

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

HOUSE BILL 2274

By: West (Josh)

AS INTRODUCED

An Act relating to the Grand River Dam Authority; amending 82 O.S. 2011, Sections 866, as last amended by Section 8, Chapter 507, O.S.L. 2019 and 870, as last amended by Section 11, Chapter 507, O.S.L. 2019 (82 O.S. Supp. 2020, Sections 866 and 870), which relate to operations of the district; modifying the domicile of the district; conforming language; making language gender neutral; updating statutory language; and declaring an emergency.

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

SECTION 1. AMENDATORY 82 O.S. 2011, Section 866, as last amended by Section 8, Chapter 507, O.S.L. 2019 (82 O.S. Supp. 2020, Section 866), is amended to read as follows:

Section 866. The domicile of the district shall be in the ~~City of Vinita,~~ County of ~~Craig,~~ Mayes where the district shall maintain its principal office in charge of its Chief Executive Officer, until otherwise designated by the affirmative vote of four directors. The district shall cause to be kept complete and accurate accounts conforming to any generally accepted accounting principles. The accounts and all contracts, documents and records of the district

1 shall be kept at the principal office. The accounts and contracts
2 shall be open to public inspection at all reasonable times. The
3 Board shall cause to be made and completed within ninety (90) days
4 after the end of each calendar year an audit of the books of account
5 and financial records of the district for such calendar year, such
6 audit to be made by an independent certified public accountant or
7 firm of certified public accountants. Electronic copies of the
8 audit report, certified to by the accountant or accountants, shall
9 be placed and kept on file with the Governor, the State Treasurer,
10 Oklahoma Department of Libraries and the State Auditor and Inspector
11 of the State of Oklahoma, and at the principal office, and shall be
12 open to public inspection at all reasonable times. The audit shall
13 also be filed with the Director of the Office of Management and
14 Enterprise Services, in accordance with the requirements set forth
15 for financial statement audits in Section 212A of Title 74 of the
16 Oklahoma Statutes.

17 SECTION 2. AMENDATORY 82 O.S. 2011, Section 870, as last
18 amended by Section 11, Chapter 507, O.S.L. 2019 (82 O.S. Supp. 2020,
19 Section 870), is amended to read as follows:

20 Section 870. The district shall have power and is hereby
21 authorized to issue from time to time, as the need therefor arises,
22 revenue bonds for its corporate purposes in such amount or amounts
23 not to exceed One Billion Four Hundred Ten Million Dollars
24 (\$1,410,000,000.00) outstanding at any time as are necessary,

1 incidental or convenient to the exercise of the powers, rights,
2 privileges and functions conferred upon it by ~~this act~~ Section 862
3 of this title, or any other act or law, and without limitations of
4 the generality of the powers, rights and privileges heretofore
5 granted, for acquiring a steam generating plant or plants and
6 related facilities, and to extend, improve and reconstruct the same;
7 and for constructing, installing and acquiring dams, reservoirs,
8 hydroelectric power plants, or any electrical generating plant or
9 plants or any other electrical power or generating facilities; or
10 any plant or plants for the production of steam for heating and
11 processing purposes; and all and any facilities of every kind
12 necessary, incidental or convenient for the production and
13 generation of electric power and energy; and for acquiring,
14 constructing and installing transmission lines, substations and all
15 facilities necessary, incidental or convenient to the sale, resale,
16 interchange and distribution of electric power and energy; and for
17 carrying on the business and functions of the district, as is now or
18 hereafter may be authorized by law; and for acquiring additions and
19 improvements to and extensions of facilities, at any time existing,
20 of the district; and for the acquisition of lands and rights-of-way
21 for such use as is now, or may be, authorized by law for the
22 construction, replacement and repair of any dams, plants or other
23 facilities of the district; and to enable it to finance, in
24 cooperation with any "public agency", as defined under the

