

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 1271

6 By: Fields of the Senate

7 and

8 Watson of the House

9 COMMITTEE SUBSTITUTE

10 An Act relating to the Grand River Dam Authority;
11 amending 82 O.S. 2011, Sections 862, as amended by
12 Section 1, Chapter 217, O.S.L. 2012, 863.2, as last
13 amended by Section 1, Chapter 112, O.S.L. 2012, 865,
14 866, as amended by Section 1062, Chapter 304, O.S.L.
15 2012, 868, 869, 870, as amended by Section 1, Chapter
16 169, O.S.L. 2015, 870.1, 873, and 874, as amended by
17 Section 2, Chapter 169, O.S.L. 2015 (O.S. Supp. 2015,
18 Sections 862, 863.2, 866, 870 and 874), which relate
19 to the powers, duties and operations of the district;
20 adding additional sources of power facilities
21 available to the district; removing requirement for
22 certain payments to be considered revenues of the
23 Authority; modifying certain powers of district to
24 make and issue certain financial instruments;
authorizing district to provide certain support to
educational institutions; removing obsolete language;
removing requirement to deposit surplus funds and
revenue in certain interest bearing accounts and in
certain manner; requiring use of certain accounting
standards; authorizing certain use of electronic
audit reports; clarifying language; authorizing board
of directors to establish rates and pay debts as
required by law; authorizing payment from certain
revenue sources; eliminating certain cap on revenue
bonds; requiring board of directors to seek advice
and assistance of State Bond Advisor; modifying
certain requirements relating to purchase and
repayment of debt; removing requirement for issuance

1 of bonds for specific projects; authorizing certain
2 payments from any legally available funds; removing
3 requirement to cancel certain bonds; and stating
4 pledge of revenues to be valid and binding upon
5 certain date.

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

7 SECTION 1. AMENDATORY 82 O.S. 2011, Section 862, as
8 amended by Section 1, Chapter 217, O.S.L. 2012 (82 O.S. Supp. 2015,
9 Section 862), is amended to read as follows:

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

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

20 (b) To develop and generate water power, electric power and
21 electric energy, from whatever source, within the boundaries of the
22 district; to acquire coal or other minerals to be used for the
23 purposes of providing energy sources for electrical generating
24 plants; to acquire or lease any and all railroad connections,

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

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

5 (c) To prevent or aid in the prevention of damage to person or
6 property from the waters of the Grand River and its tributaries;

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

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

1 powers, rights, privileges and functions conferred upon it by the
2 Grand River Dam Authority Act;

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

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

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

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

22 In carrying out the powers granted in this section, the district
23 and each participant shall be severally liable only for its own acts
24 and not jointly or severally liable for the acts, omissions or

1 obligations of others. No money or property supplied by the
2 district or any participant for the planning, financing, acquiring,
3 constructing, operating or maintaining of any common plant or
4 facility shall be credited or otherwise applied to the account of
5 any other participant therein, nor shall the undivided share of the
6 district or any participant therein be charged, directly or
7 indirectly, with any debt or obligation of any other participant or
8 be subject to any lien as a result thereof. No action in connection
9 with a common facility shall be binding upon the district except as
10 expressly authorized and provided for in the participation
11 agreement;

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

1 for the construction and maintenance of dams, reservoirs, levees,
2 spillways and floodways, and in such event just compensation shall
3 be paid. Provided that the Grand River Dam Authority shall have the
4 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) Subject to the provisions of the Grand River Dam Authority
8 Act, from time to time sell, which shall include, but not be limited
9 to, an installment sale agreement, lease with nominal purchase
10 options, or otherwise dispose of any property of any kind, real,
11 personal or mixed, or any interest therein, which shall not be
12 necessary to the carrying on of the business of the district;

13 (j) 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 the
16 Grand River Dam Authority Act; provided, that the district shall be
17 liable in damages to the State of Oklahoma or any subdivision
18 thereof for any injury occasioned or expense incurred by reason
19 thereof;

