

1 **SENATE FLOOR VERSION**

2 February 21, 2019

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 985

By: David of the Senate

and

West (Josh) of the House

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8
9 An Act relating to the Grand River Dam Authority;
10 amending 82 O.S. 2011, Sections 861A, 862, as last
11 amended by Section WS2017, Chapter 42, O.S.L. 2017
12 (82 O.S. Supp. 2018, Section 862), 862.1, as amended
13 by Section 1, Chapter 325, O.S.L. 2015 (82 O.S. Supp.
14 2018, Section 862.1), 863.2, as last amended by
15 Section 1, Chapter 112, O.S.L. 2012 (82 O.S. Supp.
16 2018, 863.2), 863.3, 864, as last amended by Section
17 1, Chapter 88, O.S.L. 2015 (82 O.S. Supp. 2018,
18 Section 864), 865, 866, as amended by Section 1062,
19 Chapter 304, O.S.L. 2012 (82 O.S. Supp. 2018, Section
20 866), 868, 869, 870, as amended by Section 1, Chapter
21 169, O.S.L. 2015 (82 O.S. Supp. 2018, Section 870),
22 870.1, 873, and 874, as last amended by Section 48,
23 Chapter 210, O.S.L. 2016 (82 O.S. Supp. 2018, Section
24 874), which relate to designation as state agency,
powers, rights and privileges of district,
exemptions, Board of Directors, Joint Legislative
Task Force, appointment and compensation of officers,
surplus funds and revenue of district, annual audit,
Board authorization to fix and collect rates, sources
of payment of obligations of district, bonds, bond
anticipation notes, financial instruments, and pledge
of revenues; updating statutory references; modifying
rulemaking authority of Board of Directors; modifying
district power to enter into agreements; eliminating
certain payment as revenue; increasing financial
instruments district may issue; adding to list of
entities district shall support; modifying membership
requirements of Joint Legislative Task Force;
updating staff position from General Manager to Chief

1 Executive Officer; expanding district exemptions from
2 provisions of state law; eliminating time limits on
3 Board member terms; modifying removal procedures for
4 Board members; eliminating prohibition against
5 certain Board action; eliminating compensation
6 calculation for certain employees; eliminating
7 deposit of surplus funds and revenues in certain
8 accounts; removing requirements for distribution of
9 district money; modifying how certain funds are
10 deposited; requiring certain accounting principles
11 for district accounts; requiring electronic copy of
12 audit reports; modifying purpose of rates and charges
13 collected by district; modifying revenues from which
14 debts may be paid; removing cap on certain bond;
15 adding to list of reasons a bond may be issued;
16 modifying limit on certain bonds sold for cash;
17 requiring certain assistance of Bond Advisor;
18 modifying when certain bonds may be issued; modifying
19 required elements of bonds; clarifying types of
20 instruments constituting parts of certain contracts;
21 modifying prices at which certain bonds may be
22 redeemed; removing special projects from
23 authorization to issue bonds; modifying how certain
24 interest shall be paid; deleting requirement for
certain bond cancellation; stating validation of
certain pledged items; stating certain pledged items
are subject to lien; providing status of lien against
certain claims; repealing 82 O.S. 2011, Section
862.2, which relates to contract; providing an
effective date; and declaring an emergency

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

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

Section 861A. A. The Grand River Dam Authority, created pursuant to the provisions of the Grand River Dam Authority Act, Section 861 et seq. of ~~Title 82 of the Oklahoma Statutes~~ this title, is a nonappropriated agency of the State of Oklahoma. The Grand

1 River Dam Authority herein referred to as the "district" is subject
2 to the laws of the state as they apply to state agencies except as
3 specifically exempted by statute. All funds generated, received and
4 expended by the district are public funds and subject to state laws
5 and regulations governing the receipt and expenditure of public
6 funds in the same manner as all other state agencies except as
7 otherwise provided by statute. The employees of the district are
8 both classified and unclassified state employees subject to the same
9 benefits and restrictions applicable to all state agencies except as
10 otherwise provided by statute.

