

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2444

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 45-1702, Arizona Revised Statutes, is amended to
3 read:

4 45-1702. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Authority" means the Arizona power authority created pursuant to
7 title 30, chapter 1.

8 2. "Bonds" and "notes" means bonds and notes, respectively, of the
9 authority issued pursuant to this article.

10 3. "District" means any irrigation district, power district,
11 electrical district, agricultural improvement district or water users
12 association now or hereafter organized under the laws of this state ~~which~~
13 ~~THAT~~ is directly engaged in the sale, distribution or delivery of municipal,
14 industrial or irrigation water or in the sale, distribution or use of
15 electric power or energy.

16 4. "Municipality" means any incorporated city or town or other
17 corporation organized for municipal purposes.

18 5. "Power" means electric power or electric energy or both.

19 6. "Project" or "work" means any of the projects, ~~or~~ works, ~~FINANCING~~
20 ~~OR REFINANCING~~ authorized by this article or hereafter authorized, including
21 each and every facility or improvement necessary or incidental thereto and
22 all rights-of-way, lands or interests in lands, the use or occupancy of which
23 is necessary or appropriate in the construction, reconstruction, replacement,

1 extension, betterment, development, improvement or operation and maintenance
2 of such facilities and improvements.

3 7. "Public utility" means any person, corporation, district, electric
4 cooperative, public agency or political subdivision of the state that
5 provides electrical service to the public by means of electric facilities or
6 provides water for municipal, industrial, irrigation, recreation and fish and
7 wildlife purposes to the public.

8 8. "Real property" means lands, rights in lands, interests in land,
9 including lands under water, appurtenances, improvements and any and all
10 other things and rights usually included within the term and includes also
11 any and all interest in such property less than full title, such as
12 easements, permanent or temporary rights-of-way, uses, leases, licenses and
13 other such incorporeal hereditaments.

14 9. "Retail" means sales to persons, corporations, firms, partnerships
15 or other entities for their use and not for resale.

16 10. "State" means the state of Arizona.

17 11. "State water and power development fund" means the fund by that
18 name established ~~in~~ BY section 45-1711.

19 12. "State water and power plan" means the plan established pursuant to
20 section 45-1703.

21 13. "Wholesale" means sales to municipalities, districts or public
22 utilities for resale or distribution.

23 Sec. 2. Section 45-1703, Arizona Revised Statutes, is amended to read:
24 45-1703. State water and power plan

25 A. A water and power plan for the state is established, ~~—~~ consisting of
26 all or part of the following works and facilities:

27 1. Central Arizona project, including:

28 (a) Granite Reef aqueduct to extend from Lake Havasu to a point in
29 central Arizona on the Salt river near the city of Phoenix, together with
30 pumping plants therefor.

1 (b) The Salt-Gila aqueduct to extend from the terminus of the Granite
2 Reef aqueduct in central Arizona to the Tucson aqueduct, Colorado source, in
3 the vicinity of Picacho reservoir, together with pumping plants therefor.

4 (c) The following alternative to Orme dam:

5 (i) New Waddell dam.

6 (ii) Cliff dam.

7 (iii) Modifications to Roosevelt dam.

8 (d) Buttes dam and reservoir on the Gila river east of the town of
9 Florence.

10 (e) Tucson aqueduct to extend from the terminus of the Salt-Gila
11 aqueduct in the vicinity of Picacho reservoir to and beyond the city of
12 Tucson, together with pumping plants and terminal storage therefor.

13 2. Montezuma pumped storage power project to be located approximately
14 twenty-five miles south of the city of Phoenix.

15 3. The authority's interest in or rights to capacity and any
16 associated energy of the Hoover power plant modifications project consisting
17 of an additional powerhouse or powerhouses at the Hoover dam and power plant
18 located on the Colorado river in Clark county, Nevada and Mohave county,
19 Arizona and Lake Mead, the reservoir formed behind Hoover dam.

20 4. The authority's interest in or rights to capacity and any
21 associated energy of the Hoover power plant uprating project consisting of an
22 increase in capacity of existing generating units at Hoover dam and power
23 plant as a result of replacement and improvement of equipment for such units.
24 In each case the project shall include any improvements thereto and any
25 incidental or associated capacity, energy, buildings, structures,
26 transmission lines or mains, and all other appurtenances and facilities
27 necessary or appropriate thereto.

28 5. THE FINANCING OR REFINANCING OF THE COSTS OF PROJECTS OR WORKS
29 RELATED TO THE GENERATION OR TRANSMISSION OF POWER AND ENERGY OF THE BOULDER
30 CANYON PROJECT, INCLUDING THE HOOVER VISITOR FACILITIES.

