

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1023

2001 HOUSE APPROPRIATIONS

HB 1023

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1023

House Appropriations Committee  
Education and Environment Division

Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
1 of 2	x	x	END
2 of 2	x		1,280
Committee Clerk Signature <i>Judith Frink</i>			

Minutes:

Representatives Aarsvold, Boehm, Gullerson, Martinson, Monson, Wentz.

Dale Frink: Interim ND State and Chief Engineer-Secretary to the State Water Commission.

See attached.

Representative Aarsvold: (2624) There is a dramatic increase in risk management assessment made to your division, 62,000. Why such a large increase?

Dale Frink: That is due primarily to a law suit that State Water Commission has gotten involved with. We and the Water Resources District in Devils Lake have been sued by land owners that claim that the drainage in Devils Lake Basin had caused the high water levels. The potential loss being 10 million. We think that it is a rather low risk that we will get hit for.

Representative Monson: How long has this Weather Modification Project been going on in the 6 Western counties?

Darin Langarud: (2780) Director of Atmosphere Resource Division at the Water Commission..

The project has been going on in some form in the Western ND since the early 50's. ND involvement started in 1975 with the Institution of the ND Weather Modification Board.

Bowman, a portion of Slope, McKenzie Mountraill Ward and Williams Counties are involved in the project.

Representative Monson: Do you think some of this rain modification could be causing some of the extra rain fall in the Eastern part or in the Devils Lake Basin?

Darin Langarud: A considerable amount of research has been conducted. There have been some instances where cloud seeding has been shown to increase rain fall as much 75-80 miles down wind of an area where its been conducted. Devils Lake Basin area falls outside of that area. That would be on the extreme end. The increase of rain fall in ND would be about 10 percent per year on average.

Representative Boehm: There used to be some opposition from Montana, is that still there?

Darin Langarud: In 1992 the State Board applied for a permit in Eastern Montana and was denied. It was over turned when the Board took it to District court in Montana. In the 1993 session of Montana Legislature they passed a law requiring an environmental impact statement to be conducted prior to asking for a permit again in Eastern Montana. In the last year the State Water Commission, the Atmosphere Resource Board, and the Counties in the program are cost sharing the cost of an environmental impact statement to get back into Eastern Montana to resceuer the buffer zone.

Representative Gulleson: (3170) You knew you would be asked about the 9 million dollars.

Two years ago when we supported the movement of the use of the tobacco settlement dollars for water projects. I felt that it was a bit of a leap at that time, but I did support it because water

certainly is a health issue. Now transferring the 9 million in administrated dollars out of that account, is a considerable leap from the mission of those dollars to these States. How do you feel you can justify that? If we are asked by the Federal Government how will you be able to justify that?

Dale Frink: I think in general the 9.7 million dollars obviously the Water Community would prefer the money continue to come out of the State general fund. It will work for at least this biennium to come out of it in this manor. I am not sure that I want to get into the discussion of the legality type thing on it. Our staff all across the state work on health related such as NAWs.

Representative Gulleason: Realistically the work of all that staff really doesn't give anything towards the mission of those tobacco dollars which was to reduce smoking in ND. I am concerned about the legal side of it. Someone needs to be prepared to defend that.

Dennis Hill: (3650) Chairman of the ND Water Coalition. See attached.

Representative Wentz: (3890) The funding that you have listed for the new funding needs, is that based on projects being worked on for the entire biennium, or is it based on the fact you won't be ready to be up and running on them July 1.

Dennis Hill: Some go through as planned and some do not, and get altered for different reasons.

Representative Aarsvold: You mentioned the 40 million in new projects. Are those subject to State bonding limits or because of the source of revenue outside of the statutory limits we have on bonding of the States obligation?

OMB Daye: Bonding in the Water bill are not the same as the other one, so those limits don't apply to these potential bonding projects.

Bruce Furness: (4170) Mayor of the City of Fargo. See attached

Randy Loeslje: (4540) Manager of Grand Forks Trail Water District. See attached.

Alan Walter: (4880) Director of Public Works for the City of Minot. See attached.

