

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1852

By: Osborn (Leslie)

AS INTRODUCED

An Act relating to water and water rights; amending 82 O.S. 2011, Sections 862, as last amended by Section 2, Chapter 297, O.S.L. 2016 and 874, as last amended by Section 48, Chapter 210, O.S.L. 2016(82 O.S. Supp. 2016, Sections 862 and 874), which relate to the Grand River Dam Authority; modifying reference; modifying provisions related to asset transfers of the Grand River Dam Authority; authorizing certain public officials to sell, lease, transfer or otherwise dispose of property or interests of the Grand River Dam Authority; providing for transfer of title; authorizing disposition of proceeds; providing for access to information of the Grand River Dam Authority; providing for procedures related to agreement by officials; requiring Secretary of Finance to prepare report; prescribing content of report; authorizing competitive bidding processes; requiring identification of assets or properties; providing for issuance of regulations; prescribing content of regulations; requiring report regarding results of competitive bidding process; authorizing public officials to enter into transactions; providing for oversight of negotiations; providing for posttransfer water rights; providing for transmittal of agreements; providing for approval of agreements by designated public officials; requiring memorialization of actions; exempting public officials from certain statutory provisions related to the Oklahoma Open Meeting Act; exempting transactions from certain statutory requirements related to disposition of state properties; providing for treatment of transactions based upon acquisition by certain public utilities; providing for scope of authority of certain public official with respect to transactions;

1 providing for transfer of certain rights related to
2 water to the Oklahoma Water Resources Board under
3 specified circumstances; providing for scope of
4 jurisdiction of the Oklahoma Water Resources Board;
5 modifying provisions related to ownership of assets
6 by nonpublic entities; and providing an effective
7 date.

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

9 SECTION 1. AMENDATORY 82 O.S. 2011, Section 862, as last
10 amended by Section 2, Chapter 297, O.S.L. 2016 (82 O.S. Supp. 2016,
11 Section 862), is amended to read as follows:

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

14 1. To control, store and preserve, within the boundaries of the
15 district, the waters of Grand River and its tributaries, for any
16 useful purpose, and to use, distribute and sell the same within the
17 boundaries of the district; provided, however, that any municipal
18 corporation within the area included within the jurisdiction of the
19 Grand River Dam Authority shall be entitled to take water from the
20 Grand River and any of its tributaries in any quantities that may be
21 needed by such municipal corporation;

22 2. To develop and generate water power, electric power and
23 electric energy, from whatever source, within the boundaries of the
24 district; to acquire coal or other minerals to be used for the
purposes of providing energy sources for electrical generating

1 plants; to acquire or lease any and all railroad connections,
2 equipment, rolling stock, trackage and otherwise, necessary to the
3 transporting of coal and other minerals to generating plant sites
4 within the district; and to buy, sell, resell, interchange and
5 distribute electric power and energy in order to carry forward the
6 business and functions of the district now or hereafter authorized
7 by law and may enter into contracts for such purposes, such
8 contracts to run for a period of not to exceed fifty (50) years
9 except those contracts provided for in paragraphs 6 and 7 of this
10 section. All contracts may contain such reasonable provisions,
11 limitations, qualifications, protective clauses and rights and
12 obligations of purchase and sale, and such provisions for the
13 dedication of the use of facilities and the construction of
14 additional facilities to serve the load requirements of all the
15 parties as may be deemed advisable by the district to safeguard the
16 business and properties of all the parties to such contracts, all
17 within the limits of sound business judgment and practice, good
18 conscience, and not contrary to the public policy of the state. The
19 district is further authorized to participate in the Southwest Power
20 Pool Integrated Marketplace or any other program established by a
21 Federal Energy Regulatory Commission authorized Regional
22 Transmission Organization in which the district is a member and to
23 engage in the buying and selling of electricity products, fuel
24 commodities, and financial instruments as deemed necessary and

1 prudent by the district and specifically excludes any expansion of
2 retail activities of the district. The Board of Directors shall
3 adopt a hedging policy to enable the district to take advantage of
4 standard market products to reduce risk while preventing speculative
5 trading and potential abuses;

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

8 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 the watershed area;

12 5. To acquire by purchase, lease, gift, or in any other manner,
13 and to maintain, use and operate or to contract for the maintenance,
14 use and operation of any and all property of any kind, real,
15 personal, or mixed, or any interest therein, including trucks of any
16 size or weight and passenger vehicles and to own, construct, operate
17 and maintain any project or works in conjunction or jointly with, as
18 tenants in common, any public or private corporation duly authorized
19 and qualified to do business within this state including, but not
20 limited to, rural electric cooperatives of the State of Oklahoma or
21 the United States of America, or any department, subdivision or
22 agency of the State of Oklahoma or the United States of America, or
23 with any "public agency" as defined under the Interlocal Cooperation
24 Act, within or without the boundaries of the district, necessary,

1 incidental or convenient to the exercise of the powers, rights,
2 privileges and functions conferred upon it by the Grand River Dam
3 Authority Act;

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

1 of property supplied by it for the acquisition and construction
2 thereof and shall own and control a like percentage of the
3 electrical output thereof.

