

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 HOUSE BILL 2275

By: West (Josh)

4  
5 AS INTRODUCED

6 An Act relating to the Grand River Dam Authority;  
7 amending 82 O.S. 2011, Section 861A, which relates to  
8 the Grand River Dam Authority; modifying certain  
9 duties of the Grand River Dam Authority Board of  
10 Directors; amending 82 O.S. 2011, Section 862, as  
11 last amended by Section 39, Chapter 42, O.S.L. 2017  
12 (82 O.S. Supp. 2018, Section 862), which relates to  
13 powers, rights and privileges of the Grand River Dam  
14 Authority; adding certain energy sources to list of  
15 energy sources applicable to the act; eliminating  
16 certain payments to district; modifying list of  
17 applicable monetary devices that the district may  
18 make or issue; adding educational institutions to  
19 list of organizations the district may support;  
20 modifying name of agency head; amending 82 O.S. 2011,  
21 Section 862.1, as amended by Section 1, Chapter 325,  
22 O.S.L. 2015 (82 O.S. Supp. 2018, Section 862.1),  
23 which relates to Grand River Dam Authority  
24 exemptions; modifying certain exemptions; amending 82  
O.S. 2011, Section 863.2, as last amended by Section  
1, Chapter 112, O.S.L. 2012 (82 O.S. Supp. 2018,  
Section 863.2), which relates to the Grand River Dam  
Authority Board of Directors; eliminating terms of  
office for certain directors of the district;  
modifying entity responsible for removal from  
appointment; modifying certain actions requiring  
quorum vote; amending 82 O.S. 2011, Section 863.3,  
which relates to the Joint Legislative Task Force on  
the Grand River Dam Authority; modifying name of  
agency head; amending 82 O.S. 2011, Section 864, as  
last amended by Section 1, Chapter 88, O.S.L. 2015  
(82 O.S. Supp. 2018, Section 864), which relates to  
appointment of secretary and other officers;  
modifying name of agency head; eliminating  
requirement for certain study and generated report;  
amending 82 O.S. 2011, Section 865, which relates to  
surplus funds and revenue; modifying where certain

1 funds of the district may be deposited; eliminating  
2 requirement that certain funds be distributed in  
3 certain manner; amending 82 O.S. 2011, Section 866,  
4 as amended by Section 1062, Chapter 304, O.S.L. 2012  
5 (82 O.S. Supp. 2018, Section 866), which relates to  
6 the district's domicile; modifying manner in which  
7 certain records are kept; authorizing electronic  
8 copies of audit report; amending 82 O.S. 2011,  
9 Section 868, which relates to Board's authorization  
10 to fix and collect rates; modifying list of certain  
11 payments made by the district; amending 82 O.S. 2011,  
12 Section 869, which relates to sources for payment of  
13 obligations of district; authorizing payment of  
14 certain debts from certain accounts; amending 82 O.S.  
15 2011, Section 870, as amended by Section 1, Chapter  
16 169, O.S.L. 2015 (82 O.S. Supp. 2018, Section 870),  
17 which relates to bonds; eliminating cap on revenue  
18 bonds; modifying certain exceptions for sale of  
19 revenue bonds; modifying certain methods of revenue  
20 bond issuance; eliminating interest cap on revenue  
21 bonds; removing cap requirements to redeem certain  
22 bonds; authorizing trust indentures to authorize  
23 bonds; adding certain terms that may be described in  
24 certain contracts between district and bond holders;  
amending 82 O.S. 2011, Section 870.1, which relates  
to bond anticipation notes; removing Board's need to  
adopt a resolution on a specific project; expanding  
list of available funds from which certain bonds may  
be paid; amending 82 O.S. 2011, Section 873, which  
relates to district authorizations to purchase, fund  
or refund bonds; eliminating cancellation of certain  
bonds; amending 82 O.S. 2011, Section 874, as last  
amended by Section 48, Chapter 210, O.S.L. 2016 (82  
O.S. Supp. 2018, Section 874), which relates to  
mortgage, sale or other disposition of property;  
authorizing pledge of revenues and other monies upon  
certain dates; subjecting revenues and other monies  
to certain legal provisions; repealing 82 O.S. 2011,  
Section 862.2, which relates to certain contracts;  
providing an effective date; and declaring an  
emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. AMENDATORY 82 O.S. 2011, Section 861A, is  
2 amended to read as follows:

3 Section 861A. A. The Grand River Dam Authority, created  
4 pursuant to the provisions of the Grand River Dam Authority Act,  
5 Section 861 et seq. of ~~Title 82 of the Oklahoma Statutes~~ this title,  
6 is a nonappropriated agency of the State of Oklahoma. The Grand  
7 River Dam Authority herein referred to as the "district" is subject  
8 to the laws of the state as they apply to state agencies except as  
9 specifically exempted by statute. All funds generated, received and  
10 expended by the district are public funds and subject to state laws  
11 and regulations governing the receipt and expenditure of public  
12 funds in the same manner as all other state agencies except as  
13 otherwise provided by statute. The employees of the district are  
14 both classified and unclassified state employees subject to the same  
15 benefits and restrictions applicable to all state agencies except as  
16 otherwise provided by statute.

17 B. Recognizing that the district is a unique agency of this  
18 state, whose mission requires the ability of the district to  
19 function in competition with private industry within the competitive  
20 power market, the Legislature hereby requires the Grand River Dam  
21 Authority Board of Directors as the rulemaking authority for the  
22 district to:

23 1. Promulgate appropriate rules governing operations of the  
24 ~~agency~~ district pursuant to the provisions of Article I of the

1 Administrative Procedures Act, with the exception of rules dealing  
2 with the waters of the Grand River and its tributaries; ~~and~~

3 2. Set fees for services performed by the district, provided  
4 that such fees shall not exceed the cost to the district of  
5 providing such services;

6 3. Develop written policies and procedures ~~consistent with~~  
7 ~~state laws~~ governing the district's activities including purchasing,  
8 procurement and bidding, purchase and disposition of real and  
9 personal property, fleet management, marketing, consumer education,  
10 community relations and customer service functions performed by the  
11 district to the extent it deems necessary; and

12 4. Develop written hiring and compensation policies of  
13 employees of the district, subject to the provisions of Section 864  
14 of this title.

15 C. The district is required to document business expenses  
16 necessary to carry out the business of the district. Expenses shall  
17 meet current State of Oklahoma and Internal Revenue Service  
18 guidelines for business expense deductibility.

19 D. If necessary to comply with the provisions of this act, the  
20 Board may, by majority vote, employ an independent audit firm to  
21 assist it in its duties. Funds required for this purpose shall be  
22 borne by the district with approval by the Board.

23  
24

1 E. The Board of Directors or the management of the district may  
2 seek advice from the State Treasurer or the State Bond Advisor as it  
3 deems necessary.

4 F. After the effective date of this act, the district shall not  
5 provide retail electric power or retail electric service to  
6 electric-consuming facilities except to:

7 1. An existing electric-consuming facility if such electric  
8 power was being provided by the district on the effective date of  
9 this act; and

10 2. Any entity located within the boundary of the Oklahoma  
11 Ordnance Works Authority/~~Mid-America~~ MidAmerica Industrial Park or  
12 within a two-mile radius of the boundary.

13 "Retail distribution of electric power" shall be defined as any  
14 sale not for resale.

15 SECTION 2. AMENDATORY 82 O.S. 2011, Section 862, as last  
16 amended by Section 39, Chapter 42, O.S.L. 2017 (82 O.S. Supp. 2018,  
17 Section 862), is amended to read as follows:

18 Section 862. The district shall have and is hereby authorized  
19 to exercise the following powers, rights and privileges:

20 1. To control, store and preserve, within the boundaries of the  
21 district, the waters of Grand River and its tributaries, for any  
22 useful purpose, and to use, distribute and sell the same within the  
23 boundaries of the district; provided, however, that any municipal  
24 corporation within the area included within the jurisdiction of the

1 Grand River Dam Authority shall be entitled to take water from the  
2 Grand River and any of its tributaries in any quantities that may be  
3 needed by such municipal corporation;

4 2. To develop and generate water power, electric power and  
5 electric energy, from whatever source, within the boundaries of the  
6 district; to acquire coal or other minerals to be used for the  
7 purposes of providing energy sources for electrical generating  
8 plants; to acquire or lease any and all railroad connections,  
9 equipment, rolling stock, trackage and otherwise, necessary to the  
10 transporting of coal and other minerals to generating plant sites  
11 within the district; and to buy, sell, resell, interchange and  
12 distribute electric power and energy in order to carry forward the  
13 business and functions of the district now or hereafter authorized  
14 by law and may enter into contracts for such purposes, such  
15 contracts to run for a period ~~of~~ not to exceed fifty (50) years  
16 except those contracts provided for in paragraphs 6 and 7 of this  
17 section. All contracts may contain such reasonable provisions,  
18 limitations, qualifications, protective clauses and rights and  
19 obligations of purchase and sale, and such provisions for the  
20 dedication of the use of facilities and the construction of  
21 additional facilities to serve the load requirements of all the  
22 parties as may be deemed advisable by the district to safeguard the  
23 business and properties of all the parties to such contracts, all  
24 within the limits of sound business judgment and practice, good