Representative Wentz: (5575) How many communities that would be effected or would be a part of the NAWS project are effected by this new rule of reducing the allowable level of arsenic, and is there an estimate of how much it would cost those communities?

Allen Walter: The estimate that was in the Bismarck Tribune was 1.5 million., I don't know how accurate that is. I believe there were 5 communities in the NAWS on that list will not comply or meet with the new arsenic rule once that is in place. There are a number of other rules that the EPA has mandated to look at and promo gate new numbers for. They will all be effecting the communities through out ND.

Representative Boehm: Those rules that were put into effect the last days of the Clinton administration. There was no scientific evidence or hearings or anything that I am aware of. What are the chances those rules could be rescind?

Allen Walter: I understand, the last two days of the Administration of all the rules that were signed were going to be held off the Federal Register and reviewed by the Bush Administration. If this is one of them I am not sure.

Don Flynn: (5930) From Scranton, ND. See attached.

Calvin Klewin: (215) Director of Bowman County Development Corporation. See attached.

David Johnson: (565) McKenzie County Water Resource Board. See attached.

Larry Schultz: (1012) Director of Ransom Sergeant Water Users, and President of ND Rural Water. Without them and R and R money, our project probably would never have been built, because of the cost. Water isn't free. Just because you have a well it isn't free. Without the grant money we wouldn't be able to have our project. We ask you to support HB1023 with exception of the 9.7 for the Water Commission.

Joe Belford: (1170) Chairman of the Ramsey County Commission. See attached.

Representative Gulleason: (1675) I know the language was approved for the Dakota resources water project, but the dollars had not been. What is the status on that.

Joe Belford: There is a sunset clause on the farming bill and I testified on bill #1151 last week.

Representative Gulleason: But on the Federal level, how confident are you the that dollars are going to be put in that act?

Joe Belford: With the new administration and we hope President Bush and his Cabinet, will continue to support. We feel there is a good strong possibility of that.

Representative Gulleason: When you are out in Washington working on this, we funded a ND lobbyist that is present out there. Are you aware of work that person is doing on this?

Joe Belford: No, I have not met that person, but I usually do.

Al Glasser: (1945) Grand Forks Acting City Engineer. See attached.

Bruce Furness: (2265) Mayor of City of Fargo. Introduced the proposed amendment to HB1023, Section 15. See attached.

Representative Aarsvold: (2515) Is this funding request above and beyond the proposals that the State Water Commissioners been reviewing with regard to protecting the city of Fargo? Have you reviewed this plan with the Water Commission?

Bruce Furness: Yes, it is my understanding it is additional. I don't know if the Water Commission. I believe the study was just completed. I am not sure who has reviewed that during the study.

Jeff Volk: Project Engineer with Moor Engineering. See attached.

Representative Mike Timm: (3340) What kind of pressure there will be on the fund, and their reaction to this particular proposal.

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Dale Frink: Go to my testimony on pages 14 and 15. I would prefer the money be not specifically designated the way the amendment is because, what it would do that this is the number one priority list and others are not specifically designated, even though Fargo does need some help. This would designate this to only that project.

Jeff Volk: (3665) Also giving the testimony of the Maple Flood Control Projects. See attached.

Representative Aarsvold: (4825) Looking at the Bald Hill Project, I see it could nearly double the pool surface behind the dam. Is that correct? It talks about going from 3100 to 6750 at the 1271 elevation. The area behind the dam is substantially white tail breeding area. What kind of impact do you see on wild life? Is there much of a problem with debris when flooding?

Jeff Volk: The normal pool area is 1266. In the summer there are 5600 acres. When they draw it down for the spring flood operation, the maximum draw down it reduces the area to 3100 acres. With this project bringing it back up to the 1266 and than 5 more feet, that will extend that acreage to 6750. The increase is approximately 1100 acres from normal pool area. The storage is temporary. I don't see an impact at all on the wild life. The core will deal with the debris issues if there are any.

Herb Grenz: (5410) Chairman of the ND Irrigation Caucus. The Caucus was formed two years ago to strengthen and expand irrigation in ND. Irrigation is an economic opportunity for ND. Only 1 percent of land is irrigated, and produces over 4 percent of the gross agriculture revenue in our state. The Caucus has identified an additional 350,00 acres. We would need to develop the water supply facilities along with market for these irrigation opportunities. We urge the State Water Commission be funded from the general fund.



