

# BY-LAWS OF THE OKLAHOMA MUNICIPAL POWER AUTHORITY

## SECTION 1 PURPOSE

1.1. Purpose. The Oklahoma Municipal Power Authority Act (the "Act") created the Oklahoma Municipal Power Authority (the "Authority") to provide a method for Oklahoma 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.

## SECTION 2 ELECTION COMMITTEE

2.1. Election of Directors. The election committee (the "Election Committee") of the Authority shall elect the members of the Board of Directors (the "Board") of the Authority.

2.2. Annual Meeting. Beginning in the calendar year 2019, the annual meeting of the Election Committee shall be held on the second Thursday of March of each year at such time and place as shall be determined by resolution of the Board, provided, however, the Board may, upon 15 days' notice to each representative serving on the Election Committee, change the date of such annual meeting to any date within 30 days of such second Thursday.

2.3. Special Meetings. Special meetings of the Election Committee may be called at any time and location by the Chair, or by any 3 representatives, upon 10 days notice to each representative serving on the Election Committee. ~~Such notice shall be in writing and shall become effective when deposited in the United States mail, with proper postage prepaid, addressed to each representative serving on the Election Committee.~~

2.4. Quorum and Voting. Representatives of one third (1/3) of the total number of Eligible Public Agencies, as defined in the Act, duly entitled to representation on the Election Committee shall constitute a quorum. A vacancy in the Election Committee shall not impair the right of a quorum to exercise all the rights and perform all the duties of the Election Committee. Any action taken by the Election Committee may be authorized by resolution at any regular or special meeting, and each resolution shall take effect immediately and need not be published or posted. Except as otherwise provided herein, a majority of votes shall be sufficient to take any action or to pass any resolution. No vote may be cast on behalf of a representative by another person through the use of a proxy. For purposes of voting upon approval to take any action or to pass any resolution, each representative shall have one vote.

2.5. Form of Meeting. Attendance, participation, and voting by Representatives ~~shall participate and vote~~ at all meetings of the Election Committee shall be in person or, upon declaration by the Chair of the Board of Directors, remotely in compliance with the Oklahoma Open Meetings Act, 25 O.S. §§ 301, et seq., or any Oklahoma statute, rule, or order directing the conduct of meetings of public bodies. All meetings of the Election Committee shall be open to the public.

2.6. Officers. The officers of the Election Committee shall be the Chair of the Board of Directors and the Secretary of the Board of Directors. These officers shall hold office until their successors shall have been duly elected. Officers may be removed with or without cause by a two-thirds vote of the Election Committee.

2.7. Chair. The Chair shall be the principal executive officer of the Election Committee. ~~He or she~~The Chair shall, when present, preside at all meetings of the Election Committee. ~~He or she~~The Chair shall perform all duties incident to the office of Chair and other duties as may be prescribed by the Election Committee. In the absence of the Chair, the Vice-Chair of the Board of Directors shall serve as Chair.

2.8. Secretary. The Secretary shall keep a record of the Election Committee's proceedings. The Secretary may cause copies to be made of all minutes and other records and documents of the Election Committee and may give certificates to the effect that such copies are true copies. The Secretary will in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chair or by the Election Committee. In the absence of the Secretary, the Assistant Secretary shall serve as Secretary.

### SECTION 3 BOARD OF DIRECTORS

3.1. General Powers. The powers of the Authority shall be exercised by the Board. The Board shall have power to make and adopt rules and regulations not inconsistent with these By-Laws or the laws of the State of Oklahoma for the management and control of the affairs and property of the Authority.

3.2. Number. The Board shall consist of eleven Directors.

3.3. Qualifications. A Director shall be a resident of the State of Oklahoma and a Representative on the Election Committee from an Eligible Public Agency with a long term Power Sales Contract having purchased power from the Authority for at least three years.

3.4. Election. Directors shall be elected at the annual meeting of the Election Committee. Of the Directors who are first elected by the Election Committee, three Directors shall be elected for a one year term, four directors shall be elected for a two year term, and four Directors shall be elected for a three year term. Their successors shall serve for terms of three years each. A Director shall be eligible for re-election.

