

ENROLLED ACT NO. 55, SENATE

FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2006 BUDGET SESSION

AN ACT relating to water development projects; providing for construction of dams and reservoirs; authorizing construction of designated water projects; describing projects; specifying terms and conditions of funding for projects; providing appropriations; providing for a sponsor's inflation fund; modifying project descriptions and terms of appropriations for various specified prior projects; providing for a study of coalbed natural gas water use and creating a task force; and providing for an effective date.

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

[GENERAL PROVISIONS]

Section 1. W.S. 99-3-106 is created to read:

99-3-106. General conditions for Level III construction projects-dams and reservoirs.

(a) Except as otherwise specifically provided, each Level III dam and reservoir construction project identified in this chapter shall be subject to the following general conditions:

(i) Each sponsor shall offer security for the project loan as deemed adequate and acceptable to the attorney general;

(ii) The commission shall establish repayment schedules for project loans in accordance with the conditions prescribed in this section;

(iii) Each sponsor shall establish a sinking fund for repair and maintenance of the project as deemed

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appropriate by the commission;

(iv) Each sponsor shall supervise design and construction of the project and submit all requests for payment to the commission for approval;

(v) A sponsor shall not make construction funding commitments until after the commission has reviewed and approved construction budgets and construction plans;

(vi) The commission shall make payments directly to the sponsor;

(vii) The sponsor shall be responsible for operation and maintenance of the project;

(viii) The sponsor is responsible for all project expenditures in excess of the total project appropriation;

(ix) If the commission determines that any sponsor has, without good cause, abandoned completion of the project, that 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 from the date of expenditure;

(x) Principal and interest payments made in repayment of loans shall be deposited in water development account III;

(xi) There shall be no lease, sale, assignment or transfer of ownership of water from the project for

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purposes other than the designated project purpose without prior written approval of the commission and the state engineer or board of control. If such a transaction is approved, the revenues generated by the lease, sale, assignment or transfer of ownership of water from the project shall be utilized to retire principal on the project loan. After that loan is paid in full, the sponsor shall receive a proportionate share of the revenues generated by the lease, sale, assignment or transfer of ownership of water from the project equal to the percentage of the project loan and the state of Wyoming shall receive a proportionate share of the revenues generated by the lease, sale, assignment or transfer of ownership of water from the project equal to the percentage of the project grant;

(xii) There shall be no lease, sale, assignment or transfer of ownership of any project until the project loan is paid in full, and until prior written approval is obtained from the commission. If these conditions are met, the sponsor shall receive a proportionate share of the revenues generated by the lease, sale, assignment or transfer of ownership of the project equal to the percentage of the project loan and the state of Wyoming shall receive a proportionate share of the revenues generated by the lease, sale, assignment or transfer of ownership of the project equal to the percentage of the project grant. Before the sponsor may lease, sell, assign or transfer ownership of the project, the state of Wyoming shall be given a one (1) year first right of refusal option to purchase the sponsor's interest in the project for an amount equal to the principal, interest, maintenance and replacement costs incurred by the sponsor at the date the option is exercised;

(xiii) After the project loan is paid in full,

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the sponsor may purchase the position of the state of Wyoming, as described in paragraphs (xi) and (xii) 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;

(xiv) 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 account III.

Section 2. W.S. 99-3-101(a) by creating a new paragraph (v) is amended to read:

99-3-101. Definitions.

(a) As used in this chapter:

(v) "Water development account III" means the account created by W.S. 41-2-124(a)(iii).

Section 3. W.S. 99-3-1101 through 99-3-1105 are created to read:

ARTICLE 11
2006 CONSTRUCTION PROJECTS
[AUTHORIZATION FOR 2006 CONSTRUCTION PROJECTS]

99-3-1101. Definitions.

The definitions in W.S. 99-3-101 apply to this article.

99-3-1102. General authorization.

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The provisions of W.S. 99-3-102 apply to this article.

99-3-1103. Level III construction projects - new development.

(a) Authorization is granted for the Level III new development construction projects identified in this section subject to the general conditions specified in W.S. 99-3-103.

(b) Project - Afton 2006 Well:

(i) Project sponsor: Town of Afton;

(ii) Project purpose: Municipal, rural domestic water supply;

(iii) Project description: Design and construction of transmission pipelines to connect a groundwater supply to the town's system and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Two hundred fifty thousand dollars (\$250,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, project land procurement, construction engineering, and construction of the project an amount not to exceed one hundred sixty-seven thousand five hundred dollars (\$167,500.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

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(vi) Project loan: The state of Wyoming shall loan to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed eighty-two thousand five hundred dollars (\$82,500.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of twenty (20) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%);

(vii) Appropriation: There is appropriated from water development account I to the commission two hundred fifty thousand dollars (\$250,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010.

(c) Project - Bear River/Evanston Regional Pipeline Project:

(i) Project sponsor: Bear River Regional Joint Powers Board;

(ii) Project purpose: Municipal, rural domestic water supply;

(iii) Project description: Design and construction of transmission pipelines and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Five million five hundred twenty-one thousand dollars (\$5,521,000.00);

(v) Project grant: The state of Wyoming shall

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grant to the sponsor from water development account I through the commission for the design, permit procurement, project land procurement, construction engineering, and construction of the project an amount not to exceed three million six hundred ninety-nine thousand seventy dollars (\$3,699,070.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account I to the commission three million six hundred ninety-nine thousand seventy dollars (\$3,699,070.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring thirty-three percent (33%) of the total project budget from other sources.

(d) Project - Dubois Well No. Eleven Supply:

(i) Project sponsor: Town of Dubois;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Design and construction of transmission pipelines to connect the well that was recently drilled and developed during the Level II study to the town's water system and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Two hundred five thousand dollars (\$205,000.00);

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(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, project land procurement, construction engineering, and construction of the project an amount not to exceed one hundred thirty-seven thousand three hundred fifty dollars (\$137,350.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Project loan: The state of Wyoming shall loan to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed sixty-seven thousand six hundred fifty dollars (\$67,650.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of twenty (20) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%);

(vii) Appropriation: There is appropriated from water development account I to the commission two hundred five thousand dollars (\$205,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(viii) Special condition: The sponsor shall purchase the well completed during the Level II study for a price not to exceed thirteen thousand nine hundred ninety-one dollars and fifty-nine cents (\$13,991.59) or thirty-three percent (33%) of the well's actual construction costs, whichever is less. The sponsor may purchase the well with a lump sum payment or with amortized payments for a term of twenty (20) years from the date the commission determines project benefits accrue to the sponsor at an

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interest rate of four percent (4%).

