

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 279

By: David

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5
6 AS INTRODUCED

7 An Act relating to the Grand River Dam Authority;
8 amending 82 O.S. 2011, Section 870, as last amended
9 by Section 11, Chapter 507, O.S.L. 2019 (82 O.S.
10 Supp. 2020, Section 870), which relates to the
11 operations of the district; increasing amount of bond
12 authorized for issuance by district; providing for
13 annual adjustment of the bond amount pursuant to the
14 Consumer Price Index; updating statutory language;
15 and providing an effective date.

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

17 SECTION 1. AMENDATORY 82 O.S. 2011, Section 870, as last
18 amended by Section 11, Chapter 507, O.S.L. 2019 (82 O.S. Supp. 2020,
19 Section 870), is amended to read as follows:

20 Section 870. The district shall have power and is hereby
21 authorized to issue from time to time, as the need therefor arises,
22 revenue bonds for its corporate purposes in such amount or amounts
23 not to exceed ~~One Billion Four Hundred Ten Million Dollars~~
24 ~~(\$1,410,000,000.00)~~ Two Billion Eight Hundred Million Dollars
(\$2,800,000,000.00), adjusted annually beginning on January 1, 2022,
in accordance with the Consumer Price Index as reported by the

1 United States Bureau of Labor Statistics, outstanding at any time as
2 are necessary, incidental or convenient to the exercise of the
3 powers, rights, privileges and functions conferred upon it by ~~this~~
4 ~~act~~ Section 862 of this title, or any other act or law, and without
5 limitations of the generality of the powers, rights and privileges
6 heretofore granted, for acquiring a steam generating plant or plants
7 and related facilities, and to extend, improve and reconstruct the
8 same; and for constructing, installing and acquiring dams,
9 reservoirs, hydroelectric power plants, or any electrical generating
10 plant or plants or any other electrical power or generating
11 facilities; or any plant or plants for the production of steam for
12 heating and processing purposes; and all and any facilities of every
13 kind necessary, incidental or convenient for the production and
14 generation of electric power and energy; and for acquiring,
15 constructing and installing transmission lines, substations and all
16 facilities necessary, incidental or convenient to the sale, resale,
17 interchange and distribution of electric power and energy; and for
18 carrying on the business and functions of the district, as is now or
19 hereafter may be authorized by law; and for acquiring additions and
20 improvements to and extensions of facilities, at any time existing,
21 of the district; and for the acquisition of lands and rights-of-way
22 for such use as is now, or may be, authorized by law for the
23 construction, replacement and repair of any dams, plants or other
24 facilities of the district; and to enable it to finance, in

1 cooperation with any "public agency", as defined under the
2 Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74
3 of the Oklahoma Statutes, any other agency of government, rural
4 electric co-op corporation, or any private or public corporation,
5 the development and utilization of electrical energy or the water
6 resources and rights in waters vested in ~~said~~ the district for such
7 purposes as are, or may be, authorized by the laws of Oklahoma, and
8 for financing and refinancing present outstanding obligations of the
9 district, including the payment of any claims, charges or interest
10 on bonds required to be paid. The bonds herein authorized may
11 either be (1) sold for cash, at public or private sale, at such
12 price or prices as the Board shall determine with the advice and
13 assistance of the State Bond Advisor, or (2) may be issued on such
14 terms as the Board shall determine in exchange for property of any
15 kind, real, personal or mixed, or any interest therein which the
16 Board shall deem necessary, incidental or convenient for any such
17 corporate purposes, or (3) may be issued in exchange for like
18 principal amounts of other obligations of the district, matured or
19 unmatured, or (4) may be issued in such principal amounts that when
20 the proceeds thereof are invested in legal and qualified
21 investments, the proceeds together with the resulting proceeds of
22 such investments will be sufficient to retire the outstanding
23 indebtedness or any portion thereof at maturity or at prior
24 redemption or upon purchase or tender for purchase. The proceeds of

1 sale of such bonds shall be deposited in such bank or banks or trust
2 company or trust companies, and shall be paid out pursuant to such
3 terms and conditions as may be agreed upon between the district and
4 the purchasers of such bonds. All such bonds shall be authorized by
5 resolutions of the Board concurred in by at least four of the
6 members thereof, and shall bear such date or dates, mature at such
7 time or times, bear interest at such rate or rates, at such time or
8 times, be in such denominations, be in such form, either coupon or
9 registered, carry such registration privileges as to principal only
10 or as to both principal and interest, and as to exchange of coupon
11 bonds for registered bonds or vice versa, and exchange of bonds of
12 one denomination for bonds of other denominations, be executed in
13 such manner and be payable at such place or places within or without
14 the State of Oklahoma as such resolution or resolutions may provide.
15 Any resolution or resolutions, including any related trust indenture
16 or indentures, authorizing any bonds may contain provisions which
17 shall be part of the contract between the district and the holders
18 thereof from time to time (a) reserving the right to redeem such
19 bonds at such time or times, in such amounts and at such prices as
20 may be provided, (b) providing for the setting aside of sinking
21 funds or reserve funds and the regulation and disposition thereof,
22 (c) pledging to secure the payment of the principal of and interest
23 on such bonds and of the sinking fund or reserve fund payments
24 agreed to be made in respect of such bonds all or any part of the

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

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

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

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

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

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

12 (3) By action or suit in equity, require the district to
13 account as if it were the trustee of an express trust for the
14 bondholders,

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

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

1 authorized thereby and at the time outstanding by instrument or
2 instruments in writing delivered to such trustee have the right to
3 direct and control any and all action taken or to be taken by such
4 trustee under this paragraph. Any such resolution, indenture or
5 agreement may provide that in any such suit, action or proceeding,
6 any such trustee, whether or not all of such bonds shall have been
7 declared due and payable, and with or without possession of any
8 thereof, shall be entitled as of right to the appointment of a
9 receiver who may enter and take possession of all or any part of the
10 properties of the district and operate and maintain the same, and
11 fix, collect and receive rates and charges sufficient to provide
12 revenues adequate to pay the items set forth in subparagraphs (a),
13 (b), (c), (d) and (e) of Section 868 of this title and the costs and
14 disbursements of such suit, action or proceeding, and to apply such
15 revenues in conformity with the provisions of Section 861 et seq. of
16 this title and the resolution or resolutions authorizing such bonds.
17 In any suit, action or proceeding by any such trustee, the
18 reasonable fees, counsel fees and expense of such trustee and of the
19 receiver or receivers, if any, shall constitute taxable
20 disbursements and all costs and disbursements, and all costs and
21 disbursements allowed by the court shall be a first charge upon any
22 revenues pledged to secure the payment of such bonds. Subject to
23 the provisions of the Constitution of the State of Oklahoma, the
24 courts of the County of Craig, or other county wherein the domicile

1 may be situated, shall have jurisdiction of any such suit, action or
2 proceeding by any such trustee on behalf of the bondholders and of
3 all property involved therein. In addition to the powers
4 hereinabove specifically provided for, each such trustee shall have
5 and possess all powers necessary or appropriate for the exercise of
6 any thereof, or incident to the general representation of the
7 bondholders in the enforcement of their right.

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

1 obligations of the district and shall be incontestable for any cause
2 from and after the time of such registration.

3 SECTION 2. This act shall become effective November 1, 2021.
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