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March 31, 2022

ENGROSSED HOUSE
BILL NO. 3995

By: Dobrinski of the House

and

Leewright of the Senate

An Act relating to cities and towns; amending 11 O.S. 2021, Section 24-104, which relates to members of the Oklahoma Municipal Power Authority election committee; clarifying language of applicability in regards to filing date; amending 11 O.S. 2021, Section 24-105, which relates to definitions; modifying terms; amending 11 O.S. 2021, Section 24-107, which relates to the powers, rights, and privileges of the Authority; changing office responsible for approving actions taken by the Authority; modifying when the Authority may not sell output; modifying applicability; amending 11 O.S. 2021, Section 24-116, which relates to meetings and records of the Authority; changing citation to applicable statute; amending 11 O.S. 2021, Section 24-117, which relates to construction of act; modifying limitation on the Authority; repealing 11 O.S. 2021, Section 24-105.1, which relates to joint interest in electric generation project; repealing 11 O.S. 2021, Section 24-114, which relates to acquisition and construction contracts; repealing 11 O.S. 2021, Section 24-120, which relates to personnel included in unclassified service; and providing an effective date.

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

SECTION 1. AMENDATORY 11 O.S. 2021, Section 24-104, is amended to read as follows:

1 Section 24-104. (a) (i) Election Committee. The Authority
2 shall be governed by a Board of Directors consisting of seven
3 members or such greater number, but in no event more than eleven
4 members, as provided in the bylaws of the Authority as in effect
5 from time to time. Members of the Board of Directors of the
6 Authority shall be eligible to succeed themselves and shall be
7 elected by the election committee as hereinafter provided in this
8 section. On or before the 90th day following the effective date of
9 this act, each of those eligible public agencies which shall have,
10 prior to such 90th day, by proper resolution of its governing body
11 or its public trust, declared its intention to participate, or to
12 have any public trust operating its electric system participate,
13 with the Authority in the development of power supply resources,
14 shall designate one person as its representative on the election
15 committee. All such resolutions of declaration of intention to
16 participate with the Authority shall be filed with the Secretary of
17 State and shall be presented to the election committee at its first
18 meeting which shall be held in the office of the Municipal Electric
19 Systems of Oklahoma at 11:00 a.m. on the first Tuesday following
20 such 90th day. At such meeting the election committee shall
21 organize and elect a chairman and such other officers as may be
22 desirable in the determination of the election committee. The
23 election committee shall then determine the sufficiency of the
24 resolutions presented to it.

1 (ii) Election Committee Voting. For purposes of voting upon
2 any matter which may properly come before the election committee,
3 each representative shall have one vote unless otherwise provided in
4 the bylaws of the Authority as in effect from time to time. The
5 presence at any meeting of the election committee of representatives
6 entitled to cast a majority of the total votes to which the election
7 committee shall be entitled shall, unless otherwise provided in the
8 bylaws of the Authority as in effect from time to time, constitute a
9 quorum of the election committee.

10 (iii) Bylaws of the Authority.

11 (A) The bylaws of the Authority shall be adopted by the
12 election committee of the Authority by a majority vote
13 of the election committee and may thereafter be
14 amended at any time and from time to time in whole or
15 in part by the election committee or by the Board of
16 Directors by a majority of the total votes entitled to
17 be cast at any properly called and constituted meeting
18 thereof, provided, however, that any such amendment
19 shall not violate the provisions of Section ~~19~~ hereof
20 24-119 of this title.

21 (B) The bylaws of the Authority shall provide the
22 following:

23 (1) the time, place, manner of calling, notice,
24 quorum and voting provisions, and other

procedural rules for regular and special meetings
of the election committee of the Authority;

(2) the time, place, manner of calling, notice,
quorum and voting provisions, and other
procedural rules for regular and special meetings
of the Board of Directors of the Authority;

(3) provisions for the number, election, term of
office and removal of members of the Board of
Directors and for filling vacancies on the Board
of Directors;

(4) the titles, duties and manner of election,
removal and replacement of officers of the
Authority;

(5) provisions governing when the Authority may
dissolve and the disposition of property of the
Authority and the procedures to be followed in
the event of such a dissolution, provided,
however, that any such dissolution shall not
violate the provisions of Section ~~19 hereof~~ 24-
119 of this title; and

(6) such other rules for regulating the affairs of
the Authority as the election committee or the
Board of Directors may deem necessary or
advisable.