3.5. Policy Regarding Allocation of Board Seats. Five positions on the Board should be reserved for the elector representing each of the five largest Eligible Public Agencies, determined by dollar volume of the Authority's power purchases based on the preceding fiscal year.

3.6. Nominations. A Nominations Committee, to be appointed by the Chair of the Board, shall select a slate of one or more nominees for each vacancy to be filled on the Board, prior to the regular or special meeting of the Election Committee at which a Director or Directors is to be elected. In addition, nominations shall be accepted from the floor of the meeting.

3.7. Tenure. Unless removed for cause, including cause pursuant to Section 3.8 of these By-laws, each Director shall hold office until the adjournment of the annual meeting of the Board held at, or nearest to, the expiration of his or her term of office and until his or her successor is elected. ~~All board members currently serving whose term of office was originally indicated to expire at the annual meeting in September of the applicable year shall serve until the annual meeting in March of that same year.~~

3.8. Removal. If a Director does not attend three consecutive regular meetings of the Board, the Board shall have cause to remove such Director and shall fill such vacancy in the manner set forth in Section 3.9 of these By-laws.

3.9. Vacancies. A vacancy on the Board shall occur upon the resignation or death of a director, upon the removal of a Director by the governing body of the Eligible Public Agency which had designated such Director as its representative on the Election Committee or by action of the Board for cause as set forth in Section 3.8. Any vacancy on the Board shall be filled by the Board's appointment of a temporary Director, provided, however, such temporary Director shall remain in office until the next regular or special meeting of the Election Committee, at which time the Election Committee shall elect a Director for the unexpired portion of the term, if any.

3.10. Compensation. No Director shall receive any compensation for the performance of his or her duties, but ~~he or she~~ may be paid his or her necessary expenses incurred while engaged in the performance of his or her duties.

3.11. Accounting and Audits. The Board shall establish and maintain an appropriate accounting system. A complete audit by a firm of certified public accountants shall be made of the Authority's accounts, books, and financial condition after the close of each fiscal year, and a report thereon shall be submitted to the Board.

## SECTION 4 MEETINGS OF BOARD OF DIRECTORS

4.1. Regular Meetings. Regular meetings of the Board may be held at such time

and place as shall from time to time be determined by resolution of the Board.

4.2 Special Meetings. Special meetings of the Board may be called at any time and location by the Chair, or by three (3) Directors, with notice given in accordance with the current version of the Oklahoma Open Meeting Law. The Chair shall be responsible to take such action as may reasonably be necessary to see that all Board members are given notice of special meetings.

4.3. Quorum and Voting. A majority of the whole Board shall constitute a quorum. A vacancy in the Board shall not impair the right of a quorum to exercise all the rights and perform all the duties of the Board. Any action taken by the Board may be authorized by resolution at any regular or special meeting, and each resolution shall take effect immediately and need not be published or posted. Except as otherwise provided herein, a majority of votes shall be sufficient to take any action or to pass any resolution. No vote may be cast on behalf of a Director by another person through the use of a proxy. For purposes of voting upon approval to take any action or to pass any resolution, each Director shall have one vote.

4.4. Form of Meeting. Attendance, participation, and voting by Directors shall participate and vote at all meetings of the Board shall be in person or, upon declaration by the Chair of the Board of Directors, remotely in compliance with the Oklahoma Open Meetings Act, 25 O.S. §§ 301, et seq., or any Oklahoma statute, rule, or order directing the conduct of meetings of public bodies. All meetings of the Board shall be open to the public.

## SECTION 5 OFFICERS, EMPLOYEES AND AGENTS

5.1. Officers. The officers of the Authority shall be a Chair, a Vice-Chair, a Secretary, and a Treasurer, ~~and~~ such other officers and assistant officers, as may be deemed necessary, each of whom shall be elected by the Board. The office of Chair and Vice-Chair must be filled by a Director of the Authority. The remaining officers may, but need not, be Directors.

