

HOUSE BILL NO. HB0066

Purchase of water rights and facilities.

Sponsored by: Select Water Committee

A BILL

for

1 AN ACT relating to water projects; authorizing the Lake
2 DeSmet Reservoir project; describing the project;
3 specifying terms and conditions of funding for the project;
4 creating an account; providing an appropriation; and
5 providing for an effective date.

6

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

8

9 **Section 1.** W.S. 99-1-601 and 99-1-602 are created to
10 read:

11

12 ARTICLE 6

13 LAKE DESMET RESERVOIR

14

15 **99-1-601. Definitions.**

16

1 (a) As used in this article:

2

3 (i) "Commission" means the Wyoming water
4 development commission;

5

6 (ii) "Select water committee" means the select
7 water committee created by W.S. 28-11-101;

8

9 (iii) "Office" means the Wyoming water
10 development office created by W.S. 9-2-2014;

11

12 (iv) "Water development account I" means the
13 account created by W.S. 41-2-124(a) (i).

14

15 **99-1-602. Lake DeSmet Reservoir project.**

16

17 (a) Authorization is granted for the Lake DeSmet
18 Reservoir project as provided in this section.

19

20 (b) Project - Lake DeSmet Reservoir:

21

22 (i) Project sponsor: State of Wyoming;

23

1 (ii) Project purpose: Agriculture, municipal,
2 rural domestic and industrial water supply;

3
4 (iii) Project description: The purchase of:

5
6 (A) Water storage capacity in Lake DeSmet;

7
8 (B) Approximately four hundred forty-five
9 (445) acres of land containing Healy Reservoir, the Clear
10 Creek diversion structure and pumping facilities;

11
12 (C) Transmission pipeline related to the
13 project;

14
15 (D) Funding for the Lake DeSmet Reservoir
16 account as provided in subparagraph (vi)(D) of this
17 subsection; and

18
19 (E) Associated water rights, easements and
20 appurtenances necessary to make the project function in the
21 manner intended. The project may also include closing costs
22 as provided in subparagraph (vi)(C) of this subsection.

23

1 (iv) Total project budget: Four million five
2 hundred thousand dollars (\$4,500,000.00);

3
4 (v) Appropriation: There is appropriated from
5 water development account I to the commission four million
6 five hundred thousand dollars (\$4,500,000.00) or as much
7 thereof as is necessary to carry out the purpose of this
8 subsection. Unexpended funds appropriated under this
9 subsection shall revert to water development account I on
10 July 1, 2021;

11
12 (vi) Special conditions:

13
14 (A) The office is hereby authorized to
15 negotiate a purchase agreement with the owner of the
16 project. The purchase agreement shall be submitted to the
17 commission and governor for approval;

18
19 (B) Upon approval of a purchase agreement
20 by the commission and governor, the commission is
21 authorized to expend up to two million five hundred
22 thousand dollars (\$2,500,000.00) to purchase project
23 components described in the approved purchase agreement;

1

2 (C) In addition to the authorized purchase
3 price in the approved agreement, the office may use
4 appropriated funds to pay for reasonable and prudent
5 closing costs;

6

7 (D) Upon approval by the commission, any
8 remaining funds from the appropriation under this section
9 up to two million dollars (\$2,000,000.00) shall be
10 deposited in the Lake DeSmet Reservoir account created by
11 W.S. 99-99-1001(a)(ix);

12

13 (E) Upon completion of the purchase of the
14 project the office, with oversight from the commission,
15 shall manage the project for the benefit of water users in
16 this state.

17

18 **Section 2.** W.S. 99-99-1001(a) by creating a new
19 paragraph (ix) and by creating a new subsection (n) is
20 amended to read:

21

22 **99-99-1001. Creation; use of funds; interest.**

23

1 (a) The following accounts are created:

2

3 (ix) Lake DeSmet Reservoir account.

4

5 (n) All revenues received by the state from the
6 lease, sale, assignment or transfer of ownership of power
7 or water resulting from the state's interest in the Lake
8 DeSmet Reservoir, Healy Reservoir and Dam, and associated
9 facilities as provided in W.S. 99-1-602 shall be deposited
10 in the account created by paragraph (a)(ix) of this
11 section. The Wyoming water development commission shall
12 administer the account and use any monies in the account to
13 meet the operation, maintenance and replacement obligations
14 of the state related to the Lake DeSmet Reservoir, Healy
15 Reservoir and Dam, and associated facilities.

16

17 **Section 3.** This act is effective immediately upon
18 completion of all acts necessary for a bill to become law
19 as provided by Article 4, Section 8 of the Wyoming
20 Constitution.

21

22 (END)