

1 STATE OF OKLAHOMA

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

3 SENATE BILL 509

By: Fields

4
5
6 AS INTRODUCED

7 An Act relating to the Grand River Dam Authority;
8 amending 82 O.S. 2011 Sections 862, as last amended
9 by Section 1, Chapter 266, O.S.L. 2016 (82 O.S. Supp.
10 2016, Section 862), 863.2, as last amended by Section
11 1, Chapter 112, O.S.L. 2012 (82 O.S. Supp. 2016,
12 Section 863.2), 865, 866, as amended by Section 1062,
13 Chapter 304, O.S.L. 2012 (82 O.S. Supp. 2016, Section
14 866), 868, 869, 870, as amended by Section 1, Chapter
15 169, O.S.L. 2015 (82 O.S. Supp. 2016, Section 870),
16 870.1, 873, and 874, as last amended by Section 48,
17 Chapter 210, O.S.L. 2016 (82 O.S. Supp. 2016, Section
18 874), which relate to powers, rights and privileges
19 of district, Board of Directors, surplus funds and
20 disbursement of district funds, accounts and records,
21 collecting rates and charges, sources of payment of
22 obligations, bonds, bond anticipation notes, district
23 authorized to purchase bonds, and pledge of revenues;
24 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
district; conforming language; modifying where
certain funds of the district may be deposited;
eliminating requirement that certain funds be
distributed in certain manner; modifying manner in
which certain records are kept; authorizing
electronic copies of audit report; modifying list of
certain payments made by the district; authorizing
payment of certain debts from certain accounts;
eliminating cap on revenue bonds; modifying certain
exceptions for sale revenue bonds; modifying certain
methods of revenue bond issuance; eliminating

1 interest cap on revenue bonds; modifying frequency
2 with which interest on revenue bonds be paid;
3 authorizing trust indentures to authorize bonds;
4 removing cap on certain bonds; adding certain terms
5 that may be described in certain contracts between
6 district and bond holders; removing board's
7 authorization to adopt a resolution on a specific
8 project; expanding list of available funds from which
9 certain bonds may be paid; eliminating cancellation
10 of certain bonds; authorizing pledge of revenues and
11 other monies upon certain dates; subjecting revenues
12 and other monies to certain legal provisions; and
13 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 862, as last
16 amended by Section 1, Chapter 266, O.S.L. 2016 (82 O.S. Supp. 2016,
17 Section 862), is amended to read as follows:

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

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

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

1 Federal Energy Regulatory Commission authorized Regional
2 Transmission Organization in which the district is a member and to
3 engage in the buying and selling of electricity products, fuel
4 commodities, and financial instruments as deemed necessary and
5 prudent by the district and specifically excludes any expansion of
6 retail activities of the district. The Board of Directors shall
7 adopt a hedging policy to enable the district to take advantage of
8 standard market products to reduce risk while preventing speculative
9 trading and potential abuses;

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

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

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

1 Oklahoma or the United States of America, or any department,
2 subdivision or agency of the State of Oklahoma or the United States
3 of America, or with any "public agency" as defined under the
4 Interlocal Cooperation Act, within or without the boundaries of the
5 district, necessary, incidental or convenient to the exercise of the
6 powers, rights, privileges and functions conferred upon it by the
7 Grand River Dam Authority Act;

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

1 therein shall have the incidents of tenant in common to any plant or
2 facility. It shall also be provided in the agreements that the
3 district and any participant in the project shall own a percentage
4 of any common facility equal to the percentage of the money
5 furnished or the value of property supplied by it for the
6 acquisition and construction thereof and shall own ~~and control~~ a
7 like percentage of the electrical output thereof.

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

16 In carrying out the powers granted in this section, the district
17 and each participant shall be severally liable only for its own acts
18 and not jointly or severally liable for the acts, omissions or
19 obligations of others. No money or property supplied by the
20 district or any participant for the planning, financing, acquiring,
21 constructing, operating or maintaining of any common plant or
22 facility shall be credited or otherwise applied to the account of
23 any other participant therein, nor shall the undivided share of the
24 district or any participant therein be charged, directly or

1 indirectly, with any debt or obligation of any other participant or
2 be subject to any lien as a result thereof. No action in connection
3 with a common facility shall be binding upon the district except as
4 expressly authorized and provided for in the participation
5 agreement;

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

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

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

1 uniform method of determining and allocating operation and
2 maintenance expenses of the common facility.

