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CORRECTED PRINTING

SENATE FLOOR VERSION

February 28, 2012

As Amended

SENATE BILL NO. 1506

By: Fields of the Senate

and

Watson of the House

[Grand River Dam Authority - powers, rights and
privileges -
emergency]

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

SECTION 1. AMENDATORY 82 O.S. 2011, 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

1 the Grand River and any of its tributaries in any quantities that
2 may be needed by such municipal corporation;

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

1 district is further authorized to participate in the Southwest Power
2 Pool Integrated Marketplace or any other program established by a
3 Federal Energy Regulatory Commission authorized Regional
4 Transmission Organization in which the district is a member and to
5 engage in the buying and selling of electricity products, fuel
6 commodities, and financial instruments as deemed necessary and
7 prudent by the district. **The Board of Directors shall adopt a**
8 **hedging policy to enable the district to take advantage of standard**
9 **market products to reduce risk while preventing speculative trading**
10 **and potential abuses;**

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

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

17 (e) To acquire by purchase, lease, gift, or in any other
18 manner, and to maintain, use and operate or to contract for the
19 maintenance, use and operation of any and all property of any kind,
20 real, personal, or mixed, or any interest therein, including trucks
21 of any size or weight and passenger vehicles and to own, construct,
22 operate and maintain any project or works in conjunction or jointly
23 with, as tenants in common, any public or private corporation duly
24 authorized and qualified to do business within this state including,

1 but not limited to, rural electric cooperatives of the State of
2 Oklahoma or the United States of America, or any department,
3 subdivision or agency of the State of Oklahoma or the United States
4 of America, or with any "public agency" as defined under the
5 Interlocal Cooperation Act, ~~Sections 1001 through 1008 of Title 74~~
6 ~~of the Oklahoma Statutes~~, within or without the boundaries of the
7 district, necessary, incidental or convenient to the exercise of the
8 powers, rights, privileges and functions conferred upon it by ~~this~~
9 ~~act~~ the Grand River Dam Authority Act;

10 (f) In addition to any other powers conferred, the district
11 shall have power and authority to participate and enter into
12 agreements with any public or private corporation duly authorized
13 and qualified to do business within the State of Oklahoma including,
14 but not limited to, rural electric cooperatives, the state or the
15 United States of America or any department, subdivision or agency of
16 the state or the United States of America, or with any "public
17 agency" as defined under the Interlocal Cooperation Act, ~~Sections~~
18 ~~1001 through 1008 of Title 74 of the Oklahoma Statutes~~, for the
19 purpose of planning, acquiring, financing, owning, operating and
20 maintaining an undivided ownership of any steam, oil, gas, coal-
21 fired, thermal, geothermal, solar, waste or refuse reclamation
22 powered electric generating plant or plants or any facilities of
23 every kind necessary, incidental or convenient for the production,
24 generation and transmission of electric power and energy including,

1 but not limited to, any and all related transmission facilities,
2 which shall be used as common facilities. The agreements shall
3 provide that the district and any participants therein shall have
4 the incidents of tenant in common to any plant or facility. It
5 shall also be provided in the agreements that the district and any
6 participant in the project shall own a percentage of any common
7 facility equal to the percentage of the money furnished or the value
8 of property supplied by it for the acquisition and construction
9 thereof and shall own and control a like percentage of the
10 electrical output thereof.

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

19 In carrying out the powers granted in this section, the district
20 and each participant shall be severally liable only for its own acts
21 and not jointly or severally liable for the acts, omissions or
22 obligations of others. No money or property supplied by the
23 district or any participant for the planning, financing, acquiring,
24 constructing, operating or maintaining of any common plant or

1 facility shall be credited or otherwise applied to the account of
2 any other participant therein, nor shall the undivided share of the
3 district or any participant therein be charged, directly or
4 indirectly, with any debt or obligation of any other participant or
5 be subject to any lien as a result thereof. No action in connection
6 with a common facility shall be binding upon the district except as
7 expressly authorized and provided for in the participation
8 agreement;

9 (g) In addition to the powers conferred in paragraph (f) of
10 this section, the district shall have power and authority to
11 participate and enter into agreements with any public or private
12 corporation duly authorized and qualified to do business within this
13 state including, but not limited to, rural electric cooperatives,
14 the State of Oklahoma or the United States of America or any
15 department, subdivision or agency of the State of Oklahoma or the
16 United States of America, or with any "public agency" as defined
17 under the Interlocal Cooperation Act, ~~Sections 1001 through 1008 of~~
18 ~~Title 74 of the Oklahoma Statutes~~, for the purpose of planning,
19 acquiring, financing, owning, operating and maintaining undivided
20 ownership interests in any steam, oil, gas, coal-fired, thermal,
21 geothermal, solar, waste or refuse reclamation powered electric
22 generating plant or plants or any other facilities of every kind
23 necessary, incidental or convenient for the production, generation
24 and transmission of electric power and energy including, but not

