

ENROLLED SENATE
BILL NO. 408

By: Easley of the Senate

and

Hutchison and Rice of the
House

An Act relating to the Grand River Dam Authority and electric power; stating the Grand River Dam Authority is a state agency; providing that all funds are public funds subject to state laws governing expenditures of public funds; providing for classified and unclassified employees; requiring Board of Directors to promulgate rules pursuant to the Administrative Procedures Act; stating exception; requiring Board to develop written policies and procedures governing certain district activities; authorizing district to incur certain business expenses; authorizing Board to employ independent audit firm to assist in certain duties; requiring costs to be borne by the district with Board approval; authorizing the Board or management to seek advice from State Treasurer or State Bond Advisor as necessary; providing certain limitation on retail sale of electricity; amending 82 O.S. 2001, Section 862, which relates to the powers, rights and privileges of district; authorizing district to support and assist certain efforts of public and private agencies to increase manufacturing facilities, businesses and enterprises and foster community improvements; directing the Board to transfer certain matching funds to certain entity; creating a Board of Directors; stating membership; authorizing the Board to have rulemaking authority for the district; granting authority for exemptions from rules; stating Board responsibility for approving business expenses of the district; stating duty of Board to oversee functions of the district and ensure compliance with state laws and certain guidelines; stating eligibility of Board members; terminating current positions of Board on certain date; directing new appointments to Board by certain date; providing for certain appointments; stating terms of office for certain appointed directors; providing for successor appointments; providing for vacancy; limiting terms; requiring directors to take oath of office; stating eligibility of certain directors to serve on Board; stating directors or designee serve at the pleasure of appointing authorities; providing for removal for just cause; providing for travel expenses; prohibiting directors

from holding certain employment positions; providing for meetings; stating requirements for quorum; requiring certain quorum for contracts over certain amount; providing for election of officers; authorizing Board to appoint subcommittees; authorizing adoption and amendments of bylaws; amending 82 O.S. 2001, Section 864, which relates to powers of the Board and selection and compensation of employees; providing for certain biannual compensation studies for classified employees; stating requirements for comparison study; removing requirement for certain implementation to be within existing guidelines of the Merit System; authorizing the Board to increase payroll in excess of certain recommendations; requiring district to pay certain amount of retired employee health insurance premiums; stating limit; providing for prorated payments to certain employees; stating procedure for certain payments; providing marina owners or operators may allow dispensing of fuel without an attendant on duty; amending 82 O.S. 2001, Section 895, which relates to municipal annexation; prohibiting certain municipal annexation; stating exemption; providing for certain Grand River Dam Authority employees to elect to participate in certain retirement system; stating procedures; providing for transfer of certain service credits; directing the Secretary of Environment to conduct study of certain watershed; requiring study to identify certain factors; requiring certain state agencies to participate in study; requiring report of findings to Governor and Legislature by certain date; directing the Secretary of Environment to conduct study of the Grand Lake watershed; requiring study to identify certain factors; requiring certain state agencies to participate in study; requiring report of findings to Governor and Legislature by certain date; requiring certain studies for clean lakes and to assess sediment; providing certain optical fiber shall be part of transmission system and not an additional burden on land; providing certain easement or license not required; stating qualifications on term; providing certain limitations on use of optical fiber; repealing 63 O.S. 2001, Section 4230.1, which relates to the Grand River Dam Authority Lakes Advisory Commission; repealing 82 O.S. 2001, Section 863A, which relates to the Board of Directors of the Grand River Dam Authority; providing for codification; providing for noncodification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 861A of Title 82, unless there is created a duplication in numbering, reads as follows:

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, is a nonappropriated agency of the State of Oklahoma. The Grand River Dam Authority herein referred to as the "district" is subject to the laws of the state as they apply to state agencies except as specifically exempted by statute. All funds generated, received and expended by the district are public funds and subject to state laws and regulations governing the receipt and expenditure of public funds in the same manner as all other state agencies. The employees of the district are both classified and unclassified state employees subject to the same benefits and restrictions applicable to all state agencies except as otherwise provided by statute.