(e) Project - Eight Mile/High Plains Well:

(i) Project sponsor: Eight Mile Improvement and Service District;

(ii) Project purpose: Rural domestic water supply;

(iii) Project description: Design and construction of transmission pipelines to connect the well drilled during the Level II study to the district's water system and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Five hundred fifty-five thousand dollars (\$555,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, project land procurement, construction engineering, and construction of the project an amount not to exceed three hundred seventy-one thousand eight hundred fifty dollars (\$371,850.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account I to the commission three hundred seventy-one thousand eight hundred fifty dollars (\$371,850.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

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(vii) Special conditions:

(A) The sponsor shall purchase the well drilled during the Level II study for a price not to exceed sixty-two thousand four hundred twenty-eight dollars and seventy-nine cents (\$62,428.79) or thirty-three percent (33%) of the well's actual construction costs, whichever is less. The sponsor may purchase the well with a lump sum payment or with amortized payments for a term of twenty (20) years from the date the commission determines project benefits accrue to the sponsor at an interest rate of four percent (4%);

(B) The sponsor is responsible for acquiring thirty-three percent (33%) of the total project budget from other sources.

(f) Project - Glenrock 2006 Water Storage Tank Project:

(i) Project sponsor: The Town of Glenrock;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Design and construction of a new water storage tank, site piping, transmission pipeline and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Nine hundred fifty thousand five hundred dollars (\$950,500.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, project land procurement, construction engineering, and

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construction of the project an amount not to exceed six hundred thirty-six thousand eight hundred thirty-five dollars (\$636,835.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account I to the commission six hundred thirty-six thousand eight hundred thirty-five dollars (\$636,835.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring thirty-three percent (33%) of the total project budget from other sources.

(g) Project - Hyattville Water Supply:

(i) Project sponsor: Hyattville Improvement and Service District;

(ii) Project purpose: Rural domestic water supply;

(iii) Project description: Design and construction of a storage tank and transmission facilities to connect the well completed during the Level II study to the district's water system, and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Eight hundred thirty-five thousand dollars (\$835,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I

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through the commission for the design, permit procurement, project land procurement, construction engineering, and construction of the project an amount not to exceed five hundred fifty-nine thousand four hundred fifty dollars (\$559,450.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Project loan: The state of Wyoming shall loan to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed two hundred seventy-five thousand five hundred fifty dollars (\$275,550.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of thirty (30) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%);

(vii) Appropriation: There is appropriated from water development account I to the commission eight hundred thirty-five thousand dollars (\$835,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(viii) Special condition: The sponsor shall purchase the well completed during the Level II study for a price not to exceed one hundred six thousand five hundred sixty dollars (\$106,560.00) or thirty-three percent (33%) of the well's actual construction costs, whichever is less. The sponsor may purchase the well with a lump sum payment or with amortized payments for a term of thirty (30) years from the date the commission determines project benefits accrue to the sponsor at an interest rate of four percent

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(4%).

(h) Project - Kaycee Storage and Transmission:

(i) Project sponsor: Town of Kaycee;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Design and construction of transmission pipelines, storage facilities and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Two million three hundred fifty thousand dollars (\$2,350,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement, and construction of the project an amount not to exceed one million five hundred seventy-four thousand five hundred dollars (\$1,574,500.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Project loan: The state of Wyoming shall loan to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed seven hundred seventy-five thousand five hundred dollars (\$775,500.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of thirty (30) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%); and

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(vii) Appropriation: There is appropriated from water development account I to the commission two million three hundred fifty thousand dollars (\$2,350,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010.

(j) Project - Northwest Rural Water Storage II:

(i) Project sponsor: Northwest Rural Water District;

(ii) Project purpose: Rural domestic water supply;

(iii) Project description: Construction of new water storage facilities, transmission pipelines and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Two million nine hundred sixty thousand dollars (\$2,960,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement, and construction of the project an amount not to exceed one million nine hundred eighty-three thousand two hundred dollars (\$1,983,200.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Project loan: The state of Wyoming shall loan to the sponsor from water development account I

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through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed nine hundred seventy-six thousand eight hundred dollars (\$976,800.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of thirty (30) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%); and

(vii) Appropriation: There is appropriated from water development account I to the commission two million nine hundred sixty thousand dollars (\$2,960,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010.

(k) Project - Pine Bluffs Lance, Fox Hills Well:

(i) Project sponsor: Town of Pine Bluffs;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Construction of transmission pipelines necessary to connect the town's well completed during the Level II study to the town's water system and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Three hundred twenty-five thousand dollars (\$325,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement,

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project land procurement, construction engineering, and construction of the project an amount not to exceed two hundred seventeen thousand seven hundred fifty dollars (\$217,750.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Project loan: The state of Wyoming shall loan to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed one hundred seven thousand two hundred fifty dollars (\$107,250.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of thirty (30) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%);

(vii) Appropriation: There is appropriated from water development account I to the commission three hundred twenty-five thousand dollars (\$325,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(viii) Special condition: The sponsor shall purchase the well completed during the Level II study for a price not to exceed forty thousand three hundred fifty-nine dollars (\$40,359.00) or thirty-three percent (33%) of the well's actual construction costs, whichever is less. The sponsor may purchase the well with a lump sum payment or with amortized payments for a term of thirty (30) years from the date the commission determines project benefits accrue to the sponsor at an interest rate of four percent (4%).

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(m) Project - Pine Haven Transmission 2006 Project:

(i) Project sponsor: The Town of Pine Haven;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Construction of new water transmission facilities and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Three hundred forty-eight thousand dollars (\$348,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement, and construction of the project an amount not to exceed two hundred thirty-three thousand one hundred sixty dollars (\$233,160.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Project loan: The state of Wyoming shall loan to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed one hundred fourteen thousand eight hundred forty dollars (\$114,840.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of thirty (30) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%); and

(vii) Appropriation: There is appropriated from

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water development account I to the commission three hundred forty-eight thousand dollars (\$348,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010.

