

COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2727
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 45-2201, Arizona Revised Statutes, is amended to
3 read:

4 45-2201. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Agricultural use" means water used primarily in the commercial
7 production of agricultural crops or livestock, including domestic uses
8 incidental to those uses, and used on tracts of land operated in units of
9 more than five acres.

10 2. "Authority" means a water authority established under this
11 chapter.

12 3. "Board" means the board of directors of the authority.

13 4. "Central Arizona project" means the reclamation project and works
14 authorized by section 301 (a) of the Colorado River basin project act and
15 constructed by the United States pursuant to the provisions of the Colorado
16 River basin project act and contract between the United States and central
17 Arizona water conservation district for delivery of water and repayment of
18 costs of the central Arizona project.

19 5. "Colorado River water" means water from the main stream of the
20 Colorado River.

21 6. "Conservation" means the preservation and planned management of
22 water resources to ensure the future availability of water resources.

1 7. "Effluent" means water that has been collected in a sanitary
2 sewer for subsequent treatment in a facility that is regulated pursuant to
3 title 49, chapter 2. Such water remains effluent until it acquires the
4 characteristics of groundwater or surface water.

5 8. "Industrial use" means a nonagricultural use of water not
6 supplied by a city, town or private water company, including animal
7 industry use and expanded animal industry use as defined in section 45-402.

8 9. "Multi-county water conservation district" means a multi-county
9 district ~~which~~ **THAT IS** established under title 48, chapter 22, ~~AND THAT~~ has
10 contracted with the United States for the repayment of the cost and for the
11 delivery of the water supply in accordance with ~~P.L.~~ **PUBLIC LAW** 90-537.

12 10. "Municipal use" means all nonagricultural uses of water supplied
13 by a city, town, private water company or irrigation district.

14 11. "Municipal water provider" means a city, town, private water
15 company or irrigation district that supplies water for ~~a~~ nonagricultural
16 use.

17 12. "Private water company" means any entity that distributes or
18 sells groundwater, except a political subdivision or any entity that is
19 established pursuant to title 48 and that is not regulated as a public
20 service corporation by the ~~Arizona~~ corporation commission under a
21 certificate of public convenience and necessity.

22 13. "Tentatively allocated" means water of the main stem of the
23 Colorado River water that has been recommended by the director to the
24 secretary of the interior for allocation, but for which a contract with the
25 secretary for delivery has not been signed.

26 14. "United States" means the secretary of the interior, acting for
27 the United States department of interior, or his duly authorized
28 representative.

29 Sec. 2. Section 45-2202, Arizona Revised Statutes, is amended to
30 read:

31 45-2202. Formation

1 A. An authority may be formed in any county with a population of
2 more than ninety thousand persons and less than one hundred twenty thousand
3 persons according to the most recent United States decennial census **OR IN A**
4 **COUNTY THAT CONTAINS A PORTION OF THE HARQUAHALA IRRIGATION NON-EXPANSION**
5 **AREA AND THAT DOES NOT CONTAIN ANY PORTION OF AN ACTIVE MANAGEMENT AREA.**

6 B. The members of the authority ~~shall~~ **MAY** include:

7 1. Municipal corporations in the county that:

8 ~~1.~~ (a) Had contracts with the United States for the delivery of
9 Colorado River water as of January 1, 1993.

10 ~~2.~~ (b) Have adopted resolutions approving the formation of the
11 authority as prescribed by subsection C, paragraph 1 **OF THIS SECTION.**

12 **2. FOR AN AUTHORITY IN A COUNTY THAT CONTAINS A PORTION OF THE**
13 **HARQUAHALA IRRIGATION NON-EXPANSION AREA AND THAT DOES NOT CONTAIN ANY**
14 **PORTION OF AN ACTIVE MANAGEMENT AREA, ELIGIBLE ENTITIES AS PRESCRIBED IN**
15 **SECTION 45-554, SUBSECTION D THAT:**