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

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

2. Develop written policies and procedures consistent with state laws governing the district's activities including marketing, consumer education, community relations and customer service functions performed by the district.

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

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

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

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

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

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

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

SECTION 2. AMENDATORY 82 O.S. 2001, Section 862, is amended to read as follows:

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

(a) To control, store and preserve, within the boundaries of the district, the waters of Grand River and its tributaries, for any useful purpose, and to use, distribute and sell the same within the boundaries of the district; provided, however, that any municipal corporation within the area included within the jurisdiction of the said 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;

(b) To develop and generate water power, electric power and electric energy, from whatever source, within the boundaries of the district; to acquire coal or other minerals to be used for the purposes of providing energy sources for electrical generating plants; to acquire or lease any and all railroad connections, equipment, rolling stock, trackage and otherwise, necessary to the transporting of coal and other minerals to generating plant sites within the district; and to buy, sell, resell, interchange and distribute electric power and energy in order to carry forward the business and functions of the district now or hereafter authorized by law and may enter into contracts for such purposes, such contracts to run for a period of not to exceed fifty (50) years except those contracts provided for in paragraphs (f) and (g) of this section. All contracts may contain such reasonable provisions, limitations, qualifications, protective clauses and rights and obligations of purchase and sale, and such provisions for the dedication of the use of facilities and the construction of additional facilities to serve the load requirements of all the parties as may be deemed advisable by the district to safeguard the business and properties of all the parties to such contracts, all within the limits of sound business judgment and practice, good conscience, and not contrary to the public policy of the state;

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

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

(e) To acquire by purchase, lease, gift, or in any other manner, and to maintain, use and operate or to contract for the maintenance, use and operation of any and all property of any kind, real, personal, or mixed, or any interest therein, and to own,

construct, operate and maintain any project or works in conjunction or jointly with, as tenants in common, any public or private corporation duly authorized and qualified to do business within this state including, but not limited to, rural electric cooperatives of the State of Oklahoma or the United States of America, or any department, subdivision or agency of the State of Oklahoma or the United States of America, or with any "public agency" as defined under the Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74 of the Oklahoma Statutes, within or without the boundaries of the district, necessary, incidental or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this act;

(f) In addition to any other powers conferred, the district shall have power and authority to participate and enter into agreements with any public or private corporation duly authorized and qualified to do business within the State of Oklahoma including, but not limited to, rural electric cooperatives, the state or the United States of America or any department, subdivision or agency of the state or the United States of America, or with any "public agency" as defined under the Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74 of the Oklahoma Statutes, for the purpose of planning, acquiring, financing, owning, operating and maintaining an undivided ownership of any steam, oil, gas, coal-fired, thermal, geothermal, solar, waste or refuse reclamation powered electric generating plant or plants or any facilities of every kind necessary, incidental or convenient for the production, generation and transmission of electric power and energy including, but not limited to, any and all related transmission facilities, which shall be used as common facilities. The agreements shall provide that the district and any participants therein shall have the incidents of tenant in common to any plant or facility. It shall also be provided in the agreements that the district and any participant in the project shall own a percentage of any common facility equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof and shall own and control a like percentage of the electrical output thereof.

