

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 2390

6 By: Osborn (Leslie) and Wallace  
7 of the House

8 and

9 David and Fields of the  
10 Senate

11 COMMITTEE SUBSTITUTE

12 An Act relating to the Grand River Dam Authority;  
13 amending 82 O.S. 2011, Sections 861A, 862, as last  
14 amended by Section 1, Chapter 266, O.S.L. 2016,  
15 862.1, as amended by Section 1, Chapter 325, O.S.L.  
16 2015, 863.2, as last amended by Section 1, Chapter  
17 112, O.S.L. 2012, 864, as last amended by Section 1,  
18 Chapter 88, O.S.L. 2015, 865, 866, as amended by  
19 Section 1062, Chapter 304, O.S.L. 2012, 868, 869,  
20 870, as amended by Section 1, Chapter 169, O.S.L.  
21 2015, 870.1, 873 and 874, as last amended by Section  
22 48, Chapter 210, O.S.L. 2016 (82 O.S. Supp. 2016,  
23 Sections 862, 862.1, 863.2, 864, 866, 870 and 874),  
24 which relate to powers, rights and privileges of  
district, Board of Directors, surplus funds and  
disbursement of district funds, accounts and records,  
collecting rates and charges, sources of payment of  
obligations, bonds, bond anticipation notes, district  
authorized to purchase bonds, and pledge of revenues;  
modifying certain duties of Grand River Dam Authority  
Board of Directors; modifying certain exemptions;  
adding wind and battery storage to list of energy  
sources to which act is applied; eliminating certain  
payments to district; modifying list of applicable  
monetary devices that the district may make or issue;  
adding educational institutions to list of  
organizations the district may support; eliminating  
terms of office for certain directors of the

1 district; conforming language; modifying where  
2 certain funds of the district may be deposited;  
3 eliminating requirement that certain funds be  
4 distributed in certain manner; modifying manner in  
5 which certain records are kept; requiring annual  
6 payment; providing for computation of payment amount;  
7 prescribing method for payment and apportionment of  
8 revenue; providing for in lieu feature and effect of  
9 payment; providing for termination of payment after  
10 specified period of time; authorizing electronic  
11 copies of audit report; modifying list of certain  
12 payments made by the district; authorizing payment of  
13 certain debts from certain accounts; eliminating cap  
14 on revenue bonds; modifying certain exceptions for  
15 sale revenue bonds; modifying certain methods of  
16 revenue bond issuance; eliminating interest cap on  
17 revenue bonds; modifying frequency with which  
18 interest on revenue bonds be paid; authorizing trust  
19 indentures to authorize bonds; removing cap on  
20 certain bonds; adding certain terms that may be  
21 described in certain contracts between district and  
22 bond holders; removing board's authorization to adopt  
23 a resolution on a specific project; expanding list of  
24 available funds from which certain bonds may be paid;  
eliminating cancellation of certain bonds;  
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 for codification; providing an effective  
date; and declaring an emergency.

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

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

Section 861A. A. The Grand River Dam Authority, created  
pursuant to the provisions of the Grand River Dam Authority Act,

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

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

19 1. Promulgate appropriate rules governing operations of the  
20 ~~agency~~ district pursuant to the provisions of Article I of the  
21 Administrative Procedures Act, with the exception of rules dealing  
22 with the waters of the Grand River and its tributaries; ~~and~~

23 2. Set fees for services performed by the district;  
24

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

7        4. Develop written hiring, compensation, and benefits policies  
8 of employees of the district, subject to the provisions of Section  
9 864 of this title.

10        C. The district is required to document business expenses  
11 necessary to carry out the business of the district. Expenses shall  
12 meet current State of Oklahoma and Internal Revenue Service  
13 guidelines for business expense deductibility.

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

18        E. The Board of Directors or the management of the district may  
19 seek advice from the State Treasurer or the State Bond Advisor as it  
20 deems necessary.

21        F. After the effective date of this act, the district shall not  
22 provide retail electric power or retail electric service to electric  
23 consuming facilities except to:

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

4 2. Any entity located within the boundary of the Oklahoma  
5 Ordnance Works Authority/Mid-America Industrial Park or within a  
6 two-mile radius of the boundary.

