

**Minutes of Regular Meeting
Grand River Dam Authority
Board of Directors
September 16, 2021**

A regular meeting of the Board of Directors of the Grand River Dam Authority was held at the Will Rogers Memorial Museum in Claremore, Oklahoma, on September 16, 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 Rogers County Clerks' offices on September 15, 2021, at 9:40 a.m.; by posting said agenda at 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.

Chair Elam called the meeting to order at 10:02 a.m. The Secretary called the roll. All members were present, with the exception of Director Lewandowski. Chair Elam declared a quorum.

BOARD MEMBERS

Dwayne Elam, Chair	Present
Charles Sublett, Chair-Elect	Present
Tom Kimball	Present
Mike Lewandowski	Absent
Chris Meyers	Present
James B. Richie	Present
Michael Westbrook	Present

ADMINISTRATIVE

Daniel S. Sullivan, Chief Executive Officer	Present
Tim Brown, Executive VP - Chief Operating Officer	Present
Lorie Gudde, Chief Financial Officer/Corporate Treasurer	Present
Heath Lofton, Executive VP - General Counsel	Present
Brian Edwards, Executive VP – Law Enforcement/Lake Operations	Absent
Nathan Reese, Executive VP – External Relations	Present
John Wiscaver, Executive VP – Corporate & Strategic Communications	Present
Laura Hunter, Executive VP - Chief Administrative Officer	Absent
Darrell Townsend II, VP – Ecosystems & Watershed Management	Present
Robert Ladd, VP – Generation Operations	Present
Steve Jacoby, VP – Generation Engineering	Present
Steve Wall, VP - Chief Information Officer	Absent
Mike Waddell, VP – Transmission and Distribution Operations	Present
Sheila Allen, Corporate Secretary	Present

Others present were as follows: Bill Kolb, Pryor, OK; Steve Duff, Grove, OK; Lindsey Pever, ANewEnergy Law Firm; Rami Masri, Polo Club in Cleora, OK; Lisa Wilson, Jim Ward, Todd Rue, John McComb, David Whik, Herb McSpadden, John Feary, City of Claremore; Tom Rider, MESO; Jared Crisp, Travis Willis, Pryor MUB; Craig Stokes, City of Collinsville; Brad White, Trey Harper, City of Skiatook; Mike Starks, Robert Linder, City of Cushing; Loren Smith, City of Stillwater; Sheldon Miggletto, City of Stilwell; Larry Hughes, Branson, MO; Michelle Day, Jeff Brown, Matt Martin, Ed Ferguson, Andrew Park, Allie Kempfer, Melanie Earl, Justin Alberty, Leah Maloy, Brylee Harbuck, Cameron Philpott, Penny Frailey, Jerry Cook, Gary Pruett, Laura Townsend, Shannon Randolph, Ash Mayfield, Tamara Jahnke, Teresa Hicks, Randall Williams, Tom Gray, Jennifer Marquis, GRDA.

4. New Business

4.a. Capital Work Order Report

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 Kimball moved the Board approve the Capital Work Order Report as presented, seconded by Director Richie, and voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes.

Motion passed (6-yes, 0-no, 0-abstained).

CONSENT AGENDA

2. August Claims, \$42,285,374.51.

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

Description and/or Make of Item	
PROMO X210-12T/24G/2X10GE 2X1GE: Lot of 16	MotorGuide Tolling Motor
Alcatel MDR 8000 Radio: Lot of 12	Lot of 12 Outboard Lower Units
Cap Bank Switching Control: Lot of 2	Mercury Powerhead: Lot of 3
7 Pin Control Cable	Rexroth Hydraulic Winch W/ Motor
Battery Charger	Rescue One Inflatable
300 HP Mercury Outboard: Lot of 6	

4.c. Power Cost Adjustment (PCA) of \$0.02811 per kWh for October 2021

4.d. Deed of Conservation Easement – Lynn D. Bowen and Robin D. Bowen, Trustees of the Lynn D. Bowen and Robin D. Bowen Revocable Trust Dated July 16, 2004 – 214.1 Acres in Ottawa County, Oklahoma

4.e. Purchase Order 43494 – 1-Year Blanket Purchase Agreement with Four 1-Year Optional Renewals – Connectors and Tooling – DMC Power

