

1 **SENATE FLOOR VERSION**

2 April 4, 2013

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 1350

By: Cox, Hoskin and Sherrer of
the House

and

Fields of the Senate

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9 An Act relating to the Grand River Dam Authority;
10 amending 82 O.S. 2011, Section 864, as amended by
11 Section 1061, Chapter 304, O.S.L. 2012 (82 O.S. Supp.
12 2012, Section 864), which relates to the Board of
13 Directors; requiring Board approval for certain
14 actions; amending 82 O.S. 2011, Section 874, which
15 relates to the mortgage, sale, lease or other
16 disposition of property; allowing the Grand River Dam
17 Authority to sell electrical system equipment to
18 customers; requiring approval of the Board of
19 Directors; making sales exempt from certain provision
20 and the Oklahoma Surplus Property Act; and declaring
21 an emergency.

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

23 SECTION 1. AMENDATORY 82 O.S. 2011, Section 864, as
24 amended by Section 1061, Chapter 304, O.S.L. 2012 (82 O.S. Supp.
2012, 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

1 appointment of a secretary, or in the event of absence or inability
2 to act, a secretary pro tempore shall be selected by the Board.

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

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

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

15 a. direct or request the general manager or other
16 authority to appoint or remove officers or employees
17 except as herein provided,

18 b. participate in any manner in the appointment or
19 removal of officers and employees of the district,
20 except as provided by law, or

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

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

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

9 1. Beginning July 1, 1993, and biannually thereafter, the
10 Office of Management and Enterprise Services shall conduct a
11 comprehensive classification and compensation study of all
12 classified positions in the Grand River Dam Authority. The study
13 shall be limited to an analysis of prevailing rates of pay for all
14 positions in electrical generating utilities for jobs comparable to
15 those performed by employees of the Grand River Dam Authority. Such
16 study shall compare all classified positions within the Grand River
17 Dam Authority, including support and maintenance staff employees,
18 with comparable positions within other similarly sized electrical
19 generating utilities only. Each biannual report shall be provided
20 to the Governor, the President Pro Tempore of the Senate, the
21 Speaker of the House of Representatives and the Board of Directors
22 of the Grand River Dam Authority. The report shall include an
23 analysis of all classified positions and classifications and
24 recommend an average comparable pay scale developed through the

1 study. The Grand River Dam Authority shall bear the cost of the
2 study;

3 2. Upon the issuance of any such report, the Board of Directors
4 of the Grand River Dam Authority shall implement the classification
5 and compensation recommendations as appropriate, if fiscal
6 constraints and commitments to ratepayers permit; and

7 3. The Board of Directors of the Grand River Dam Authority may
8 implement adjustments in compensation to correct inequities as
9 determined by the Board of Directors. The total of these
10 adjustments and those described in paragraph 2 of this subsection
11 may increase the base payroll in excess of the recommendation in the
12 Office of Management and Enterprise Services study.

13 SECTION 2. AMENDATORY 82 O.S. 2011, Section 874, is
14 amended to read as follows:

15 Section 874. A. Nothing in Sections 861 through 890 of this
16 title shall be construed as authorizing the district and it shall
17 not be authorized to mortgage or otherwise encumber any of its
18 property of any kind, real, personal or mixed, or any interest
19 therein, or to acquire any property or interest subject to a
20 mortgage or conditional sale, provided that this section shall not
21 be construed as preventing the pledging of the revenues of the
22 district as herein authorized.

23 B. Nothing in Sections 861 through 890 of this title shall be
24 construed as authorizing the sale, lease or other disposition of any

1 property or interest of the district by the district or any receiver
2 of any of its properties or through any court proceeding or
3 otherwise.

4 C. 1. The district may sell for cash, subject to competitive
5 bidding as provided by the Board of Directors of the Grand River Dam
6 Authority, any property or interest in an aggregate value not
7 exceeding the sum of Five Hundred Thousand Dollars (\$500,000.00) in
8 any one (1) year, except that the district may sell any or all
9 surplus property that the district may have acquired without regard
10 to the limitations herein, if the Board, by the affirmative vote of
11 five or more of the members, shall have determined that the same is
12 not necessary to the business of the district and shall have
13 approved the terms of any sale.

