at www.grda.com.

Chair Richie called the meeting to order at 10: 00 a. m. The Secretary called the roll. All members were present with the exception of Director Churchwell. Chair Richie declared a quorum and stated notice has been given of this meeting as required by the Oklahoma Open Meetings Act, Title 25 Oklahoma Statutes Section 311.

BOARD MEMBERS

James B. Richie, Chair	Present
Mike Lewandowski, Chair-Elect	Present
Pete Churchwell	Absent
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	Absent
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	Absent
John Wiscaver, Executive VP – Corp. & Strategic Communications	Absent
Laura Hunter, Chief Human Resources Officer	Present
Darrell Townsend II, VP – Ecosystems/Watershed Management	Absent
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: Laurie Zampino, Janel Morrow, and Tom Swartz, Marsh; Ash Mayfield, GRDA.

1. Consideration, Discussion and Possible Approval of Property Insurance Coverage

Mr. Lofton provided an overview of the \$2.2 billion in property insurance coverage provided by FM Global that expires August 1, 2020. He said our brokers have advised FM Global is the only insurer that issues property insurance policies with the liability limit that is based on the total insured value. Going forward GRDA's property insurance program will be comprised of several insurance carriers combining coverage based on a maximum foreseeable loss, with deductibles very similar to what GRDA had with FM Global. Mr. Lofton told the Board in early 2020, a firm, Global Energy Risk Engineering conducted an in-depth assessment of the GREC and Hydro units and issued a very detailed report that was used by all the insurance companies that expressed an interest in insuring GRDA property. Part of this analysis was for the maximum foreseeable loss, including an estimate of what that loss would be. The largest maximum foreseeable loss was estimated to be at \$120 million due to a catastrophic flood event that would destroy the Pensacola Dam powerhouse. Based on all of this, Mr. Lofton said GRDA's insurance broker Marsh has advised GRDA to assemble a policy that would provide for a \$500 million limit, and to self-insure GREC Unit 2. He gave the Board more background information on how meetings and discussions progressed. Mr. Lofton provided a summary of what GRDA staff recommends the Board approve relative to property insurance, which will be a \$500 million limit and with the following deductibles: Turbine Generator Units \$5 million; Non-Power Generating and Non-Substations \$250,000; Mobile Equipment \$25,000; and all other losses \$1,000,000. This framework was agreed to by all carriers that will form GRDA's insurance program, with the exception of AEGIS. AEGIS offered to provide 20 percent of the \$500 million in coverage

with a \$10 million deductible for GREC Unit 3. Mr. Lofton provided 2 options for how GRDA's property insurance would look going forward. He said there will be numerous insurance companies involved, which he showed the detail and explained how each option would work. Mr. Lofton presented the total approximate cost for option 1 (\$2.6 million) and the total cost for option 2 (\$2.4 million). He said he and the GRDA staff recommend the Board approve option 1.

Director Kimball asked if GRDA has looked at any other brokers other than Marsh. Mr. Lofton said they have not. He explained that by statute GRDA is required to take their property insurance and workers' compensation insurance through Oklahoma's State Risk Management, and Marsh has the contract with the State of Oklahoma to provide brokerage services for all state agencies. He also said Marsh did a tremendous job in keeping up with all developments throughout the process and the staff believes GRDA was well-served.

Director Meyers moved to approve obtaining property insurance coverage as presented in Option No. 1 for the combined premium and tax of \$2,627,590.31, plus the 4.5 percent State Risk Management Administrative fee of \$118,241.56, seconded by Director Sublett, and voted upon as follows: Elam, yes, Kimball, abstain, Lewandowski, yes, Meyers, yes, Richie, yes, Sublett, yes. *Motion passed (5-yes, 0-no, 1-abstained).*

2. Consideration, Discussion and Possible Approval of the Cross-Deputization Agreement with the Cherokee Nation

Mr. Edwards greeted the Board and said this item is related to the McGirt case. He stated the bulk of GRDA's enforcement is in the Cherokee Nation, with a portion in the Muscogee (Creek) Nation. Mr. Edwards said he is asking the Board to approve this standardized cross-deputization agreement that has been available since the mid-1990's, approved by the Attorney General and reviewed by Mr. Lofton, and will clear up GRDA's jurisdiction for the Authority.

