

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1020

Page 1, line 2, after the third semicolon insert "to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to the development of policies and procedures of the state water commission;"

Page 1, line 2, replace "section" with "sections"

Page 1, line 3, after "6-09.5-03" insert "and 54-35-02.37"

Page 1, line 3, after "Code" insert "and sections 6 and 7 of chapter 46 of the 2011 Session Laws"

Page 1, line 3, after "fund" insert ", the water-related topics overview committee, and Fargo flood control project funding; to provide for legislative management reports"

Page 1, line 7, remove "out of any moneys in the general fund in the state"

Page 1, line 8, remove "treasury, not otherwise appropriated, and"

Page 1, replace lines 14 through 18 with:

"Administrative and support services	\$3,229,873	\$679,627	\$3,909,500
Water and atmospheric resources	498,413,774	323,925,584	822,339,358
Accrued leave payments	<u>0</u>	<u>325,774</u>	<u>325,774</u>
Total all funds	\$501,643,647	\$324,930,985	\$826,574,632
Less estimated income	<u>486,648,448</u>	<u>339,926,184</u>	<u>826,574,632</u>
Total general fund	\$14,995,199	(\$14,995,199)	\$0"

Page 2, replace lines 8 and 9 with:

"Total special funds	<u>7,771,773</u>	<u>288,200</u>
Total general fund	\$0	\$0"

Page 2, line 15, replace "general" with "resources trust"

Page 2, line 21, after "appropriated" insert ", subject to budget section approval,"

Page 2, after line 30, insert:

"SECTION 6. AMENDMENT. Section 6 of chapter 46 of the 2011 Session Laws is amended and reenacted as follows:

SECTION 7. FARGO FLOOD CONTROL PROJECT FUNDING - EXEMPTION. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$45,000,000 is for Fargo flood control projects, for the biennium beginning July 1, 2009, and ending June 30, 2011. Any funds not spent by June 30, 2011, are not subject to 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. ~~These~~Except as otherwise provided, these funds may be used only for land purchases and construction; including right-of-way acquisition costs and

may not be used for the purchase of dwellings or for a river diversion project. Notwithstanding any other provision of law, including a political subdivision home rule charter, no public funds may be used for the construction of ring dikes or water retention structures associated with the Fargo flood control project. No more than ten percent of these funds may not be used for administration, engineering, legal, planning, or other similar purposes; and are not subject to the sixty-five percent funding requirement contained in Senate Bill No. 2316 (2009). The city of Fargo, Cass County, and the Cass County joint water resource district must approve any expenditures made under this section. ~~Costs incurred by nonstate entities for dwellings or other real property that are not paid by state funds are eligible for application by the nonstate entity for cost sharing with the state.~~

SECTION 7. AMENDMENT. Section 7 of chapter 46 of the 2011 Session Laws is amended and reenacted as follows:

SECTION 7. FARGO FLOOD CONTROL PROJECT FUNDING - EXEMPTION. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$30,000,000 is for Fargo flood control projects, for the biennium beginning July-1, 2011, and ending June-30, 2013. Any funds not spent by June 30, 2013, are not subject to 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. Except as otherwise provided, these funds may be used only for land purchases and construction, including right-of-way acquisition costs and may not be used for the purchase of dwellings or for a river diversion project. Notwithstanding any other provision of law, including a political subdivision home rule charter, no public funds may be used for the construction of ring dikes or water retention structures associated with the Fargo flood control project. No more than ten percent of these funds may be used for engineering, legal, planning, or other similar purposes. The city of Fargo, Cass County, and the Cass County joint water resource district must approve any expenditures made under this section. ~~Costs incurred by nonstate entities for dwellings or other real property that are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state.~~

SECTION 8. FARGO FLOOD CONTROL PROJECT FUNDING - EXEMPTION. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$100,000,000 is for Fargo flood control projects, for the biennium beginning July 1, 2013, and ending June 30, 2015. Any funds not spent by June 30, 2015, are not subject to 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. Except as otherwise provided, these funds may be used only for land purchases and construction, including right-of-way acquisition costs and may not be used for the purchase of dwellings or for a river diversion project. Notwithstanding any other provision of law, including a political subdivision home rule charter, no public funds may be used for the construction of ring dikes or water retention structures associated with the Fargo flood control project. No more than ten percent of these funds may be used for engineering, legal, planning, or other similar purposes. The city of Fargo, Cass County, and the Cass County joint water resource district must approve any expenditures made under this section.

SECTION 9. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-third legislative assembly that total Fargo flood control project funding to be provided by the state not exceed \$325,000,000 to provide flood protection for the city of Fargo to the forty-two and one-half foot level, and to provide, to the extent possible, flood protection for areas along the Red River north and south of Fargo. It is further the intent of the legislative assembly that funds appropriated by the legislative assembly for Fargo flood control not be used for a river diversion flood control project.

