

COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2671
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 49-1201, Arizona Revised Statutes, is amended to
3 read:

4 49-1201. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Authority" means the water infrastructure finance authority of
7 Arizona.

8 2. "Board" means the board of directors of the Arizona finance
9 authority established by title 41, chapter 53, article 2.

10 3. "Bonds of a political subdivision" means bonds issued by a
11 political subdivision as authorized by law.

12 4. "Clean water act" means the federal water pollution control act
13 amendments of 1972 (P.L. 92-500; 86 Stat. 816), as amended by the water
14 quality act of 1987 (P.L. 100-4; 101 Stat. 7).

15 5. "Drinking water facility" means a community water system or a
16 nonprofit noncommunity water system as defined in the safe drinking water
17 act of 1974 (P.L. 93-523; 88 Stat. ~~1661~~ 1660; P.L. 95-190; 91 Stat. 1393;
18 P.L. 104-182; 110 Stat. 1613) that is located in this state. For purposes
19 of this chapter, drinking water facility does not include water systems
20 owned by federal agencies.

21 6. "Financial assistance loan repayment agreement" means an
22 agreement to repay a loan provided to design, construct, acquire,
23 rehabilitate or improve water or wastewater infrastructure, related

1 property and appurtenances or a loan provided to finance a water supply
2 development project.

3 7. "Indian tribe" means any Indian tribe, band, group or community
4 that is recognized by the United States secretary of the interior and that
5 exercises governmental authority within the limits of any Indian
6 reservation under the jurisdiction of the United States government,
7 notwithstanding the issuance of any patent and including rights-of-way
8 running through the reservation.

9 8. "Nonpoint source project" means a project designed to implement a
10 certified water quality management plan.

11 9. "Political subdivision" means a county, city, town or special
12 taxing district authorized by law to construct wastewater treatment
13 facilities, drinking water facilities or nonpoint source projects.

14 10. "Safe drinking water act" means the federal safe drinking water
15 act of 1974 (P.L. 93-523; 88 Stat. ~~1661~~ 1660; P.L. 95-190; 91 Stat. 1393;
16 P.L. 104-182; 110 Stat. 1613), as amended in 1996.

17 11. "Technical assistance loan repayment agreement" means either of
18 the following:

19 (a) An agreement to repay a loan provided to develop, plan and
20 design water or wastewater infrastructure, related property and
21 appurtenances. The agreement shall be for a term of not more than three
22 years and the maximum amount that may be borrowed is limited to not more
23 than five hundred thousanddollars.

24 (b) An agreement to repay a loan provided to develop, plan or design
25 a water supply development project.

26 12. "Wastewater treatment facility" means a treatment works, as
27 defined in section 212 of the clean water act, that is located in this
28 state and that is designed to hold, cleanse or purify or to prevent the
29 discharge of untreated or inadequately treated sewage or other polluted
30 waters for purposes of complying with the clean water act.

31 13. "Water provider" means any of the following:

1 (a) A municipal water delivery system as defined in section 42-5301,
2 ~~paragraphs 1 and 3.~~

3 ~~(b) A municipal water delivery system as defined in section 42-5301,~~
4 ~~paragraph 2, which has entered into a partnership with a city, town or~~
5 ~~county for a water supply augmentation plan.~~

6 ~~(c)~~ (b) A county water augmentation authority established under
7 title 45, chapter 11.

8 ~~(d)~~ (c) A county water authority established under title 45,
9 chapter 13.

10 ~~(e)~~ (d) An Indian tribe.

11 ~~(f)~~ (e) A community facilities district as established by title 48,
12 chapter 4.

13 (f) A PUBLIC WATER SYSTEM AS DEFINED IN SECTION 49-352.

14 (g) A COUNTY WITH A POPULATION OF LESS THAN THREE HUNDRED THOUSAND
15 PERSONS.

16 (h) For purposes of funding from the water supply development
17 revolving fund pursuant to article 3 of this chapter only, a county that
18 enters into an intergovernmental agreement or other formal written
19 agreement with a city, town or other water provider regarding a water
20 supply development project.

21 14. "Water supply development" means either of the following:

22 (a) The acquisition of water or rights to or contracts for water to
23 augment the water supply of a water provider, including any environmental
24 or other reviews, permits or plans reasonably necessary for that
25 acquisition.

