



Above is the newest OMPA headquarters at 2701 W. I-35 Frontage Rd. in Edmond. At left, from left to right, is the second OMPA location off Broadway in Edmond, a ribbon cutting for the third location off 2nd Street in Edmond and the groundbreaking for the fourth location.

Establishing a Home Base — From Pretty Awful to Pretty Awesome

Among the less-public challenges facing the new authority was the establishment of its headquarters.

Selection of an adequate home for the new authority was a work in progress, said Charles Martin, OMPA board chairman from 1988-2001.

The first office was a “two-room, hole-in-the-wall” on the third floor of an Oklahoma City building on Northeast 50th Street, Martin said.

Harry Dawson had a rude awakening upon seeing his first office as the organization’s first general manager in 1983.

“It had two rooms, two phones and no furniture. So, I went down to the lobby and ‘appropriated’ — I guess you might say ‘stole’ — a metal folding chair,” he said, laughing.

“Then, I sat down to figure out what to do next: Buy furniture, set up checking accounts, and so on. I began by paying the bills from my personal credit card. We had a \$2.5 million development loan sitting there, but I had yet to figure out how to access it!



The metal folding chair that served as OMPA’s first piece of furniture.

“Fortunately, my former employer was still paying my health insurance and some salary because they wanted to consult with me from time to time.”

The next year, the office was relocated to Edmond.

“At that time, the authority had no assets and only a tiny office on Broadway in Edmond. And, it wasn’t even a street-front address. It was on the back side of a street,” Martin said.

In 1986, the third site was an improvement as OMPA moved to a location in Edmond off the major thoroughfare of Second Street. They shared tenancy of the building with one other business.

But within a couple of years, the authority had grown to a point that it needed the entire structure to house its staff and operations. They were either to expand their Second-Street location or build new.

In 2004, OMPA began to explore the purchase of land.

Originally, OMPA was to build an extension on to its Second Street site.

Thinking the purchase was still at least a month out, Dawson took his family to Disney World. While there, he checked in with headquarters via pay phone, as the date was still years before pocket cell phones. He ended up spending two hours on the phone with members of OMPA in a special board meeting concerning the purchase.

As is the case in many stories involving OMPA’s early years, teamwork and solid interpersonal relationships aided the authority in its efforts. Even when one key player was unavailable, others would carry the ball.

So, the authority purchased the adjacent land for the planned expansion and hired an architect to begin the design process.

In the meantime, another piece of property — formerly a miniature horse farm — went up for sale a little farther east of the OMPA headquarters, said Max Speegle. Speegle served Edmond for years, first as municipal judge, then city attorney and, finally, as city manager from 1986-94, before going to work for OMPA as its general counsel.

That property was snatched up by a developer with big plans, who then approached OMPA about purchasing the land on which the authority was planning to build its newest building.

So, OMPA instructed Speegle to enlist his and the city’s help in finding another parcel of land.

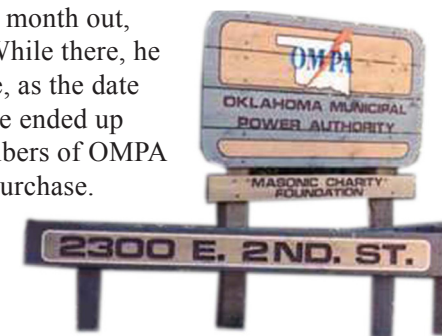
“I scoured the area, looking for a good Plan B site,” Speegle recalled, noting that there was even some discussion of moving to another city, perhaps back to Oklahoma City.

In the process of arranging the sale of the property off Second Street, Speegle discovered the developer owned a parcel of land in a different part of Edmond. Since the developer was anxious to buy the Second Street property, Speegle was able to work out a sweet deal for the other property, which was located on Interstate 35.

“In effect, we traded sites — and made enough money to make it worthwhile,” Speegle said, noting that as part of the deal, an adjacent tree-rich, five-acre parcel of land was acquired.

All along, Dawson had wanted a location close to Interstate 35, so he got his wish.

As both men noted, the present site — with its higher visibility and closer proximity to the interstate — ended up being a much better location for the authority.



The sign that introduced visitors to OMPA’s third location.



The 1990s

Grunge, 'Titanic' and
the dot-com bubble



The 1990s saw the rise of multiculturalism and alternative media, along with such movements as grunge, raves and hip hop, all fueled by cable TV and the Internet. The first full-length computer-generated imagery movie, “Toy Story,” was released, and the film “Titanic” became a cultural phenomenon, eventually becoming the highest grossing film of all time.

The nation enjoyed a time of prosperity under the presidency of Bill Clinton, largely due to the rise of the Internet and the explosion of associated technology industries. The dot-com bubble, which began in earnest around 1997, resulted in near-instantaneous wealth to some entrepreneurs. However, the bubble was short-lived, its crash making headline news at the start of the 21st century.

In this environment, the Oklahoma Municipal Power Authority continued to grow and thrive in virtually every arena, including its customer base, employees and programs.

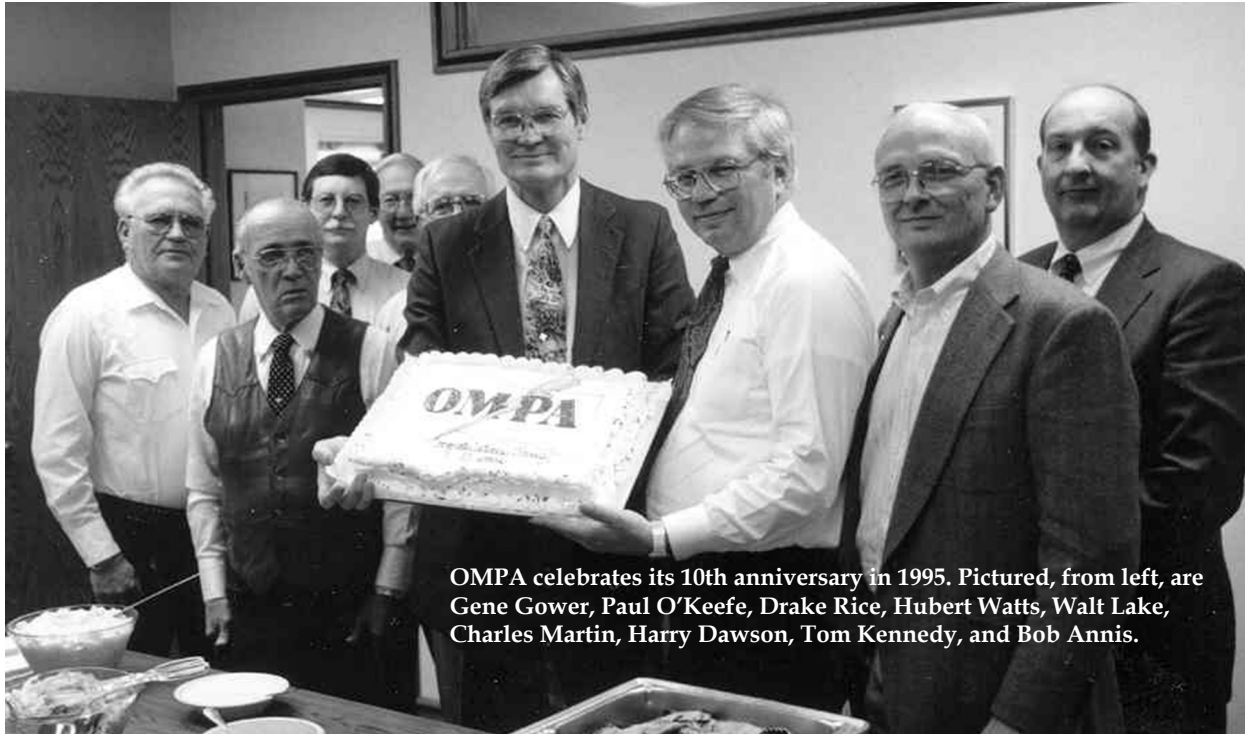
In 1990, the authority launched a \$42 million project — construction of a 35- to 45-megawatt combustion turbine with a heat recovery system for Ponca City. Also that year, the Kaw Hydroelectric Plant completed its first year of commercial operations, generating 110.7 gigawatt hours of electricity — 6 percent above the projected amount.

The authority’s focus — from its creation in 1981 to its operating launch in 1985 — had been the supply-side of the power-requirements equation.

However, the OMPA board in 1991 chose to place more resources into demand-side management programs during the early 1990s, based on recommendations from that year’s power supply study.

Supply-side management’s focus is on the source and economics of supply. Demand-side management defers the need to purchase or build new, expensive generating capacity by reducing the cities’ projected peak demands.

OMPA began to work on addressing areas that would assist members in improving their customer relation efforts. At this time, the electric utility was viewed more as a function of government rather than a business unit for



OMPA celebrates its 10th anniversary in 1995. Pictured, from left, are Gene Gower, Paul O'Keefe, Drake Rice, Hubert Watts, Walt Lake, Charles Martin, Harry Dawson, Tom Kennedy, and Bob Annis.

the member city.

Also, OMPA began to improve its communication effort to the members to help keep them informed of board activities, issues facing municipal power and efforts to improve service.

In the early 1990s, OMPA hosted a meeting for a young American Public Power Association organization called Hometown Connections that had just been formed to help members purchase different services and equipment through a cooperative effort.

Also, APPA had a program designed to help cities and towns to focus on the electric utility as a business unit.

Out of this effort grew the need for members to begin branding their utility, as the state began to move toward open access in the late 1990s.

This work led to larger members such as Edmond, Ponca City and Altus to develop separate logos for the electric utility, and followed with a

marketing effort to brand the city as the provider of choice in the community. One member, Duncan, had already been doing this for several years, due to intense competition among a rural cooperative and an investor-owned utility.

In some cases, there were three electric lines from which a customer could choose, and customers switched on a routine basis.

However, that would all change by the late 1990s, with action taken by the Legislature.

Other cities begin to realize that they, too, may be in a position where their customers might also have the opportunity to change power companies. So, following the lead of the larger members, many of the smaller members began working to help identify their local electric companies.

During this period of increased competition, the OMPA board set up a Blue Ribbon committee to help develop programs and services to enhance a city's standing. The committee was chaired by Marilyn Andrews of Ponca City, and included Charles Lamb, a new board member from the Edmond City Council.

The committee recommended OMPA move forward with a group of programs created to enhance the local city utility. Out of this process, two very important efforts were born that remain the mainstay of OMPA customer service program assistance.

First, OMPA established the Energy Services Program for its members. This program started during a conference at Roman Nose State Park Lodge, attended by 21 members and featuring a presentation by Wes Birdsall from Osage, Iowa. Birdsall had been recognized by APPA as a leader in customer service and demand reduction. He shared with the group the efforts undertaken by his city — efforts that, while relatively inexpensive, did require a commitment by the city staff.

At this seminal meeting, the seeds were planted for many of the programs later developed by OMPA's Energy Services committee, including a rebate program for heat pumps — dubbed W.I.S.E, for Ways I Save Energy — which helped to encourage the installation of high-efficiency heating and cooling equipment. The program was joined by residential energy audits and joint marketing efforts.

Dec. 7, 2000

Approval of the Planning and Operation Committee's Joint Purchasing Program recommendation, forming the creation of OMPA/YourGovShop Purchasing Program

Dec. 14, 2000

Duke Energy North America announces the purchase by OMPA of a 23-percent interest, or 110 megawatts, in the 500-megawatt McLain Power Plant being constructed in Newcastle, Oklahoma

May, 2001

Wellington, Kan., approves 4-year, 8-month supplemental power sales agreement

The Energy Services programs continued to grow and change, reflecting new technology in the industry and the needs of the member customers.

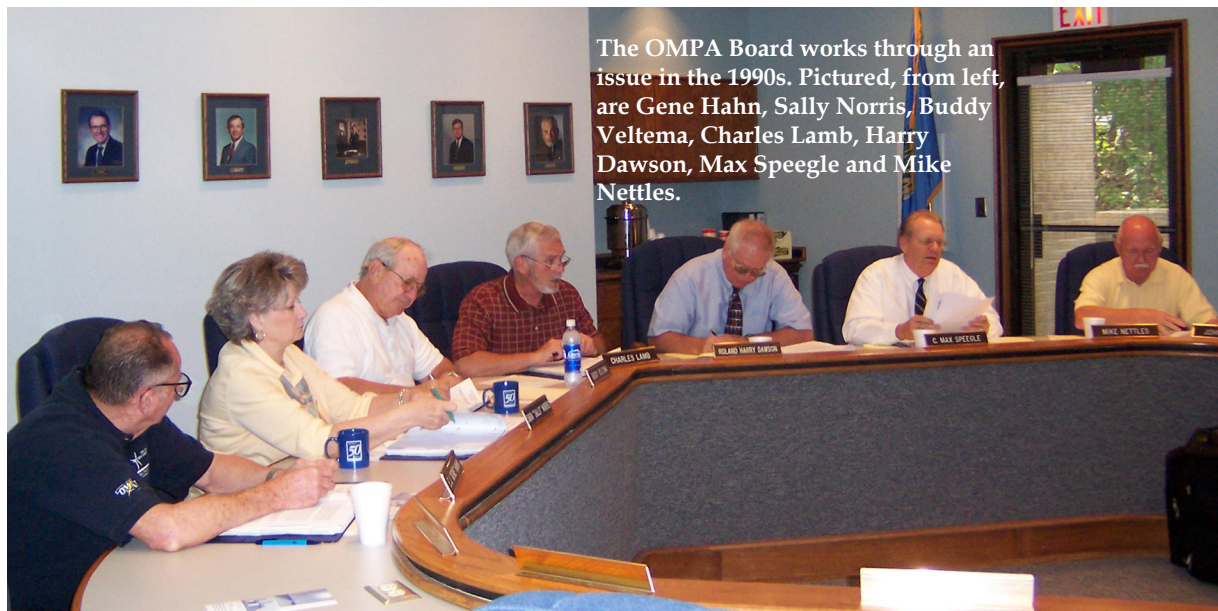
Also, the Blue Ribbon committee conceived the Competitive Utility Program, which has been a driving force in encouraging OMPA members to operate their utilities as businesses. The self-assessment process not only provides recognition, but a financial reward to those who undertake the effort to submit an application.