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

1 (l) 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) To adopt, use and alter a corporate seal;

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

10 (o) 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) 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 the Grand River Dam
18 Authority Act;

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

1 corporation or agency may require; and to make and issue its
2 negotiable bonds, notes, loans, commercial paper, and credit or
3 liquidity support for money borrowed, in the manner provided in the
4 Grand River Dam Authority Act. Nothing in the Grand River Dam
5 Authority Act shall authorize the issuance of any bonds, notes or
6 other evidences of indebtedness of the district, except as
7 specifically provided in the Grand River Dam Authority Act;

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

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

14 (s) To do any and all other acts or things necessary,
15 incidental or convenient to the exercise of the powers, rights,
16 privileges or functions conferred upon it by the Grand River Dam
17 Authority Act or any other act or law. Provided the district shall
18 be liable for damage caused by the district, its agents, servants
19 and employees in creating, constructing, maintaining or operating
20 the district to any corporation, partnership, person or individual
21 whose property, either real or personal, within or without said
22 district, has been damaged and the damages may be determined by
23 appropriate action as provided by law. Nothing in the Grand River
24 Dam Authority Act shall be construed as rendering the district

1 liable for damage where it is not liable on general principles of
2 law or statute or Constitutional provision.

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

14 (t) To support and assist the efforts of state, regional and
15 local development organizations, political subdivisions, industrial
16 committees, chambers of commerce, tourism organizations,
17 agricultural organizations, environmental organizations, educational
18 institutions and other similar public and private agencies to obtain
19 new and foster expansion of existing service, industrial and
20 manufacturing facilities, businesses and enterprises to enhance the
21 quality of life for the citizens of the district and the state.

22 Provided, support and assistance shall be limited to an amount not
23 to exceed a total of Twenty-five Thousand Dollars (\$25,000.00) per
24 year for one or more projects or efforts that are for the benefit of

1 or impact the quality of life for each city or community located
2 within the boundaries of the district.

3 (u) Notwithstanding any other provision of law, the General
4 Manager, department heads and other essential employees of the
5 district, as designated by the General Manager, may be permitted to
6 use a district owned vehicle to provide transportation between the
7 employee's residence and the assigned place of employment and
8 between the residence and any location other than the assigned place
9 of employment to which the employee travels in the performance of
10 the employee's official duty.

11 SECTION 2. AMENDATORY 82 O.S. 2011, Section 863.2, as
12 last amended by Section 1, Chapter 112, O.S.L. 2012 (82 O.S. Supp.
13 2015, Section 863.2), is amended to read as follows:

14 Section 863.2. A. The powers, rights and privileges and
15 functions of the Grand River Dam Authority, hereinafter referred to
16 as the "district", shall be exercised by a seven-member Board of
17 Directors, to be appointed according to the provisions of this
18 section.

19 B. The Board shall have rulemaking authority pursuant to the
20 provisions of the Grand River Dam Authority Act. By majority vote,
21 the Board shall have the authority to grant exemptions from any
22 rules not promulgated pursuant to the Administrative Procedures Act
23 which deal with the waters of the Grand River and its tributaries.
24 The Board shall be responsible for approving business expenses of

1 the district necessary to carry out the business of the district.
2 It shall be the duty of the Board of Directors to oversee the
3 functions of the district and ensure the operations of the district
4 are in compliance with all applicable state laws and that expenses
5 of the district comply with state and federal guidelines for
6 business expense deductibility.

7 C. Members appointed to the Board or who serve as designees
8 shall be domiciled in the State of Oklahoma and shall have paid
9 state income taxes for a minimum of one (1) year prior to the date
10 of appointment.

11 D. No person shall be eligible to serve on the Board of
12 Directors if the person, during the three (3) years prior to the
13 appointment, has been employed by an investor-owned utility company,
14 or has held a federal, state or county office, elective or
15 appointive.

16 E. A member of the Board may be eligible to serve on the
17 Oklahoma Ordnance Works Authority Board of Trustees, if appointed to
18 that position by the Governor.