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

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

21 2. Set fees for services performed by the district; provided
22 that such fees shall not exceed the cost to the district of
23 providing such services;

24

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

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

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

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

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

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

1 1. An existing electric consuming facility if such electric
2 power was being provided by the district on the effective date of
3 ~~this act~~ August 29, 2003; and

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

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

9 SECTION 2. AMENDATORY 82 O.S. 2011, Section 862, as last
10 amended by Section WS2017, Chapter 42, O.S.L. 2017 (82 O.S. Supp.
11 2018, Section 862), is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

23 11. To construct, extend, improve, maintain and reconstruct, to
24 cause to be constructed, extended, improved, maintained and

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

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

10 13. To adopt, use and alter a corporate seal;

11 14. To make bylaws for the management and regulation of its
12 affairs;

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

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

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

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

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

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

18 Any municipal, county or state law enforcement officer employed
19 by the Grand River Dam Authority to serve as a part-time or seasonal
20 commissioned peace officer shall be exempt from the restrictions on
21 dual office holding as provided for in paragraph 16 of subsection A
22 of Section 6 of Title 51 of the Oklahoma Statutes;

23 19. To do any and all other acts or things necessary,
24 incidental or convenient to the exercise of the powers, rights,

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

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

23 20. To support and assist the efforts of state, regional and
24 local development organizations, political subdivisions, industrial

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

12 21. Notwithstanding any other provision of law, the ~~General~~
13 ~~Manager~~ Chief Executive Officer, department heads and other
14 essential employees of the district, as designated by the ~~General~~
15 ~~Manager~~ Chief Executive Officer, may be permitted to use a district
16 owned vehicle to provide transportation between the employee's
17 residence and the assigned place of employment and between the
18 residence and any location other than the assigned place of
19 employment to which the employee travels in the performance of the
20 employee's official duty.

21 SECTION 3. AMENDATORY 82 O.S. 2011, Section 862.1, as
22 amended by Section 1, Chapter 325, O.S.L. 2015 (82 O.S. Supp. 2018,
23 Section 862.1), is amended to read as follows:

24

1 Section 862.1. In addition to the powers, rights and privileges
2 enumerated in Section 862 of this title, the Grand River Dam
3 Authority shall be exempt from the provisions of the:

4 1. The Oklahoma Open Records Act, exclusively limited to:

- 5 a. customer proprietary information the Authority is
6 contractually obligated to keep confidential, and
7 b. security plans and procedures in its role as an
8 electric utility regulated by the federal government;

9 2. The Oklahoma Open Meeting Act, exclusively limited to
10 authorizing the Grand River Dam Authority Board of Directors to
11 confer on:

- 12 a. coal or gas fuel supply and transportation contracts,
13 b. power purchase agreements, and
14 c. security plans and procedures in its role as an
15 electric utility regulated by the federal government;
16 and

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

19 4. The Information Technology Consolidation and Coordination
20 Act;

21 5. The State Travel Reimbursement Act; and

22 6. The Surplus Property Act; provided that the district may, on
23 a transactional basis, elect to make itself subject to the
24 requirements of the Surplus Property Act.

1 SECTION 4. AMENDATORY 82 O.S. 2011, Section 863.2, as
2 last amended by Section 1, Chapter 112, O.S.L. 2012 (82 O.S. Supp.
3 2018, Section 863.2), is amended to read as follows:

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

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

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

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

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

9 F. Members of the Board of Directors shall be appointed as
10 follows:

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

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

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

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

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

20 6. The General Manager of the Oklahoma Association of Electric
21 Cooperatives, or designee, shall be a voting ex officio director;

22 and

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

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

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

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

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

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

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

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

20 ~~I.~~ H. Any director appointed to fill a vacancy on the Board
21 occurring prior to the expiration of the term for which the
22 predecessor was appointed shall be appointed for the remainder of
23 such term.

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

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

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

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

1 valid unless authorized or ratified by the affirmative vote of at
2 least four directors.

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

13 ~~O.~~ N. The Asset Committee shall be chaired by the director
14 appointed to represent economic development interests, lake
15 enthusiasts and property owners. Other members of the Committee may
16 be selected by the Board.

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

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

23 ~~R.~~ Q. For the purposes of Section 4254 of Title 74 of the
24 Oklahoma Statutes, the directors of this board, appointed pursuant

1 to this section, shall not be considered state officers or state
2 employees.