The program arose from Oklahoma Municipal League's Certified Cities program. Edmond's Charles Lamb served as the sub-committee chair for program development. He pointed out the value of the OML program in assisting municipal governments, but he said it lacked a "carrot" to encourage cities and towns to participate.

Lamb suggested OMPA look at some form of financial incentive to help reward participants, but also thought it was important to encourage participant involvement. Over the years, the competitive utility program certification has grown to a steady 19 members.

Lamb chaired the committee until he became board chairman, and is due the lion's share of the credit for putting the program on strong footing and for building flexibility into it, which allows the program to change with the times.

Another program from the Blue Ribbon committee was a pilot load control project. Two cities, Edmond and Altus, were targeted, but after analysis was complete, the program did not move forward. Nevertheless, much was learned from the effort that has helped with the development



The OMPA Board works through an issue in the 1990s. Pictured, from left, are Gene Hahn, Sally Norris, Buddy Veltema, Charles Lamb, Harry Dawson, Max Speegle and Mike Nettles.

and refinement of rebate programs.

OMPA's WISE program adopted minimum standards for rebates on HVAC equipment and developed a low-interest load program for insulation, windows and ceiling fans for the member cities, which would help with addressing future demand growth.

By the end of this decade, OMPA was able to declare success in its goals to:

- provide competitively priced electric service at the lowest possible cost, consistent with sound

business practices and within the balance between ratepayers' needs and bond investors' requirements;

- offer additional services that allowed members to enjoy the full benefits of municipal ownership, within the policies of the authority's board of directors and its primary commitment to service; and
- give paramount consideration to the needs of its members.

The authority had become a major competitive force in Oklahoma's wholesale electric utility industry, with perseverance and a steadfast commitment to public service and local ownership and control.

OMPA Board of Directors Plays Vital Role

In 1993, Edmond City Manager Max Speegle asked then-Edmond City Councilman Charles Lamb if he would be interested in replacing Tom Kennedy as Edmond's elector on the Oklahoma Municipal Power Authority's board of directors.

Lamb responded, "Sure... What is OMPA?"

Sept. 12, 2001

OMPA celebrates its 20th anniversary as a joint-action agency during its Annual Electors' Meeting at the Myriad Convention Center in Oklahoma City

2002

"Character First!" program implemented for OMPA employees

Sept. 18, 2002

Contract signed with Wood Group Power to purchase and install a new gas combustion turbine, General Electric's LM6000, and accessories at the Ponca City Power Plant

May 8, 2003

Board adopts policy on green credits for its members

“In this industry, you can’t see the product, but you can feel it. The industry is undergoing tremendous changes in the marketplace, federal rules, etc. There is no way to put your arms around it as a whole quickly. You have to trust the people who are dealing with it.”

- Charles Lamb

elector, who in turn elects OMPA’s board of directors at the authority’s annual electors meeting in the fall.

Though there are no steadfast rules regarding this selection, electors and board members often are active or retired municipal leaders, including mayors and city managers. These board members are not compensated for their service to OMPA.

Shortly before formally joining the board, Lamb and several OMPA board members attended the national American Public Power Association conference.

“They were using so many technical terms, it was difficult to follow,” Lamb said, adding the conference was a good introduction to actual board service.

“Honestly,” he said, “(serving on the board) was a steep learning curve for me,” as it is today for both new and continuing board members.

“In this industry, you can’t see the product, but you can feel it,” Lamb said. “The industry is undergoing tremendous changes in the marketplace, federal rules, etc. There is no way to put your arms around it as a whole quickly. You have to trust the people who are dealing with it.”

The OMPA board of director’s role is “much like a city council-manager”

It was the beginning of a beautiful friendship. Lamb went on to become the longest-tenured chairman of the board and board member, while continuing on the city council, even through his election as mayor in 2013.

Lamb continued his involvement with the authority’s board of directors over the years because it was mutually beneficial to the city of Edmond, which he represents, and to the authority, he said.

Unlike some corporate boards, OMPA’s board performs a critical role that goes way beyond approving the budget and rubberstamping agenda items, he said.

OMPA is governed by an 11-member board of directors, whose members reside in the authority’s member cities. Each OMPA member city has an

in that they set policy and hire the general manager and legal counsel, among other responsibilities, said Lamb.

And, per state statute, the chairman of the OMPA board signs off on many issues that a CEO would do in a corporation, he said.

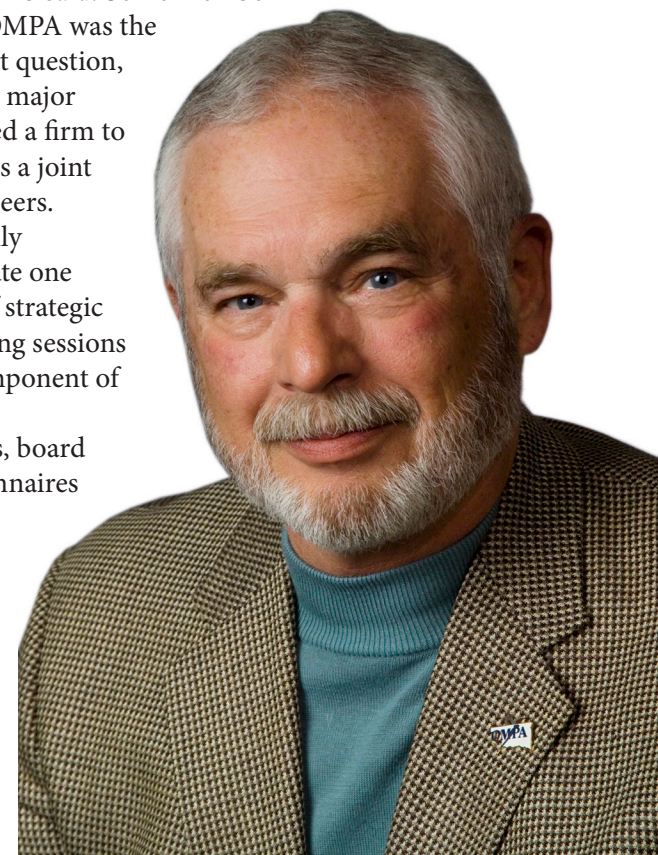
Lamb received valuable guidance from Charles Martin and other early-day OMPA movers and shakers, who taught him the authority and its board of directors are “here for the cities; we are not a traditional state agency.”

From the beginning, the OMPA board has played a key role in virtually all aspects of the authority, from formulating policies and procedures to strategic planning, he said.

One defining retreat took place shortly before the breaking news of the Enron scandal in 2001, Lamb said. Some member cities had been asking if OMPA was the best choice. To answer that question, the authority engaged in a major benchmark study and hired a firm to evaluate and rate OMPA as a joint action agency against its peers.

The result was generally favorable, but it did indicate one major weakness: A lack of strategic planning. Strategic planning sessions are now an important component of every annual retreat.

Prior to board retreats, board members are sent questionnaires



Charles Lamb

The longest-serving Board Chairman in OMPA history, Charles Lamb joined the board in 1993 and became chairman in 2001. He also serves as the Mayor of Edmond.

July 3, 2003

Ponca City’s Unit No. 4 becomes commercially operational, adding 42 megawatts of power

July 10, 2003

Burlington, Kan., signs three-year supplemental power agreement

September 26, 2003

Oklahoma Wind Energy Center becomes the first operational utility scale wind project in the state

April 9, 2004

Approximately 130 people attend the Open House at the Oklahoma Wind Energy Center

August 12, 2004

Perry officially signs a long-term power sales agreement

in which they are asked to evaluate how well the board has met the strategic needs and goals.

“While this is sometimes awkward, especially for new members, their answers are often revealing,” said Lamb, with strategic changes made based on those responses.

“The retreats are so essential — to wrestle deeper with the subjects, to decide what are we going to do,” he said.

He recalled one retreat when board members from the smaller municipalities discussed their struggles to maintain their services with a limited budget and small staff.

They came up with a novel solution: Traveling line crews who would serve these municipalities on an as-needed basis, at zero cost to the non-participating cities. OMPA would handle the hiring process and issue the requests for proposals for the equipment.

Five cities initially agreed to fund retainers to finance the equipment and related costs. The crews and their vehicles sport magnetic logos identifying them as being from each participating city rather than from the authority, reinforcing the authority’s commitment to local control.

The authority has for several years hosted lunchtime educational sessions to keep board members informed and up-to-date on key industry and legislative changes and other issues.

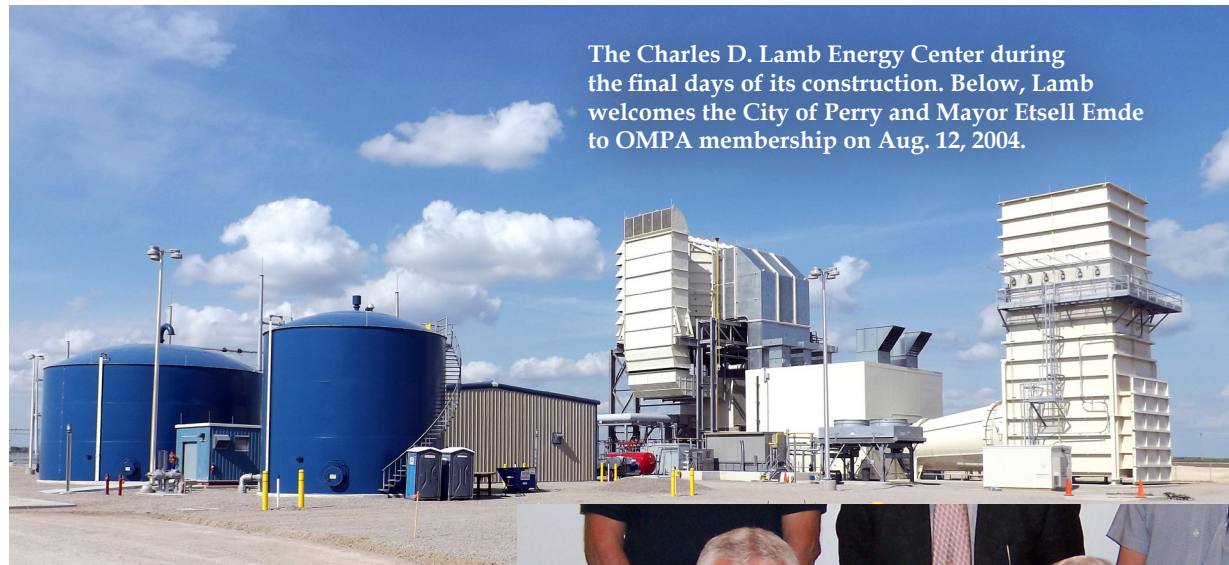
“These presentations allow board members to get to know the key staff and to delve deeply into the issues,” Lamb said. “They have made for a stronger organization, one that fosters open debate and an element of camaraderie.”

Lamb has witnessed the passing of many OMPA milestones in his 22 years on the board, including one that bears his name.

That milestone was the construction of a 103-megawatt natural gas plant in north Kay County, located on a 160-acre plot about seven miles north of Ponca City, completed in spring 2015.

Primarily used for peaking power, the Charles D. Lamb Energy Center was the first power plant to be developed, owned and operated solely by the authority.

Lamb recalls the day Buddy Veltema, another longtime board member,



The Charles D. Lamb Energy Center during the final days of its construction. Below, Lamb welcomes the City of Perry and Mayor Etsell Emde to OMPA membership on Aug. 12, 2004.

approached him and asked what he would think of having the new energy center named after him. Dumbfounded, Lamb — who was currently serving as chairman of the board — responded that it would be rather awkward for him to vote on such a proposal.

In the end, Lamb’s was the sole nay vote cast when the agenda item was voted upon at the next board meeting.

With typical modesty, he said, “It still feels awkward when I see my name on the project, but I understand the honor that it represents. I know what that project represents to the OMPA story.”



Oct. 4, 2004

Southwest Power Pool Inc., of which OMPA is a member, is granted Regional Transmission Organization status from the Federal Energy Regulatory Commission

2005

OMPA grows to a staff of 45 employees

Feb. 10, 2005

Credit-rating agency Standard & Poor’s gives OMPA a credit rating of “A”, reflecting an above-average business profile

Oct. 10, 2006

Groundbreaking held for new 16,000-square foot headquarters building, named after General Manager Roland H. Dawson, at 2701 W. I-35 Frontage Rd. in Edmond

Repowering a Plant, Revamping a Staff

In 1990, OMPA was on the lookout for a new generation resource that would bring it into a more efficient and stable footing. The authority found just what it needed, right in the back yard of one of its member cities. In the process, it expanded not only its generation, but its workforce, as well.

The Ponca City Power Plant consisted of 10 diesel units and two steam units, and was operated by the Ponca City Utilities Authority. In October of 1990, the OMPA board reached an agreement with Ponca City to lease the plant and repower steam unit No. 1, installing a combination turbine and waste heat boiler. The project substantially improved the heat rate of the plant and added 35 megawatts to the authority's power supply program.