(n) Project - Squaw Creek Well Field:

(i) Project sponsor: Squaw Creek Water District;

(ii) Project purpose: Rural domestic water supply;

(iii) Project description: To connect the well drilled during the groundwater grant study to the district's water system, and appurtenances necessary for the project to function as intended;

(iv) Total project budget: Two hundred sixty-five thousand dollars (\$265,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, and project land procurement of the project an amount not to exceed one hundred seventy-seven thousand five hundred fifty dollars (\$177,550.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account I to the commission one hundred seventy-seven thousand five hundred fifty dollars (\$177,550.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds

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appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(vii) Special conditions:

(A) The sponsor is responsible for acquiring thirty-three percent (33%) of the total project budget from other sources;

(B) Funds for construction of the project shall not be released until the Level II well has been successfully drilled and developed.

(o) Project - Wardwell Water Supply Improvements:

(i) Project sponsor: Wardwell Water and Sewer District;

(ii) Project purpose: Municipal and rural domestic water supply;

(iii) Project description: Design and construction of transmission pipelines, system storage and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Two million eight hundred sixteen thousand dollars (\$2,816,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, and project land procurement of the project an amount not to exceed one million eight hundred eighty-six thousand seven hundred twenty dollars (\$1,886,720.00) or sixty-seven percent (67%) of the actual

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development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account I to the commission one million eight hundred eighty-six thousand seven hundred twenty dollars (\$1,886,720.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring thirty-three percent (33%) of the total project budget from other sources.

[REHABILITATION CONSTRUCTION PROJECTS]

**99-3-1104. Level III construction projects -
rehabilitation.**

(a) Authorization is granted for the Level III rehabilitation construction projects identified in this section, subject to the general conditions specified in W.S. 99-3-104.

(b) Project - Alpine Wells Rehabilitation:

(i) Project sponsor: The Town of Alpine;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Design and installation of new pumps, pipelines and a backup power supply and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Five hundred thirty-

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seven thousand dollars (\$537,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the design, permit procurement, project land procurement, construction engineering, and construction of the project an amount not to exceed three hundred fifty-nine thousand seven hundred ninety dollars (\$359,790.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account II to the commission three hundred fifty-nine thousand seven hundred ninety dollars (\$359,790.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring thirty-three percent (33%) of the total project budget from other sources.

(c) Project - Big Valley and Crossed Arrows Water Supply:

(i) Project sponsor: Big Valley and Crossed Arrows Improvement District;

(ii) Project purpose: Rural, domestic water supply;

(iii) Project description: Design and installation of transmission pipelines, storage facilities and appurtenances necessary to make the project function in the manner intended;

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(iv) Total project budget: One million one hundred thirteen thousand dollars (\$1,113,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the design, permit procurement, project land procurement, construction engineering, and construction of the project an amount not to exceed seven hundred forty-five thousand seven hundred ten dollars (\$745,710.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account II to the commission seven hundred forty-five thousand seven hundred ten dollars (\$745,710.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special conditions:

(A) The sponsor is responsible for acquiring thirty-three percent (33%) of the total project budget from other sources;

(B) The sponsor shall enter into a water service contract with the Town of Meeteetse before the project commences.

(d) Project - Frannie Raw Water Supply:

(i) Project sponsor: Town of Frannie;

(ii) Project purpose: Municipal raw water

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supply;

(iii) Project description: Rehabilitation of the town's irrigation well and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Six hundred fifty-five thousand dollars (\$655,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the design, permit procurement, project land procurement, construction engineering, and construction of the project an amount not to exceed four hundred thirty-eight thousand eight hundred fifty dollars (\$438,850.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Project loan: The state of Wyoming shall loan to the sponsor from water development account II through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed two hundred sixteen thousand one hundred fifty dollars (\$216,150.00) or thirty-three percent (33%) of the actual development costs, whichever is less, for a term of twenty (20) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%); and

(vii) Appropriation: There is appropriated from water development account II to the commission six hundred fifty-five thousand dollars (\$655,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on

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(e) Project - Hopkins Producers Supply Project:

(i) Project sponsor: Hopkins Producers Irrigation District;

(ii) Project purpose: Agriculture water supply;

(iii) Project description: Design and construction of new gravity flow pipelines to replace open ditch laterals and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: One million fifty thousand dollars (\$1,050,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed seven hundred three thousand five hundred dollars (\$703,500.00) or sixty seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account II to the commission seven hundred three thousand five hundred dollars (\$703,500.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring thirty-three percent (33%) of the

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balance of the total project budget from other sources.

(f) Project - Laramie Water Management Project
(meters):

(i) Project sponsor: City of Laramie;

(ii) Project purpose: Municipal water supply;

(iii) Project description: The rehabilitation and replacement of water transmission meters and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: One hundred forty-five thousand dollars (\$145,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed ninety-seven thousand one hundred fifty dollars (\$97,150.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account II to the commission ninety-seven thousand one hundred fifty dollars (\$97,150.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring thirty-three percent (33%) of the

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total project budget from other sources.

(g) Project - Midvale Irrigation District
Conservation/Automation Project:

(i) Project sponsor: Midvale Irrigation
District;

(ii) Project purpose: Agriculture water supply;

(iii) Project description: Design and
installation of system monitoring and automation equipment
and appurtenances necessary for the project to function in
the manner intended;

(iv) Total project budget: Eight hundred ten
thousand dollars (\$810,000.00);

(v) Project grant: The state of Wyoming shall
grant to the sponsor from water development account II
through the commission for the purchase of project
materials as supported by vendor invoices and approved by
the commission an amount not to exceed five hundred forty-
two thousand seven hundred dollars (\$542,700.00) or one
hundred percent (100%) of the materials cost, whichever is
less;

(vi) Appropriation: There is appropriated from
water development account II to the commission five hundred
forty-two thousand seven hundred dollars (\$542,700.00) or
as much thereof as is necessary to carry out the purpose of
this subsection. Unexpended funds appropriated under this
subsection shall revert to water development account II on
July 1, 2010; and

(vii) Special condition: The sponsor is

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responsible for retaining professional engineering services to design the project, compile materials and bidding documents, and monitor construction activities including the installation of project components and the tracking of project expenditures.

(h) Project - Shoshone Eagle Nest Creek:

(i) Project sponsor: Shoshone Irrigation District;

(ii) Project purpose: Agriculture water supply;

(iii) Project description: To design and construct repairs to the Eagle Nest Creek crossing and replace open ditch laterals with piped laterals and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: One million seven hundred ten thousand dollars (\$1,710,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the purchase of project materials as supported by vendor invoices and approved by the commission an amount not to exceed one million one hundred forty-five thousand seven hundred dollars (\$1,145,700.00) or one hundred percent (100%) of the materials cost, whichever is less;

(vi) Appropriation: There is appropriated from water development account II to the commission one million one hundred forty-five thousand seven hundred dollars (\$1,145,700.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds

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appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special conditions: The sponsor is responsible for retaining professional engineering services to design the project, compile materials bidding documents, and monitor construction activities including the installation of project components and the tracking of project expenditures.

