

E AND R AMENDMENTS TO LB 80

Introduced by Enrollment and Review Committee: McGill, 26,  
Chairperson

1           1. Strike the original sections and all amendments  
2 thereto and insert the following new sections:

3           Section 1. Section 71-5318, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           71-5318 (1) The Drinking Water Facilities Loan Fund is  
6 created. The fund shall be held as a trust fund for the purposes  
7 and uses described in the Drinking Water State Revolving Fund Act.

8           The fund shall consist of federal capitalization grants,  
9 state matching appropriations, proceeds of state match bond issues  
10 credited to the fund, repayments of principal and interest on  
11 loans, and other money designated for the fund. The director  
12 may make loans from the fund pursuant to the Drinking Water  
13 State Revolving Fund Act and may conduct activities related to  
14 financial administration of the fund, administration or provision  
15 of technical assistance through public water system source water  
16 assessment programs, and implementation of a source water petition  
17 program under the Safe Drinking Water Act. The state investment  
18 officer shall invest any money in the fund available for investment  
19 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
20 State Funds Investment Act, except that any bond proceeds in  
21 the fund shall be invested in accordance with the terms of the  
22 documents under which the bonds are issued. The state investment  
23 officer may direct that the bond proceeds shall be deposited with

1 the bond trustee for investment. Investment earnings shall be  
2 credited to the fund.

3 The department may create or direct the creation of  
4 accounts within the fund as the department determines to be  
5 appropriate and useful in administering the fund and in providing  
6 for the security, investment, and repayment of bonds.

7 The fund and the assets thereof may be used, to the  
8 extent permitted by the Safe Drinking Water Act and the regulations  
9 adopted and promulgated pursuant to such act, to pay or to secure  
10 the payment of bonds and the interest thereon, except that amounts  
11 deposited into the fund from state appropriations and the earnings  
12 on such appropriations may not be used to pay or to secure the  
13 payment of bonds or the interest thereon.

14 (2) The Land Acquisition and Source Water Loan Fund is  
15 created. The fund shall be held as a trust for the purposes and  
16 uses described in the Drinking Water State Revolving Fund Act.

17 The fund shall consist of federal capitalization grants,  
18 state matching appropriations, proceeds of state match bond issues  
19 credited to the fund, repayments of principal and interest on  
20 loans, and other money designated for the fund. The director may  
21 make loans from the fund pursuant to the Drinking Water State  
22 Revolving Fund Act and may, in consultation with the Director of  
23 Regulation and Licensure, conduct activities other than the making  
24 of loans permitted under section 1452(k) of the Safe Drinking Water  
25 Act. The state investment officer shall invest any money in the  
26 fund available for investment pursuant to the Nebraska Capital  
27 Expansion Act and the Nebraska State Funds Investment Act, except

1 that any bond proceeds in the fund shall be invested in accordance  
2 with the terms of the documents under which the bonds are issued.  
3 The state investment officer may direct that the bond proceeds  
4 shall be deposited with the bond trustee for investment. Investment  
5 earnings shall be credited to the fund.

6 The department may create or direct the creation of  
7 accounts within the fund as the department determines to be  
8 appropriate and useful in administering the fund and in providing  
9 for security, investment, and repayment of bonds.

10 The fund and assets thereof may be used, to the extent  
11 permitted by the Safe Drinking Water Act and the regulations  
12 adopted and promulgated pursuant to such act, to pay or secure  
13 the payment of bonds and the interest thereon, except that amounts  
14 credited to the fund from state appropriations and the earnings on  
15 such appropriations may not be used to pay or to secure the payment  
16 of bonds or the interest thereon.

17 The director may transfer any money in the Land  
18 Acquisition and Source Water Loan Fund to the Drinking Water  
19 Facilities Loan Fund.

20 (3) There is hereby created the Drinking Water  
21 Administration Fund. Any funds available for administering loans  
22 or fees collected pursuant to the Drinking Water State Revolving  
23 Fund Act shall be remitted to the State Treasurer for credit to  
24 such fund. The fund shall be administered by the department for the  
25 purposes of the act. The state investment officer shall invest any  
26 money in the fund available for investment pursuant to the Nebraska  
27 Capital Expansion Act and the Nebraska State Funds Investment Act.

1 Investment earnings shall be credited to the fund.

2 The fund and assets thereof may be used, to the extent  
3 permitted by the Safe Drinking Water Act and the regulations  
4 adopted and promulgated pursuant to such act, to fund subdivisions  
5 (9), (10), and (11) of section 71-5322. The annual obligation  
6 of the state pursuant to subdivisions (9) and (11) of section  
7 71-5322 shall not exceed sixty-five percent of the revenue from  
8 administrative fees collected pursuant to section 71-5321 in the  
9 prior fiscal year.