1 (iv) Board of Directors. The initial members of the Board of
2 Directors of the Authority shall be elected by the election
3 committee of the Authority. Members of the Board of Directors of
4 the Authority shall be residents of the State of Oklahoma. Members
5 of the Board of Directors of the Authority may, but need not, be
6 members of the election committee. Each member of the Board of
7 Directors of the Authority shall hold office until the adjournment
8 of the annual meeting of the Board of Directors held at, or nearest
9 to, the expiration of ~~his~~ the Director's term of office as provided
10 in the bylaws of the Authority and until ~~his~~ a successor is elected.

11 (b) Additional Members of Election Committee. Each eligible
12 public agency declaring its intention, by proper resolution of its
13 governing body, to participate, or to have any public trust
14 operating its electric system participate, with the Authority in the
15 development of power supply resources ~~after the 90th day following~~
16 ~~the effective date of this act~~ shall promptly file such resolution
17 with the Secretary of State and give written notice to the Authority
18 of the adoption of such resolution and shall then designate one
19 person as an additional member of the election committee whose term
20 shall begin with the first meeting of the election committee which
21 is held following the expiration of ten (10) days from the date of
22 receipt of notice of the adoption of such resolution by the
23 Authority. Members of the election committee shall serve at the
24

1 pleasure of the governing body of the eligible public agency by
2 which they were appointed.

3 SECTION 2. AMENDATORY 11 O.S. 2021, Section 24-105, is
4 amended to read as follows:

5 Section 24-105. As used in this act the following words shall
6 have the following meanings unless the context clearly indicates
7 otherwise:

8 (a) "Authority" shall mean the Oklahoma Municipal Power
9 Authority hereby created and any successor or successors thereto.
10 Any change in name or composition of the Authority shall in no way
11 affect the vested rights of any person under the provisions of this
12 act or impair the obligations of any contracts existing under this
13 act.

14 (b) "Board of Directors" shall mean the Board of Directors
15 elected by the election committee as set forth in Section 4 24-104
16 of this ~~act~~ title which shall exercise all the powers and manage and
17 control all the affairs and property of the Authority unless
18 otherwise specifically provided herein or in the bylaws of the
19 Authority as in effect from time to time.

20 (c) "Bonds" shall mean any revenue bonds, notes or other
21 evidences of obligations of the Authority issued by the Authority
22 under the provisions of this act, including, without limitation,
23 bond anticipation notes and refunding bonds.

1 (d) "Eligible public agency" shall mean any municipality,
2 authority or other public body which owns, maintains or operates an
3 electrical energy generation, transmission or distribution system
4 within the State of Oklahoma ~~on the date on which this act becomes~~
5 ~~law.~~

6 (e) "Person" shall mean (i) any natural person; (ii) any
7 eligible public agency as defined herein; (iii) any public trust as
8 defined herein; (iv) the United States, any state, any municipality,
9 political subdivision, municipal corporation, unit of local
10 government, governmental unit or public corporation created by or
11 pursuant to the laws of the United States or any state, or any
12 board, corporation or other entity or body declared by the laws of
13 the United States or any state to be a department, agency or
14 instrumentality thereof; (v) any corporation, not for profit
15 corporation, firm, partnership, cooperative association, electric
16 cooperative or business trust of any nature whatsoever organized and
17 existing under the laws of the United States or any state; or (vi)
18 any foreign country, any political subdivision or governmental unit
19 of any foreign country or any corporation, not for profit
20 corporation, firm, partnership, cooperative association, electric
21 cooperative or business trust of any nature whatsoever organized and
22 existing under the laws of any foreign country or of any political
23 subdivision or governmental entity thereof.