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

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

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

(g) In addition to the powers conferred in paragraph (f) of this section, the district shall have power and authority to participate and enter into agreements with any public or private corporation duly authorized and qualified to do business within this state including, but not limited to, rural electric cooperatives, the State of Oklahoma or the United States of America or any department, subdivision or agency of the State of Oklahoma or the United States of America, or with any "public agency" as defined under the Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74 of the Oklahoma Statutes, for the purpose of planning, acquiring, financing, owning, operating and maintaining undivided ownership interests in any steam, oil, gas, coal-fired, thermal, geothermal, solar, waste or refuse reclamation powered electric generating plant or plants or any other facilities of every kind necessary, incidental or convenient for the production, generation and transmission of electric power and energy including, but not limited to, any and all related transmission or other facilities which are to be used as common facilities and to cooperate with other state agencies and public trusts to promote economic development in the state and to assist in attracting industry to the state. Such undivided ownership interests may be created by an agreement entered into with respect to property to be acquired by the district. Any such agreement may be a sale agreement, with the purchase price payable at one time or in installments at such time and over such period as shall be agreed to by the parties thereto, a lease agreement, with a nominal purchase option, or any other type of agreement. In addition to the purchase price, the district shall be fully indemnified as to operation, maintenance, administrative and other expenses incurred with respect to such undivided interest. Any payment received in respect to any such agreement shall be deemed revenues of the Authority. The district is hereby authorized to enter into any such agreement in order to sell, lease or otherwise convey undivided ownership interests in any such property. Any such agreement shall specify the undivided interest to be owned or acquired by each of the participants, provide for a waiver of partition, prescribe the time of vesting of such interest and the amount of electrical output to be owned and controlled by any participant.

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

In carrying out the powers granted in this section, the district and each participant shall be severally liable only for its own acts and not jointly or severally liable for the acts, omissions or

obligations of others. No money or property supplied by the district or any participant for the planning, financing, acquiring, constructing, operating or maintaining of any common plant or facility shall be credited or otherwise applied to the account of any other participant therein, nor shall the undivided share of the district or any participant therein be charged, directly or indirectly, with any debt or obligation of any other participant or be subject to any lien as a result thereof. No action in connection with a common facility shall be binding upon the district except as expressly authorized and provided for in the participation agreement;

(h) To acquire by condemnation any and all property of any kind, real, personal, or mixed, or any interest therein, within or without the boundaries of the district, necessary, incidental or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this act, in the manner provided by general law with respect to condemnation; provided that nothing in this act shall ever be construed to authorize the district to acquire by condemnation any privately, municipally or publicly owned electric public utility system or any part thereof outside of the high-water mark of a reservoir area or outside a properly located damsite, except the districts may require the relocation of transmission lines and substations so owned where such relocation is necessary for the construction and maintenance of dams, reservoirs, levees, spillways and floodways, and in such event just compensation shall be paid. Provided that the Grand River Dam Authority shall have the right to cross transmission lines of other electric utility companies under proper engineering standards of construction as approved by the Corporation Commission;

(i) Subject to the provisions of this act, from time to time sell, which shall include, but not be limited to, an installment sale agreement, lease with nominal purchase options, or otherwise dispose of any property of any kind, real, personal or mixed, or any interest therein, which shall not be necessary to the carrying on of the business of the district;

(j) To overflow and inundate any public lands and public property and to require the relocation of roads and highways in the manner and to the extent necessary to carry out the purposes of this act; provided, that said district shall be liable in damages to the State of Oklahoma or any subdivision thereof for any injury occasioned or expense incurred by reason thereof;

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

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

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

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

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

(p) To make contracts and to execute instruments necessary, incidental or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this act;

(q) To borrow money for its corporate purposes and, without limitation of the generality of the foregoing, to borrow money and accept grants from the United States of America, or from any corporation or agency created or designated by the United States of America, and, in connection with any such loan or grant, to enter into such agreements as the United States of America or such corporation or agency may require; and to make and issue its negotiable bonds for money borrowed, in the manner provided in this act. Nothing in this act shall authorize the issuance of any bonds, notes or other evidences of indebtedness of the district, except as specifically provided in this act;