1 conscience, and not contrary to the public policy of the state. The  
2 district is further authorized to participate in the Southwest Power  
3 Pool Integrated Marketplace or any other program established by a  
4 Federal Energy Regulatory Commission authorized Regional  
5 Transmission Organization in which the district is a member and to  
6 engage in the buying and selling of electricity products, fuel  
7 commodities, and financial instruments as deemed necessary and  
8 prudent by the district and specifically excludes any expansion of  
9 retail activities of the district. The Board of Directors shall  
10 adopt a hedging policy to enable the district to take advantage of  
11 standard market products to reduce risk while preventing speculative  
12 trading and potential abuses;

13 3. To prevent or aid in the prevention of damage to person or  
14 property from the waters of the Grand River and its tributaries;

15 4. To forest and reforest and to aid in the foresting and  
16 reforesting of the watershed area of the Grand River and its  
17 tributaries and to prevent and to aid in the prevention of soil  
18 erosion and floods within the watershed area;

19 5. To acquire by purchase, lease, gift, or in any other manner,  
20 and to maintain, use and operate or to contract for the maintenance,  
21 use and operation of any and all property of any kind, real,  
22 personal, or mixed, or any interest therein, including trucks of any  
23 size or weight and passenger vehicles and to own, construct, operate  
24 and maintain any project or works in conjunction or jointly with, as

1 tenants in common, any public or private corporation duly authorized  
2 and qualified to do business within this state including, but not  
3 limited to, rural electric cooperatives of the State of Oklahoma or  
4 the United States of America, or any department, subdivision or  
5 agency of the State of Oklahoma or the United States of America, or  
6 with any "public agency" as defined under the Interlocal Cooperation  
7 Act, within or without the boundaries of the district, necessary,  
8 incidental or convenient to the exercise of the powers, rights,  
9 privileges and functions conferred upon it by the Grand River Dam  
10 Authority Act;

11       6. In addition to any other powers conferred, the district  
12 shall have power and authority to participate and enter into  
13 agreements with any public or private corporation duly authorized  
14 and qualified to do business within the State of Oklahoma including,  
15 but not limited to, rural electric cooperatives, the state or the  
16 United States of America or any department, subdivision or agency of  
17 the state or the United States of America, or with any "public  
18 agency" as defined under the Interlocal Cooperation Act, for the  
19 purpose of planning, acquiring, financing, owning, operating and  
20 maintaining an undivided ownership of any steam, oil, gas, coal-  
21 fired, thermal, geothermal, solar, wind, battery storage, waste or  
22 refuse reclamation powered electric generating plant or plants or  
23 any facilities of every kind necessary, incidental or convenient for  
24 the production, generation and transmission of electric power and

1 energy including, but not limited to, any and all related  
2 transmission facilities, which shall be used as common facilities.  
3 The agreements shall provide that the district and any participants  
4 therein shall have the incidents of tenant in common to any plant or  
5 facility. It shall also be provided in the agreements that the  
6 district and any participant in the project shall own a percentage  
7 of any common facility equal to the percentage of the money  
8 furnished or the value of property supplied by it for the  
9 acquisition and construction thereof and shall own ~~and control~~ a  
10 like percentage of the electrical output thereof.

11 Each participant shall defray its own interest payments and  
12 other payments required to be made or deposited in connection with  
13 any financing undertaken by it to pay its percentage of the money  
14 furnished or value of property supplied by it for the planning,  
15 acquisition and construction of any common facility, or any  
16 additions or betterments thereto. The agreement shall further  
17 provide a uniform method of determining and allocating operation and  
18 maintenance expenses of the common facility.

19 In carrying out the powers granted in this section, the district  
20 and each participant shall be severally liable only for its own acts  
21 and not jointly or severally liable for the acts, omissions or  
22 obligations of others. No money or property supplied by the  
23 district or any participant for the planning, financing, acquiring,  
24 constructing, operating or maintaining of any common plant or

1 facility shall be credited or otherwise applied to the account of  
2 any other participant therein, nor shall the undivided share of the  
3 district or any participant therein be charged, directly or  
4 indirectly, with any debt or obligation of any other participant or  
5 be subject to any lien as a result thereof. No action in connection  
6 with a common facility shall be binding upon the district except as  
7 expressly authorized and provided for in the participation  
8 agreement;

9 7. In addition to the powers conferred in paragraph 6 of this  
10 section, the district shall have power and authority to participate  
11 and enter into agreements with any public or private corporation  
12 duly authorized and qualified to do business within this state  
13 including, but not limited to, rural electric cooperatives, the  
14 State of Oklahoma or the United States of America or any department,  
15 subdivision or agency of the State of Oklahoma or the United States  
16 of America, or with any "public agency" as defined under the  
17 Interlocal Cooperation Act, for the purpose of planning, acquiring,  
18 financing, owning, operating and maintaining undivided ownership  
19 interests in any steam, oil, gas, coal-fired, thermal, geothermal,  
20 solar, wind, battery storage, waste or refuse reclamation powered  
21 electric generating plant or plants or any other facilities of every  
22 kind necessary, incidental or convenient for the production,  
23 generation and transmission of electric power and energy including,  
24 but not limited to, any and all related transmission or other

1 facilities which are to be used as common facilities and to  
2 cooperate with other state agencies and public trusts to promote  
3 economic development in the state and to assist in attracting  
4 industry to the state. Such undivided ownership interests may be  
5 created by an agreement entered into with respect to property to be  
6 acquired by the district. Any such agreement may be a sale  
7 agreement, with the purchase price payable at one time or in  
8 installments at such time and over such period as shall be agreed to  
9 by the parties thereto, a lease agreement, with a nominal purchase  
10 option, or any other type of agreement. In addition to the purchase  
11 price, the district shall be fully indemnified as to operation,  
12 maintenance, administrative and other expenses incurred with respect  
13 to such undivided interest. ~~Any payment received in respect to any~~  
14 ~~such agreement shall be deemed revenues of the Authority.~~ The  
15 district is hereby authorized to enter into any such agreement in  
16 order to sell, lease or otherwise convey undivided ownership  
17 interests in any such property. Any such agreement shall specify  
18 the undivided interest to be owned or acquired by each of the  
19 participants, provide for a waiver of partition, prescribe the time  
20 of vesting of such interest and the amount of electrical output to  
21 be owned and controlled by any participant.

22 Each participant shall defray its own interest and other  
23 payments required to be made or deposited in connection with any  
24 financing undertaken by it to pay its percentage of the money

1 furnished or value of property supplied by it for the planning,  
2 acquisition and construction of any common facility, or any  
3 additions or betterments thereto. The agreement shall provide a  
4 uniform method of determining and allocating operation and  
5 maintenance expenses of the common facility.

6 In carrying out the powers granted in this section, the district  
7 and each participant shall be severally liable only for its own acts  
8 and not jointly or severally liable for the acts, omissions or  
9 obligations of others. No money or property supplied by the  
10 district or any participant for the planning, financing, acquiring,  
11 constructing, operating or maintaining of any common plant or  
12 facility shall be credited or otherwise applied to the account of  
13 any other participant therein, nor shall the undivided share of the  
14 district or any participant therein be charged, directly or  
15 indirectly, with any debt or obligation of any other participant or  
16 be subject to any lien as a result thereof. No action in connection  
17 with a common facility shall be binding upon the district except as  
18 expressly authorized and provided for in the participation  
19 agreement;

20 8. To acquire by condemnation any and all property of any kind,  
21 real, personal, or mixed, or any interest therein, within or without  
22 the boundaries of the district, necessary, incidental or convenient  
23 to the exercise of the powers, rights, privileges and functions  
24 conferred upon it by the Grand River Dam Authority Act, in the

1 manner provided by general law with respect to condemnation;  
2 provided that nothing in the Grand River Dam Authority Act shall  
3 ever be construed to authorize the district to acquire by  
4 condemnation any privately, municipally or publicly owned electric  
5 public utility system or any part thereof outside of the high-water  
6 mark of a reservoir area or outside a properly located damsite,  
7 except the districts may require the relocation of transmission  
8 lines and substations so owned where such relocation is necessary  
9 for the construction and maintenance of dams, reservoirs, levees,  
10 spillways and floodways, and in such event just compensation shall  
11 be paid. Provided that the Grand River Dam Authority shall have the  
12 right to cross transmission lines of other electric utility  
13 companies under proper engineering standards of construction as  
14 approved by the Corporation Commission;

