

**State Water Commission
Budget No. 770
Senate Bill No. 2020**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	90.00	\$0	\$968,154,091	\$968,154,091
2019-21 base budget	93.00	0	647,173,475	647,173,475
Legislative increase (decrease) to base budget	(3.00)	\$0	\$320,980,616	\$320,980,616

ONGOING AND ONE-TIME OTHER FUNDS APPROPRIATIONS

	Ongoing Other Funds Appropriation	One-Time Other Funds Appropriation	Total Other Funds Appropriation
2019-21 legislative appropriations	\$867,254,091	\$100,900,000	\$968,154,091
2017-19 legislative appropriations	647,173,475	75,000,000	722,173,475
2019-21 legislative increase (decrease) to 2017-19 appropriations	\$220,080,616	\$25,900,000	\$245,980,616
Percentage increase (decrease) to 2017-19 appropriations	34.0%	34.5%	34.1%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes.			(\$285,707)	(\$285,707)
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.			558,746	558,746
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.			419,435	419,435
Removed 4 FTE unspecified positions and related funding.	(4.00)		(693,912)	(693,912)
Added 1 FTE risk mapping position from federal funds.	1.00		174,126	174,126
Adjusted funding available for project carryover to provide a total of \$308,333,818.			33,465,921	33,465,921
Adjusted funding for capital assets, which includes state-owned projects, to provide a total of \$180,938,758. This line			56,119,316	56,119,316

item includes **one-time** funding from a \$75 million Bank of North Dakota line of credit.

Removed funding in the new projects line item, to provide funding for new projects in multiple line items.			(169,782,147)	(169,782,147)
Added funding for water supply projects.			128,000,000	128,000,000
Added funding for rural water supply projects.			37,200,000	37,200,000
Added funding for the Fargo area flood control project including the Fargo Moorhead diversion.			66,500,000	66,500,000
Added funding for the Mouse River flood control project.			82,500,000	82,500,000
Added funding for other flood control projects.			48,000,000	48,000,000
Added funding for general water projects.			27,093,776	27,093,776
Adjusted funding for operating expenses to include a reduction to ongoing operating expenses (\$14,257,138), additional funding for Microsoft Office 365 licensing expenses (\$68,200), and one-time funding to payoff an outstanding Bank of North Dakota loan (\$25,900,000).			11,711,062	11,711,062
Total		<u>(3.00)</u>	<u>\$0</u>	<u>\$320,980,616</u>

FTE Changes

The Legislative Assembly approved 90 FTE positions for the State Water Commission for the 2019-21 biennium, a decrease of 3 FTE positions from the 2017-19 biennium authorized level of 93 FTE positions. The Legislative Assembly removed 4 unspecified FTE positions and added 1 FTE risk mapping position.

One-Time Funding

One-time appropriations for the 2019-21 biennium for the State Water Commission include \$75 million from a Bank of North Dakota line of credit and \$25.9 million from other funds to payoff an outstanding Bank of North Dakota loan that was used to refinance outstanding bonds of the State Water Commission during the 2015-17 biennium.

Other Sections in Senate Bill No. 2020

Grant and water project carryover authority - Section 3 authorizes the State Water Commission to continue any unexpended 2019-21 biennium appropriation authority for grants or water-related projects in the 2021-23 biennium.

Resources trust fund and water development trust fund - Section 4 appropriates any additional amounts that become available in the resources trust fund and the water development trust fund to the State Water Commission, subject to Budget Section approval, for defraying the expenses of the State Water Commission for the 2019-21 biennium.

Conditions on appropriations - Fargo flood control - Sections 5, 6, and 7 apply conditions on the appropriation to limit new funding provided for the Fargo flood control project to \$66.5 million for the 2019-21 biennium. Section 8 provides conditions on funding appropriated and allocated for the FM Area Diversion Project, to restrict the use of those funds.