(j) Project - Thermopolis Storage Replacement and Rehabilitation:

(i) Project sponsor: The Town of Thermopolis;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Rehabilitation of the town's water storage system, including addition of new storage, the rehabilitation of an existing storage tank, and removing and subsequent storing of another existing tank and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Seven hundred seventy-five thousand dollars (\$775,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed five hundred nineteen thousand two hundred fifty dollars (\$519,250.00) or sixty-seven percent (67%) of the actual development costs, whichever is less;

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(vi) Appropriation: There is appropriated from water development account II to the commission five hundred nineteen thousand two hundred fifty dollars (\$519,250.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring thirty-three percent (33%) of the total project budget from other sources.

(k) Project - Wamsutter Water Supply Rehabilitation:

(i) Project sponsor: Town of Wamsutter;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Relocation and reconstruction of an existing storage tank, construction of a new pump station, transmission pipeline and appurtenances necessary for the project to function in the manner intended;

(iv) Total project budget: Five hundred seventeen thousand dollars (\$517,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed two hundred fifty-eight thousand five hundred dollars (\$258,500.00) or fifty percent (50%) of the actual development costs, whichever is less;

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(vi) Appropriation: There is appropriated from water development account II to the commission two hundred fifty-eight thousand five hundred dollars (\$258,500.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special conditions:

(A) The sponsor is responsible for acquiring fifty percent (50%) of the total project budget from other sources;

(B) The sponsor will receive a seventy thousand dollar (\$70,000.00) credit, which represents the value of an existing steel tank that has been donated to the town, when computing their required funding match.

(m) Project - Wheatland Irrigation District Re-regulation Reservoirs:

(i) Project sponsor: Wheatland Irrigation District;

(ii) Project purpose: Agriculture water supply;

(iii) Project description: To construct re-regulation reservoirs and appurtenances necessary for the project to function in the manner intended;

(iv) Total project budget: Two hundred twenty-four thousand dollars (\$224,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II

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through the commission for the purchase of project materials and engineering design and construction services as supported by vendor invoices and approved by the commission an amount not to exceed one hundred fifty thousand eighty dollars (\$150,080.00) or one hundred percent (100%) of the materials and engineering design and construction services cost, whichever is less;

(vi) Appropriation: There is appropriated from water development account II to the commission one hundred fifty thousand eighty dollars (\$150,080.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring all necessary easements and permits and thirty-three percent (33%) of the total project budget from other sources which shall include all labor and equipment costs associated with completing the project.

(n) Project - Worland Eastside Transmission Line:

(i) Project sponsor: The City of Worland;

(ii) Project purpose: Municipal water supply;

(iii) Project description: Replacement of a portion of the city's eastside transmission line and appurtenances necessary for the project to function in the manner intended;

(iv) Total project budget: Three million six hundred fifteen thousand dollars (\$3,615,000.00);

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(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission for the design, permit procurement, construction engineering, project land procurement and construction of the project an amount not to exceed one million eight hundred seven thousand five hundred dollars (\$1,807,500.00) or fifty percent (50%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account II to the commission one million eight hundred seven thousand five hundred dollars (\$1,807,500.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(vii) Special condition: The sponsor is responsible for acquiring fifty percent (50%) of the total project budget from other sources.

[DAM AND RESERVOIR CONSTRUCTION PROJECTS]

99-3-1105. Level III construction projects - dams and reservoirs.

(a) The provisions of W.S. 99-3-106 apply to this article.

(b) Project - Pathfinder Modification Project:

(i) Project sponsor: The State of Wyoming;

(ii) Project purposes: A municipal water supply, a water supply to meet obligations of the state of Wyoming under the Modified North Platte Decree and enhancement of

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regulatory certainty under the Endangered Species Act for the use of Wyoming water in the Platte River basin;

(iii) Project description: Modification and raising of Pathfinder Dam to recover approximately fifty-three thousand four hundred ninety-three (53,493) acre-feet of space that has been lost to sediment accumulation and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: Eight million five hundred thousand dollars (\$8,500,000.00);

(v) Appropriation: There is appropriated from water development account III to the Wyoming water development office for the permit procurement, construction engineering, and construction of the project an amount not to exceed eight million five hundred thousand dollars (\$8,500,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account III on July 1, 2012; and

(vi) Special conditions:

(A) The Wyoming water development office is hereby authorized to contract with the United States Bureau of Reclamation for the construction, operation and maintenance of the project. Items to be included in the contract are, but are not limited to:

(I) The requirement for the United States Bureau of Reclamation to obtain a partial change of use of its water right for the Pathfinder Reservoir for the fifty-three thousand four hundred ninety-three (53,493) acre-feet of space allocated to the project purposes; and

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(II) The requirement to obtain legislative authority to deliver water to the Wyoming/Nebraska state line for the purpose of enhancing the regulatory certainty under the Endangered Species Act for the use of Wyoming water in the Platte River basin.

(B) The governor shall approve the contract between the United States Bureau of Reclamation and the Wyoming water development office prior to construction of the project;

(C) The Pathfinder Modification Project includes mitigation for fishery impacts and implementation of correction measures to address safety of dam concerns at the various federal dams in the North Platte River Basin;

(D) If the state engineer honors a call for regulation of water rights upstream of Pathfinder Reservoir pursuant to the *Nebraska v. Wyoming* final settlement stipulation number 108, Original 534 U.S. 40 (2001), the water development office, in consultation with the state engineer, shall report to the governor and select water committee if the call for regulation was caused by the project;

(E) The appropriation under this subsection shall not be encumbered, obligated or expended until all proceedings relating to the change of use of water rights required under subdivision (A)(I) of this paragraph, including any available judicial review of any administrative action authorizing the change of use, have been exhausted. As used in this subparagraph the exhaustion of judicial review shall not be deemed to have occurred until the time has expired when any appeal may be taken from the applicable administrative action, or if an appeal

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has been taken the appeal has been exhausted and concluded.

[AMENDMENTS TO PRIOR PROJECTS]

Section 4. [Amendments to the Chugwater Water Supply Project] W.S. 99-3-303(d)(vi) and by creating new paragraphs (viii) through (xi) is amended to read:

99-3-303. Level III construction projects - new development.