16 (a) **OWN ACRES OR HAVE ADOPTED PLANS TO ACQUIRE ACRES THAT MAY BE**
17 **IRRIGATED IN THE HARQUAHALA IRRIGATION NON-EXPANSION AREA PURSUANT TO**
18 **SECTION 45-437, SUBSECTION B.**

19 (b) **HAVE ADOPTED RESOLUTIONS APPROVING THE FORMATION OF THE**
20 **AUTHORITY AS PRESCRIBED BY SUBSECTION C, PARAGRAPH 1 OF THIS SECTION.**

21 (c) **ARE NOT THE STATE.**

22 C. The authority shall be formed on the occurrence of the following
23 events:

24 1. The adoption of resolutions approving the authority's formation
25 by **EITHER OF THE FOLLOWING:**

26 (a) A majority of the municipal corporations in the county that had
27 contracts with the United States for the delivery of Colorado River water
28 as of January 1, 1993. ~~A municipal corporation shall concurrently appoint~~
29 ~~the person who will represent the municipal corporation on the authority's~~
30 ~~board.~~

31 (b) **FOR AN AUTHORITY IN A COUNTY THAT CONTAINS A PORTION OF THE**
32 **HARQUAHALA IRRIGATION NON-EXPANSION AREA AND THAT DOES NOT CONTAIN ANY**

1 PORTION OF AN ACTIVE MANAGEMENT AREA, TWO OR MORE ELIGIBLE ENTITIES AS
2 PRESCRIBED IN SECTION 45-554, SUBSECTION D. FOR THE PURPOSES OF THIS
3 SUBDIVISION, ONE OF THE ELIGIBLE ENTITIES MUST BE THE BOARD OF SUPERVISORS
4 OF THE COUNTY IN WHICH THE AUTHORITY IS FORMED.

5 2. The transfer to the authority of the right to the delivery of
6 eighteen thousand five hundred acre-feet per year of Colorado River water
7 from a municipal corporation in the county where the authority is to be
8 formed within seven hundred thirty days ~~of~~ AFTER the adoption of
9 resolutions as prescribed by paragraph 1 of this subsection.

10 D. A MUNICIPAL CORPORATION AND ELIGIBLE ENTITY AS PRESCRIBED IN
11 SECTION 45-554, SUBSECTION D SHALL JOINTLY APPOINT A PERSON TO REPRESENT
12 THE MUNICIPAL CORPORATION ON THE AUTHORITY.

13 ~~D.~~ E. On full compliance with subsection C OF THIS SECTION, the
14 authority shall:

15 1. Notify the board of supervisors in the county in which the
16 authority is formed of the authority's formation.

17 2. Publish a notice of the authority's formation once each week for
18 two consecutive weeks in ~~three newspapers~~ A NEWSPAPER of general
19 circulation in the county in which the authority is formed.

20 3. Notify each APPLICABLE authority member that the events
21 prescribed by subsection C OF THIS SECTION have occurred.

22 ~~E.~~ F. An authority member that in connection with the formation of
23 the authority or after the formation of the authority transfers, or causes
24 to be transferred, to the authority all or a portion of its contractual
25 entitlement to the delivery of Colorado River water shall remain an
26 authority member after the transfer.

27 ~~F.~~ G. By vote of the directors, the membership of the authority may
28 be expanded to include municipal corporations in the county that ~~obtain~~
29 OBTAINS contracts for the delivery of Colorado River water from the United
30 States after January 1, 1993 AND THAT HAVE ADOPTED A RESOLUTION APPROVING
31 THE INCLUSION.

1 Sec. 3. Title 45, chapter 13, article 1, Arizona Revised Statutes,
2 is amended by adding section 45-2206, to read:

3 45-2206. Applicability

4 SECTION 45-2202 SUBSECTION C, PARAGRAPH 2 AND SECTION 45-2244 DO NOT
5 APPLY TO AN AUTHORITY FORMED IN A COUNTY THAT CONTAINS A PORTION OF THE
6 HARQUAHALA IRRIGATION NON-EXPANSION AREA AND THAT DOES NOT CONTAIN ANY
7 PORTION OF AN ACTIVE MANAGEMENT AREA.