1 Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74
2 of the Oklahoma Statutes, any other agency of government, rural
3 electric co-op corporation, or any private or public corporation,
4 the development and utilization of electrical energy or the water
5 resources and rights in waters vested in ~~said~~ the district for such
6 purposes as are, or may be, authorized by the laws of Oklahoma, and
7 for financing and refinancing present outstanding obligations of the
8 district, including the payment of any claims, charges or interest
9 on bonds required to be paid. The bonds herein authorized may
10 either be (1) sold for cash, at public or private sale, at such
11 price or prices as the Board shall determine with the advice and
12 assistance of the State Bond Advisor, or (2) may be issued on such
13 terms as the Board shall determine in exchange for property of any
14 kind, real, personal or mixed, or any interest therein which the
15 Board shall deem necessary, incidental or convenient for any such
16 corporate purposes, or (3) may be issued in exchange for like
17 principal amounts of other obligations of the district, matured or
18 unmatured, or (4) may be issued in such principal amounts that when
19 the proceeds thereof are invested in legal and qualified
20 investments, the proceeds together with the resulting proceeds of
21 such investments will be sufficient to retire the outstanding
22 indebtedness or any portion thereof at maturity or at prior
23 redemption or upon purchase or tender for purchase. The proceeds of
24 sale of such bonds shall be deposited in such bank or banks or trust

1 company or trust companies, and shall be paid out pursuant to such
2 terms and conditions as may be agreed upon between the district and
3 the purchasers of such bonds. All such bonds shall be authorized by
4 resolutions of the Board concurred in by at least four of the
5 members thereof, and shall bear such date or dates, mature at such
6 time or times, bear interest at such rate or rates, at such time or
7 times, be in such denominations, be in such form, either coupon or
8 registered, carry such registration privileges as to principal only
9 or as to both principal and interest, and as to exchange of coupon
10 bonds for registered bonds or vice versa, and exchange of bonds of
11 one denomination for bonds of other denominations, be executed in
12 such manner and be payable at such place or places within or without
13 the State of Oklahoma as such resolution or resolutions may provide.
14 Any resolution or resolutions, including any related trust indenture
15 or indentures, authorizing any bonds may contain provisions which
16 shall be part of the contract between the district and the holders
17 thereof from time to time (a) reserving the right to redeem such
18 bonds at such time or times, in such amounts and at such prices as
19 may be provided, (b) providing for the setting aside of sinking
20 funds or reserve funds and the regulation and disposition thereof,
21 (c) pledging to secure the payment of the principal of and interest
22 on such bonds and of the sinking fund or reserve fund payments
23 agreed to be made in respect of such bonds all or any part of the
24 gross or net revenues thereafter received by the district in respect

1 of the property, real, personal or mixed, to be acquired or
2 constructed with such bonds or the proceeds thereof, or all or any
3 part of the gross or net revenues thereafter received by the
4 district from whatever source derived and monies and securities held
5 under such resolutions or indentures or contract rights with respect
6 to any of the foregoing, (d) prescribing the purposes to which such
7 bonds or any bonds thereafter to be issued, or the proceeds thereof,
8 may be applied, (e) agreeing to fix and collect rates and charges
9 sufficient to produce revenues adequate to pay the items specified
10 in subparagraphs (a), (b), (c), (d) and (e) of Section 868 of this
11 title and prescribing the use and disposition of all revenues, and
12 the investment of such revenues and other monies pending their
13 expenditures in investments authorized or permitted by law, (f)
14 prescribing limitations upon the issuance of additional bonds and
15 upon the agreements which may be made with the purchasers and
16 successive holders thereof, (g) with regard to the construction,
17 extension, improvement, reconstruction, operation, maintenance and
18 repair of the properties of the district, carrying of insurance upon
19 all or any part of ~~said~~ the properties covering loss or damage or
20 loss of use and occupancy resulting from specified risk, (h) fixing
21 the procedure, if any, by which, if the district shall so desire,
22 the terms of any contract with the holders of such bonds may be
23 amended or abrogated, the amount of bonds the holders of which must
24 consent thereto, and the manner in which such consent may be given,

(i) for the execution and delivery by the district to a bank or trust company authorized by law to accept trusts, or to the United States of America or any office or agency thereof, of indentures and agreements for the benefit of the holders of such bonds setting forth any or all of the agreements herein authorized to be made with or from the benefit of the holders of such bonds and such other provisions as may be customary in such indentures or agreements, and (j) such other provisions, not inconsistent with the provisions of the act, as the Board may approve.