7 Retail distribution of electric power shall be defined as any  
8 sale not for resale.

9 SECTION 2. AMENDATORY 82 O.S. 2011, Section 862, as last  
10 amended by Section 1, Chapter 266, O.S.L. 2016 (82 O.S. Supp. 2016,  
11 Section 862), is amended to read as follows:

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

14 (a) To control, store and preserve, within the boundaries of  
15 the district, the waters of Grand River and its tributaries, for any  
16 useful purpose, and to use, distribute and sell the same within the  
17 boundaries of the district; provided, however, that any municipal  
18 corporation within the area included within the jurisdiction of the  
19 Grand River Dam Authority shall be entitled to take water from the  
20 Grand River and any of its tributaries in any quantities that may be  
21 needed by such municipal corporation;

22 (b) To develop and generate water power, electric power and  
23 electric energy, from whatever source, within the boundaries of the  
24 district; to acquire coal or other minerals to be used for the

1 purposes of providing energy sources for electrical generating  
2 plants; to acquire or lease any and all railroad connections,  
3 equipment, rolling stock, trackage and otherwise, necessary to the  
4 transporting of coal and other minerals to generating plant sites  
5 within the district; and to buy, sell, resell, interchange and  
6 distribute electric power and energy in order to carry forward the  
7 business and functions of the district now or hereafter authorized  
8 by law and may enter into contracts for such purposes, such  
9 contracts to run for a period of not to exceed fifty (50) years  
10 except those contracts provided for in paragraphs (f) and (g) of  
11 this section. All contracts may contain such reasonable provisions,  
12 limitations, qualifications, protective clauses and rights and  
13 obligations of purchase and sale, and such provisions for the  
14 dedication of the use of facilities and the construction of  
15 additional facilities to serve the load requirements of all the  
16 parties as may be deemed advisable by the district to safeguard the  
17 business and properties of all the parties to such contracts, all  
18 within the limits of sound business judgment and practice, good  
19 conscience, and not contrary to the public policy of the state. The  
20 district is further authorized to participate in the Southwest Power  
21 Pool Integrated Marketplace or any other program established by a  
22 Federal Energy Regulatory Commission authorized Regional  
23 Transmission Organization in which the district is a member and to  
24 engage in the buying and selling of electricity products, fuel

1 commodities, and financial instruments as deemed necessary and  
2 prudent by the district and specifically excludes any expansion of  
3 retail activities of the district. The Board of Directors shall  
4 adopt a hedging policy to enable the district to take advantage of  
5 standard market products to reduce risk while preventing speculative  
6 trading and potential abuses;

7 (c) To prevent or aid in the prevention of damage to person or  
8 property from the waters of the Grand River and its tributaries;

9 (d) To forest and reforest and to aid in the foresting and  
10 reforesting of the watershed area of the Grand River and its  
11 tributaries and to prevent and to aid in the prevention of soil  
12 erosion and floods within the watershed area;

13 (e) To acquire by purchase, lease, gift, or in any other  
14 manner, and to maintain, use and operate or to contract for the  
15 maintenance, use and operation of any and all property of any kind,  
16 real, personal, or mixed, or any interest therein, including trucks  
17 of any size or weight and passenger vehicles and to own, construct,  
18 operate and maintain any project or works in conjunction or jointly  
19 with, as tenants in common, any public or private corporation duly  
20 authorized and qualified to do business within this state including,  
21 but not limited to, rural electric cooperatives of the State of  
22 Oklahoma or the United States of America, or any department,  
23 subdivision or agency of the State of Oklahoma or the United States  
24 of America, or with any "public agency" as defined under the

1 Interlocal Cooperation Act, within or without the boundaries of the  
2 district, necessary, incidental or convenient to the exercise of the  
3 powers, rights, privileges and functions conferred upon it by the  
4 Grand River Dam Authority Act;