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

Standard Purchase Orders & Contracts		
PO Number	Vendor Name and City State	Amount
43459	ALBEMARLE CORPORATION - CHARLOTTE, NC	218,240.00
43462	PINNACLE BUSINESS SYSTEMS - TULSA, OK	235,968.10
43489	ARKANSAS ELECTRIC COOPERATIVES, INC. (AECI) - LITTLE ROCK, AR	159,849.00
43491	PRO ACCESS RENTALS LLC - TULSA, OK	200,000.00
43487	STARBOARD CONSULTING LLC - LONGWOOD, FL	305,222.42
43480	ARS NEBRASKA LLC DBA APPALACHIAN RAILCAR SERVICES - GRAND ISLAND, NE	300,000.00
116377	KEYSTONE ELECTRICAL MANUFACTURING, CO. - DES MOINES, IA	417,441.21

116382	BELL LUMBER & POLE COMPANY - NEW BRIGHTON, MN	294,495.00
43483	CALGON CARBON CORP - PITTSBURGH, PA	721,144.95
Grand Total Standard POs & Contracts:		\$2,852,360.68

Change Orders & Renewals		
PO Number	Vendor Name and City State	Amount
43248	JOHNSTON TECHNICAL SERVICES, INC. DBA JTS - DALLAS, TX	372,599.91
43212	EVERGREEN NORTH AMERICA INDUSTRIAL SERVICES - PONCA CITY, OK	40,000.00
Grand Total Change Orders & Renewals:		\$412,599.91
Grand Total		\$3,264,960.59

Director Meyers moved to approve the consent agenda as presented, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

REGULAR AGENDA

- 3. Unfinished Business**
- 3.a. Progress Reports**
- 3.a.1. City of Claremore Presentation**
- 3.a.2. Current Operations Reports**

Mr. Sullivan said GRDA is pleased to be in Claremore today. He introduced Mr. Tad Jones the Director at the Will Rogers Memorial Museum and thanked him for hosting the event. Mr. Sullivan complimented him on the current upgrades to the facility and said he knew there would be further improvements in the future.

Mr. Jones said he appreciates GRDA coming to the facility. He thanked the Authority for their support and expressed his appreciation for the Authority and the City of Claremore.

Director Kimball said Mr. Jones is the former head of the Grand Lake Association and was extremely involved in bringing the first Bassmasters' Classic to Grand Lake and the State of Oklahoma. He thanked Mr. Jones for his work and involvement in that accomplishment.

Mr. Sullivan said he would like to recognize the long-term relationship with the City of Claremore. He stated the City of Claremore is the longest continuous customer of the Grand River Dam Authority, and celebrate their 75-year partnership as of September 1, 2021. He introduced the video to provide an overview of their relationship and said there would be a luncheon following the Board of Directors meeting on the south patio of the facility with almost all of the City of Claremore employees. Mr. Sullivan said they

are very happy to be here and asked Mr. John Feary, Claremore City Manager, if he would like to say a few words.

Mr. Feary thanked the Board and staff for being there and welcomed the group to Claremore to celebrate this important event.

Mr. Sullivan said the Authority had continued growth in August 2021. He explained data shown as to GRDA's Demand and Energy for Load Following comparing total information for 2020 and 2021 for GRDA's Full Requirements Customers. Mr. Sullivan told the Board there was a 7 percent total increase in demand and an 8 percent increase in energy for the month. He showed graphs illustrating a comparison of resource energy production for August 2020 and August 2021, and said GRDA had a significant amount of coal production due to GRDA Unit 2 operating, with natural gas prices being higher than normal. He showed a graph illustrating GRDA's resource portfolio value to power cost adjustment (PCA) for June, July and August of 2021. Mr. Sullivan said this demonstrates how the gas index impacts electric prices in the Southwest Power Pool (SPP) footprint. He told the Board that GRDA's net resources are far less than the market cost of load for SPP. Mr. Sullivan said because of the entire GRDA portfolio, they are able to save customers about \$45,000 for every 10 megawatts of use. We want to continue communicating this. He said GRDA will have to continue to monitor gas prices and keep the Board and their customers updated.

Mr. Sullivan said the Authority did have a few new cases since the last meeting. He presented 2 graphs showing COVID-19 testing numbers and positive cases for the last year. He stated, as of Monday, September 14, there was 1 case pending test with no other tests scheduled. We hope these numbers continued to level off and recede as they go forward.

Mr. Sullivan said they have completed work on the Stillwater 69 Substation. This was originally constructed in 1962. He said they replaced the control building, replacing protection control systems and removing asbestos wiring to assist in worker safety. He said they also made upgrades to the 69 breaker and switches, arresters and CCVT's, as well as the capacitor breakers. Mr. Sullivan showed photographs of the substation before and after the work was completed and said the construction was completed in August 2021. Mr. Sullivan said their crews also worked on the Miami Freehauf Substation, which was originally constructed in 1961. He went over those similar areas of concern at the location and showed photographs before and after the construction was completed in July 2021. Mr. Sullivan stated he and the

GRDA staff hope this will continue to provide additional reliability and resiliency to the cities of Stillwater and Miami, Oklahoma.