(r) To prescribe and enforce rules for the use for recreational and commercial purposes of the lakes created by the district by impounding the waters of said lakes, and the shorelands of the district bordering thereon, including the use of firearms, the inspection of all boats of every character proposing to operate or operating on said lakes, the issuance of permits for the operation of boats, surfboards, aquaplanes, sea-skis or similar devices on said lakes for hire; the charging and collection of fees for the inspection or operation of such boats, surfboards, aquaplanes, sea-skis or other similar devices on said lakes for hire; preventing the launching or operation of any commercial or for-hire boat, surfboard, aquaplane, sea-ski or similar device for hire, on the waters of said lakes, without a certificate of inspection and a permit for such use; prescribing the type, style, location and equipment of all wharves, docks and anchorages along the shores and upon the water of said lakes; the issuance of permits for wharfage, dock or anchorage privileges and charging fees for such commercial or private permits; and the establishment and maintenance of public wharves, docks or anchorages and the charging and collection of fees for the use thereof by the public; to appoint or employ such persons as the district may deem proper and suitable for the purpose of enforcing such rules and regulations as may be issued hereunder, or as may be issued pursuant to the provisions of Sections 4200 et seq. of Title 63 of the Oklahoma Statutes, and for the enforcing of the provisions of this act, and all violations of criminal laws occurring within the boundaries of the counties where real property owned or leased by the Grand River Dam Authority is located, which employees shall have the power of peace officers during the

performance of those duties, except in the serving or execution of civil process; ~~and~~

(s) To do any and all other acts or things necessary, incidental or convenient to the exercise of the powers, rights, privileges or functions conferred upon it by this act or any other act or law. Provided said district shall be liable for damage caused by said district, its agents, servants and employees in creating, constructing, maintaining or operating said district to any corporation, partnership, person or individual whose property, either real or personal, within or without said district, has been damaged and said damages may be determined by appropriate action as provided by law. Nothing in this act shall be construed as rendering the district liable for damage where it is not liable on general principles of law or statute or Constitutional provision.

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

(t) To support and assist the efforts of state, regional and local development organizations, industrial committees, chambers of commerce, tourism organizations, agricultural organizations, environmental organizations and other similar public and private agencies to obtain new and foster expansion of existing service, industrial and manufacturing facilities, businesses and enterprises to enhance the quality of life for the citizens of the district and the state. Provided, support and assistance shall be limited to an amount not to exceed a total of Fifteen Thousand Dollars (\$15,000.00) per year for one or more projects or efforts that are for the benefit of or impact the quality of life for each city or community located within the boundaries of the district.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 863.1 of Title 82, unless there is created a duplication in numbering, reads as follows:

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

B. The Board shall have rulemaking authority pursuant to the provisions of Section 861 et seq. of Title 82 of the Oklahoma Statutes and this act. By majority vote, the Board shall have the authority to grant exemptions from any rules not promulgated pursuant to the Administrative Procedures Act which deal with the waters of the Grand River and its tributaries. The Board shall be responsible for approving business expenses of the district

necessary to carry out the business of the district. It shall be the duty of the Board of Directors to oversee the functions of the district and ensure the operations of the district are in compliance with all applicable state laws and that expenses of the district comply with state and federal guidelines for business expense deductibility.

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

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

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

F. On July 1, 2003, or on the effective date of this act, whichever occurs later, all positions of the current Board of Directors shall be deemed vacant, and the new members of the Board of Directors shall be appointed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

H. A successor to a director of the Board shall be appointed in the same manner as the original director and shall serve a term of seven (7) years.

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

J. No director shall be appointed to more than one seven-year term; provided, however, a director may be appointed to fill the unexpired portion of a term and shall be eligible for reappointment to serve a full seven-year term.

K. Each director shall qualify by taking the official oath of office prescribed by general statute.

L. Any person serving on the Board of Directors on the effective date of this act, may serve on the Board as provided in this section if they are so appointed or designated and such person is eligible to serve under the provisions of this section.

M. Any director or designee may be removed for just cause by the Governor.

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

O. The time and place of the regular meetings and the manner in which special meetings may be called shall be set forth in the bylaws of the district. Four directors shall constitute a quorum at any meeting, and, except as otherwise provided in this act or in the bylaws, all action may be taken by the affirmative vote of the majority of the Board present at any such meeting, except that no contracts which involve an amount greater than Twenty-five Thousand Dollars (\$25,000.00), or which are to run for a longer period than one (1) year, and no bonds, notes or other evidence of indebtedness, and no amendment of the bylaws, shall be valid unless authorized or ratified by the affirmative vote of at least four directors.