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

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

1 expressly authorized and provided for in the participation
2 agreement;

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

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

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

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

15 8. To acquire by condemnation any and all property of any kind,
16 real, personal, or mixed, or any interest therein, within or without
17 the boundaries of the district, necessary, incidental or convenient
18 to the exercise of the powers, rights, privileges and functions
19 conferred upon it by the Grand River Dam Authority Act, in the
20 manner provided by general law with respect to condemnation;
21 provided that nothing in the Grand River Dam Authority Act shall
22 ever be construed to authorize the district to acquire by
23 condemnation any privately, municipally or publicly owned electric
24 public utility system or any part thereof outside of the high-water

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

10 9. Subject to the provisions of the Grand River Dam Authority
11 Act, from time to time sell, which shall include, but not be limited
12 to, an installment sale agreement, lease with nominal purchase
13 options, or otherwise dispose of any property of any kind, real,
14 personal or mixed, or any interest therein, which shall not be
15 necessary to the carrying on of the business of the district;

16 10. To overflow and inundate any public lands and public
17 property and to require the relocation of roads and highways in the
18 manner and to the extent necessary to carry out the purposes of the
19 Grand River Dam Authority Act; provided, that the district shall be
20 liable in damages to the State of Oklahoma or any subdivision
21 thereof for any injury occasioned or expense incurred by reason
22 thereof;

23 11. To construct, extend, improve, maintain and reconstruct, to
24 cause to be constructed, extended, improved, maintained and

1 reconstructed, and to use and operate any and all facilities of any
2 kind necessary, incidental or convenient to the exercise of such
3 powers, rights, privileges and functions;

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

10 13. To adopt, use and alter a corporate seal;

11 14. To make bylaws for the management and regulation of its
12 affairs;

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

18 16. To make contracts and to execute instruments necessary,
19 incidental or convenient to the exercise of the powers, rights,
20 privileges and functions conferred upon it by the Grand River Dam
21 Authority Act;

22 17. To borrow money for its corporate purposes and, without
23 limitation of the generality of the foregoing, to borrow money and
24 accept grants from the United States of America, or from any

1 corporation or agency created or designated by the United States of
2 America, and, in connection with any such loan or grant, to enter
3 into such agreements as the United States of America or such
4 corporation or agency may require; and to make and issue its
5 negotiable bonds for money borrowed, in the manner provided in the
6 Grand River Dam Authority Act. Nothing in the Grand River Dam
7 Authority Act shall authorize the issuance of any bonds, notes or
8 other evidences of indebtedness of the district, except as
9 specifically provided in the Grand River Dam Authority Act;

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

1 upon the water of the lakes; the issuance of permits for wharfage,
2 dock or anchorage privileges and charging fees for such commercial
3 or private permits; and the establishment and maintenance of public
4 wharves, docks or anchorages and the charging and collection of fees
5 for the use thereof by the public; to appoint or employ such persons
6 as the district may deem proper and suitable for the purpose of
7 enforcing such rules and regulations as may be issued hereunder, or
8 as may be issued pursuant to the provisions of the Oklahoma Boating
9 Safety Regulation Act, and for the enforcing of the provisions of
10 the Grand River Dam Authority Act, and all violations of criminal
11 laws occurring within the boundaries of the counties where real
12 property owned or leased by the Grand River Dam Authority is
13 located, which employees shall have the power of peace officers
14 during the performance of those duties, except in the serving or
15 execution of civil process.

