

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2504

By: Watson

4
5 AS INTRODUCED

6 An Act relating to the Grand River Dam Authority;
7 amending 82 O.S. 2011, Section 862, which relates to
8 the powers, rights, and privileges of the district;
9 updating statutory language and citations;
10 authorizing the district to enter into certain
11 agreements which provide for indemnifications;
12 prohibiting agreements that allow for certain
13 liability; requiring certain findings to be included
14 in the minutes of a meeting of the Board of
15 Directors; and declaring an emergency.

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

17 SECTION 1. AMENDATORY 82 O.S. 2011, Section 862, is
18 amended to read as follows:

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

21 ~~(a)~~ 1. To control, store and preserve, within the boundaries of
22 the district, the waters of Grand River and its tributaries, for any
23 useful purpose, and to use, distribute and sell the same within the
24 boundaries of the district; ~~provided, however, that any.~~ Any
municipal corporation within the area included within the
jurisdiction of the ~~said~~ Grand River Dam Authority shall be entitled

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

3 ~~(b)~~ 2. 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)~~ 6 and ~~(g)~~ 7 of
16 this ~~section~~ subsection. All contracts may contain such reasonable
17 provisions, limitations, qualifications, protective clauses and
18 rights and obligations of purchase and sale, and such provisions for
19 the 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;

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

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

7 ~~(e)~~ 5. To acquire by purchase, lease, gift, or in any other
8 manner, and to maintain, use and operate or to contract for the
9 maintenance, use and operation of any and all property of any kind,
10 real, personal, or mixed, or any interest therein, including trucks
11 of any size or weight and passenger vehicles and to own, construct,
12 operate and maintain any project or works in conjunction or jointly
13 with, as tenants in common, any public or private corporation duly
14 authorized and qualified to do business within this state including,
15 but not limited to, rural electric cooperatives of the State of
16 Oklahoma or the United States of America, or any department,
17 subdivision or agency of the State of Oklahoma or the United States
18 of America, or with any "public agency" as defined under the
19 Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74
20 of the Oklahoma Statutes, within or without the boundaries of the
21 district, necessary, incidental or convenient to the exercise of the
22 powers, rights, privileges and functions conferred upon it by this
23 act;

24

1 ~~(f)~~ 6. In addition to any other powers conferred, the district
2 shall have power and authority to participate and enter into
3 agreements with any public or private corporation duly authorized
4 and qualified to do business within the State of Oklahoma including,
5 but not limited to, rural electric cooperatives, the state or the
6 United States of America or any department, subdivision or agency of
7 the state or the United States of America, or with any "public
8 agency" as defined under the Interlocal Cooperation Act, Sections
9 1001 through 1008 of Title 74 of the Oklahoma Statutes, for the
10 purpose of planning, acquiring, financing, owning, operating and
11 maintaining an undivided ownership of any steam, oil, gas, coal-
12 fired, thermal, geothermal, solar, waste or refuse reclamation
13 powered electric generating plant or plants or any facilities of
14 every kind necessary, incidental or convenient for the production,
15 generation and transmission of electric power and energy including,
16 but not limited to, any and all related transmission facilities,
17 which shall be used as common facilities. The agreements shall
18 provide that the district and any participants therein shall have
19 the incidents of tenant in common to any plant or facility. It
20 shall also be provided in the agreements that the district and any
21 participant in the project shall own a percentage of any common
22 facility equal to the percentage of the money furnished or the value
23 of property supplied by it for the acquisition and construction
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1 thereof and shall own and control a like percentage of the
2 electrical output thereof.

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

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

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

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

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

23 In carrying out the powers granted in this section, the district
24 and each participant shall be severally liable only for its own acts

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

13 ~~(h)~~ 8. To acquire by condemnation any and all property of any
14 kind, real, personal, or mixed, or any interest therein, within or
15 without the boundaries of the district, necessary, incidental or
16 convenient to the exercise of the powers, rights, privileges and
17 functions conferred upon it by this act, in the manner provided by
18 general law with respect to condemnation; provided that nothing in
19 this act shall ever be construed to authorize the district to
20 acquire by condemnation any privately, municipally or publicly owned
21 electric public utility system or any part thereof outside of the
22 high-water mark of a reservoir area or outside a properly located
23 damsite, except the districts may require the relocation of
24 transmission lines and substations so owned where such relocation is

1 necessary for the construction and maintenance of dams, reservoirs,
2 levees, spillways and floodways, and in such event just compensation
3 shall be paid. Provided that the Grand River Dam Authority shall
4 have the right to cross transmission lines of other electric utility
5 companies under proper engineering standards of construction as
6 approved by the Corporation Commission;

7 ~~(i)~~ 9. Subject to the provisions of this act, from time to time
8 sell, which shall include, but not be limited to, an installment
9 sale agreement, lease with nominal purchase options, or otherwise
10 dispose of any property of any kind, real, personal or mixed, or any
11 interest therein, which shall not be necessary to the carrying on of
12 the business of the district;

13 ~~(j)~~ 10. To overflow and inundate any public lands and public
14 property and to require the relocation of roads and highways in the
15 manner and to the extent necessary to carry out the purposes of this
16 act; provided, that said district shall be liable in damages to the
17 State of Oklahoma or any subdivision thereof for any injury
18 occasioned or expense incurred by reason thereof;