(d) Project - Chugwater Water Supply Project:

(vi) Appropriation: There is appropriated from water development account I to the commission one million two hundred seven thousand eight hundred dollars (\$1,207,800.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, ~~2007~~2010; (Laws 2003, Ch. 69, § 3; 2005, ch. 147, § 3.)

(viii) Supplemental project budget: Two hundred thousand dollars (\$200,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission an amount not to exceed one hundred thirty-four thousand dollars (\$134,000.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design, permit procurement, project land procurement, construction engineering and construction of the project;

(x) Supplemental appropriation: There is

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appropriated from water development account I to the commission an additional one hundred thirty-four thousand dollars (\$134,000.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total one million three hundred forty-one thousand eight hundred dollars (\$1,341,800.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(xi) Special supplemental conditions:

(A) The sponsor is responsible for acquiring the remaining thirty-three percent (33%) of the total supplemental project budget from other sources;

(B) The supplemental appropriation is based upon a different grant percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 5. Amendments to the Little Snake River Small Dams and Reservoirs Phase II Project] W.S. 99-3-703(f)(vii) and by creating new paragraphs (ix) through (xiii) is amended to read:

99-3-703. Level III construction projects - new development.

(f) Project - Little Snake River Small Dams and Reservoirs Phase II Project:

(vii) Appropriation: There is appropriated from

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water development account I to the commission five hundred thousand dollars (\$500,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, ~~2007~~2010;

(ix) Supplemental project budget: One hundred sixty-seven thousand dollars (\$167,000.00);

(x) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission an amount not to exceed one hundred eleven thousand eight hundred ninety dollars (\$111,890.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design, construction engineering and construction of the project;

(xi) Supplemental project loan: The state of Wyoming shall loan to the sponsor from water development account I through the commission an amount not to exceed fifty-five thousand one hundred ten dollars (\$55,110.00) or thirty-three percent (33%) of the additional funds needed to complete the project, whichever is less for a term of twenty-five (25) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%). Supplemental loan funds may be used for design, construction engineering and construction of the project;

(xii) Supplemental appropriation: There is appropriated from water development account I to the commission an additional one hundred sixty-seven thousand dollars (\$167,000.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total six hundred sixty-

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seven thousand dollars (\$667,000.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(xiii) Special supplemental conditions:

(A) The supplemental appropriation is based upon a different grant and loan ratio than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures;

(B) The sponsor shall deposit cash or other securities valued at the full amount of the supplemental loan in an escrow account, as deemed appropriate by the attorney general, which names the commission as the beneficiary or recipient in the event of default on the loan. Interest earnings on cash or securities deposited in the escrow account shall remain with the sponsor; and

(C) Supplemental funding shall be limited to the twelve (12) projects identified and recommended for construction in the Little Snake River Basin Small Reservoir Development Project and the Doty Mountain Five Project. The sponsor shall obtain the approval of the commission prior to the construction of any individual facility.

Section 6. [Amendments to the Washakie Rural Water Supply Project] W.S. 99-3-303(k)(iii) through (vi) is amended to read:

99-3-303. Level III construction projects - new development.

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(k) Project - Washakie Rural Water Supply Project:

(iii) Project description: The project consists of a rural potable water system extending from the Hot Springs County line on the south to the Big Horn County line on the north and encompasses most of the private lands along both banks of the Big Horn River. The project also includes construction of the water transmission and distribution system and appurtenances necessary to provide potable water service to the McNutt ~~Improvement~~Improvement and Service District. Project components include transmission pipelines, storage facilities, booster pumps, valves, telemetry and appurtenances necessary to make the project function in the manner intended;

(iv) Total project budget: ~~Fourteen million one hundred thousand dollars (\$14,100,000.00)~~Sixteen million eight hundred ten thousand five hundred dollars (\$16,810,500.00); (Laws 2001, Ch. 2, § 6; 2003, Ch. 69, § 5.)

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, project land procurement, construction engineering and construction of the project an amount not to exceed ~~eight million four hundred sixty thousand dollars (\$8,460,000.00)~~eleven million two hundred sixty-three thousand dollars (\$11,263,000.00) or sixty-seven percent (67%) of the actual development costs, whichever is less; (Laws 2001, Ch. 2, § 6; 2003, Ch. 69, § 5; 2004, Ch. 118, § 2.)

(vi) Appropriation: There is appropriated from water development account I to the commission ~~eight million four hundred sixty thousand dollars (\$8,460,000.00)~~eleven

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million two hundred sixty-three thousand dollars (\$11,263,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; (Laws 2001, Ch. 2, § 6; 2003, Ch. 69, § 5; 2004, Ch. 118, § 2.)

Section 7. [Amendments to Small Water Development Projects New Development] W.S. 99-3-703(j)(vii) and by creating a new paragraph (ix) and 99-3-704(g)(vii) and by creating a new paragraph (ix) are amended to read:

99-3-703. Level III construction projects - new development.

(j) Project - Small Water Development Projects:

(vii) Definition: "Small project" means a project where estimated construction costs, permit procurement, construction engineering and project land procurement are one hundred thousand dollars (\$100,000.00) or less, and where the maximum financial contribution from the commission is twenty-five thousand dollars (\$25,000.00) or less; (Laws 2004, Ch. 118, § 10.)

(ix) No new project shall be authorized under this subsection on or after July 1, 2006.

99-3-704. Level III construction projects - rehabilitation.

(g) Project - Small Water Development Projects:

(vii) Definition: "Small project" means a project where estimated rehabilitation costs, permit procurement, and project land procurement are one hundred

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thousand dollars (\$100,000.00) or less, and where the maximum financial contribution from the commission is twenty-five thousand dollars (\$25,000.00) or less; (Laws 2004, Ch. 118, § 11.)

(ix) No new project shall be authorized under this subsection on or after July 1, 2006.

Section 8. [Amendments to Buffalo Water Storage Tank Project] W.S. 99-3-803(c)(vi) and by creating new paragraphs (viii) through (xi) is amended to read:

99-3-803. Level III construction projects - new development.

(c) Buffalo Water Storage Tank Project:

(vi) Appropriation: There is appropriated from water development account I to the commission two million seven hundred two thousand five hundred dollars (\$2,702,500.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, ~~2008~~2010; ~~and~~ (Laws 2005, ch. 147, § 4.)