P. At the first meeting of the Board following the effective date of this act, the members appointed pursuant to this section

shall, by majority vote, elect a chair and chair-elect who shall serve as the vice-chair. The chair and the chair-elect shall serve a term of one (1) year. Thereafter, the membership of the Board shall elect a chair-elect, at the first meeting of each year and the previous chair-elect shall assume the position of chair for the ensuing year. A member may serve more than one term as chair or chair-elect during their tenure on the Board, provided, however, they may only serve one term in any three-year period.

Q. The Asset Committee shall be chaired by the director appointed to represent economic development interests, lake enthusiasts and property owners. Other members of the Committee may be selected by the Board.

R. The Board may appoint temporary or permanent subcommittees which may include employees of the district or other persons for any purpose it deems necessary or appropriate.

S. The Board is authorized to adopt or amend the bylaws of the district as necessary to comply with the provisions of this act.

T. For the purposes of Section 4254 of Title 74 of the Oklahoma Statutes, the directors of this board, appointed pursuant to this section, shall not be considered state officers or state employees.

SECTION 4. AMENDATORY 82 O.S. 2001, Section 864, is amended to read as follows:

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

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

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

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

- a. direct or request the general manager or other authority to appoint or remove officers or employees except as herein provided,
- b. participate in any manner in the appointment or removal of officers and employees of the district, except as provided by law, or

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

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

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

1. Beginning July 1, 1993, and biannually thereafter, the Office of Personnel Management shall conduct a comprehensive classification and compensation study of all classified positions in the Grand River Dam Authority. The study shall ~~include, but not~~ be limited to, an analysis of prevailing rates of pay for all positions in electrical generating utilities for jobs comparable to those performed by employees of the Grand River Dam Authority. A Such study shall compare all classified positions within the Grand River Dam Authority, including support and maintenance staff employees, with comparable positions within other similarly sized electrical generating utilities only. Each biannual report shall be provided to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives and the Board of Directors of the Grand River Dam Authority ~~by January 1, 1994~~. The report shall include an analysis of all classified positions and classifications and recommend an average comparable pay scale developed through the study. The Grand River Dam Authority shall bear the cost of the study;

2. ~~Beginning July 1, 1994,~~ Upon the issuance of any such report, the Board of Directors of the Grand River Dam Authority shall implement the classification and compensation recommendations as appropriate, if fiscal constraints and commitments to ratepayers permit. ~~Such implementation shall be within existing guidelines of the Merit System as determined by the Office of Personnel Management; and~~

3. ~~Beginning July 1, 1997,~~ The Board of Directors of the Grand River Dam Authority may implement adjustments in compensation to correct ~~internal~~ inequities as determined by the Board of Directors. The total of these adjustments and those described in paragraph 2 of this subsection ~~shall not~~ may increase the base payroll in excess of the recommendation in the Office of Personnel Management study.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 864.1 of Title 82, unless there is created a duplication in numbering, reads as follows:

Beginning July 1, 2003, and for the life of a retired employee, the Grand River Dam Authority shall pay Sixty Dollars (\$60.00) of its retired member's, employee only, health insurance premiums as long as the retiree elects to continue participation in one of the

plans offered by the State and Education Employees Group Insurance Board. Such payment made by the Grand River Dam Authority shall be in addition to any amount contributed by the Oklahoma Public Employees Retirement System pursuant to Section 1316.2 of Title 74 of the Oklahoma Statutes. Provided, however, the annual cost for such contributions paid by the Grand River Dam Authority shall not exceed One Hundred Thousand Dollars (\$100,000.00). If the Authority determines the total amount required to pay such premiums for all eligible retirees exceeds One Hundred Thousand Dollars (\$100,000.00) in any given year, the payments shall be prorated among the eligible retirees.