15 9. Subject to the provisions of the Grand River Dam Authority  
16 Act, from time to time sell, which shall include, but not be limited  
17 to, an installment sale agreement, lease with nominal purchase  
18 options, or otherwise dispose of any property of any kind, real,  
19 personal or mixed, or any interest therein, which shall not be  
20 necessary to the carrying on of the business of the district;

21 10. To overflow and inundate any public lands and public  
22 property and to require the relocation of roads and highways in the  
23 manner and to the extent necessary to carry out the purposes of the  
24 Grand River Dam Authority Act; provided, that the district shall be

1 liable in damages to the State of Oklahoma or any subdivision  
2 thereof for any injury occasioned or expense incurred by reason  
3 thereof;

4 11. To construct, extend, improve, maintain and reconstruct, to  
5 cause to be constructed, extended, improved, maintained and  
6 reconstructed, and to use and operate any and all facilities of any  
7 kind necessary, incidental or convenient to the exercise of such  
8 powers, rights, privileges and functions;

9 12. To sue and be sued in its corporate name in contracts,  
10 reverse condemnation, tort, equity, mandamus and similar actions and  
11 in its own name plead and be impleaded, provided, however, that any  
12 and all actions of law or in an equity against the district shall be  
13 brought in the county in which the principal office of the district  
14 shall be located or in the county where the cause of action arose;

15 13. To adopt, use and alter a corporate seal;

16 14. To make bylaws for the management and regulation of its  
17 affairs;

18 15. To appoint officers, agents and employees, to prescribe  
19 their duties and to fix their compensation; and enter into contracts  
20 with labor unions, provided, that contracts with labor unions shall  
21 not abrogate the rights of the district to cooperate and carry out  
22 ~~Veterans on the Job Training~~ veterans on-the-job-training;

23 16. To make contracts and to execute instruments necessary,  
24 incidental or convenient to the exercise of the powers, rights,

1 privileges and functions conferred upon it by the Grand River Dam  
2 Authority Act;

3 17. To borrow money for its corporate purposes and, without  
4 limitation of the generality of the foregoing, to borrow money and  
5 accept grants from the United States of America, or from any  
6 corporation or agency created or designated by the United States of  
7 America, and, in connection with any such loan or grant, to enter  
8 into such agreements as the United States of America or such  
9 corporation or agency may require; and to make and issue its  
10 ~~negotiable~~ bonds, notes, loans, commercial paper, and credit or  
11 liquidity support for money borrowed, in the manner provided in the  
12 Grand River Dam Authority Act. Nothing in the Grand River Dam  
13 Authority Act shall authorize the issuance of any bonds, notes or  
14 other evidences of indebtedness of the district, except as  
15 specifically provided in the Grand River Dam Authority Act;

16 18. To prescribe and enforce rules for the use for recreational  
17 and commercial purposes of the lakes created by the district by  
18 impounding the waters of the lakes, and the shorelands of the  
19 district bordering thereon, including the use of firearms, the  
20 inspection of all boats of every character proposing to operate or  
21 operating on the lakes, the issuance of permits for the operation of  
22 boats, surfboards, aquaplanes, sea-skis or similar devices on the  
23 lakes for hire; the charging and collection of fees for the  
24 inspection or operation of such boats, surfboards, aquaplanes, sea-

1 skis or other similar devices on the lakes for hire; preventing the  
2 launching or operation of any commercial or for-hire boat,  
3 surfboard, aquaplane, sea-ski or similar device for hire, on the  
4 waters of the lakes, without a certificate of inspection and a  
5 permit for such use; prescribing the type, style, location and  
6 equipment of all wharves, docks and anchorages along the shores and  
7 upon the water of the lakes; the issuance of permits for wharfage,  
8 dock or anchorage privileges and charging fees for such commercial  
9 or private permits; and the establishment and maintenance of public  
10 wharves, docks or anchorages and the charging and collection of fees  
11 for the use thereof by the public; to appoint or employ such  
12 persons, including CLEET-certified volunteer reserve officers, as  
13 the district may deem proper and suitable for the purpose of  
14 enforcing such rules and regulations as may be issued hereunder, or  
15 as may be issued pursuant to the provisions of the Oklahoma Boating  
16 Safety Regulation Act, and for the enforcing of the provisions of  
17 the Grand River Dam Authority Act, and all violations of criminal  
18 laws occurring within the boundaries of the counties where real  
19 property owned or leased by the Grand River Dam Authority is  
20 located, which employees shall have the power of peace officers  
21 during the performance of those duties, except in the serving or  
22 execution of civil process.

23 Any municipal, county or state law enforcement officer employed  
24 by the Grand River Dam Authority to serve as a part-time or seasonal

1 commissioned peace officer shall be exempt from the restrictions on  
2 dual office holding as provided for in paragraph ~~16~~ 17 of subsection  
3 A of Section 6 of Title 51 of the Oklahoma Statutes;

4 19. To do any and all other acts or things necessary,  
5 incidental or convenient to the exercise of the powers, rights,  
6 privileges or functions conferred upon it by the Grand River Dam  
7 Authority Act or any other act or law. Provided the district shall  
8 be liable for damage caused by the district, its agents, servants  
9 and employees in creating, constructing, maintaining or operating  
10 the district to any corporation, partnership, person or individual  
11 whose property, either real or personal, within or without said  
12 district, has been damaged and the damages may be determined by  
13 appropriate action as provided by law. Nothing in the Grand River  
14 Dam Authority Act shall be construed as rendering the district  
15 liable for damage where it is not liable on general principles of  
16 law or statute or Constitutional provision.

17 Provided, however, that in the course of exercising its powers  
18 as herein enumerated, the district shall at all times consider the  
19 rights and needs of the people living within and upon the land lying  
20 within the watershed of the rivers or streams developed by the  
21 district; provided, however, that nothing herein shall prevent the  
22 district from selling for irrigation purposes within the boundaries  
23 of the district any water impounded by it under authority of law,  
24 provided that nothing herein contained shall authorize the state to

1 engage in agriculture except for educational and scientific purposes  
2 and for the support of its penal, charitable, and educational  
3 institutions;

4 20. To support and assist the efforts of state, regional and  
5 local development organizations, political subdivisions, industrial  
6 committees, chambers of commerce, tourism organizations,  
7 agricultural organizations, environmental organizations, educational  
8 institutions and other similar public and private agencies to obtain  
9 new and foster expansion of existing service, industrial and  
10 manufacturing facilities, businesses and enterprises to enhance the  
11 quality of life for the citizens of the district and the state.  
12 Provided, support and assistance shall be limited to an amount not  
13 to exceed a total of Twenty-five Thousand Dollars (\$25,000.00) per  
14 year for one or more projects or efforts that are for the benefit of  
15 or impact the quality of life for each city or community located  
16 within the boundaries of the district; and

17 21. Notwithstanding any other provision of law, the ~~General~~  
18 ~~Manager~~ Chief Executive Officer, department heads and other  
19 essential employees of the district, as designated by the ~~General~~  
20 ~~Manager~~ Chief Executive Officer, may be permitted to use a district-  
21 owned vehicle to provide transportation between the employee's  
22 residence and the assigned place of employment and between the  
23 residence and any location other than the assigned place of  
24

1 employment to which the employee travels in the performance of the  
2 employee's official duty.

3 SECTION 3. AMENDATORY 82 O.S. 2011, Section 862.1, as  
4 amended by Section 1, Chapter 325, O.S.L. 2015 (82 O.S. Supp. 2018,  
5 Section 862.1), is amended to read as follows:

6 Section 862.1 In addition to the powers, rights and privileges  
7 enumerated in Section 862 of this title, the Grand River Dam  
8 Authority shall be exempt from the provisions of ~~the~~:

- 9 1. The Oklahoma Open Records Act, exclusively limited to:
  - 10 a. customer proprietary information the Authority is
  - 11 contractually obligated to keep confidential, and
  - 12 b. security plans and procedures in its role as an
  - 13 electric utility regulated by the federal government;
- 14 2. The Oklahoma Open Meeting Act, exclusively limited to  
15 authorizing the Grand River Dam Authority Board of Directors to  
16 confer on:
  - 17 a. coal or gas fuel supply and transportation contracts,
  - 18 b. power purchase agreements, and
  - 19 c. security plans and procedures in its role as an
  - 20 electric utility regulated by the federal government;
  - 21 and
- 22 3. ~~Public Building Construction and Planning Act~~ Title 61 of  
23 the Oklahoma Statutes;

24

1        4. The Information Technology Consolidation and Coordination  
2 Act;  
3        5. The State Travel Reimbursement Act; and  
4        6. The Surplus Property Act; provided, that the district may,  
5 on a transactional basis, elect to make itself subject to the  
6 requirements of the Surplus Property Act.