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

23 Each participant shall defray its own interest and other
24 payments required to be made or deposited in connection with any

1 financing undertaken by it to pay its percentage of the money
2 furnished or value of property supplied by it for the planning,
3 acquisition and construction of any common facility, or any
4 additions or betterments thereto. The agreement shall provide a
5 uniform method of determining and allocating operation and
6 maintenance expenses of the common facility.

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

21 (h) To acquire by condemnation any and all property of any
22 kind, real, personal, or mixed, or any interest therein, within or
23 without the boundaries of the district, necessary, incidental or
24 convenient to the exercise of the powers, rights, privileges and

1 functions conferred upon it by ~~this act~~ the Grand River Dam
2 Authority Act, in the manner provided by general law with respect to
3 condemnation; provided that nothing in ~~this act~~ the Grand River Dam
4 Authority Act shall ever be construed to authorize the district to
5 acquire by condemnation any privately, municipally or publicly owned
6 electric public utility system or any part thereof outside of the
7 high-water mark of a reservoir area or outside a properly located
8 damsite, except the districts may require the relocation of
9 transmission lines and substations so owned where such relocation is
10 necessary for the construction and maintenance of dams, reservoirs,
11 levees, spillways and floodways, and in such event just compensation
12 shall be paid. Provided that the Grand River Dam Authority shall
13 have the right to cross transmission lines of other electric utility
14 companies under proper engineering standards of construction as
15 approved by the Corporation Commission;

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

22 (j) To overflow and inundate any public lands and public
23 property and to require the relocation of roads and highways in the
24 manner and to the extent necessary to carry out the purposes of ~~this~~

1 ~~act~~ the Grand River Dam Authority Act; provided, that ~~said~~ the
2 district shall be liable in damages to the State of Oklahoma or any
3 subdivision thereof for any injury occasioned or expense incurred by
4 reason thereof;

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

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

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

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

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

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1 (p) To make contracts and to execute instruments necessary,
2 incidental or convenient to the exercise of the powers, rights,
3 privileges and functions conferred upon it by ~~this act~~ the Grand
4 River Dam Authority Act;

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

18 (r) To prescribe and enforce rules for the use for recreational
19 and commercial purposes of the lakes created by the district by
20 impounding the waters of ~~said~~ the lakes, and the shorelands of the
21 district bordering thereon, including the use of firearms, the
22 inspection of all boats of every character proposing to operate or
23 operating on ~~said~~ the lakes, the issuance of permits for the
24 operation of boats, surfboards, aquaplanes, sea-skis or similar

1 devices on ~~said~~ the lakes for hire; the charging and collection of
2 fees for the inspection or operation of such boats, surfboards,
3 aquaplanes, sea-skis or other similar devices on ~~said~~ the lakes for
4 hire; preventing the launching or operation of any commercial or
5 for-hire boat, surfboard, aquaplane, sea-ski or similar device for
6 hire, on the waters of ~~said~~ the lakes, without a certificate of
7 inspection and a permit for such use; prescribing the type, style,
8 location and equipment of all wharves, docks and anchorages along
9 the shores and upon the water of ~~said~~ the lakes; the issuance of
10 permits for wharfage, dock or anchorage privileges and charging fees
11 for such commercial or private permits; and the establishment and
12 maintenance of public wharves, docks or anchorages and the charging
13 and collection of fees for the use thereof by the public; to appoint
14 or employ such persons as the district may deem proper and suitable
15 for the purpose of enforcing such rules and regulations as may be
16 issued hereunder, or as may be issued pursuant to the provisions of
17 ~~Sections 4200 et seq. of Title 63 of the Oklahoma Statutes~~ the
18 Oklahoma Boating Safety Regulation Act, and for the enforcing of the
19 provisions of ~~this act~~ the Grand River Dam Authority Act, and all
20 violations of criminal laws occurring within the boundaries of the
21 counties where real property owned or leased by the Grand River Dam
22 Authority is located, which employees shall have the power of peace
23 officers during the performance of those duties, except in the
24 serving or execution of civil process;

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

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

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1 and for the support of its penal, charitable, and educational
2 institutions; and

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

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

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1 SECTION 2. It being immediately necessary for the preservation
2 of the public peace, health and 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, dated 2-23-12 - DO PASS,
6 As Amended and Coauthored.

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