19 F. Members of the Board of Directors shall be appointed as
20 follows:

21 1. The Governor shall appoint a director to represent the
22 industrial and commercial customers of the district;

23 2. The Governor shall appoint a director to represent economic
24 development interests, lake enthusiasts and property owners;

1 3. The Governor shall appoint an at-large director;

2 4. The President Pro Tempore of the Oklahoma State Senate shall
3 appoint an at-large director;

4 5. The Speaker of the House of Representatives shall appoint an
5 at-large director;

6 6. The General Manager of the Oklahoma Association of Electric
7 Cooperatives, or designee, shall be a voting ex officio director;

8 and

9 7. The Executive Director of the Municipal Electric Systems of
10 Oklahoma, or designee, shall be a voting ex officio director.

11 ~~G. The initial term of office for the five directors appointed~~
12 ~~pursuant to subsection F of this section shall be as follows:~~

13 ~~1. The at-large director appointed by the President Pro Tempore~~
14 ~~of the Senate shall serve for a term of seven (7) years;~~

15 ~~2. The at-large director appointed by the Speaker of the House~~
16 ~~of Representatives shall serve for a term of six (6) years;~~

17 ~~3. The director appointed by the Governor representing economic~~
18 ~~development interests, lake enthusiasts and property owners shall~~
19 ~~serve for a term of five (5) years;~~

20 ~~4. The director appointed by the Governor to represent~~
21 ~~industrial and commercial customers shall serve for a term of four~~
22 ~~(4) years; and~~

23 ~~5. The at-large director appointed by the Governor shall serve~~
24 ~~for a term of three (3) years.~~

1 ~~H.~~ A successor to a director of the Board shall be appointed in
2 the same manner as the original director and shall serve a term of
3 five (5) years. Directors may be eligible to serve more than one
4 term if so reappointed by the original appointing authority or a
5 different or successor appointing authority.

6 ~~I.~~ H. Any director appointed to fill a vacancy on the Board
7 occurring prior to the expiration of the term for which the
8 predecessor was appointed shall be appointed for the remainder of
9 such term.

10 ~~J.~~ I. Each director shall qualify by taking the official oath
11 of office prescribed by general statute.

12 ~~K.~~ J. Any director or designee may be removed for just cause by
13 the Governor. Additionally, any member who fails to attend a total
14 of three (3) regularly scheduled board meetings in one (1) calendar
15 year may be removed by the member's appointing authority.

16 ~~L.~~ K. Each director shall be allowed actual and necessary
17 expenses incurred by such director for attending meetings of the
18 Board and authorized business of the district pursuant to the
19 provisions of the State Travel Reimbursement Act. No director shall
20 hold any other position of employment within the Grand River Dam
21 Authority at the same time such director is serving on the Board.

22 ~~M.~~ L. The time and place of the regular meetings and the manner
23 in which special meetings may be called shall be set forth in the
24 bylaws of the district. Four directors shall constitute a quorum at

1 any meeting, and, except as otherwise provided in the Grand River
2 Dam Authority Act or in the bylaws, all action may be taken by the
3 affirmative vote of the majority of the Board present at any such
4 meeting, except that no contracts which involve an amount greater
5 than Fifty Thousand Dollars (\$50,000.00), or which are to run for a
6 longer period than one (1) year, and no bonds, notes or other
7 evidence of indebtedness, and no amendment of the bylaws, shall be
8 valid unless authorized or ratified by the affirmative vote of at
9 least four directors.

10 ~~N.~~ M. At the first meeting of the Board following July 1, 2003,
11 the members appointed pursuant to this section shall, by majority
12 vote, elect a chair and chair-elect who shall serve as the vice-
13 chair. The chair and the chair-elect shall serve a term of one (1)
14 year. Thereafter, the membership of the Board shall elect a chair-
15 elect, at the first meeting of each year and the previous chair-
16 elect shall assume the position of chair for the ensuing year. A
17 member may serve more than one term as chair or chair-elect during
18 their tenure on the Board, provided, however, they may only serve
19 one term in any three-year period.