16 Any municipal, county or state law enforcement officer employed
17 by the Grand River Dam Authority to serve as a part-time or seasonal
18 commissioned peace officer shall be exempt from the restrictions on
19 dual office holding as provided for in paragraph 16 of subsection A
20 of Section 6 of Title 51 of the Oklahoma Statutes;

21 19. To do any and all other acts or things necessary,
22 incidental or convenient to the exercise of the powers, rights,
23 privileges or functions conferred upon it by the Grand River Dam
24 Authority Act or any other act or law. Provided the district shall

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

10 Provided, however, that in the course of exercising its powers
11 as herein enumerated, the district shall at all times consider the
12 rights and needs of the people living within and upon the land lying
13 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;

21 20. To support and assist the efforts of state, regional and
22 local development organizations, political subdivisions, industrial
23 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 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. AMENDATORY 82 O.S. 2011, Section 874, as last
19 amended by Section 48, Chapter 210, O.S.L. 2016 (82 O.S. Supp. 2016,
20 Section 874), is amended to read as follows:

21 Section 874. A. Nothing in Sections 861 through 890 of this
22 title shall be construed as authorizing the district and it shall
23 not be authorized to mortgage or otherwise encumber any of its
24 property of any kind, real, personal or mixed, or any interest

1 therein, or to acquire any property or interest subject to a
2 mortgage or conditional sale, provided that this section shall not
3 be construed as preventing the pledging of the revenues of the
4 district as herein authorized.

5 B. ~~Nothing~~ Other than as provided in this section or in Section
6 862 of this title, nothing in Sections 861 through 890 of this title
7 shall be construed as authorizing the sale, lease or other
8 disposition of any property or interest of the district by the
9 district or any receiver of any of its properties or through any
10 court proceeding or otherwise.

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

21 2. Notwithstanding any other provision of law, the district may
22 sell real and personal property directly used for the generation,
23 transmission or distribution of electricity to any corporation,
24 limited liability company, association, cooperative, municipal

1 corporation or a beneficial trust thereof engaged in the furnishing
2 of wholesale or retail electric if the Board approves by a vote of
3 five or more members that the property is not necessary to the
4 business of the district. Sales pursuant to this paragraph shall be
5 exempt from the requirements and limitations of paragraph 1 of this
6 subsection and from the requirements of Section ~~129.4~~ 327 of Title
7 ~~74~~ 61 of the Oklahoma Statutes.

8 3. If approved by affirmative vote of five or more members, the
9 Board may authorize the district to enter into agreements to
10 purchase letters of credit or other financial instruments to
11 facilitate the exercise of the powers, rights, and privileges
12 granted it.

13 D. Notwithstanding any other provision of law and subject to
14 the process established in this subsection, the Governor, the
15 Speaker of the House of Representatives, and the President Pro
16 Tempore of the Senate are authorized to approve from time to time
17 one or more transactions to sell, lease, transfer, or otherwise
18 dispose of, directly or indirectly, any or all of the property or
19 interests of the district, or to merge or consolidate, or to include
20 in a joint venture or similar transaction, directly or indirectly,
21 the district's property or interests or any part thereof with those
22 of any other person, by any means whatsoever, including the
23 authority to transfer title or any other ownership interest
24 associated with the district's property and interests and to direct

1 the disposition of any proceeds from such transaction, hereinafter
2 referred to individually as a GRDA Transaction and collectively as
3 GRDA Transactions. This authorization includes granting the
4 Governor, the Speaker of the House of Representatives, and the
5 President Pro Tempore of the Senate all of the authorities of the
6 district and of the Board of Directors of the district to the extent
7 needed to effectuate and consummate one or more GRDA Transactions,
8 including the power and authority to (i) access, or grant access to,
9 the books and records of the district, and (ii) execute agreements
10 on behalf of the district. For purposes of all decisions by the
11 Governor, the Speaker of the House of Representatives, and the
12 President Pro Tempore of the Senate pursuant to this subsection, the
13 Governor, the Speaker of the House of Representatives, and the
14 President Pro Tempore of the Senate shall confer and, if two of such
15 officials agree to do so, shall act pursuant to a record of their
16 affirmative vote.

17 1. The Secretary of Finance shall prepare, no later than
18 December 31, 2017, a report for the Governor, the Speaker of the
19 House of Representatives, and the President Pro Tempore of the
20 Senate describing the property and interests of the district that
21 could be the basis for one or more GRDA Transactions. The report
22 shall be in writing and shall be transmitted by certified mail, with
23 return receipt requested. Upon receipt of such report, the
24 Governor, the Speaker of the House of Representatives, and the

1 President Pro Tempore of the Senate may authorize from time to time
2 thereafter one or more competitive bidding processes to request bids
3 for any or all of the district's property and interests from
4 potential buyers. Each authorization shall identify the specific
5 properties or interests of the district that will be the subject of
6 the GRDA Transaction competitive bidding process, shall memorialize
7 the decision on the competitive bidding process, and shall be
8 transmitted by certified mail, with return receipt requested, to the
9 Secretary of Finance, and to the Director of the Office of
10 Management and Enterprise Services.