(viii) Supplemental project budget: Eight hundred sixty-one thousand dollars (\$861,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission an amount not to exceed five hundred seventy-six thousand eight hundred seventy dollars (\$576,870.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design,

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construction engineering and construction of the project;

(x) Supplemental appropriation: There is appropriated from water development account I to the commission an additional five hundred seventy-six thousand eight hundred seventy dollars (\$576,870.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total three million two hundred seventy-nine thousand three hundred seventy dollars (\$3,279,370.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(xi) Special supplemental conditions:

(A) The sponsor is responsible for acquiring the remaining thirty-three percent (33%) of the total supplemental project budget from other sources;

(B) The supplemental appropriation is based upon a different percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 9. [Amendments to Fayette Irrigation Ditch Rehabilitation Project] W.S. 99-3-404(h)(vi) and by creating new paragraphs (viii) through (xii) is amended to read:

99-3-404. Level III construction projects - rehabilitation.

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(h) Project - Fayette Irrigation Ditch
Rehabilitation:

(vi) Appropriation: There is appropriated from the water development account II to the commission seventy-five thousand dollars (\$75,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, ~~2005~~ 2010; ~~and~~ (Laws 2002, Ch. 88, § 8.)

(viii) Supplemental project budget: One hundred sixty thousand dollars (\$160,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission an amount not to exceed one hundred seven thousand two hundred dollars (\$107,200.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design, construction engineering and construction of the project;

(x) Supplemental project loan: The state of Wyoming shall loan to the sponsor from water development account II through the commission an amount not to exceed fifty-two thousand eight hundred dollars (\$52,800.00) or thirty-three percent (33%) of the additional funds needed to complete the project, whichever is less for a term of twenty-five (25) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%). Supplemental loan funds may be used for design, permit procurement, project land procurement, construction engineering and construction of the project;

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(xi) Supplemental appropriation: There is appropriated from water development account II to the commission an additional one hundred sixty thousand dollars (\$160,000.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total two hundred thirty-five thousand dollars (\$235,000.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(xii) Special supplemental condition: The supplemental appropriation is based upon a different grant and loan ratio than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 10. [Amendments to Casper Alcova Rehabilitation Project] W.S. 99-3-904(c)(vi) and by creating new paragraphs (viii) through (xi) is amended to read:

99-3-904. Level III construction projects - rehabilitation.

(c) Project - Casper Alcova Rehabilitation Project:

(vi) Appropriation: There is appropriated from water development account II to the commission eight hundred eighty thousand dollars (\$880,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010;~~and~~ (Laws 2005, ch. 147, § 12.)

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(viii) Supplemental project budget: Four hundred forty thousand dollars (\$440,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission an amount not to exceed two hundred ninety-four thousand eight hundred dollars (\$294,800.00) for the purchase of one hundred percent (100%) of project materials costs as supported by vendor invoices and approved by the commission;

(x) Supplemental appropriation: There is appropriated from water development account II to the commission an additional two hundred ninety-four thousand eight hundred dollars (\$294,800.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total one million one hundred seventy-four thousand eight hundred dollars (\$1,174,800.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(xi) Special supplemental conditions:

(A) The sponsor is responsible for acquiring all necessary easements and permits and the remaining thirty-three percent (33%) of the total supplemental project budget from other sources which shall include all labor and equipment costs associated with completing the project;

(B) The supplemental appropriation is based upon a different grant and loan ratio than the original appropriation. The original funding described in

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paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 11. [Amendments to Heart Mountain Pipe Conversion Project] W.S. 99-3-904(g) by creating new paragraphs (viii) through (xi) is amended to read:

99-3-904. Level III construction projects - rehabilitation.

(g) Project - Heart Mountain Pipe Conversion Project:

(viii) Supplemental project budget: One hundred sixty-nine thousand dollars (\$169,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission an amount not to exceed one hundred thirteen thousand two hundred thirty dollars (\$113,230.00) for the purchase of one hundred percent (100%) of project material costs as supported by vendor invoices and approved by the commission or sixty-seven percent (67%) of the total supplemental project costs, whichever is less;

(x) Supplemental appropriation: There is appropriated from water development account II to the commission an additional one hundred thirteen thousand two hundred thirty dollars (\$113,230.00), which when combined with the original appropriation as described in paragraphs (iv) through (vi) of this subsection, total seven hundred fifteen thousand three hundred forty dollars (\$715,340.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account

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II on July 1, 2010; and

(xi) Special supplemental conditions:

(A) The sponsor is responsible for acquiring all necessary easements and permits and the remaining thirty-three percent (33%) of the total supplemental project budget from other sources which shall include all labor and equipment costs associated with completing the project;

(B) The supplemental appropriation is based upon a different grant percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 12. [Amendments to Hidden Valley Pipelines Project] W.S. 99-3-904(h) by creating new paragraphs (viii) through (xi) is amended to read:

99-3-904. Level III construction projects - rehabilitation.

(h) Project - Hidden Valley Pipelines Project:

(viii) Supplemental project budget: Two million two hundred thirty-two thousand dollars (\$2,232,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission an amount not to exceed one million four hundred ninety-five thousand four hundred forty dollars (\$1,495,440.00) for the purchase of one hundred percent (100%) of project material costs as

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supported by vendor invoices and approved by the commission or sixty-seven percent (67%) of the total supplemental project costs, whichever is less;

(x) Supplemental appropriation: There is appropriated from water development account II to the commission an additional one million four hundred ninety-five thousand four hundred forty dollars (\$1,495,440.00), which when combined with funds appropriated as described in paragraphs (iv) through (vi) of this subsection, total two million nine hundred sixty-nine thousand five hundred forty-three dollars (\$2,969,543.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(xi) Special supplemental conditions:

(A) The sponsor is responsible for acquiring all necessary easements and permits and the remaining thirty-three percent (33%) of the total supplemental project budget from other sources which shall include all labor and equipment costs associated with completing the project;

(B) The supplemental appropriation is based upon a different grant percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 13. [Amendments to Rafter J Rehabilitation Project] W.S. 99-3-804(p)(vii) and by creating new paragraphs (ix) through (xii) is amended to read:

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**99-3-804. Level III construction projects -
rehabilitation.**

(p) Project - Rafter J Rehabilitation Project:

(vii) Appropriation: There is appropriated from water development account II to the commission five hundred fifty-one thousand five hundred dollars (\$551,500.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, ~~2008-2010~~; ~~and~~ (Laws 2005, ch. 147, § 10.)

