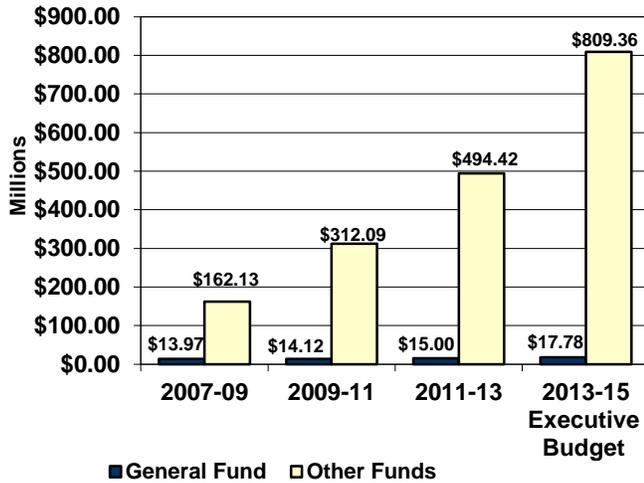


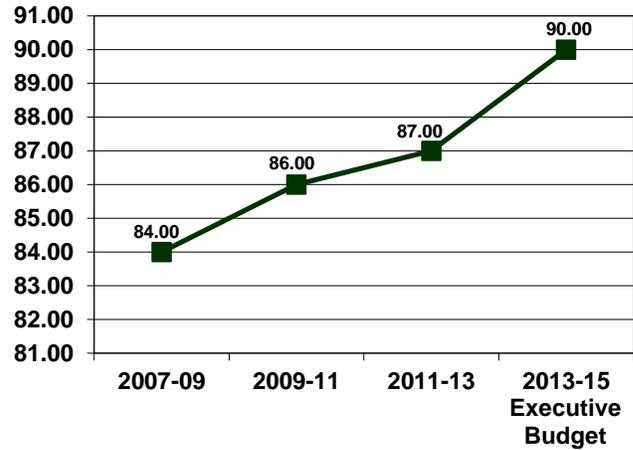
**Department 770 - State Water Commission
 House Bill No. 1020**

	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	90.00	\$17,779,644	\$809,359,388	\$827,139,032
2011-13 Legislative Appropriations	87.00	14,995,199	494,420,221	509,415,420
Increase (Decrease)	3.00	\$2,784,445	\$314,939,167	\$317,723,612

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$17,491,444	\$288,200	\$17,779,644
2011-13 Legislative Appropriations	14,995,199	0	14,995,199
Increase (Decrease)	\$2,496,245	\$288,200	\$2,784,445

First House Action

Attached is a summary of first house changes.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Removes 2011-13 one-time funding from federal fiscal stimulus funds continued from the 2009-11 biennium for the Southwest Pipeline Project's water treatment plant		(\$7,271,773)	(\$7,271,773)
2. Removes 2011-13 one-time funding for water projects		(\$500,000)	(\$500,000)
3. Removes 2011-13 funding for capital projects and equipment	(\$66,252)	(\$98,283,302)	(\$98,349,554)
4. Increases various operating expenses, including utilities by \$3.7 million and professional services by \$14.3 million	(\$32,748)	\$18,786,767	\$18,754,019
5. Provides funding for capital payments, including equipment (\$90,000), bond payments (\$75,250,000), extraordinary repairs (\$152,000), information technology equipment (\$8,000), and water projects (\$161,255,281). The House changed the funding source of all appropriations from the general fund to the resources trust fund.	\$74,252	\$236,681,029	\$236,755,281
6. Provides funding from the resources trust fund to the community water facility revolving loan program		\$15,000,000	\$15,000,000
7. Adds one-time funding to replace an excavator. The House changed the funding source to the resources trust fund.	\$243,200		\$243,200

8. Adds one-time funding to remodel office space. The House changed the funding source to the resources trust fund.	\$45,000		\$45,000
9. Increases grants due to an increase in funds available in the resources trust fund to provide a total of \$514.9 million		\$151,360,165	\$151,360,165
10. Decreases transfers out to provide a total of \$229,500	(\$74,181)	(\$970,898)	(\$1,045,079)
11. Increases funding for motor pool and travel. The House changed the funding source of all appropriations from the general fund to the resources trust fund.	\$201,545		\$201,545
12. Increases funding for information technology equipment, software, and network services. The House changed the funding source of all appropriations from the general fund to the resources trust fund.	\$191,008		\$191,008
13. Increases funding for overtime and temporary salaries to assist with increased workload in administration and seasonal field operations. The House changed the funding source of all appropriations from the general fund to the resources trust fund.	\$48,180		\$48,180
14. Adds funding for 1 FTE water resource engineer position to address the increase in water permit applications. The House changed the funding source to the resources trust fund.	\$164,430		\$164,430
15. Adds funding for 1 FTE water resource project manager position to address the backlog of conditional water permit inspections. The House changed the funding source to the resources trust fund.	\$143,026		\$143,026
16. Adds funding for 1 FTE engineering technician position to support the operations of the Devils Lake Outlets		\$118,051	\$118,051
17. Adjusts the funding source of the water development director position added during the 2011-13 biennium from the resources trust fund to the general fund. The House changed the funding source to the resources trust fund.	\$250,187	(\$250,187)	
18. Provides funding for state employee salary increases, of which \$796,379 relates to performance increases and \$332,828 is for market equity adjustments. The House added funding of \$14,474 to correct the executive compensation package, reduced funding for performance and market equity adjustments by \$466,170, and changed the funding source to the resources trust fund.	\$971,118	\$158,089	\$1,129,207

