

PROPOSED AMENDMENTS TO SENATE BILL NO. 2020

Page 1, line 2, after "commission" insert "; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to the authorization of a Bank of North Dakota line of credit; to provide for Red River valley water supply requirements; to provide an exemption; to provide for a report to the legislative management; and to provide a statement of legislative intent"

Page 1, replace lines 9 through 17 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$19,659,298	\$173,833	\$19,833,131
Operating expenses	58,044,691	(14,188,938)	43,855,753
Capital assets	124,819,442	23,119,316	147,938,758
Project carryover	274,867,897	33,465,921	308,333,818
New projects	169,782,147	(169,782,147)	0
Water supply - grants	0	115,000,000	115,000,000
Rural water supply - grants	0	30,000,000	30,000,000
Flood control - grants	0	145,000,000	145,000,000
General water - grants	<u>0</u>	<u>35,255,000</u>	<u>35,255,000</u>
Total special funds	\$647,173,475	\$198,042,985	\$845,216,460
Full-time equivalent positions	93.00	(3.00)	90.00

SECTION 2. ONE-TIME FUNDING - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Line of credit - Bank of North Dakota	<u>\$75,000,000</u>	<u>\$75,000,000</u>
Total all funds	<u>\$75,000,000</u>	<u>\$75,000,000</u>

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The state water commission shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 1, line 18, after the first boldfaced period insert "**EXEMPTION -**"

Page 1, after line 24, insert:

"SECTION 4. ADDITIONAL INCOME - APPROPRIATION - BUDGET SECTION APPROVAL. In addition to the amounts appropriated in section 1 of this Act, any additional amounts in the resources trust fund and water development trust fund which become available are appropriated, subject to budget section approval, to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021. Before approving any request, the budget section shall determine:

1. Approving additional appropriations will not negatively affect the sixty-seventh legislative assembly's ability to address water-related needs;
2. The proposed use of the additional income complies with legislative intent; and
3. The proposed use of the additional income will not result in future funding commitments.

SECTION 5. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-sixth legislative assembly that the state provide a portion of the local cost-share of Fargo flood control projects, including constructing a federally authorized Fargo flood control project, and that total Fargo flood control project funding to be provided by the state not exceed \$703,000,000, which includes \$120,000,000 originally designated for Fargo interior flood control. It is the intent of the sixty-sixth legislative assembly that the \$332,500,000 yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next five bienniums, beginning July 1, 2019.

SECTION 6. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT - REPORT TO LEGISLATIVE MANAGEMENT. It is the intent of the sixty-sixth legislative assembly that the state water commission provide, in the form of a grant, up to \$50,000,000 to the Garrison Diversion Conservancy District for the Red River valley water supply project, for the biennium beginning July 1, 2019, and ending June 30, 2021. It is further the intent of the sixty-sixth legislative assembly that the state water commission provide state funding at an eighty percent state cost-share to the Garrison Diversion Conservancy District for the Red River valley water supply project after June 30, 2021. The Garrison Diversion Conservancy District shall report on a regular basis to the legislative management's water topics overview committee during the 2019-20 interim regarding the progress of the Red River valley water supply project.

SECTION 7. RED RIVER VALLEY WATER SUPPLY PROJECT - REPORT TO LEGISLATIVE MANAGEMENT - BUDGET SECTION APPROVAL. Any funding received by the Garrison Diversion Conservancy District from the state water commission for the Red River valley water supply project during the 2017-19 biennium and the biennium beginning July 1, 2019, and ending June 30, 2021, is subject to the following requirements:

1. Any funding received for the completion of the planning and permitting process of the Red River valley water supply project must result in the following accomplishments:
 - a. The completed Red River valley water supply plan document, which will be the basis and justification for project construction, must include alternative selection, water supply needs, projected project costs, easement acquisitions, environmental regulation compliance to include issuance of a final national pollutant discharge elimination system permit, and acquisition of all other state and federal permits required for the construction of any project features intended to be constructed with funding provided during the 2017-19 biennium and the 2019-21 biennium;
 - b. A signed bureau of reclamation water service contract agreeing to a minimum of one hundred sixty-five cubic feet per second over a

minimum of forty years or equivalent to ensure an adequate water source for the project's needs;

- c. Prioritized project features for phase one construction; and
 - d. A recommendation of funding options for all phases of the Red River valley water supply project.
2. The state water commission shall review any associated appeals or litigation before releasing any funds for the project.
 3. Any funding received to initiate construction of phase one prioritized project features identified in subsection 1 may be spent and construction of phase one may begin only after the budget section receives and approves certification from the state water commission and the state engineer that all items listed in subsection 1 have been accomplished.
 4. Quarterly progress reports on the Red River valley water supply project from the Garrison Diversion Conservancy District to the water topics overview committee of the legislative management, during the 2019-21 interim.