26 (b) ~~The development of~~ PLANNING, DESIGNING, BUILDING OR DEVELOPING
27 facilities, including any environmental or other reviews, permits or plans
28 reasonably necessary for those facilities, for any of the following
29 purposes:

30 (i) Conveyance, storage or recovery of water.

31 (ii) Reclamation and reuse of water.

32 (iii) Replenishment of groundwater.

1 (iv) ACTIVE OR PASSIVE STORMWATER RECHARGE STRUCTURES THAT INCREASE
2 WATER SUPPLIES.

3 Sec. 2. Section 49-1273, Arizona Revised Statutes, is amended to
4 read:

5 49-1273. Water supply development revolving fund; purposes;
6 limitation

7 A. Monies in the water supply development revolving fund may be used
8 for the following purposes:

9 1. Making water supply development loans to water providers in this
10 state under section 49-1274 for water supply development purposes.

11 2. Making loans or grants to water providers for the planning or
12 design of water supply development projects. A single grant shall not
13 exceed ~~one hundred thousand dollars~~ \$250,000.

14 3. Purchasing or refinancing debt obligations of water providers at
15 or below market rate if the debt obligation was issued for a water supply
16 development purpose.

17 4. Providing financial assistance to water providers with bonding
18 authority to purchase insurance for local bond obligations incurred by them
19 for water supply development purposes.

20 5. Paying the costs to administer the fund.

21 6. Providing linked deposit guarantees through third party lenders
22 by depositing monies with the lender on the condition that the lender make
23 a loan on terms approved by the committee, at a rate of return on the
24 deposit approved by the committee and the state treasurer and by giving the
25 lender recourse against the deposit of loan repayments that are not made
26 when due.

27 B. If the monies pledged to secure water supply development bonds
28 issued pursuant to section 49-1278 become insufficient to pay the principal
29 and interest on the water supply development bonds guaranteed by the water
30 supply development revolving fund, the authority shall direct the state
31 treasurer to liquidate securities in the fund as may be necessary and shall
32 apply those proceeds to make current all payments then due on the

1 bonds. The state treasurer shall immediately notify the attorney general
2 and auditor general of the insufficiency. The auditor general shall audit
3 the circumstances surrounding the depletion of the fund and report the
4 findings to the attorney general. The attorney general shall conduct an
5 investigation and report those findings to the governor and the
6 legislature.

7 C. Monies in the water supply development revolving fund shall not
8 be used to provide financial assistance to a water provider, other than an
9 Indian tribe, ~~unless one of the following applies:~~

10 ~~1. The board of supervisors of the county in which the water~~
11 ~~provider is located has adopted the provision authorized by section 11-823,~~
12 ~~subsection A.~~

13 ~~2. The water provider is located in a city or town and the~~
14 ~~legislative body of the city or town has enacted the ordinance authorized~~
15 ~~by section 9-463.01, subsection 0.~~

16 ~~3.~~ IF the water provider is located in an active management area
17 established pursuant to title 45, chapter 2, article 2.

18 ~~4. The water provider is located outside of an active management~~
19 ~~area and either of the following applies:~~

20 ~~(a) The director of water resources has designated the water~~
21 ~~provider as having an adequate water supply pursuant to section 45-108.~~

22 ~~(b) The water provider will use the financial assistance for a water~~
23 ~~supply development project and the director of water resources has~~
24 ~~determined pursuant to section 45-108 that there is an adequate water~~
25 ~~supply for all subdivided land that will be served by the project and for~~
26 ~~which a public report was issued after the effective date of this amendment~~
27 ~~to this section.~~

28 Sec. 3. Appropriation; water supply development revolving
29 fund; exemption

30 A. The sum of \$50,000,000 is appropriated from the state general
31 fund in fiscal year 2020-2021 to the water supply development revolving
32 fund established by section 49-1271, Arizona Revised Statutes.

House Amendments to H.B. 2671

1 B. Monies that are appropriated in subsection A of this section are
2 exempt from the provisions of section 35-190, Arizona Revised Statutes,
3 relating to lapsing of appropriations."

4 Amend title to conform

And, as so amended, it do pass

GAIL GRIFFIN
CHAIRMAN

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