



# KENTUCKY LEGISLATURE

## SB409

### WWW Version

[SB 409/LM](#) (BR 2132) - D. Kelly, C. Borders, T. Buford, L. Casebier, B. Guthrie, D. Karem, V. Moore, A. Robinson, R. Roeding, R. Stivers, E. Tori, J. Westwood

AN ACT relating to infrastructure projects.

Create and amend various KRS sections to declare that the Kentucky Infrastructure Authority (KIA) shall implement a program for the provision of water service; require area development districts to establish water management areas; provide guidelines for formation of areas; create 2020 water management planning councils in each county; allow multicounty planning; model upon the existing county water management planning councils; direct that the county judge executive shall serve as chairperson; require the 2020 water management planning councils, by July 1, 2001, to develop a plan consistent with the county long range water supply plans already in place and to include a water needs forecast and a strategy for delivering water as needed into unserved and underserved areas; allow the 2020 water management planning councils to employ water service coordinators; allow counties to jointly employ coordinators; allow the Kentucky Infrastructure Authority to provide up to one-half of the funding for a period of three years for multicounty coordinators; require that after July 1, 2001, and annually thereafter that the area development districts, with assistance from water management areas within the water management areas, review and prioritize the planning councils' plans for underserved and unserved areas in water management areas; establish guidelines to direct the prioritizing; establish a 2020 water service account within the infrastructure revolving fund; require uniform and separate accounting for water operations, audits, if necessary, and service rates based on the cost of operations as a condition to apply for assistance from any fund for water service; require the KIA to assist in setting up accounting systems; require the KIA to pay for establishing a new accounting system when water service providers merge, if the merger is consistent with the plan of a 2020 water management planning council; fund from the 2020 water service account; require the KIA to establish a water loss and leak detection program and to provide low interest loans for repairs; allow the KIA to forgive any unpaid loan amounts if the loan recipient merges or consolidates with another service provider within 5 years of entering into the loan agreement, and the merger or consolidation is consistent with the plan of a 2020 water management planning council; fund loan forgiveness from the 2020 water service account; delete the requirement that the merger of city owned water districts be approved by a vote of the public; allow the merger to be approved by the city legislative body; require the KIA to develop an incentive program to encourage water system mergers; emphasize overcoming resistance of a stronger merger candidate to merge with a weaker system; direct that the highest funding priority shall be for projects that are consistent with the plan of a 2020 water management planning council; fund from the 2020 water service account; require the KIA to develop an incentive program to provide water service in unserved and underserved areas of the state; include as criteria in developing an incentive program a history of violations of the Division of Water requirements as a result of insufficient financial and operational resources; direct that the highest funding priority shall be for projects that are consistent with the plan of a 2020 water management planning council; fund from the 2020 water service account; allow the KIA to contract with the Kentucky Geological Survey to continue research into developing water resources from underground coal mines; fund from the 2020 water service account; revise the definition of "infrastructure project" to delete the requirement that the KIA find that a project would enhance economic development; delete the requirement that the Department of Local Government evaluate and prioritize projects; require the evaluation of projects by the authority to include input from the appropriate area development district; revise the membership of the KIA; remove representative of Economic Development; specify that at-large members be nominated by Kentucky Association of Counties, the Kentucky League of Cities, the Kentucky Rural Water Association, and the American

Water Works Association; attach KIA to the Office of the Governor for administrative purposes rather than to the Finance and Administration Cabinet; allow the KIA to employ engineers, accountants, and attorneys; delete the requirement that assistance agreements be approved by the Finance and Administration and Economic Development Cabinets; revise the infrastructure revolving fund to delete the requirement that governmental agencies seek assistance only after funding from other sources is found insufficient for the project; create the 2020 water service account and provide general guidelines on use of the account and allow use of the account for water projects involving investor-owned water systems; delete the requirement that grants may be made only if hardship and an extreme health hazard exist; delete the requirement that the Department of Local Government prioritize projects; delete the authority of the Natural Resources and Environmental Protection Cabinet and the Department of Local Government to promulgate administrative regulations for purposes of the Act; repeal KRS 224A.055.

### SB 409 - AMENDMENTS

SCS/LM - Retain the original provisions; specify that 2020 water council representatives of 5th and 6th class cities will not be water suppliers or distributors; direct state agencies to cooperate and assist 2020 water management planning councils; clarify that an area development district will review and prioritize only the planning council plans within its district; allow the authority to provide low interest loans to correct water loss based on a determination that repairs are reasonable; revise KRS 96.540 to require a majority vote of the legislative body of a city rather than a popular vote before the city may sell or otherwise act regarding the city waterworks; include in the definition of "infrastructure project" investor-owned water utilities; direct that state agencies must cooperate with the authority and share information as appropriate for the authority to accomplish the purposes of the Act.