1 (f) "Project" shall mean any plant, works, system, facilities
2 and real and personal property of any nature whatsoever, together
3 with all parts thereof and appurtenances thereto, located within or
4 without the State of Oklahoma, used or useful in the generation,
5 production, transmission, purchase, sale, exchange or interchange of
6 electrical energy and in the acquisition, extraction, processing,
7 transportation or storage or of fuel of any kind for any such
8 purposes or any interest in, or right to the use, services, output
9 or capacity, of any such plant, works, system or facilities;
10 ~~provided, however, a project shall not include (i) any interest in~~
11 ~~any plant for the generation of electrical energy which is to be~~
12 ~~owned jointly with any investor-owned utility if such plant is not~~
13 ~~existing on May 10, 1981, or (ii) any interest in any nuclear~~
14 ~~powered generating plant. For purposes of this definition, a plant~~
15 ~~shall be considered to be existing if construction shall have been~~
16 ~~commenced at the plant site, if orders have been placed for major~~
17 ~~components of equipment or if the plant is to consist of an~~
18 ~~additional unit at the site of an already existing unit which will~~
19 ~~use in common any of the existing facilities at such site.~~

20 (g) "Public trust" shall mean any public trust created and
21 existing under the provisions of the Trusts for Furtherance of
22 Public Functions Law, as provided by Sections 176 et seq. of Title
23 60 of the Oklahoma Statutes, and the Oklahoma Trust Act, as provided
24 by Sections 175 et seq. of Title 60 of the Oklahoma Statutes, which

1 has as its beneficiary a municipality and which owns, maintains or
2 operates an electrical energy generation, transmission or
3 distribution system serving the residents and consumers of such
4 municipality ~~and existing on the date on which this act becomes law~~
5 ~~or created hereafter with an eligible public agency as the~~
6 ~~beneficiary.~~

7 SECTION 3. AMENDATORY 11 O.S. 2021, Section 24-107, is
8 amended to read as follows:

9 Section 24-107. (a) The Authority shall have and is hereby
10 authorized to exercise all powers, rights and privileges enumerated
11 in this section. Such powers, rights and privileges shall be
12 exercised by its Board of Directors unless otherwise specifically
13 provided herein or by the bylaws of the Authority as in effect from
14 time to time.

15 (b) The Authority may plan, finance, acquire, construct,
16 reconstruct, own, lease, operate, maintain, repair, improve, extend
17 or otherwise participate, individually or jointly with other
18 persons, in one or more projects, proposed, existing or under
19 construction, and may act as agent, or designate one or more
20 persons, whether or not participating in a project, to act as its
21 agent, in connection with the planning, financing, acquisition,
22 construction, reconstruction, ownership, lease, operation,
23 maintenance, repair, extension or improvement of the project.

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1 (c) The Authority may investigate the desirability of and
2 necessity for additional sources and supplies of electrical energy
3 and fuel and other supplies of any kind for such purpose, and make
4 studies, surveys and estimates as may be necessary to determine the
5 feasibility and cost thereof.

6 (d) The Authority may cooperate with other persons in the
7 development of sources and supplies of electrical energy and fuel
8 and other supplies of any kind for such purposes, and give
9 assistance with personnel and equipment in any project.

10 (e) The Authority may apply to any person for consents,
11 authorizations or approvals required for any project within its
12 powers and take all actions necessary to comply with the conditions
13 thereof.

14 (f) The Authority may perform any act authorized by this act
15 through, or by means of, its officers, agents or employees or by
16 contract with any person, including, without limitation, the
17 employment of engineers, architects, attorneys, appraisers,
18 financial advisors and such other consultants and employees as may
19 be required in the judgment of the Board of Directors, and fix and
20 pay their compensation from funds available to the Authority
21 therefor.

22 (g) The Authority may acquire, hold, use and dispose of income,
23 revenues, funds and money.

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1 (h) The Authority may, individually or jointly with other
2 persons, acquire, own, hire, use, operate and dispose of personal
3 property and any interest therein.

4 (i) The Authority may, individually or jointly with other
5 persons, acquire, own, use, lease as lessor or lessee, operate and
6 dispose of real property and interests in real property, including
7 projects existing, proposed or under construction, and make
8 improvements thereon.

9 (j) The Authority may grant the use by franchise, lease or
10 otherwise and make charges for the use of any property or facility
11 owned or controlled by it.