20 ~~Θ.~~ N. The Asset Committee shall be chaired by the director
21 appointed to represent economic development interests, lake
22 enthusiasts and property owners. Other members of the Committee may
23 be selected by the Board.

24

1 ~~P.~~ O. The Board may appoint temporary or permanent
2 subcommittees which may include employees of the district or other
3 persons for any purpose it deems necessary or appropriate.

4 ~~Q.~~ P. The Board is authorized to adopt or amend the bylaws of
5 the district as necessary to comply with the provisions of the Grand
6 River Dam Authority Act.

7 ~~R.~~ Q. For the purposes of Section 4254 of Title 74 of the
8 Oklahoma Statutes, the directors of this board, appointed pursuant
9 to this section, shall not be considered state officers or state
10 employees.

11 SECTION 3. AMENDATORY 82 O.S. 2011, Section 865, is
12 amended to read as follows:

13 Section 865. ~~The surplus funds and revenues of the district~~
14 ~~shall be deposited in interest bearing accounts yielding a rate of~~
15 ~~return at least equal to that earned by the Treasurer of the State~~
16 ~~of Oklahoma on like amounts invested for the same period. In~~
17 ~~addition, the surplus funds and revenues~~ Funds of the district shall
18 be deposited in accordance with Section 870 of this title and any
19 bond resolutions or indentures issued thereunder. ~~The money of the~~
20 ~~district shall be disbursed only on check, drafts, orders or other~~
21 ~~instruments signed by such persons as shall be authorized to sign~~
22 ~~the same by the bylaws or resolution concurred in by not less than~~
23 ~~four directors; such persons may execute or cause to be executed~~
24 ~~checks with a faesimile signature in lieu of their manual~~

1 ~~signatures.~~ The general manager, the treasurer and all other
2 officers, agents and employees of the district who shall be charged
3 with the collection, custody or payment of any funds of the district
4 shall give bond conditioned on the faithful performance of their
5 duties and an accounting for all funds and property of the district
6 coming into their respective hands, each of which bonds shall be in
7 form and amount and with a surety, which shall be a surety company
8 authorized to do business in the state, approved by the Board, and
9 the premiums on such bonds shall be paid by the district and charged
10 as an operating expense.

11 SECTION 4. AMENDATORY 82 O.S. 2011, Section 866, as
12 amended by Section 1062, Chapter 304, O.S.L. 2012 (82 O.S. Supp.
13 2015, Section 866), is amended to read as follows:

14 Section 866. The domicile of the district shall be in the City
15 of Vinita, County of Craig, where the district shall maintain its
16 principal office in charge of its general manager, until otherwise
17 designated by the affirmative vote of four directors. The district
18 shall cause to be kept complete and accurate accounts conforming to
19 ~~approved methods of bookkeeping~~ generally accepted Government
20 Accounting Standards. The accounts and all contracts, documents and
21 records of the district shall be kept at the principal office. The
22 accounts and contracts shall be open to public inspection at all
23 reasonable times. The Board shall cause to be made and completed
24 within ninety (90) days after the end of each calendar year an audit

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

14 SECTION 5. AMENDATORY 82 O.S. 2011, Section 868, is
15 amended to read as follows:

16 Section 868. The board shall establish and collect rates and
17 other charges for the sale or use of water, water connections,
18 power, electric energy or other services sold, furnished, or
19 supplied by the district which fees and charges shall be reasonable
20 and nondiscriminatory and sufficient to produce revenue adequate:

21 (a) To pay all expenses necessary to the operation and
22 maintenance of the properties and facilities of the district;

23

24

1 (b) To pay the interest on and principal of all ~~bonds~~ debt
2 issued under this act when and as the same shall become due and
3 payable;

4 (c) To pay all sinking fund and/or reserve fund payments agreed
5 to be made in respect of any such ~~bonds~~ debt, and payable out of
6 such revenues, when and as the same shall become due and payable;
7 ~~and~~

8 (d) To fulfill the terms of any agreements made with the
9 holders of such bonds and/or with any person in their behalf; and

10 (e) To pay any other amounts that the district is required to
11 pay by law or contract.