Ground was broken on June 9, 1994 on the \$42 million project in front of a crowd of 500, which included Gov. David Walters, who was the keynote speaker. When the turbine fired in May of 1995, the plant immediately became the most fuel-efficient of all of OMPA's resources. As a result, power costs during the first year fell by 4.7 percent.

In 2003, OMPA took further measures at the plant, installing another gas turbine, rated at 42 megawatts. The second project increased the overall generation capacity at the plant to 139 megawatts.

As part of the original agreement with Ponca City, the employees at the plant were transferred to OMPA on July 1, 1996. The addition of those 15 employees grew the authority's staff size to 37. Having a team located in Ponca City — which became known as the Ponca City Power Production Department — would later play a role in OMPA's decision to build a new natural gas plant just north of town.



At left is part of the Ponca City plant, which OMPA began operating in 1996. At right, going clockwise, is a modern photo of the Ponca City staff, Steam Unit No. 1 that was repowered by OMPA in 1995 and a groundbreaking for the project that was held in 1994. Included as part of the groundbreaking was Gov. David Walters, pictured in the middle.

In 2015, OMPA made another addition to its staff with the hiring of two lineworkers. It was a first for the Authority, and came after five cities in the northwest of Oklahoma agreed to share the costs of the two-man crew, providing themselves a way to complete much-needed projects throughout their distribution systems. At right, are lineworkers Chris Harris and Anthony Hale.





Staying Ahead of the Curve

With a diverse pool of customers comes a diverse set of needs that must be met. As such, OMPA has always been adept at creating programs and resources that later become standard practice in the public power world.

OMPA was the state's very first power supplier to have an operational utility scale wind project when the Oklahoma Wind Energy Center came online in 2003. Nearly a decade later, the agency became the first supplier in the state to offer power from a landfill-gas-to-energy plant, after construction of a project in Sand Springs.

Creations such as the Competitive Utility Program and the Ways I Save Energy Program were also ahead of their time. The Utility Program provided a blueprint to encourage utilities to be operated like a business, while the Energy program meant OMPA was the first power supplier in Oklahoma to offer municipal rebates for the purchase of high-efficiency equipment.

OMPA also jumped on the idea of natural gas hedging when the concept was just becoming popular, and has claimed a significant amount of savings throughout the years, as a result.



At left, a check presentation is made as part of the Competitive Utility Program by Roger Farrar, pictured far left, who joined OMPA in 1995 to create the program. Below, are two power resources that add to the authority's diversity – the landfill gas-to-energy plant in Sand Springs and the Oklahoma Wind Energy Center near Woodward.



Deal Signed With a Handshake

In today's complex, high-tech and often impersonal business world, it's difficult to believe there was a time — not so many years ago — when a major transaction could take place with nothing but a handshake. No upfront contract. No board meeting. No legalese.

The only requirement? A relationship based on mutual respect and a history of ethical business decision-making by both parties.

It began when Buddy Veltema went on a hunting trip with Durwood Caulker.

Veltema had been Walters City Manager and previously worked as an electric cooperative representative. Later, he would become affiliated with OMPA in its formative years.

Caulker was CEO of Central and South West Corp., which was the parent company of Public Service Co. of Oklahoma, now a unit of American Electric Power. AEP today bills itself as “the nation's leader in new transmission development.” Caulker was a major figure in the power-supply industry of the day, also serving as CEO of West Texas Utilities, CP&L and Southwestern Electric Power Co.

Before concluding their outing, the two men shook hands on an agreement that allowed the Oklahoma Municipal Power Authority to buy an interest in AEP power plants.

Their visit also resulted in a letter from AEP agreeing to allow OMPA to participate in future plants.

That agreement, in turn, led to the authority's participation in the John W. Turk Jr. Power Plant, a 600-megawatt “ultra-supercritical” coal-fired plant located north of Fulton, Ark. The term ultracritical refers to a plant that operates with state-of-the-art efficiency and improved environmental performance.

OMPA in 2012 assumed a 6.6 percent, or 41-megawatt, share of the plant, which began commercial operations in December 2012.

Completion of the plant marked a milestone for OMPA in its efforts to meet the power supply needs of its member cities.

Time and time again, in stories past and present, the qualities of honesty, integrity and respect emerge as key factors in the continued growth and success of the OMPA.



Above are Buddy Veltema and Charles Martin at an OMPA board meeting. At right, Veltema is honored for his years of service. Below is the John W. Turk Jr. Power Plant.



The 21st Century





The early part of the 21st century may well be best remembered for the infamous Sept. 11, 2001, attacks and the War on Terror and War in Afghanistan. The early part of the decade was marked by a host of natural disasters including 2005's deadly Hurricane Katrina, and by major epidemics, including SARS and the swine flu.

The economic landscape was dominated by the long-predicted economic boom of China and, to a lesser extent, India. It included the worldwide financial downturn, which in the United States began with a housing and credit crisis, followed by the bankruptcy of major banks and other institutions.

Also in the nation, the superhero film genre made a huge comeback while, on the small screen, reality and competition shows — think “American Housewives” and “American Idol” — spiked in popularity. Fashion trends of the decade drew inspiration from 1960s, 1970s and 1980s styles, with skinny jeans gaining popularity by 2009.

For the Oklahoma Municipal Power Authority, the turn of the century brought Change, with a big “C.”

Distributed generation. Off-the-grid power generation. Solar power. Wind power.

A new generation was raised on fast-changing technology and a growing sensitivity to environmental issues.

OMPA was beginning to reject the status quo and seek fresh, new answers to the many political, societal, environmental and other issues of the 21st century, including the means by which the nation is powering its homes, institutions and businesses.

Charged with leading the Oklahoma Municipal Power Authority into this brave new age is David Osburn, who joined the authority after serving as general manager of Richmond Power and Light in Indiana and vice chairman of the Indiana Municipal Power Agency.

Osburn originally applied for the OMPA general manager position when the authority was searching for a replacement for Harry Dawson upon retirement. One of three finalists, the board ultimately selected an insider,

Cindy Holman.

However, Osburn received a call a short time later from Holman, telling him that the board had really liked him, and asking him if he would consider coming back to Oklahoma to discuss a new position they were establishing, for a director of operations. He agreed to return for a second interview, this time with Holman, and accepted the job.

The weather forecast included a potential ice storm in Oklahoma, primarily in the northern part of the state. Osburn was on his way to OMPA for his first day on the job. He mapped out a more southern route in hopes of avoiding the worst of it.

Despite his precautions, he hit bad weather at the Oklahoma border, and decided to stay overnight at a hotel before tackling the remainder of the trip.

“It took me almost a full day to get the rest of the way at 20 mph,” he said, giving him plenty of time to wonder if this was normal winter conditions for Oklahoma and whether he should just return home.

Of course, he persevered, and finally arrived safe and sound. He began his new job as director of operations in 2007.

“We hit it off immediately,” he said, referring to his working relationship with Holman.

There was only one hitch in the entire process, Osburn noted with a smile.

When he and Holman had spoken by phone prior to his hazardous second trip to Oklahoma, she had assured him that he would love living in Oklahoma, where the weather would allow him — an avid golfer — to hit the links virtually

year-round.

At any rate, neither the fickle Oklahoma weather nor his new position afforded Osburn any opportunity to play golf for some time. He was too busy working to fulfill one of Holman’s early top priorities — bringing the operations group in-house and on the job 24/7.

As with Holman, Osburn described his first weeks at the authority as a steep learning curve.

“When I started with the OMPA, I had been a lifetime member of the power industry. I was running the Richmond power utility. I considered myself a student of the industry and I had served on a joint action agency,” he said.

“But once I started here, I was shocked about how much I did not know. Only an insider can truly know how complex the authority, and the industry, is. ... Harry Dawson didn’t do anything simple.”

Holman once told Osburn that learning how OMPA operates is “like getting your Ph.D. in the power business.”

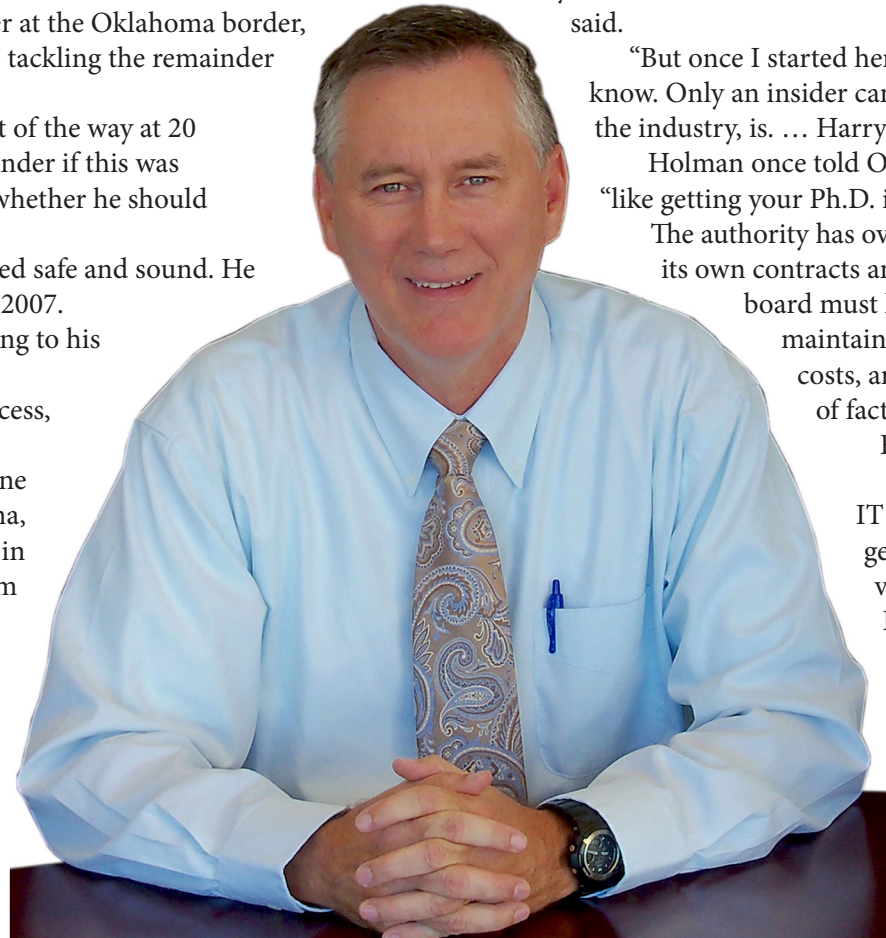
The authority has oversight over multiple power plants, each with its own contracts and operating protocols. The authority’s staff and board must keep the dialogue open with its member cities, maintain complex methods of allocating and sharing costs, and set and adjust rate structures based on a host of factors, and much more.

Fortunately, he had a good teacher and boss.

“I give Cindy credit for properly funding the IT operations; she budgeted what was needed to get a first-class IT operation. We also recruited a very strong IT network administrator, Fletcher Lockridge, who did a great job,” Osburn said.

“The biggest change was the evolution of the operations area. We had to get the staff to create the authority’s first 24/7 operations system, which has continued to evolve.”

The Operations Department is responsible for the forecasting, scheduling and dispatching of power resources to provide low-cost power to meet the load of



Dave Osburn

Just the third general manager in OMPA’s history, Dave Osburn leads the authority into the 21st century, focused on meeting the needs of the members in an ever-changing industry.

June, 2006

OMPA General Manager Roland H. Dawson receives the James D. Donovan Individual Achievement Award at American Public Power Association’s national conference

Jan. 31, 2007

OMPA’s first general manager, Roland H. Dawson, retires

Feb. 1, 2007

Cindy L. Holman assumes duties as general manager

2008

Redbud Generating Facility purchased near Luther, along with Oklahoma Gas and Electric and Grand River Dam Authority

2008

City of Purcell joins OMPA

Jan. 1, 2009

OMPA moves real-time operations in-house

the authority's member cities, day and night.

A vital part of this process involves day-ahead and real-time market operations and energy trading.

A couple of years before Holman's retirement, Osburn was named the authority's first and only assistant general manager, a move designed to give him an opportunity to learn firsthand the diverse responsibilities of a general manager.

Osburn was appointed as general manager in 2013 when Holman retired.

Since then, he has worked to stay on top of a myriad of other changes. For example, the Southwest Power Pool launched a new energy market, which Osburn described as a way for power generators to purchase and sell energy in a centralized market.

"The Southwest Power Pool's Integrated Marketplace has become a central part of OMPA's business," he said. "These power markets will continue to evolve, and OMPA will have to evolve with them and manage them effectively."

Osburn knows he can't manage all the changes by himself.

"We are prepared to meet these challenges with talented people. I believe in hiring smart people and getting out of their way," he said.

Also, Osburn has led the authority through a number of major milestones.

One of these was the completion in 2015 of the Charles D. Lamb Energy Center, a clean-burning natural gas plant with low emissions located in Kay County, approximately seven miles north of Ponca City and six miles east of Blackwell. Both cities are served by OMPA.

The project marked the first time the authority had purchased land for the development and operation of a power plant. The plant is the first to be owned from the floor up by OMPA. The authority previously had held only minority ownership in municipalities' power plants. It also is the state's first natural gas-fired power plant since 2011.

Initially, the plant was designed for use only in peak demand times. However, the site was selected with an eye to growth. It is situated on 160 acres, with close access to a 345-kilovolt transmission line and a major natural gas pipeline.