8 Sec. 4. Section 45-2221, Arizona Revised Statutes, is amended to
9 read:

10 45-2221. Board of directors; organization; compensation

11 A. The authority shall have a board of directors. Each director WHO
12 IS appointed pursuant to this section shall have one vote.

13 B. The board consists of persons WHO ARE appointed by the
14 resolutions of the municipal corporations AND THE COUNTY that are authority
15 members and, if appointed, the person WHO IS appointed pursuant to
16 subsection C OF THIS SECTION. Each authority member shall appoint one
17 director to the board. Each director WHO IS appointed pursuant to this
18 subsection shall serve at the pleasure of the authority member that
19 appointed him. Each director WHO IS appointed pursuant to this subsection
20 may be removed from the board by resolution of the authority member that
21 appointed him. An authority member that removes a director from the board
22 shall appoint another director to the board.

23 C. The supervisors of the county in which the authority is formed
24 may appoint a director to the board from among the members of the board of
25 supervisors. A director WHO IS appointed pursuant to this subsection shall
26 serve a term of one year and shall be succeeded by another person who is a
27 member of the board of supervisors according to the terms of this
28 subsection. The term of the member WHO IS appointed by the board of
29 supervisors shall begin on January 1 of each year.

30 D. The board shall select a chairperson, vice-chairperson and
31 secretary-treasurer from among its appointed directors. Officers shall
32 serve at the pleasure of the directors. FOR AN AUTHORITY THAT IS IN A

COUNTY THAT CONTAINS A PORTION OF THE HARQUAHALA IRRIGATION NON-EXPANSION AREA AND THAT DOES NOT CONTAIN ANY PORTION OF AN ACTIVE MANAGEMENT AREA, THE BOARD SHALL SELECT A CHAIRPERSON AND OFFICERS AS NEEDED FROM AMONG THE AUTHORITY'S APPOINTED DIRECTORS.

E. Board members are not eligible to receive compensation but are eligible for reimbursement of actual and necessary expenses while engaged in official business under order of the board.

F. The board members of the authority are public officers for purposes of title 38, chapter 3, article 8. The employees of the authority are employees for purposes of title 38, chapter 3, article 8.

Sec. 5. Section 45-2241, Arizona Revised Statutes, is amended to read:

45-2241. Cooperation with governmental entities

A. The authority shall cooperate, coordinate and confer with the director of water resources, state agencies, municipal corporations, special districts, authorities, other political subdivisions of this state, private entities, Indian tribes and the United States on matters within their jurisdiction relating to the augmentation and conservation of the water supplies of the authority and its members.

B. Consistent with the purposes and policies of this chapter, the authority shall cooperate with established and existing organizations in acquiring, constructing and operating projects for use of or interconnection with suitable diversion, withdrawal, transportation, delivery, treatment, storage or recharge facilities.

C. Any authority member may request the authority to exercise its powers and privileges in making any project or proposed project, survey or investigation or for assistance in initiating or completing any works or projects authorized by this chapter.

D. The authority may act as any of the following:

1. A bargaining and negotiating agency in transactions and dealings between various departments of the state or federal government at the request of an authority member.

1 2. A connecting, intermediate or contracting medium for members ~~when~~
2 IF for united or joint participation such a medium is convenient or
3 essential to the receipt, acceptance or enjoyment of any financial
4 proposals, grants or other benefits to authority members that are made
5 available under any statute or by any entity.

6 3. A coordinating, clearing, administering or supervising
7 instrumentality through which members may cooperate or unite through
8 contracts or agreements in applying or pooling their resources, functional
9 rights or privileges for common purposes contemplated under this chapter.

10 4. A supervising instrumentality through which authority members may
11 request the development of conservation plans for the use of Colorado River
12 water OR OTHER WATER.