14 2. Notwithstanding any other provision of law, the district may
15 sell real and personal property used for an electrical substation,
16 transformer station, switch station, or similar purpose to a rural
17 electric cooperative corporation which has an ownership interest in
18 an electricity generating station in which the district also has an
19 ownership interest. Sales pursuant to this paragraph shall be
20 exempt from the requirements and limitations of paragraph 1 of this
21 subsection and from the requirements of Section 129.4 of Title 74 of
22 the Oklahoma Statutes.

23 3. Notwithstanding any other provision of law, the district may
24 sell any electrical system equipment that the district may have

1 acquired to a customer of the district if the Board determines by
2 the affirmative vote of five (5) or more of the members that the
3 property is not necessary to the business of the district, that the
4 property will remain in service for the use of its customer and
5 approves the terms of the sale. Sales pursuant to this paragraph
6 shall be exempt from the requirements and limitations of paragraph 1
7 of this subsection and exempt from the requirements of the Oklahoma
8 Surplus Property Act.

9 D. The district may lease any of its lands if the Board, by the
10 affirmative vote of five or more of the members, shall have
11 determined that the same can be leased without injury to or without
12 interference with the operations of the project, and shall have
13 approved the terms of any lease. Except as otherwise provided, no
14 shorelands (lands lying between the low and high water marks) shall
15 be leased for a term longer than two (2) years and not more than
16 one-fourth (1/4) mile of the lake front shall be leased to any one
17 person, firm or corporation. The district may lease shorelands for
18 a term longer than two (2) years and more than one-fourth (1/4) mile
19 of lake front may be leased to any one person, firm, or corporation
20 without regard to the limitations herein, if the Board, by the
21 affirmative vote of a majority of the members, determines that the
22 lease is necessary or beneficial to the business of the district.
23 The district may lease shorelands to political subdivisions,
24 agencies of the State of Oklahoma, or tax-exempt public trusts, for

1 any public purpose, on such terms as are mutually satisfactory to
2 the parties, notwithstanding the limitations herein. No lease shall
3 deprive the owner of any land adjacent to the shorelands or lake
4 front, or abutting thereon, of ingress or egress to and from the
5 water of the lakes and shall not deprive the owner of any wharf,
6 dock or boat anchorage privileges that would belong to the owner if
7 the shorelands or lake front were not leased.

8 E. It is the intention of Sections 861 through 890 of this
9 title that, except by sale, lease or agreement as expressly
10 authorized in Sections 861 through 890 of this title, no property or
11 interest of the district shall ever come into the ownership or
12 control, directly or indirectly, of any person, firm or corporation
13 other than a public authority created under the laws of the State of
14 Oklahoma.

15 F. Nothing in this section shall be construed as preventing the
16 district from contracting with the United States or any agency
17 thereof for the temporary possession, control and use of properties
18 by the United States or any agency thereof for the safety and
19 defense of the United States in time of a national emergency or in
20 anticipation thereof.

21 G. All property of the district shall be at all times exempted
22 from forced sale, and nothing contained in Sections 861 through 890
23 of this title shall authorize the sale of any of the property of the
24 district under any judgment rendered in any suit, and such sales are

1 hereby prohibited and forbidden. The provisions of this subsection
2 shall not apply to any property constructed on a lease or the
3 interest in a lease of shoreland that has been entered into by the
4 district pursuant to subsection B of this section for a term of
5 longer than two (2) years, provided the provisions of the lease
6 authorizing the mortgage and forced sale of the property or lease
7 interest has been approved by an affirmative vote of a majority of
8 the members of the Board.

9 H. The provisions of this section shall not apply to any sale
10 agreement, lease agreement or other agreement entered into by the
11 district pursuant to paragraphs (f) or (g) of Section 862 of this
12 title, provided that the agreement is in compliance with any
13 applicable provision restricting the sale or leasing of property by
14 the district contained in any resolution of the district providing
15 for the issuance of revenue bonds.

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

20 COMMITTEE REPORT BY: COMMITTEE ON ENERGY
21 April 4, 2013 - DO PASS AS AMENDED
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