The authority can expand the 103-megawatt simple-cycle plant into a combine cycle for more output, with the potential for additional units to be



General Manager Dave Osburn, right, and Board Chairman Charles Lamb at the groundbreaking for the Charles D. Lamb Energy Center in February of 2014.

added.

Also under Osburn's watchful eye, the authority undertook several other projects that helped shore up the foundation of its existing power supply program.

For example, OMPA:

- invested approximately \$1.8 million in four of its member cities — Kingfisher, Laverne, Mangum and Pawhuska — to upgrade their existing generation facilities to meet the U.S. Environmental Protection Agency's new Reciprocating Internal Combustion Engines rules.

2010 OMPA grows to a staff of 58 employees	2010 The Demand and Energy Efficiency Program begins	March 31, 2010 Oklahoma Comfort Program contract signed, enabling audits and rebates to be paid for with federal stimulus funds	May 1, 2010 Geary begins receiving power from OMPA	Jan. 1, 2011 Orlando begins receiving power from OMPA	Nov. 1, 2011 Watonga begins receiving power from OMPA	Aug. 1, 2011 Trading and settlements conducted through Electric Reliability Council of Texas are moved in-house
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The Oklahoma Municipal Power Authority staff at the Edmond headquarters in 2015.

“It was made clear to me from the beginning that our mission is to support our member cities. That is always our focus. That is the whole reason we exist, and I love that.”

- Dave Osburn

an advanced metering system and load profiling for commercial and industrial customers.

By 2015, OMPA had grown to serve 39 municipal electric systems throughout the state, encompassing approximately 250,000 Oklahomans. The authority held short-term supplemental agreements with two cities in Arkansas.

Also in 2015, the authorities reached agreements with towns Mooreland and Fort Supply in northwest Oklahoma, and were scheduled to begin supplying them with power later in the year, bringing the member city total to 41.

- In cooperation with its partners, authorized significant upgrades to the Redbud and McClain power plants, which were retrofitted in 2014 with Advanced Gas Path technologies that resulted in increased output and improved efficiencies.

- Continued to diversify its energy holdings to also include natural and methane gas and wind and hydro power. For example, in 2013, OMPA dedicated a landfill-gas-to-energy project in Sand Springs, the first such project to begin commercial operations in Oklahoma.

- As a member-driven organization, undertook a more aggressive approach to introducing new services designed to assist its member cities in dealing with changes in customer needs and technologies. Customers are requesting more from their local utility, including a joint billing system,

Despite its tremendous growth, Osburn described the authority as still being a relatively small organization.

And he likes it that way.

Osburn finds himself as general manager of an agency where, to borrow a well-worn phrase, “everybody knows your name.” For example, it has allowed him “to become involved as a team member in every single aspect of the Ponca City project, from the planning studies, to board presentations and making recommendations, to the selection of the firms that will design it, to the financing and construction.

“For an engineer,” he said, “that is like a dream come true. Professionally, it has been very rewarding.”

There is another primary reason he enjoys his association with the

2012

Plan created to ensure OMPA is in compliance with North American Reliability Corporation (NERC) standards

Sept. 14, 2012

Oklahoma Comfort Program ends

Dec. 13, 2012

Board approves plan to purchase land for Charles D. Lamb Energy Center

Dec. 20, 2012

John W. Turk Jr. Power Plant becomes commercially operational

Dec. 22, 2012

Canadian Hills Wind Farm becomes commercially operational

Feb. 27, 2013

Landfill-gas-to-energy project completed in Sand Springs

July 31, 2013

Cindy H. Holman retires as general manager

authority.

“It was made clear to me from the beginning that our mission is to support our member cities. That is always our focus. That is the whole reason we exist, and I love that,” he said.

Osburn is an active member of several national, professional organizations. Because of that, he has the opportunity to talk often with his peers across the United States. “What I have learned is that many similar agencies around the nation have lost that focus. They have become their own bureaucracy. They’ve lost their mission.”

Another OMPA “character trait” or “value” is fairness.

“We try to always do what is fair and best, regardless of size,” he said.

“In other states, large cities can dominate, or muscle their way, and the smaller communities’ needs are not addressed. It’s almost the opposite at OMPA. We spend a lot of time helping the smaller communities — and the larger cities are OK with that.”

OMPA provides key leadership that evolves and adapts to the rapidly changing marketplace. This includes the new phenomenon of distributed generation, a trend toward “off-the-grid” power generation, the emergence of new or morphing energy platforms, and forays into new areas such as transmission-only partnerships.

In all his business dealings, Osburn draws upon the simple but elegant culture of honesty and fairness instilled by the authority’s early leaders, including William Charles Martin, Buddy Veltema, Harry Dawson, Cindy Holman and Charles Lamb.

Focus on Cities, Forward-Thinking Philosophy Key to OMPA’s Success

All those involved with OMPA’s development are amazed, and humbled, by what the authority has become in the early part of the 21st century — from its beginnings as nothing more than a concept, to an informal consortium of municipal utilities, to a multimillion-dollar joint action agency.

“I am proud to have been a part of OMPA, to help put together a mixed power supply, with coal and gas and renewable resources such as wind and hydro. It’s a wonderful mix of generating facilities,” said previous OMPA board chairman and former Altus city administrator Charles Martin, who can boast 33 years of municipal experience.

“In addition to providing as low a cost as we could, depending on finances and construction, we brought up the quality of services in many cities,” Martin said, noting the authority’s dedication to offering training for linemen and city employees.

“We showed them how to better service the citizens of their communities.”

Former OMPA General Manager Harry Dawson finds enormous satisfaction in that the primary focus of OMPA remains, as it has always been, on the cities. He cites Martin, in particular, for always declaring before a proposed action, “If it is good for the city, it is good for us.”

Other Joint Action Agencies across the country, he said, have tended “to drift off from their cities and become bureaucracies,” while OMPA has dedicated part of its efforts to helping cities, especially small ones, “be better stewards of their power.”

“Our culture has always been to keep cities happy,” Dawson said. “We have worked hard to make sure the benefits and costs are equally spread out. We gave participating cities control over their own power supply and their own business.”



Dave Osburn, far right, leads a tour of the Charles D. Lamb Energy Center construction site.

Aug. 1, 2013

David W. Osburn assumes duties as general manager

Feb. 13, 2014

Groundbreaking for the Charles D. Lamb Energy Center held in north Kay County

2015

OMPA grows to a staff of 64 employees

March 12, 2015

Town of Mooreland becomes OMPA member

May 14, 2015

Town of Fort Supply becomes OMPA member

May 16, 2015

The Charles D. Lamb Energy Center is declared commercially operational

June 19, 2015

The Charles D. Lamb Energy Center is officially dedicated

Oklahoma! Where the Wind Comes Sweepin’

As the state song says, one thing Oklahoma has plenty of is wind.

Wind power isn’t new. Windmills have been used for pumping water since the 1850s, and they have long been a fixture of the Oklahoma landscape. However, wind power has undergone a transformation in how it is harnessed and used in the 21st century.

So, it was a natural when the Oklahoma Municipal Power Authority leadership decided the time was ripe to start investing in one of the state’s largely untapped renewable natural resources.

OMPA General Manager David Osburn gives his predecessor Cindy Holman the credit for spearheading this effort.

In 2003, the authority purchased 51 megawatts of wind capacity from the Oklahoma Wind Energy Center. The wind farm, which became operational in 2003, is located on a 1,200-acre site along the Harper and Woodward county lines northeast of Woodward.

As with so many OMPA success stories, sound relationships between the authority’s leadership and other concerned parties played an important role.

Here’s how it came about.

Holman maintained close communications with Florida Power & Light Energy and made sure the authority was their first signatory, knowing that FP&L was in the process of building a wind farm and was highly motivated to win the race to build the state’s first wind farm.

At one point, Holman formulated a novel idea. She enlisted the aid of Max Speegle, longtime OMPA general counsel, attorney and longtime Edmond civic leader.

Speegle worked to garner the support of the area’s county commissioners for the project, knowing that property taxes were a big concern for FPL. In return for the government support, FPL would quietly perform some much-needed road improvements — for which the commissioners were given credit.

Thanks to some pretty impressive teamwork, FPL succeeding in its efforts to become Oklahoma’s first large-scale commercial wind energy project — by one day. OGE launched operations on its first wind farm in the state the very next day.

OMPA later expanded its interest into the wind-power business when it entered into a 25-year agreement with Apex Energy Holdings to purchase 49.2 megawatts of wind generation from the Canadian Hills Wind Farm near El Reno. That wind farm, with a total capacity of 300 megawatts, became commercial in 2012, and is the largest wind farm in Oklahoma.

Today, when the wind goes sweepin’ down western Oklahoma’s plain, thousands of Oklahomans in the communities served by the Oklahoma Municipal Power Authority benefit from the energy generated by that invisible but powerful force of nature.

And doesn’t that smell sweet?





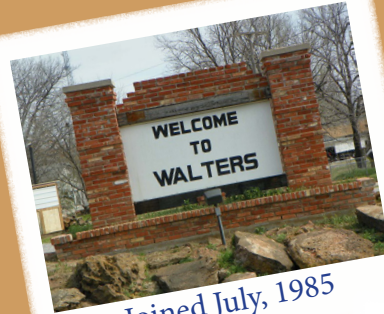
At left, Dave Osburn is presented with the Wind Power Award by the American Public Power Association for OMPA's efforts in establishing wind as a power resource. Other photos include those from construction of the Oklahoma Wind Energy Center.



The members



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined March, 1994



Joined July, 1985



Joined July, 1985



Joined 2008



Joined July, 1986



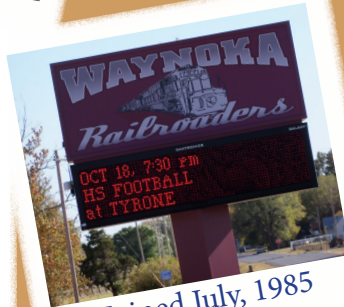
Joined July 1985



Joined July, 1986



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined November, 2011



Joined July, 1986



Joined July, 1986



Joined July, 1985



Joined January, 2011



Joined July, 1986



Joined July, 1985



Joined July, 1985



Joined May, 2010



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined June, 1989



Joined July, 1985



Joined July, 1985



Joined July, 1985



Joined March, 2015



Joined July, 1985



Joined July, 1986



Joined July, 1995



Joined May, 2015

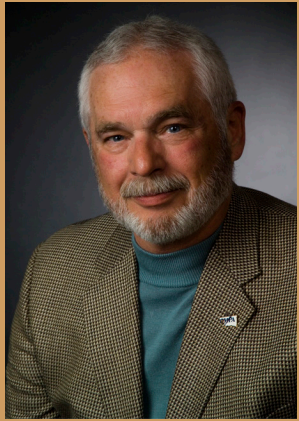


Joined July, 1985

Board members throughout history

<u>Name</u>	<u>Service Dates</u>		
Allen, Walt	01/2002 - 07/2013	Love, Rodney	06/1999 - 11/1999
Annis, Bob	01/1993 - 03/1998	Luckett Jr., Jim	09/1992 - 09/1995/09/1999 - 07/2002
Bishop, Doug	03/1986 - 12/1989	Marcom, Chris	09/2000 - 04/2002
Bourbeau, Ron	09/1981 - 10/1981	Martin, Gary	11/2005 - 11/2008
Boyd, Rex	09/1981 - 09/1984	Martin, William Charles	09/1981 - 02/2002
Boyer, Lyn	05/1996 - 08/2003	Massey, Harvey	09/1984 - 04/1989
Brown, Gene	09/1981 - 09/1986	McCoy, Kenneth	08/1984 - 10/1988
Brown, Michael	09/1981 - 06/1988	Nettles, Mike	02/2002 - 05/2011
Buckley, Greg	10/2014 - 06/2015	Nicholson, Homer	11/2008 - present
Bunn, Dale	08/2013 - present	Nix, Doug	09/1986 - 05/1988
Courtney, Joseph	03/1988 - 02/1992	Norris, Sally	03/1998 - 06/2011
Cain, Janice	03/2010 - 07/2013	O'Keefe, Paul	01/1985 - 07/1993
Cowan, Bill	09/1983 - 11/1984	Pierson, Bob	09/1981 - 09/1982
Cox, Vicki	09/1997 - 09/1999	Powell, Stuart	09/2003 - 11/2005
Cunningham, Kathy	05/2002 - 07/2011	Price, Louise	10/1995 - 05/1996
Dickinson, Joe	08/1988 - 01/1993	Pulis, Reuben	09/1993 - 05/2000
Finney, Larry	09/1998 - 04/1999	Raley, Jeff	01/1985 - 03/1986
Frieda, Jim	10/2012 - present	Ramey, John	08/2011 - 04/2015
Fuqua, David	06/2015 - present	Rauh, Mary Jac	08/2002 - 08/2004
Gower, Gene	07/1989 - 11/2001	Regan, Charles	09/1992 - 09/1992
Gray, Elizabeth	06/2012 - 08/2014	Reherman, Carl	09/1982 - 07/1989
Greff, Jim	08/2014 - present	Rice, Drake	09/1981 - 04/1984
Hahn, Gene	01/1990 - 01/2010	Rinderer, Lloyd	12/1996 - 02/1999
Hall, Chuck	09/2007 - 12/2013	Rupp, Mary	12/2013 - present
Hanson, Larry	09/1984 - 11/1984	Scott, Dan	06/2011 - 07/2012
Hays, Fred	03/1992 - 09/1992	Shaw, Clyde	07/2004 - 10/2012
Holden, Wayne	05/1988 - 10/1995	Skiles, Mark	06/2011 - 07/2014
Hunter, Royce	09/1981 - 09/1984	Slezickey, Dave	05/2015 - present
Johnston, Robert	08/2004 - present	Smith, Joe D.	06/1996 - 08/1997
Joseph, Jim (ex-officio member)	09/2000 - 07/2008/10/2011 - present	Speegle, Max	07/1989 - 12/1989
Kahler, Kraig	03/1999 - 06/1999	Staats, Harold	09/1981 - 09/1983
Kennedy, Tom	01/1990 - 08/1993	Stone, Gerald	10/1981 - 10/1985
Lacey, Bill	09/1981 - 10/1985	Swinerton, Leslie	08/2013 - present
Lake, Walter	11/1988 - 09/1998	Vanderslice, Ken	08/1999 - 07/2004
Lamb, Charles	08/1993 - present	Veltema, Buddy	09/1981 - present
Leonard, Phil	10/1995 - 11/1996	Warren, John	01/2000 - 09/2007
		Watts, Hubert	10/1985 - 05/1986
		Wiseman, Edgar	10/1985 - 01/1988
<u>Board Chairmen:</u>	Ron Bourbeau A.L. "Buddy" Veltema Michael D. Brown	W.M. Charles Martin Charles D. Lamb	06/09/1988 - 10/11/2001 10/11/2001 - present

