

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2020

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 water resources; to amend and reenact section 61-02-79 of the North Dakota Century Code
3 and section 4 of chapter 20 of the 2021 Session Laws, relating to a Bank of North Dakota line of
4 credit and state water commission discretionary funding; to provide legislative intent; to provide
5 an exemption; and to declare an emergency.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated from special funds derived from federal funds and other
9 income, to the department of water resources for the purpose of defraying the expenses of the
10 department of water resources, for the period beginning with the effective date of this Act, and
11 ending June 30, 2025, as follows:

	<u>Base Level</u>	Adjustments or <u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326
15 Operating expenses	43,366,550	16,112,518	59,479,068
16 Capital assets	98,467,437	201,916,513	300,383,950
17 Water supply - grants	125,000,000	158,000,000	283,000,000
18 Rural water supply - grants	59,600,000	(19,600,000)	40,000,000
19 Flood control projects	48,000,000	66,600,000	114,600,000
20 Discretionary funding	0	1,000,000	1,000,000
21 General water - grants	14,227,275	(2,227,275)	12,000,000
22 Basinwide plan implementation	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
23 Total special funds	\$409,199,129	\$425,729,215	\$834,928,344
24 Full-time equivalent positions	90.00	3.00	93.00

1 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

2 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding
3 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
4 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

5	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
6	Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
7	Basinwide plan implementation	1,100,000	1,000,000
8	Discretionary funding	0	1,000,000
9	Equipment for new employees	0	19,320
10	Information technology unification	0	1,532,980
11	Increased motor pool rates	0	118,180
12	Drilling supplies inflation	0	180,000
13	Navigability study	0	180,000
14	Airborne electromagnetic survey data collection	0	750,000
15	Ground water modeling and hydrologic analysis software	0	72,665
16	Potential agency relocation	0	200,000
17	Radar system	0	1,800,000
18	Drilling rig replacement	0	1,800,000
19	Northwest area water supply	0	47,847,238
20	Discretionary water project funding	6,000,000	0
21	Mouse River flood control project	74,500,000	0
22	Water infrastructure projects	<u>75,000,000</u>	<u>0</u>
23	Total special funds	\$206,600,000	\$156,500,383

24 The 2023-25 one-time funding amounts are not a part of the entity's base budget for the
25 2025-27 biennium. The department of water resources shall report to the appropriations
26 committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
27 period beginning with the effective date of this Act, and ending June 30, 2025.

28 **SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** In addition to the amounts
29 included in the estimated income line item in section 1 of this Act, any additional amounts in the
30 resources trust fund that become available are appropriated to the department of water
31 resources for the purpose of defraying the expenses of that agency, excluding operating

1 expenses and salaries and wages, for the period beginning with the effective date of this Act,
2 and ending June 30, 2025.

3 **SECTION 4. APPROPRIATION - WATER PROJECTS STABILIZATION FUND - LOAN**

4 **REPAYMENT - ONE-TIME FUNDING ITEM.** There is appropriated out of any moneys in the
5 water projects stabilization fund in the state treasury, not otherwise appropriated, the sum of
6 \$30,000,000, or so much of the sum as may be necessary, to the department of water
7 resources for the purpose of repayment of loans issued by the Bank of North Dakota to the
8 western area water supply authority for the period beginning with the effective date of this Act,
9 and ending June 30, 2025. This funding is considered a one-time funding item.

10 **SECTION 5. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING.** The
11 discretionary funding appropriated to the department of water resources in section 1 of this Act
12 may be used as necessary, except for salaries and wages, for the period beginning with the
13 effective date of this Act, and ending June 30, 2025.

14 **SECTION 6. PILOT PROJECT - BASINWIDE WATER PLAN IMPLEMENTATION -**

15 **REPORT TO LEGISLATIVE MANAGEMENT.** Of the \$1,000,000 in the basinwide plan
16 implementation line item in section 1 of this Act, up to \$1,000,000 may be used to provide
17 grants for the pilot project authorized in this section for the period beginning with the effective
18 date of this Act, and ending June 30, 2025. These funds are not subject to state water
19 commission cost-share policies. Water resource districts and joint water resource districts in a
20 basin may develop a basinwide water plan identifying water conveyance, flood control, and
21 other water projects to be undertaken in the basin, and may jointly apply to the state water
22 commission for a grant of up to \$1,000,000 for implementation of the plan. The state water
23 commission may select a basinwide plan submitted under this section for funding and enter into
24 one cooperative agreement with the water resource districts and joint water resource districts
25 that submitted the plan. The cooperative agreement must include the amount of funding the
26 state water commission will provide, a prohibition on using funds granted for implementation of
27 the plan for planning or any purpose other than implementation of the basinwide plan, and the
28 obligations of the state water commission and each water resource district and joint water
29 resource district in implementing the basinwide plan. The agreement also must provide for
30 monitoring and oversight of the basinwide plan's implementation. The department of water

1 resources shall report to the legislative management on the results of this pilot project no later
2 than August 1, 2024.