Director Elam moved to approve the Law Enforcement Agreement between and among the Cherokee Nation, the United States of America, the State of Oklahoma and its political subdivisions, the various boards of County Commissioners and various law enforcement agencies, including the State Addendum addition of the Grand River Dam Authority Police Deputization Agreement for Law Enforcement in the Cherokee Nation, seconded by Chair Richie, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

3. Consideration, Discussion and Possible Approval of the Cross-Duputization Agreement with the Muscogee (Creek) Nation

Mr. Edwards said this is actually an Interlocal Agreement with the Muscogee (Creek) Nation, but the documents serve the same purpose as the agreement with the Cherokee nation previously approved. He asked the Board for their approval.

Director Elam moved to approve the Intergovernmental Cross-Deputization Agreement between the United States, the Muskogee (Creek) Nation and political subdivisions of the State of Oklahoma, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4. Consideration, Discussion and Possible Approval of Change Order to Contract 42017 – Microsoft Dynamics 365 Implementation Services

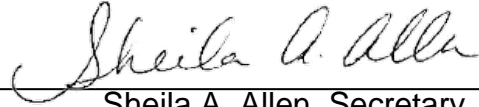
Mrs. Hunter greeted the Board and said GRDA has been working through a blueprint review with Microsoft to do a deep dive on the current architecture being implemented for the ERP. She said one of the things learned as a part of that review is that Microsoft is continuing to invest heavily in the Human Resources (HR) functionality. Mrs. Hunter stated some of what was built earlier is in the Finance module because the functionality did not exist in Finance or HR. The customizations require higher touch and cost over the life of the product, which limits GRDA's ability to take advantage of upgrades and improvements to

the tool as further development happens in HR. This includes new functionality and security. She told the Board there is an opportunity to reconfigure portions of 2 areas of HR, Leave and Absence & Benefits. Mrs. Hunter said this improves end user experience, increases use of existing functionality, allows for increased use of mobile technology, provides for automated data versus manual between leave and payroll and reducing the risk of inconsistencies and timing issues for processing of payroll, as well as allowing for planned and unplanned leave requests. She stated the impact to GRDA would be an additional \$24,790 needed, and that with current resource reliability the work can be accomplished in the next 2 weeks without an impact on the timing of the overall project.

Director Kimball asked if this would save GRDA payroll dollars in the future. Mrs. Hunter said there would definitely be indirect savings and saved time in the HR and Finance Departments. She stated there would be a significant amount of work eliminated or reduced. Mr. Wall told the Board this item is meant to minimize the customization, saying that the less GRDA customizes the tool the more cost is eliminated, especially in maintaining the system. Director Kimball asked if this was in the budget. Mrs. Hunter confirmed this is the case. Mr. Sullivan said this is the first change order for the contract and he does not expect any others. He commended the team for their work and said this relatively minor amount should keep us on track and give us a very workable system in October.

Director Kimball moved approve change order to Contract 42017 (Microsoft Dynamics 365 Implementation Services) in the not to exceed amount of twenty-four thousand seven hundred ninety dollars (\$24,790) for configuration modifications to MS Dynamics, all contingent on the General Counsel and Chief Executive Officer's contract approval, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Director Kimball moved for adjournment at 10:39 a.m., seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Lewandowski, Meyers, Richie, Sublett, yes. *Motion passed (6-yes, 0-no, 0-abstained).*



Sheila A. Allen, Secretary

DATE APPROVED:

August 12, 2020

GRDA Board of Directors