2015 Board of Directors



Charles Lamb
Edmond
Chairman



Buddy Veltema
Walters
Vice Chairman



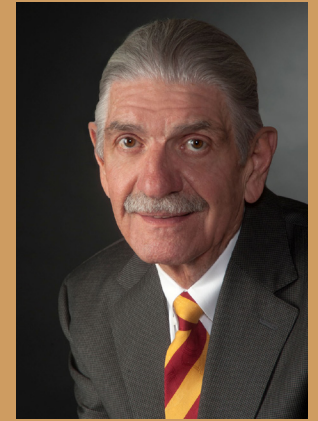
Robert Johnston
Frederick
Secretary



Mary Rupp
Perry
Treasurer



Dale Bunn
Purcell
Member



Jim Frieda
Duncan
Member



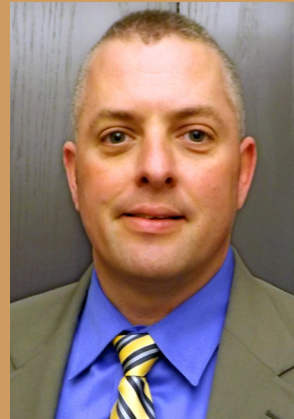
David Fuqua
Altus
Member



Jim Greff
Prague
Member



Homer Nicholson
Ponca City
Member



Dave Slezickey
Kingfisher
Member



Leslie Swinerton
Geary
Member



James Joseph
State Bond Advisor
Ex-Officio
Member

An Act

The following is the legislation which
was signed into law on June 2, 1981,
allowing for the creation of the
Oklahoma Municipal Power Authority



ENROLLED SENATE
BILL NO. 286

BY: SMITH (Finis) of the
SENATE

and

HOBSON and McCALEB of the
HOUSE

AN ACT RELATING TO CITIES AND TOWNS; AMENDING 62 O.S. 1971, SECTION 7.1, AS AMENDED BY SECTION 10, CHAPTER 46, O.S.L. 1973 AND SECTION 17, CHAPTER 46, O.S.L. 1973, AS LAST AMENDED BY SECTION 1, CHAPTER 145, O.S.L. 1980 (62 O.S. SUPP. 1980, SECTIONS 7.1 AND 7.2), 74 O.S. 1971, SECTIONS 118.9, AS LAST AMENDED BY SECTION 5, CHAPTER 325, O.S.L. 1980, 118.12, AS LAST AMENDED BY SECTION 8, CHAPTER 325, O.S.L. 1980 AND 85.12, AS LAST AMENDED BY SECTION 17, CHAPTER 345, O.S.L. 1980 (74 O.S. SUPP. 1980, SECTIONS 118.9, 118.12 AND 85.12); CREATING THE OKLAHOMA MUNICIPAL POWER AUTHORITY; PROVIDING A SHORT TITLE; STATING LEGISLATIVE FINDINGS AND NECESSITY; PROVIDING FOR THE ELECTION COMMITTEE, BOARD OF DIRECTORS AND BYLAWS OF THE AUTHORITY; DEFINING TERMS; PROVIDING FOR PROPERTY HELD BY THE AUTHORITY; STATING POWERS, RIGHTS AND PRIVILEGES OF THE AUTHORITY; PROVIDING PROCEDURE AND REQUIREMENTS FOR BONDS ISSUED BY THE AUTHORITY; PROVIDING PROCEDURE FOR DETERMINATION OF THE VALIDITY OF BONDS AND CONTRACTS OF THE AUTHORITY; GIVING AUTHORITY THE POWER OF EMINENT DOMAIN; DECLARING BONDS TO BE SECURITIES; CONFERRING CERTAIN POWERS ON CERTAIN ENTITIES; AUTHORIZING AUTHORITY TO CHARGE FOR SERVICES; EXEMPTING THE AUTHORITY FROM CORPORATION COMMISSION JURISDICTION; PROVIDING FOR CERTAIN CONTRACTS; REQUIRING FILING OF FINANCIAL STATEMENTS; PROVIDING FOR MEETINGS AND RECORDS OF THE AUTHORITY; PROVIDING FOR LIBERAL CONSTRUCTION OF ACT; DECLARING ACT TO BE SUPPLEMENTARY TO EXISTING LAW; DECLARING BONDS AND CONTRACTS TO BE IRREVOCABLE; STATING PERSONNEL OF THE AUTHORITY TO BE UNCLASSIFIED; REQUIRING CERTAIN CERTIFICATES FOR CERTAIN PURPOSES; EXEMPTING FUNDS OF THE AUTHORITY FROM CERTAIN DEPOSITORY REQUIREMENTS; EXEMPTING THE AUTHORITY FROM CERTAIN DATA PROCESSING REQUIREMENTS; EXEMPTING PURCHASES OF THE AUTHORITY FROM REQUIREMENTS OF THE CENTRAL PURCHASING ACT; ALLOWING THE AUTHORITY TO MAINTAIN DATA PROCESSING EQUIPMENT; PROVIDING SEVERABILITY; DIRECTING CODIFICATION; AND DECLARING AN EMERGENCY.

Correctly Enrolled: *John R. McLean*, Chairman, COMMITTEE ON ENGROSSED AND ENROLLED BILLS

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

SECTION 1. Short Title. This act shall be known and may be cited as the "Oklahoma Municipal Power Authority Act".

SECTION 2. Legislative Findings and Declaration of Necessity. It is declared that the provision of adequate, reliable and economic sources of electrical energy is in the public interest; that there is a need to establish a means by which municipalities and public trusts operating municipal electric systems may jointly plan, finance, own and operate facilities relating to electrical energy and acquire fuel and other supplies for the generation of electrical energy through the creation of a power authority in order to achieve economies and efficiencies not possible for municipalities and public trusts acting alone; that the joint planning, financing, ownership and operation of facilities relating to electrical energy, the acquisition of fuel and other supplies for the generation of electrical energy and the issuance of revenue bonds as provided herein is for a public use and serves a valid public purpose; and that the Legislature finds it necessary and proper to provide a method for municipalities and public trusts operating municipal electric systems to jointly plan, finance, develop, own or operate, either by themselves or with other public agencies, utilities or persons, facilities appropriate to the present and projected needs of such municipalities and public trusts for electrical energy. It is further declared that the intent of this act is to consider all methods for the generation of electrical energy and to provide such energy in the most economical manner available.

SECTION 3. Creation of the Authority. There is hereby created within the State of Oklahoma a power authority to be known as "Oklahoma Municipal Power Authority". Said Authority shall be, and is hereby declared to be a state governmental agency, body politic and corporate, with powers of government and with authority to exercise the rights, privileges and functions hereinafter specified.

Nothing in this act or in any other act or law contained, however, shall be construed as authorizing the Authority to levy or collect taxes or assessments, or to create any indebtedness payable out of the taxes or assessments, or in any manner to pledge the credit of the State of Oklahoma, or any subdivision thereof.

SECTION 4. Members. (a) (i) Election Committee. The Authority shall be governed by a Board of Directors consisting of seven members or such greater number, but in no event more than eleven members, as provided in the bylaws of the Authority as in effect from time to time. Members of the Board of Directors of the Authority shall be eligible to succeed themselves and shall be elected by the election committee as hereinafter provided in this section. On or before the 90th day following the effective date of this act, each of those eligible public agencies which shall have, prior to such 90th day, by proper resolution of its governing body or its public trust, declared its intention to participate, or to have any public trust operating its electric system participate, with the Authority in the development of power supply resources, shall designate one person as its representative on the election committee. All such resolutions of declaration of intention to participate with the Authority shall be filed with the Secretary of State and shall be presented to the election committee at its first meeting which shall be held in the office of the Municipal Electric Systems of Oklahoma at 11:00 a.m. on the first Tuesday following such 90th day. At such meeting the election committee shall organize and elect a chairman and such other officers as may be desirable in the determination of the election committee. The election committee shall then determine the sufficiency of the resolutions presented to it.

(ii) Election Committee Voting. For purposes of voting upon any matter which may properly come before the election committee, each representative shall have one vote unless otherwise provided in the bylaws of the Authority as in effect from time to time. The presence at any meeting of the election committee of representatives entitled

to cast a majority of the total votes to which the election committee shall be entitled shall, unless otherwise provided in the bylaws of the Authority as in effect from time to time, constitute a quorum of the election committee.

(iii) Bylaws of the Authority.

(A) The bylaws of the Authority shall be adopted by the election committee of the Authority by a majority vote of the election committee and may thereafter be amended at any time and from time to time in whole or in part by the election committee or by the Board of Directors by a majority of the total votes entitled to be cast at any properly called and constituted meeting thereof, provided, however, that any such amendment shall not violate the provisions of Section 19 hereof.

(B) The bylaws of the Authority shall provide the following:

- (1) the time, place, manner of calling, notice, quorum and voting provisions, and other procedural rules for regular and special meetings of the election committee of the Authority;
- (2) the time, place, manner of calling, notice, quorum and voting provisions, and other procedural rules for regular and special meetings of the Board of Directors of the Authority;
- (3) provisions for the number, election, term of office and removal of members of the Board of Directors and for filling vacancies on the Board of Directors;
- (4) the titles, duties and manner of election, removal and replacement of officers of the Authority;
- (5) provisions governing when the Authority may dissolve and the disposition of property of the Authority and the procedures to be followed in the

event of such a dissolution, provided, however, that any such dissolution shall not violate the provisions of Section 19 hereof; and

(6) such other rules for regulating the affairs of the Authority as the election committee or the Board of Directors may deem necessary or advisable.

(iv) Board of Directors. The initial members of the Board of Directors of the Authority shall be elected by the election committee of the Authority. Members of the Board of Directors of the Authority shall be residents of the State of Oklahoma. Members of the Board of Directors of the Authority may, but need not, be members of the election committee. Each member of the Board of Directors of the Authority shall hold office until the adjournment of the annual meeting of the Board of Directors held at, or nearest to, the expiration of his term of office as provided in the bylaws of the Authority and until his successor is elected.

(b) Additional Members of Election Committee. Each eligible public agency declaring its intention, by proper resolution of its governing body, to participate, or to have any public trust operating its electric system participate, with the Authority in the development of power supply resources after the 90th day following the effective date of this act shall promptly file such resolution with the Secretary of State and give written notice to the Authority of the adoption of such resolution and shall then designate one person as an additional member of the election committee whose term shall begin with the first meeting of the election committee which is held following the expiration of ten (10) days from the date of receipt of notice of the adoption of such resolution by the Authority. Members of the election committee shall serve at the pleasure of the governing body of the eligible public agency by which they were appointed.