3 **SECTION 7. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND.** The
4 total special funds line item in section 1 of this Act includes \$120,000,000 from the water
5 projects stabilization fund for water supply grants for the period beginning with the effective date
6 of this Act, and ending June 30, 2025.

7 **SECTION 8. AMENDMENT.** Section 61-02-79 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **61-02-79. Bank of North Dakota - Line of credit.**

10 The Bank of North Dakota shall extend a line of credit not to exceed ~~fiftyone hundred~~ million
11 dollars at a rate of one and one-half percent over the three-month London interbank offered
12 rate, but may not exceed three percent to the state water commission the prevailing interest rate
13 charged to North Dakota government entities. The ~~state water commission~~ department of water
14 resources shall repay the line of credit from funds available in the resources trust fund, ~~water-~~
15 ~~development trust fund,~~ or other funds, as appropriated by the legislative assembly. The ~~state-~~
16 ~~water commission~~ department of water resources may access the line of credit, as necessary, to
17 provide funding as authorized by the legislative assembly up to fifty million dollars for the
18 northwest area water supply project and up to fifty million dollars for the southwest pipeline
19 project during the biennium beginning July 1, ~~2024~~ 2023, and ending June 30, ~~2023~~ 2025.

20 **SECTION 9. AMENDMENT.** Section 4 of chapter 20 of the 2021 Session Laws is amended
21 and reenacted as follows:

22 **SECTION 4. APPROPRIATION - RESOURCES TRUST FUND - STATE**

23 **WATER COMMISSION DISCRETIONARY FUNDING.** There is appropriated out of
24 any moneys in the resources trust fund in the state treasury, not otherwise
25 appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to
26 the ~~state water commission~~ department of water resources for the purpose of providing discretionary funds for water
27 project grants department of water resources to be used as necessary except for
28 salaries and wages, for the biennium beginning July 1, 2021, and ending June 30,
29 2023. This funding is considered to be a one-time funding item.

30 **SECTION 10. STATE WATER COMMISSION - RED RIVER WATER SUPPLY PROJECT**
31 **FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for Red River water supply

1 projects prior to the 2023-25 biennium, the state water commission may not approve state
2 funding for the Red River water supply project in excess of a total of \$953,000,000 without
3 legislative approval. It is the intent of the sixty-eighth legislative assembly that of the
4 \$953,000,000, \$175,000,000 is provided from the resources trust fund for the period beginning
5 with the effective date of this Act, and ending June 30, 2025.

6 **SECTION 11. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL**

7 **PROJECT FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for Mouse River
8 flood control projects prior to the 2023-25 biennium, the state water commission may not
9 approve state funding for the Mouse River flood control project in excess of a total of
10 \$380,500,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly
11 that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period
12 beginning with the effective date of this Act, and ending June 30, 2025.

13 **SECTION 12. SOUTHWEST PIPELINE PROJECT FUNDING - LEGISLATIVE INTENT.** It

14 is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly
15 appropriate \$40,000,000 from the resources trust fund for the southwest pipeline project for the
16 biennium beginning July 1, 2025, and ending June 30, 2027.

17 **SECTION 13. EXEMPTION - LINE ITEM TRANSFERS.** The office of management and

18 budget shall transfer up to \$13,292,362 between the operating and capital assets line items in
19 section 1 of this Act, during the period beginning with the effective date of this Act, and ending
20 June 30, 2025, as requested by the director of the department of water resources. The director
21 of the department of water resources shall notify the legislative council of any transfers made
22 pursuant to this section.

23 **SECTION 14. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS -**

24 **CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to \$405,000,000 for grants or
25 water-related projects included in the capital assets, water supply - grants, rural water supply -
26 grants, flood control projects, and general water - grants line items in section 1 of chapter 20 of
27 the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of
28 chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021
29 Special Session Session Laws. Any unexpended obligated and unobligated funds from these
30 appropriations may be continued into the 2023-25 biennium. Any funds continued may be
31 expended only for the purpose for which it was originally appropriated. The department of water

- 1 resources may seek emergency commission and budget section approval under section
- 2 54-16-04.2 to increase carryover spending authority of funds appropriated in the 2021-23
- 3 biennium into the 2023-25 biennium.
- 4 **SECTION 15. EMERGENCY.** This Act is declared to be an emergency measure.