Mr. Sullivan told the Board the Authority had the opportunity to host U.S. Senator James Lankford and Oklahoma State Senator Blake Stevens to tour their Grand River Energy Center (GREC) facility and meet some GRDA employees. He said it was a great opportunity for him to hear directly from the employees and see what is going on at GRDA. Mr. Sullivan said it was also a great chance for he and the staff to brief the senators on what is happening locally and the impact of current legislation in process right now. He said Senator Lankford has always been good to sit down, take in details and ask very good questions about continued operations at GRDA. Mr. Sullivan thanked Director Kimball for joining them as well.

Mr. Sullivan said there is still a crew in Houma, Louisiana right now in response to Hurricane Ida. He stated that, as of this morning, they may be coming back this coming Saturday. Mr. Sullivan thanked them all for their efforts and said they have done a fantastic job, showing photographs demonstrating some of the work they have done and the conditions they have been working under. He told the Board that while GRDA crews were there Tropical Storm Nicholas dumped a large amount of rain on the area, making things even more difficult. He thanked the Transmission and Distribution crews as well as the GRDA Police officers that were a part of this effort in performing water rescues, clearing roadways, and keeping the peace.

Mr. Sullivan said GRDA's own Ed Fite was recently recognized by the Keep Oklahoma Beautiful organization's Board of Directors and staff for his work over the years year as President. He thanked Mr. Fite for his contributions.

The Labor Day weekend had moderate users at Grand Lake, Lake Hudson and the Illinois River. Mr. Sullivan told the Board that Grand Lake hosted the Redneck Raft Out Saturday, and a fireworks display on Sunday evening. Notwithstanding a few minor incidents, it was a great weekend to close out what is generally the marker for the end of the recreational season. Additionally, the department had 11 officers deployed to Louisiana in late August/early September on various assignments which put a bit of strain on the staff. We appreciate all their efforts.

The Oklahoma Municipal League (OML) held its annual conference September 7-9 in Oklahoma City, Oklahoma. The conference included approximately 16 education tracts, featuring the following topics: municipal budget, governance, parks & recreation, technology, small towns, communication, main street,

and much more. Mr. Sullivan said GRDA had a booth at the event and representatives to talk about the Authority. He showed photographs of the booth and the gentlemen that were present for GRDA.

Mr. Sullivan said Mr. Mike Doublehead, General Manager for the Tahlequah Public Works Authority was inducted into the Oklahoma Hall of Fame for City & Town Officials. The event took place September 9, 2021 to recognize him for his work. He said GRDA is also very appreciative of his hard work and commend him to the award.

Mr. Sullivan said SepticSmart Week is coming up September 20-24, 2021. He stated there is a proclamation entered into between GRDA, the Oklahoma Conservation Commission, Oklahoma Department of Environmental Quality (ODEQ), the Oklahoma Water Resources Board, and the Oklahoma Secretary of Energy & Environment. This has been a continued work and partnership with those other agencies on Grand Lake and Lake Hudson in removing septic systems, improving septic systems and really working on the long-term view of water quality. For those bodies of water, he said it is great to see those efforts are working and making a difference for the long-term.

Mr. Sullivan provided a construction progress report for the Board on the GRDA Administrative Center. He said Walls are being formed up for the elevator pit and elevator walls have been poured and waterproofing has been installed in preparation for backfill. He also told the Board the slab has been prepped and poured for all of the building, box culverts have began to be put in place, light poles are drilled and prepared, and the masonry contractor has been mobilized to begin September 1, 2021. He showed photographs of the construction site and said it is beginning to take shape.

Mr. Sullivan said unfortunately one of GRDA's newest employees, Matthew Arnold, passed away August 25, 2021, after a courageous battle with COVID-19. Matt began working as a part-time Police Dispatcher in April 2021, transitioning to full time in June. He stated the Authority's thoughts and prayers continue to be with his family, friends and GRDA team members. Mr. Sullivan also said it is a reminder of the seriousness and impact to families that this illness can have.

4. New Business

4.f. Consideration, Discussion and Possible Approval of Amendments to GRDA's Renewable Energy Certificate Program

Mr. Mayfield said this item relates to the Renewable Energy Certificate (REC) Program that creates a process by which interested customers may purchase RECs from GRDA. He explained what a Renewable Energy Certificate (REC) is and said the initial program was approved by the Board in 2019. Mr. Mayfield said the current program fixes the price of Recs at \$1.00, with a 1-year commitment based upon a percent of the customer's energy purchases. He stated that the proposed revisions would remove the fixed price to move it be market-based, with a term and structure being more flexible. He said he and the staff believe this simplification would benefit GRDA customers, and provide an important tool for customers who may have an interest in purchasing RECs.