3 SECTION 5. AMENDATORY 82 O.S. 2011, Section 863.3, is
4 amended to read as follows:

5 Section 863.3. A. There is hereby created the Joint
6 Legislative Task Force on the Grand River Dam Authority for the
7 purpose of studying the functions, activities, policies, procedures
8 and expenditures performed by the district and any related issues
9 the task force deems appropriate. Members of the task force shall
10 be appointed in January of each year following a state general
11 election by the President Pro Tempore of the Senate and the Speaker
12 of the House of Representatives. Membership shall be made up of
13 five members of the Senate and five members of the House of
14 Representatives whose legislative districts include a portion of the
15 Grand River Dam Authority district to be appointed by the President
16 Pro Tempore of the Senate and the Speaker of the House of
17 Representatives, respectively; ~~provided, one member shall be the~~
18 ~~House principal author of Senate Bill No. 60 of the 1st Session of~~
19 ~~the 53rd Oklahoma Legislature and one member shall be the Senate~~
20 ~~principal author of Senate Bill No. 60 of the 1st Session of the~~
21 ~~53rd Oklahoma Legislature as long as these individuals are members~~
22 ~~of the Legislature.~~ The President Pro Tempore and Speaker shall
23 each designate one of their members to be cochairs of the task
24 force. The task force shall be required to meet at least once

1 biennially during the first session of each new legislature.
2 Additional meetings may be called as the cochairs determine
3 necessary. Meetings of the task force shall be called by the
4 cochairs. A majority of the appointed members shall constitute a
5 quorum for any meeting of the task force. Staffing assistance shall
6 be provided by the staff of the Senate and House of Representatives.

7 B. The members of the task force created herein shall continue
8 to serve until new members are appointed pursuant to the provisions
9 of subsection A of this section. The task force is authorized to
10 adopt any recommendations or issue any report it deems necessary.
11 Any recommendations or reports shall be approved by a majority of
12 the appointed members. Copies of any recommendations or reports
13 issued by the task force shall be distributed to the Governor, the
14 President Pro Tempore of the Senate, the Speaker of the House of
15 Representatives, the members of the Grand River Dam Authority Board
16 of Directors and the ~~General Manager~~ Chief Executive Officer of the
17 Grand River Dam Authority.

18 C. The Grand River Dam Authority shall annually provide a copy
19 of the district's most recent annual report to the members of the
20 task force in addition to any information requested pursuant to the
21 provisions of this section.

22 D. Members serving on the task force shall not be entitled to
23 travel reimbursement.

24

1 SECTION 6. AMENDATORY 82 O.S. 2011, Section 864, as last
2 amended by Section 1, Chapter 88, O.S.L. 2015 (82 O.S. Supp. 2018,
3 Section 864), is amended to read as follows:

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

9 2. The Board shall also select a ~~general manager, who shall be~~
10 ~~the~~ chief executive officer of the district, and a treasurer, who
11 may also hold the office of secretary.

12 3. All such officers shall have the powers and duties, and
13 shall hold office for such term and be subject to removal in such
14 manner as may be provided in the compensation of such officers. The
15 Board may appoint such officers, fix their compensation and term of
16 office and the method by which they may be removed and delegate to
17 them such other powers and duties as it may deem appropriate.

18 4. Except for the purpose of inquiry, the Board and its members
19 shall deal with the operations of the district solely through the
20 ~~general manager~~ Chief Executive Officer. The Board and its members
21 shall not:

22 a. direct or request the ~~general manager~~ Chief Executive
23 Officer or other authority to appoint or remove
24 officers or employees except as herein provided,

1 b. participate in any manner in the appointment or
2 removal of officers and employees of the district,
3 except as provided by law, or

4 c. give orders or ordinary administrative matters to any
5 subordinate of the ~~general manager~~ Chief Executive
6 Officer either publicly or privately.

7 B. The ~~general manager~~ Chief Executive Officer may appoint such
8 other officers, agents, and employees, fix their compensation
9 pursuant to the provisions of this section, and term of office and
10 the method by which they may be removed, and delegate to them such
11 of its power and duties as the ~~general manager~~ Chief Executive
12 Officer may deem proper.

