

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2421

By: Hutchison

AS INTRODUCED

An Act relating to waters and water rights; amending Section 2, Chapter 191, O.S.L. 1994, Section 10, Chapter 191, O.S.L. 1994, Section 11, Chapter 191, O.S.L. 1994, and Section 12, Chapter 191, O.S.L. 1994, as amended by Section 4, Chapter 186, O.S.L. 1997 (82 O.S. Supp. 1997, Sections 1085.72, 1085.80, 1085.81 and 1085.82), which relate to the Drinking Water Treatment Revolving Loan Account Program; adding and modifying terms; updating language; creating the Source Water Protection and Land Acquisition Loan Account; making account segregated, permanent, perpetual and not subject to fiscal year limitations; providing for composition of fund monies; restricting use of funds; requiring joint operating agreements; authorizing investments; specifying limitations; authorizing transfers; requiring certain audits; providing for codification; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 2, Chapter 191, O.S.L. 1994 (82 O.S. Supp. 1997, Section 1085.72), is amended to read as follows:

Section 1085.72 For the purposes of Sections 1085.72 through 1085.84A of this title and Section 5 of this act:

1. "Drinking water treatment project" means:

- a. any engineering undertaking or work to control or develop drinking water treatment facilities of eligible entities for all useful and lawful purposes,
- b. any system necessary to improve or develop drinking water supply, treatment or distribution capabilities, or
- c. any implementation of ~~water~~ source water protection programs as authorized by the federal Safe Drinking Water Act and this act;

2. "Investment certificate" means any note or bond, including any renewal note or refunding bond, authorized and issued by the Board pursuant to the provisions of this act;

3. "Eligible entity" means any city, town, county or the State of Oklahoma, and any rural water district, public trust, master conservancy district, any other political subdivision or any combination thereof;

4. "Board" means the Oklahoma Water Resources Board;

5. "Department" means the Department of Environmental Quality;
~~and~~

6. "Safe Drinking Water Act" means the federal Safe Drinking Water Act as exists on ~~the effective date of this act~~ July 1, 1994, as may be amended, or any successor statute; and

7. "Source water protection programs" means those projects authorized by the federal Safe Drinking Water Act and this act.

SECTION 2. AMENDATORY Section 10, Chapter 191, O.S.L. 1994 (82 O.S. Supp. 1997, Section 1085.80), is amended to read as follows:

Section 1085.80 The Department of Environmental Quality, with the cooperation of the Oklahoma Water Resources Board, shall cause to be completed an annual audit of any expenditures from the Drinking Water Treatment Revolving Loan Account.

SECTION 3. AMENDATORY Section 11, Chapter 191, O.S.L. 1994 (82 O.S. Supp. 1997, Section 1085.81), is amended to read as follows:

Section 1085.81 In the event of a default in payment of the principal or interest on loans made from the Drinking Water Treatment Revolving Loan Account pursuant to Sections 1085.72 through 1085.84A of this title and Section 5 of this act, the Attorney General is empowered to and ~~it shall be his or her duty to~~ take action to collect amounts due to the account. The Attorney General shall institute appropriate proceedings by mandamus or other legal remedies to compel the defaulting party and its officers, agents, and employees to cure the default by appropriate means, including performing duties that they are legally obligated to perform. Those proceedings shall be brought and venue shall be in the district court of Oklahoma County.

SECTION 4. AMENDATORY Section 12, Chapter 191, O.S.L. 1994, as amended by Section 4, Chapter 186, O.S.L. 1997 (82 O.S. Supp. 1997, Section 1085.82), is amended to read as follows:

Section 1085.82 In order to comply with the requirements of federal and state laws, the Department of Environmental Quality and the Oklahoma Water Resources Board shall enter into a written joint operating agreement to carry out with efficiency their respective duties ~~under~~ pursuant to Sections 1085.72 through 1085.84A of this title and Section 5 of this act. At a minimum, the agreement shall provide for the following:

1. Joint procedures consistent with Sections 1085.72 through 1085.84A of this title and Section 5 of this act to establish criteria for determining the interest rates on loans to be made from the Drinking Water Treatment Revolving Loan Account. Such criteria may incorporate applicable United States Environmental Protection Agency and Rural Development Administration guidelines for financial assistance; and

2. Submission of an annual joint report by the Department and the Board to the Governor and to the Speaker of the House of Representatives and the President Pro Tempore of the Senate within one hundred twenty (120) days of the end of each fiscal year concerning the Drinking Water Treatment Revolving Loan Account and implementation of the provisions of this act. The report shall contain information to show the actual use and the recipients of loans made from the Drinking Water Treatment Revolving Loan Account. In addition, the report shall contain five-year demand projections on anticipated loan funds required and ten-year and twenty-year projections as to possible funding needs for drinking water treatment projects which may be eligible for financial assistance pursuant to this act.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1085.84B of Title 82, unless there is created a duplication in numbering, reads as follows:

A. In order to capitalize grant funds to access and implement source water protection, there is hereby created in the State Treasury the "Source Water Protection and Land Acquisition Loan Account". The Source Water Protection and Land Acquisition Loan Account shall be set apart from all other Board accounts and funds and shall be a permanent and perpetual fund not subject to fiscal year limitations. The Source Water Protection and Land Acquisition Loan Account shall consist of monies deposited into the fund from the following sources:

1. Monies set aside from the state's safe drinking water capitalization grant funds to assess and implement source water protection programs; and

2. Any other funds, whether public or private, that have been designated by the source thereof for deposit in the Source Water Protection and Land Acquisition Loan Account.

B. Monies in, or investment income derived from, the Source Water Protection and Land Acquisition Loan Account shall be restricted and used solely for the purpose of administering the Source Water Protection and Land Acquisition Loan Account or as otherwise authorized by the federal Safe Drinking Water Act or guidance or regulations promulgated thereunder. Monies in the Source Water Protection and Land Acquisition Loan Account, or investment income derived therefrom, shall be used by the Oklahoma Water Resources Board and the Department of Environmental Quality in carrying out their responsibilities as provided in the written annual joint operating agreement identified in Section 1085.82 of Title 82 of the Oklahoma Statutes and shall be subject to annual designation by the State Legislature.

C. The monies placed in the Source Water Protection and Land Acquisition Loan Account may be invested by the State Treasurer in an adequately collateralized manner and as prescribed by Section 89.2 of Title 62 of the Oklahoma Statutes or pursuant to investment contracts or agreements with entities maintaining a rating in the top two categories by a nationally recognized municipal bond rating agency, all in a manner consistent with the federal Safe Drinking Water Act or regulations promulgated thereunder. The Board may transfer to the Source Water Protection and Land Acquisition Loan Account income derived from investment of the fund. Monies invested by the State Treasurer shall be available to meet administrative funding needs.

D. The Board is authorized to transfer monies from the Source Water Protection and Land Acquisition Loan Account into the Drinking Water Treatment Revolving Loan Account to be utilized for purposes consistent with the federal Safe Drinking Water Act.

E. The Board shall cause to be completed an annual audit of any expenditures from the Source Water Protection and Land Acquisition Loan Account.

SECTION 6. This act shall become effective July 1, 1998.

SECTION 7. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

46-2-8841

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