Director Sublett asked for an example of how this program works. Mr. Mayfield explained how GRDA would look at the market and obtain indicative pricing. He said the customer can determine if they would want to make a one-time purchase or just match a percentage of their load. Once all the paperwork is done and approved, the RECs would be transferred to the customer. Mr. Mayfield said the transfer happens on an exchange which is there to prevent double counting.

Director Meyers asked how many RECs GRDA holds currently. Mr. Mayfield said they are long on RECs and does not have an exact number. Mr. Brown said on an annual basis GRDA produces approximately 700,000 Renewable Energy Credits. He also explained how the Authority gains RECs.

Chair Elam asked if there is a cap or yearly threshold on RECs. Mr. Brown stated there is not that he is aware of, but that GRDA also continuously works to sell their Renewable Energy Credits.

Director Kimball Sublett moved to approve the revisions to the GRDA REC Program, seconded by Director Meyers, and voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.g. Consideration, Discussion, and Possible Approval of Process to Review the Hearing Officer's Recommendations and Issue a Final Order in Notice of Violation No. 2021-4 In the Matter of James Cody Bartmess d/b/a All American Floats

Mr. Lofton said in 2016 legislation was passed that transferred the rights and authorities of the Oklahoma Scenic Rivers Commission to the Grand River Dam Authority, and terminated that commission. Legislation was also passed that transferred some of the rules enacted by the Scenic Rivers Commission to the GRDA. He said, specifically, these rules relate to licensing and use permits for the Scenic Rivers

commercial float operators, and he showed that part of the legislation passed. Mr. Lofton said one of these rules transferred to the GRDA says that a commercial float operator must have an annual license issued by the GRDA for each flotation device to be used by customers of that operator to float down the river. He stated another rule says that upon finding that an operator is engaged in a pattern of willful violation of the rules or fails to comply with those licensing requirements, the GRDA may suspend or revoke that operator's licenses. Mr. Lofton showed excerpts from each of these items of the Oklahoma Administrative Code. He said in July GRDA served Mr. Cody Bartmess d/b/a All American Floats with the notice of violation alleging he violated these rules. On September 1, 2021, GRDA presented this case to the Hearing Officer, Mr. Kim Ritchie. Mr. Ritchie issued his findings of fact, conclusions of law and recommendations on September 7, 2021. Mr. Lofton stated that after the hearing officer has sent his recommendations to the GRDA Board of Directors, they shall adopt, amend, or reject any findings or conclusions presented to the Board. Upon review of the record by the Board of Directors, they shall issue a final order reflecting the findings of fact, conclusions of law, and specifying the action to be taken. He said the staff would like to obtain the Board's approval on how to address this at next month's Board of Directors' Meeting. Mr. Lofton went over what will be brought to the Board in November and said there could also be witnesses attending as well. He said Mr. Bartmess would be properly notified on the process and status of this matter as well, and is welcome to bring any evidence he would like to present to the Board. Upon the Board's findings, Mr. Lofton said he will prepare the order at the Board's instruction for the Board to issue.

Director Westbrook moved to approve the process for issuing a final order in the Notice of Violation served to Cody Bartmess d/b/a All American Floats as presented, seconded by Director Sublett, and voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

4.h. Consideration, Discussion, and Possible Approval of Change Order 3 – Contract 42493 – National Electric Coil – Labor for Removal of Wedges in Salina Pumped Storage Project Unit 5 Rotor

Mr. Jacoby told the Board the similar item from last month was partially successful. He said they could run into some additional problems as they move forward. Mr. Jacoby reminded the Board there was cracking in the Salina rotor field welds that were found to be pervasive and significant cracking at the field weld interfaces of 70 percent of the bar or more. He stated the rotor windings are aged and in need of rewind. Also, Mr. Jacoby said Contract 42493 was awarded to National Electric Coil (NEC) for the rewind

of the rotor windings which would be accomplished after removal by GRDA staff, but have been battling with Unit #5 ever since. He thanked the Board for their support and showed photographs of the wedges that work in tandem with a series of shims and the dovetail in the coils to keep them in place. Mr. Jacoby said they were actually able to get a few more out within the last month. He showed a photograph of the typical wedge set that has become an issue, and explained further what has happened since last month. Mr. Jacoby provided examples of the methodologies utilized so far, saying that NEC staff has come on board after success in 2 other plants with similar problems. He stated much of the proposed plans have not varied significantly from that used by GRDA staff, but insight has had some success. Mr. Jacoby stated this is a complicated process and very time-consuming. He told the Board the GRDA staff is working with NEC to coordinate, but will be busy during the Salina Pumped Storage Project scheduled outage for the next 3 months. However, he said NEC staff are available to continue the work and bring in a full-time crew. Mr. Jacoby explained this is a no cost change order and provided details as well as the cost so far on this contract.