7        SECTION 4.        AMENDATORY        82 O.S. 2011, Section 863.2, as  
8 last amended by Section 1, Chapter 112, O.S.L. 2012 (82 O.S. Supp.  
9 2018, Section 863.2), is amended to read as follows:

10        Section 863.2 A. The powers, rights and privileges and  
11 functions of the Grand River Dam Authority, hereinafter referred to  
12 as the "district", shall be exercised by a seven-member Board of  
13 Directors, to be appointed according to the provisions of this  
14 section.

15        B. The Board shall have rulemaking authority pursuant to the  
16 provisions of the Grand River Dam Authority Act. By majority vote,  
17 the Board shall have the authority to grant exemptions from any  
18 rules not promulgated pursuant to the Administrative Procedures Act  
19 which deal with the waters of the Grand River and its tributaries.  
20 The Board shall be responsible for approving business expenses of  
21 the district necessary to carry out the business of the district.  
22 It shall be the duty of the Board of Directors to oversee the  
23 functions of the district and ensure the operations of the district  
24 are in compliance with all applicable state laws and that expenses

1 of the district comply with state and federal guidelines for  
2 business expense deductibility.

3 C. Members appointed to the Board or who serve as designees  
4 shall be domiciled in the State of Oklahoma and shall have paid  
5 state income taxes for a minimum of one (1) year prior to the date  
6 of appointment.

7 D. No person shall be eligible to serve on the Board of  
8 Directors if the person, during the three (3) years prior to the  
9 appointment, has been employed by an investor-owned utility company,  
10 or has held a federal, state or county office, elective or  
11 appointive.

12 E. A member of the Board may be eligible to serve on the  
13 Oklahoma Ordnance Works Authority Board of Trustees, if appointed to  
14 that position by the Governor.

15 F. Members of the Board of Directors shall be appointed as  
16 follows:

17 1. The Governor shall appoint a director to represent the  
18 industrial and commercial customers of the district;

19 2. The Governor shall appoint a director to represent economic  
20 development interests, lake enthusiasts and property owners;

21 3. The Governor shall appoint an at-large director;

22 4. The President Pro Tempore of the Oklahoma State Senate shall  
23 appoint an at-large director;

24

1           5. The Speaker of the House of Representatives shall appoint an  
2 at-large director;

3           6. The General Manager of the Oklahoma Association of Electric  
4 Cooperatives, or designee, shall be a voting ex officio director;  
5 and

6           7. The Executive Director of the Municipal Electric Systems of  
7 Oklahoma, or designee, shall be a voting ex officio director.

8           G. ~~The initial term of office for the five directors appointed~~  
9 ~~pursuant to subsection F of this section shall be as follows:~~

10           1. ~~The at-large director appointed by the President Pro Tempore~~  
11 ~~of the Senate shall serve for a term of seven (7) years;~~

12           2. ~~The at-large director appointed by the Speaker of the House~~  
13 ~~of Representatives shall serve for a term of six (6) years;~~

14           3. ~~The director appointed by the Governor representing economic~~  
15 ~~development interests, lake enthusiasts and property owners shall~~  
16 ~~serve for a term of five (5) years;~~

17           4. ~~The director appointed by the Governor to represent~~  
18 ~~industrial and commercial customers shall serve for a term of four~~  
19 ~~(4) years; and~~

20           5. ~~The at-large director appointed by the Governor shall serve~~  
21 ~~for a term of three (3) years.~~

22           H. A successor to a director of the Board shall be appointed in  
23 the same manner as the original director and shall serve a term of  
24 five (5) years. Directors may be eligible to serve more than one

1 term if so reappointed by the original appointing authority or a  
2 different or successor appointing authority.

3 ~~F.~~ H. Any director appointed to fill a vacancy on the Board  
4 occurring prior to the expiration of the term for which the  
5 predecessor was appointed shall be appointed for the remainder of  
6 such term.

7 ~~J.~~ I. Each director shall qualify by taking the official oath  
8 of office prescribed by general statute.

9 ~~K.~~ ~~Any~~ J. Any director or designee may be removed by the  
10 member's appointing authority only for just cause ~~by the Governor.~~

11 Additionally, any member who fails to attend a total of three (3)  
12 regularly scheduled board meetings in one (1) calendar year may be  
13 removed by the member's appointing authority.

14 ~~L.~~ K. Each director shall be allowed actual and necessary  
15 expenses incurred by such director for attending meetings of the  
16 Board and authorized business of the district pursuant to the  
17 provisions of the State Travel Reimbursement Act. No director shall  
18 hold any other position of employment within the Grand River Dam  
19 Authority at the same time such director is serving on the Board.

20 ~~M.~~ L. The time and place of the regular meetings and the manner  
21 in which special meetings may be called shall be set forth in the  
22 bylaws of the district. Four directors shall constitute a quorum at  
23 any meeting, and, except as otherwise provided in the Grand River  
24 Dam Authority Act or in the bylaws, all ~~action~~ actions may be taken

1 by the affirmative vote of the majority of the Board present at any  
2 such meeting, except that ~~no contracts which involve an amount~~  
3 ~~greater than Fifty Thousand Dollars (\$50,000.00), or which are to~~  
4 ~~run for a longer period than one (1) year, and no bonds, notes or~~  
5 other evidence of indebtedness, and no amendment of the bylaws,  
6 shall be valid unless authorized or ratified by the affirmative vote  
7 of at least four directors.

8 ~~N.~~ M. At the first meeting of the Board following July 1, 2003,  
9 the members appointed pursuant to this section shall, by majority  
10 vote, elect a chair and chair-elect who shall serve as the vice-  
11 chair. The chair and the chair-elect shall serve a term of one (1)  
12 year. Thereafter, the membership of the Board shall elect a chair-  
13 elect, at the first meeting of each year and the previous chair-  
14 elect shall assume the position of chair for the ensuing year. A  
15 member may serve more than one term as chair or chair-elect during  
16 their tenure on the Board, provided, however, they may only serve  
17 one term in any three-year period.

18 ~~O.~~ N. The Asset Committee shall be chaired by the director  
19 appointed to represent economic development interests, lake  
20 enthusiasts and property owners. Other members of the Committee may  
21 be selected by the Board.

22 ~~P.~~ O. The Board may appoint temporary or permanent  
23 subcommittees which may include employees of the district or other  
24 persons for any purpose it deems necessary or appropriate.

1       ~~Q.~~ P. The Board is authorized to adopt or amend the bylaws of  
2 the district as necessary to comply with the provisions of the Grand  
3 River Dam Authority Act.

4       ~~R.~~ Q. For the purposes of Section 4254 of Title 74 of the  
5 Oklahoma Statutes, the directors of this Board, appointed pursuant  
6 to this section, shall not be considered state officers or state  
7 employees.

8       SECTION 5.       AMENDATORY       82 O.S. 2011, Section 863.3, is  
9 amended to read as follows:

10       Section 863.3 A. There is hereby created the Joint Legislative  
11 Task Force on the Grand River Dam Authority for the purpose of  
12 studying the functions, activities, policies, procedures and  
13 expenditures performed by the district and any related issues the  
14 task force deems appropriate. Members of the task force shall be  
15 appointed in January of each year following a state general election  
16 by the President Pro Tempore of the Senate and the Speaker of the  
17 House of Representatives. Membership shall be made up of five  
18 members of the Senate and five members of the House of  
19 Representatives whose legislative districts include a portion of the  
20 Grand River Dam Authority district ~~to be appointed by the President~~  
21 ~~Pro Tempore of the Senate and the Speaker of the House of~~  
22 ~~Representatives, respectively;~~ provided, one member shall be the  
23 House principal author of Senate Bill No. 60 of the 1st Session of  
24 the 53rd Oklahoma Legislature and one member shall be the Senate

1 principal author of Senate Bill No. 60 of the 1st Session of the  
2 53rd Oklahoma Legislature as long as these individuals are members  
3 of the Legislature. The President Pro Tempore and Speaker shall  
4 each designate one of their members to be cochairs of the task  
5 force. The task force shall be required to meet at least once  
6 biennially during the first session of each new legislature.  
7 Additional meetings may be called as the cochairs determine  
8 necessary. Meetings of the task force shall be called by the  
9 cochairs. A majority of the appointed members shall constitute a  
10 quorum for any meeting of the task force. Staffing assistance shall  
11 be provided by the staff of the Senate and House of Representatives.

12 B. The members of the task force created herein shall continue  
13 to serve until new members are appointed pursuant to the provisions  
14 of subsection A of this section. The task force is authorized to  
15 adopt any recommendations or issue any report it deems necessary.  
16 Any recommendations or reports shall be approved by a majority of  
17 the appointed members. Copies of any recommendations or reports  
18 issued by the task force shall be distributed to the Governor, the  
19 President Pro Tempore of the Senate, the Speaker of the House of  
20 Representatives, the members of the Grand River Dam Authority Board  
21 of Directors and the ~~General Manager~~ Chief Executive Officer of the  
22 Grand River Dam Authority.

