

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 updating  
13 statutory language; and providing an effective date.

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

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

18 Section 870. The district shall have power and is hereby  
19 authorized to issue from time to time, as the need therefor arises,  
20 revenue bonds for its corporate purposes in such amount or amounts  
21 not to exceed ~~One Billion Four Hundred Ten Million Dollars~~  
22 ~~(\$1,410,000,000.00)~~ Two Billion Eight Hundred Million Dollars  
23 (\$2,800,000,000.00) outstanding at any time as are necessary,  
24 incidental or convenient to the exercise of the powers, rights,  
25 privileges and functions conferred upon it by ~~this act~~ Section 862

1 of this title, or any other act or law, and without limitations of  
2 the generality of the powers, rights and privileges heretofore  
3 granted, for acquiring a steam generating plant or plants and  
4 related facilities, and to extend, improve and reconstruct the same;  
5 and for constructing, installing and acquiring dams, reservoirs,  
6 hydroelectric power plants, or any electrical generating plant or  
7 plants or any other electrical power or generating facilities; or  
8 any plant or plants for the production of steam for heating and  
9 processing purposes; and all and any facilities of every kind  
10 necessary, incidental or convenient for the production and  
11 generation of electric power and energy; and for acquiring,  
12 constructing and installing transmission lines, substations and all  
13 facilities necessary, incidental or convenient to the sale, resale,  
14 interchange and distribution of electric power and energy; and for  
15 carrying on the business and functions of the district, as is now or  
16 hereafter may be authorized by law; and for acquiring additions and  
17 improvements to and extensions of facilities, at any time existing,  
18 of the district; and for the acquisition of lands and rights-of-way  
19 for such use as is now, or may be, authorized by law for the  
20 construction, replacement and repair of any dams, plants or other  
21 facilities of the district; and to enable it to finance, in  
22 cooperation with any "public agency", as defined under the  
23 Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74  
24 of the Oklahoma Statutes, any other agency of government, rural

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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