

**State Water Commission  
Budget 770  
Senate Bill No. 2020; House Bill No. 1014**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2007-09 legislative appropriation	84.00	\$13,970,649 <sup>1</sup>	\$162,129,918	\$176,100,567
2005-07 legislative appropriation	<u>84.00</u>	<u>1,011,220</u>	<u>125,059,718</u>	<u>126,070,938</u>
2007-09 appropriation increase (decrease) to 2005-07 appropriation	0.00	\$12,959,429	\$37,070,200	\$50,029,629

<sup>1</sup>This amount includes \$3 million of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$10,970,649.

**NOTE:** The 2007-09 legislative appropriation amounts include \$101,304, of which \$93,402 is from the general fund, for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

**Item Description**

**Red River Valley Water Supply Project - One-time funding** - In Section 12 of Senate Bill No. 2020, the Legislative Assembly identified \$3 million from the general fund for the Red River Valley Water Supply Project as a one-time funding item. This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget, and the State Water Commission is to report to the Appropriations Committees during the 2009 legislative session on the use of this funding.

Senate Bill No. 2345 provided legislative intent that the state contribute \$100 million for the Red River Valley Water Supply Project. The bill provides authority for the State Water Commission to issue up to \$40 million in bonds for the Red River Valley Water Supply Project. The principal and interest payments for a bond issue are to be paid from the water development trust fund. The remaining \$60 million is to be provided from the general fund (\$30 million) and from the resources trust fund (\$30 million). In addition, the state is to dedicate \$100 million of municipal, rural, and industrial water supply funds for the project. The Red River Valley Water Supply Project is to supplement the existing Red River Valley water supply by importing water from the Missouri River.

**Bank of North Dakota line of credit** - Section 7 of Senate Bill No. 2020 authorizes a Bank of North Dakota line of credit of up to \$25 million to the State Water Commission for the 2007-09 biennium. Section 8 of Senate Bill No. 2020 provides a contingent appropriation of \$25 million, or so much of the sum as may be necessary, from the water development trust fund, resources trust fund, bond proceeds, or other sources to the State Water Commission for repaying the line of credit.

**Grand Forks flood control project** - Section 9 of Senate Bill No. 2020 increases the eligible cost-share for the Grand Forks flood control program in order for the city to access the entire \$52 million state share dedicated for the project.

**Status/Result**

The State Water Commission has not yet spent any of the \$3 million appropriated for the project, but the commission intends to spend a portion of the appropriation during the 2007-09 biennium on an environmental impact statement for the project. The State Water Commission does not intend to issue bonds for the project during the 2007-09 biennium.

The State Water Commission does not anticipate using the Bank of North Dakota line of credit during the 2007-09 biennium.

The entire \$52 million authorization has been spent on the Grand Forks flood control project.

**Sweetbriar Dam project** - Section 12 of Senate Bill No. 2020 provides legislative intent for the State Water Commission to provide funding for the Sweetbriar Dam project. In addition, Morton County is to provide \$15,000 for the project and the Legislative Assembly appropriated \$1 million from the game and fish fund for the project. The funding from Morton County and the game and fish fund is contingent upon the State Water Commission providing funding for the project.

**Contract fund** - Pursuant to North Dakota Century Code Sections 61-02-64 and 61-02-64.1, the State Water Commission is to have a contract fund for the purpose of payment of contractual obligations of the State Water Commission, except for salaries and expenses of the commission employees and the cost of office supplies, materials, and equipment. The money in the contract fund is appropriated to the State Water Commission and is to be disbursed as determined by the State Water Commission. The contract fund consists of revenues from the resources trust fund, water development trust fund, Southwest Pipeline Project recovery funds, and bond proceeds.

**Livestock water assistance program** - North Dakota Century Code Section 61-34-04 provides that individuals with livestock water supply problems caused by drought may apply for assistance from the livestock water assistance program. Under the program, the applicant may receive up to 50 percent of the cost of a project, not to exceed \$3,500. An individual may be eligible to receive a cost-share for up to three projects.

The Sweetbriar Dam project is currently in the design phase. The State Water Commission estimates its share of the cost will be \$3 million. It is anticipated the work will begin this biennium, but the project may not be completed until the 2009-11 biennium.

Approximately \$16.6 million has been spent on water projects from the contract fund during the first nine months of the biennium. The 2007-09 contract fund budget and expenditures through March 2008 for water projects include:

Projects	2007-09 Biennium Budget	Expenditures Through March 2008
Grand Forks flood control	\$2,384,557	\$2,384,557
Wahpeton flood control	2,492,560	1,337,957
Fargo/southside flood control	16,650,000	0
Irrigation development	2,497,982	86,893
General water management	17,303,733	819,635
Missouri River management	100,000	40,000
Maple River Dry Dam	611,235	309,845
Baldhill Dam	358,811	29,284
Renwick Dam	1,148,520	0
Devils Lake Basin development	67,000	30,092
Devils Lake dike	1,624,202	0
Devils Lake Outlet	2,465,477	128,373
Devils Lake water supply	4,140,000	3,772,778
Devils Lake Outlet operations	2,000,000	203,898
Nelson County	203,008	31,285
United States Geological Survey model study	53,550	23,006
Red River Valley Water Supply Project	12,090,000	0
Southwest Pipeline Project	10,409,130	1,844,367
Municipal, rural, and industrial water supply program	14,103,508	3,894,730
Northwest Area Water Supply Project	6,719,857	1,658,196
Weather modification	600,000	0
<b>Total</b>	<b>\$98,023,130</b>	<b>\$16,594,896</b>

The State Water Commission has made available \$1 million in aid from the contract fund for the livestock water assistance program. The applicants must first apply for water cost-share assistance from the Agricultural Stabilization and Conservation Service and, if denied by the service, the applicant may submit an application to the State Water Commission for consideration under this program. More than 100 individuals have requested applications for the program.