(ix) Supplemental project budget: One hundred fifty thousand dollars (\$150,000.00);

(x) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission an amount not to exceed one hundred thousand five hundred dollars (\$100,500.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design, construction engineering and construction of the project;

(xi) Supplemental appropriation: There is appropriated from water development account II to the commission an additional one hundred thousand five hundred dollars (\$100,500.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total six hundred fifty-two thousand dollars (\$652,000.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

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(xii) Special supplemental conditions:

(A) The sponsor is responsible for acquiring the remaining thirty-three percent (33%) of the total supplemental project budget from other sources;

(B) The supplemental appropriation is based upon a different grant percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 14. [Amendments to Turnerville Water Supply Project] W.S. 99-3-904(m)(vi) and by creating new paragraphs (viii) through (xi) is amended to read:

99-3-904. Level III construction projects - rehabilitation.

(m) Project - Turnerville Water Supply Project:

(vi) Appropriation: There is appropriated from water development account II to the commission five hundred eighty-seven thousand seven hundred fifty dollars (\$587,750.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, ~~2008-2010~~; ~~and~~

(viii) Supplemental project budget: Two hundred thirty-three thousand two hundred dollars (\$233,200.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission an amount not to exceed

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one hundred fifty-six thousand two hundred forty-four dollars (\$156,244.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design, construction engineering and construction of the project;

(x) Supplemental appropriation: There is appropriated from water development account II to the commission an additional one hundred fifty-six thousand two hundred forty-four dollars (\$156,244.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total seven hundred forty-three thousand nine hundred ninety-four dollars (\$743,994.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(xi) Special supplemental conditions:

(A) The sponsor is responsible for acquiring the remaining thirty-three percent (33%) of the total supplemental project budget from other sources;

(B) The supplemental appropriation is based upon a different grant percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 15. [Amendments to Albin 2005 Well] W.S. 99-3-1003(b)(vi), (vii)(B) and by creating new paragraphs (viii) through (xi) is amended to read:

99-3-1003. Level III construction projects - new

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development.

(b) Project - Albin 2005 Well:

(vi) Appropriation: There is appropriated from water development account I to the commission one hundred seventy-one thousand dollars (\$171,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, ~~2009-2010~~; ~~and~~

(vii) Special conditions:

(B) The sponsor shall purchase the well completed during the Level II study for a price not to exceed ~~twenty one thousand nine hundred sixty eight dollars and seventy five cents (\$21,968.75)~~ fourteen thousand five hundred dollars (\$14,500.00) or ~~fifty percent (50%)~~ thirty-three percent (33%) of the actual construction costs, whichever is less. The sponsor may purchase the well with a lump sum payment or with amortized payments for a term of twenty (20) years from the date the commission determines project benefits accrue to the sponsor at an interest rate of ~~six percent (6%)~~ four percent (4%).

(viii) Supplemental project budget: Eighty-four thousand dollars (\$84,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission an amount not to exceed fifty-six thousand two hundred eighty dollars (\$56,280.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design, construction

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engineering and construction of the project;

(x) Supplemental appropriation: There is appropriated from water development account I to the commission an additional fifty-six thousand two hundred eighty dollars (\$56,280.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total two hundred twenty-seven thousand two hundred eighty dollars (\$227,280.00), or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(xi) Special supplemental conditions:

(A) The sponsor is responsible for acquiring the remaining thirty-three percent (33%) of the total supplemental project budget from other sources;

(B) The supplemental appropriation is based upon a different grant percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 16. [Amendments to Canyon Water Supply Project] W.S. 99-3-1003(f)(iv) through (vi) and (vii)(A) and (B) is amended to read:

99-3-1003. Level III construction projects - new development.

(f) Project - Canyon Water Supply:

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(iv) Total project budget: ~~One million four hundred eighty thousand dollars (\$1,480,000.00)~~ One million five hundred twenty-seven thousand dollars (\$1,527,000.00);

(v) Project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission for the design, permit procurement, construction engineering, project land procurement, and construction of the project an amount not to exceed ~~seven hundred forty thousand dollars (\$740,000.00)~~ one million twenty-three thousand ninety dollars (\$1,023,090.00) or ~~fifty percent (50%)~~ sixty-seven percent (67%) of the actual development costs, whichever is less;

(vi) Appropriation: There is appropriated from water development account I to the commission ~~seven hundred forty thousand dollars (\$740,000.00)~~ one million twenty-three thousand ninety dollars (\$1,023,090.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, ~~2009-2010~~; and

(vii) Special conditions:

(A) The sponsor is responsible for acquiring ~~fifty percent (50%)~~ thirty-three percent (33%) of the total project budget from other sources;

(B) The sponsor shall purchase the well completed during the Level II study for a price not to exceed ~~fifty percent (50%)~~ thirty-three percent (33%) of the actual construction costs. The sponsor may purchase the well with a lump sum payment or with amortized payments for a term of thirty (30) years from the date the commission determines project benefits accrue to the sponsor at an

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interest rate of ~~six percent (6%)~~ four percent (4%);

Section 17. [Amendments to Gillette Fort Union Well Field, Phase I Project] W.S. 99-3-1003(h)(vi) and by creating new paragraphs (viii) through (xii) is amended to read:

99-3-1003. Level III construction projects - new development.

(h) Project - Gillette Fort Union Well Field, Phase I:

(vi) Appropriation: There is appropriated from water development account I to the commission one million dollars (\$1,000,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, ~~2009-2010~~; ~~and~~

(viii) Supplemental project budget: Seven million six hundred fifty thousand dollars (\$7,650,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account I through the commission an amount not to exceed five million one hundred twenty-five thousand five hundred dollars (\$5,125,500.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design, construction engineering and construction of the project;

(x) Supplemental project loan: The state of Wyoming shall loan to the sponsor from water development account I through the commission an amount not to exceed two million five hundred twenty-four thousand five hundred

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dollars (\$2,524,500.00) or thirty-three percent (33%) of the additional funds needed to complete the project, whichever is less for a term of twenty-five (25) years from the date the commission determines project benefits accrue to the sponsor, at an annual rate of four percent (4%). Supplemental loan funds may be used for design, permit procurement, project land procurement, construction engineering and construction of the project;

(xi) Supplemental appropriation: There is appropriated from water development account I to the commission an additional seven million six hundred fifty thousand dollars (\$7,650,000.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total eight million six hundred fifty thousand dollars (\$8,650,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(xii) Special supplemental condition: The supplemental appropriation is based upon a different grant and loan ratio percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 18. [Amendments to Gillette Madison Pipeline Joint Bonding] W.S. 99-3-1004(c)(vi) and by creating new paragraphs (viii) through (xi) is amended to read:

99-3-1004. Level III construction projects - rehabilitation.