5.2. Election and Term of Office. The officers of the Authority shall be elected annually by the Board at the first regular meeting of the Board after April 1 of each year. Each officer shall hold office until his or her successor shall have been duly elected.

5.3. Removal of Officers. Officers may be removed with or without cause by a two-thirds vote of the Board.

5.4. Vacancies. A vacancy in any office held by a Director shall occur upon the resignation or death of such Director, upon the removal of such Director by the governing body of the Eligible Public Agency which had designated such Director as its representative on the Election Committee or by action of the Board with or without cause

as set forth in Section 5.3. A vacancy in any office of any officer may be filled by the Board for the unexpired portion of the term.

5.5. Chair. The Chair shall be the principal executive officer of the Authority, ~~who, He or she shall~~ when present, shall preside at all meetings of the Board. ~~He~~ The Chair shall sign any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases in where the signing and execution shall be delegated by the Board to some other officer or agent of the Authority; and in general, shall perform all duties incident to the office of Chair and other duties as may be prescribed by the Board.

5.6. Vice-Chair. In the absence of the Chair or in the event of his or her death, inability, or refusal to act, the Vice-Chair shall perform the duties of the Chair and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair, and shall perform other duties as may be assigned to him or her by the Chair or by the Board.

5.7. Secretary or an Assistant Secretary. The Secretary or an Assistant Secretary shall keep a record of the Authority's proceedings and the Secretary shall be the custodian of all records, books, documents, and papers filed with the Authority, the minute book or journal of the Authority and its official seal. Either the Secretary or an Assistant Secretary may cause copies to be made of all minutes and other records and documents of the Authority and may give certificates under the official seal of the Authority to the effect that such copies are true copies. The Secretary will in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chair or by the Board. In the absence of the Secretary, the Assistant Secretary shall serve as Secretary.

5.8. Treasurer. The Treasurer shall have charge and custody of and be responsible for all books, funds, securities of the Authority, be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Authority and for the deposit of all such monies in the name of the Authority in its bank accounts, furnish such fidelity bonds as shall be required by the Board and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Chair or by the Board.

5.9. Employees and Agents. The Board shall employ such employees and agents as it deems appropriate and the powers, duties and compensation of employees and agents shall be as fixed by the Board or by authority delegated by the Board.

5.10. Fidelity Bonds. Each Director, officer, employee and agent of the Authority shall furnish such fidelity bonds as may be required by the Board from time to time.

5.11 INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES.

Each director, officer, and employee of the Authority, whether or not then in office, and his or her estate, shall be indemnified by the Authority against all costs and expenses actually and necessarily incurred by ~~him or her~~such person in connection with the defense of any action, suit or proceeding in which he or she may be made a party by reason of ~~his or her~~ being or having been such director, officer or employee, except in relation to matters as to which ~~he or she~~such person shall be finally adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of duty. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing the costs of litigation. The foregoing right of indemnification shall not be exclusive of other rights to which ~~he or she~~the director, officer, or employee may be entitled as a matter of law or by agreement.

## SECTION 6 DISSOLUTION

6.1. Dissolution. Subject to the provisions of Section 19 of the Act, whenever the Election Committee by resolution adopted by two-thirds of all representatives determines that the Authority's development of power supply resources has been substantially fulfilled and that all bonds issued and all other obligations incurred by the Authority have been fully paid or satisfied or provision for the payment thereof has been made in accordance with the terms of the resolution, trust indenture or other security agreement securing the same, the Board may declare the Authority to be dissolved. On the effective date of the resolution, the title to all funds and other property owned by the Authority at the time of the dissolution shall vest in the Eligible Public Agencies, as defined in the Act, in proportion to the total payments made by the Eligible Public Agencies to the Authority during its entire existence, including payments under contracts for the purchase of power and energy and other services, and otherwise.

## SECTION 7 COMMITTEES

7.1. Committees. Committees not having and exercising the authority of the Board in the management of the Authority may be designated by the Chair. Such committees need not be composed of members of the Board. Any committee may have such assistance and consultants who are not members of the Board as the Board may authorize.