5 (f) In addition to any other powers conferred, the district  
6 shall have power and authority to participate and enter into  
7 agreements with any public or private corporation duly authorized  
8 and qualified to do business within the State of Oklahoma including,  
9 but not limited to, rural electric cooperatives, the state or the  
10 United States of America or any department, subdivision or agency of  
11 the state or the United States of America, or with any "public  
12 agency" as defined under the Interlocal Cooperation Act, for the  
13 purpose of planning, acquiring, financing, owning, operating and  
14 maintaining an undivided ownership of any steam, oil, gas, coal-  
15 fired, thermal, geothermal, solar, wind, battery storage, waste or  
16 refuse reclamation powered electric generating plant or plants or  
17 any facilities of every kind necessary, incidental or convenient for  
18 the production, generation and transmission of electric power and  
19 energy including, but not limited to, any and all related  
20 transmission facilities, which shall be used as common facilities.  
21 The agreements shall provide that the district and any participants  
22 therein shall have the incidents of tenant in common to any plant or  
23 facility. It shall also be provided in the agreements that the  
24 district and any participant in the project shall own a percentage



1 of any common facility equal to the percentage of the money  
2 furnished or the value of property supplied by it for the  
3 acquisition and construction thereof and shall own ~~and control~~ a  
4 like percentage of the electrical output thereof.

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

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

1 expressly authorized and provided for in the participation  
2 agreement;

3 (g) In addition to the powers conferred in paragraph (f) of  
4 this section, the district shall have power and authority to  
5 participate and enter into agreements with any public or private  
6 corporation duly authorized and qualified to do business within this  
7 state including, but not limited to, rural electric cooperatives,  
8 the State of Oklahoma or the United States of America or any  
9 department, subdivision or agency of the State of Oklahoma or the  
10 United States of America, or with any "public agency" as defined  
11 under the Interlocal Cooperation Act, for the purpose of planning,  
12 acquiring, financing, owning, operating and maintaining undivided  
13 ownership interests in any steam, oil, gas, coal-fired, thermal,  
14 geothermal, solar, wind, battery storage, waste or refuse  
15 reclamation powered electric generating plant or plants or any other  
16 facilities of every kind necessary, incidental or convenient for the  
17 production, generation and transmission of electric power and energy  
18 including, but not limited to, any and all related transmission or  
19 other facilities which are to be used as common facilities and to  
20 cooperate with other state agencies and public trusts to promote  
21 economic development in the state and to assist in attracting  
22 industry to the state. Such undivided ownership interests may be  
23 created by an agreement entered into with respect to property to be  
24 acquired by the district. Any such agreement may be a sale

1 agreement, with the purchase price payable at one time or in  
2 installments at such time and over such period as shall be agreed to  
3 by the parties thereto, a lease agreement, with a nominal purchase  
4 option, or any other type of agreement. In addition to the purchase  
5 price, the district shall be fully indemnified as to operation,  
6 maintenance, administrative and other expenses incurred with respect  
7 to such undivided interest. ~~Any payment received in respect to any~~  
8 ~~such agreement shall be deemed revenues of the Authority.~~ The  
9 district is hereby authorized to enter into any such agreement in  
10 order to sell, lease or otherwise convey undivided ownership  
11 interests in any such property. Any such agreement shall specify  
12 the undivided interest to be owned or acquired by each of the  
13 participants, provide for a waiver of partition, prescribe the time  
14 of vesting of such interest and the amount of electrical output to  
15 be owned and controlled by any participant.

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

24

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

15 (h) To acquire by condemnation any and all property of any  
16 kind, real, personal, or mixed, or any interest therein, within or  
17 without the boundaries of the district, necessary, incidental or  
18 convenient to the exercise of the powers, rights, privileges and  
19 functions conferred upon it by the Grand River Dam Authority Act, in  
20 the manner provided by general law with respect to condemnation;  
21 provided that nothing in the Grand River Dam Authority Act shall  
22 ever be construed to authorize the district to acquire by  
23 condemnation any privately, municipally or publicly owned electric  
24 public utility system or any part thereof outside of the high-water

1 mark of a reservoir area or outside a properly located damsite,  
2 except the districts may require the relocation of transmission  
3 lines and substations so owned where such relocation is necessary  
4 for the construction and maintenance of dams, reservoirs, levees,  
5 spillways and floodways, and in such event just compensation shall  
6 be paid. Provided that the Grand River Dam Authority shall have the  
7 right to cross transmission lines of other electric utility  
8 companies under proper engineering standards of construction as  
9 approved by the Corporation Commission;