11 2. Upon receipt of an authorization for a GRDA Transaction
12 competitive bidding process, the Office of Management and Enterprise
13 Services shall issue regulations from time to time governing GRDA
14 Transactions. These regulations shall include competitive bidding
15 procedures that address, at a minimum, (i) how bids will be
16 solicited, (ii) how the solicitation will be publicized, (iii) the
17 information that bidders must submit, (iv) the confidentiality of
18 bids and the treatment of confidential information provided to, or
19 submitted by, bidders, (v) criteria for selecting eligible bidders,
20 and (vi) criteria for evaluating bids. These competitive bidding
21 procedures shall permit a bidder to propose in its bid new or
22 amended practices, procedures or agreements of the district that
23 would go into effect as part of or following a GRDA Transaction,
24 including proposed agreements under which the bidder would sell

1 power or provide services to the district following a GRDA
2 Transaction.

3 3. At the conclusion of the competitive bidding process, the
4 Secretary of Finance shall issue a report to the Governor, the
5 Speaker of the House of Representatives, and the President Pro
6 Tempore of the Senate (i) describing the results of the competitive
7 bidding process, and (ii) transmitting a copy of the materials
8 relied on by the Secretary of Finance to evaluate bids. The report
9 shall be in writing and shall be transmitted by certified mail, with
10 return receipt requested.

11 4. Upon receipt of the report on the results of the GRDA
12 Transaction competitive bidding process, the Governor, the Speaker
13 of the House of Representatives, and the President Pro Tempore of
14 the Senate may authorize (i) a GRDA Transaction involving some or
15 all of the properties or interests of the district, or (ii) two or
16 more GRDA Transactions where each GRDA Transaction involves
17 different properties or interests of the district. The officials
18 who vote affirmatively to authorize one or more GRDA Transactions
19 shall cause the decision to be memorialized and to be transmitted by
20 certified mail, with return receipt requested, to the Secretary of
21 Finance.

22 5. Upon receipt of an authorization for one or more GRDA
23 Transactions, the Secretary of Finance shall oversee the negotiation
24 with each winning bidder the terms of definitive transaction

1 agreement(s) to effectuate the GRDA Transaction, including the terms
2 of any agreements under which the winning bidder would sell power or
3 provide services to the district following the GRDA Transaction. If
4 a GRDA Transaction involves properties or interests of the district
5 necessary for the development or generation of water power, then the
6 Secretary of Finance shall require that the definitive transaction
7 agreement(s) include provisions that ensure that the winning
8 bidder's posttransfer water use rights are clearly defined and are
9 consistent with such bidder's intended use of those water rights.
10 Upon finalizing the definitive transaction agreement(s), the
11 Secretary of Finance shall transmit the definitive transaction
12 agreement(s) to the Governor, the Speaker of the House of
13 Representatives, and the President Pro Tempore of the Senate. The
14 agreement(s) shall be transmitted by certified mail, with return
15 receipt requested.

16 6. Upon receipt of one or more definitive transaction
17 agreement(s), the Governor, the Speaker of the House of
18 Representatives, and the President Pro Tempore of the Senate may
19 approve and execute the definitive transaction agreement(s). The
20 officials who vote affirmatively to execute one or more GRDA
21 Transactions shall (i) cause the decision to be memorialized and to
22 be transmitted by certified mail, with return receipt requested, to
23 the Secretary of Finance, and (ii) execute the definitive
24 transaction agreement(s) on behalf of the district.

1 7. For purposes of the actions authorized by this subsection D,
2 the Governor, the Speaker of the House of Representatives, and the
3 President Pro Tempore of the Senate shall not be subject to the
4 Oklahoma Open Meeting Act and may confer by telephonic or other
5 electronic means.

6 8. A GRDA Transaction subject to this subsection shall be
7 exempt from the requirements of Section 327 of Title 61 of the
8 Oklahoma Statutes.

9 9. If, after consummation of a GRDA Transaction, the party
10 acquiring or leasing some or all of the properties or interests of
11 the district would be a public utility subject to regulation by the
12 Oklahoma Corporation Commission, then the GRDA Transaction and any
13 associated agreements executed by such public utility (i) shall not
14 be subject to the Oklahoma Corporation Commission's competitive
15 procurement regulations (O.A.C. Section 165:35:34-1 et seq.), and
16 (ii) shall qualify for a presumption of prudence in any subsequent
17 Oklahoma Corporation Commission review of the public utility's
18 rates.