12 (k) The Authority may borrow money and issue negotiable bonds,
13 secured or unsecured, in accordance with this act, and may enter
14 into interest rate swaps and other derivative products, and other
15 financial instruments intended to hedge interest rate risk or manage
16 interest rate costs, including any option to enter into or terminate
17 any of them, that the Authority deems to be necessary or desirable
18 in connection with any bonds issued prior to, at the same time as,
19 or after entering into such arrangement, and containing such terms
20 and provisions, and may be with such parties, as determined by the
21 Authority. Provided, any action taken by the Authority pursuant to
22 this subsection must first be approved by the Office of the ~~State~~
23 ~~Bond Advisor~~ Deputy Treasurer for Debt Management and the Council of
24

1 Bond Oversight pursuant to the provisions of the Oklahoma Bond
2 Oversight and Reform Act.

3 (l) The Authority may invest money of the Authority not
4 required for immediate use, including proceeds from the sale of any
5 bonds.

6 (m) The Authority may exercise the power of eminent domain in
7 accordance with the provisions of Section 24-110 of this title.

8 (n) The Authority may determine the location and character of,
9 and all other matters in connection with, any and all projects it is
10 authorized to acquire, hold, establish, effectuate, operate or
11 control.

12 (o) The Authority may contract with any person for the
13 planning, development, construction, operation, sale or lease as
14 lessor or lessee of any project or for any interest therein, on such
15 terms and for such period of time as its Board of Directors shall
16 determine.

17 (p) The Authority may contract with any eligible public agency,
18 any public trust, or any other person for the sale of power and
19 energy, transmission services, power supply development services or
20 other services within or without the State of Oklahoma on such terms
21 and conditions as the Board of Directors shall approve. Any such
22 contract may be for the sale of output and services of a particular
23 project or may be for output and services generally without regard
24 to a specific project and may be for the supply of a specific

1 quantity of output or a percentage of the output of a specific
2 project or other specific facility or may be based on the
3 requirements of the purchaser or may be on such other terms and
4 conditions as the Board of Directors deems appropriate.

5 (q) The Authority may enter into any contract or agreement
6 necessary, appropriate or incidental to the effectuation of its
7 lawful purposes and the exercise of the powers granted by this act,
8 including, without limitation, contracts or agreements for the
9 purchase, sale, exchange, interchange, wheeling, pooling,
10 transmission or storage of electric power and energy, and fuel and
11 other supplies of any kind for any such purposes, within and without
12 the State of Oklahoma, in such amounts as it shall determine to be
13 necessary and appropriate to make the most effective use of its
14 powers and to meet its responsibilities, on such terms and for such
15 period of time as the Board of Directors determines, and derivative
16 or other instruments intended to hedge fuel cost risk associated
17 with any projects or power purchases or supply arrangements of the
18 Authority, or to hedge fixed or variable interest rate exposure
19 associated with permitted investments, including any option to enter
20 into or terminate any of them, that the Authority deems to be
21 necessary or desirable, and containing such terms and provisions,
22 and may be with such parties, as determined by the Authority.

23 (r) In any case in which the Authority participates in a
24 project as a joint owner with one or more persons, the Authority may

1 enter into an agreement or agreements with respect to such project
2 with the other person or persons participating therein, and any such
3 agreement may contain such terms, conditions and provisions
4 consistent with the provisions of the act as the parties thereto
5 shall deem to be in their best interest. Any such agreement may
6 include, but need not be limited to, provisions defining what
7 constitutes a default thereunder and providing for the rights and
8 remedies of the parties thereto upon the occurrence of such a
9 default deemed appropriate by the Board of Directors including, to
10 the extent deemed appropriate, the acquisition by nondefaulting
11 parties of all or any part of the defaulting party's interest;
12 provisions setting forth such restraints on alienation of the
13 interests of the parties in the project as the Board of Directors
14 deems appropriate; provisions for the construction, operation and
15 maintenance of such electric generation or transmission facility by
16 any one or more of the parties to such agreement which party or
17 parties shall be designated in or pursuant to such agreement as
18 agent or parties thereto or by such other means as may be determined
19 by the parties thereto; and provisions for a method or methods of
20 determining and allocating, among or between the parties, costs of
21 construction, operation, maintenance, renewals, replacements,
22 improvements and disposals with respect to such project. In
23 exercising its power to participate in a project as a joint owner
24 with one or more persons, the Authority may not loan its credit to