12 Out of the revenues which may be received in excess of those
13 required for the purposes specified in subparagraphs (a), (b), (c)
14 ~~and~~ (d) and (e) above of this section, the board shall establish a
15 reasonable depreciation and emergency fund, and retire (by purchase
16 and cancellation or redemption) bonds issued under this act, or
17 apply the same to any corporate purpose. It is the intention of
18 this act that the rates and charges of the district shall not be in
19 excess of what may be necessary to fulfill the obligations imposed
20 upon it by this act.

21 Nothing herein shall be construed as depriving the State of
22 Oklahoma of its power to regulate and control fees and/or charges to
23 be collected for the use of water, water connections, power,
24 electric energy, or other services, provided, that the State of

1 Oklahoma does hereby pledge to and agree with the purchasers and
2 successive holders of the bonds issued hereunder that the state will
3 not limit or alter the power hereby vested in the district to
4 establish and collect such fees and charges as will produce revenues
5 sufficient to pay the items specified in subparagraphs (a), (b),
6 (c), ~~and (d)~~ and (e) of this ~~Section 8~~ section, or in any way to
7 impair the rights or remedies of the holders of the bonds, or of any
8 person in their behalf, until the bonds, together with the interest
9 thereon, with interest on unpaid installments of interest and all
10 costs and expenses in connection with any action or proceedings by
11 or on behalf of the bondholders and all other obligations of the
12 district in connection with such bonds are fully met and discharged.

13 SECTION 6. AMENDATORY 82 O.S. 2011, Section 869, is
14 amended to read as follows:

15 Section 869. A. Any and every indebtedness, liability or
16 obligation of the district, for the payment of money, however
17 entered into or incurred, and whether arising from contract, implied
18 contract or otherwise, shall be payable solely (1) out of the
19 revenues received by the district in respect of its properties, or
20 other accounts held for the payment and security thereof, subject to
21 any prior lien thereon conferred by any resolution or resolutions
22 theretofore adopted as in this act provided, authorizing the
23 issuance of bonds or (2), if the Board shall so determine out of the
24 proceeds of sale or issuance by the district of bonds or bond

1 anticipation notes payable solely from such revenues or such other
2 amounts, or such credit or liquidity support as may be obtained by
3 the district for such purposes, repayable solely from such revenues
4 or other amounts.

5 B. Notwithstanding the provisions of this section, the district
6 is hereby authorized to accept state appropriations to pay any
7 lease-purchase obligations for property purchased from the sale of
8 bonds as provided by law in Section 301 et seq. of Title 73 of the
9 Oklahoma Statutes.

10 SECTION 7. AMENDATORY 82 O.S. 2011, Section 870, as
11 amended by Section 1, Chapter 169, O.S.L. 2015 (82 O.S. Supp. 2015,
12 Section 870), is amended to read as follows:

13 Section 870. The district shall have power and is hereby
14 authorized to issue from time to time, as the need therefor arises,
15 revenue bonds for its corporate purposes in such amount or amounts
16 ~~not to exceed One Billion Four Hundred Ten Million Dollars~~
17 ~~(\$1,410,000,000.00) outstanding at any time~~ as are necessary,
18 incidental or convenient to the exercise of the powers, rights,
19 privileges and functions conferred upon it by this act, or any other
20 act or law, and without limitations of the generality of the powers,
21 rights and privileges heretofore granted, for acquiring a steam
22 generating plant or plants and related facilities, and to extend,
23 improve and reconstruct the same; and for constructing, installing
24 and acquiring dams, reservoirs, hydroelectric power plants, or any

