

ORIGINAL SENATE  
FILE NO. 0103

ENROLLED ACT NO. 36, SENATE

SIXTY-FIRST LEGISLATURE OF THE STATE OF WYOMING  
2011 GENERAL SESSION

AN ACT relating to water development; amending the Gillette Madison water project as specified; providing for funding; and providing for an effective date.

*Be It Enacted by the Legislature of the State of Wyoming:*

**Section 1.** W.S. 99-3-1405(a) by creating a new paragraph (iv), (e)(intro), (i)(intro), (ii), (iii), (iv)(intro), (f)(i)(J), (O), (P), (g)(i), (ii), (h)(intro), (i)(intro), (ii), (iii), (iv)(intro), (A) and by creating new subsections (j) and (k) is amended to read:

**99-3-1405. Gillette Madison pipeline project; definitions; description; purposes; authorization; finances; conditions.**

(a) As used in this section:

(iv) "Account" means the Gillette Madison pipeline account into which all funds appropriated by this section shall be deposited. Funds in the account shall be reserved for the project. All unexpended funds appropriated by this section shall be transferred to the account.

(e) 2009 Project financing: The following shall apply:

(i) 2009 Project budget:

(ii) 2009 Project grant: The state of Wyoming shall grant to the sponsor from the budget reserve account through the commission for the design, groundwater exploration and drilling, permit procurement and project land procurement for the project an amount not to exceed

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eleven million two hundred twenty-two thousand five hundred dollars (\$11,222,500.00) or sixty-seven percent (67%) of the actual costs, whichever is less;

(iii) 2009 Project loan: The state of Wyoming shall loan to the sponsor from the permanent Wyoming mineral trust fund through the commission for the design, groundwater exploration and drilling, permit procurement and project land procurement for the project an amount not to exceed five million five hundred twenty-seven thousand five hundred dollars (\$5,527,500.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of ~~thirty (30)~~ five (5) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%);

(iv) 2009 Appropriations and funding:

(f) General conditions: The following shall apply:

(i) Except as otherwise specifically provided, the project identified in this section shall be subject to the following general conditions:

(J) If the commission determines that the sponsor has, without good cause, abandoned completion of the project, the sponsor, in addition to being required to repay the loan, shall be obligated to immediately repay the full amount of all grant funds actually expended plus interest as established by the state auditor in an amount equal to the interest that would have accrued on the expended grant funds in the ~~water-development~~ account ~~I~~ from the date of expenditure;

(O) After the project loan is paid in full, the sponsor may purchase the position of the state of

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Wyoming, as described in subparagraphs (K) and (M) of this subsection, for the amount of the project grant plus the interest that would have accrued on the grant amount in the ~~water development~~ account from the date the project was substantially completed as defined by the commission. The interest that would have accrued on the grant amount shall be established by the state auditor;

(P) Any revenues generated by the state from the lease, sale, assignment or transfer of ownership of any project or project water shall be deposited in ~~water development~~ the account ~~±~~.

(g) General authorization: The following shall apply:

(i) The commission shall contract with the sponsor for the construction engineering and construction ~~for Phase I of the project which includes an expanded Madison well field, including five (5) wells, pumps and piping, the southwest treated water transmission pipeline, and appurtenances necessary to make Phase I of the project function in the manner intended~~ in a manner consistent with this section and to administer the contract on behalf of the state of Wyoming;

(ii) Upon execution of the contract outlined in paragraph (i) of this subsection, the sponsor may complete construction engineering and construction for ~~Phase I of~~ the project in a manner consistent with the terms and conditions outlined in the contract.

(h) 2010 Project financing: The following shall apply:

(i) 2010 Project budget:

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(ii) 2010 Project grant: The state of Wyoming shall grant to the sponsor from water development account III through the commission for the construction engineering and construction for ~~Phase I of~~ the project an amount not to exceed sixteen million four hundred fifteen thousand dollars (\$16,415,000.00); ~~or sixty seven percent (67%) of the actual costs, whichever is less;~~

(iii) 2010 Project loan: The state of Wyoming shall loan to the sponsor from the permanent Wyoming mineral trust fund through the commission for the construction engineering and construction for ~~Phase I of~~ the project an amount not to exceed eight million eighty-five thousand dollars (\$8,085,000.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of ~~thirty (30)~~ five (5) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%);

(iv) 2010 Appropriations and funding:

(A) There is appropriated from water development account III to the commission sixteen million four hundred fifteen thousand dollars (\$16,415,000.00) or as much thereof as is necessary to carry out the purpose of this section. ~~Unexpended funds appropriated under this subparagraph shall revert to the budget reserve account on July 1, 2015.~~ From available surplus funds, the governor shall make a recommendation in the supplemental budget request to reimburse water development account III for any amount expended from that account for this project;

(j) 2011 Project financing: The following shall apply:

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(i) 2011 Project grant: The state of Wyoming shall grant to the sponsor from the account through the commission for the construction of the project an amount not to exceed six million nine hundred sixty thousand four hundred thirty dollars (\$6,960,430.00);

(ii) 2011 Budget appropriation: The 2011 supplemental budget authorized a separate grant to the commission for the construction of the project from the state of Wyoming's share of abandoned mine land funds from the Surface Mining Control and Reclamation Act Amendments of 2006, section 411(h)(i) pursuant to 2007 H.R. 6111 in the amount of twenty-five million four hundred two thousand seventy dollars (\$25,402,070.00) which shall be expended for the construction of the project;

(iii) 2011 Project loan: The state of Wyoming shall loan to the sponsor from the permanent Wyoming mineral trust fund through the commission for the construction of the project an amount not to exceed fifteen million nine hundred thirty-nine thousand seven hundred thirty-nine dollars (\$15,939,739.00), for a term of five (5) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%);

(iv) 2011 Appropriations and funding:

(A) There is appropriated from the general fund to the account for the commission six million nine hundred sixty thousand four hundred thirty dollars (\$6,960,430.00) to carry out the purposes of this section. Unexpended funds appropriated under this subparagraph shall revert to the budget reserve account on July 1, 2017;

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(B) The state treasurer shall make available from the permanent Wyoming mineral trust fund to the commission fifteen million nine hundred thirty-nine thousand seven hundred thirty-nine dollars (\$15,939,739.00) or as much thereof as is necessary to carry out the purposes of this section.

(k) Continuing funding for fiscal years 2012-2014:

(i) Additional project grants: From available surplus funds, the governor shall make a recommendation for the following funding levels for the project:

(A) For fiscal year 2012 project grant: Thirty million dollars (\$30,000,000.00);

(B) For fiscal year 2013 project grant: Thirty million dollars (\$30,000,000.00);

(C) For fiscal year 2014 project grant: Twenty-five million seven hundred ninety-two thousand dollars (\$25,792,000.00).

(ii) Additional project loans: In the event that the legislature appropriates the project grant amounts set forth in paragraph (i) of this subsection from any source, the state of Wyoming shall loan to the sponsor from the permanent Wyoming mineral trust fund through the commission for the construction of the project the following loans, each for a term of five (5) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%):

(A) For fiscal year 2012 project loan: Fourteen million seven hundred seventy-six thousand one hundred nineteen dollars (\$14,776,119.00);

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(B) For fiscal year 2013 project loan:  
Fourteen million seven hundred seventy-six thousand one  
hundred nineteen dollars (\$14,776,119.00);

(C) For fiscal year 2014 project loan:  
Twelve million seven hundred three thousand five hundred  
twenty-two dollars (\$12,703,522.00).

**Section 2.** This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the Senate.

\_\_\_\_\_  
Chief Clerk