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

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

The Bank of North Dakota shall extend a line of credit not to exceed seventy-five million dollars at a rate of one and one-half percent over the three month London interbank offered rate, but may not exceed three percent to the state water commission. The state water commission shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commission may access the line of credit, as necessary, to provide funding as authorized by the legislative assembly for water supply projects approved before June 30, ~~2019~~2021, and flood control projects that have approval for funding before June 30, ~~2019~~2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - State Water Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$19,659,298	\$173,833	\$19,833,131
Operating expenses	58,044,691	(14,188,938)	43,855,753
Capital assets	124,819,442	23,119,316	147,938,758
Project carryover	274,867,897	33,465,921	308,333,818
New projects	169,782,147	(169,782,147)	
Water supply - Grants		115,000,000	115,000,000
Rural water supply - Grants		30,000,000	30,000,000
Flood control - Grants		145,000,000	145,000,000
General water - Grants		35,255,000	35,255,000
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Total all funds	\$647,173,475	\$198,042,985	\$845,216,460
Less estimated income	647,173,475	198,042,985	845,216,460
General fund	<hr/> \$0	<hr/> \$0	<hr/> \$0
FTE	93.00	(3.00)	90.00

Department 770 - State Water Commission - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Removes 4 Unspecified FTE Positions³	Adds Risk Mapping FTE Position⁴	Adjusts Base Level Funding⁵	Adds Funding for Microsoft Office 365⁶
Salaries and wages	(\$285,707)	\$979,326	(\$693,912)	\$174,126		
Operating expenses					(\$14,257,138)	\$68,200
Capital assets					(51,880,684)	
Project carryover					33,465,921	
New projects					(169,782,147)	
Water supply - Grants						
Rural water supply - Grants						
Flood control - Grants						
General water - Grants						
Total all funds	(\$285,707)	\$979,326	(\$693,912)	\$174,126	(\$202,454,048)	\$68,200
Less estimated income	(285,707)	979,326	(693,912)	174,126	(202,454,048)	68,200
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(4.00)	1.00	0.00	0.00

	Adds Funding for Water Supply - Grants⁷	Adds Funding for Rural Water Supply - Grants⁸	Adds Funding for Flood Control - Grants⁹	Adds Funding for General Water - Grants¹⁰	Adds Funding from Bank of North Dakota Line of Credit¹¹	Total Senate Changes
Salaries and wages						\$173,833
Operating expenses						(14,188,938)
Capital assets					\$75,000,000	23,119,316
Project carryover						33,465,921
New projects						(169,782,147)
Water supply - Grants	\$115,000,000					115,000,000
Rural water supply - Grants		\$30,000,000				30,000,000
Flood control - Grants			\$145,000,000			145,000,000
General water - Grants				\$35,255,000		35,255,000
Total all funds	\$115,000,000	\$30,000,000	\$145,000,000	\$35,255,000	\$75,000,000	\$198,042,985
Less estimated income	115,000,000	30,000,000	145,000,000	35,255,000	75,000,000	198,042,985
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	(3.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

Other Funds

Salary increase	\$559,891
Health insurance increase	419,435
Total	\$979,326

³ Four FTE unspecified positions and related funding are removed.

⁴ One FTE risk mapping position and related funding from federal funds (\$174,126) is added.

⁵ Base level funding is adjusted as follows:

Other Funds

Operating expenses	(\$14,257,138)
Capital assets	(51,880,684)
Project carryover	33,465,921
New projects	(169,782,147)
Total	(\$202,454,048)

⁶ Funding for Microsoft Office 365 license expense is added.

⁷ Funding is identified for water supply grants.

⁸ Funding is identified for rural water supply grants.

⁹ Funding is identified for flood control grants.

¹⁰ Funding is identified for general water grants.

¹¹ Funding from proceeds received from a Bank of North Dakota line of credit is added. A section is also added to amend North Dakota Century Code Section 61-02-79 relating to a Bank of North Dakota line of credit, to continue authorization for a \$75 million Bank of North Dakota line of credit for the 2019-21 biennium.

This amendment also adds sections to:

- Appropriate any additional amounts in the resources trust fund and water development trust fund which become available to the State Water Commission, subject to Budget Section approval.
- Provide legislative intent that the state provide a portion of the local cost-share of the Fargo flood control project not to exceed \$703 million and that the \$332.5 million yet to be designated by the state be provided in equal installments over the next 5 bienniums.
- Provide legislative intent that the State Water Commission provide, in the form of a grant, up to \$50 million to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project during the 2019-21 biennium and that the State Water Commission provide state funding at an 80 percent state cost-share after June 30, 2021.
- Identify requirements the Garrison Diversion Conservancy District must meet regarding the planning and permitting process and provide the district must obtain certification from the State Water Commission and the State Engineer that those items are complete. The section also requires approval from the Budget Section of the certification and construction to begin before the funding can be provided to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project.