31 B. The state water and power plan may also include such further water
32 and power projects, either in addition to or in substitution of the projects

1 set forth above, or any portion thereof, as the Arizona legislature may from
2 time to time authorize. However, in no event may such further power projects
3 include thermal generating plants or interests therein, except that the
4 authority may enter into an agreement with other electric power interests
5 proposing to construct a thermal generating power plant whereby the state
6 shall acquire the right to such portion of the capacity of such plant,
7 including delivery of power and energy over appurtenant transmission
8 facilities to mutually agreed ~~upon~~ ON delivery points as is required to
9 provide central Arizona project pumping. Power and energy acquired
10 thereunder may be disposed of intermittently by the authority when not
11 required in connection with the central Arizona project.

12 C. Except as otherwise provided in this subsection, nothing in this
13 article shall authorize the inclusion in the state water and power plan of
14 the power and energy under the Hoover energy contract 1-1r-1455 dated
15 November 23, 1945 as it may be supplemented, amended, renewed or replaced and
16 the rights to deliver such power and energy under the 1964 Wheeling contract
17 14-06-0300-1444 dated January 1, 1965 as it may be supplemented, amended,
18 renewed or replaced which power and energy and Wheeling rights shall continue
19 to be administered under ~~chapter 1 of~~ title 30, CHAPTER 1. Power and energy
20 of the authority from the Hoover power plant modifications project and the
21 Hoover power plant uprating project shall be sold by the authority pursuant
22 to this article. The contracts for the sale of the power and energy of the
23 authority from such projects shall be treated as contracts under this
24 article. Notwithstanding title 30, chapter 1, the authority may pledge its
25 contracts, rights and interests in or to power and energy from the Hoover
26 power plant modifications project, the Hoover power plant uprating project,
27 the 1945 Hoover energy contract or the 1964 Wheeling contract, or any
28 supplements, amendments, renewals or replacements of such contracts, or any
29 other contract or contracts for the purchase or transmission of power and
30 energy from the United States or any United States agency as security for any
31 bonds or notes of the authority issued under this article for the purpose of
32 the ~~Hoover power plant modifications project or the Hoover power plant~~

1 ~~uprating project~~ PROJECTS OR WORKS INCLUDED IN THE STATE WATER AND POWER
2 PLAN.

3 Sec. 3. Section 45-1707, Arizona Revised Statutes, is amended to read:

4 45-1707. Issuance of bonds and notes

5 A. The authority:

6 1. Shall have the power and is authorized from time to time to issue
7 its negotiable bonds and notes in such principal amount as, in the opinion of
8 the authority, shall be necessary to provide sufficient monies for the
9 construction, reconstruction and improvement of the projects included in the
10 state water and power plan or any portion thereof, or for payments REQUIRED
11 with respect to ~~the acquisition of interests or capacity and associated~~
12 ~~energy rights which constitute~~ any such project, together with suitable
13 facilities and appurtenances, the cost of acquisition of all real property,
14 the expense of maintenance and operation, interest on bonds and notes during
15 construction and for a reasonable period thereafter, establishment of
16 reserves to secure bonds or notes, and all other expenditures of the
17 authority incident to and necessary or convenient to carry out the aforesaid
18 purpose. Notwithstanding any other provision herein, the director shall
19 determine whether bonds or notes shall be offered for public or private sale
20 for the central Arizona project or any part thereof, or any future water
21 projects, the time of the offering, the amount, and the terms and conditions
22 thereof. When such determination has been made, the authority shall proceed
23 to offer the bonds or notes, or cause the same to be offered for sale in
24 accordance with the determination of the director. In the event the
25 authority fails to do so, the director may proceed to issue the bonds or
26 notes for the water features of the state water and power plan. In such
27 event the director shall have all of the rights and powers invested in the
28 authority under the terms of this article to issue such bonds or notes.

29 2. Shall have power from time to time to issue renewal notes, to issue
30 bonds to pay notes, and whenever it deems refunding expedient, to refund any
31 bonds by the issuance of new bonds, whether the bonds to be refunded have or
32 have not matured, and may issue bonds partly to refund bonds then outstanding

1 and partly for any other purpose. Whether or not the bonds or notes are of
2 such form and character as to be negotiable instruments under the terms of
3 the uniform commercial code, title 47, chapter 3, the bonds or notes shall be
4 and are hereby made negotiable instruments within the meaning of and for all
5 the purposes of the negotiable instrument law, subject only to the provisions
6 of the bonds for registration.

7 B. The bonds and notes shall be authorized by resolution of the
8 authority, shall bear such date or dates and mature at such time or times, in
9 the case of notes and any renewals thereof within five years after their
10 respective dates and in the case of bonds not exceeding sixty years from
11 their respective dates, as such resolution or resolutions may provide. The
12 bonds and notes shall bear interest at such rate or rates, be in such
13 denominations, be in such form, either coupon or registered, carry such
14 registration privileges, be executed in such manner, be payable in such
15 medium of payment, at such place or places, and be subject to such terms of
16 redemption as such resolution or resolutions may provide. The bonds and
17 notes shall be sold at public or private sale at such price and on such terms
18 as the authority may determine, provided that bonds or notes to fund or
19 refund other bonds or notes may be exchanged with the holders of such bonds
20 or notes being funded or refunded on such terms as the authority may
21 determine.

