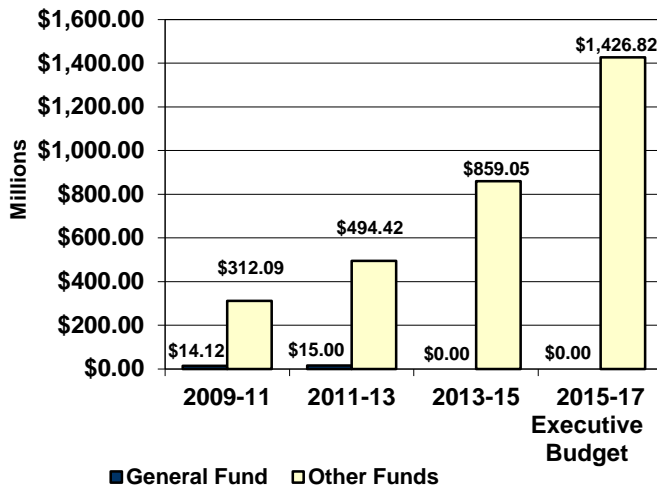


Department 770 - State Water Commission  
 Senate Bill No. 2020

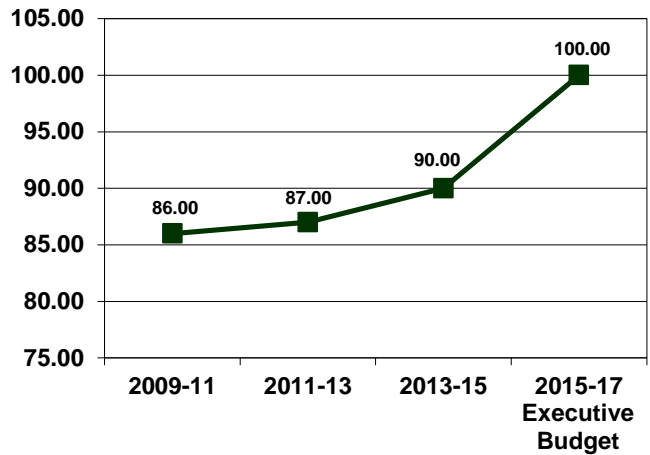
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	100.00	\$0	\$1,426,823,848	\$1,426,823,848
2013-15 Legislative Appropriations	90.00	0	859,045,805	859,045,805
Increase (Decrease)	10.00	\$0	\$567,778,043	\$567,778,043

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$0	\$1,426,823,848	\$1,426,823,848
2015-17 Base Level	0	827,407,605	827,407,605
Increase (Decrease)	\$0	\$599,416,243	\$599,416,243

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

Executive Budget Highlights  
 (With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$976,448 relates to performance increases, \$162,351 is for market equity adjustments, \$431,779 is for health insurance increases, and \$100,565 is for retirement contribution increases. <b>The Senate provided funding for performance salary increases of 2 to 4 percent per year and funding for health insurance increases, but did not include funding for market equity increases or funding for retirement contribution increases.</b>	\$0	\$1,671,143	\$1,671,143
2. Provides targeted equity salary funding for all existing FTE employees based on their current years of service and pay grade, not to exceed 5 percent of their current salary. <b>The Senate did not add the targeted equity salary funding.</b>	\$0	\$851,259	\$851,259
3. Adds funding for 5.00 water permitting FTE positions approved by the Emergency Commission in the 2013-14 interim	\$0	\$979,015	\$979,015
4. Adds funding for 1.00 regulatory director FTE position	\$0	\$273,871	\$273,871
5. Adds funding for 1.00 water supply project manager FTE position	\$0	\$229,840	\$229,840
6. Adds funding for 1.00 sovereign lands FTE position	\$0	\$192,784	\$192,784

7. Adds funding for 1.00 investigations engineer FTE position. <b>The Senate did not add this position.</b>	\$0	\$210,184	\$210,184
8. Adds funding for 1.00 cost share administrator FTE position. <b>The Senate did not add this position.</b>	\$0	\$165,013	\$165,013
9. Provides funding for water projects. <b>The Senate provided \$152,132,255 for a total of \$500 million for new water projects.</b>	\$0	\$582,432,255	\$582,432,255
10. Increases consultant engineering and attorney fees. <b>The Senate provided an increase of \$10,727,828 for consultant engineering and attorney fees.</b>	\$0	\$10,605,409	\$10,605,409
11. Increases operating expenses. <b>The Senate provided an increase of \$133,062 for operating expenses.</b>	\$0	\$1,293,512	\$1,293,512

### Other Sections in Bill

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

**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 2015-17 biennium. (Additional funding that became available during the 2013-15 biennium were also available for projects subject to Budget Section approval.)

**Grant and water project carryover authority** - Section 5 authorizes the State Water Commission to continue any unexpended 2015-17 appropriation authority for grants or water-related projects in the 2017-19 biennium.

