SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING 2018 BUDGET SESSION

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

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

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

ARTICLE 6 LAKE DESMET RESERVOIR

99-1-601. Definitions.

- (a) As used in this article:
- (i) "Commission" means the Wyoming water development commission;
- (ii) "Select water committee" means the select water committee created by W.S. 28-11-101;
- (iii) "Office" means the Wyoming water development office created by W.S 9-2-2014;
- (iv) "Water development account I" means the account created by W.S. 41-2-124 (a) (i).

99-1-602. Lake DeSmet Reservoir project.

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

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- (b) Project Lake DeSmet Reservoir:
 - (i) Project sponsor: State of Wyoming;
- (ii) Project purpose: Agriculture, municipal, rural domestic and industrial water supply;
 - (iii) Project description: The purchase of:
 - (A) Water storage capacity in Lake DeSmet;
- (B) Approximately four hundred forty-five (445) acres of land containing Healy Reservoir, the Clear Creek diversion structure and pumping facilities;
- (C) Transmission pipeline related to the project;
- (D) Funding for the Lake DeSmet Reservoir account as provided in subparagraph (vi)(D) of this subsection; and
- (E) Associated water rights, easements and appurtenances necessary to make the project function in the manner intended. The project may also include closing costs as provided in subparagraph (vi)(C) of this subsection.
- (iv) Total project budget: Four million five hundred thousand dollars (\$4,500,000.00);
- (v) Appropriation: There is appropriated from water development account I to the commission four million five hundred thousand dollars (\$4,500,000.00) or as much thereof as is necessary to carry out the purpose of this subsection. Unexpended funds appropriated under this

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subsection shall revert to water development account I on July 1, 2021;

(vi) Special conditions:

- (A) The office is hereby authorized to negotiate a purchase agreement with the owner of the project. The purchase agreement shall be submitted to the commission and governor for approval;
- (B) Upon approval of a purchase agreement by the commission and governor, the commission is authorized to expend up to two million five hundred thousand dollars (\$2,500,000.00) to purchase project components described in the approved purchase agreement;
- (C) In addition to the authorized purchase price in the approved agreement, the office may use appropriated funds to pay fifty percent (50%) of the closing costs;
- (D) Upon approval by the commission, any remaining funds from the appropriation under this section up to two million dollars (\$2,000,000.00) shall be deposited in the Lake DeSmet Reservoir account created by W.S. 99-99-1001(a)(ix);
- (E) Upon completion of the purchase of the project the office, with oversight from the commission, shall manage the project for the benefit of water users in this state.
- **Section 2.** W.S. 99-99-1001(a) by creating a new paragraph (ix) and by creating a new subsection (n) is amended to read:

ORIGINAL HOUSE BILL NO. HB0066

ENGROSSED

ENROLLED ACT NO. 57, HOUSE OF REPRESENTATIVES

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

- (a) The following accounts are created:
 - (ix) Lake DeSmet Reservoir account.
- (n) All revenues received by the state from the lease, sale, assignment or transfer of ownership of power or water resulting from the state's interest in the Lake DeSmet Reservoir, Healy Reservoir and Dam, and associated facilities as provided in W.S. 99-1-602 shall be deposited in the account created by paragraph (a)(ix) of this section. The Wyoming water development commission shall administer the account and use any monies in the account to meet the operation, maintenance and replacement obligations of the state related to the Lake DeSmet Reservoir, Healy Reservoir and Dam, and associated facilities. The Wyoming water development commission shall report on operations of Lake DeSmet Reservoir and Healy Reservoir and Dam and administration of the Lake DeSmet Reservoir account to the joint appropriations committee and the select water committee not later than December 31 of each year through December 31, 2020.

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Section 3. 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
Gove	rnor
TIME APPROVED	:
DATE APPROVED	:
I hereby certify that this act	originated in the House.
Chief Clerk	