1 steam, oil, gas, coal-fired, thermal, geothermal, solar or waste or
2 refuse reclamation powered electrical generating plant or plants or
3 any other electrical power or generating facilities; or any plant or
4 plants for the production of steam for heating and processing
5 purposes; and all and any facilities of every kind necessary,
6 incidental or convenient for the production and generation of
7 electric power and energy; and for acquiring, constructing and
8 installing transmission lines, substations and all facilities
9 necessary, incidental or convenient to the sale, resale, interchange
10 and distribution of electric power and energy; and for carrying on
11 the business and functions of the district, as is now or hereafter
12 may be authorized by law; and for acquiring additions and
13 improvements to and extensions of facilities, at any time existing,
14 of the district; and for the acquisition of lands and rights-of-way
15 for such use as is now, or may be, authorized by law for the
16 construction, replacement and repair of any dams, plants or other
17 facilities of the district; and to enable it to finance, in
18 cooperation with any "public agency", as defined under the
19 Interlocal Cooperation Act, Sections 1001 through 1008 of Title 74
20 of the Oklahoma Statutes, any other agency of government, rural
21 electric co-op corporation, or any private or public corporation,
22 the development and utilization of electrical energy or the water
23 resources and rights in waters vested in said district for such
24 purposes as are, or may be, authorized by the laws of Oklahoma, and

1 for financing and refinancing present outstanding obligations of the
2 district, including the payment of any claims, charges or interest
3 on bonds required to be paid. The bonds herein authorized may
4 either be (1) sold for cash, at public or private sale, at such
5 price or prices as the Board shall determine, ~~provided that the~~
6 ~~interest cost of the money received computed to maturity in~~
7 ~~accordance with standard bond tables in general use by banks and~~
8 ~~insurance companies shall not exceed fifteen percent (15%) per year,~~
9 with the advice and assistance of the State Bond Advisor, or (2) may
10 be issued on such terms as the Board shall determine in exchange for
11 property of any kind, real, personal or mixed, or any interest
12 therein which the Board shall deem necessary, incidental or
13 convenient for any such corporate purposes, or (3) may be issued in
14 exchange for like principal amounts of other obligations of the
15 district, matured or unmatured, or (4) may be issued in such
16 principal amounts that when the proceeds thereof are invested in
17 legal and qualified ~~investment~~ investments, the proceeds together
18 with the resulting proceeds of such investments will be sufficient
19 to retire the outstanding ~~initial~~ indebtedness or any portion
20 thereof at maturity or at prior redemption or upon purchase or
21 tender for purchase. The proceeds of sale of such bonds shall be
22 deposited in such bank or banks or trust company or trust companies,
23 and shall be paid out pursuant to such terms and conditions as may
24 be agreed upon between the district and the purchasers of such

1 bonds. All such bonds shall be authorized by resolutions of the
2 Board concurred in by at least four of the members thereof, and
3 shall bear such date or dates, mature at such time or times, bear
4 interest at such rate or rates, ~~not exceeding fifteen percent (15%)~~
5 ~~per year payable annually or semiannually~~ at such time or times, be
6 in such denominations, be in such form, either coupon or registered,
7 carry such registration privileges as to principal only or as to
8 both principal and interest, and as to exchange of coupon bonds for
9 registered bonds or vice versa, and exchange of bonds of one
10 denomination for bonds of other ~~denomination~~ denominations, be
11 executed in such manner and be payable at such place or places
12 within or without the State of Oklahoma as such resolution or
13 resolutions may provide. Any resolution or resolutions, including
14 any related trust indenture or indentures, authorizing any bonds may
15 contain provisions which shall be part of the contract between the
16 district and the holders thereof from time to time (a) reserving the
17 right to redeem such bonds at such time or times, in such amounts
18 and at such prices, ~~not exceeding one hundred five percent (105%) of~~
19 ~~the principal amount thereof~~, plus accrued interest, as may be
20 provided, (b) providing for the setting aside of sinking funds or
21 reserve funds and the regulation and disposition thereof, (c)
22 pledging to secure the payment of the principal of and interest on
23 such bonds and of the sinking fund or reserve fund payments agreed
24 to be made in respect of such bonds all or any part of the gross or

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

1 thereto, and the manner in which such consent may be given, (i) for
2 the execution and delivery by the district to a bank or trust
3 company authorized by law to accept trusts, or to the United States
4 of America or any office or agency thereof, of indentures and
5 agreements for the benefit of the holders of such bonds setting
6 forth any or all of the agreements herein authorized to be made with
7 or from the benefit of the holders of such bonds and such other
8 provisions as may be customary in such indentures or agreements, and
9 (j) such other provisions, not inconsistent with the provisions of
10 the act, as the Board may approve.