SECTION 10. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$11,000,000 is for the Red River valley water supply project, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 3, after line 6, insert:

"SECTION 12. STATE WATER COMMISSION STUDY - FARGO FLOOD CONTROL. During the 2013-14 interim, the state water commission shall study the use of ring dikes as part of a flood protection plan for the city of Fargo. The study must include the effects of ring dikes in the Fargo area on flood protection for areas north and south of Fargo. The state water commission shall provide periodic reports to the legislative management on the findings resulting from the study.

SECTION 13. STATE WATER COMMISSION STUDY - RED RIVER VALLEY WATER SUPPLY. During the 2013-14 interim, the state water commission shall study water supply needs in the Red River valley, including projected costs of projects to meet water supply needs and the potential state commitment to supply water to the Red River valley. The state water commission shall provide periodic reports to the legislative management on the findings resulting from the study.

SECTION 14. INFORMATION TECHNOLOGY HARDWARE - TRANSFER TO SECURE DATA CENTER. The state water commission shall transfer all appropriate information technology hardware to the information technology department secure data center during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 15. STATE WATER COMMISSION PRIORITY PROJECTS LIST - REPORTS TO THE BUDGET SECTION. The state water commission shall report to the budget section any changes made to the state water commission priority projects list presented to the sixty-third legislative assembly within ninety days of the state water commission approving the change for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 3, after line 14, insert:

"SECTION 17. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. (Effective through November 30, 20132014) Water-related topics overview committee - Duties.

The legislative management, during each interim, shall appoint a water-related topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly and is responsible for legislative overview of water-related topics and related matters and for any necessary discussions with adjacent states on water-related topics. During the-

~~2011-12 interim, the~~The committee shall review the state's irrigation laws and rules and evaluate the process of the prioritization of water projects and prepare a schedule of priorities with respect to water projects. The state water commission and state engineer shall assist the committee in developing the schedule of priorities. The committee consists of ~~thirteen~~seventeen members and the legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees and include the schedule of priorities with its final report to the legislative management.

(Effective after November 30, 20132014) Garrison diversion overview. The legislative management is responsible for legislative overview of the Garrison diversion project and related matters and for any necessary discussions with adjacent states on water-related topics.

SECTION 18. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

State water commission - Project development and financing.

The state water commission shall adopt policies regarding the development and financing of projects as follows:

1. Municipal project funding and financing, including water treatment plants. The state water commission shall develop and adopt policies relating to the circumstances under which a project qualifies for a grant and when the project qualifies for a loan.
2. Pipelines. The state water commission shall develop and adopt policies relating to:
 - a. Pipeline expansion;
 - b. Public and industrial use of water;
 - c. Cost analyses of future project development; and
 - d. Ongoing maintenance cost of current and future projects.
3. Technology. The state water commission shall develop and adopt policies relating to the use of technology, including the use of technology for permitting and electronic metering."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - State Water Commission - House Action

	Executive Budget	House Changes	House Version
Administrative and support services	\$4,042,784	(\$133,284)	\$3,909,500
Water and atmospheric resources	823,096,248	(756,890)	822,339,358
Accrued leave payments		325,774	325,774
Total all funds	\$827,139,032	(\$564,400)	\$826,574,632
Less estimated income	809,359,388	17,215,244	826,574,632

General fund	\$17,779,644	(\$17,779,644)	\$0
FTE	90.00	0.00	90.00

Department No. 770 - State Water Commission - Detail of House Changes

	Corrects Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Provides Separate Line Item for Accrued Leave Payments ³	Changes Funding Source for the State Water Commission ⁴	Total House Changes
Administrative and support services	\$2,160	(\$86,252)	(\$49,192)		(\$133,284)
Water and atmospheric resources	12,314	(492,622)	(276,582)		(756,890)
Accrued leave payments			325,774		325,774
Total all funds	\$14,474	(\$578,874)	\$0	\$0	(\$564,400)
Less estimated income	2,026	(81,489)	0	17,294,707	17,215,244
General fund	\$12,448	(\$497,385)	\$0	(\$17,294,707)	(\$17,779,644)
FTE	0.00	0.00	0.00	0.00	0.00

¹Funding is added due to a calculation error in the executive compensation package.

²This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³A portion of administrative and support services line funding from the general fund (\$49,192) and a portion of the water and atmospheric resources line from the general fund (\$225,468) and from other funds (\$51,114) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴This amendment removes funding from the general fund and provides funding for the operations of the State Water Commission from the resources trust fund.

In addition, this amendment:

- Adds sections to the bill 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.
- Adds sections to the bill 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 and \$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.
- Adds sections to the bill 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.
- Requires the State Water Commission to adopt policies regarding project development and financing.
- Increases the membership of the Water-Related Topics Overview Committee and directs the committee to prepare a water project priority schedule to be included in the committee's final report to the Legislative Management.
- Requires the State Water Commission to move information technology hardware to the Information Technology Department secure data center.
- Requires the State Water Commission to report to the Budget Section within 90 days of any changes made to the water project priority list presented to the 2013 Legislative Assembly.

- Requires Budget Section approval prior to spending any additional funds that may become available in the resources trust fund or water development trust fund during the 2013-15 biennium.