If the sum of the amount paid by the Grand River Dam Authority plus the medical supplement paid by the Oklahoma Public Employees Retirement System pursuant to Section 1316.2 of Title 74 of the Oklahoma Statutes exceeds the amount of the retired member's, employee only, health insurance premium, the authority may reduce the amount it contributes.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4222 of Title 63, unless there is created a duplication in numbering, reads as follows:

Marina owners or operators in this state operating a motor fuel dispensing facility shall not be required to have an attendant or supervisor on duty to supervise, observe or control the dispensing of fuel.

SECTION 7. AMENDATORY 82 O.S. 2001, Section 895, is amended to read as follows:

Section 895. Municipalities are prohibited from ~~exercising the power of eminent domain to annex~~ annexing property which is covered by any body of water subject to the control of the Grand River Dam Authority or from annexing any property located within one thousand (1,000) feet of the high water mark of such body of water, without prior approval of the Grand River Dam Authority Board of Directors. Provided, however, municipalities may annex property by crossing a body of water if the property has been improved with a bridge or similar permanent structure.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-315 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. Members of the Oklahoma Public Employees Retirement System who are active Lake Patrolmen or Dispatchers of the Grand River Dam Authority on June 30, 2003, may make an irrevocable written election on or before January 1, 2004, to participate in the Oklahoma Law Enforcement Retirement System. Such patrolmen and dispatchers who make the election as provided by this section shall be subject to the following:

1. Upon the date the patrolman or dispatcher makes the election pursuant to this section, he or she shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits in the Oklahoma Law Enforcement Retirement System;

2. Prior to the beginning of the month following receipt of the patrolman's or dispatcher's election by the Oklahoma Public Employees Retirement System, the Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement Retirement System all employee contributions and employer contributions including any amounts received by the Oklahoma Public Employees Retirement System on behalf of a transferring member related to a purchase or transfer of credited service to the Oklahoma Public Employees Retirement System. The Oklahoma Public Employees Retirement System shall also send to the Oklahoma Law Enforcement Retirement System the retirement records of the transferring member;

3. To receive service credit accrued by such transferring member prior to the election, or prior to the date as of which the person making the election ceases to be a member of the Oklahoma Public Employees Retirement System, whichever date occurs last, the member shall make an irrevocable written election. The election shall be to either pay the difference between the amount transferred by the Oklahoma Public Employees Retirement System to the Oklahoma Law Enforcement Retirement System in paragraph 2 of this subsection and the amount determined by the Board of Trustees pursuant to Section 2-307.5 of Title 47 of the Oklahoma Statutes to receive full eligible credit for the years sought to be transferred or receive eligible prorated service credit for only the amount received from the Oklahoma Public Employees Retirement System pursuant to this subsection. Payments made by such transferring members pursuant to this paragraph shall be made pursuant to subsection B of Section 2-307.5 of Title 47 of the Oklahoma Statutes;

4. Service credit shall only be transferable pursuant to this section if the transferring member is not receiving or eligible to receive service credit or benefits from said service in any other public retirement system and has not received service credit for the same years of service pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the Oklahoma Statutes. Provided further, that only transferred credited service related to Lake Patrol service as a patrolman or dispatcher with the Grand River Dam Authority and any other law enforcement related service, including service with the Department of Corrections as a correctional officer or probation and parole officer or any credited service that was purchased or transferred to Oklahoma Public Employees Retirement System from the Oklahoma Law Enforcement Retirement System or the Oklahoma Police Pension and Retirement System, shall be included in the determination of an officer's normal retirement date or vesting date in the Oklahoma Law Enforcement Retirement System; and

5. All service credit with the Oklahoma Public Employees Retirement System which is ineligible for transfer to the Oklahoma Law Enforcement Retirement System shall be canceled.