Other Sections in Bill

Sovereign lands enforcement grant - Section 3 directs the State Water Commission to provide a grant of \$135,000 from the general fund to the Game and Fish Department for law enforcement activities on sovereign lands in the state. **The House changed the funding source of this grant to the resources trust fund.**

Resources trust fund and water development trust fund - Section 4 provides that in addition to the amounts appropriated to the State Water Commission from the resources trust fund and the water development trust fund any additional amounts that become available in those funds are appropriated to the State Water Commission for the purpose of defraying the expenses of the State Water Commission for the 2013-15 biennium. **The House changed this section to require Budget Section approval prior to the appropriation of any additional funds that become available.**

Grant and water project carryover authority - Section 5 authorizes the State Water Commission to continue any unexpended 2013-15 appropriation authority for grants or water-related projects in the 2015-17 biennium.

Bond payment funding - Section 6 provides legislative intent that, if funding available from the resources trust fund for water projects for the 2013-15 biennium exceeds \$515 million, of the funds appropriated to the State Water Commission in the water and atmospheric resources line item, \$60 million from the resources trust fund is provided to the State Water Commission for the purpose of paying off or defeasing the commission's outstanding bond issues. The contingent funding from the resources trust fund (\$60 million) and funding from the water development trust fund provided for bond payments (\$16.9 million) totaling \$76.9 million would be available to defease State Water Commission outstanding bond issues of \$75,250,000 and pay related fees.

Community water facility loan fund - Section 7 amends North Dakota Century Code Section 6-09.5-03 to increase the authorized ceiling of the community water facility revolving loan fund administered by the Bank of North Dakota to supplement United States Department of Agriculture Rural Development financing for community water projects by \$15 million to provide a maximum of \$25 million.

Emergency - Section 8 provides that funds appropriated to the State Water Commission in the water and atmospheric resources line item are declared to be an emergency measure.

The House added the following sections to the bill:

Fargo flood control project expenditures - The House added sections to amend 2011 Session Laws and 2009 Session Laws, previously amended in 2011, related to Fargo flood control funding. The amendments change legislative guidelines for Fargo flood control project expenditures.

Fargo flood control project funding - The House added sections to provide that of the funds appropriated to the State Water Commission for grants and projects for the 2013-15 biennium, \$100 million is for Fargo flood control projects and that total Fargo flood control project funding to be provided by the state not exceed \$325 million.

Red River Valley Water Supply Project - The House added a section to provide that of the funds appropriated to the State Water Commission for grants and projects for the 2013-15 biennium, \$11 million is for the Red River Valley Water Supply Project.

State Water Commission studies - The House added sections directing the State Water Commission to study the use of ring dikes as part of a flood protection plan for the city of Fargo and water supply needs in the Red River Valley.

Information technology hardware - The House added a section to require the State Water Commission move information technology hardware to the Information Technology Department secure data center.

State Water Commission priority projects list - The House added a section to require the State Water Commission report to the Budget Section within 90 days of any changes made to the water project priority list presented to the 2013 Legislative Assembly.

Water-Related Topics Overview Committee - The House added a section to amend Section 54-35-02.7 to increase the membership of the Water-Related Topics Overview Committee and direct the committee to prepare a water project priority schedule to be included in the committee's final report to the Legislative Management.

State Water Commission policies and procedures - The House added a section to require the State Water Commission to adopt policies and procedures regarding project development and financing.

Continuing Appropriations

No continuing appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1060 relates to the composition and duties of the Devils Lake Outlet Management Advisory Committee and repeals Section 61-36-03 related to the compensation and expenses of the Devils Lake Outlet Management Advisory Committee.

House Bill No. 1061 increases the fine for knowingly violating water appropriation provisions or rules.

House Bill No. 1067 relates to the State Water Commission acting as a public corporation.

House Bill No. 1140 provides a \$40 million Bank of North Dakota loan to the Western Area Water Supply Authority for the construction of the project.

House Bill No. 1206 requires the State Water Commission to develop and maintain a comprehensive water development plan and develop a policy that outlines procedures for commissioner-hosted meetings. In addition the bill provides for a Legislative Management study to evaluate current water project prioritization processes.

House Bill No. 1269 provides \$21 million from the resources trust fund for additional construction on the Southwest Pipeline Project and \$10,350,000 from the resources trust fund for grants to advance projects, including Stutsman County Rural Water, North Central Rural Water Consortium, and McLean-Sheridan Rural Water. This bill contained an emergency clause and was signed by the Governor on February 19, 2013.

House Bill No. 1440 requires the State Water Commission, before providing grants or loans to a district or city, to consider whether a district and city within a district have developed a mutually acceptable water service agreement to accommodate anticipated future growth of a city within a district.

Senate Bill No. 2048 requires the State Water Commission to adopt rules for governing the review and recommendation of proposed water projects seeking financial assistance.

Senate Bill No. 2049 relates to the Water-Related Topics Overview Committee and the Garrison Diversion Conservancy District.

Senate Bill No. 2053 allows the State Water Commission to sell, transfer, or exchange property that is no longer necessary for the Northwest Area Water Supply Project.

Senate Bill No. 2233 allocates a portion of the oil extraction tax to the infrastructure revolving loan fund. A fiscal note prepared by the Tax Commissioner indicates, if enacted, \$54.7 million would be deposited into the infrastructure revolving loan fund instead of the resources trust fund during the 2013-15 biennium.

Senate Bill No. 2359 limits industrial sales of the Western Area Water Supply Authority to 12 water depots approved by the State Water Commission and requires commission approval of industrial water supply infrastructure.

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