**Fargo flood control project funding** - Sections 6, 7, 8, and 9 added by the Senate provide that of the funds appropriated to the State Water Commission for grants and projects for the 2015-17 biennium, \$69 million is for Fargo flood control projects and the total Fargo flood control project funding to be provided by the state shall not exceed \$450 million, designates that funds provided by the Legislative Assembly for the Fargo flood control project are available only for levee and dike protection until the Fargo flood control project receives federal authorization, a project partnership agreement is executed, a federal appropriation is provided for project construction, and the budget for the Fargo flood control project is approved by the State Water Commission, and an advance funding agreement between the Army Corps of Engineers and local Fargo flood control sponsors is required to be in place before the State Water Commission expends any cost-sharing funds to advance construction work considered to be a federal responsibility.

**Grants - Western Area Water Supply - Incremental funding and restrictions** - Section 10 added by the Senate directs funds appropriated for Western Area Water Supply Authority projects in the water and atmospheric resources line item to be distributed in the form of grants from the resources trust fund in increments of \$10 million. Grants are to be made available upon the satisfaction of the State Water Commission that sufficient domestic demand has been demonstrated. Funds may not be used to solely construct industrial water infrastructure or provide industrial water for the exploration or development of the oil and gas industry. The Western Area Water Supply Authority must submit an application to the State Water Commission in increments of \$10 million, up to the amount specified for Western Area Water Supply Authority projects.

**Reports to the Water Topics Overview Committee** - Sections 11 and 12 added by the Senate requires the State Water Commission to report any changes made to the priority projects list that was presented to the 64<sup>th</sup> Legislative Assembly to the Water Topics Overview Committee and the F-M Diversion Authority and MNDak Upstream Coalition to report to the Water Topics Overview Committee.

**State Water Commission study of Fargo diversion project** - Section 13 added by the Senate requires the State Water Commission to contract with North Dakota State University to study the Fargo diversion project.

**Water Topics Overview Committee** - Section 14 added by the Senate amends North Dakota Century Code Section 54-35-02.7 relating to the Water Topics Overview Committee to require the committee to report on its project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts.

**Repeal** - Section 15 added by the Senate repeals Section 61-02-78 relating to infrastructure revolving loan fund.

### Continuing Appropriations

There are no continuing appropriations for this agency.

### Significant Audit Findings

There are no significant audit findings for this agency.

### Major Related Legislation

**Senate Bill No. 2336** - Amends Section 61-40-10 establishing the procedures necessary to approve expansion of specific features of the Western Area Water Supply Project.

**Senate Bill No. 2375** - Provides for a Legislative Management study of the formation of community facilities districts for public improvements.

**House Bill No. 1053** - Excludes the State Water Commission from required use of centralized desktop support services.

**House Bill No. 1061** - Amends Section 54-35-02.7 relating to the duties of the Water Topics Overview Committee to remove 2013-14 interim legislative directives.

**House Bill No. 1096** - Allows the State Engineer to issue conditional permits in excess of present needs to incorporated municipalities or rural water systems.

**House Bill No. 1249** - Creates the Missouri River Empower Advisory Council to advise the Governor, Legislative Assembly, and state agencies on issues concerning the Missouri River. The State Water Commission is responsible for providing support services and paying for mileage and expenses of the members of the council.

**House Bill No. 1415** - Provides legislative intent that funding provided by the state for the Fargo flood control project may not exceed \$570 million and directs the State Water Commission to reallocate water project funding within its 2015-17 biennium appropriation to provide funding for eligible Fargo flood control project commitments.

**State Water Commission - Budget No. 770**  
**Senate Bill No. 2020**  
**Base Level Funding Changes**

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2015-17 Biennium Base Level</b>	90.00	\$0	\$827,407,605	\$827,407,605	90.00	\$0	\$827,407,605	\$827,407,605
<b>2015-17 Ongoing Funding Changes</b>								
Base payroll changes			\$511,958	\$511,958		\$511,958		\$511,958
Salary increase - Performance			976,448	976,448		634,518	80,543	715,061
Salary increase - Market equity			162,351	162,351				0
Salary increase - Targeted equity			851,259	851,259				0
Retirement contribution increase			100,565	100,565				0
Health insurance increase			431,779	431,779		373,486	49,657	423,143
New FTE - Water permitting positions (approved by the Emergency Commission)	5.00		979,015	979,015	5.00	979,015		979,015
New FTE - Regulatory director position	1.00		273,871	273,871	1.00	273,871		273,871
New FTE - Water supply project manager	1.00		229,840	229,840	1.00	229,840		229,840
New FTE - Sovereign lands position	1.00		192,784	192,784	1.00	192,784		192,784
New FTE - Investigations engineer	1.00		210,184	210,184				0
New FTE - Cost-share administrator	1.00		165,013	165,013				0
Water projects funding adjustment			582,432,255	582,432,255			152,132,255	152,132,255
Consultant engineering and attorney fees increase			10,605,409	10,605,409			10,727,828	10,727,828
Operating expense adjustment			1,293,512	1,293,512			133,062	133,062
Change funding source for administrative and other operating costs				0		21,789,687	(21,789,687)	0
<b>Total ongoing funding changes</b>	<b>10.00</b>	<b>\$0</b>	<b>\$599,416,243</b>	<b>\$599,416,243</b>	<b>8.00</b>	<b>\$24,985,159</b>	<b>\$141,333,658</b>	<b>\$166,318,817</b>
<b>One-time funding items</b>				\$0				\$0
No one-time funding items				\$0				\$0
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>10.00</b>	<b>\$0</b>	<b>\$599,416,243</b>	<b>\$599,416,243</b>	<b>8.00</b>	<b>\$24,985,159</b>	<b>\$141,333,658</b>	<b>\$166,318,817</b>
<b>2015-17 Total Funding</b>	<b>100.00</b>	<b>\$0</b>	<b>\$1,426,823,848</b>	<b>\$1,426,823,848</b>	<b>98.00</b>	<b>\$24,985,159</b>	<b>\$968,741,263</b>	<b>\$993,726,422</b>