SECTION 5. Definitions. As used in this act the following words shall have the following meanings unless the context clearly indicates otherwise:_____

(a) "Authority" shall mean the Oklahoma Municipal Power Authority hereby created and any successor or successors thereto. Any change in name or composition of the Authority shall in no way affect the vested rights of any person under the provisions of this act or impair the obligations of any contracts existing under this act._____

(b) "Board of Directors" shall mean the Board of Directors elected by the election committee as set forth in Section 4 of this act which shall exercise all the powers and manage and control all the affairs and property of the Authority unless otherwise specifically provided herein or in the bylaws of the Authority as in effect from time to time._____

(c) "Bonds" shall mean any revenue bonds, notes or other evidences of obligations of the Authority issued by the Authority under the provisions of this act, including, without limitation, bond anticipation notes and refunding bonds._____

(d) "Eligible public agency" shall mean any municipality, authority or other public body which owns, maintains or operates an electrical energy generation, transmission or distribution system within the State of Oklahoma on the date on which this act becomes law._____

(e) "Person" shall mean (i) any natural person; (ii) any eligible public agency as defined herein; (iii) any public trust as defined herein; (iv) the United States, any state, any municipality, political subdivision, municipal corporation, unit of local government, governmental unit or public corporation created by or pursuant to the laws of the United States or any state, or any board, corporation or other entity or body declared by the laws of the United States or any state to be a department, agency or instrumentality thereof; (v) any corporation, not for profit

corporation, firm, partnership, cooperative association, electric cooperative or business trust of any nature whatsoever organized and existing under the laws of the United States or any state; or (vi) any foreign country, any political subdivision or governmental unit of any foreign country or any corporation, not for profit corporation, firm, partnership, cooperative association, electric cooperative or business trust of any nature whatsoever organized and existing under the laws of any foreign country or of any political subdivision or governmental entity thereof._____

(f) "Project" shall mean any plant, works, system, facilities and real and personal property of any nature whatsoever, together with all parts thereof and appurtenances thereto, located within or without the State of Oklahoma, used or useful in the generation, production, transmission, purchase, sale, exchange or inter-change of electrical energy and in the acquisition, extraction, processing, transportation or storage or of fuel of any kind for any such purposes or any interest in, or right to the use, services, output or capacity, of any such plant, works, system or facilities; provided, however, a project shall not include (i) any interest in any plant for the generation of electrical energy which is to be owned jointly with any investor-owned utility if such plant is not existing on May 10, 1981, or (ii) any interest in any nuclear powered generating plant. For purposes of this definition, a plant shall be considered to be existing if construction shall have been commenced at the plant site, if orders have been placed for major components of equipment or if the plant is to consist of an additional unit at the site of an already existing unit which will use in common any of the existing facilities at such site._____

(g) "Public trust" shall mean any public trust created and existing under the provisions of the Trusts for Furtherance of Public Functions Law, as provided by Sections 176 et seq. of Title 60 of the Oklahoma Statutes, and the Oklahoma Trust Act, as provided by Sections 175 et seq. of Title 60 of the Oklahoma Statutes, which has

as its beneficiary a municipality and which owns, maintains or operates an electrical energy generation, transmission or distribution system serving the residents and consumers of such municipality and existing on the date on which this act becomes law or created hereafter with an eligible public agency as the beneficiary.

SECTION 6. Public Property. It is hereby found, determined, and declared that the creation of the Authority and the carrying out of its corporate purposes are in all respects for the benefit of the people of this state and that the Authority is an institution of purely public charity performing an essential governmental function and all property of said Authority (including the Authority's interest in any property held jointly with any other person) is hereby declared and shall in all respects be considered to be public property and title to such property shall be held by the Authority only for the benefit of the public and the use of such property pursuant to the terms of this act shall be and is hereby declared to be for essential public and governmental purposes, that is, for the promotion of public general welfare in the matter of providing an adequate, dependable and economic electric power supply in an effort to better the general condition of the residents of the State of Oklahoma, and all of the property of and income, obligations and interest on all the bonds and notes of the Authority and the transfer thereof shall be and hereby are declared to be nontaxable for any and all purposes by the State of Oklahoma or any of its political subdivisions.

SECTION 7. Powers, Rights and Privileges of Authority. (a) The Authority shall have and is hereby authorized to exercise all powers, rights and privileges enumerated in this section. Such powers, rights and privileges shall be exercised by its Board of Directors unless otherwise specifically provided herein or by the bylaws of the Authority as in effect from time to time.

(b) The Authority may plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate, individually or jointly with other persons, in one or more projects, proposed, existing or under construction, and may act as agent, or designate one or more persons, whether or not participating in a project, to act as its agent, in connection with the planning, financing, acquisition, construction, reconstruction, ownership, lease, operation, maintenance, repair, extension or improvement of the project.

(c) The Authority may investigate the desirability of and necessity for additional sources and supplies of electrical energy and fuel and other supplies of any kind for such purpose, and make studies, surveys and estimates as may be necessary to determine the feasibility and cost thereof.

(d) The Authority may cooperate with other persons in the development of sources and supplies of electrical energy and fuel and other supplies of any kind for such purposes, and give assistance with personnel and equipment in any project.

(e) The Authority may apply to any person for consents, authorizations or approvals required for any project within its powers and take all actions necessary to comply with the conditions thereof.

(f) The Authority may perform any act authorized by this act through, or by means of, its officers, agents or employees or by contract with any person, including, without limitation, the employment of engineers, architects, attorneys, appraisers, financial advisors and such other consultants and employees as may be required in the judgment of the Board of Directors, and fix and pay their compensation from funds available to the Authority therefor.

(g) The Authority may acquire, hold, use and dispose of income, revenues, funds and money.

(h) The Authority may, individually or jointly with other persons, acquire, own, hire, use, operate and dispose of personal property and any interest therein.

(i) The Authority may, individually or jointly with other persons, acquire, own, use, lease as lessor or lessee, operate and dispose of real property and interests in real property, including projects existing, proposed or under construction, and make improvements thereon.

(j) The Authority may grant the use by franchise, lease or otherwise and make charges for the use of any property or facility owned or controlled by it.

(k) The Authority may borrow money and issue negotiable bonds, secured or unsecured, in accordance with this act.

(l) The Authority may invest money of the Authority not required for immediate use, including proceeds from the sale of any bonds.

(m) The Authority may exercise the power of eminent domain in accordance with the provisions of Section 10.

(n) The Authority may determine the location and character of, and all other matters in connection with, any and all projects it is authorized to acquire, hold, establish, effectuate, operate or control.

(o) The Authority may contract with any person for the planning, development, construction, operation, sale or lease as lessor or lessee of any project or for any interest therein, on such terms and for such period of time as its Board of Directors shall determine.

(p) The Authority may contract with any eligible public agency, any public trust, or any other person for the sale of power and energy, transmission services, power supply development services or other services within or without the State of Oklahoma on such terms and conditions as the Board of Directors shall approve. Any such contract may be for the sale of output and services of a particular project or may be for output and services generally without regard to a specific project and may be for the supply of a specific quantity

of output or a percentage of the output of a specific project or other specific facility or may be based on the requirements of the purchaser or may be on such other terms and conditions as the Board of Directors deems appropriate.

(q) The Authority may enter into any contract or agreement necessary, appropriate or incidental to the effectuation of its lawful purposes and the exercise of the powers granted by this act, including, without limitation, contracts or agreements for the purchase, sale, exchange, interchange, wheeling, pooling, transmission or storage of electric power and energy, and fuel and other supplies of any kind for any such purposes, within and without the State of Oklahoma, in such amounts as it shall determine to be necessary and appropriate to make the most effective use of its powers and to meet its responsibilities, on such terms and for such period of time as the Board of Directors determines.

(r) In any case in which the Authority participates in a project as a joint owner with one or more persons, the Authority may enter into an agreement or agreements with respect to such project with the other person or persons participating therein, and any such agreement may contain such terms, conditions and provisions consistent with the provisions of the act as the parties thereto shall deem to be in their best interest. Any such agreement may include, but need not be limited to, provisions defining what constitutes a default thereunder and providing for the rights and remedies of the parties thereto upon the occurrence of such a default deemed appropriate by the Board of Directors including, to the extent deemed appropriate, the acquisition by nondefaulting parties of all or any part of the defaulting party's interest; provisions setting forth such restraints on alienation of the interests of the parties in the project as the Board of Directors deems appropriate; provisions for the construction, operation and maintenance of such electric generation or transmission facility by any one or more of the parties to such agreement which party or parties shall be designated in or pursuant

to such agreement as agent or parties thereto or by such other means as may be determined by the parties thereto; and provisions for a method or methods of determining and allocating, among or between the parties, costs of construction, operation, maintenance, renewals, replacements, improvements and disposals with respect to such project. In exercising its power to participate in a project as a joint owner with one or more persons, the Authority may not loan its credit to any person which is a joint owner of such project; provided, however, the appropriate allocations of the costs of construction, operation, maintenance, renewals, replacements, improvements and disposals with respect to such project between the Authority and such persons shall not be a loan of credit by the Authority to such persons. In carrying out its functions and activities as such agent with respect to construction, operation and maintenance of a project, such agent shall be governed by the laws and regulations applicable to such agent as a separate legal entity and not by any laws or regulations which may be applicable to any of the other participating parties. Notwithstanding anything contained in any other law to the contrary, pursuant to the terms of any such agreement, the Authority may delegate its powers and duties with respect to the construction, operation and maintenance of such project to the person acting as agent; and all actions taken by such agent in accordance with the provisions of such agreement may be made binding upon the Authority without further action or approval by the Authority.

(s) The Authority may procure insurance against any losses in connection with its property, operations or assets in such amounts and from such insurers as it deems desirable, or may self-insure against such losses.

(t) The Authority may contract for and accept any gifts, grants or loans of funds or property or financial or other aid in any form from any person, and may comply, subject to the provisions of this act, with the terms and conditions thereof.

(u) The Authority may adopt a corporate seal and may sue or be sued.

(v) The Authority may exercise all other powers not inconsistent with the Constitution of the State of Oklahoma or the United States Constitution, which powers may be reasonably necessary or appropriate for or incidental to effectuate its authorized purposes or to the exercise of any of the powers enumerated in this act.

(w) Notwithstanding any other provision herein seemingly to the contrary, the Authority may not sell output (i) at retail to the ultimate consumers thereof, (ii) to any municipality which does not qualify as an eligible public agency under the definition set forth in Section 5(d) of this act, or (iii) to any trust created and existing under the provisions of the Local Industrial Development Act, as provided by Sections 651 et seq. of Title 62 of the Oklahoma Statutes, or the Trusts for Furtherance of Public Functions Law, as provided by Sections 176 et seq. of Title 60 of the Oklahoma Statutes, which does not qualify as a public trust under the definition set forth in Section 5(g) of this act.

SECTION 8. Issuance of Bonds. (a) Purposes. The Authority may from time to time issue its bonds in such principal amounts as the Authority shall deem necessary to provide sufficient funds to carry out any of its corporate purposes and powers, including, without limitation, the acquisition, construction or termination of any project to be owned or leased, as lessor or lessee, by the Authority or the acquisition of any interest therein or any right to the products or services thereof, the funding or refunding of the principal of, redemption premium, if any, and interest on, any bonds issued by it whether or not such bonds or interest to be funded or refunded have or have not become due, the payment of engineering, legal and other expenses, together with interest subsequent to the estimated date of completion of the project for such period of time as the Board of Directors determines appropriate, the establishment or increase of reserves to secure or to pay such bonds or interest

thereon, the providing of working capital and the payment of, and the establishment or increase of reserves for, all other costs or expenses of the Authority incident to and necessary or convenient to carry out its corporate purposes and powers.

(b) Security for Bonds. Every issue of bonds of the Authority shall be payable out of the revenues or funds of the Authority, subject to any agreements with the holders of particular bonds pledging any particular revenues or funds. The Authority may issue such types of bonds as it may determine, including bonds as to which the principal and interest are payable exclusively from the revenues from one or more projects, or from an interest therein or a right to the products and services thereof, or from one or more revenue producing contracts made by the Authority with any person, or its revenues generally. Any such bonds may be additionally secured by a pledge or assignment of any revenue producing contracts made by the Authority with any person or of any grant, subsidy or contribution from any person or a pledge of any income or revenues, funds or monies of the Authority from any source whatsoever.

(c) Negotiability. All bonds of the Authority shall have all the qualities of negotiable instruments under the laws of the State of Oklahoma.

(d) Bond Provisions. Bonds of the Authority shall be authorized by a resolution of the Board of Directors adopted by a majority of the members of the Board of Directors then in office and may be issued under such bond resolution or under a trust indenture or other security agreement, in one or more series, and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates which may be fixed or may change at such time or times and in accordance with such formula or method of determination, be in such form, either coupon or registered, carry such conversion, registration, and exchange privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place or places within or without the State of Oklahoma, be subject

to such terms of redemption with or without premium, and contain or be subject to such other terms as the bond resolution, trust indenture or other security agreement may provide, and shall not be restricted by the provisions of any other law limiting the amounts, maturities, interest rates or other terms of obligations of eligible public agencies or private persons. The bonds shall be sold, in such manner as the Board of Directors of the Authority shall determine, at public or private sale. The Board of Directors may also authorize bonds to be issued and sold from time to time and delegate to such officer or agent of the Authority as the Board of Directors shall select, the power to determine the time and manner (public or private) of sale, the maturities and rate or rates of interest (which may be fixed or may vary at such time or times and in accordance with a specified formula or method of determination), and such other terms and conditions, as may be deemed appropriate by the officer or agent of the Authority designated by the Board of Directors; provided, however, that the amounts and maturities of and interest rate or rates on such bonds shall be within the limits prescribed by the Board of Directors in its resolution delegating such officer or agent the power to authorize the sale and issuance of such bonds.

(e) Execution of Bonds. Bonds of the Authority may be issued and delivered notwithstanding that one or more of the officers executing them shall have ceased to hold office at the time the bonds are actually delivered.

(f) Temporary Bonds. Pending preparation of definitive bonds the Authority may issue temporary bonds which shall be exchanged for the definitive bonds.

(g) Consents. Bonds of the Authority may be issued under the provisions of this act without obtaining the consent of any department, division, commission, board, bureau or agency of the State of Oklahoma and without any other proceeding or the happening of any other condition or occurrence except as specifically required by this act.

(h) Official Statement, Prospectus or Offering Document; Filing. At least five (5) business days prior to the delivery of and payment for any bonds, there shall be filed with the Secretary of State a preliminary copy of the official statement, prospectus or other offering document pertaining to the issuance; prior to the expiration of fifteen (15) business days following said delivery of and payment therefor, there shall be filed with the Secretary of State and the Oklahoma Securities Commission a copy, in final form, of said official statement, prospectus or other offering document. If no official statement, prospectus or other offering document is used in connection with the sale of such bonds in lieu thereof there shall be filed a copy of the draft and final proceedings of the Authority authorizing the sale and issuance of such bonds.