11 Any such resolution and any indenture or agreement entered into
12 pursuant thereto may provide that in the event that (a) default
13 shall be made in the payment of the interest on any or all bonds
14 when and as the same shall become due and payable, or (b) default
15 shall be made in the payment of the principal of any or all bonds
16 when and as the same shall become due and payable, whether at the
17 maturity thereof, by call for redemption or otherwise, or (c)
18 default shall be made in the performance for any agreement made with
19 the purchasers or successive holders of any bonds, and such default
20 shall have continued for such period, if any, as may be prescribed
21 by said resolution in respect thereof, the trustee under the
22 indenture or indentures entered into in respect of the bonds
23 authorized thereby, or if there shall be no such indenture, a
24 trustee appointed in the manner provided in such resolution or

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

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

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

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

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

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

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

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

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

1 obligations of the district and shall be incontestable for any cause
2 from and after the time of such registration.

3 SECTION 8. AMENDATORY 82 O.S. 2011, Section 870.1, is
4 amended to read as follows:

5 Section 870.1. Whenever the board shall have adopted a
6 resolution authorizing ~~a specific project~~ and the issuance of any
7 series of bonds thereunder but prior to the time the bonds can be
8 delivered the board finds it necessary to borrow money for the
9 purpose for which the bonds were authorized, the board may, by
10 appropriate resolutions and subject to all other provisions of
11 Sections 861 through 889 of this title, authorize the borrowing of
12 money in anticipation of the issuance of the bonds, and the issuance
13 of notes of the board to evidence such borrowing. The amount so
14 borrowed shall not exceed the principal amount of the bonds and
15 shall not bear interest at a rate exceeding the allowable interest
16 rate of the bonds. Such notes shall be signed in the manner
17 prescribed by the board and shall be made payable at such times as
18 the board may prescribe not later than five (5) years from their
19 respective dates and may be renewed from time to time by the
20 issuance of new notes hereunder. The proceeds of any loan made
21 under this section shall be devoted exclusively to the purposes for
22 which the bonds shall have been authorized and the notes and the
23 interest thereon shall be paid with the proceeds of the bonds or any
24 legally available funds simultaneously with the delivery of the

1 bonds. If for any reason the bonds shall not be issued, the holder
2 or holders of the notes shall be entitled to all rights which would
3 have been enjoyed by the holders of the bonds had they been issued,
4 and the notes shall be paid from the revenues provided for the
5 payment of the bonds and shall be entitled to the benefit of all
6 covenants, agreements and rights appearing in the resolution
7 authorizing the bonds for the benefit of the bonds.

8 SECTION 9. AMENDATORY 82 O.S. 2011, Section 873, is
9 amended to read as follows:

10 Section 873. A. The Grand River Dam Authority is hereby
11 authorized to fund and refund any and all lawful obligations and any
12 and all revenue bonds issued, or contracted to be sold, by it by the
13 issuance of new revenue bonds, or from the proceeds of sale of new
14 revenue bonds, or by the exchange of new revenue bonds and to
15 renegotiate any agreement ~~of~~ or indenture whereunder said
16 obligations or revenue bonds authorized to be funded and refunded
17 hereby may be outstanding, or contracted, but any new revenue bonds
18 issued, exchanged or sold to fund or refund said outstanding
19 obligations and revenue bonds and all agreements and indentures
20 providing for the payment and securing thereof shall conform to the
21 provisions of the Grand River Dam Authority Act, as amended;
22 provided, that no outstanding obligations or revenue bonds shall be
23 funded or refunded or exchanged on the basis of a price in excess of
24 principal, accrued interest, redemption premium, or charges in