10 (i) Subject to the provisions of the Grand River Dam Authority  
11 Act, from time to time sell, which shall include, but not be limited  
12 to, an installment sale agreement, lease with nominal purchase  
13 options, or otherwise dispose of any property of any kind, real,  
14 personal or mixed, or any interest therein, which shall not be  
15 necessary to the carrying on of the business of the district;

16 (j) To overflow and inundate any public lands and public  
17 property and to require the relocation of roads and highways in the  
18 manner and to the extent necessary to carry out the purposes of the  
19 Grand River Dam Authority Act; provided, that the district shall be  
20 liable in damages to the State of Oklahoma or any subdivision  
21 thereof for any injury occasioned or expense incurred by reason  
22 thereof;

23 (k) To construct, extend, improve, maintain and reconstruct, to  
24 cause to be constructed, extended, improved, maintained and

1 reconstructed, and to use and operate any and all facilities of any  
2 kind necessary, incidental or convenient to the exercise of such  
3 powers, rights, privileges and functions;

4 (l) To sue and be sued in its corporate name in contracts,  
5 reverse condemnation, tort, equity, mandamus and similar actions and  
6 in its own name plead and be impleaded, provided, however, that any  
7 and all actions of law or in an equity against the district shall be  
8 brought in the county in which the principal office of the district  
9 shall be located or in the county where the cause of action arose;

10 (m) To adopt, use and alter a corporate seal;

11 (n) To make bylaws for the management and regulation of its  
12 affairs;

13 (o) To appoint officers, agents and employees, to prescribe  
14 their duties and to fix their compensation; and enter into contracts  
15 with labor unions, provided, that contracts with labor unions shall  
16 not abrogate the rights of the district to cooperate and carry out  
17 Veterans on the Job Training;

18 (p) To make contracts and to execute instruments necessary,  
19 incidental or convenient to the exercise of the powers, rights,  
20 privileges and functions conferred upon it by the Grand River Dam  
21 Authority Act;

22 (q) To borrow money for its corporate purposes and, without  
23 limitation of the generality of the foregoing, to borrow money and  
24 accept grants from the United States of America, or from any

1 corporation or agency created or designated by the United States of  
2 America, and, in connection with any such loan or grant, to enter  
3 into such agreements as the United States of America or such  
4 corporation or agency may require; and to make and issue its  
5 ~~negotiable~~ bonds, notes, loans, commercial paper, and credit or  
6 liquidity support for money borrowed, in the manner provided in the  
7 Grand River Dam Authority Act. Nothing in the Grand River Dam  
8 Authority Act shall authorize the issuance of any bonds, notes or  
9 other evidences of indebtedness of the district, except as  
10 specifically provided in the Grand River Dam Authority Act;

11 (r) To prescribe and enforce rules for the use for recreational  
12 and commercial purposes of the lakes created by the district by  
13 impounding the waters of the lakes, and the shorelands of the  
14 district bordering thereon, including the use of firearms, the  
15 inspection of all boats of every character proposing to operate or  
16 operating on the lakes, the issuance of permits for the operation of  
17 boats, surfboards, aquaplanes, sea-skis or similar devices on the  
18 lakes for hire; the charging and collection of fees for the  
19 inspection or operation of such boats, surfboards, aquaplanes, sea-  
20 skis or other similar devices on the lakes for hire; preventing the  
21 launching or operation of any commercial or for-hire boat,  
22 surfboard, aquaplane, sea-ski or similar device for hire, on the  
23 waters of the lakes, without a certificate of inspection and a  
24 permit for such use; prescribing the type, style, location and

1 equipment of all wharves, docks and anchorages along the shores and  
2 upon the water of the lakes; the issuance of permits for wharfage,  
3 dock or anchorage privileges and charging fees for such commercial  
4 or private permits; and the establishment and maintenance of public  
5 wharves, docks or anchorages and the charging and collection of fees  
6 for the use thereof by the public; to appoint or employ such  
7 persons, including CLEET-certified volunteer reserve officers, as  
8 the district may deem proper and suitable for the purpose of  
9 enforcing such rules and regulations as may be issued hereunder, or  
10 as may be issued pursuant to the provisions of the Oklahoma Boating  
11 Safety Regulation Act, and for the enforcing of the provisions of  
12 the Grand River Dam Authority Act, and all violations of criminal  
13 laws occurring within the boundaries of the counties where real  
14 property owned or leased by the Grand River Dam Authority is  
15 located, which employees shall have the power of peace officers  
16 during the performance of those duties, except in the serving or  
17 execution of civil process;

