Testimony of the North Dakota State Water Commission

Interim Information Technology Committee

September 25, 2014

Good afternoon, I am Michelle Klose, Assistant State Engineer for the North Dakota State Water Commission. I thank you for allowing the state agencies to have a few minutes of your time to share our views on the proposed legislation. There are four points that I offer you today on why our agency does not support the proposed legislative changes.

One – To accomplish the goals of efficiencies, cost-savings, and improved quality of service there are no changes needed to the law. The current law, which was implemented over ten years ago, is still effective today in providing a process to accomplish these goals. A process that includes the Office of Management and Budget as a neutral third party to balance recommendations of the ITD service agency with the needs of each of the state agencies that manage and regulate our state resources. The role of OMB was spelled out in legislation and provides flexibilities to allow unique considerations to be factored into decision-making relating to delivery of information technology services. At any point in time under the current legislation, OMB can review and make determinations on consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

Two- Engineering and science based agencies do not operate under the same business models as financial or business related agencies. Our agency has been providing engineering and scientific resources since our inception. Our agency stores large volumes of data that are used by other state agencies, federal agencies, engineering firms, water resource districts and communities as well as the public. This information can range from ground water studies, lidar, well drilling logs, radar, and water use data. ITD has staff to service programs and services that are used by multiple agencies, however they do not currently have staff working with 4-D, Fortran and a range of other tools that provide the backbone that supports our agency. Given that not all agencies are using our modeling and engineering tools, it is difficult for ITD to develop and maintain the skill set to maintain these resources.

Three- The proposed legislation will result in additional costs for our agency and cannot be considered a savings. Our agency is currently funded through the state resources trust fund and some limited federal program funding. The resources trust fund is used for water development projects across our state. For this biennium we are considering over 240 applications for state funding to be included in our state water plan. Increased operational costs will take dollars away from available project funding. When oil extraction taxes are coming in strong, there are some who would not consider cost to be a factor in decisions concerning consolidation. However our agency also has a focus on sustainable infrastructure and places an emphasis on being able to take care of resources in the future as well as today. We have worked with ITD and have identified that consolidation would require an additional $700,000 in capital expenditures and $1.6 million in reoccurring costs per biennium. Keeping our costs low and our engineering information publically available is an important advantage for water related projects across

the state, whether drinking water or flood protection or well inventory or radar weather stations or lidar mapping. If the point of the proposed legislation is to produce efficiencies or cost savings, then these goals will not be met with the removal of the current flexibility in the law.

Four –We respectfully request that you allow our agency to continue to make information technology decisions that address our business requirements. Our agency is currently facing pressures with increased water supply demands for drinking water; increased ground water permitting for agriculture and industrial development; increased federal rulemaking that proposes to restrict access and use of the waters of the state; and even climatic conditions that elevate flooding risks and impacts to agricultural lands. These pressures on our agency combined with reacting to changing our way of business with changes to our information technology at the same time is extremely difficult for our agency and will impact our responsiveness. The proposed legislation introduces significant risks to our agency operations and the benefits have not been shown to out weigh the impacts.

Thank you.