10 The director may transfer any money in the Drinking  
11 Water Administration Fund to the Drinking Water Facilities Loan  
12 Fund to meet the state matching appropriation requirements of any  
13 applicable federal capitalization grants or to meet the purposes of  
14 subdivision (9) of section 71-5322.

15 Sec. 2. Section 71-5322, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17 71-5322 The department shall have the following powers  
18 and duties:

19 (1) The power to establish a program to make loans  
20 to owners of public water systems, individually or jointly, for  
21 construction or modification of safe drinking water projects in  
22 accordance with the Drinking Water State Revolving Fund Act and  
23 the rules and regulations of the council adopted and promulgated  
24 pursuant to such act;

25 (2) The power, if so authorized by the council pursuant  
26 to section 71-5321, to execute and deliver documents obligating  
27 the Drinking Water Facilities Loan Fund or the Land Acquisition

1 and Source Water Loan Fund and the assets thereof to the extent  
2 permitted by section 71-5318 to repay, with interest, loans to  
3 or credits into such funds and to execute and deliver documents  
4 pledging to the extent permitted by section 71-5318 all or part of  
5 such funds and assets to secure, directly or indirectly, the loans  
6 or credits;

7 (3) The duty to prepare an annual report for the Governor  
8 and the Legislature;

9 (4) The duty to establish fiscal controls and accounting  
10 procedures sufficient to assure proper accounting during  
11 appropriate accounting periods, including the following:

12 (a) Accounting from the Nebraska Investment Finance  
13 Authority for the costs associated with the issuance of bonds  
14 pursuant to the act;

15 (b) Accounting for payments or deposits received by the  
16 funds;

17 (c) Accounting for disbursements made by the funds; and

18 (d) Balancing the funds at the beginning and end of the  
19 accounting period;

20 (5) The duty to establish financial capability  
21 requirements that assure sufficient revenue to operate and maintain  
22 a facility for its useful life and to repay the loan for such  
23 facility;

24 (6) The power to determine the rate of interest to be  
25 charged on a loan in accordance with the rules and regulations  
26 adopted and promulgated by the council;

27 (7) The power to develop an intended use plan, in

1 consultation with the Director of Regulation and Licensure, for  
2 adoption by the council;

3 (8) The power to enter into required agreements with the  
4 United States Environmental Protection Agency pursuant to the Safe  
5 Drinking Water Act; and

6 (9) The power to enter into agreements for the purpose  
7 of providing loan forgiveness concurrent with loans to public  
8 water systems operated by political subdivisions with populations  
9 of ten thousand inhabitants or less which demonstrate serious  
10 financial hardships. The department may enter into agreements for  
11 up to one-half of the eligible project cost. Such agreements  
12 shall contain a provision that payment of the amount allocated is  
13 conditional upon the availability of appropriated funds;

14 (10) The power to provide emergency funding to public  
15 water systems operated by political subdivisions with drinking  
16 water facilities which have been damaged or destroyed by natural  
17 disaster or other unanticipated actions or circumstances. Such  
18 funding shall not be used for routine repair or maintenance of  
19 facilities;

20 (11) The power to provide financial assistance consistent  
21 with the intended use plan, described in subdivision (7) of this  
22 section, for completion of engineering studies, research projects  
23 to investigate low-cost options for achieving compliance with safe  
24 drinking water standards, preliminary engineering reports, regional  
25 water system planning, source water protection, and other studies  
26 for the purpose of enhancing the ability of communities to meet  
27 the requirements of the Safe Drinking Water Act, to public water

1 systems operated by political subdivisions with populations of ten  
2 thousand inhabitants or less which demonstrate serious financial  
3 hardships. The department may enter into agreements for up to  
4 ninety percent of the eligible project cost. Such agreements  
5 shall contain a provision that payment of the amount obligated is  
6 conditional upon the availability of appropriated funds; and

7 ~~(9)~~ (12) Such other powers as may be necessary and  
8 appropriate for the exercise of the duties created under the  
9 Drinking Water State Revolving Fund Act.

10 Sec. 3. Original sections 71-5318 and 71-5322, Reissue  
11 Revised Statutes of Nebraska, are repealed.

12 2. On page 1, lines 1 and 2, strike ", 71-5321,"; and in  
13 line 3 strike "rules and regulations,".