

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1206

That the Senate recede from its amendments as printed on pages 1517-1519 of the House Journal and pages 1317-1320 of the Senate Journal and that Engrossed House Bill No. 1206 be amended as follows:

Page 1, line 2, replace "grant repayment by the authority" with "appropriations; to provide for loans and loan repayment"

Page 2, line 2, after the underscored period insert "The western area water supply authority shall consider in the process of locating industrial water depots the location of private water sellers so as to minimize the impact on private water sellers."

Page 2, line 11, replace the first underscored comma with "or"

Page 2, line 11, remove ", or bond revenue"

Page 2, line 13, remove "or bond"

Page 2, line 14, remove "revenue"

Page 2, line 14, remove the underscored comma

Page 2, line 14, remove "any bonds or refunding bonds issued under this chapter remain"

Page 2, line 15, replace "outstanding or a grant of up to thirty million dollars" with "the twenty-five million dollar zero interest loan"

Page 2, line 20, after the second underscored comma insert "BDW water system association."

Page 2, line 21, replace "Each" with "The governing body of each"

Page 2, line 22, after "board" insert "who are water users of the member entity"

Page 2, line 22, replace "that" with "the governing body of the"

Page 2, line 23, after the underscored period insert "In addition, the state engineer or designee is a voting member on the authority's board of directors. Directors have a term of one year and may be reappointed."

Page 2, line 24, replace "2." with "2."

Page 2, line 30, after the underscored comma insert "except for the state engineer or designee."

Page 5, line 24, remove "Issue and sell revenue bonds, including notes, certificates, leases, or other evidences"

Page 5, remove lines 25 through 31

Page 6, remove lines 1 through 16

Page 6, line 17, remove "17."

Page 6, line 19, replace "bonds" with "obligations"

Page 6, line 21, replace "18." with "13."

Page 6, line 24, replace "19." with "14."

Page 6, line 25, remove "other than bonded indebtedness"

Page 6, line 27, replace "20." with "15."

Page 6, remove lines 29 and 30

Page 7, remove lines 1 and 2

Page 7, line 3, replace "22." with "16."

Page 7, line 4, replace "23." with "17."

Page 7, line 9, replace "24." with "18."

Page 7, line 17, replace "25." with "19."

Page 7, line 22, replace "26." with "20."

Page 7, line 27, replace "report to" with "comply with the policy of"

Page 7, line 27, replace "on the" with "as the policy relates to"

Page 7, line 27, after the second underscored comma insert "and"

Page 7, line 28, replace the first underscored comma with "of the project. The policy must include provisions for insurance, including general liability insurance, in adequate amounts. The authority shall report to and consult with the state water commission regarding the"

Page 7, line 28, remove the second underscored comma

Page 7, line 31, replace "concurrence" with "approval"

Page 8, line 1, remove "bonds issued by the authority utilize section 61-40-17 or a"

Page 8, line 2, replace "grant of up to thirty million dollars" with "the twenty-five million dollar zero interest loan"

Page 8, remove lines 6 through 31

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 17

Page 11, line 18, replace "61-40-15." with "61-40-07."

Page 11, line 18, replace "ditches, canals, tramways, and transmission lines" with "pipelines and appurtenant facilities"

Page 11, line 26, replace "61-40-16." with "61-40-08."

Page 11, line 26, after "to" insert "judicially"

Page 11, line 26, remove "judicially"

Page 11, line 27, remove ", issuing bonds."

Page 12, remove lines 1 through 26

Page 12, line 27, replace "60-40-18." with "61-40-09."

Page 12, line 29, remove ", if the legislative assembly has appropriated"

Page 12, line 30, remove "moneys to restore the reserve fund for the obligation in default under this chapter."

Page 13, line 3, after the first "authority" insert "and the liabilities of the authority. In addition, the state assumes the powers of the authority. If the authority is in default in the payment of the principal of or interest on the obligation to the Bank of North Dakota for a loan for which the Bank of North Dakota is the source of funds for the loan, the state water commission shall request funding from the legislative assembly to repay the principal and interest due"

Page 13, after line 9, insert:

**"SECTION 2. LOANS FROM BANK OF NORTH DAKOTA AND STATE WATER COMMISSION.** The Bank of North Dakota shall provide a loan of \$50,000,000 to the western area water supply authority for construction of the project. The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota. However, the term of the loan is a maximum of seven years after June 30, 2014. The state water commission shall make available from funding appropriated to the commission for the 2011-13 biennium \$25,000,000 as a zero interest loan to the western area water supply authority, and the Bank of North Dakota shall manage this loan. The maximum term of this loan is five years from the completion of the \$10,000,000 loan from the resources trust fund.

**SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000 or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of providing a loan to the western area water supply authority for a maximum term of eight years from the completion of the \$50,000,000 loan from the Bank of North Dakota and at five percent interest per year, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of providing a loan to the western area water supply authority for a maximum term of two years from the completion of the \$25,000,000 loan from the general fund and at five percent interest per year, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 13, line 10, replace "**STATE WATER COMMISSION GRANT**" with "**LOAN FUNDING AND**"

Page 13, line 10, replace "**OBLIGATION**" with "**PRIORITY**"

Page 13, line 10, remove "After"

Page 13, replace lines 11 through 14 with "Funding from sections 2, 3, and 4 of this Act must be structured so that funding is provided, as needed, first from the \$25,000,000 zero interest loan from the state water commission, second from the \$50,000,000 loan from the Bank of North Dakota, third from the \$25,000,000 loan from the general fund, and last from the \$10,000,000 loan from the resources trust fund. Repayment of loans must be structured so that repayment is first of the \$50,000,000 loan from the Bank of North

Dakota, second of the \$25,000,000 loan from the general fund for deposit of the principal in the general fund and interest in the resources trust fund, third from the \$10,000,000 loan from the resources trust fund for deposit in the resources trust fund, and last of the \$25,000,000 zero interest loan from the state water commission for deposit in the resources trust fund. The western area water supply authority shall repay the loans for the project from revenues from the project, and the authority may prepay loans within the priority without penalty. Upon repayment of the state water commission zero interest loan, the authority shall provide five percent of the net profits to the state water commission for deposit by the state treasurer in the resources trust fund until June 30, 2040.

**SECTION 6. SECOND PHASE ANTICIPATED FUNDING.** At the request of the western area water supply authority, the state water commission shall consider a loan of \$40,000,000 from the resources trust fund for inclusion within the state water commission's budget. The state water commission shall consult and work cooperatively with the water-related topics overview committee in setting the priority of the loan within the budget."

Renumber accordingly