18 (s) To do any and all other acts or things necessary,  
19 incidental or convenient to the exercise of the powers, rights,  
20 privileges or functions conferred upon it by the Grand River Dam  
21 Authority Act or any other act or law. Provided the district shall  
22 be liable for damage caused by the district, its agents, servants  
23 and employees in creating, constructing, maintaining or operating  
24 the district to any corporation, partnership, person or individual



1 whose property, either real or personal, within or without said  
2 district, has been damaged and the damages may be determined by  
3 appropriate action as provided by law. Nothing in the Grand River  
4 Dam Authority Act shall be construed as rendering the district  
5 liable for damage where it is not liable on general principles of  
6 law or statute or Constitutional provision.

7        Provided, however, that in the course of exercising its powers  
8 as herein enumerated, the district shall at all times consider the  
9 rights and needs of the people living within and upon the land lying  
10 within the watershed of the rivers or streams developed by the  
11 district; provided, however, that nothing herein shall prevent the  
12 district from selling for irrigation purposes within the boundaries  
13 of the district any water impounded by it under authority of law,  
14 provided that nothing herein contained shall authorize the state to  
15 engage in agriculture except for educational and scientific purposes  
16 and for the support of its penal, charitable, and educational  
17 institutions;

18        (t) To support and assist the efforts of state, regional and  
19 local development organizations, political subdivisions, industrial  
20 committees, chambers of commerce, tourism organizations,  
21 agricultural organizations, environmental organizations, educational  
22 institutions and other similar public and private agencies to obtain  
23 new and foster expansion of existing service, industrial and  
24 manufacturing facilities, businesses and enterprises to enhance the

1 quality of life for the citizens of the district and the state.  
2 Provided, support and assistance shall be limited to an amount not  
3 to exceed a total of Twenty-five Thousand Dollars (\$25,000.00) per  
4 year for one or more projects or efforts that are for the benefit of  
5 or impact the quality of life for each city or community located  
6 within the boundaries of the district; and

7 (u) Notwithstanding any other provision of law, the General  
8 Manager, department heads and other essential employees of the  
9 district, as designated by the General Manager, may be permitted to  
10 use a district-owned vehicle to provide transportation between the  
11 employee's residence and the assigned place of employment and  
12 between the residence and any location other than the assigned place  
13 of employment to which the employee travels in the performance of  
14 the employee's official duty.

15 SECTION 3. AMENDATORY 82 O.S. 2011, Section 862.1, as  
16 amended by Section 1, Chapter 325, O.S.L. 2015 (82 O.S. Supp. 2016,  
17 Section 862.1), is amended to read as follows:

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

- 21 1. The Oklahoma Open Records Act, exclusively limited to:  
22 a. customer proprietary information the Authority is  
23 contractually obligated to keep confidential, and  
24

1           b.     security plans and procedures in its role as an  
2                   electric utility regulated by the federal government;

3           2.   The Oklahoma Open Meeting Act, exclusively limited to  
4 authorizing the Grand River Dam Authority Board of Directors to  
5 confer on:

- 6           a.     coal or gas fuel supply and transportation contracts,
- 7           b.     power purchase agreements, and
- 8           c.     security plans and procedures in its role as an  
9                   electric utility regulated by the federal government;  
10                   and

11           3.   ~~Public Building Construction and Planning Act~~ Title 61 of  
12 the Oklahoma Statutes;

13           4.   The Information Technology Consolidation and Coordination  
14 Act;

15           5.   The statutes and rules relating to hiring procedures and  
16 compensation for state employees. No employee currently serving as  
17 a permanent classified employee of the district will be forced to  
18 waive any rights or benefits the employee may have as a member of  
19 the permanent classified service nor may performance-based raises  
20 for permanent classified members be conditioned upon surrendering  
21 classified status;

22           6.   The State Travel Reimbursement Act; and  
23  
24

1        7. The Surplus Property Act; provided, that the district may,  
2 on a transactional basis, elect to make itself subject to the  
3 requirements of the Surplus Property Act.