13 E. Nothing in this section or in this chapter ~~shall be construed to~~
14 ~~alter~~ ALTERS any debt limitation of any authority member.

15 Sec. 6. Section 45-2244, Arizona Revised Statutes, is amended to
16 read:

17 45-2244. Acquisition and disposition of initial quantity of
18 water; applicability

19 A. The authority, acting through its board, shall apportion the
20 rights to the delivery of the first eighteen thousand five hundred acre-
21 feet per year of Colorado River water that it obtains as follows:

22 1. The right to the delivery of fifteen thousand acre-feet per year
23 of Colorado River water shall be apportioned by subcontract and made
24 available to authority members for municipal uses.

25 2. The right to the delivery of three thousand five hundred
26 acre-feet per year of Colorado River water shall be apportioned by
27 subcontract and made available for industrial uses.

28 3. Notwithstanding the apportionment to municipal and industrial
29 uses as prescribed by paragraphs 1 and 2 of this subsection, Colorado River
30 water may be made available by the authority for industrial, agricultural
31 or miscellaneous uses as prescribed by subsection F of this section until
32 that water is needed for municipal or industrial uses.

1 B. The authority, acting through its board, shall make available
2 Colorado River water that is apportioned for municipal uses as prescribed
3 by subsection A, paragraph 1 of this section to authority members through
4 subcontracts between the authority and the authority member for the sale
5 and delivery of Colorado River water. The term of these subcontracts may
6 be coextensive with the term of the contract with the United States
7 pursuant to which the authority obtains the Colorado River water or the
8 duration of the subcontracts may be for a lesser term. The rate charged
9 for the Colorado River water made available to the authority members for
10 municipal uses may be fixed for all or part of the subcontract term but
11 shall be established by subcontract to ~~permit~~ ALLOW the authority member to
12 provide the water to its customers at a reasonable cost as determined by
13 the authority in the exercise of its discretion. Any subcontract may
14 require the authority member to pay water supply fees or to assess and
15 share the cost of water supply fees with the authority. Water supply fees
16 include standby or holding charges, development impact fees, connection
17 fees, extraction fees, user fees, administrative fees, other fees or
18 charges that the subcontract requires and the member collects for new uses
19 to be served with the water made available pursuant to subcontract or any
20 other fees that the authority determines to be necessary or prudent to fund
21 the acquisition of replacement supplies of water. Any such fees assessed
22 or collected by the authority member shall be remitted to the authority and
23 deposited in the funds of the authority as provided in this chapter.

24 C. The Colorado River water apportioned for municipal uses under
25 subsection B of this section shall be served by the authority member within
26 the service area established for the authority member in any water service
27 contract between the authority member and the United States. The Colorado
28 River water so apportioned may not be served to any single industrial user
29 for manufacturing purposes, processing purposes or thermoelectric power
30 generation, with a demand greater than two hundred fifty acre-feet per year
31 until the end of the seventh year after the authority is formed.

1 D. If Colorado River water that is made available to authority
2 members for municipal uses pursuant to subsection B of this section is not
3 subcontracted for by authority members within one year ~~of~~ AFTER the
4 authority's formation pursuant to section 45-2202, subsection C, the
5 Colorado River water may be made available by subcontract to other
6 municipal water providers in the county in which the authority is formed on
7 terms consistent with this section.

8 E. The authority shall make Colorado River water that is apportioned
9 for industrial uses as provided in subsection A, paragraph 2 of this
10 section available to applicants through subcontracts for the sale and
11 delivery of that water. The term of the subcontracts shall be set by the
12 authority and may be coextensive with the term of the contract with the
13 United States pursuant to which the authority obtains the Colorado River
14 water. The rate charged for Colorado River water made available to
15 applicants for industrial uses may be established by subcontract or by
16 tariff set by the authority. The rate charged may vary or may be fixed for
17 all or a part of the subcontract term. The initial rate charged per
18 acre-foot shall not be less than the rate charged per acre-foot by a
19 multi-county water conservation district, or its successors, for the
20 capital and fixed operation and maintenance charges associated with an
21 acre-foot of central Arizona project municipal and industrial water in the
22 year in which the authority subcontracts for the sale and delivery of the
23 water.