23 C. The Grand River Dam Authority shall annually provide a copy  
24 of the district's most recent annual report to the members of the

1 task force in addition to any information requested pursuant to the  
2 provisions of this section.

3 D. Members serving on the task force shall not be entitled to  
4 travel reimbursement.

5 SECTION 6. AMENDATORY 82 O.S. 2011, Section 864, as last  
6 amended by Section 1, Chapter 88, O.S.L. 2015 (82 O.S. Supp. 2018,  
7 Section 864), is amended to read as follows:

8 Section 864. A. 1. The Board of Directors of the Grand River  
9 Dam Authority shall select a secretary who shall keep true and  
10 complete records of all proceedings of the Board. Until the  
11 appointment of a secretary, or in the event of absence or inability  
12 to act, a secretary pro tempore shall be selected by the Board.

13 2. The Board shall also select a ~~general manager, who shall be~~  
14 ~~the chief executive officer~~ Chief Executive Officer of the district,  
15 and a treasurer, who may also hold the office of secretary.

16 3. All such officers shall have the powers and duties, and  
17 shall hold office for such term and be subject to removal in such  
18 manner as may be provided in the compensation of such officers. The  
19 Board may appoint such officers, fix their compensation and term of  
20 office and the method by which they may be removed and delegate to  
21 them such other powers and duties as it may deem appropriate.

22 4. Except for the purpose of inquiry, the Board and its members  
23 shall deal with the operations of the district solely through the  
24

1 ~~general manager~~ Chief Executive Officer. The Board and its members  
2 shall not:

3 a. direct or request the ~~general manager~~ Chief Executive  
4 Officer or other authority to appoint or remove  
5 officers or employees except as herein provided,

6 b. participate in any manner in the appointment or  
7 removal of officers and employees of the district,  
8 except as provided by law, or

9 c. give orders or ordinary administrative matters to any  
10 subordinate of the ~~general manager~~ Chief Executive  
11 Officer either publicly or privately.

12 B. The ~~general manager~~ Chief Executive Officer may appoint such  
13 other officers, agents, and employees, fix their compensation  
14 pursuant to the provisions of this section, and term of office and  
15 the method by which they may be removed, and delegate to them such  
16 ~~of its~~ power and duties as the ~~general manager~~ Chief Executive  
17 Officer may deem proper.

18 ~~C. Except as provided in subsection A of this section, the~~  
19 ~~compensation of the classified and unclassified employees of the~~  
20 ~~Grand River Dam Authority shall be computed as follows:~~

21 ~~1. Beginning July 1, 1993, and biannually thereafter, the~~  
22 ~~Office of Management and Enterprise Services shall conduct a~~  
23 ~~comprehensive classification and compensation study of all~~  
24 ~~classified and unclassified positions in the Grand River Dam~~

1 Authority. The study shall be limited to an analysis of prevailing  
2 rates of pay for all positions in electrical generating utilities  
3 for jobs comparable to those performed by employees of the Grand  
4 River Dam Authority. Such study shall compare all classified and  
5 unclassified positions within the Grand River Dam Authority,  
6 including support and maintenance staff employees, with comparable  
7 positions within other similarly sized electrical generating  
8 utilities only. Each biannual report shall be provided to the  
9 Governor, the President Pro Tempore of the Senate, the Speaker of  
10 the House of Representatives and the Board of Directors of the Grand  
11 River Dam Authority. The report shall include an analysis of all  
12 classified and unclassified positions and classifications and  
13 recommend an average comparable pay scale developed through the  
14 study. The Grand River Dam Authority shall bear the cost of the  
15 study;

16 2. Upon the issuance of any such report, the Board of Directors  
17 of the Grand River Dam Authority shall implement the classification  
18 and compensation recommendations as appropriate, if fiscal  
19 constraints and commitments to ratepayers permit; and

20 3. The Board of Directors of the Grand River Dam Authority may  
21 implement adjustments in compensation to correct inequities as  
22 determined by the Board of Directors. The total of these  
23 adjustments and those described in paragraph 2 of this subsection  
24

1 ~~may increase the base payroll in excess of the recommendation in the~~  
2 ~~Office of Management and Enterprise Services study.~~

3 SECTION 7. AMENDATORY 82 O.S. 2011, Section 865, is  
4 amended to read as follows:

5 Section 865. ~~The surplus funds and revenues of the district~~  
6 ~~shall be deposited in interest bearing accounts yielding a rate of~~  
7 ~~return at least equal to that earned by the Treasurer of the State~~  
8 ~~of Oklahoma on like amounts invested for the same period. In~~  
9 ~~addition, the surplus funds and revenues~~ Funds of the district shall  
10 be deposited in accordance with Section 870 of this title and any  
11 bond resolutions or indentures issued thereunder. ~~The money of the~~  
12 ~~district shall be disbursed only on check, drafts, orders or other~~  
13 ~~instruments signed by such persons as shall be authorized to sign~~  
14 ~~the same by the bylaws or resolution concurred in by not less than~~  
15 ~~four directors; such persons may execute or cause to be executed~~  
16 ~~checks with a facsimile signature in lieu of their manual~~  
17 ~~signatures. The general manager~~ Chief Executive Officer, the  
18 treasurer and all other officers, agents and employees of the  
19 district who shall be charged with the collection, custody or  
20 payment of any funds of the district shall give bond conditioned on  
21 the faithful performance of their duties and an accounting for all  
22 funds and property of the district coming into their respective  
23 hands, each of which bonds shall be in form and amount and with a  
24 surety, which shall be a surety company authorized to do business in

1 the state, approved by the Grand River Dam Authority Board of  
2 Directors, and the premiums on such bonds shall be paid by the  
3 district and charged as an operating expense.

4 SECTION 8. AMENDATORY 82 O.S. 2011, Section 866, as  
5 amended by Section 1062, Chapter 304, O.S.L. 2012 (82 O.S. Supp.  
6 2018, Section 866), is amended to read as follows:

7 Section 866. The domicile of the district shall be in the City  
8 of Vinita, County of Craig, where the district shall maintain its  
9 principal office in charge of its ~~general manager~~ Chief Executive  
10 Officer, until otherwise designated by the affirmative vote of four  
11 directors. The district shall cause to be kept complete and  
12 accurate accounts conforming to ~~approved methods of bookkeeping~~  
13 accounting principles generally accepted in the United States of  
14 America. The accounts and all contracts, documents and records of  
15 the district shall be kept at the principal office. The accounts  
16 and contracts shall be open to public inspection at all reasonable  
17 times. The Board shall cause to be made and completed within ninety  
18 (90) days after the end of each calendar year an audit of the books  
19 of account and financial records of the district for such calendar  
20 year, such audit to be made by an independent certified public  
21 accountant or firm of certified public accountants. ~~Copies of a~~  
22 ~~written report of such~~ Electronic copies of the audit report,  
23 certified to by the accountant or accountants, shall be placed and  
24 kept on file with the Governor, the State Treasurer, Oklahoma

1 Department of Libraries and the State Auditor and Inspector of the  
2 State of Oklahoma, and at the principal office, and shall be open to  
3 public inspection at all reasonable times. The audit shall also be  
4 filed with the Director of the Office of Management and Enterprise  
5 Services, in accordance with the requirements set forth for  
6 financial statement audits in Section 212A of Title 74 of the  
7 Oklahoma Statutes.

8 SECTION 9. AMENDATORY 82 O.S. 2011, Section 868, is  
9 amended to read as follows:

10 Section 868. The board shall establish and collect rates and  
11 other charges for the sale or use of water, water connections,  
12 power, electric energy or other services sold, furnished, or  
13 supplied by the district which fees and charges shall be reasonable  
14 and nondiscriminatory and sufficient to produce revenue adequate:

15 ~~(a)~~ 1. To pay all expenses necessary to the operation and  
16 maintenance of the properties and facilities of the district;

17 ~~(b)~~ 2. To pay the interest on and principal of all ~~bonds~~ debt  
18 issued under this act when and as the same shall become due and  
19 payable;

20 ~~(c)~~ 3. To pay all sinking fund and/or reserve fund payments  
21 agreed to be made in respect of any such ~~bonds~~ debt, and payable out  
22 of such revenues, when and as the same shall become due and payable;  
23 and

24

1       ~~(d)~~ 4. To fulfill the terms of any agreements made with the  
2 holders of such bonds and/or with any person in their behalf; and

3       5. To pay any other amounts that the district is required to  
4 pay by law or contract.