4            SECTION 4.            AMENDATORY            82 O.S. 2011, Section 863.2, as  
5 last amended by Section 1, Chapter 112, O.S.L. 2012 (82 O.S. Supp.  
6 2016, Section 863.2), is amended to read as follows:

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

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

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

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

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

13 F. Members of the Board of Directors shall be appointed as  
14 follows:

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

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

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

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

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

24

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

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

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

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

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

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

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

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

20           H. A successor to a director of the Board shall be appointed in  
21 the same manner as the original director and shall serve a term of  
22 five (5) years. Directors may be eligible to serve more than one  
23 term if so reappointed by the original appointing authority or a  
24 different or successor appointing authority.

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

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

7       ~~K.~~ ~~Any~~ J. Notwithstanding any other provision of law, any  
8 director or designee may be removed by the member's appointing  
9 authority only for just cause ~~by the Governor~~. Additionally, any  
10 member who fails to attend a total of three ~~(3)~~ regularly scheduled  
11 board meetings in one (1) calendar year may be removed by the  
12 member's appointing authority.

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

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

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

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

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

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

24



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 864, as last  
9 amended by Section 1, Chapter 88, O.S.L. 2015 (82 O.S. Supp. 2016,  
10 Section 864), is amended to read as follows:

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

16       2. The Board shall also select a general manager, who shall be  
17 the chief executive officer of the district, and a treasurer, who  
18 may also hold the office of secretary.

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

1 4. Except for the purpose of inquiry, the Board and its members  
2 shall deal with the operations of the district solely through the  
3 general manager. The Board and its members shall not:

4 a. direct or request the general manager or other  
5 authority to appoint or remove officers or employees  
6 except as herein provided,

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

10 c. give orders or ordinary administrative matters to any  
11 subordinate of the general manager either publicly or  
12 privately.

13 B. The general manager may appoint such other officers, agents,  
14 and employees, fix their compensation pursuant to the provisions of  
15 this section, and term of office and the method by which they may be  
16 removed, and delegate to them such of its power and duties as the  
17 general manager 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 6. 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, the treasurer and all other  
18 officers, agents and employees of the district who shall be charged  
19 with the collection, custody or payment of any funds of the district  
20 shall give bond conditioned on the faithful performance of their  
21 duties and an accounting for all funds and property of the district  
22 coming into their respective hands, each of which bonds shall be in  
23 form and amount and with a surety, which shall be a surety company  
24 authorized to do business in the state, approved by the Board, and

1 the premiums on such bonds shall be paid by the district and charged  
2 as an operating expense.

3 SECTION 7. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 865.1 of Title 82, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. Recognizing the district is a not-for-profit public power  
7 agency of the State of Oklahoma, and in this capacity provides  
8 electric service to Oklahoma municipalities and their citizens, as  
9 well as Oklahoma businesses, rural electric cooperatives, and other  
10 public power agencies of the state at cost of service, and that any  
11 payment in lieu of taxes imposed upon the district will have a  
12 commensurate impact on the electricity rates of these Oklahomans, it  
13 is of the utmost importance that such payment be kept to a minimum.

14 B. The annual payment hereby levied on the district shall be  
15 equal to but shall, in no case, exceed one percent (1%) of its  
16 operating revenues, based upon the previous year's audited financial  
17 statements.

18 C. The payment hereby levied shall be payable monthly in equal  
19 installments of one-twelfth (1/12) of the total annual amount  
20 computed pursuant to subsection B of this section. The payment  
21 shall be made not later than the fifteenth day of each month to the  
22 State Treasurer who shall apportion the payment to the General  
23 Revenue Fund of the State Treasury.

24

1 D. The payment shall, when paid as herein provided, be in full  
2 and in lieu of any and all other payments imposed by the state,  
3 counties, cities, towns, townships, school districts, and other  
4 municipalities or political subdivisions of the state on the  
5 district, with the exception for payment for services rendered by  
6 such entities.

7 E. The payment required by the provisions of this section shall  
8 be made each month through the month ending June 30, 2022, but shall  
9 not be required to be made thereafter.