22 C. Any resolution or resolutions or trust indenture or indentures
23 authorizing or securing any bonds or notes or any issue thereof may contain
24 provisions, which shall be a part of the contract with the holders thereof,
25 as to:

26 1. Pledging all or any part of the fees, charges, gifts, grants,
27 rents, revenues or other monies received or to be received by the authority
28 or the director from or in connection with the ownership or operation of the
29 projects included in the state water and power plan and leases or agreements
30 to secure the payment of the bonds or notes or of any issue thereof,
31 including any amounts deposited in the state water and power development

1 fund, subject to such agreements with bondholders or noteholders as may then
2 exist.

3 2. The rates of the fees, charges or rents to be established for the
4 projects included in the state water and power plan, and the amounts to be
5 raised in each year thereby and the use and disposition of the fees, charges,
6 gifts, grants, rents, revenues or other monies received or to be received
7 therefrom.

8 3. The setting aside of reserves or sinking funds, and the regulation
9 and disposition thereof.

10 4. Notwithstanding the provisions of section 30-203, the custody,
11 collection, securing, investment and payment of any monies held pursuant to
12 any such resolution or trust indenture in trust or otherwise for the payment
13 of bonds or notes or in any way to secure bonds or notes. Such monies and
14 the deposits thereof may be secured in the same manner as monies of the
15 authority, and all banks and trust companies are authorized to give such a
16 security for such deposits.

17 5. Limitations on the purpose to which the proceeds of sale of any
18 issue of bonds or notes then or thereafter to be issued may be applied and
19 pledging such proceeds to secure the payment of the bonds or notes or of any
20 issue thereof.

21 6. Limitations on the issuance of additional bonds or notes, the terms
22 upon which additional bonds or notes may be issued and secured and the
23 refunding of outstanding or other bonds or notes.

24 7. The procedure, if any, by which the terms of any contract with
25 bondholders or noteholders may be amended or abrogated, the amount of bonds
26 or notes the holders of which must consent thereto, and the manner in which
27 such consent may be given.

28 8. Limitations on the amount of monies to be expended for operating,
29 administrative or other expenses with respect to the projects included in the
30 state water and power plan.

31 9. Vesting in a trustee or trustees such property, rights, powers and
32 duties in trust as the authority may determine which may include any or all

1 of the rights, powers and duties of the trustee appointed by the bondholders
2 pursuant to this article, and limiting or abrogating the right of the
3 bondholders to appoint a trustee under this article or limiting the rights,
4 duties and powers of such trustee.

5 10. Any other matters, of like or different character, which in any way
6 affect the security or protection of the bonds or notes.

7 D. It is the intention in the enactment of this article:

8 1. That any pledge made pursuant to this article of all or any part of
9 the fees, charges, gifts, grants, rents, revenues or other monies received or
10 to be received by the authority or the director from or in connection with
11 the ownership or operation of the projects included in the state water and
12 power plan shall be valid and binding from the time when the pledge is made.

13 2. That the monies so pledged and thereafter received by the authority
14 or the director shall immediately be subject to the lien of such pledge
15 without any physical delivery thereof or further act, and that the lien of
16 any such pledge shall be valid and binding as against all parties having
17 claims of any kind in tort, contract or otherwise against the authority or
18 the director irrespective of whether such parties have notice
19 thereof. Neither the resolution nor trust indenture nor any other instrument
20 by which a pledge is created need be recorded.

21 E. Neither the members of the authority nor any person executing the
22 bonds or notes shall be liable personally on the bonds or notes or be subject
23 to any personal liability or accountability by reason of the issuance
24 thereof. In case any one or more of the officers who shall have signed
25 manually or by facsimile or sealed any of the bonds or notes shall cease to
26 be such officer before the bonds or notes so signed and sealed shall have
27 been delivered, such bonds or notes may, nevertheless, be issued as if the
28 persons who signed or sealed such bonds or notes had not ceased to hold such
29 offices. Any bonds or notes may be signed and sealed on behalf of the
30 authority by such persons as at the actual time of the execution of such
31 bonds or notes shall be duly authorized or hold the proper office in the

1 authority, although at the date of such bonds or notes such persons may not
2 have been so authorized or held such office.

3 F. The authority shall have power out of any funds available therefor
4 to purchase bonds or notes, which shall thereupon be cancelled, at a price
5 not exceeding either of the following:

6 1. If the bonds or notes are then redeemable, the redemption price
7 then applicable plus accrued interest to the next interest payment date
8 thereon.

9 2. If the bonds or notes are not then redeemable, the redemption price
10 applicable on the first date after such purchase upon which the bonds or
11 notes become subject to redemption plus accrued interest to such date."

12 Amend title to conform

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