19 10. The Governor, the Speaker of the House of Representatives,
20 and the President Pro Tempore of the Senate are not required to
21 authorize a GRDA Transaction competitive bidding process pursuant to
22 paragraph 1 of this subsection, a GRDA Transaction pursuant to
23 paragraph 4 of this subsection, or execute a definitive transaction
24 agreement pursuant to paragraph 6 of this subsection. If the

1 Governor, the Speaker of the House of Representatives, and the
2 President Pro Tempore of the Senate decide not to grant a particular
3 authorization pursuant to this subsection, they may (i) reconsider
4 the transaction at a later time, (ii) deny the authorization, or
5 (iii) refer the matter to the Secretary of Finance with
6 instructions. To the extent the district continues to own property
7 or other interests, the Governor, the Speaker of the House of
8 Representatives, and the President Pro Tempore of the Senate may at
9 any time authorize another competitive bidding process. A GRDA
10 Transaction process initiated pursuant to paragraph 10 of this
11 subsection shall be subject to the provisions of this subsection.

12 E. To the extent that one or more GRDA Transactions results in
13 the sale, lease, transfer, or other disposition of all or
14 substantially all of the property or interests used by the district
15 for controlling, storing and preserving, within the boundaries of
16 the district, the waters of the Grand River and its tributaries, or
17 for the purposes of developing and generating water power, then the
18 district's powers, rights, and privileges to control, store,
19 preserve, use, distribute, and sell the waters of Grand River and
20 its tributaries shall be transferred to the Oklahoma Water Resources
21 Board. The district's dams, water, and land shall be subject to the
22 jurisdiction of the Oklahoma Water Resources Board on the same basis
23 as the Oklahoma Water Resources Board has jurisdiction over other
24 dams, water, and land located in the State.

1 F. The district may lease any of its lands if the Board, by the
2 affirmative vote of five or more of the members, shall have
3 determined that the same can be leased without injury to or without
4 interference with the operations of the project, and shall have
5 approved the terms of any lease. Except as otherwise provided, no
6 shorelands (lands lying between the low and high water marks) shall
7 be leased for a term longer than two (2) years and not more than
8 one-fourth (1/4) mile of the lake front shall be leased to any one
9 person, firm or corporation. The district may lease shorelands for
10 a term longer than two (2) years and more than one-fourth (1/4) mile
11 of lake front may be leased to any one person, firm, or corporation
12 without regard to the limitations herein, if the Board, by the
13 affirmative vote of a majority of the members, determines that the
14 lease is necessary or beneficial to the business of the district.
15 The district may lease shorelands to political subdivisions,
16 agencies of the State of Oklahoma, or tax-exempt public trusts, for
17 any public purpose, on such terms as are mutually satisfactory to
18 the parties, notwithstanding the limitations herein. No lease shall
19 deprive the owner of any land adjacent to the shorelands or lake
20 front, or abutting thereon, of ingress or egress to and from the
21 water of the lakes and shall not deprive the owner of any wharf,
22 dock or boat anchorage privileges that would belong to the owner if
23 the shorelands or lake front were not leased.

1 ~~E. It is the intention of Sections 861 through 890 of this~~
2 ~~title that, except by sale, lease or agreement as expressly~~
3 ~~authorized in Sections 861 through 890 of this title, no property or~~
4 ~~interest of the district shall ever come into the ownership or~~
5 ~~control, directly or indirectly, of any person, firm or corporation~~
6 ~~other than a public authority created under the laws of the State of~~
7 ~~Oklahoma.~~

8 ~~F.~~ G. Nothing in this section shall be construed as preventing
9 the district from contracting with the United States or any agency
10 thereof for the temporary possession, control and use of properties
11 by the United States or any agency thereof for the safety and
12 defense of the United States in time of a national emergency or in
13 anticipation thereof.

14 ~~G.~~ H. All property of the district shall be at all times
15 exempted from forced sale, and nothing contained in Sections 861
16 through 890 of this title shall authorize the sale of any of the
17 property of the district under any judgment rendered in any suit,
18 and such sales are hereby prohibited and forbidden. The provisions
19 of this subsection shall not apply to any property constructed on a
20 lease or the interest in a lease of shoreland that has been entered
21 into by the district pursuant to subsection ~~B~~ F of this section for
22 a term of longer than two (2) years, provided the provisions of the
23 lease authorizing the mortgage and forced sale of the property or
24

1 lease interest has been approved by an affirmative vote of a
2 majority of the members of the Board.

3 ~~H.~~ I. The provisions of this section shall not apply to any
4 sale agreement, lease agreement or other agreement entered into by
5 the district pursuant to paragraphs ~~(f)~~ 6 or ~~(g)~~ 7 of Section 862 of
6 this title, provided that the agreement is in compliance with any
7 applicable provision restricting the sale or leasing of property by
8 the district contained in any resolution of the district providing
9 for the issuance of revenue bonds.

10 SECTION 3. This act shall become effective November 1, 2017.

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