

1 **SENATE FLOOR VERSION**

2 February 28, 2011

3 SENATE BILL NO. 248

By: David and Fields of the
Senate

4 and

5 Rousset of the House
6

7
8 An Act relating to the Grand River Dam Authority;
9 amending 82 O.S. 2001, Section 862, as last amended
10 by Section 1, Chapter 301, O.S.L. 2008 (82 O.S. Supp.
11 2010, Section 862), which relates to powers, rights
12 and privileges of the district; authorizing certain
13 rural water districts to take water from certain
14 sources with no fee; updating language; and providing
15 an effective date.

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

17 SECTION 1. AMENDATORY 82 O.S. 2001, Section 862, as last
18 amended by Section 1, Chapter 301, O.S.L. 2008 (82 O.S. Supp. 2010,
19 Section 862), is amended to read as follows:

20 Section 862. The ~~district~~ Grand River Dam Authority herein
21 referred to as the "district" shall have and is hereby authorized to
22 exercise the following powers, rights and privileges:

23 (a) 1. To control, store and preserve, within the boundaries of
24 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

1 corporation or Rural Water District organized under the provisions
2 of Section 1324.1 et seq. of this title within the area included
3 within the jurisdiction of the ~~said~~ Grand River Dam Authority shall
4 be entitled to take water from the Grand River and any of its
5 tributaries in any quantities that may be needed by such municipal
6 corporation or rural water district without payment of any fee or
7 charge for such water;

8 ~~(b)~~ 2. To develop and generate water power, electric power and
9 electric energy, from whatever source, within the boundaries of the
10 district; to acquire coal or other minerals to be used for the
11 purposes of providing energy sources for electrical generating
12 plants; to acquire or lease any and all railroad connections,
13 equipment, rolling stock, trackage and otherwise, necessary to the
14 transporting of coal and other minerals to generating plant sites
15 within the district; and to buy, sell, resell, interchange and
16 distribute electric power and energy in order to carry forward the
17 business and functions of the district now or hereafter authorized
18 by law and may enter into contracts for such purposes, such
19 contracts to run for a period of not to exceed fifty (50) years
20 except those contracts provided for in paragraphs ~~(f)~~ 6 and ~~(g)~~ 7 of
21 this section. All contracts may contain such reasonable provisions,
22 limitations, qualifications, protective clauses and rights and
23 obligations of purchase and sale, and such provisions for the
24 dedication of the use of facilities and the construction of

1 additional facilities to serve the load requirements of all the
2 parties as may be deemed advisable by the district to safeguard the
3 business and properties of all the parties to such contracts, all
4 within the limits of sound business judgment and practice, good
5 conscience, and not contrary to the public policy of the state;

6 ~~(e)~~ 3. To prevent or aid in the prevention of damage to person
7 or property from the waters of the Grand River and its tributaries;

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

12 ~~(e)~~ 5. To acquire by purchase, lease, gift, or in any other
13 manner, and to maintain, use and operate or to contract for the
14 maintenance, use and operation of any and all property of any kind,
15 real, personal, or mixed, or any interest therein, including trucks
16 of any size or weight and passenger vehicles and to own, construct,
17 operate and maintain any project or works in conjunction or jointly
18 with, as tenants in common, any public or private corporation duly
19 authorized and qualified to do business within this state including,
20 but not limited to, rural electric cooperatives of the State of
21 Oklahoma or the United States of America, or any department,
22 subdivision or agency of the State of Oklahoma or the United States
23 of America, or with any "public agency" as defined under the
24 Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74

1 of the Oklahoma Statutes, within or without the boundaries of the
2 district, necessary, incidental or convenient to the exercise of the
3 powers, rights, privileges and functions conferred upon it by ~~this~~
4 ~~act~~ Section 861 et seq. of this title;

5 ~~(f)~~ 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, Sections
13 1001 through 1008 of Title 74 of the Oklahoma Statutes, for the
14 purpose of planning, acquiring, financing, owning, operating and
15 maintaining an undivided ownership of any steam, oil, gas,
16 coal-fired, thermal, geothermal, solar, waste or refuse reclamation
17 powered electric generating plant or plants or any facilities of
18 every kind necessary, incidental or convenient for the production,
19 generation and transmission of electric power and energy including,
20 but not limited to, any and all related transmission facilities,
21 which shall be used as common facilities. The agreements shall
22 provide that the district and any participants therein shall have
23 the incidents of tenant in common to any plant or facility. It
24 shall also be provided in the agreements that the district and any

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

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

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

1 with a common facility shall be binding upon the district except as
2 expressly authorized and provided for in the participation
3 agreement;

4 ~~(g)~~ 7. In addition to the powers conferred in paragraph (f) of
5 this section, the district shall have power and authority to
6 participate and enter into agreements with any public or private
7 corporation duly authorized and qualified to do business within this
8 state including, but not limited to, rural electric cooperatives,
9 the State of Oklahoma or the United States of America or any
10 department, subdivision or agency of the State of Oklahoma or the
11 United States of America, or with any "public agency" as defined
12 under the Interlocal Cooperation Act, Sections 1001 through 1008 of
13 Title 74 of the Oklahoma Statutes, for the purpose of planning,
14 acquiring, financing, owning, operating and maintaining undivided
15 ownership interests in any steam, oil, gas, coal-fired, thermal,
16 geothermal, solar, waste or refuse reclamation powered electric
17 generating plant or plants or any other facilities of every kind
18 necessary, incidental or convenient for the production, generation
19 and transmission of electric power and energy including, but not
20 limited to, any and all related transmission or other facilities
21 which are to be used as common facilities and to cooperate with
22 other state agencies and public trusts to promote economic
23 development in the state and to assist in attracting industry to the
24 state. Such undivided ownership interests may be created by an