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

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

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

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

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

1 (k) To construct, extend, improve, maintain and reconstruct, to
2 cause to be constructed, extended, improved, maintained and
3 reconstructed, and to use and operate any and all facilities of any
4 kind necessary, incidental or convenient to the exercise of such
5 powers, rights, privileges and functions;

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

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

13 (n) To make bylaws for the management and regulation of its
14 affairs;

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

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

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

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

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

21 (s) To do any and all other acts or things necessary,
22 incidental or convenient to the exercise of the powers, rights,
23 privileges or functions conferred upon it by the Grand River Dam
24 Authority Act or any other act or law. Provided the district shall

1 be liable for damage caused by the district, its agents, servants
2 and employees in creating, constructing, maintaining or operating
3 the district to any corporation, partnership, person or individual
4 whose property, either real or personal, within or without said
5 district, has been damaged and the damages may be determined by
6 appropriate action as provided by law. Nothing in the Grand River
7 Dam Authority Act shall be construed as rendering the district
8 liable for damage where it is not liable on general principles of
9 law or statute or Constitutional provision.

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

21 (t) To support and assist the efforts of state, regional and
22 local development organizations, political subdivisions, industrial
23 committees, chambers of commerce, tourism organizations,
24 agricultural organizations, environmental organizations, educational

1 institutions and other similar public and private agencies to obtain
2 new and foster expansion of existing service, industrial and
3 manufacturing facilities, businesses and enterprises to enhance the
4 quality of life for the citizens of the district and the state.
5 Provided, support and assistance shall be limited to an amount not
6 to exceed a total of Twenty-five Thousand Dollars (\$25,000.00) per
7 year for one or more projects or efforts that are for the benefit of
8 or impact the quality of life for each city or community located
9 within the boundaries of the district; and

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

18 SECTION 2. AMENDATORY 82 O.S. 2011, Section 863.2, as
19 last amended by Section 1, Chapter 112, O.S.L. 2012 (82 O.S. Supp.
20 2016, Section 863.2), is amended to read as follows:

21 Section 863.2. A. The powers, rights and privileges and
22 functions of the Grand River Dam Authority, hereinafter referred to
23 as the "district", shall be exercised by a seven-member Board of
24

1 Directors, to be appointed according to the provisions of this
2 section.

3 B. The Board shall have rulemaking authority pursuant to the
4 provisions of the Grand River Dam Authority Act. By majority vote,
5 the Board shall have the authority to grant exemptions from any
6 rules not promulgated pursuant to the Administrative Procedures Act
7 which deal with the waters of the Grand River and its tributaries.
8 The Board shall be responsible for approving business expenses of
9 the district necessary to carry out the business of the district.
10 It shall be the duty of the Board of Directors to oversee the
11 functions of the district and ensure the operations of the district
12 are in compliance with all applicable state laws and that expenses
13 of the district comply with state and federal guidelines for
14 business expense deductibility.

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

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

24

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

4 F. Members of the Board of Directors shall be appointed as
5 follows:

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

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

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

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

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

15 6. The General Manager of the Oklahoma Association of Electric
16 Cooperatives, or designee, shall be a voting ex officio director;
17 and

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

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

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

24

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

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

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

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

11 ~~H.~~ A successor to a director of the Board shall be appointed in
12 the same manner as the original director and shall serve a term of
13 five (5) years. Directors may be eligible to serve more than one
14 term if so reappointed by the original appointing authority or a
15 different or successor appointing authority.

16 ~~I.~~ H. Any director appointed to fill a vacancy on the Board
17 occurring prior to the expiration of the term for which the
18 predecessor was appointed shall be appointed for the remainder of
19 such term.

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

22 ~~K.~~ J. Any director or designee may be removed for just cause by
23 the Governor. Additionally, any member who fails to attend a total
24

1 of three (3) regularly scheduled board meetings in one (1) calendar
2 year may be removed by the member's appointing authority.

3 ~~H.~~ K. Each director shall be allowed actual and necessary
4 expenses incurred by such director for attending meetings of the
5 Board and authorized business of the district pursuant to the
6 provisions of the State Travel Reimbursement Act. No director shall
7 hold any other position of employment within the Grand River Dam
8 Authority at the same time such director is serving on the Board.