1 excess of those provided by said obligations or revenue bonds or the
2 indenture or agreement whereunder issued or incurred, plus the
3 necessary and reasonable costs of funding, refunding or exchange
4 thereof; provided, further that said Authority shall have the power
5 to purchase any revenue bonds issued, or contracted to be issued, by
6 it at a price not exceeding the redemption price applicable at the
7 time of purchase thereof, or, if no redemption price is fixed, then
8 at principal plus accrued interest, from any funds available and
9 provided for the payment of said revenue bonds ~~and when purchased~~
10 ~~said bonds shall be canceled.~~

11 B. The Authority is further authorized to enter into interest
12 rate swaps and other derivative products, and other financial
13 instruments intended to hedge interest rate risk or manage interest
14 rate costs, including any option to enter into or terminate any of
15 them, that the Authority deems to be necessary or desirable in
16 connection with any bonds issued prior to, at the same time as, or
17 after entering into such arrangement, and containing such terms and
18 provisions, and may be with such parties, as determined by the
19 Authority. Provided, any action taken by the Authority pursuant to
20 this subsection must first be approved by the Office of the State
21 Bond Advisor and the Council of Bond Oversight pursuant to the
22 provisions of the Oklahoma Bond Oversight and Reform Act.

23
24

1 SECTION 10. AMENDATORY 82 O.S. 2011, Section 874, as
2 amended by Section 2, Chapter 169, O.S.L. 2015 (82 O.S. Supp. 2015,
3 Section 874), is amended to read as follows:

4 Section 874. A. Nothing in Sections 861 through 890 of this
5 title shall be construed as authorizing the district and it shall
6 not be authorized to mortgage or otherwise encumber any of its
7 property of any kind, real, personal or mixed, or any interest
8 therein, or to acquire any property or interest subject to a
9 mortgage or conditional sale, provided that this section shall not
10 be construed as preventing the pledging of the revenues of the
11 district as herein authorized. Any pledge of revenues, moneys,
12 securities or contract rights made by the district pursuant to the
13 provisions of this title shall be valid and binding from the date
14 the pledge is made. The revenues, moneys, securities and contract
15 rights so pledged and then held or thereafter received by the
16 district or any fiduciary shall immediately be subject to the lien
17 of the pledge without any physical delivery thereof or further act,
18 and the lien of the pledge shall be valid and binding against all
19 parties having claims of any kind in tort, contract or otherwise
20 against the district without regard to the provisions of Title 12A
21 of the Oklahoma Statutes, the bond resolution, trust indenture,
22 security agreement, or other instrument by which a pledge is created
23 need not be filed or recorded in any manner.

24

1 B. Nothing in Sections 861 through 890 of this title shall be
2 construed as authorizing the sale, lease or other disposition of any
3 property or interest of the district by the district or any receiver
4 of any of its properties or through any court proceeding or
5 otherwise.

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

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

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

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

1 front, or abutting thereon, of ingress or egress to and from the
2 water of the lakes and shall not deprive the owner of any wharf,
3 dock or boat anchorage privileges that would belong to the owner if
4 the shorelands or lake front were not leased.

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

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

18 G. All property of the district shall be at all times exempted
19 from forced sale, and nothing contained in Sections 861 through 890
20 of this title shall authorize the sale of any of the property of the
21 district under any judgment rendered in any suit, and such sales are
22 hereby prohibited and forbidden. The provisions of this subsection
23 shall not apply to any property constructed on a lease or the
24 interest in a lease of shoreland that has been entered into by the

1 district pursuant to subsection B of this section for a term of
2 longer than two (2) years, provided the provisions of the lease
3 authorizing the mortgage and forced sale of the property or lease
4 interest has been approved by an affirmative vote of a majority of
5 the members of the Board.

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

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