B. Lake Patrolmen and Dispatchers of the Grand River Dam Authority who are hired on or after the effective date of this act, shall participate and be members of the Oklahoma Law Enforcement Retirement System. The Grand River Dam Authority shall be a participating employer in the Oklahoma Law Enforcement Retirement

System for all Grand River Dam Lake Patrolmen and Dispatchers who participate in the Oklahoma Law Enforcement Retirement System.

SECTION 9. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

A. The Secretary of Environment shall direct a comprehensive study of the watershed area of the Grand Lake O' The Cherokees, herein referred to as "Grand Lake" to identify factors that may impact the economic growth and environmental beneficial use of the lake and its tributaries for the existing area residents and the expected population growth of the area.

B. The following state agencies shall participate in the study as directed by the Secretary of Environment:

1. The Grand River Dam Authority;
2. The Department of Environmental Quality;
3. The Oklahoma Water Resources Board;
4. The Oklahoma Department of Agriculture, Food, and Forestry;
5. The Oklahoma Department of Commerce;
6. The Scenic Rivers Commission;
7. The Oklahoma Conservation Commission;
8. The Department of Wildlife Conservation; and
9. Any other agency of the state which the Secretary of Environment deems necessary to assist in the completion of this study.

C. The study shall include, but not be limited to:

1. Requiring all state agencies to document their rules and policies which impact the Grand Lake watershed;
2. Identifying population densities and model expected growth and economic viability within the Grand Lake watershed;
3. Identifying the quantities of all contaminants that occur naturally and those that are introduced to the watershed that presently or in the future may effect beneficial use of the water resource. This shall include, but not be limited to, all point and nonpoint source discharges from state, county, municipal, commercial or private sources; and
4. Any additional information which the Secretary deems necessary to fulfill the requirements of this act.

D. As part of the study created pursuant to this act, or as a separate study, the Secretary of Environment shall direct the Oklahoma Water Resources Board to provide a clean-lake study as

provided for in Section 1085.29 of Title 82 of the Oklahoma Statutes and contract with any other entity necessary to produce a bathymetric map for Grand Lake O' The Cherokees for assessment of current capacity and the amount and location of deposited sediment.

E. The Secretary of Environment may, if he or she deems it appropriate and necessary, appoint subcommittees consisting of any interested stakeholders to assist in the completion of this study.

F. The Secretary of Environment shall submit an initial report of his or her findings of this study to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives by January 30, 2004. Additional reports may be made as the Secretary deems necessary. Activities of the Secretary of Environment relating to this study shall terminate when the Secretary delivers his or her final report or no later than December 31, 2005.

SECTION 10. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The Board is further directed to transfer, within thirty (30) days after the effective date of this act, One Hundred Twenty-five Thousand Dollars (\$125,000.00) to Grand Gateway Economic Development Association for the purpose of providing matching grants for the studies created pursuant to Section 9 of this act and other related projects.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 190 of Title 17, unless there is created a duplication in numbering, reads as follows:

The addition of optical fiber as part of the static wire attached to electricity towers and appurtenant structures together with all associated equipment for the transmission of communications and information services by optical fiber shall be considered a part of the transmission system and shall not constitute an additional burden on the land or require an additional easement or license; provided, however, no additional poles or other structures are installed on the property; and provided further, no additional poles, structures, wires, cables, or other facilities may be placed except as provided by the existing easement; and provided further, no damage shall be permitted either within or outside of the existing easement during the installation, repair, replacement, or maintenance of the optical fiber line.

Communication services or information services provided over such facilities shall be solely for the internal use of the company or cooperative. Such services shall not be offered to any other entity on a wholesale, retail or any other basis.

SECTION 12. REPEALER 63 O.S. 2001, Section 4230.1, is hereby repealed.

SECTION 13. REPEALER 82 O.S. 2001, Section 863A, is hereby repealed.

SECTION 14. This act shall become effective July 1, 2003.

Passed the Senate the 29th day of May, 2003.

Presiding Officer of the Senate

Passed the House of Representatives the 29th day of May, 2003.

Presiding Officer of the House
of Representatives