Director Elam asked how many more wedges there were left to remove. Mr. Jacoby confirmed there are between 21 and 35 left to remove.

Director Sublett moved to authorize the Chief Executive Officer and General Counsel to negotiate final terms and conditions with National Electric Coil for a change order to Contract 42493 for the change in scope of services for the removal of the remaining rotor wedges for the Salina Pumped Storage Unit No. 5 Rotor; the cost of the scope change shall not exceed \$300,000.00, seconded by Director Richie, and voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

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.

5. Reports

5.a. Board of Directors Committee Reports

1. Assets Committee

- a) **Consideration, Discussion and Possible Approval of a Request for an Assignment and Amendment of a Lease from Dawn Eleanor Mitchell to Lee T. Petrolawicz and Sylvia E. Bushey for Property Located in Delaware County, Oklahoma.**
- b) **Consideration, Discussion and Possible Approval of a Request by William C. and Katherine G. Kolb as Trustees of the William C. Kolb and Katherine G. Kolb Revocable Trust dated September 15, 2004, for a Revocable License to Encroach for Property Located in Mayes County, Oklahoma.**
- c) **Consideration, Discussion and Possible Approval of a Request for an Assignment of Revocable License to Encroach from William C. and Katherine G. Kolb as Trustees of the William C. Kolb and Katherine G. Kolb Revocable Trust dated September 15, 2004, to Layson Commercial, LLC for Property Located in Mayes County, Oklahoma.**
- d) **Consideration, Discussion and Possible Approval of a Request by Marine Properties, LLC for a Lease for Property Located in Delaware County, Oklahoma.**
- e) **Consideration, Discussion and Possible Approval of a Request by Polo Club for an Extension of a Commercial Permit.**

Director Westbrook expressed his appreciation for being present for this event, and as the newest member of the Board he is excited to be a part of it. He said all items on the agenda were unanimously approved by the committee.

Regarding items a, Director Westbrook moved to approve the Assignment and Amendment of the Lease from Dawn Eleanor Mitchell to Lee T. Petrolawicz and Sylvia E. Bushey. The lease extension being beneficial for the business of GRDA, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding items b, Director Westbrook moved to approve a License to Encroach to William C. Kolb and Katherine G. Kolb as Trustees of The William C. Kolb and Katherine G. Kolb Revocable Trust dated September 15, 2004, in Mayes County, Oklahoma for the amount of \$909.00 per year, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

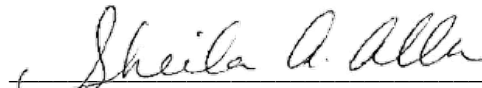
Regarding items c, Director Westbrook moved to approve the Assignment of a License to Encroach to William C. Kolb and Katherine G. Kolb as Trustees of The William C. Kolb and Katherine G. Kolb Revocable Trust dated September 15, 2004, to Layson Commercial, LLC in Mayes County, Oklahoma, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained).*

Regarding items d, Director Westbrook moved to approve a lease of property in Delaware County, Oklahoma to Marine Properties, LLC for a term of 10 years at the rate of \$1,888.00 per year with the option to renew another 10 years. The 10-year term being beneficial to the business of the Authority by reducing administrative costs, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained)*.

Regarding items e, Director Westbrook moved to approve a five-year extension until 9-1-2026 to Polo Club for Permit CG000334 to complete construction activities, as approved by the Assets Committee, and the items were voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained)*.

- 2. Audit, Finance, Budget, Policy & Compliance Committee:** Director Lewandowski was absent, but Mr. Sullivan said GRDA has received the application from the ODFA for the securitization plan. He stated the Finance Department is working to put the information together. This process is ongoing and the Authority is continuing to receive feedback from their customers.
- 3. Compensation & Marketing Committee:** Director Kimball had no report.
- 4. Fuel and Long-Range Planning Committee:** Director Meyers had no report.

Director Kimball moved for adjournment at 10:50 a.m., seconded by Director Westbrook, and voted upon as follows: Elam, Kimball, Meyers, Richie, Sublett, Westbrook, yes. *Motion passed (6-yes, 0-no, 0-abstained)*.



Sheila A. Allen, Secretary

DATE APPROVED:

November 10, 2021

GRDA Board of Directors