9 ~~M.~~ L. The time and place of the regular meetings and the manner
10 in which special meetings may be called shall be set forth in the
11 bylaws of the district. Four directors shall constitute a quorum at
12 any meeting, and, except as otherwise provided in the Grand River
13 Dam Authority Act or in the bylaws, all action may be taken by the
14 affirmative vote of the majority of the Board present at any such
15 meeting, except that no contracts which involve an amount greater
16 than Fifty Thousand Dollars (\$50,000.00), or which are to run for a
17 longer period than one (1) year, and no bonds, notes or other
18 evidence of indebtedness, and no amendment of the bylaws, shall be
19 valid unless authorized or ratified by the affirmative vote of at
20 least four directors.

21 ~~N.~~ M. At the first meeting of the Board following July 1, 2003,
22 the members appointed pursuant to this section shall, by majority
23 vote, elect a chair and chair-elect who shall serve as the vice-
24 chair. The chair and the chair-elect shall serve a term of one (1)

1 year. Thereafter, the membership of the Board shall elect a chair-
2 elect, at the first meeting of each year and the previous chair-
3 elect shall assume the position of chair for the ensuing year. A
4 member may serve more than one term as chair or chair-elect during
5 their tenure on the Board, provided, however, they may only serve
6 one term in any three-year period.

7 ~~Θ.~~ N. The Asset Committee shall be chaired by the director
8 appointed to represent economic development interests, lake
9 enthusiasts and property owners. Other members of the Committee may
10 be selected by the Board.

11 ~~Ρ.~~ O. The Board may appoint temporary or permanent
12 subcommittees which may include employees of the district or other
13 persons for any purpose it deems necessary or appropriate.

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

17 ~~R.~~ Q. For the purposes of Section 4254 of Title 74 of the
18 Oklahoma Statutes, the directors of this board, appointed pursuant
19 to this section, shall not be considered state officers or state
20 employees.

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

23 Section 865. ~~The surplus funds and revenues of the district~~
24 ~~shall be deposited in interest bearing accounts yielding a rate of~~

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

21 SECTION 4. AMENDATORY 82 O.S. 2011, Section 866, as
22 amended by Section 1062, Chapter 304, O.S.L. 2012 (82 O.S. Supp.
23 2016, Section 866), is amended to read as follows:
24

1 Section 866. The domicile of the district shall be in the City
2 of Vinita, County of Craig, where the district shall maintain its
3 principal office in charge of its general manager, until otherwise
4 designated by the affirmative vote of four directors. The district
5 shall cause to be kept complete and accurate accounts conforming to
6 ~~approved methods of bookkeeping~~ generally accepted government
7 accounting standards. The accounts and all contracts, documents and
8 records of the district shall be kept at the principal office. The
9 accounts and contracts shall be open to public inspection at all
10 reasonable times. The Board shall cause to be made and completed
11 within ninety (90) days after the end of each calendar year an audit
12 of the books of account and financial records of the district for
13 such calendar year, such audit to be made by an independent
14 certified public accountant or firm of certified public accountants.
15 ~~Copies of a written report of such~~ Electronic copies of the audit
16 report, certified to by the accountant or accountants, shall be
17 placed and kept on file with the Governor, the State Treasurer,
18 Oklahoma Department of Libraries and the State Auditor and Inspector
19 of the State of Oklahoma, and at the principal office, and shall be
20 open to public inspection at all reasonable times. The audit shall
21 also be filed with the Director of the Office of Management and
22 Enterprise Services, in accordance with the requirements set forth
23 for financial statement audits in Section 212A of Title 74 of the
24 Oklahoma Statutes.

1 SECTION 5. AMENDATORY 82 O.S. 2011, Section 868, is
2 amended to read as follows:

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

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

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

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

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

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

21 Out of the revenues which may be received in excess of those
22 required for the purposes specified in subparagraphs (a), (b), (c)
23 and, (d) above and (e) of this section, the board shall establish a
24 reasonable depreciation and emergency fund, and retire (by purchase

1 and cancellation or redemption) bonds issued under this act, or
2 apply the same to any corporate purpose. It is the intention of
3 ~~this act~~ the Grand River Dam Authority that the rates and charges of
4 the district shall not be in excess of what may be necessary to
5 fulfill the obligations imposed upon it by ~~this act~~ the Grand River
6 Dam Authority.

7 Nothing herein shall be construed as depriving the State of
8 Oklahoma of its power to regulate and control fees and/or charges to
9 be collected for the use of water, water connections, power,
10 electric energy, or other services, provided, that the State of
11 Oklahoma does hereby pledge to and agree with the purchasers and
12 successive holders of the bonds issued hereunder that the state will
13 not limit or alter the power hereby vested in the district to
14 establish and collect such fees and charges as will produce revenues
15 sufficient to pay the items specified in subparagraphs (a), (b),
16 (c), ~~and~~ (d) and (e) of this ~~Section 8~~ section, or in any way to
17 impair the rights or remedies of the holders of the bonds, or of any
18 person in their behalf, until the bonds, together with the interest
19 thereon, with interest on unpaid installments of interest and all
20 costs and expenses in connection with any action or proceedings by
21 or on behalf of the bondholders and all other obligations of the
22 district in connection with such bonds are fully met and discharged.

