

Sixty-sixth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2020

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state water  
2 commission; to amend and reenact section 61-02-79 of the North Dakota Century Code,  
3 relating to the authorization of a Bank of North Dakota line of credit; to provide for Red River  
4 valley water supply requirements; to provide an exemption; to provide for a report to the  
5 legislative management; and to provide a statement of legislative intent.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
8 as may be necessary, are appropriated from special funds derived from federal funds and other  
9 income, to the state water commission for the purpose of defraying the expenses of the state  
10 water commission, for the biennium beginning July 1, 2019, and ending June 30, 2021, as  
11 follows:

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

1           **SECTION 2. ONE-TIME FUNDING - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE**

2 **ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-  
3 fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding  
4 items included in the appropriation in section 1 of this Act:

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

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

12           **SECTION 3. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - CARRYOVER**

13 **AUTHORITY.** Section 54-44.1-11 does not apply to funding for grants or water-related projects  
14 included in the project carryover and new projects line items in section 1 of this Act. However,  
15 this exclusion is only in effect for two years after June 30, 2021. Any unexpended funds  
16 appropriated from the resources trust fund after that period has expired must be transferred to  
17 the resources trust fund and any unexpended funds appropriated from the water development  
18 trust fund after that period has expired must be transferred to the water development trust fund.

19           **SECTION 4. ADDITIONAL INCOME - APPROPRIATION - BUDGET SECTION**

20 **APPROVAL.** In addition to the amounts appropriated in section 1 of this Act, any additional  
21 amounts in the resources trust fund and water development trust fund which become available  
22 are appropriated, subject to budget section approval, to the state water commission for the  
23 purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and  
24 ending June 30, 2021. Before approving any request, the budget section shall determine:

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

30           **SECTION 5. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING.** It

31 is the intent of the sixty-sixth legislative assembly that the state provide a portion of the local

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

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

17 **SECTION 7. RED RIVER VALLEY WATER SUPPLY PROJECT - REPORT TO**  
18 **LEGISLATIVE MANAGEMENT - BUDGET SECTION APPROVAL.** Any funding received by the  
19 Garrison Diversion Conservancy District from the state water commission for the Red River  
20 valley water supply project during the 2017-19 biennium and the biennium beginning July 1,  
21 2019, and ending June 30, 2021, is subject to the following requirements:

- 22 1. Any funding received for the completion of the planning and permitting process of the  
23 Red River valley water supply project must result in the following accomplishments:
- 24 a. The completed Red River valley water supply plan document, which will be the  
25 basis and justification for project construction, must include alternative selection,  
26 water supply needs, projected project costs, easement acquisitions,  
27 environmental regulation compliance to include issuance of a final national  
28 pollutant discharge elimination system permit, and acquisition of all other state  
29 and federal permits required for the construction of any project features intended  
30 to be constructed with funding provided during the 2017-19 biennium and the  
31 2019-21 biennium;

- 1           b. A signed bureau of reclamation water service contract agreeing to a minimum of
- 2                   one hundred sixty-five cubic feet per second over a minimum of forty years or
- 3                   equivalent to ensure an adequate water source for the project's needs;
- 4           c. Prioritized project features for phase one construction; and
- 5           d. A recommendation of funding options for all phases of the Red River valley water
- 6                   supply project.
- 7           2. The state water commission shall review any associated appeals or litigation before
- 8                   releasing any funds for the project.
- 9           3. Any funding received to initiate construction of phase one prioritized project features
- 10                   identified in subsection 1 may be spent and construction of phase one may begin only
- 11                   after the budget section receives and approves certification from the state water
- 12                   commission and the state engineer that all items listed in subsection 1 have been
- 13                   accomplished.
- 14           4. Quarterly progress reports on the Red River valley water supply project from the
- 15                   Garrison Diversion Conservancy District to the water topics overview committee of the
- 16                   legislative management, during the 2019-21 interim.

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

19           **61-02-79. Bank of North Dakota - Line of credit.**

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