

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR EHB 1018**

**Citations Affected:** IC 13-18-16-16.

**Synopsis:** Water authority audits. Requires a nonprofit water utility that is reconstituted as a water authority to have an annual audit by a certified public accounting firm and to keep the audit report on file. Provides that the water authority is not subject to audit or examination by the state board of accounts, to the examination guidelines and reporting requirements of the state board of accounts, or to certain statutes that apply to political subdivisions. **(This conference committee report returns the bill to the language that passed the House.)**

**Effective:** July 1, 2006.

## CONFERENCE COMMITTEE REPORT

**MADAM PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1018 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning the
- 3 environment.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 13-18-16-16 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16. (a) A nonprofit
- 7 water utility may adopt a resolution approved by its board of directors
- 8 under this section that reconstitutes the nonprofit water utility as a water
- 9 authority to be named as provided in the resolution.
- 10 (b) A resolution adopted under this section must allow:
- 11 (1) the structure of the board of directors; and
- 12 (2) the rules governing the water authority;
- 13 to remain the same as those applicable to the nonprofit water utility.
- 14 (c) The water authority shall retain all its powers, privileges, rights,
- 15 and exemptions as a nonprofit water utility under:
- 16 (1) its existing bylaws and articles; and
- 17 (2) all laws applicable to nonprofit water utilities and local water
- 18 corporations, including powers granted under IC 32-24-4-1.
- 19 (d) **Except as provided in subsection (g)**, a water authority
- 20 constituted under this section is a political subdivision of the state.
- 21 (e) A copy of a resolution adopted under this section must be filed

1 with the secretary of state. When the secretary of state receives a copy  
 2 of a resolution under this subsection, the secretary of state shall dissolve  
 3 the corporate status of the nonprofit water utility for purposes of state  
 4 law.

5 (f) A water authority constituted under this section shall:

6 (1) remain obligated under any existing contracts or agreements;

7 and

8 (2) remain obligated and assume the indebtedness;

9 of the nonprofit water utility.

10 (g) Notwithstanding any other law and subject to ~~subsection~~  
 11 **subsections (h) and (i)**, a water authority constituted under this section  
 12 is subject only to the laws applicable to nonprofit water utilities and  
 13 local water corporations **and is not subject to the following:**

14 (1) IC 5-3.

15 (2) IC 5-4-1.

16 (3) IC 5-11.

17 (4) IC 5-13.

18 (5) IC 5-14-1.5.

19 (6) IC 5-14-3.

20 (7) IC 5-22.

21 (8) IC 36-1-8.

22 (9) IC 36-1-10.

23 (10) IC 36-1-10.5.

24 (11) IC 36-1-11.

25 (12) IC 36-1-12.

26 (13) IC 36-1-15.

27 (h) A water authority constituted under this section is subject to  
 28 IC 8-1.5-3-8 for purposes of setting rates and charges.

29 (i) **For each fiscal or calendar year of a water authority**  
 30 **constituted under this section that ends after December 31, 2006,**  
 31 **the water authority:**

32 (1) shall:

33 (A) have an audit of its financial records performed by an  
 34 independent certified public accounting firm; and

35 (B) keep the audit report on file at the water authority; and

36 (2) notwithstanding IC 5-11-1-9, is not subject to the following:

37 (A) Audit or examination by the state board of accounts.

38 (B) The examination guidelines and reporting requirements  
 39 of the state board of accounts.

(Reference is to EHB 1018 as reprinted March 2, 2006.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1018**

**S**igned by:

-----  
Representative Lutz J  
Chairperson

-----  
Senator Hershman

-----  
Representative Robertson

-----  
Senator Lewis

**House Conferees**

**Senate Conferees**