23 SECTION 6. AMENDATORY 82 O.S. 2011, Section 869, is
24 amended to read as follows:

1 Section 869. A. Any and every indebtedness, liability or
2 obligation of the district, for the payment of money, however
3 entered into or incurred, and whether arising from contract, implied
4 contract or otherwise, shall be payable solely (1) out of the
5 revenues received by the district in respect of its properties, or
6 other accounts held for the payment and security thereof subject to
7 any prior lien thereon conferred by any resolution or resolutions
8 theretofore adopted as in this act provided, authorizing the
9 issuance of bonds or (2), if the Board shall so determine out of the
10 proceeds of sale or issuance by the district of bonds or bond
11 anticipation notes payable solely from such revenues or such other
12 amounts, or such credit or liquidity support as may be obtained by
13 the district for such purposes, repayable solely from such revenues
14 or other amounts.

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

20 SECTION 7. AMENDATORY 82 O.S. 2011, Section 870, as
21 amended by Section 1, Chapter 169, O.S.L. 2015 (82 O.S. Supp. 2016,
22 Section 870), is amended to read as follows:

23 Section 870. The district shall have power and is hereby
24 authorized to issue from time to time, as the need therefor arises,

1 revenue bonds for its corporate purposes in such amount or amounts
2 ~~not to exceed One Billion Four Hundred Ten Million Dollars~~
3 ~~(\$1,410,000,000.00) outstanding at any time~~ as are necessary,
4 incidental or convenient to the exercise of the powers, rights,
5 privileges and functions conferred upon it by this act, or any other
6 act or law, and without limitations of the generality of the powers,
7 rights and privileges heretofore granted, for acquiring a steam
8 generating plant or plants and related facilities, and to extend,
9 improve and reconstruct the same; and for constructing, installing
10 and acquiring dams, reservoirs, hydroelectric power plants, or any
11 steam, oil, gas, coal-fired, thermal, geothermal, solar or waste or
12 refuse reclamation powered electrical generating plant or plants or
13 any other electrical power or generating facilities; or any plant or
14 plants for the production of steam for heating and processing
15 purposes; and all and any facilities of every kind necessary,
16 incidental or convenient for the production and generation of
17 electric power and energy; and for acquiring, constructing and
18 installing transmission lines, substations and all facilities
19 necessary, incidental or convenient to the sale, resale, interchange
20 and distribution of electric power and energy; and for carrying on
21 the business and functions of the district, as is now or hereafter
22 may be authorized by law; and for acquiring additions and
23 improvements to and extensions of facilities, at any time existing,
24 of the district; and for the acquisition of lands and rights-of-way

1 for such use as is now, or may be, authorized by law for the
2 construction, replacement and repair of any dams, plants or other
3 facilities of the district; and to enable it to finance, in
4 cooperation with any "public agency", as defined under the
5 Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74
6 of the Oklahoma Statutes, any other agency of government, rural
7 electric co-op corporation, or any private or public corporation,
8 the development and utilization of electrical energy or the water
9 resources and rights in waters vested in said district for such
10 purposes as are, or may be, authorized by the laws of Oklahoma, and
11 for financing and refinancing present outstanding obligations of the
12 district, including the payment of any claims, charges or interest
13 on bonds required to be paid. The bonds herein authorized may
14 either be (1) sold for cash, at public or private sale, at such
15 price or prices as the Board shall determine, ~~provided that the~~
16 ~~interest cost of the money received computed to maturity in~~
17 ~~accordance with standard bond tables in general use by banks and~~
18 ~~insurance companies shall not exceed fifteen percent (15%) per year~~
19 with the advice and assistance of the State Bond Advisor, or (2) may
20 be issued on such terms as the Board shall determine in exchange for
21 property of any kind, real, personal or mixed, or any interest
22 therein which the Board shall deem necessary, incidental or
23 convenient for any such corporate purposes, or (3) may be issued in
24 exchange for like principal amounts of other obligations of the