**Other Sections in Senate Bill No. 2020**

Sovereign lands enforcement grant

**Executive Budget Recommendation**  
 Section 3 directs the State Water Commission to provide a grant of \$135,000 from the resources trust fund to the Game and Fish Department for law enforcement activities on sovereign lands in the state.

**Senate Version**  
 Section 3 directs the State Water Commission to provide a grant of \$135,000 from the resources trust fund to the Game and Fish Department for law enforcement activities on sovereign lands in the state.

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 2015-17 biennium.

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 2015-17 biennium.

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Grant and water project carryover authority	Section 5 authorizes the State Water Commission to continue any unexpended 2015-17 appropriation authority for grants or water-related projects in the 2017-19 biennium.	Section 5 authorizes the State Water Commission to continue any unexpended 2015-17 appropriation authority for grants or water-related projects in the 2017-19 biennium.
Fargo flood control project funding		Section 6 states funds designated by the 61 <sup>st</sup> Legislative Assembly, the 62 <sup>nd</sup> Legislative Assembly, the 63 <sup>rd</sup> Legislative Assembly, and the 64 <sup>th</sup> Legislative Assembly for Fargo flood control are available only for levee and dike protection until the Fargo flood control project receives federal authorization, a project partnership agreement is executed, a federal appropriation is provided for project construction, and the budget for the Fargo flood control project is approved by the State Water Commission.
Fargo flood control project funding agreement		Section 7 requires that prior to the State Water Commission expending any state cost-sharing funds, an advance funding agreement between the Army Corps of Engineers and the local Fargo flood control sponsor must precede any state funding used to advance construction work considered to be a federal responsibility.
Legislative intent - Fargo flood control project funding		Section 8 provides legislative intent that the state provide one-half of the local cost-share of constructing a federally authorized Fargo flood control project and that total Fargo flood control project funding to be provided by the state not exceed \$450 million. It is further the intent of the 64 <sup>th</sup> Legislative Assembly that the \$206 million yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next three bienniums.
Fargo flood control project funding - Exemption		Section 9 provides that of the funds appropriated in the water and atmospheric resources line item in Section 1 of Senate Bill No. 2020, \$69 million is for Fargo flood control projects, for the biennium beginning July 1, 2015, and ending June 30, 2017. Any funds not spent by June 30, 2017, are not subject to North Dakota Century Code Section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo flood control projects.
Grants - Western Area Water Supply - Incremental funding and restrictions		Section 10 directs funds appropriated for Western Area Water Supply Authority projects in the water and atmospheric resources line item to be distributed in the form of grants from the resources trust fund in increments of \$10 million. Grants are to be made available upon the satisfaction of the State Water Commission that sufficient domestic demand has been demonstrated. Funds may not be used to solely construct industrial water infrastructure or provide industrial water for the exploration or development of the oil and gas industry. The Western Area Water Supply Authority must submit an application to the State Water Commission in increments of \$10 million, up to the amount specified for Western Area Water Supply Authority projects.

**Executive Budget Recommendation**

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**Senate Version**

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State Water Commission priority projects list - Reports to the Legislative Management Water Topics Overview Committee

Section 11 requires the State Water Commission to report during the 2015-16 interim regarding any changes made to the State Water Commission priority projects list presented to the 64<sup>th</sup> Legislative Assembly.

Fargo flood control - Reports to the Legislative Management Water Topics Overview Committee

Section 12 requires the F-M Area Diversion Authority Board and the MNDak Upstream Coalition to report to the Legislative Management Water Topics Overview Committee during the 2015-16 interim.

State Water Commission study of Fargo diversion project

Section 13 requires the State Water Commission to contract with North Dakota State University to study the Fargo diversion project.

Water Topics Overview Committee

Section 14 amends Section 54-35-02.7 relating to the Water Topics Overview Committee to require the committee to report on its project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts.

Repeal of infrastructure revolving loan fund

Section 15 repeals Section 61-02-78 relating to the infrastructure revolving loan fund.