24 F. Notwithstanding the apportionment to municipal and industrial
25 uses as provided in subsection A, paragraphs 1 and 2 of this section, the
26 authority may subcontract for the delivery of Colorado River water for
27 industrial, agricultural or miscellaneous uses for which subcontracts have
28 not been executed as provided in subsections B and E of this section or for
29 which subcontracts have been executed as provided in subsections B and E of
30 this section if there is no current demand for the water by the
31 subcontractors. A subcontract for the delivery of Colorado River water for
32 an industrial, agricultural or miscellaneous use under this subsection

1 shall not be for a term of more than five years. A subcontract under this
2 subsection may serve an existing use of Colorado River water ~~which~~ THAT was
3 not supported by a contract for the delivery of Colorado River water on
4 January 1, 1994, or a new use of Colorado River water initiated after
5 January 1, 1994. A subcontract under this subsection shall be subject to
6 the approval of subcontractors with subcontracts entered into pursuant to
7 subsection B of this section. Any subcontract under this subsection shall
8 impose the charge per acre-foot of Colorado River water delivered that the
9 authority in its discretion determines to be adequate. Any subcontract
10 under this subsection may be renewed or extended successively for the same
11 or a shorter period of time. For THE purposes of this subsection,
12 "miscellaneous use" means a use of water for recreational or fish and
13 wildlife purposes.

14 G. The authority may accept transfers of the Colorado River water
15 entitlements of its members and may contract with the United States for the
16 delivery to the authority of the initial eighteen thousand five hundred
17 acre-feet a year of Colorado River water obtained by the authority. The
18 authority may contract with the United States for the delivery of any
19 additional amounts of water obtained by the authority from its members and
20 may contract as provided in section 45-2245.

21 H. Any subcontract under this section shall require the Colorado
22 River water delivered pursuant to the subcontract to be used in the county
23 in which the authority is formed.

24 I. THIS SECTION APPLIES ONLY TO AN AUTHORITY THAT IS NOT LOCATED IN
25 A COUNTY THAT CONTAINS A PORTION OF THE HARQUAHALA IRRIGATION NON-EXPANSION
26 AREA AND THAT DOES NOT CONTAIN ANY PORTION OF AN ACTIVE MANAGEMENT AREA.

27 Sec. 7. Section 45-2245, Arizona Revised Statutes, is amended to
28 read:

29 45-2245. Acquisition and disposition of water in excess of
30 initial quantity

31 A. The authority may contract with the United States for the
32 delivery of Colorado River water ~~in excess of the initial eighteen thousand~~

1 ~~five hundred acre-feet a year~~ that the United States makes available to the
2 authority.

3 B. The authority may apportion Colorado River water, **GROUNDWATER**
4 **FROM THE HARQUAHALA IRRIGATION NON-EXPANSION AREA AS OTHERWISE AUTHORIZED**
5 **BY THE LAWS OF THIS STATE**, water credits or effluent that it obtains ~~in~~
6 ~~excess of the initial eighteen thousand five hundred acre-feet a year~~
7 between municipal and industrial uses in the manner that the authority
8 determines to be appropriate after considering the water needs of the
9 county in which the authority is formed.

10 C. The authority may contract with a multi-county water conservation
11 district or its successors or with subcontractors of a multi-county water
12 conservation district or their successors for the delivery to the authority
13 of Colorado River water available to the central Arizona project.

14 D. The authority may purchase, lease, sever, transfer or retire
15 water rights to the Colorado River in this state.

16 E. The authority may lease Colorado River water apportioned to this
17 state from Indian tribes that are entitled by decree to that water and
18 whose reservations are located in the lower basin of the Colorado River
19 system in this state.