1 district, matured or unmatured, or (4) may be issued in such
2 principal amounts that when the proceeds thereof are invested in
3 legal and qualified investments, the proceeds together with the
4 resulting proceeds of such investments will be sufficient to retire
5 the outstanding ~~initial~~ indebtedness or any portion thereof at
6 maturity or at prior redemption or upon purchase or tender for
7 purchase. The proceeds of sale of such bonds shall be deposited in
8 such bank or banks or trust company or trust companies, and shall be
9 paid out pursuant to such terms and conditions as may be agreed upon
10 between the district and the purchasers of such bonds. All such
11 bonds shall be authorized by resolutions of the Board concurred in
12 by at least four of the members thereof, and shall bear such date or
13 dates, mature at such time or times, bear interest at such rate or
14 rates, ~~not exceeding fifteen percent (15%) per year payable annually~~
15 ~~or semiannually~~ at such time or times, be in such denominations, be
16 in such form, either coupon or registered, carry such registration
17 privileges as to principal only or as to both principal and
18 interest, and as to exchange of coupon bonds for registered bonds or
19 vice versa, and exchange of bonds of one denomination for bonds of
20 other denominations, be executed in such manner and be payable at
21 such place or places within or without the State of Oklahoma as such
22 resolution or resolutions may provide. Any resolution or
23 resolutions, including any related trust indenture or indentures,
24 authorizing any bonds may contain provisions which shall be part of

1 the contract between the district and the holders thereof from time
2 to time (a) reserving the right to redeem such bonds at such time or
3 times, in such amounts and at such prices, ~~not exceeding one hundred~~
4 ~~five percent (105%) of the principal amount thereof,~~ plus accrued
5 interest, as may be provided, (b) providing for the setting aside of
6 sinking funds or reserve funds and the regulation and disposition
7 thereof, (c) pledging to secure the payment of the principal of and
8 interest on such bonds and of the sinking fund or reserve fund
9 payments agreed to be made in respect of such bonds all or any part
10 of the gross or net revenues thereafter received by the district in
11 respect of the property, real, personal or mixed, to be acquired or
12 constructed with such bonds or the proceeds thereof, or all or any
13 part of the gross or net revenues thereafter received by the
14 district from whatever source derived, (d) prescribing the purposes
15 to which such bonds or any bonds thereafter to be issued, or the
16 proceeds thereof, may be applied, monies and securities held under
17 such resolutions or indentures or contract rights with respect to
18 any of the foregoing, (e) agreeing to fix and collect rates and
19 charges sufficient to produce revenues adequate to pay the items
20 specified in subparagraphs (a), (b), (c) ~~and~~ (d) and (e) of Section
21 868 of this title and prescribing the use and disposition of all
22 revenues, and the investment of such revenues and other monies
23 pending their expenditure in investments authorized or permitted by
24 law, (f) prescribing limitations upon the issuance of additional

1 bonds and upon the agreements which may be made with the purchasers
2 and successive holders thereof, (g) with regard to the construction,
3 extension, improvement, reconstruction, operation, maintenance and
4 repair of the properties of the district, carrying of insurance upon
5 all or any part of said properties covering loss or damage or loss
6 of use and occupancy resulting from specified risk, (h) fixing the
7 procedure, if any, by which, if the district shall so desire, the
8 terms of any contract with the holders of such bonds may be amended
9 or abrogated, the amount of bonds the holders of which must consent
10 thereto, and the manner in which such consent may be given, (i) for
11 the execution and delivery by the district to a bank or trust
12 company authorized by law to accept trusts, or to the United States
13 of America or any office or agency thereof, of indentures and
14 agreements for the benefit of the holders of such bonds setting
15 forth any or all of the agreements herein authorized to be made with
16 or from the benefit of the holders of such bonds and such other
17 provisions as may be customary in such indentures or agreements, and
18 (j) such other provisions, not inconsistent with the provisions of
19 the act, as the Board may approve.