5       Out of the revenues which may be received in excess of those  
6 required for the purposes specified in ~~subparagraphs (a), (b), (c)~~  
7 ~~and (d) above~~ paragraphs 1, 2, 3, 4 and 5 of this section, the ~~board~~  
8 Grand River Dam Authority Board of Directors shall establish a  
9 reasonable depreciation and emergency fund, and retire (by purchase  
10 and cancellation or redemption) bonds issued under ~~this act~~ the  
11 Grand River Dam Authority Act, or apply the same to any corporate  
12 purpose. It is the intention of ~~this act~~ the Grand River Dam  
13 Authority Act that the rates and charges of the district shall not  
14 be in excess of what may be necessary to fulfill the obligations  
15 imposed upon it by ~~this act~~ the Grand River Dam Authority Act.

16       Nothing herein shall be construed as depriving the State of  
17 Oklahoma of its power to regulate and control fees and/or charges to  
18 be collected for the use of water, water connections, power,  
19 electric energy, or other services, provided, that the State of  
20 Oklahoma does hereby pledge to and agree with the purchasers and  
21 successive holders of the bonds issued hereunder that the state will  
22 not limit or alter the power hereby vested in the district to  
23 establish and collect such fees and charges as will produce revenues  
24 sufficient to pay the items specified in ~~subparagraphs (a), (b),~~

1 ~~(e), and (d)~~ paragraphs 1, 2, 3, 4 and 5 of this Section 8 section,  
2 or in any way to impair the rights or remedies of the holders of the  
3 bonds, or of any person in their behalf, until the bonds, together  
4 with the interest thereon, with interest on unpaid installments of  
5 interest and all costs and expenses in connection with any action or  
6 proceedings by or on behalf of the bondholders and all other  
7 obligations of the district in connection with such bonds are fully  
8 met and discharged.

9 SECTION 10. AMENDATORY 82 O.S. 2011, Section 869, is  
10 amended to read as follows:

11 Section 869. A. Any and every indebtedness, liability or  
12 obligation of the district, for the payment of money, however  
13 entered into or incurred, and whether arising from contract, implied  
14 contract or otherwise, shall be payable solely (1) out of the  
15 revenues received by the district in respect of its properties, or  
16 other accounts held for the payment and security thereof subject to  
17 any prior lien thereon conferred by any resolution or resolutions  
18 theretofore adopted as in this act provided, authorizing the  
19 issuance of bonds or (2), if the Grand River Dam Authority Board of  
20 Directors shall so determine out of the proceeds of sale or issuance  
21 by the district of bonds or bond anticipation notes payable solely  
22 from such revenues or such other amounts, or such credit or  
23 liquidity support as may be obtained by the district for such  
24 purposes, repayable solely from such revenues or other amounts.

1 B. Notwithstanding the provisions of this section, the district  
2 is hereby authorized to accept state appropriations to pay any  
3 lease-purchase obligations for property purchased from the sale of  
4 bonds as provided by law in Section 301 et seq. of Title 73 of the  
5 Oklahoma Statutes.

6 SECTION 11. AMENDATORY 82 O.S. 2011, Section 870, as  
7 amended by Section 1, Chapter 169, O.S.L. 2015 (82 O.S. Supp. 2018,  
8 Section 870), is amended to read as follows:

9 Section 870. The district shall have power and is hereby  
10 authorized to issue from time to time, as the need therefor arises,  
11 revenue bonds for its corporate purposes in such amount or amounts  
12 ~~not to exceed One Billion Four Hundred Ten Million Dollars~~  
13 ~~(\$1,410,000,000.00) outstanding at any time~~ as are necessary,  
14 incidental or convenient to the exercise of the powers, rights,  
15 privileges and functions conferred upon it by this act, or any other  
16 act or law, and without limitations of the generality of the powers,  
17 rights and privileges heretofore granted, for acquiring a steam  
18 generating plant or plants and related facilities, and to extend,  
19 improve and reconstruct the same; and for constructing, installing  
20 and acquiring dams, reservoirs, hydroelectric power plants, or any  
21 steam, oil, gas, coal-fired, thermal, geothermal, solar, wind,  
22 battery storage or waste or refuse reclamation powered electrical  
23 generating plant or plants or any other electrical power or  
24 generating facilities; or any plant or plants for the production of

1 steam for heating and processing purposes; and all and any  
2 facilities of every kind necessary, incidental or convenient for the  
3 production and generation of electric power and energy; and for  
4 acquiring, constructing and installing transmission lines,  
5 substations and all facilities necessary, incidental or convenient  
6 to the sale, resale, interchange and distribution of electric power  
7 and energy; and for carrying on the business and functions of the  
8 district, as is now or hereafter may be authorized by law; and for  
9 acquiring additions and improvements to and extensions of  
10 facilities, at any time existing, of the district; and for the  
11 acquisition of lands and rights-of-way for such use as is now, or  
12 may be, authorized by law for the construction, replacement and  
13 repair of any dams, plants or other facilities of the district; and  
14 to enable it to finance, in cooperation with any "public agency", as  
15 defined under the Interlocal Cooperation Act, Sections 1001 through  
16 1008 of Title 74 of the Oklahoma Statutes, any other agency of  
17 government, rural electric co-op corporation, or any private or  
18 public corporation, the development and utilization of electrical  
19 energy or the water resources and rights in waters vested in said  
20 district for such purposes as are, or may be, authorized by the laws  
21 of Oklahoma, and for financing and refinancing present outstanding  
22 obligations of the district, including the payment of any claims,  
23 charges or interest on bonds required to be paid. The bonds herein  
24 authorized may either be (1) sold for cash, at public or private

1 sale, at such price or prices as the Board shall determine, ~~provided~~  
2 ~~that the interest cost of the money received computed to maturity in~~  
3 ~~accordance with standard bond tables in general use by banks and~~  
4 ~~insurance companies shall not exceed fifteen percent (15%) per year~~  
5 with the advice and assistance of the State Bond Advisor, or (2) may  
6 be issued on such terms as the Grand River Dam Authority Board of  
7 Directors shall determine in exchange for property of any kind,  
8 real, personal or mixed, or any interest therein which the Board  
9 shall deem necessary, incidental or convenient for any such  
10 corporate purposes, or (3) may be issued in exchange for like  
11 principal amounts of other obligations of the district, matured or  
12 unmatured, or (4) may be issued in such principal amounts that when  
13 the proceeds thereof are invested in legal and qualified ~~investment~~  
14 investments, the proceeds together with the resulting proceeds of  
15 such investments will be sufficient to retire the outstanding  
16 ~~initial~~ indebtedness or any portion thereof at maturity or at prior  
17 redemption or upon purchase or tender for purchase. The proceeds of  
18 sale of such bonds shall be deposited in such bank or banks or trust  
19 company or trust companies, and shall be paid out pursuant to such  
20 terms and conditions as may be agreed upon between the district and  
21 the purchasers of such bonds. All such bonds shall be authorized by  
22 resolutions of the Board concurred in by at least four of the  
23 members thereof, and shall bear such date or dates, mature at such  
24 time or times, bear interest at such rate or rates, ~~not exceeding~~

1 ~~fifteen percent (15%) per year payable annually or semiannually at~~  
2 such time or times, be in such denominations, be in such form,  
3 either coupon or registered, carry such registration privileges as  
4 to principal only or as to both principal and interest, and as to  
5 exchange of coupon bonds for registered bonds or vice versa, and  
6 exchange of bonds of one denomination for bonds of other  
7 ~~denomination~~ denominations, be executed in such manner and be  
8 payable at such place or places within or without the State of  
9 Oklahoma as such resolution or resolutions may provide. Any  
10 resolution or resolutions, including any related trust indenture or  
11 indentures, authorizing any bonds may contain provisions which shall  
12 be part of the contract between the district and the holders thereof  
13 from time to time (a) reserving the right to redeem such bonds at  
14 such time or times, in such amounts and at such prices, ~~not~~  
15 ~~exceeding one hundred five percent (105%) of the principal amount~~  
16 ~~thereof, plus accrued interest~~, as may be provided, (b) providing  
17 for the setting aside of sinking funds or reserve funds and the  
18 regulation and disposition thereof, (c) pledging to secure the  
19 payment of the principal of and interest on such bonds and of the  
20 sinking fund or reserve fund payments agreed to be made in respect  
21 of such bonds all or any part of the gross or net revenues  
22 thereafter received by the district in respect of the property,  
23 real, personal or mixed, to be acquired or constructed with such  
24 bonds or the proceeds thereof, or all or any part of the gross or