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

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

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

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

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

15 ~~(p)~~ 16. To make contracts and to execute instruments necessary,
16 incidental or convenient to the exercise of the powers, rights,
17 privileges and functions conferred upon it by this act;

18 ~~(q)~~ 17. To borrow money for its corporate purposes and, without
19 limitation of the generality of the foregoing, to borrow money and
20 accept grants from the United States of America, or from any
21 corporation or agency created or designated by the United States of
22 America, and, in connection with any such loan or grant, to enter
23 into such agreements as the United States of America or such
24 corporation or agency may require; and to make and issue its

1 negotiable bonds for money borrowed, in the manner provided in this
2 act. Nothing in this act shall authorize the issuance of any bonds,
3 notes or other evidences of indebtedness of the district, except as
4 specifically provided in this act;

5 ~~(*)~~ 18. To prescribe and enforce rules for the use for
6 recreational and commercial purposes of the lakes created by the
7 district by impounding the waters of said lakes, and the shorelands
8 of the district bordering thereon, including the use of firearms,
9 the inspection of all boats of every character proposing to operate
10 or operating on said lakes, the issuance of permits for the
11 operation of boats, surfboards, aquaplanes, sea-skis or similar
12 devices on said lakes for hire; the charging and collection of fees
13 for the inspection or operation of such boats, surfboards,
14 aquaplanes, sea-skis or other similar devices on said lakes for
15 hire; preventing the launching or operation of any commercial or
16 for-hire boat, surfboard, aquaplane, sea-ski or similar device for
17 hire, on the waters of said lakes, without a certificate of
18 inspection and a permit for such use; prescribing the type, style,
19 location and equipment of all wharves, docks and anchorages along
20 the shores and upon the water of said lakes; the issuance of permits
21 for wharfage, dock or anchorage privileges and charging fees for
22 such commercial or private permits; and the establishment and
23 maintenance of public wharves, docks or anchorages and the charging
24 and collection of fees for the use thereof by the public; to appoint

1 or employ such persons as the district may deem proper and suitable
2 for the purpose of enforcing such rules and regulations as may be
3 issued hereunder, or as may be issued pursuant to the provisions of
4 ~~Sections~~ Section 4200 et seq. of Title 63 of the Oklahoma Statutes,
5 and for the enforcing of the provisions of this act, and all
6 violations of criminal laws occurring within the boundaries of the
7 counties where real property owned or leased by the Grand River Dam
8 Authority is located, which employees shall have the power of peace
9 officers during the performance of those duties, except in the
10 serving or execution of civil process;

11 ~~(s)~~ 19. To do any and all other acts or things necessary,
12 incidental or convenient to the exercise of the powers, rights,
13 privileges or functions conferred upon it by this act or any other
14 act or law. Provided said district shall be liable for damage
15 caused by said district, its agents, servants and employees in
16 creating, constructing, maintaining or operating said district to
17 any corporation, partnership, person or individual whose property,
18 either real or personal, within or without said district, has been
19 damaged and said damages may be determined by appropriate action as
20 provided by law. Nothing in this act shall be construed as
21 rendering the district liable for damage where it is not liable on
22 general principles of law or statute or Constitutional provision.

23 Provided, however, that in the course of exercising its powers
24 as herein enumerated, the said district shall at all times consider

1 the rights and needs of the people living within and upon the land
2 lying within the watershed of the rivers or streams developed by the
3 district; ~~provided, however, that nothing herein.~~ Nothing in this
4 section shall prevent the district from selling for irrigation
5 purposes within the boundaries of the district any water impounded
6 by it under authority of law, ~~provided that nothing herein~~
7 ~~contained.~~ Nothing in this section shall authorize the state to
8 engage in agriculture except for educational and scientific purposes
9 and for the support of its penal, charitable, and educational
10 institutions; ~~and~~

11 ~~(t)~~ 20. To support and assist the efforts of state, regional
12 and local development organizations, political subdivisions,
13 industrial committees, chambers of commerce, tourism organizations,
14 agricultural organizations, environmental organizations and other
15 similar public and private agencies to obtain new and foster
16 expansion of existing service, industrial and manufacturing
17 facilities, businesses and enterprises to enhance the quality of
18 life for the citizens of the district and the state. Provided,
19 support and assistance shall be limited to an amount not to exceed a
20 total of Twenty-five Thousand Dollars (\$25,000.00) per year for one
21 or more projects or efforts that are for the benefit of or impact
22 the quality of life for each city or community located within the
23 boundaries of the district; and

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1 21. To enter into agreements, notwithstanding any other
2 provision of law, for the purchase of goods, products, equipment,
3 services and information technology which provide for the
4 indemnification of the seller. Any agreement shall not subject the
5 district to liability related to the negligence of the seller or a
6 third party. Prior to entering into any agreement, the minutes of a
7 meeting of the Board of Directors of the district shall reflect the
8 sound business judgment and rational basis for entering into the
9 agreement.

10 ~~(u)~~ B. 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. It being immediately necessary for the preservation
19 of the public peace, health and safety, an emergency is hereby
20 declared to exist, by reason whereof this act shall take effect and
21 be in full force from and after its passage and approval.

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