20 Any such resolution and any indenture or agreement entered into
21 pursuant thereto may provide that in the event that (a) default
22 shall be made in the payment of the interest on any or all bonds
23 when and as the same shall become due and payable, or (b) default
24 shall be made in the payment of the principal of any or all bonds

1 when and as the same shall become due and payable, whether at the
2 maturity thereof, by call for redemption or otherwise, or (c)
3 default shall be made in the performance for any agreement made with
4 the purchasers or successive holders of any bonds, and such default
5 shall have continued such period, if any, as may be prescribed by
6 said resolution in respect thereof, the trustee under the indenture
7 or indentures entered into in respect of the bonds authorized
8 thereby, or if there shall be no such indenture, a trustee appointed
9 in the manner provided in such resolution or resolutions by the
10 holders of twenty-five percent (25%) in aggregate principal amount
11 of the bonds authorized thereby and at the time outstanding may,
12 and, upon the written request of the holders of twenty-five percent
13 (25%) in aggregate principal amount of the bonds authorized by such
14 resolution or resolutions at the time outstanding, shall, in his or
15 its own name, but for the equal and proportionate benefit of the
16 holders of all of such bonds, and with or without possession
17 thereof,

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

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

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

24

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

4 (5) After such notice to the district as such resolution may
5 provide, declare the principal of all of such bonds due and payable,
6 and if all defaults shall have been made good, then with the written
7 consent of the holder or holders of twenty-five percent (25%) in
8 aggregate principal amount of such bonds at the time outstanding
9 annul such declaration and its consequence; provided, however, that
10 the holders of more than a majority in principal amount of the bonds
11 authorized thereby and at the time outstanding by instrument or
12 instruments in writing delivered to such trustee have the right to
13 direct and control any and all action taken or to be taken by such
14 trustee under this paragraph. Any such resolution, indenture or
15 agreement may provide that in any such suit, action or proceeding,
16 any such trustee, whether or not all of such bonds shall have been
17 declared due and payable, and with or without possession of any
18 thereof, shall be entitled as of right to the appointment of a
19 receiver who may enter and take possession of all or any part of the
20 properties of the district and operate and maintain the same, and
21 fix, collect and receive rates and charges sufficient to provide
22 revenues adequate to pay the items set forth in subparagraphs (a),
23 (b), (c) ~~and~~, (d) and (e) of Section 868 of this title and the costs
24 and disbursements of such suit, action or proceeding, and to apply

1 such revenues in conformity with the provisions of this act and the
2 resolution or resolutions authorizing such bonds. In any suit,
3 action or proceeding by any such trustee, the reasonable fees,
4 counsel fees and expense of such trustee and of the receiver or
5 receivers, if any, shall constitute taxable disbursements and all
6 costs and disbursements, and all costs and disbursements allowed by
7 the court shall be a first charge upon any revenues pledged to
8 secure the payment of such bonds. Subject to the provisions of the
9 Constitution of the State of Oklahoma, the courts of the County of
10 Craig, or other county wherein the domicile may be situated, shall
11 have jurisdiction of any such suit, action or proceeding by any such
12 trustee on behalf of the bondholders and of all property involved
13 therein. In addition to the powers hereinabove specifically
14 provided for, each such trustee shall have and possess all powers
15 necessary or appropriate for the exercise of any thereof, or
16 incident to the general representation of the bondholders in the
17 enforcement of their right.

18 Before any bonds shall be sold by the district, a certified copy
19 of the proceedings for the issuance thereof, including the form of
20 such bonds, together with any other information which the Attorney
21 General of the State of Oklahoma may require, shall be submitted to
22 the Attorney General and if he shall find that such bonds have been
23 issued in accordance with law he shall approve such bonds and
24 execute a certificate to that effect which shall be filed in the

1 Office of the State Auditor and Inspector of the State of Oklahoma
2 and be recorded in a record kept for that purpose. No bonds shall
3 be issued until the same shall have been registered by the State
4 Auditor and Inspector, who shall so register the same if the
5 Attorney General shall have filed with the State Auditor and
6 Inspector his certificate approving the bonds and the proceedings
7 for the issuance thereof as hereinabove provided. All bonds
8 approved by the Attorney General as aforesaid, and registered by the
9 State Auditor and Inspector as aforesaid, and issued in accordance
10 with the proceedings so approved shall be valid and binding
11 obligations of the district and shall be incontestable for any cause
12 from and after the time of such registration.

13 SECTION 8. AMENDATORY 82 O.S. 2011, Section 870.1, is
14 amended to read as follows:

15 Section 870.1. Whenever the board shall have adopted a
16 resolution authorizing ~~a specific project~~ and the issuance of any
17 series of bonds thereunder but prior to the time the bonds can be
18 delivered the board finds it necessary to borrow money for the
19 purpose for which the bonds were authorized, the board may, by
20 appropriate resolutions and subject to all other provisions of
21 Sections 861 through 889 of this title, authorize the borrowing of
22 money in anticipation of the issuance of the bonds, and the issuance
23 of notes of the board to evidence such borrowing. The amount so
24 borrowed shall not exceed the principal amount of the bonds and