1 net revenues thereafter received by the district from whatever  
2 source derived and monies and securities held under such resolutions  
3 or indentures or contract rights with respect to any of the  
4 foregoing, (d) prescribing the purposes to which such bonds or any  
5 bonds thereafter to be issued, or the proceeds thereof, may be  
6 applied, (e) agreeing to fix and collect rates and charges  
7 sufficient to produce revenues adequate to pay the items specified  
8 in ~~subparagraphs (a), (b), (c) and (d)~~ paragraphs 1, 2, 3, 4 and 5  
9 of Section 868 of this title and prescribing the use and disposition  
10 of all revenues, and the investment of such revenues and other  
11 monies pending their expenditure in investments and authorized or  
12 permitted by law, (f) prescribing limitations upon the issuance of  
13 additional bonds and upon the agreements which may be made with the  
14 purchasers and successive holders thereof, (g) with regard to the  
15 construction, extension, improvement, reconstruction, operation,  
16 maintenance and repair of the properties of the district, carrying  
17 of insurance upon all or any part of said properties covering loss  
18 or damage or loss of use and occupancy resulting from specified  
19 risk, (h) fixing the procedure, if any, by which, if the district  
20 shall so desire, the terms of any contract with the holders of such  
21 bonds may be amended or abrogated, the amount of bonds the holders  
22 of which must consent thereto, and the manner in which such consent  
23 may be given, (i) for the execution and delivery by the district to  
24 a bank or trust company authorized by law to accept trusts, or to

1 the United States of America or any office or agency thereof, of  
2 indentures and agreements for the benefit of the holders of such  
3 bonds setting forth any or all of the agreements herein authorized  
4 to be made with or from the benefit of the holders of such bonds and  
5 such other provisions as may be customary in such indentures or  
6 agreements, and (j) such other provisions, not inconsistent with the  
7 provisions of the act, as the Board may approve.

8 Any such resolution and any indenture or agreement entered into  
9 pursuant thereto may provide that in the event that (a) default  
10 shall be made in the payment of the interest on any or all bonds  
11 when and as the same shall become due and payable, or (b) default  
12 shall be made in the payment of the principal of any or all bonds  
13 when and as the same shall become due and payable, whether at the  
14 maturity thereof, by call for redemption or otherwise, or (c)  
15 default shall be made in the performance for any agreement made with  
16 the purchasers or successive holders of any bonds, and such default  
17 shall have continued such period, if any, as may be prescribed by  
18 said resolution in respect thereof, the trustee under the indenture  
19 or indentures entered into in respect of the bonds authorized  
20 thereby, or if there shall be no such indenture, a trustee appointed  
21 in the manner provided in such resolution or resolutions by the  
22 holders of twenty-five percent (25%) in aggregate principal amount  
23 of the bonds authorized thereby and at the time outstanding may,  
24 and, upon the written request of the holders of twenty-five percent

1 (25%) in aggregate principal amount of the bonds authorized by such  
2 resolution or resolutions at the time outstanding, shall, in his or  
3 its own name, but for the equal and proportionate benefit of the  
4 holders of all of such bonds, and with or without possession  
5 thereof;

6 ~~(1)~~ 1. By mandamus or other suit, action or proceeding at law  
7 or in equity, enforce all rights of the holders of such bonds;

8 ~~(2)~~ 2. Bring suit upon such bonds and/or the appurtenant  
9 coupons;

10 ~~(3)~~ 3. By action or suit in equity, require the district to  
11 account as if it were the trustee of an express trust for the  
12 bondholders;

13 ~~(4)~~ 4. By action or suit in equity, enjoin any acts or things  
14 which may be unlawful or in violation of the rights of the holders  
15 of such bonds,~~and/or;~~ and

16 ~~(5)~~ 5. After such notice to the district as such resolution may  
17 provide, declare the principal of all of such bonds due and payable,  
18 and if all defaults shall have been made good, then with the written  
19 consent of the holder or holders of twenty-five percent (25%) in  
20 aggregate principal amount of such bonds at the time outstanding  
21 annul such declaration and its consequence; provided, however, that  
22 the holders of more than a majority in principal amount of the bonds  
23 authorized thereby and at the time outstanding by instrument or  
24 instruments in writing delivered to such trustee have the right to

1 direct and control any and all action taken or to be taken by such  
2 trustee under this paragraph. Any such resolution, indenture or  
3 agreement may provide that in any such suit, action or proceeding,  
4 any such trustee, whether or not all of such bonds shall have been  
5 declared due and payable, and with or without possession of any  
6 thereof, shall be entitled as of right to the appointment of a  
7 receiver who may enter and take possession of all or any part of the  
8 properties of the district and operate and maintain the same, and  
9 fix, collect and receive rates and charges sufficient to provide  
10 revenues adequate to pay the items set forth in ~~subparagraphs (a),~~  
11 ~~(b), (c) and (d)~~ paragraphs 1, 2, 3, 4 and 5 of Section 868 of this  
12 title and the costs and disbursements of such suit, action or  
13 proceeding, and to apply such revenues in conformity with the  
14 provisions of this act and the resolution or resolutions authorizing  
15 such bonds. In any suit, action or proceeding by any such trustee,  
16 the reasonable fees, counsel fees and expense of such trustee and of  
17 the receiver or receivers, if any, shall constitute taxable  
18 disbursements and all costs and disbursements, and all costs and  
19 disbursements allowed by the court shall be a first charge upon any  
20 revenues pledged to secure the payment of such bonds. Subject to  
21 the provisions of the Constitution of the State of Oklahoma, the  
22 courts of the County of Craig, or other county wherein the domicile  
23 may be situated, shall have jurisdiction of any such suit, action or  
24 proceeding by any such trustee on behalf of the bondholders and of

1 all property involved therein. In addition to the powers  
2 hereinabove specifically provided for, each such trustee shall have  
3 and possess all powers necessary or appropriate for the exercise of  
4 any thereof, or incident to the general representation of the  
5 bondholders in the enforcement of their right.

6 Before any bonds shall be sold by the district, a certified copy  
7 of the proceedings for the issuance thereof, including the form of  
8 such bonds, together with any other information which the Attorney  
9 General of the State of Oklahoma may require, shall be submitted to  
10 the Attorney General and if he or she shall find that such bonds  
11 have been issued in accordance with law he or she shall approve such  
12 bonds and execute a certificate to that effect which shall be filed  
13 in the Office of the State Auditor and Inspector of the State of  
14 Oklahoma and be recorded in a record kept for that purpose. No  
15 bonds shall be issued until the same shall have been registered by  
16 the State Auditor and Inspector, who shall so register the same if  
17 the Attorney General shall have filed with the State Auditor and  
18 Inspector his or her certificate approving the bonds and the  
19 proceedings for the issuance thereof as hereinabove provided. All  
20 bonds approved by the Attorney General as aforesaid, and registered  
21 by the State Auditor and Inspector as aforesaid, and issued in  
22 accordance with the proceedings so approved shall be valid and  
23 binding obligations of the district and shall be incontestable for  
24 any cause from and after the time of such registration.

1 SECTION 12. AMENDATORY 82 O.S. 2011, Section 870.1, is  
2 amended to read as follows:

3 Section 870.1 Whenever the Grand River Dam Authority Board of  
4 Directors shall have adopted a resolution authorizing ~~a specific~~  
5 ~~project and~~ the issuance of any series of bonds thereunder but prior  
6 to the time the bonds can be delivered the Board finds it necessary  
7 to borrow money for the purpose for which the bonds were authorized,  
8 the Board may, by appropriate resolutions and subject to all other  
9 provisions of Sections 861 through ~~889~~ 896.16 of this title,  
10 authorize the borrowing of money in anticipation of the issuance of  
11 the bonds, and the issuance of notes of the Board to evidence such  
12 borrowing. The amount so borrowed shall not exceed the principal  
13 amount of the bonds and shall not bear interest at a rate exceeding  
14 the allowable interest rate of the bonds. Such notes shall be  
15 signed in the manner prescribed by the Board and shall be made  
16 payable at such times as the Board may prescribe not later than five  
17 (5) years from their respective dates and may be renewed from time  
18 to time by the issuance of new notes hereunder. The proceeds of any  
19 loan made under this section shall be devoted exclusively to the  
20 purposes for which the bonds shall have been authorized and the  
21 notes and the interest thereon shall be paid with the proceeds of  
22 the bonds or any legally available funds simultaneously with the  
23 delivery of the bonds. If for any reason the bonds shall not be  
24 issued, the holder or holders of the notes shall be entitled to all

1 rights which would have been enjoyed by the holders of the bonds had  
2 they been issued, and the notes shall be paid from the revenues  
3 provided for the payment of the bonds and shall be entitled to the  
4 benefit of all covenants, agreements and rights appearing in the  
5 resolution authorizing the bonds for the benefit of the bonds.