20 F. The authority may store, recharge and recover any water or
21 effluent available to the authority to the extent allowed under ~~any~~
22 ~~provision of~~ chapter 3.1 of this title and may enter into exchanges of
23 water or of water credits within or outside the county in which the
24 authority is formed to the extent allowed under ~~any provision of~~ chapter 4
25 of this title.

26 G. The authority may contract for:

27 1. The storage or recovery of effluent to the extent allowed under
28 ~~any provision of~~ chapter 3.1 of this title and may contract for the
29 delivery or purchase of effluent.

30 2. **ELIGIBLE ACRES IN OR GROUNDWATER FROM THE HARQUAHALA IRRIGATION**
31 **NON-EXPANSION AREA.**

1 H. Under terms specified by the authority and subject to subsection
2 B OF THIS SECTION, the authority may enter into subcontracts with authority
3 members and other water providers in the county where the authority is
4 formed for the sale, exchange or other disposition of Colorado River water,
5 GROUNDWATER FROM THE HARQUAHALA IRRIGATION NON-EXPANSION AREA AS OTHERWISE
6 AUTHORIZED BY THE LAWS OF THIS STATE, water credits or effluent acquired by
7 the authority pursuant to this section. In connection with those
8 subcontracts, the authority may charge or impose standby or holding
9 charges, development impact fees, connection fees, extraction fees, user
10 fees, administrative fees or any other fees or charges that the authority
11 determines to be necessary to recover the authority's costs of making the
12 water, water credits or effluent available under the subcontract. The
13 authority may impose additional fees or charges as the authority determines
14 to be necessary or prudent to fund the acquisition of replacement supplies
15 of water for the authority.

16 I. Any subcontract under this section shall require Colorado River
17 water delivered pursuant to the subcontract to be used in the county in
18 which the authority is formed.

19 Sec. 8. Section 45-2281, Arizona Revised Statutes, is amended to
20 read:

21 45-2281. Establishment of funds; allocation of authority
22 revenues; member dues; applicability

23 A. On the authority's formation, a grant fund, a water acquisition
24 fund and an operating fund are established. The authority's revenues shall
25 be deposited in and disbursed from the funds as provided by this
26 section. Revenues deposited in the grant fund may be used to make grants
27 to authority members for water acquisition, water conservation and water
28 reuse. Revenues deposited in the water acquisition fund may be used to
29 acquire water pursuant to section 45-2245. Revenues deposited in the
30 operating fund shall be used as provided in subsection E of this section.

31 B. Except as provided in subsection D of this section AND FOR AN
32 AUTHORITY THAT IS FORMED IN A COUNTY THAT CONTAINS A PORTION OF THE

1 HARQUAHALA IRRIGATION NON-EXPANSION AREA AND THAT DOES NOT CONTAIN ANY
2 PORTION OF AN ACTIVE MANAGEMENT AREA, all revenues of the authority shall
3 be deposited in the grant fund except the following:

4 1. Dues paid by authority members which shall be deposited in the
5 operating fund.

6 2. Ten ~~per cent~~ PERCENT of all amounts paid by municipal
7 subcontractors under subcontracts entered into as provided in section
8 45-2244, subsection B which may be deposited in the operating fund or the
9 water acquisition fund as determined by the board.

10 3. Fifty ~~per cent~~ PERCENT of all amounts paid by subcontractors of
11 the authority pursuant to subcontracts entered into as provided in section
12 45-2244, subsection E or F.

13 4. That portion of the monies earned by the authority under
14 subcontracts entered into pursuant to section 45-2245, subsection H that is
15 equal to the cost to the authority of obtaining the water transferred under
16 those subcontracts and, after payment of ~~seven million five hundred~~
17 ~~thousand dollars~~ \$7,500,000 as adjusted pursuant to subsection C of this
18 section, all of the monies earned from those subcontracts.