(i) Resolution Constitutes a Contract. The bond resolution, trust indenture or other security agreement under which any bonds are issued shall constitute a contract with the holders of the bonds and may contain provisions, among others, prescribing:

- (i) the terms and provisions of the bonds;
- (ii) the pledge of and the grant of a security interest in any personal property and all or any part of the revenue from any project or any revenue producing contract made by the Authority with any person to secure the payment of bonds, subject to any agreements with the holders of bonds which might then exist;
- (iii) the custody, collection, securing, investment, and payment of any revenues, assets, money, funds or property with respect to which the Authority may have any rights or interest;
- (iv) the rates or charges for electrical energy or other services rendered by the Authority, the amount to be raised by the rates or charges, and the use and disposition of any or all revenue;

- (v) the creation of reserves or sinking funds and the regulation and disposition thereof;
- (vi) the purposes to which the proceeds from the sale of any bonds then or thereafter to be issued may be applied, and the pledge or revenues to secure the payment of the bonds;
- (vii) the limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds;
- (viii) the rank or priority of any bonds with respect to any lien or security;
- (ix) the creation of special funds or monies to be held in trust or otherwise for operational expenses, payment or redemption of bonds, reserves or other purposes, and the use and disposition of monies held in such funds;
- (x) the procedure by which the terms of any contract with or for the benefit of the holders of bonds may be amended or revised, the amount of bonds the holders of which must consent thereto, and the manner in which consent may be given;
- (xi) the definition of the acts or omissions to act which shall constitute a default in the duties of the Authority to holders of its bonds, and the rights and remedies of the holders in the event of default, including, if the Authority so determines, the right to accelerate the due date of the bonds or the right to appoint a receiver or receivers of the property or revenues subject to the lien of the bond resolution, trust indenture or other security agreement;
- (xii) any other or additional agreements with or for the benefit of the holders of bonds or any covenants or

<p>Correctly Enrolled: <i>John R. McLean</i></p> <p>Chairman, COMMITTEE ON ENGROSSED AND ENROLLED BILLS</p>	<p>restrictions necessary or desirable to safeguard the interest of the holders;_____</p>
	<p>(xiii) the custody of its properties or investments, the safekeeping thereof, the insurance to be carried thereon, and the use and disposition of insurance proceeds;_____</p>
	<p>(xiv) the vesting in a trustee or trustees, within or without the State of Oklahoma, of such properties, rights, powers and duties in trust as the Authority may determine; or the limiting or abrogating of the rights of the holders of any bonds to appoint a trustee, or the limiting of the rights, powers and duties of such trustee; or_____</p>
	<p>(xv) the appointment of and the establishment of the duties and obligations of any paying agent or other fiduciary within or without the State of Oklahoma._____</p>
	<p>(j) Any pledge of revenues, securities, contract rights or other personal property made by the Authority pursuant to this act shall be valid and binding from the date the pledge is made. The revenues, securities, contract rights or other personal property so pledged and then held or thereafter received by the Authority or any fiduciary shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority without regard to whether such parties have notice thereof. The bond resolution, trust indenture, security agreement or other instrument by which a pledge is created need not be filed or recorded in any manner._____</p>
	<p>(k) Neither the officials, the directors, nor the members of the Authority nor any person executing bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof. The Authority</p>
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<p>Correctly Enrolled: <i>John R. McLean</i></p> <p>Chairman, COMMITTEE ON ENGROSSED AND ENROLLED BILLS</p>	<p>shall have power to indemnify and to purchase and maintain insurance on behalf of any director, officer, employee, or agent of the Authority, in connection with any threatened, pending, or completed action, suit or proceeding._____</p>
	<p>(l) The Authority shall have power to purchase out of any funds available therefor, bonds, and to hold, pledge, cancel or retire the bonds and coupons prior to maturity, subject to and in accordance with any agreements with the holders._____</p>
	<p>(m) The principal of, premium, if any, and interest upon any bonds issued by the Authority shall be payable solely from the revenues or funds pledged or available for their payment as authorized in this act. Each bond shall contain a statement that it constitutes an obligation of the Authority, that the principal thereof, premium, if any, and interest thereon are payable solely from revenues or funds of the Authority and that neither the State of Oklahoma nor any political subdivision thereof, nor any eligible public agency or public trust which has contracted with the Authority, is obligated to pay the principal of, premium, if any, or interest on the bonds and that neither the faith and credit nor the taxing power of the State of Oklahoma or any such political subdivision thereof or of any such eligible public agency or public trust is pledged to the payment of the principal of, premium, if any, or the interest on the bonds._____</p>
	<p><u>SECTION 9.</u> Judicial Determination by Supreme Court of Validity of Bonds, Contracts and Other Acts--Notice. The Authority is authorized in its discretion to file an application with the Supreme Court of Oklahoma for approval by said court of any bonds to be issued under this act, or to file a petition for a judgment determining the validity of any proposed contract or action arising from the exercise of any of the powers, rights, privileges and functions conferred upon the Authority, eligible public agencies or public trusts under this act; and exclusive original jurisdiction is hereby conferred upon the Supreme Court to hear and determine each</p>
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such application or petition. It shall be the duty of the court to give such applications and petitions precedence over the other civil business of the court except habeas corpus proceedings, and to consider and pass upon the applications and petitions and any protests which may be filed thereto as speedily as possible. Notice of the hearing on each application and petition shall be given by a notice published in a newspaper of general circulation in the state that on a day named the Authority will ask the court to hear its application and approve the bonds, or hear its petition and enter a declaratory judgment. Such notice shall inform property owners, taxpayers, ratepayers, citizens and all persons having or claiming any right, title or interest in such matter or properties or funds to be affected by the issuance of such bonds, or proposed contract or action, or affected in any way thereby, that they may file protests against the issuance of the bonds, the validity of the contracts or action, or the declaratory judgment, and be present at the hearings and contest the legality thereof. Such notice shall be published one time not less than ten (10) days prior to the date named for the hearing and the hearing may be adjourned from time to time in the discretion of the court. If the court shall be satisfied that the bonds have been properly authorized in accordance with this act and that, when issued, they will constitute valid obligations in accordance with their terms, the court shall render its written opinion approving the bonds, and shall, upon application of the Authority, also issue an order permanently enjoining all persons described in the aforesaid notice from thereafter instituting any action or proceeding contesting the validity of such bonds, or of the rates, fees or charges authorized to be charged for the payment thereof, or the pledge of revenues, monies, securities, contract rights or other personal property to secure such payment, and shall fix the time within which a petition for rehearing may be filed. If the court shall be satisfied that the proposed contract or action is in accordance with this act, the court shall enter a judgment

approving and declaring such contract or action to be valid, and shall, upon application of the Authority, also issue an order permanently enjoining all persons described in the aforesaid notice from thereafter instituting any action or proceeding contesting the validity of such contract or action, and shall fix the time within which the petition for rehearing may be filed. The decision of the court shall be a judicial determination of the validity of the bonds, shall be conclusive as to the Authority, its officers and agents, and thereafter the bonds so approved and the revenues, monies, securities, contract rights or other personal property pledged to their payments shall be incontestable in any court in the State of Oklahoma, and any declaratory judgment on any contract or action of the Authority, any eligible public agency or any public trust entered pursuant to this section shall have the force and effect of a final judgment or decree.

SECTION 10. Eminent Domain. Except as otherwise provided by this act, the Authority may acquire all real or personal property that it deems necessary for carrying out the purposes of this act, whether in fee simple absolute or a lesser interest, by condemnation and the exercise of the power of eminent domain in the manner and by like proceedings as provided by general law with respect to condemnation. The Authority shall never have power of eminent domain with respect to any real or personal property or interest therein at the time owned or leased by any person as part of a system, whether existing, under construction or being planned, or facilities for the generation, transmission, production or distribution of electrical power. The authority of the Authority to acquire real or personal property by condemnation or the exercise of the power of eminent domain shall be a continuing power, and no exercise thereof shall exhaust it.

SECTION 11. Legal Investments. The bonds herein authorized are hereby made securities in which all public officers and bodies of this state and all political subdivisions, all insurance companies

and associations, and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the state may properly and legally invest funds including capital in their control or belonging to them. The bonds are also hereby made securities which may be deposited with and shall be received by all public officers and bodies of this state and all political subdivisions for any purpose for which deposit of bonds or other obligations of this state is now or may hereafter be authorized.

SECTION 12. Powers of Eligible Public Agencies and Public Trusts.

(a) In order to accomplish the purposes of this act, any eligible public agency, subject to the restrictions of Article 10, Sections 17, 26 and 27 of the Constitution of the State of Oklahoma, or any public trust may enter into and carry out contracts and agreements for the purchase from the Authority of power and energy, transmission services, power supply development services and other services.

- (i) Each such contract and agreement shall be for such period and shall contain such other terms, conditions and provisions, not inconsistent with the provisions of this act, as the Board of Directors of the Authority shall approve, including, without limitation, provisions whereby the eligible public agency or public trust is obligated to pay for the products and services of the Authority without set-off or counterclaim and irrespective of whether such products or services are furnished, made available or delivered to the eligible

public agency or public trust or whether any project contemplated by any such contract and agreement is completed, operable or operating, and notwithstanding suspension, interruption, interference, reduction or curtailment of the products and services of such project.

- (ii) Each such contract and agreement may be pledged by the Authority to secure its obligations and may provide that if one or more eligible public agencies or public trusts defaults in the payment of its obligations under such contract and agreement, the remaining eligible public agencies and public trusts having such contracts and agreements shall be required to pay for and shall be entitled proportionately to use or otherwise dispose of the products and services which were to be purchased by the defaulting eligible public agency or public trust.
- (iii) Each such contract and agreement shall be a limited obligation of an eligible public agency or public trust payable from and may be secured by a pledge of, and lien and charge upon, all or any part of the revenues derived or to be derived from the ownership and operation of its electric or other integrated utility system as and, if so provided in such contract or agreement, shall be an expense of operation and maintenance thereof, and shall not constitute an indebtedness of such eligible public agency or public trust for the purpose of any statutory limitation.
- (iv) Nothing in this act shall be construed to preclude an eligible public agency or public trust from appropriating and using taxes and other revenues received in any year to make payments due or to comply with covenants to be performed during that year under

any contract or agreement entered into as contemplated in this act.

(b) Any such contract or agreement may include provisions for the sale of output and services of a particular project or for output and services generally without regard to a specific project and for the supply of a specific quantity of output or a percentage of the output of a specific project or other specific facilities or for the supply of output based upon the requirements of the purchaser and on such other terms and conditions as the Board of Directors and the contracting or agreeing party deem appropriate.

(c) In the event of any failure or refusal on the part of the eligible public agency or public trust to perform punctually any covenant or obligation contained in any such contract, the Authority may enforce performance by any legal or equitable process, including specific performance.

SECTION 13. Rents, Rates and Other Charges; Corporation Commission Exemption. The Authority may establish, levy and collect or may authorize, by contract, franchise, lease or otherwise, the establishment, levying and collection of rents, rates and other charges for the products and services afforded by the Authority or by or in connection with any project which it may construct, acquire, own, operate or control or with respect to which it may have any interest or any right to the products and services thereof as it may deem necessary, proper, desirable or reasonable. Rents, rates and other charges shall be at least sufficient to meet the operation, maintenance and other expenses thereof, including reasonable reserves, interest and principal payments, including payments into one or more sinking funds for the retirement of principal, to comply with all terms and provisions of the bond resolution, trust indenture or other security agreement relating to the bonds issued in connection with any project, to accumulate any excess income which may be required by the purchasers of such bonds or may be dictated by the requirements of such bond resolution, trust indenture or security

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agreement for achieving ready marketability of and low interest on such bonds and to generate funds sufficient to fulfill the terms of any other contracts or agreements made by the Authority. The Authority may pledge its rates, rents and other revenue, or any part thereof, as security for the repayment, with interest and premium, if any, of any monies borrowed by it or advanced to it for any of its authorized purposes and as security for the payment of amounts due and owing by it under any contract.

The Authority shall be exempt in any and all respects from the jurisdiction or control of the Oklahoma Corporation Commission. Nothing herein shall be construed as depriving the State of Oklahoma of its power to regulate and control fees and/or charges to be collected for the use of any products and services afforded by the Authority, provided, that the State of Oklahoma does hereby pledge to and agree with the purchasers and successive holders of the bonds issued hereunder that the state will not limit or alter the power hereby vested in the Authority to establish, levy and collect such rents, rates and other charges as will produce revenue sufficient to meet the operation, maintenance and other expenses set forth in the preceding paragraph of this Section 13, or in any way to impair the rights or remedies of the holders of the bonds, or of any person in their behalf, until the bonds, together with the interest thereon, with interest on unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders and all other obligations of the Authority in connection with such bonds are fully met and discharged.

SECTION 14. Acquisition and Construction Contracts. The Authority shall be subject to the provisions of the Public Competitive Bidding Act, as provided by Sections 101 et seq. of Title 61 of the Oklahoma Statutes, provided, however, where the Authority is purchasing an undivided interest in a project that is being constructed or operated by another person, the initial purchase of such interest by the Authority and any contracts entered into by such

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person while acting as agent for the Authority in connection with such project shall not be subject to the provisions of such act.

SECTION 15. Financial Statements; Filing. Within ninety (90) days following the closing of each fiscal year, the Authority shall cause to be prepared certified financial statements which shall be filed with the State Auditor and Inspector within sixty (60) days of preparation.

SECTION 16. Meetings and Records. All meetings of the Authority shall be subject to the provisions of the Oklahoma Open Meeting Act, as provided by Sections 301 et seq. of Title 25 of the Oklahoma Statutes. All records of the Authority shall be subject to the provisions of Section 24 of Title 51 of the Oklahoma Statutes.