7.2. Duration of Committees. Committees may be for a specific length of time or may be of indefinite duration.

7.3. Term of Office. Each member of a committee shall continue as such for the duration of the committee or until his or her successor is appointed, or the committee is terminated, or ~~he or she~~until the member is removed by the Board. Terms shall usually be of one year duration although the committee may be of longer duration.

7.4. Chair. One member of each committee shall be appointed chair by the Chair.

7.5. Vacancies. Vacancies in the membership of any committee may be filled by the Chair.

7.6. Quorum and Voting. Unless otherwise provided by the Chair designating a committee, a majority of the members of such committee shall constitute a quorum. A majority of votes shall be sufficient to take any action or to pass any resolution. For purposes of voting upon approval to take any action or to pass any resolution, each member of the committee shall have one vote.

## SECTION 8 FINANCIAL TRANSACTIONS

8.1. Contracts. The Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Authority and such authority may be general or confined to specific instances.

8.2. Checks, Drafts, Etc. Unless otherwise provided in contracts with bondholders or noteholders, all checks, drafts or other orders for the payment of money issued in the name of the Authority shall be signed by such officer or officers, agent or agents, or employee or employees of the Authority and in such manner as shall from time to time be determined by resolution of the Board.

8.3. Deposits. Unless otherwise restricted by the laws of Oklahoma or provided in contracts with bondholders or noteholders, all funds of the Authority shall be invested in such manner as shall be authorized by the Board or deposited from time to time to the credit of the Authority in such bank or banks as the Board may select.

## SECTION 9 ANNUAL BUDGET; ASSESSMENTS

9.1. Annual Budget. Not less than 70 days prior to each fiscal year of the Authority the Board shall adopt an annual assessment budget for such fiscal year which shall specify those expenditures which are to be paid from assessments of the Eligible Public Agencies which have representatives on the Election Committee. The annual assessment budget will also specify a schedule of assessments or method for determining the assessment of each Eligible Public Agency. No Eligible Public Agency may be assessed per year more than one-tenth of a mill per kilowatt-hour of retail sales without the approval of three-fourths of the Election Committee.

9.2. Budget Amendment. Any time the Board determines that the annual assessment budget no longer properly reflects the expenditures which are to be incurred within the fiscal year, the Board may vote to amend such budget and the schedule of assessments or method for determining the assessment of each Eligible Public Agency

specified therein.

9.3. Non-Assessment Budgets. This Section 9 shall not prevent the adoption of operating budgets and budgets relating to expenses to be paid from bond proceeds or other budgets which relate to monies other than monies raised via assessments.

9.4. Payment of Assessments. All assessments shall be payable solely from the revenues derived from the ownership and operation of the Eligible Public Agency's electric system and assessments may not constitute legal or equitable pledges, charges, liens, or encumbrances upon any property of the Eligible Public Agency or upon any of its income, receipts, or revenues, and neither the faith and credit nor the taxing power of the Eligible Public Agency may be pledged for the payment of any assessments.

## SECTION 10 MISCELLANEOUS

10.1. Fiscal Year. Unless otherwise provided in a resolution adopted by the Board, the fiscal year of the Authority shall commence on January 1 and end on December 31.

10.2. Seal. The seal of the Authority shall be in the form of a circle and have inscribed thereon the name of the Authority.

## SECTION 11 AMENDMENTS

11.1. Vote Required. Subject to the provisions of Section 11 O.S. § 24-119 of the Act, upon 10 days notice to each representative serving on the Election Committee, these By-Laws may be altered, amended, or repealed by the Election Committee by a majority vote at any properly called and constituted meeting thereof. ~~Such notice shall be in writing and shall become effect when deposited in the United States mail, with proper postage prepaid, addressed to each representative serving on the Election Committee.~~

Adopted at a meeting of the Election Committee on the ~~first~~ day of September 1981; Amended by the Election Committee on September 8, 1983, ~~September 14, 1988,~~ October 4, 1995, August 18, 2006, September 9, 2010, September 13, 2012, and September 6, 2018.