19 C. Except as provided in subsection B of this section, all of the
20 authority's revenues shall be deposited in the grant fund until the full
21 amount of the initial grant and any additional amounts required in a grant
22 agreement between the authority and the member that receives the grant have
23 been disbursed from the grant fund as provided in this subsection. The
24 initial grant from the grant fund shall be made to the authority member
25 that transferred, or caused to be transferred, to the authority the right
26 to the delivery of eighteen thousand five hundred acre-feet per year of
27 Colorado River water in connection with the authority's formation. The
28 amount of the grant to that member shall equal ~~seven million five hundred~~
29 ~~thousand dollars~~ \$7,500,000 plus any additional monies that the authority
30 and the member agree to in a grant agreement between the authority and the
31 member, which amount shall be adjusted annually from the date of the
32 authority's formation either for inflation or as may otherwise be provided

1 in the subcontracts of the authority or in the grant agreement, until the
2 amount of the initial grant required by this subsection and any additional
3 amounts required by the grant agreement are paid in full. The initial
4 grant may be disbursed in a lump sum or in partial payments in accordance
5 with the request of the authority member that is entitled to receive the
6 grant and as revenues become available to the authority and are deposited
7 in the grant fund. The authority member that is entitled to receive the
8 grant may request that disbursements be made whenever revenues have been
9 deposited in the grant fund. Notwithstanding section 45-2282, the
10 authority shall promptly disburse those revenues that are deposited in the
11 fund on receipt of a request from that member.

12 D. After the disbursement of the full amount of the initial grant
13 and any additional amounts required in a grant agreement of the authority
14 from the grant fund as provided in subsection C of this section, the
15 authority's revenues, except dues paid by authority members, may be
16 deposited in the grant fund, water acquisition fund or operating fund as
17 determined by the board.

18 E. The authority shall establish a schedule of dues that is
19 sufficient, when aggregated with other monies available for the payment of
20 administrative expenses, to pay the estimated administrative expenses of
21 the authority. Dues shall be assessed and allocated equitably among
22 authority members as determined by the board. All dues received by the
23 authority shall be deposited in the operating fund. Expenditures may be
24 made from the operating fund to pay:

25 1. The authority's administrative expenses.

26 2. The costs of the authority's formation including an equitable
27 portion of the costs of the municipal corporation that transferred rights
28 to the delivery of Colorado River water as provided in section 45-2202.

29 3. The costs associated with holding any entitlement to water
30 acquired by the authority.

1 4. Subject to subsection C of this section, the costs incurred by
2 the authority in the operation of any project undertaken by the authority
3 pursuant to this chapter.

4 5. Amounts payable to the United States annually for the right to
5 hold and use the eighteen thousand five hundred acre-feet per year of
6 Colorado River water acquired by the authority pursuant to section 45-2202,
7 subsection C which amounts may include any tax, fee or excise imposed ~~upon~~
8 ~~ON~~ the sale or transfer of the water.

9 F. Any authority member that is in arrears in the payment of its
10 dues for more than sixty days shall lose the right of its appointed
11 director to vote on all authority matters until all of the dues that are in
12 arrears are fully paid. An authority member whose dues are in arrears does
13 not lose membership in the authority because of the arrearage.

14 G. ALL TRANSPORTATION FEES PAID TO THE AUTHORITY PURSUANT TO SECTION
15 45-556 MAY BE DEPOSITED IN THE GRANT FUND, WATER ACQUISITION FUND OR
16 OPERATING FUND ESTABLISHED BY THIS SECTION AS DETERMINED BY THE BOARD.

17 H. FOR AN AUTHORITY THAT IS FORMED IN A COUNTY WITH A POPULATION OF
18 LESS THAN NINETY THOUSAND PERSONS, ALL REVENUES OF THE AUTHORITY SHALL BE
19 DEPOSITED IN THE GRANT FUND, WATER ACQUISITION FUND OR OPERATING FUND
20 ESTABLISHED BY THIS SECTION AS DETERMINED BY THE BOARD."

21 Amend title to conform

And, as so amended, it do pass

GAIL GRIFFIN
CHAIRMAN

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