SECTION 17. Construction. This act and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein; provided however, nothing in this act shall be construed to authorize the Authority to loan its credit to any investor-owned utility nor to acquire or subsidize any nuclear powered generating plant.

SECTION 18. Powers Declared Supplementary. The provisions of this act shall be regarded as supplementary and additional to and cumulative of powers conferred by other laws and shall not be regarded as being in derogation of any powers now existing.

SECTION 19. Irrevocable Contract. While any of the bonds issued by the Authority shall remain outstanding or while the Authority has any undischarged duties or obligations under any contract or agreement, including obligations to any joint owner of any project, the powers, duties or existence of the Authority or of its officers, employees or agents shall not be diminished, impaired or affected in any manner which will affect adversely the interest and right of the owners of such bonds or the persons to whom such duties or obligations are owed under such contracts or agreements. The provisions of this act shall be for the benefit of the state, the Authority, every owner of the Authority's bonds and every other

person to whom the Authority owes a duty or is obligated by contract or agreement and, upon and after the issuance of bonds under the provisions of this act, shall constitute an irrevocable contract by the state with the owners of such bonds and the other persons to whom the Authority owes a duty or is obligated by such contracts or agreements.

SECTION 20. In addition to those officers and positions in the unclassified service of the state as now provided by law, all personnel of the Authority shall be included in the unclassified service of the state.

SECTION 21. 62 O.S. 1971, Section 7.1, as amended by Section 10, Chapter 46, O.S.L. 1973 (62 O.S. Supp. 1980, Section 7.1), is amended to read as follows:

Section 7.1 A. There is hereby created in the official depository in the State Treasury an agency clearing account for each state officer, department, board, commission, institution or agency of the state, hereinafter referred to collectively as state agencies.

B. It shall be the duty of each state agency, officer or employee, to deposit daily in the agency clearing account, or agency special account, established under Section 7.2 of this title, all monies of every kind, including, but not limited to:

1. Tax revenues;
2. Receipts from licenses, examinations, per diem and all other reimbursements, fees, permits, fines, forfeitures and penalties; and
3. Income from money and property, grants and contracts, refunds, receipts, reimbursements, judgments, sales of materials and services of employees, and nonrevenue receipts, received by a state agency, officer or employee by reason of the existence of and/or operation of a state agency.

C. The State Treasurer is authorized to accept deposits directly to State Treasury funds, consisting of cash, bank drafts, bank cashier's checks, federal treasury checks and other forms of remittance which are uniformly honored for payment.

All checks, drafts, orders and vouchers so deposited shall be credited and cleared at par and should payment be refused on any such check, draft, order or voucher, or should the same prove otherwise worthless, the amount thereof shall be charged by the State Treasurer against the account or fund theretofore credited with the same; provided, further, that the State Treasurer shall not accept for deposit to any agency clearing account, or any agency special account, created pursuant to the provisions of Section 7.2 of this title, any warrant, check, order or voucher drawn against any state fund or account in favor of any individual or other person except the state officer, department, institution or agency for which account or fund the deposit is made, or a bona fide student enrolled at any of the state institutions of higher learning when such warrant, check, order or voucher is endorsed to the institution as payment of any fees or other accounts due such institution.

D. At least once each month each state agency shall transfer monies deposited in agency clearing accounts to the various funds or accounts, subdivisions of the state, or functions as may be provided by statute and no money shall ever be disbursed from the agency clearing account for any other purpose, except in refund of erroneous or excessive collections and credits. Provided, however, that state parks and lodges under the control of the Oklahoma Tourism and Recreation Department shall be permitted to make deposit of receipts on a monthly basis, provided that such receipts must be deposited within the month received or when such receipts equal or exceed One Hundred Dollars (\$100.00), whichever first occurs.

E. Funds and revenues of the Oklahoma Municipal Power Authority are exempt from the requirements of this section.

SECTION 22. Section 17, Chapter 46, O.S.L. 1973, as last amended by Section 1, Chapter 145, O.S.L. 1980 (62 O.S. Supp. 1980, Section 7.2), is amended to read as follows:

Section 7.2 A. There is hereby recreated, to continue until July 1, 1984, in accordance with the provisions of the Oklahoma

Sunset Law, a Special Agency Account Board, to consist of the Director of State Finance, the State Treasurer and the Director of the Legislative Fiscal Office. The Board shall have the authority to approve the establishment of agency special accounts in the official depository of the State Treasury. In the case of institutions of higher education, the Special Agency Account Board acting in conjunction with the Oklahoma State Regents for Higher Education shall establish special agency accounts as appropriate which shall be consistent with provisions of the Oklahoma Budget Law of 1947 beginning at Section 41.1 of this title as it relates to institutions in The Oklahoma State System of Higher Education.

B. The Board, created by this section, shall adopt procedures including application forms, justification and other pertinent information as to the basis for a state agency application for the establishment of agency special accounts.

C. The Board may approve agency special accounts for monies received by state agencies for the following purposes:

1. Benefit programs for individuals, including, but not limited to, unemployment compensation, workers' compensation and state retirement programs;

2. Revenues produced by activities or facilities ancillary to the operation of a state agency, which receives no monies, directly or indirectly, from or through that state agency, including, but not limited to, revenues from the sales of food at retail level, sales at canteens, sales at student unions, sales at student bookstores, receipts from athletic programs and receipts from housing. Provided, however, that a state institution of higher learning may purchase necessary equipment and instructional supplies and office supplies from a student bookstore, or, subject to authorization by the Oklahoma State Regents for Higher Education, may rent building space for institutional use in a building operated by an organization or entity whose existence is ancillary to the operation of a state agency, and whose cost was financed in whole or in part with revenue

type bonds; provided, further, that the cost of such office supplies or space rental shall not exceed the cost of similar supplies or rentals available commercially;_____

3. Gifts, devises and bequests with an agency as beneficiary, unless otherwise provided by statute;_____

4. Evidence funds for law enforcement agencies;_____

5. Student loan funds and scholarship funds;_____

6. Funds held in escrow;_____

7. Land Commission funds;_____

8. Funds for which the state agency acts as custodian, including, but not limited to, fees from employee earnings approved by the governing board of the agency, funds of student organizations including student activity fees collected by an educational institution as a separate item in enrollment procedures, professional organizations, patients and inmates; and_____

9. Temporary accounts for funds arising from new or amended legislation not otherwise provided for in statute or for other emergency situations. Such accounts are to be utilized only pending legislative action directing custody of such funds._____

D. The State Treasurer is authorized to accept deposit of monies directly to agency special accounts approved by the Board. All monies received by a state agency, as described in Section 7.1 of this title, shall be deposited in State Treasury funds or accounts and no monies shall be deposited in banks or other depositories unless the said bank accounts are maintained by the State Treasurer or are for the deposit of authorized petty cash funds._____

E. The balances in agency bank accounts or depository accounts, as of July 1, 1973, shall be transferred to agency clearing accounts or agency special accounts created in this act. However, a sufficient balance to fund outstanding checks and vouchers, if any, shall be retained in said bank or depository accounts for a period of one (1) year. A list of all outstanding checks or vouchers for each

bank or depository account so abolished shall be furnished to the State Treasurer by the state agency as of July 1, 1973._____

F. Monies deposited in agency special accounts shall be disbursed on vouchers issued by the state agency concerned to accomplish the purpose for which the monies were intended._____

G. Funds and revenues of the Oklahoma Municipal Power Authority are exempt from the requirements of this section._____

SECTION 23. 74 O.S. 1971, Section 118.9, as last amended by Section 5, Chapter 325, O.S.L. 1980 (74 O.S. Supp. 1980, Section 118.9), is amended to read as follows:_____

Section 118.9 The Department of Human Services and the Oklahoma Employment Security Commission data processing centers as listed in Section 118.12 of this title are exempt from the provisions of this act, except as to the provisions of Section 118.13 of this title, only if at least fifty-one percent (51%) of those agencies' total data processing center costs are reimbursed or paid for by federal agencies annually. The Oklahoma Tax Commission and the Oklahoma Municipal Power Authority are exempt from all provisions of this act except as to the provisions of Section 118.13 of this title. Total data processing cost for the purpose of this section shall mean the cost of data processing equipment, peripheral devices whether or not connected to such equipment, supporting unit record equipment and the personnel cost, including indirect costs such as retirement and so forth, of those employees who are required to plan, manage and execute the utilization of such equipment. Such exempt agencies shall notify the Director of the Division of their intention to acquire data processing equipment at the time any such equipment is ordered or scheduled for delivery, whichever shall first occur. Such exempt agencies shall also notify the Director of plans for replacement or disposition of such equipment._____

SECTION 24. 74 O.S. 1971, Section 118.12, as last amended by Section 8, Chapter 325, O.S.L. 1980 (74 O.S. Supp. 1980, Section 118.12), is amended to read as follows:_____

Section 118.12 After April 30, 1975, no state agency except the following shall be authorized to maintain an electronic data processing equipment installation:_____

1. Department of Human Services;_____
2. Commission on Criminal and Traffic Law Enforcement;_____
3. Oklahoma Employment Security Commission;_____
4. State Treasurer;_____
5. State Department of Education and State Department of Vocational and Technical Education;_____
6. Division of Data Processing Planning;_____
7. Institutions within The Oklahoma State System of Higher Education;_____
8. Legislative branch of government;_____
9. Judicial branch of government;_____
10. Oklahoma Tax Commission;_____
11. Department of Public Health;_____
12. State Budget Offices; and_____
13. Oklahoma Municipal Power Authority._____

All other currently installed electronic data processing equipment shall become the property of the Department and shall be disposed of or utilized as directed by the Division. All data stored in all computer systems is the property of the State of Oklahoma. The Director shall implement an orderly and reasonable transition as required by this act which shall be accomplished by July 1, 1980. The Division shall be responsible for coordinating the matching of agencies requiring utilization of data processing equipment with agencies which have suitable nonutilized data processing capabilities, and all employees of agencies which provide data processing equipment or services to another agency may perform those duties as necessary for the processing and programming of records and shall be subject to any restrictions of confidentiality or privileged information imposed by any statute pertaining to that information or those documents being processed or programmed and those employees

shall be subject to any penalty provisions for violation of the applicable statute; except where provided by agreement, regulation or statute of the federal government or any of its agencies, where such agreement, regulation or statute has been approved as an exception by the appropriate state agency._____

SECTION 25. 74 O.S. 1971, Section 85.12, as last amended by Section 17, Chapter 345, O.S.L. 1980 (74 O.S. Supp. 1980, Section 85.12), is amended to read as follows:_____

Section 85.12 The provisions of this act shall not be construed to affect any law relating to fiscal or accounting procedure except such as may be directly in conflict herewith; and all claims, warrants and bonds shall be examined, inspected and approved as now provided by law._____

The following acquisitions shall not be included within the purview of this act:_____

1. Food and other products produced by state institutions and agencies._____
2. Contracts for construction of new buildings and for the repair, maintenance or modernization of old buildings by state educational institutions included within The Oklahoma State System of Higher Education._____
3. The printing or duplication of publications or forms of whatsoever kind or character by state agencies, which service is performed upon their own equipment, by their own employees._____
4. Acquisitions by The Oklahoma State System of Higher Education on any institution or entity comprising the same insofar as such acquisitions relate to textbooks, laboratory supplies, instructional materials and specialized laboratory equipment._____
5. Transportation Commission contractual services or right-of-way purchases. Contracts for the maintenance or construction of roads or highways, bridges or underpasses, or any other highway structures pursuant to bids let by the Transportation Commission._____

6. Utility services where rates therefor are regulated by a state or federal regulatory commission, or by city ordinance or by an Indian Tribal Council for use by the Department of Corrections only.

7. Purchases by Oklahoma Memorial Hospital of laboratory supplies, medical supplies, pharmaceuticals and human organs, in an emergency situation, are authorized. The Board of Trustees shall develop criteria for verification of the emergency involved and procedures for carrying out the provisions hereof.

8. Contracts for custom harvesting by the Department of Corrections for the Department or its institutions.

9. Acquisitions of aircraft by agencies authorized by the Legislature to purchase aircraft.

10. Purchases by the Oklahoma Municipal Power Authority. Notwithstanding the exclusions provided herein, any agency or common schools of Oklahoma, any municipality of the state and county officers may, unless the contract with the state specifies otherwise, avail themselves of the provisions of the Oklahoma Central Purchasing contracts and the services of the Purchasing Director. Provided further, however, that any subdivision of government of the state may designate the office of Oklahoma Central Purchasing as its agent for the purchase or procurement of any item or service contracted or available to the state.

SECTION 26. Partial Invalidity. If any provision of this act or the application thereof to any person or circumstance shall be held to be invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SECTION 27. Sections 1 through 20 of this act shall be codified in the Oklahoma Statutes as Sections 24-101 through 24-120 of Title 11, unless there is created a duplication in numbering.

SECTION 28. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 21st day of May, 1981.

Mike Combs
President of the Senate

Passed the House of Representatives the 27th day of May, 1981.

Mike Rugh
Speaker Pro Tempore of the House of Representatives

OFFICE OF THE GOVERNOR

Received by the Governor this 28th day of May, 19 81 at 2:30 o'clock P M.

By: *Dale P. Winslow*

Approved by the Governor of the State of Oklahoma the 2nd day of June, 19 81, at 4:40 o'clock P M.

Bert S. Sings
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 3rd day of June, 19 81, at 10:00 o'clock A M.

By: *James B. Edmonson*