Any such resolution and any indenture or agreement entered into pursuant thereto may provide that in the event that (a) default shall be made in the payment of the interest on any or all bonds when and as the same shall become due and payable, or (b) default shall be made in the payment of the principal of any or all bonds when and as the same shall become due and payable, whether at the maturity thereof, by call for redemption or otherwise, or (c) default shall be made in the performance for any agreement made with the purchasers or successive holders of any bonds, and such default shall have continued such period, if any, as may be prescribed by ~~said~~ the resolution in respect thereof, the trustee under the indenture or indentures entered into in respect of the bonds authorized thereby, or if there shall be no such indenture, a trustee appointed in the manner provided in such resolution or resolutions by the holders of twenty-five percent (25%) in aggregate

1 principal amount of the bonds authorized thereby and at the time
2 outstanding may, and, upon the written request of the holders of
3 twenty-five percent (25%) in aggregate principal amount of the bonds
4 authorized by such resolution or resolutions at the time
5 outstanding, shall, in his, her or its own name, but for the equal
6 and proportionate benefit of the holders of all of such bonds, and
7 with or without possession thereof,

8 (1) By mandamus or other suit, action or proceeding at law or
9 in equity, enforce all rights of the holders of such bonds,

10 (2) Bring suit upon such bonds and/or the appurtenant coupons,

11 (3) By action or suit in equity, require the district to
12 account as if it were the trustee of an express trust for the
13 bondholders,

14 (4) By action or suit in equity, enjoin any acts or things
15 which may be unlawful or in violation of the rights of the holders
16 of such bonds, and/or

17 (5) After such notice to the district as such resolution may
18 provide, declare the principal of all of such bonds due and payable,
19 and if all defaults shall have been made good, then with the written
20 consent of the holder or holders of twenty-five percent (25%) in
21 aggregate principal amount of such bonds at the time outstanding
22 annul such declaration and its consequence; provided, however, that
23 the holders of more than a majority in principal amount of the bonds
24 authorized thereby and at the time outstanding by instrument or

1 instruments in writing delivered to such trustee have the right to
2 direct and control any and all action taken or to be taken by such
3 trustee under this paragraph. Any such resolution, indenture or
4 agreement may provide that in any such suit, action or proceeding,
5 any such trustee, whether or not all of such bonds shall have been
6 declared due and payable, and with or without possession of any
7 thereof, shall be entitled as of right to the appointment of a
8 receiver who may enter and take possession of all or any part of the
9 properties of the district and operate and maintain the same, and
10 fix, collect and receive rates and charges sufficient to provide
11 revenues adequate to pay the items set forth in subparagraphs (a),
12 (b), (c), (d) and (e) of Section 868 of this title and the costs and
13 disbursements of such suit, action or proceeding, and to apply such
14 revenues in conformity with the provisions of Section 861 et seq. of
15 this title and the resolution or resolutions authorizing such bonds.
16 In any suit, action or proceeding by any such trustee, the
17 reasonable fees, counsel fees and expense of such trustee and of the
18 receiver or receivers, if any, shall constitute taxable
19 disbursements and all costs and disbursements, and all costs and
20 disbursements allowed by the court shall be a first charge upon any
21 revenues pledged to secure the payment of such bonds. Subject to
22 the provisions of the Constitution of the State of Oklahoma, the
23 courts of the County of ~~Craig~~ Mayes, or other county wherein the
24 domicile may be situated, shall have jurisdiction of any such suit,

1 action or proceeding by any such trustee on behalf of the
2 bondholders and of all property involved therein. In addition to
3 the powers hereinabove specifically provided for, each such trustee
4 shall have and possess all powers necessary or appropriate for the
5 exercise of any thereof, or incident to the general representation
6 of the bondholders in the enforcement of their right.

7 Before any bonds shall be sold by the district, a certified copy
8 of the proceedings for the issuance thereof, including the form of
9 such bonds, together with any other information which the Attorney
10 General of the State of Oklahoma may require, shall be submitted to
11 the Attorney General and if he or she shall find that such bonds
12 have been issued in accordance with law he or she shall approve such
13 bonds and execute a certificate to that effect which shall be filed
14 in the Office of the State Auditor and Inspector of the State of
15 Oklahoma and be recorded in a record kept for that purpose. No
16 bonds shall be issued until the same shall have been registered by
17 the State Auditor and Inspector, who shall so register the same if
18 the Attorney General shall have filed with the State Auditor and
19 Inspector his or her certificate approving the bonds and the
20 proceedings for the issuance thereof as hereinabove provided. All
21 bonds approved by the Attorney General as aforesaid, and registered
22 by the State Auditor and Inspector as aforesaid, and issued in
23 accordance with the proceedings so approved shall be valid and
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1 binding obligations of the district and shall be incontestable for
2 any cause from and after the time of such registration.

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

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