6 SECTION 13. AMENDATORY 82 O.S. 2011, Section 873, is  
7 amended to read as follows:

8 Section 873. A. The Grand River Dam Authority is hereby  
9 authorized to fund and refund any and all lawful obligations and any  
10 and all revenue bonds issued, or contracted to be sold, by it by the  
11 issuance of new revenue bonds, or from the proceeds of sale of new  
12 revenue bonds, or by the exchange of new revenue bonds and to  
13 renegotiate any agreement of indenture whereunder said obligations  
14 or revenue bonds authorized to be funded and refunded hereby may be  
15 outstanding, or contracted, but any new revenue bonds issued,  
16 exchanged or sold to fund or refund said outstanding obligations and  
17 revenue bonds and all agreements and indentures providing for the  
18 payment and securing thereof shall conform to the provisions of the  
19 Grand River Dam Authority Act, as amended; provided, that no  
20 outstanding obligations or revenue bonds shall be funded or refunded  
21 or exchanged on the basis of a price in excess of principal, accrued  
22 interest, redemption premium, or charges in excess of those provided  
23 by said obligations or revenue bonds or the indenture or agreement  
24 whereunder issued or incurred, plus the necessary and reasonable

1 costs of funding, refunding or exchange thereof; provided, further  
2 that said Authority shall have the power to purchase any revenue  
3 bonds issued, or contracted to be issued, by it at a price not  
4 exceeding the redemption price applicable at the time of purchase  
5 thereof, or, if no redemption price is fixed, then at principal plus  
6 accrued interest, from any funds available and provided for the  
7 payment of ~~said~~ the revenue bonds ~~and when purchased said bonds~~  
8 ~~shall be canceled.~~

9 B. The Authority is further authorized to enter into interest  
10 rate swaps and other derivative products, and other financial  
11 instruments intended to hedge interest rate risk or manage interest  
12 rate costs, including any option to enter into or terminate any of  
13 them, that the Authority deems to be necessary or desirable in  
14 connection with any bonds issued prior to, at the same time as, or  
15 after entering into such arrangement, and containing such terms and  
16 provisions, and may be with such parties, as determined by the  
17 Authority. Provided, any action taken by the Authority pursuant to  
18 this subsection must first be approved by the Office of the State  
19 Bond Advisor and the Council of Bond Oversight pursuant to the  
20 provisions of the Oklahoma Bond Oversight and Reform Act.

21 SECTION 14. AMENDATORY 82 O.S. 2011, Section 874, as  
22 last amended by Section 48, Chapter 210, O.S.L. 2016 (82 O.S. Supp.  
23 2018, Section 874), is amended to read as follows:  
24

1 Section 874. A. Nothing in Sections 861 through ~~890~~ 896.16 of  
2 this title shall be construed as authorizing the district and it  
3 shall not be authorized to mortgage or otherwise encumber any of its  
4 property of any kind, real, personal or mixed, or any interest  
5 therein, or to acquire any property or interest subject to a  
6 mortgage or conditional sale, provided that this section shall not  
7 be construed as preventing the pledging of the revenues of the  
8 district as herein authorized. Any pledge of revenues, monies,  
9 securities or contract rights made by the district pursuant to the  
10 provisions of this title shall be valid and binding from the date  
11 the pledge is made. The revenues, monies, securities and contract  
12 rights so pledged and then held or thereafter received by the  
13 district or any fiduciary shall immediately be subject to the lien  
14 of the pledge without any physical delivery thereof or further act,  
15 and the lien of the pledge shall be valid and binding against all  
16 parties having claims of any kind in tort, contract or otherwise  
17 against the district without regard to the provisions of Title 12A  
18 of the Oklahoma Statutes. The bond resolution, trust indenture,  
19 security agreement or other instrument by which a pledge is created  
20 need not be filed or recorded in any manner.

21 B. Nothing in Sections 861 through ~~890~~ 896.16 of this title  
22 shall be construed as authorizing the sale, lease or other  
23 disposition of any property or interest of the district by the  
24

1 district or any receiver of any of its properties or through any  
2 court proceeding or otherwise.

3 C. 1. The district may sell for cash, subject to competitive  
4 bidding as provided by the Board of Directors of the Grand River Dam  
5 Authority, any property or interest in an aggregate value not  
6 exceeding the sum of Five Hundred Thousand Dollars (\$500,000.00) in  
7 any one (1) year, except that the district may sell any or all  
8 surplus property that the district may have acquired without regard  
9 to the limitations herein, if the Board, by the affirmative vote of  
10 five or more of the members, shall have determined that the same is  
11 not necessary to the business of the district and shall have  
12 approved the terms of any sale.

13 2. Notwithstanding any other provision of law, the district may  
14 sell real and personal property directly used for the generation,  
15 transmission or distribution of electricity to any corporation,  
16 limited liability company, association, cooperative, municipal  
17 corporation or a beneficial trust thereof engaged in the furnishing  
18 of wholesale or retail electric if the Board approves by a vote of  
19 five or more members that the property is not necessary to the  
20 business of the district. Sales pursuant to this paragraph shall be  
21 exempt from the requirements and limitations of paragraph 1 of this  
22 subsection and from the requirements of Section ~~129.4~~ 327 of Title  
23 ~~74~~ 61 of the Oklahoma Statutes.

24

1           3. If approved by affirmative vote of five or more members, the  
2 Board may authorize the district to enter into agreements to  
3 purchase letters of credit or other financial instruments to  
4 facilitate the exercise of the powers, rights, and privileges  
5 granted it.

6           D. The district may lease any of its lands if the Board, by the  
7 affirmative vote of five or more of the members, shall have  
8 determined that the same can be leased without injury to or without  
9 interference with the operations of the project, and shall have  
10 approved the terms of any lease. Except as otherwise provided, no  
11 shorelands (lands lying between the ~~low and high water~~ low- and  
12 high-water marks) shall be leased for a term longer than two (2)  
13 years and not more than one-fourth (1/4) mile of the lake front  
14 shall be leased to any one person, firm or corporation. The  
15 district may lease shorelands for a term longer than two (2) years  
16 and more than one-fourth (1/4) mile of lake front may be leased to  
17 any one person, firm, or corporation without regard to the  
18 limitations herein, if the Board, by the affirmative vote of a  
19 majority of the members, determines that the lease is necessary or  
20 beneficial to the business of the district. The district may lease  
21 shorelands to political subdivisions, agencies of the State of  
22 Oklahoma, or tax-exempt public trusts, for any public purpose, on  
23 such terms as are mutually satisfactory to the parties,  
24 notwithstanding the limitations herein. No lease shall deprive the

1 owner of any land adjacent to the shorelands or lake front, or  
2 abutting thereon, of ingress or egress to and from the water of the  
3 lakes and shall not deprive the owner of any wharf, dock or boat  
4 anchorage privileges that would belong to the owner if the  
5 shorelands or lake front were not leased.

6 E. It is the intention of Sections 861 through ~~890~~ 896.16 of  
7 this title that, except by sale, lease or agreement as expressly  
8 authorized in Sections 861 through ~~890~~ 896.16 of this title, no  
9 property or interest of the district shall ever come into the  
10 ownership or control, directly or indirectly, of any person, firm or  
11 corporation other than a public authority created under the laws of  
12 the State of Oklahoma.

13 F. Nothing in this section shall be construed as preventing the  
14 district from contracting with the United States or any agency  
15 thereof for the temporary possession, control and use of properties  
16 by the United States or any agency thereof for the safety and  
17 defense of the United States in time of a national emergency or in  
18 anticipation thereof.

19 G. All property of the district shall be at all times exempted  
20 from forced sale, and nothing contained in Sections 861 through ~~890~~  
21 896.16 of this title shall authorize the sale of any of the property  
22 of the district under any judgment rendered in any suit, and such  
23 sales are hereby prohibited and forbidden. The provisions of this  
24 subsection shall not apply to any property constructed on a lease or

1 the interest in a lease of shoreland that has been entered into by  
2 the district pursuant to subsection ~~B~~ D of this section for a term  
3 of longer than two (2) years, provided the provisions of the lease  
4 authorizing the mortgage and forced sale of the property or lease  
5 interest has been approved by an affirmative vote of a majority of  
6 the members of the Board.

7 H. The provisions of this section shall not apply to any sale  
8 agreement, lease agreement or other agreement entered into by the  
9 district pursuant to ~~paragraphs (f) or (g)~~ paragraph 6 or 7 of  
10 Section 862 of this title, provided that the agreement is in  
11 compliance with any applicable provision restricting the sale or  
12 leasing of property by the district contained in any resolution of  
13 the district providing for the issuance of revenue bonds.

14 SECTION 15. REPEALER 82 O.S. 2011, Section 862.2, is  
15 hereby repealed.

16 SECTION 16. This act shall become effective July 1, 2019.

17 SECTION 17. It being immediately necessary for the preservation  
18 of the public peace, health or safety, an emergency is hereby  
19 declared to exist, by reason whereof this act shall take effect and  
20 be in full force from and after its passage and approval.

21

22 57-1-5596 JBH 01/06/19

23

24