13 ~~C. Except as provided in subsection A of this section, the~~
14 ~~compensation of the classified and unclassified employees of the~~
15 ~~Grand River Dam Authority shall be computed as follows:~~

16 ~~1. Beginning July 1, 1993, and biannually thereafter, the~~
17 ~~Office of Management and Enterprise Services shall conduct a~~
18 ~~comprehensive classification and compensation study of all~~
19 ~~classified and unclassified positions in the Grand River Dam~~
20 ~~Authority. The study shall be limited to an analysis of prevailing~~
21 ~~rates of pay for all positions in electrical generating utilities~~
22 ~~for jobs comparable to those performed by employees of the Grand~~
23 ~~River Dam Authority. Such study shall compare all classified and~~
24 ~~unclassified positions within the Grand River Dam Authority,~~

1 ~~including support and maintenance staff employees, with comparable~~
2 ~~positions within other similarly sized electrical generating~~
3 ~~utilities only. Each biannual report shall be provided to the~~
4 ~~Governor, the President Pro Tempore of the Senate, the Speaker of~~
5 ~~the House of Representatives and the Board of Directors of the Grand~~
6 ~~River Dam Authority. The report shall include an analysis of all~~
7 ~~classified and unclassified positions and classifications and~~
8 ~~recommend an average comparable pay scale developed through the~~
9 ~~study. The Grand River Dam Authority shall bear the cost of the~~
10 ~~study;~~

11 ~~2. Upon the issuance of any such report, the Board of Directors~~
12 ~~of the Grand River Dam Authority shall implement the classification~~
13 ~~and compensation recommendations as appropriate, if fiscal~~
14 ~~constraints and commitments to ratepayers permit; and~~

15 ~~3. The Board of Directors of the Grand River Dam Authority may~~
16 ~~implement adjustments in compensation to correct inequities as~~
17 ~~determined by the Board of Directors. The total of these~~
18 ~~adjustments and those described in paragraph 2 of this subsection~~
19 ~~may increase the base payroll in excess of the recommendation in the~~
20 ~~Office of Management and Enterprise Services study.~~

21 SECTION 7. 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 Chief Executive Officer, the
12 treasurer and all other officers, agents and employees of the
13 district who shall be charged with the collection, custody or
14 payment of any funds of the district shall give bond conditioned on
15 the faithful performance of their duties and an accounting for all
16 funds and property of the district coming into their respective
17 hands, each of which bonds shall be in form and amount and with a
18 surety, which shall be a surety company authorized to do business in
19 the state, approved by the Board, and the premiums on such bonds
20 shall be paid by the district and charged as an operating expense.

21 SECTION 8. AMENDATORY 82 O.S. 2011, Section 866, as
22 amended by Section 1062, Chapter 304, O.S.L. 2012 (82 O.S. Supp.
23 2018, 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~~ Chief Executive
4 Officer, until otherwise designated by the affirmative vote of four
5 directors. The district shall cause to be kept complete and
6 accurate accounts conforming to ~~approved methods of bookkeeping~~ any
7 generally accepted accounting principles. The accounts and all
8 contracts, documents and records of the district shall be kept at
9 the principal office. The accounts and contracts shall be open to
10 public inspection at all reasonable times. The Board shall cause to
11 be made and completed within ninety (90) days after the end of each
12 calendar year an audit of the books of account and financial records
13 of the district for such calendar year, such audit to be made by an
14 independent certified public accountant or firm of certified public
15 accountants. ~~Copies of a written report of such~~ Electronic copies
16 of the audit report, certified to by the accountant or accountants,
17 shall be placed and kept on file with the Governor, the State
18 Treasurer, Oklahoma Department of Libraries and the State Auditor
19 and Inspector of the State of Oklahoma, and at the principal office,
20 and shall be open to public inspection at all reasonable times. The
21 audit shall also be filed with the Director of the Office of
22 Management and Enterprise Services, in accordance with the
23 requirements set forth for financial statement audits in Section
24 212A of Title 74 of the Oklahoma Statutes.