10 SECTION 8. AMENDATORY 82 O.S. 2011, Section 866, as  
11 amended by Section 1062, Chapter 304, O.S.L. 2012 (82 O.S. Supp.  
12 2016, Section 866), is amended to read as follows:

13 Section 866. The domicile of the district shall be in the City  
14 of Vinita, County of Craig, where the district shall maintain its  
15 principal office in charge of its general manager, until otherwise  
16 designated by the affirmative vote of four directors. The district  
17 shall cause to be kept complete and accurate accounts conforming to  
18 ~~approved methods of bookkeeping~~ accounting principles generally  
19 accepted in the United States of America. The accounts and all  
20 contracts, documents and records of the district shall be kept at  
21 the principal office. The accounts and contracts shall be open to  
22 public inspection at all reasonable times. The Board shall cause to  
23 be made and completed within ninety (90) days after the end of each  
24 calendar year an audit of the books of account and financial records

1 of the district for such calendar year, such audit to be made by an  
2 independent certified public accountant or firm of certified public  
3 accountants. ~~Copies of a written report of such~~ Electronic copies  
4 of the audit report, certified to by the accountant or accountants,  
5 shall be placed and kept on file with the Governor, the State  
6 Treasurer, Oklahoma Department of Libraries and the State Auditor  
7 and Inspector of the State of Oklahoma, and at the principal office,  
8 and shall be open to public inspection at all reasonable times. The  
9 audit shall also be filed with the Director of the Office of  
10 Management and Enterprise Services, in accordance with the  
11 requirements set forth for financial statement audits in Section  
12 212A of Title 74 of the Oklahoma Statutes.

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

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

20 (a) To pay all expenses necessary to the operation and  
21 maintenance of the properties and facilities of the district;

22 (b) To pay the interest on and principal of all ~~bonds~~ debt  
23 issued under this act when and as the same shall become due and  
24 payable;

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

5 (d) To fulfill the terms of any agreements made with the holders  
6 of such bonds and/or with any person in their behalf; and

7 (e) To pay any other amounts that the district is required to  
8 pay by law or contract.

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

19 Nothing herein shall be construed as depriving the State of  
20 Oklahoma of its power to regulate and control fees and/or charges to  
21 be collected for the use of water, water connections, power,  
22 electric energy, or other services, provided, that the State of  
23 Oklahoma does hereby pledge to and agree with the purchasers and  
24 successive holders of the bonds issued hereunder that the state will



1 not limit or alter the power hereby vested in the district to  
2 establish and collect such fees and charges as will produce revenues  
3 sufficient to pay the items specified in subparagraphs (a), (b),  
4 (c), ~~and (d)~~ and (e) of this ~~Section 8~~ section, or in any way to  
5 impair the rights or remedies of the holders of the bonds, or of any  
6 person in their behalf, until the bonds, together with the interest  
7 thereon, with interest on unpaid installments of interest and all  
8 costs and expenses in connection with any action or proceedings by  
9 or on behalf of the bondholders and all other obligations of the  
10 district in connection with such bonds are fully met and discharged.

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

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

1 the district for such purposes, repayable solely from such revenues  
2 or other amounts.

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

8 SECTION 11. AMENDATORY 82 O.S. 2011, Section 870, as  
9 amended by Section 1, Chapter 169, O.S.L. 2015 (82 O.S. Supp. 2016,  
10 Section 870), is amended to read as follows:

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

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

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

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

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

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

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

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

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

9 (2) Bring suit upon such bonds and/or the appurtenant coupons,

10 (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) 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

16 (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) and (e) of Section 868 of this title and the costs  
12 and disbursements of such suit, action or proceeding, and to apply  
13 such revenues in conformity with the provisions of this act and the  
14 resolution or resolutions authorizing such bonds. In any suit,  
15 action or proceeding by any such trustee, the reasonable fees,  
16 counsel fees and expense of such trustee and of the receiver or  
17 receivers, if any, shall constitute taxable disbursements and all  
18 costs and disbursements, and all costs and disbursements allowed by  
19 the court shall be a first charge upon any revenues pledged to  
20 secure the payment of such bonds. Subject to the provisions of the  
21 Constitution of the State of Oklahoma, the courts of the County of  
22 Craig, or other county wherein the domicile may be situated, shall  
23 have jurisdiction of any such suit, action or proceeding by any such  
24 trustee on behalf of the bondholders and of all property involved