HCS/LM - Revise the original provisions as follows: declare that regionalization is encouraged; transfer the water resource information system of the Water Resource Development Commission to the authority; allow the authority to request information of state and local governments relating to water resource development and management; require the authority to promulgate administrative regulations requiring water supply and distribution systems to provide certain information as a condition of receiving assistance from the authority; require that 2020 water management planning councils be established with the assistance of area development districts; revise the representation on the councils; require that the plan of the councils encourage the merger and consolidation of water systems; allow the authority to disapprove and direct redevelopment of the local plans; allow the authority to provide or supplement funding for water service coordinators rather than allow providing up to one-half of the funding; direct that the review and prioritization of council plans be conducted with the assistance of the authority; require that the prioritization of the plans be reviewed and approved by the authority; allow the authority to suggest changes that would be necessary to qualify for financial assistance; allow rather than require the authority to assist water providers to establish accounting systems; allow rather than require the authority to pay the costs of establishing new uniform systems; allow rather than require that the funding of any assistance be provided from the 2020 water service account; allow rather than require that the water loss detection program include low interest loans; allow rather than require that the funding for the water loss program be provided from the 2020 water service account; allow the legislative body or the general public to determine if certain city water systems should merge or allow other action taken; revise the program required of the authority to encourage merger and consolidation to specify that the program allocates funds from the 2020 water service account to encourage regionalization, merger, and consolidation of water systems and elimination of structural and administrative duplication; specify that funds may be used for government and private owned systems to participate; direct that the authority should give the highest priority go to projects that meet the funding priorities set by the authority; revise the incentive program to encourage infrastructure projects to serve unserved and underserved areas; specify that the program allocates funds from the 2020 water service account; direct that the highest funding priority to projects that meet the funding priorities of the authority; delete allowing the authority to contract with the Kentucky Geological Survey; revise the definition of "infrastructure project" to specify that projects are to be limited to those the authority finds would assist in carrying out the purposes of Section 1 of the Act; revise the definition of "prioritization schedules" to include the federally assisted drinking water revolving fund as a source of funding for certain projects prioritized by the Natural Resources and Environmental Protection

Cabinet; revise the membership of the authority to include the secretary of the Economic Development Cabinet and the Executive Director of the Public Service Commission, delete the member to be nominated by the Kentucky section of the American Water Works Association, and include a member to represent a for-profit private water company.

[HFA \(1, R. Palmer\)](#) - Allow the authority to enter into a contract with the Kentucky Geological Survey to study water availability from mines; allow the authority to fund from the 2020 water service account.

[HFA \(2, R. Palmer\)](#) - Allow the executive director of the Public Service Commission to name an alternate to the authority.

[HFA \(3, G. Stumbo\)](#) - Create a new section of KRS Chapter 48 to permit the Governor to declare an emergency and administer the government of the Commonwealth with public funds not to exceed appropriations provided for the immediately preceding fiscal year if a general appropriations bill for the government is not enacted; restrict authorizations to a maximum of one fiscal year; require investment of revenues received in excess of appropriations.

[HFA \(4, G. Stumbo\)](#) - Create a new section of KRS Chapter 48 to permit the Chief to declare an emergency and administer the judicial branch of government of the Commonwealth with public funds not to exceed appropriations provided for the immediately preceding fiscal year if a general appropriations bill for the judicial branch is not enacted; permit the Legislative Research Commission to declare an emergency and administer the legislative branch of government with public funds not to exceed appropriations provided for the immediately preceding fiscal year if a general appropriations bill for the legislative branch is not enacted; restrict authorizations to a maximum of one fiscal year; require investment of revenues received in excess of appropriations.

[HFA \(5/Title, G. Stumbo\)](#) - Make title amendment.

[HFA \(6, G. Stumbo\)](#) - Create a new section of KRS Chapter 48 to permit the Chief to declare an emergency and administer the judicial branch of government of the Commonwealth with public funds not to exceed appropriations provided for the immediately preceding fiscal year if a general appropriations bill for the judicial branch is not enacted; permit the Legislative Research Commission to declare an emergency and administer the legislative branch of government with public funds not to exceed appropriations provided for the immediately preceding fiscal year if a general appropriations bill for the legislative branch is not enacted; restrict authorizations to a maximum of one fiscal year; require investment of revenues received in excess of appropriations.

[HFA \(7, G. Stumbo\)](#) - Provide continuation budget authority for the executive branch into fiscal biennium 2000-2002.

[HFA \(8, G. Stumbo\)](#) - Provide continuation budget authority for the judicial and legislative branches into fiscal biennium 2000-2002.

[HFA \(9/Title, G. Stumbo\)](#) - Make title amendment.

[HFA \(10, J. Barrows\)](#) - Delete references to private water suppliers that may merge and have loans forgiven for water line replacement or repair; delete from the definition of "infrastructure project" projects of investor-owned water utilities; delete from the infrastructure revolving fund authorization to assist certain projects of investor-owned systems; require area development districts to invite the executive director and members of the Kentucky River Authority to participate in forums related to development of water service strategies; require plans developed by water management planning councils to be consistent with the Kentucky River Authority plans; allow the Kentucky River Authority to review and direct revisions to water management planning council plans as necessary to assure consistency with the plans of the Kentucky River Authority.

Mar 3-introduced in Senate

Mar 6-to Agriculture and Natural Resources (S)

Mar 9-reported favorably, 1st reading, to Calendar with Committee Substitute

Mar 10-2nd reading, to Rules; posted for passage in the Regular Orders of the Day for Monday, March 13, 2000

Mar 13-3rd reading, passed 36-0 with Committee Substitute

Mar 14-received in House

Mar 15-to Natural Resources and Environment (H)

Mar 16-posted in committee

Mar 22-reported favorably, 1st reading, to Calendar with Committee Substitute

Mar 23-2nd reading, to Rules

Mar 27-posted for passage in the Regular Orders of the Day for Tuesday, March 28, 2000; floor amendments (1) and (2) filed to Committee Substitute

Mar 29-floor amendments (3) (4) (6) (7) and (8) filed to Committee Substitute, floor amendments (5-title) and (9-title) filed

Apr 11-floor amendment (10) filed to Committee Substitute

Apr 14-3rd reading; floor amendment (10) defeated ; passed 94-3 with Committee Substitute, floor amendments (1) and (2) ; received in Senate; posted for passage for concurrence in House Committee Substitute, floor amendments (1) and (2) ; Senate concurred in House Committee Substitute, floor amendments (1) and (2) ; passed 32-0; enrolled, signed by each presiding officer, delivered to Governor

Apr 26-signed by Governor (Acts ch. 529)

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