1 shall not bear interest at a rate exceeding the allowable interest
2 rate of the bonds. Such notes shall be signed in the manner
3 prescribed by the board and shall be made payable at such times as
4 the board may prescribe not later than five (5) years from their
5 respective dates and may be renewed from time to time by the
6 issuance of new notes hereunder. The proceeds of any loan made
7 under this section shall be devoted exclusively to the purposes for
8 which the bonds shall have been authorized and the notes and the
9 interest thereon shall be paid with the proceeds of the bonds or any
10 legally available funds simultaneously with the delivery of the
11 bonds. If for any reason the bonds shall not be issued, the holder
12 or holders of the notes shall be entitled to all rights which would
13 have been enjoyed by the holders of the bonds had they been issued,
14 and the notes shall be paid from the revenues provided for the
15 payment of the bonds and shall be entitled to the benefit of all
16 covenants, agreements and rights appearing in the resolution
17 authorizing the bonds for the benefit of the bonds.

18 SECTION 9. AMENDATORY 82 O.S. 2011, Section 873, is
19 amended to read as follows:

20 Section 873. A. The Grand River Dam Authority is hereby
21 authorized to fund and refund any and all lawful obligations and any
22 and all revenue bonds issued, or contracted to be sold, by it by the
23 issuance of new revenue bonds, or from the proceeds of sale of new
24 revenue bonds, or by the exchange of new revenue bonds and to

1 renegotiate any agreement of indenture whereunder said obligations
2 or revenue bonds authorized to be funded and refunded hereby may be
3 outstanding, or contracted, but any new revenue bonds issued,
4 exchanged or sold to fund or refund said outstanding obligations and
5 revenue bonds and all agreements and indentures providing for the
6 payment and securing thereof shall conform to the provisions of the
7 Grand River Dam Authority Act, as amended; provided, that no
8 outstanding obligations or revenue bonds shall be funded or refunded
9 or exchanged on the basis of a price in excess of principal, accrued
10 interest, redemption premium, or charges in excess of those provided
11 by said obligations or revenue bonds or the indenture or agreement
12 whereunder issued or incurred, plus the necessary and reasonable
13 costs of funding, refunding or exchange thereof; provided, further
14 that said Authority shall have the power to purchase any revenue
15 bonds issued, or contracted to be issued, by it at a price not
16 exceeding the redemption price applicable at the time of purchase
17 thereof, or, if no redemption price is fixed, then at principal plus
18 accrued interest, from any funds available and provided for the
19 payment of ~~said~~ the revenue bonds ~~and when purchased said bonds~~
20 ~~shall be canceled.~~

21 B. The Authority is further authorized to enter into interest
22 rate swaps and other derivative products, and other financial
23 instruments intended to hedge interest rate risk or manage interest
24 rate costs, including any option to enter into or terminate any of

1 them, that the Authority deems to be necessary or desirable in
2 connection with any bonds issued prior to, at the same time as, or
3 after entering into such arrangement, and containing such terms and
4 provisions, and may be with such parties, as determined by the
5 Authority. Provided, any action taken by the Authority pursuant to
6 this subsection must first be approved by the Office of the State
7 Bond Advisor and the Council of Bond Oversight pursuant to the
8 provisions of the Oklahoma Bond Oversight and Reform Act.

9 SECTION 10. AMENDATORY 82 O.S. 2011, Section 874, as
10 last amended by Section 48, Chapter 210, O.S.L. 2016 (82 O.S. Supp.
11 2016, Section 874), is amended to read as follows:

12 Section 874. A. Nothing in Sections 861 through 890 of this
13 title shall be construed as authorizing the district and it shall
14 not be authorized to mortgage or otherwise encumber any of its
15 property of any kind, real, personal or mixed, or any interest
16 therein, or to acquire any property or interest subject to a
17 mortgage or conditional sale, provided that this section shall not
18 be construed as preventing the pledging of the revenues of the
19 district as herein authorized. Any pledge of revenues, monies,
20 securities or contract rights made by the district pursuant to the
21 provisions of this title shall be valid and binding from the date
22 the pledge is made. The revenues, monies, securities and contract
23 rights so pledged and then held or thereafter received by the
24 district or any fiduciary shall immediately be subject to the lien

1 of the pledge without any physical delivery thereof or further act,
2 and the lien of the pledge shall be valid and binding against all
3 parties having claims of any kind in tort, contract or otherwise
4 against the district without regard to the provisions of Title 12A
5 of the Oklahoma Statutes, the bond resolution, trust indenture,
6 security agreement or other instrument by which a pledge is created
7 need not be filed or recorded in any manner.