1 any person which is a joint owner of such project; provided,
2 however, the appropriate allocations of the costs of construction,
3 operation, maintenance, renewals, replacements, improvements and
4 disposals with respect to such project between the Authority and
5 such persons shall not be a loan of credit by the Authority to such
6 persons. In carrying out its functions and activities as such agent
7 with respect to construction, operation and maintenance of a
8 project, such agent shall be governed by the laws and regulations
9 applicable to such agent as a separate legal entity and not by any
10 laws or regulations which may be applicable to any of the other
11 participating parties. Notwithstanding anything contained in any
12 other law to the contrary, pursuant to the terms of any such
13 agreement, the Authority may delegate its powers and duties with
14 respect to the construction, operation and maintenance of such
15 project to the person acting as agent; and all actions taken by such
16 agent in accordance with the provisions of such agreement may be
17 made binding upon the Authority without further action or approval
18 by the Authority.

19 (s) The Authority may procure insurance against any losses in
20 connection with its property, operations or assets in such amounts
21 and from such insurers as it deems desirable, or may self-insure
22 against such losses.

23 (t) The Authority may contract for and accept any gifts, grants
24 or loans of funds or property or financial or other aid in any form

1 from any person, and may comply, subject to the provisions of this
2 act, with the terms and conditions thereof.

3 (u) The Authority may adopt a corporate seal and may sue or be
4 sued.

5 (v) The Authority may exercise all other powers not
6 inconsistent with the Constitution of the State of Oklahoma or the
7 United States Constitution, which powers may be reasonably necessary
8 or appropriate for or incidental to effectuate its authorized
9 purposes or to the exercise of any of the powers enumerated in this
10 act.

11 (w) Notwithstanding any other provision herein seemingly to the
12 contrary, the Authority may not sell output (i) at retail to the
13 ultimate consumers thereof, or (ii) to any municipality which does
14 not ~~qualify as an eligible public agency under the definition set~~
15 ~~forth in subsection (d) of Section 24-105 of this title, or (iii) to~~
16 ~~any trust created and existing under the provisions of the Local~~
17 ~~Industrial Development Act, as provided by Sections 651 et seq. of~~
18 ~~Title 62 of the Oklahoma Statutes, or the Trusts for Furtherance of~~
19 ~~Public Functions Law, as provided by Sections 176 et seq. of Title~~
20 ~~60 of the Oklahoma Statutes, which does not qualify as a public~~
21 ~~trust under the definition set forth in subsection (g) of Section~~
22 ~~24-105 of this title~~ own an electrical energy distribution system.

23 SECTION 4. AMENDATORY 11 O.S. 2021, Section 24-116, is
24 amended to read as follows:

1 Section 24-116. All meetings of the Authority shall be subject
2 to the provisions of the Oklahoma Open Meeting Act, as provided by
3 Sections 301 et seq. of Title 25 of the Oklahoma Statutes. All
4 records of the Authority shall be subject to the provisions of
5 ~~Section 24~~ the Oklahoma Open Records Act, as provided by Section
6 24A.1 et seq. of Title 51 of the Oklahoma Statutes.

7 SECTION 5. AMENDATORY 11 O.S. 2021, Section 24-117, is
8 amended to read as follows:

9 Section 24-117. This act and all the terms and provisions
10 hereof shall be liberally construed to effectuate the purposes set
11 forth herein; provided, however, nothing in this act shall be
12 construed to authorize the Authority to loan its credit to any
13 investor-owned utility ~~nor to acquire or subsidize any nuclear~~
14 ~~powered generating plant.~~

15 SECTION 6. REPEALER 11 O.S. 2021, Section 24-105.1, is
16 hereby repealed.

17 SECTION 7. REPEALER 11 O.S. 2021, Section 24-114, is
18 hereby repealed.

19 SECTION 8. REPEALER 11 O.S. 2021, Section 24-120, is
20 hereby repealed.

21 SECTION 9. This act shall become effective November 1, 2022.

22 COMMITTEE REPORT BY: COMMITTEE ON ENERGY
23 March 31, 2022 - DO PASS
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