(c) Project - Gillette Madison Pipeline Joint

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Bonding:

(vi) Appropriation: There is appropriated from water development account II to the commission one million two hundred twenty-five thousand dollars (\$1,225,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, ~~2009-2010~~;

(viii) Supplemental project budget: Two million five hundred thousand dollars (\$2,500,000.00);

(ix) Supplemental project grant: The state of Wyoming shall grant to the sponsor from water development account II through the commission an amount not to exceed one million six hundred seventy-five thousand dollars (\$1,675,000.00) or sixty-seven percent (67%) of the additional funds needed to complete the project, whichever is less. Supplemental grant funds may be used for design, construction engineering and construction of the project;

(x) Supplemental appropriation: There is appropriated from water development account II to the commission an additional one million six hundred seventy-five thousand dollars (\$1,675,000.00), which when combined with the original appropriation, as described in paragraphs (iv) through (vi) of this subsection, total two million nine hundred thousand dollars (\$2,900,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account II on July 1, 2010; and

(xi) Special supplemental conditions:

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(A) The sponsor is responsible for acquiring the remaining thirty-three percent (33%) of the total supplemental project budget from other sources;

(B) The supplemental appropriation is based upon a different grant percentage than the original appropriation. The original funding described in paragraphs (iv) through (vi) of this subsection shall be expended prior to incurring supplemental funding expenditures.

Section 19. [Amendment to the Meade Creek Ditch Rehabilitation Project] W.S. 99-3-1004(f)(i) is amended to read:

99-3-1004. Level III construction projects - rehabilitation.

(f) Project - Meade Creek Ditch Rehabilitation:

(i) Project sponsor: ~~Tunnel Hill Watershed Improvement District~~ Meade Creek Ditch Company Irrigation District;

[SPONSOR'S INFLATION FUNDS]

Section 20. There are created the following sponsor's inflations funds:

(a) Project - Sponsor's Inflation Fund - New Development:

(i) Project sponsor: Any eligible sponsor;

(ii) Project purpose: Multiple purpose water use;

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(iii) Project description: The establishment of a fund to provide supplemental funding for sponsors' existing Level III new development construction projects where construction budgets have been rendered insufficient due to inflation and the rapid increase in material cost;

(iv) Total project budget: Two million dollars (\$2,000,000.00);

(v) Project grant: The state of Wyoming shall grant to sponsors from water development account I through the commission sufficient supplemental funds which may be used to complete construction of projects up to an amount not to exceed sixty-seven percent (67%) of the difference between the original project budget and the actual cost of construction;

(vi) Project loan: The state of Wyoming shall loan to sponsors from water development account I through the commission sufficient supplemental funds which may be used to complete construction of projects up to an amount not to exceed thirty-three percent (33%) of the difference between the original project budget and the actual cost of construction, at an annual rate of four percent (4%);

(vii) Appropriation: There is appropriated from water development account I to the commission two million dollars (\$2,000,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(viii) Special condition: The commission is authorized to consider and approve supplemental funding to complete existing water development program Level III

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construction projects any time during the calendar year.

(b) Project - Sponsor's Inflation Fund -
Rehabilitation:

(i) Project sponsor: Any eligible sponsor;

(ii) Project purpose: Variable purpose water supplies;

(iii) Project description: The establishment of a fund to provide supplemental funding for sponsors' existing Level III rehabilitation construction projects where construction budgets have been rendered insufficient due to inflation and the rapid increase in material cost;

(iv) Total project budget: Five hundred thousand dollars (\$500,000.00);

(v) Project grant: The state of Wyoming shall grant to sponsors from water development account II through the commission sufficient supplemental funds which may be used to complete construction of projects up to an amount not to exceed sixty-seven percent (67%) of the difference between the original project budget and the actual cost of construction;

(vi) Project loan: The state of Wyoming shall loan to sponsors from water development account II through the commission sufficient supplemental funds which may be used to complete construction of projects up to an amount not to exceed thirty-three percent (33%) of the difference between the original project budget and the actual cost of construction, at an annual rate of four percent (4%);

(vii) Appropriation: There is appropriated from

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water development account II to the commission five hundred thousand dollars (\$500,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this subsection shall revert to water development account I on July 1, 2010; and

(viii) Special condition: The commission is authorized to consider and approve supplemental funding to complete existing water development program Level III construction projects any time during the calendar year.

Section 21.

(a) There is created a coalbed natural gas water use task force consisting of fifteen (15) members. The task force members shall select a chairman and a vice-chairman.

(b) Four (4) members of the task force shall be from the following agencies:

(i) One (1) member shall be the director of the department of environmental quality;

(ii) One (1) member shall be the state engineer;

(iii) One (1) member shall be the supervisor of the oil and gas commission; and

(iv) One (1) member shall be the chairman of the Wyoming natural gas pipeline authority.

(c) Seven (7) members of the task force shall be appointed by the governor from the following communities:

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(i) Three (3) members from the coalbed natural gas industry;

(ii) Three (3) members from the agricultural community; and

(iii) One (1) member from the public at large.

(d) Four (4) members of the task force shall be legislators, including two (2) members of the senate appointed by the president of the senate and two (2) members of the house of representatives appointed by the speaker of the house.

(e) The task force shall meet at the call of the chairman to review and evaluate alternative uses of water produced as a result of coalbed natural gas operations.

(f) The task force shall issue a report, including reviewing current statutes and regulations and produced water management alternatives and options currently or potentially available to or used by the coalbed natural gas industry, to the governor, the joint agriculture, public lands and water resources interim committee and the joint minerals, business and economic development interim committee to be delivered no later than December 6, 2006, and a final report to be delivered no later than October 1, 2007.

(g) The task force shall be staffed by the governor's office. The task force may contract for administrative and research services to aid in preparation of the task force report. The governor's office shall convene the task force no later than May 1, 2006.

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(h) The task force shall exist until October 30, 2007. Members of the task force who are not legislators shall not receive a salary but shall receive reimbursement for necessary travel and per diem expenses in the manner and amount provided for state employees under W.S. 9-3-102 and 9-3-103. Members of the task force who are legislators shall be paid salary, per diem and travel expenses as provided in W.S. 28-5-101 for their official duties as members of the task force.

(j) There is appropriated two hundred fifty thousand dollars (\$250,000.00) from the water development account I to the governor's office for expenses incurred pursuant to this section.

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Section 22. 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