

2.1 System Act of 2000, and (2) the cooperative agreement between the United States Department
2.2 of the Interior and the Lewis and Clark Regional Water System, Inc.

2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.4 Sec. 2. Minnesota Statutes 2016, section 16A.967, is amended by adding a subdivision to
2.5 read:

2.6 Subd. 2b. **Phase 3.** (a) The commissioner may sell and issue appropriation bonds in an
2.7 amount to provide \$5,000,000 to complete Phase 3 of the Lewis and Clark Regional Water
2.8 System project. Phase 3 includes land acquisition, design, engineering, and construction of
2.9 facilities and infrastructure necessary to extend the project from the Lincoln-Pipestone Rural
2.10 Water System connection near Adrian to Worthington, construct a reservoir in Nobles
2.11 County and a meter building in Worthington, and acquire and install a supervisory control
2.12 and data acquisition system. The provisions of subdivision 2, paragraphs (d) to (g), apply
2.13 to this subdivision.

2.14 (b) Proceeds of the appropriation bonds sold under this subdivision may be used for the
2.15 purposes of this subdivision only after the commissioner determines that the construction
2.16 and administration for work done on the project will comply with (1) all federal requirements
2.17 and regulations associated with the Lewis and Clark Rural Water System Act of 2000; and
2.18 (2) the cooperative agreement between the United States Department of the Interior and the
2.19 Lewis and Clark Regional Water System, Inc.

2.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.21 Sec. 3. Minnesota Statutes 2016, section 16A.967, subdivision 7, is amended to read:

2.22 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and interest
2.23 credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated
2.24 to the commissioner ~~for payment of capital expenses~~ for the purposes provided by subdivision
2.25 2, paragraph (a), and to the Public Facilities Authority for the purposes of subdivisions 2a
2.26 and 2b, for payment of capital expenses, debt service on the bonds including capitalized
2.27 interest, nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds
2.28 and payments under any agreements entered into under subdivision 2, paragraph (e), each
2.29 as permitted by state and federal law, and such proceeds may be granted, loaned, or otherwise
2.30 provided for the public purposes provided by subdivision 2, paragraph (a), and subdivisions
2.31 2a and 2b.

2.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.1 Sec. 4. Minnesota Statutes 2016, section 16A.967, subdivision 8, is amended to read:

3.2 Subd. 8. **Appropriation for debt service and other purposes.** (a) An amount, up to
3.3 \$1,351,000 needed to pay principal and interest on appropriation bonds issued under this
3.4 section for subdivisions 2 and 2a is appropriated each fiscal year from the general fund to
3.5 the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
3.6 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
3.7 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
3.8 appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

3.9 (b) An amount, up to \$..... needed to pay principal and interest on appropriation bonds
3.10 issued under subdivision 2b is appropriated each fiscal year from the general fund to the
3.11 commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
3.12 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
3.13 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
3.14 appropriation is available beginning in fiscal year 2019 and through fiscal year 2040.

3.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.