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Ken Royce: (5700) A member of the ND Association of Water Resource Districts. See attached.

Representative Martinson: (New tape) If we use that trust fund money, could you get us a list of what won't get done or be delayed?

Ken Royce: I am sure the Water Coalition would generate that list for you.

Jay Sandstrom: Mountrail County Weather Modification Authority. See attached.

Representative Gulleason: (368) Regarding the weather modification. Can you attribute so much additional rain to that project?

Jay Sandstrom: No I don't think we can unless we get clouds. The research that has been done shows we have a 10 percent increase in areas that are seeded. I don't look at it so much as rain enhancement, as I do hail suppression.

Mike Dwyer: Representing ND Water Users Association. Looking at the colored sheet that was passed out. The Water Coalition goes through a process of trying to identify the projects that are ready and then look at the amount that is available, and try to trim down or weed out or narrow the needs, and make sure some of these things are moving forward. There are many more needed projects, health related, flood control, water quality, and water supply that we could do if we had the funding.

Dave Koland: (765) Executive Director of ND Rural Water Systems Association. I would like to address the question on the arsenic problem. Every three years the Health Department does testing that exceed the limit. It shows 33 water systems that exceed the 10 parts per billion. Which we expect will be the standard. If those 33, 12 are located in the NW of ND. Not all are signed up for the NAWS project.

Robert Thompson: (930) See attached.

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Greg Sund: (1188) City Administrator of Dickinson. We have benefited greatly from water development through the construction of the SW Pipe Line. We feel this has been the single greatest economic stabilization to the City of Dickinson in economic development. We support this.

Representative Wentz: Does anyone else wish to appear in opposition of HB1023? Seeing none we will close the hearing on HB1023.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020 and HB1023

House Appropriations Committee  
Education and Environment Division

Conference Committee

Hearing Date January 30, 2001

Tape Number	Side A	Side B	Meter #
1 of 1	Starting at 1,100		End
	x		184
Committee Clerk Signature <i>Judy Schoep</i>			

Minutes:

Representatives Aarsvold, Boehm, Gulleon, Martinson, Monson, Wald, Wentz.

Dave OMB: See attachments. These reflect Governor Hoeven's budget.

Representative Martinson: How do they pay the bonds back? Is it interest from the trust funds?

Dave: The bonds are paid back as you can see in the Capital Improvements line under the Water Development Trust Fund.

Representative Martinson: We are going to allow them to bond up to 60 million? Are we getting to the point where we won't have enough interest income to pay the bonds?

Dave: I have 3 different scenerios. See attached. We are spending not only the interest but the principal. See attached revised Coalition project and revised cash needs. We recognize we can not continue to fund the agency operations in full out of the fund without having some kind of a negative effect.

Representative Gulleon: The money from Congress, who determines how that money is spent?

Daye: I believe the Water Commission would have control. Some of these water projects would qualify under that.

Representative Boehm: If some of these scenarios don't hold true, we are ultimately responsible for the tobacco money.

Representative Wentz: It appears there is not a good alternative. I think we should do these water projects, even though the Tobacco Settlement dollars are used. I don't know what choice we have. The alternative is to not do some of these projects and let it drag out?

The committee agrees, and possibly all the more reason to let them run the operation themselves with in the budget, and make them responsible and accountable. We don't feel we can ever get a handle on it. We have concerns about the Trust Fund money in paying administrative costs, but again what is the choice? The last two Governors have made it difficult for us to act. Possibly they should have gone to the Legislature, but once again we need to honor. The assumption is we are going to pick up the difference in that operating while there's goes down. Some of the projects won't come into effect until the second year. It is agreed Water Commissions plans to go ahead with the Fargo project with or with out the help. The concern to the committee is if we do not help, who down the line will need to wait for their water? Once again we feel the Tobacco dollars are risky. The water projects are a necessity. We need to put confidence in the Water Commission on making these decisions.

Representative Wentz: I would like to wait and vote on HB1023 until tomorrow when all of our committee is together. Meeting adjourned.