Legislative intent - Fargo flood control project - Section 9 provides legislative intent the state provide a portion of the local cost-share of the Fargo flood control project not to exceed \$750 million and that the \$379.5 million yet to be designated by the state be provided as follows: \$66.5 million during the 2019-21, 2021-23, 2023-25, 2025-27, and 2027-29 bienniums, and \$47 million during the 2029-31 biennium.

Fargo flood control project downstream impact - Section 10 restricts the Fargo Moorhead metropolitan flood risk management project operations from causing a downstream Federal Emergency Management Agency-accredited flood protection system in North Dakota to lose its accreditation.

Legislative intent - Mouse River flood control project funding - Section 11 provides legislative intent to provide no more than \$193,000,000 of state funding for Mouse River flood control projects within the city limits of Minot during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums. The section provides legislative intent that of the \$193,000,000, \$57,713,284 was provided during the 2017-19 biennium and that the \$135,286,716 yet to be designated by the state for the Mouse River flood control projects, within the city limits of Minot, be provided during the 2019-21, 2021-23, and 2023-25 bienniums.

Red River Valley Water Supply Project - Report to Legislative Management - Budget Section approval - Section 12 provides legislative intent the State Water Commission provide, in the form of a grant, up to \$13 million to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project during the 2019-21 biennium, to reappropriate unallocated funds during the 2017-19 biennium, and that the Garrison Diversion Conservancy District report to the Legislative Management's Water Topics Overview Committee during the 2019-20 interim. Section 13 provides legislative intent to provide no more than \$30 million of state funding for the Red River Valley Water Supply Project during the 2019-21 and 2021-23 bienniums, and that the State Water Commission provide state funding at a 75 percent state cost-share after June 30, 2021. Section 14 establishes certain requirements the Garrison Diversion Conservancy District must meet regarding the planning and permitting process and requires the district 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 for construction to begin before the funding can be provided to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project.

Pilot project - Implementation of a basinwide plan - Section 15 allows the State Water Commission to provide up to \$1 million in grants to water resource districts to develop basinwide water plans.

Infrastructure loan fund interest rate - Section 16 amends North Dakota Century Code Section 61-02-78(3) to require the interest rate on loans made from the infrastructure loan fund to be the same rate as the revolving loan fund established under Chapters 61-28.1 and 61-28.2.

Bank of North Dakota - Line of credit - Section 17 amends Section 61-02-79 to continue the authorization of a line of credit at the Bank of North Dakota, not to exceed \$75 million, at the prevailing interest rate charged to North Dakota government entities. The State Water Commission must 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 and flood control projects approved for funding before June 30, 2021.

Related Legislation

House Bill No. 1085 - Amends Section 61-34-04 relating to the drought disaster livestock water assistance program, to remove grant amount limitations.

Senate Bill No. 2012 - Amends Section 54-27-25 to eliminate the transfer of tobacco settlement funds to the water development trust fund, and providing for a transfer of all tobacco settlement funds to the community health trust fund.

Senate Bill No. 2015 - Section 37 declares Senate Bill No. 2020 to be an emergency measure.

Senate Bill No. 2090 - Creates several new sections to Chapter 61-04, relating to permits for the appropriation of water; amends several sections under Chapter 61-04, relating to the appropriation of water and to adjust water permit fees; and repeals Sections 61-04-07, 61-04-15.1, 61-04-17, and 61-04-22, relating to appeals of permit application rejections, change in point of diversion or use, surplus water delivery, and a prescriptive water right.

Senate Bill No. 2295 - Restricts the creation of an irrigation district if the primary purpose of the district is to provide drainage benefits to residents of the district and provides that drainage benefits provided by an irrigation district may not impact the authority of a water resource board to assess for drainage projects under Chapter 61-16.1 or 61-21.

Senate Bill No. 2362 - Changes the method of allocating the oil extraction tax revenue attributed to oil production on tribal lands increasing the allocations to the common schools trust fund, the foundation aid stabilization fund, and the resources trust fund.