1 therein. In addition to the powers hereinabove specifically  
2 provided for, each such trustee shall have and possess all powers  
3 necessary or appropriate for the exercise of any thereof, or  
4 incident to the general representation of the bondholders in the  
5 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 shall find that such bonds have been  
11 issued in accordance with law he shall approve such bonds and  
12 execute a certificate to that effect which shall be filed in the  
13 Office of the State Auditor and Inspector of the State of Oklahoma  
14 and be recorded in a record kept for that purpose. No bonds shall  
15 be issued until the same shall have been registered by the State  
16 Auditor and Inspector, who shall so register the same if the  
17 Attorney General shall have filed with the State Auditor and  
18 Inspector his certificate approving the bonds and the proceedings  
19 for the issuance thereof as hereinabove provided. All bonds  
20 approved by the Attorney General as aforesaid, and registered by the  
21 State Auditor and Inspector as aforesaid, and issued in accordance  
22 with the proceedings so approved shall be valid and binding  
23 obligations of the district and shall be incontestable for any cause  
24 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 board shall have adopted a  
4 resolution authorizing ~~a specific project~~ and the issuance of any  
5 series of bonds thereunder but prior to the time the bonds can be  
6 delivered the board finds it necessary to borrow money for the  
7 purpose for which the bonds were authorized, the board may, by  
8 appropriate resolutions and subject to all other provisions of  
9 Sections 861 through 889 of this title, authorize the borrowing of  
10 money in anticipation of the issuance of the bonds, and the issuance  
11 of notes of the board to evidence such borrowing. The amount so  
12 borrowed shall not exceed the principal amount of the bonds and  
13 shall not bear interest at a rate exceeding the allowable interest  
14 rate of the bonds. Such notes shall be signed in the manner  
15 prescribed by the board and shall be made payable at such times as  
16 the board may prescribe not later than five (5) years from their  
17 respective dates and may be renewed from time to time by the  
18 issuance of new notes hereunder. The proceeds of any loan made  
19 under this section shall be devoted exclusively to the purposes for  
20 which the bonds shall have been authorized and the notes and the  
21 interest thereon shall be paid with the proceeds of the bonds or any  
22 legally available funds simultaneously with the delivery of the  
23 bonds. If for any reason the bonds shall not be issued, the holder  
24 or holders of the notes shall be entitled to all rights which would

1 have been enjoyed by the holders of the bonds had they been issued,  
2 and the notes shall be paid from the revenues provided for the  
3 payment of the bonds and shall be entitled to the benefit of all  
4 covenants, agreements and rights appearing in the resolution  
5 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 2016, Section 874), is amended to read as follows:  
24

1 Section 874. A. Nothing in Sections 861 through 890 of this  
2 title shall be construed as authorizing the district and it shall  
3 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 of this title shall be  
22 construed as authorizing the sale, lease or other disposition of any  
23 property or interest of the district by the district or any receiver  
24

1 of any of its properties or through any court proceeding or  
2 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 of Title 74 of  
23 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 marks) shall  
12 be leased for a term longer than two (2) years and not more than  
13 one-fourth (1/4) mile of the lake front shall be leased to any one  
14 person, firm or corporation. The district may lease shorelands for  
15 a term longer than two (2) years and more than one-fourth (1/4) mile  
16 of lake front may be leased to any one person, firm, or corporation  
17 without regard to the limitations herein, if the Board, by the  
18 affirmative vote of a majority of the members, determines that the  
19 lease is necessary or beneficial to the business of the district.  
20 The district may lease shorelands to political subdivisions,  
21 agencies of the State of Oklahoma, or tax-exempt public trusts, for  
22 any public purpose, on such terms as are mutually satisfactory to  
23 the parties, notwithstanding the limitations herein. No lease shall  
24 deprive the owner of any land adjacent to the shorelands or lake



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

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

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

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

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

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

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

15 SECTION 16. This act shall become effective July 1, 2017.

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

20

21 56-1-7930 JM 05/11/17

22

23

24