8 B. Nothing in Sections 861 through 890 of this title shall be
9 construed as authorizing the sale, lease or other disposition of any
10 property or interest of the district by the district or any receiver
11 of any of its properties or through any court proceeding or
12 otherwise.

13 C. 1. The district may sell for cash, subject to competitive
14 bidding as provided by the Board of Directors of the Grand River Dam
15 Authority, any property or interest in an aggregate value not
16 exceeding the sum of Five Hundred Thousand Dollars (\$500,000.00) in
17 any one (1) year, except that the district may sell any or all
18 surplus property that the district may have acquired without regard
19 to the limitations herein, if the Board, by the affirmative vote of
20 five or more of the members, shall have determined that the same is
21 not necessary to the business of the district and shall have
22 approved the terms of any sale.

23 2. Notwithstanding any other provision of law, the district may
24 sell real and personal property directly used for the generation,

1 transmission or distribution of electricity to any corporation,
2 limited liability company, association, cooperative, municipal
3 corporation or a beneficial trust thereof engaged in the furnishing
4 of wholesale or retail electric if the Board approves by a vote of
5 five or more members that the property is not necessary to the
6 business of the district. Sales pursuant to this paragraph shall be
7 exempt from the requirements and limitations of paragraph 1 of this
8 subsection and from the requirements of Section 129.4 of Title 74 of
9 the Oklahoma Statutes.

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

15 D. The district may lease any of its lands if the Board, by the
16 affirmative vote of five or more of the members, shall have
17 determined that the same can be leased without injury to or without
18 interference with the operations of the project, and shall have
19 approved the terms of any lease. Except as otherwise provided, no
20 shorelands (lands lying between the low and high water marks) shall
21 be leased for a term longer than two (2) years and not more than
22 one-fourth (1/4) mile of the lake front shall be leased to any one
23 person, firm or corporation. The district may lease shorelands for
24 a term longer than two (2) years and more than one-fourth (1/4) mile

1 of lake front may be leased to any one person, firm, or corporation
2 without regard to the limitations herein, if the Board, by the
3 affirmative vote of a majority of the members, determines that the
4 lease is necessary or beneficial to the business of the district.
5 The district may lease shorelands to political subdivisions,
6 agencies of the State of Oklahoma, or tax-exempt public trusts, for
7 any public purpose, on such terms as are mutually satisfactory to
8 the parties, notwithstanding the limitations herein. No lease shall
9 deprive the owner of any land adjacent to the shorelands or lake
10 front, or abutting thereon, of ingress or egress to and from the
11 water of the lakes and shall not deprive the owner of any wharf,
12 dock or boat anchorage privileges that would belong to the owner if
13 the shorelands or lake front were not leased.

14 E. It is the intention of Sections 861 through 890 of this
15 title that, except by sale, lease or agreement as expressly
16 authorized in Sections 861 through 890 of this title, no property or
17 interest of the district shall ever come into the ownership or
18 control, directly or indirectly, of any person, firm or corporation
19 other than a public authority created under the laws of the State of
20 Oklahoma.

21 F. Nothing in this section shall be construed as preventing the
22 district from contracting with the United States or any agency
23 thereof for the temporary possession, control and use of properties
24 by the United States or any agency thereof for the safety and

1 defense of the United States in time of a national emergency or in
2 anticipation thereof.

3 G. All property of the district shall be at all times exempted
4 from forced sale, and nothing contained in Sections 861 through 890
5 of this title shall authorize the sale of any of the property of the
6 district under any judgment rendered in any suit, and such sales are
7 hereby prohibited and forbidden. The provisions of this subsection
8 shall not apply to any property constructed on a lease or the
9 interest in a lease of shoreland that has been entered into by the
10 district pursuant to subsection B of this section for a term of
11 longer than two (2) years, provided the provisions of the lease
12 authorizing the mortgage and forced sale of the property or lease
13 interest has been approved by an affirmative vote of a majority of
14 the members of the Board.

15 H. The provisions of this section shall not apply to any sale
16 agreement, lease agreement or other agreement entered into by the
17 district pursuant to paragraphs (f) or (g) of Section 862 of this
18 title, provided that the agreement is in compliance with any
19 applicable provision restricting the sale or leasing of property by
20 the district contained in any resolution of the district providing
21 for the issuance of revenue bonds.

22 SECTION 11. This act shall become effective November 1, 2017.

23

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