1 SECTION 9. 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~~ Section 861 et seq. of this title when and as
12 the same shall become due and 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
18 holders 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) and (e) above, the board shall establish a reasonable
24 depreciation and emergency fund, and retire (by purchase and

1 cancellation or redemption) bonds issued under ~~this act~~ Section 861
2 et seq. of this title, or apply the same to any corporate purpose.
3 It is the intention of ~~this act~~ the Grand River Dam Authority Act
4 that the rates and charges of the district shall not be in excess of
5 what may be necessary to fulfill the obligations imposed upon it by
6 ~~this act~~ the Grand River Dam Authority Act.

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 & 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 10. 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~~ Section 861 et seq. of this title
9 provided, authorizing the issuance of bonds or (2), if the Board
10 shall so determine out of the proceeds of sale or issuance by the
11 district of bonds or bond anticipation notes payable solely from
12 such revenues or such other amounts, or such credit or liquidity
13 support as may be obtained by the district for such purposes,
14 repayable solely from such revenues 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 11. AMENDATORY 82 O.S. 2011, Section 870, as
21 amended by Section 1, Chapter 169, O.S.L. 2015 (82 O.S. Supp. 2018,
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 ~~investment~~ investments, the proceeds together
4 with the resulting proceeds of such investments will be sufficient
5 to retire the outstanding ~~initial~~ indebtedness or any portion
6 thereof at maturity or at prior redemption or upon purchase or
7 tender for purchase. The proceeds of sale of such bonds shall be
8 deposited in such bank or banks or trust company or trust companies,
9 and shall be paid out pursuant to such terms and conditions as may
10 be agreed upon between the district and the purchasers of such
11 bonds. All such bonds shall be authorized by resolutions of the
12 Board concurred in by at least four of the members thereof, and
13 shall bear such date or dates, mature at such time or times, bear
14 interest at such rate or rates, ~~not exceeding fifteen percent (15%)~~
15 ~~per year payable annually or semiannually,~~ at such time or times, be
16 in such denominations, be in such form, either coupon or registered,
17 carry such registration privileges as to principal only or as to
18 both principal and interest, and as to exchange of coupon bonds for
19 registered bonds or vice versa, and exchange of bonds of one
20 denomination for bonds of other ~~denomination~~ denominations, be
21 executed in such manner and be payable at such place or places
22 within or without the State of Oklahoma as such resolution or
23 resolutions may provide. Any resolution or resolutions, including
24 any related trust indenture or indentures, authorizing any bonds may

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

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

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

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

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

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

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

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~~ Section
2 861 et seq. of this title and the resolution or resolutions
3 authorizing such bonds. In any suit, action or proceeding by any
4 such trustee, the reasonable fees, counsel fees and expense of such
5 trustee and of the receiver or receivers, if any, shall constitute
6 taxable disbursements and all costs and disbursements, and all costs
7 and disbursements allowed by the court shall be a first charge upon
8 any revenues pledged to secure the payment of such bonds. Subject
9 to the provisions of the Constitution of the State of Oklahoma, the
10 courts of the County of Craig, or other county wherein the domicile
11 may be situated, shall have jurisdiction of any such suit, action or
12 proceeding by any such trustee on behalf of the bondholders and of
13 all property involved therein. In addition to the powers
14 hereinabove specifically provided for, each such trustee shall have
15 and possess all powers necessary or appropriate for the exercise of
16 any thereof, or incident to the general representation of the
17 bondholders in the 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 12. 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 13. 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~~ the outstanding obligations
5 and revenue bonds and all agreements and indentures providing for
6 the payment and securing thereof shall conform to the provisions of
7 the 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~~ the obligations or revenue bonds or the indenture or
12 agreement whereunder issued or incurred, plus the necessary and
13 reasonable costs of funding, refunding or exchange thereof;
14 provided, further that said Authority shall have the power to
15 purchase any revenue bonds issued, or contracted to be issued, by it
16 at a price not exceeding the redemption price applicable at the time
17 of purchase thereof, or, if no redemption price is fixed, then at
18 principal plus accrued interest, from any funds available and
19 provided for the payment of ~~said~~ the revenue bonds ~~and when~~
20 ~~purchased said bonds 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 14. 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 2018, 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 15. REPEALER 82 O.S. 2011, Section 862.2, is
23 hereby repealed.

24 SECTION 16. This act shall become effective July 1, 2019.

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

5 COMMITTEE REPORT BY: COMMITTEE ON ENERGY
6 February 21, 2019 - DO PASS AS AMENDED
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