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

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

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

17 ~~(h)~~ 8. To acquire by condemnation any and all property of any
18 kind, real, personal, or mixed, or any interest therein, within or
19 without the boundaries of the district, necessary, incidental or
20 convenient to the exercise of the powers, rights, privileges and
21 functions conferred upon it by ~~this act~~ Section 861 et seq. of this
22 title, in the manner provided by general law with respect to
23 condemnation; provided that nothing in ~~this act~~ Section 861 et seq.
24 of this title shall ever be construed to authorize the district to

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

12 ~~(i)~~ 9. Subject to the provisions of ~~this act~~ Section 861 et
13 seq. of this title, from time to time sell, which shall include, but
14 not be limited to, an installment sale agreement, lease with nominal
15 purchase options, or otherwise dispose of any property of any kind,
16 real, personal or mixed, or any interest therein, which shall not be
17 necessary to the carrying on of the business of the district;

18 ~~(j)~~ 10. To overflow and inundate any public lands and public
19 property and to require the relocation of roads and highways in the
20 manner and to the extent necessary to carry out the purposes of ~~this~~
21 ~~act~~ Section 861 et seq. of this title; provided, that ~~said~~ the
22 district shall be liable in damages to the State of Oklahoma or any
23 subdivision thereof for any injury occasioned or expense incurred by
24 reason thereof;

1 ~~(k)~~ 11. To construct, extend, improve, maintain and
2 reconstruct, to cause to be constructed, extended, improved,
3 maintained and reconstructed, and to use and operate any and all
4 facilities of any kind necessary, incidental or convenient to the
5 exercise of such powers, rights, privileges and functions;

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

12 ~~(m)~~ 13. To adopt, use and alter a corporate seal;

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

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

20 ~~(p)~~ 16. To make contracts and to execute instruments necessary,
21 incidental or convenient to the exercise of the powers, rights,
22 privileges and functions conferred upon it by ~~this act~~ Section 861
23 et seq. of this act;

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1 ~~(g)~~ 17. To borrow money for its corporate purposes and, without
2 limitation of the generality of the foregoing, to borrow money and
3 accept grants from the United States of America, or from any
4 corporation or agency created or designated by the United States of
5 America, and, in connection with any such loan or grant, to enter
6 into such agreements as the United States of America or such
7 corporation or agency may require; and to make and issue its
8 negotiable bonds for money borrowed, in the manner provided in ~~this~~
9 ~~act~~ Section 861 et seq. of this title. Nothing in ~~this act~~ Section
10 861 et seq. of this title shall authorize the issuance of any bonds,
11 notes or other evidences of indebtedness of the district, except as
12 specifically provided in ~~this act~~ Section 861 et seq. of this title;

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

1 similar device for hire, on the waters of ~~said~~ the lakes, without a
2 certificate of inspection and a permit for such use; prescribing the
3 type, style, location and equipment of all wharves, docks and
4 anchorages along the shores and upon the water of ~~said~~ the lakes;
5 the issuance of permits for wharfage, dock or anchorage privileges
6 and charging fees for such commercial or private permits; and the
7 establishment and maintenance of public wharves, docks or anchorages
8 and the charging and collection of fees for the use thereof by the
9 public; to appoint or employ such persons as the district may deem
10 proper and suitable for the purpose of enforcing such rules and
11 regulations as may be issued hereunder, or as may be issued pursuant
12 to the provisions of Sections 4200 et seq. of Title 63 of the
13 Oklahoma Statutes, and for the enforcing of the provisions of ~~this~~
14 ~~act~~ Section 861 et seq. of this title, and all violations of
15 criminal laws occurring within the boundaries of the counties where
16 real property owned or leased by the Grand River Dam Authority is
17 located, which employees shall have the power of peace officers
18 during the performance of those duties, except in the serving or
19 execution of civil process;

20 ~~(s)~~ 19. To do any and all other acts or things necessary,
21 incidental or convenient to the exercise of the powers, rights,
22 privileges or functions conferred upon it by ~~this act~~ Section 861 et
23 seq. of this title or any other act or law. Provided ~~said~~ the
24 district shall be liable for damage caused by ~~said~~ the district, its

1 agents, servants and employees in creating, constructing,
2 maintaining or operating ~~said~~ the district to any corporation,
3 partnership, person or individual whose property, either real or
4 personal, within or without ~~said~~ the district, has been damaged and
5 ~~said~~ the damages may be determined by appropriate action as provided
6 by law. Nothing in ~~this act~~ Section 861 et seq. of this title shall
7 be construed as rendering the district liable for damage where it is
8 not liable on general principles of law or statute or Constitutional
9 provision.

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

21 ~~(t)~~ 20. To support and assist the efforts of state, regional
22 and local development organizations, political subdivisions,
23 industrial committees, chambers of commerce, tourism organizations,
24 agricultural organizations, environmental organizations and other

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

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

18 SECTION 2. This act shall become effective November 1, 2011.

19 COMMITTEE REPORT BY: COMMITTEE ON ENERGY, dated 2-24-11 - DO PASS,
20 As Coauthored.

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