

HOUSE RESEARCH

Bill Summary

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This bill allows the appropriation bond sale authorization and proceeds for phase 2 also to be used to begin phase 3 (the final phase) of the project. The phase 2 authorization was \$19 million and only \$11.79 million was issued.

It also authorizes an additional \$5 million in state appropriation bonds to complete phase 3. Appropriates an unspecified amount from the general fund each year from fiscal year 2019 through fiscal year 2040 to pay debt service. (The annual debt service appropriation for the \$19 million authorized in 2015 is \$1.351 million.)

The bond proceeds are appropriated to the PFA to administer the grant(s) to the Lewis and Clark Regional Water Systems, Inc.

The Lewis and Clark Regional Water System is a pipeline to bring water from the Missouri River to serve parts of three states, including a portion of southwestern Minnesota. The Minnesota portion of the system includes the cities of Luverne and Worthington, the Lincoln-Pipestone Rural Water System, and Rock County Rural Water District. Funding for the pipeline was supposed to be shared jointly between the state, local, and federal governments. In 2014, about \$67 million of the federal funding for the Minnesota portion of the project had yet to be committed. To keep the project going, the legislature appropriated \$22 million from the general fund for the project. Laws 2014, chapter 295, section 11. In 2015, the legislature authorized an additional \$19 million in appropriation bonds for the next phase.