

January 22, 2001

**Department 770 - State Water Commission
House Bill No. 1023**

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	82.00	\$0	\$127,645,008 ¹	\$127,645,008
1999-2001 Legislative Appropriations	<u>82.00</u>	<u>9,262,180</u>	<u>130,272,775</u>	<u>139,534,955²</u>
Increase (Decrease)	<u>0.00</u>	<u>(\$9,262,180)</u>	<u>(\$2,627,767)</u>	<u>(\$11,889,947)</u>

2001-03 Hoeven Executive Budget	<u>82.00</u>	<u>\$0</u>	<u>\$127,645,008</u>	<u>\$127,645,008</u>
Hoeven Increase (Decrease) to Schafer	<u>0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

¹ Total other fund balance per executive budget summary	\$127,645,008
Additional authorization for water projects included in House Bill No. 1023 for a total of \$62.3 million	<u>33,727,667</u>
Total other fund balance per Section 1 of House Bill No. 1023	\$93,917,341

² The 1999-2001 appropriation amounts include \$89,892, \$53,038 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$794 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$1 million of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium. In addition, \$2.3 million of other funds was carried forward from the 1997-99 biennium.

Major Schafer Recommendations Affecting State Water Commission 2001-03 Budget

	General Fund	Other Funds	Total
1. Provides funding for 1 FTE geographical information specialist position.		\$96,103	\$96,103
2. Provides authorization for the State Water Commission to sell property at the corner of 26th Street and Broadway Avenue and use the proceeds to build a new shop for an equal value.		\$977,100	\$977,100
3. Changes funding source from general fund moneys to special funds from the water development trust fund.	(\$9,262,180)	\$9,262,180	\$0
4. Provides funding from the water development trust fund for bond payments on water projects.		\$8,636,398	\$8,636,398
5. Provides funding from the water development trust fund for other operating expenses.		\$489,413	\$489,413
6. Authorizes up to \$28,572,333 from the water development trust fund for water projects in place of bonding.		\$28,572,333	\$28,572,333
7. Increases funding from the resources trust fund from the 1999-2001 authorization of \$11,547,104 for a total of \$21,718,031.		\$10,170,927	\$10,170,927

**Major Hoeven Recommendations Affecting State Water Commission 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

The Hoeven recommendation does not change the Schafer recommendation.

Major Legislation Affecting the State Water Commission

Section 2 of House Bill No. 1023 authorizes \$21,718,031, or so much of the funds as may be necessary, in the total special funds line item from the resources trust fund.

Section 3 of House Bill No. 1023 authorizes \$47,365,504 or so much of the funds as may be necessary, in the total special funds line item from the water development trust fund.

Section 6 of House Bill No. 1023 authorizes revenues in excess of \$21,718,031 in the resources trust fund to the State Water Commission, subject to Emergency Commission approval.

Section 7 of House Bill No. 1023 authorizes the State Water Commission to sell one or more parcels of land and the shop building located at 2603 East Broadway Avenue, Bismarck. The proceeds of the sale, or so much of the sale proceeds as may be necessary, are appropriated for the purchase of land and construction of a new maintenance facility.

Section 8 of House Bill No. 1023 authorizes the State Water Commission to use other appropriated funds to purchase land and construct a new maintenance shop building if the proceeds from the sale of the existing land is less than \$977,100, provided that not more than \$977,100 may be spent on the new land and building. The State Water Commission is also authorized to use other appropriated funds if the proceeds from the land sale are not available to purchase land and begin construction of a new building, provided that upon receipt of the proceeds, the State Water Commission shall transfer an amount equal to any funds utilized for the purchase of land and construction of the building.

Section 9 of House Bill No. 1023 authorizes the State Water Commission to use funds from the water development trust fund to defray the expenses of the State Water Commission.

Section 10 of House Bill No. 1023 authorizes the State Water Commission to use funds from either the resources trust fund, the water development trust fund, or by issuing bonds for new water projects. The total authorization for the new projects is not to exceed \$30.8 million.

Section 11 of House Bill No. 1023 provides the order of funding sources for payment of principal and interest on bonds for authorized water projects pursuant to Section 10.

Section 12 of House Bill No. 1023 provides legislative intent that no more than \$62.3 million may be spent on water development projects for the 2001-03 biennium.

Sections 13 and 14 of House Bill No. 1023 authorize a line of credit from the Bank of North Dakota of up to \$25 million for interim financing prior to the issuance of bonds.

House Bill No. 1151 directs interest earned in the water development trust fund to remain in the fund rather than be transferred to the general fund.

House Bill No. 1158 increases the bonding limit for the Southwest Pipeline Project from \$15 million to \$25 million. The bonds sold are repaid by revenue generated from water users' fees, collected by the Southwest Water Authority, and sent directly to the bond trustee.

House Bill No. 1171 establishes water to eastern North Dakota as a critical priority and directs the State Water Commission, in cooperation with the Garrison Diversion Conservancy District and existing water users, to develop a plan and cost estimate.

Senate Bill No. 2024 directs interest earned in the water development trust fund and the community health trust fund be transferred to the community health trust fund rather than be transferred to the general fund.

Senate Bill No. 2029 directs interest earned in the water development trust fund be transferred to the community health trust fund rather than be transferred to the general fund.