

**Department of Water Resources  
Budget No. 770  
Senate Bill Nos. 2020 and 2196**

	FTE Positions	General Fund	Other Funds	Total
<b>2023-25 legislative appropriations</b>	<b>93.00</b>	<b>\$0</b>	<b>\$894,357,267</b>	<b>\$894,357,267</b>
2023-25 base budget	90.00	0	409,199,129	409,199,129
Legislative increase (decrease) to base budget	3.00	\$0	\$485,158,138	\$485,158,138

**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			\$148,098	\$148,098
Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024			1,404,288	1,404,288
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month			449,618	449,618
Added funding for 3 positions previously approved by the Emergency Commission and Budget Section, including \$2,000 for travel costs and \$19,320 of <b>one-time funding</b> for related equipment	3.00		724,718	724,718
Added funding for a new Northwest Area Water Supply (NAWS) Project temporary employee			170,000	170,000
Added funding for a temporary employee at the same level as an FTE position			61,609	61,609
Transferred funding for new FTE positions and estimated savings from vacant FTE positions to a new and vacant FTE funding pool in the Office of Management and Budget			(1,615,629)	(1,615,629)
Added funding for staff training and professional development			80,000	80,000
Added funding for information technology unification costs, including \$1,532,980 of <b>one-time funding</b>			5,615,764	5,615,764
Added funding for pushing remote sensors installations			1,572,800	1,572,800
Added funding for ground water modeling and related hydrologic analysis software and maintenance, including \$72,665 of <b>one-time funding</b>			94,665	94,665

Added funding from federal funds for RiskMap			100,000	100,000
Reduced funding for rural water supply grants to provide a total of \$52 million			(7,600,000)	(7,600,000)
Reduced funding for general water grants to provide a total of \$12 million			(2,233,275)	(2,233,275)
Added funding for water supply grants to provide a total of \$316.2 million			191,200,000	191,200,000
Added funding for flood control projects to provide a total of \$115.7 million			67,700,000	67,700,000
Added funding for capital assets to provide a total of \$218 million for NAWS, the Southwest Pipeline Project, and the Devils Lake outlet, including \$100 million from a Bank of North Dakota line of credit			133,410,064	133,410,064
Added <b>one-time funding</b> for increased motor pool rates			118,180	118,180
Added <b>one-time funding</b> for drilling supplies inflation			180,000	180,000
Added <b>one-time funding</b> for a navigability study			180,000	180,000
Added <b>one-time funding</b> for airborne electromagnetic survey data collection			750,000	750,000
Added <b>one-time funding</b> for the potential relocation of the agency			200,000	200,000
Added <b>one-time funding</b> for the Bowman radar system			1,800,000	1,800,000
Added <b>one-time funding</b> to replace the drilling rig			1,800,000	1,800,000
Added <b>one-time funding</b> for discretionary funds			9,000,000	9,000,000
Added <b>one-time funding</b> from federal funds for NAWS			47,847,238	47,847,238
Added <b>one-time funding</b> to repay loans from the Bank of North Dakota to the Western Area Water Supply (WAWS) Authority			30,000,000	30,000,000
Added <b>one-time funding</b> to pay accrued and unpaid interest on the \$25 million loan from the general fund to the WAWS Authority authorized in Section 3 of Chapter 500 of the 2011 Session Laws (Senate Bill No. 2196)			2,000,000	2,000,000
Total	<u>3.00</u>	<u>\$0</u>	<u>\$485,158,138</u>	<u>\$485,158,138</u>

### FTE Changes

The Legislative Assembly approved 93 FTE positions for the Department of Water Resources for the 2023-25 biennium, an increase of 3 FTE positions from the 2021-23 biennium authorized level of 90 FTE positions. The Legislative Assembly added 2 FTE positions to administer, manage, and appropriate water resources and 1 FTE position to administer multiple public safety, life safety, and water management authorities.

### One-Time Funding

The following is a summary of one-time funding items for the Department of Water Resources for the 2023-25 biennium:

	Other Funds
Equipment for new FTE positions	\$19,320
Information technology unification	1,532,980
Ground water monitoring and related hydrologic analysis software	72,665
Increased motor pool rates	118,180
Drilling supplies inflation	180,000
Navigability study	180,000
Airborne electromagnetic survey data collection	750,000
Potential relocation of the agency	200,000
Bowman radar system	1,800,000
Drilling rig replacement	1,800,000
Discretionary funds	9,000,000
NAWS Project federal funds	47,847,238
NAWS Project line of credit	50,000,000
Southwest Pipeline Project line of credit	50,000,000
WAWS Authority loan repayment	30,000,000
WAWS Authority loan accrued and unpaid interest payment	2,000,000
<b>Total</b>	<b>\$195,500,383</b>

### Mouse River Flood Control

The schedule below provides a history of funding provided for the Mouse River flood control project.

Funding for the Mouse River Flood Control Project				
	2017-19	2019-21	2021-23	2023-25
State Water Commission approved funding House Bill No. 1431 (2021) Senate Bill No. 2020 (2023)	\$51,232,793	\$49,500,000 <sup>1</sup>	\$74,500,000	\$76,100,000
Remaining legislative intent <sup>2</sup>	\$141,767,207	\$92,267,207	\$529,500,000	\$304,400,000
<sup>1</sup> Due to the reduction in oil tax revenues deposited in the resources trust fund during the 2019-21 biennium, the sponsors of the Mouse River flood control project utilized only \$49.5 million of the \$82.5 million provided by the Legislative Assembly and approved by the State Water Commission. <sup>2</sup> Funding for the Mouse River flood control project, which focused on flood control within the city limits of Minot, was provided by the 2017 and 2019 Legislative Assemblies and included legislative intent to provide a total of \$193 million, of which \$100.7 million had been provided. The 2021 Legislative Assembly broadened the use of the funding to include both outside and inside the city limits of Minot and provided new legislative intent that the state provide \$604 million which excludes any funding provided prior to the 2021-23 biennium. The 2023 Legislative Assembly provided new legislative intent that the state provide \$380.5 million which excludes any funding provided prior to the 2023-25 biennium. The reduction in legislative intent for the project was due in part to the receipt of additional federal funds for the project.				

### Other Sections in Senate Bill No. 2020

**Additional income** - Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2021-23 biennium for water supply grants and rural water supply grants.

**Loan repayment** - Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.

**Water infrastructure revolving loan fund transfer** - Section 5 transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund.

**Water projects stabilization fund transfer** - Section 6 provides for the transfer of excess 2023-25 biennium revenue in the resources trust fund to the water projects stabilization fund.

**Sovereign lands recreation use grants** - Sections 7 and 8 provide \$2 million from the resources trust fund to the Parks and Recreation Department, the sum of which is appropriated for grants for developing recreation opportunities on sovereign lands in the state.

**Discretionary funding** - Section 9 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages. Section 12 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.

**Water projects stabilization fund** - Section 10 identifies \$123.4 million of the amount appropriated in Section 1 as from the water projects stabilization fund.

**Line of credit** - Section 11 provides for the Bank of North Dakota to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for NAWS and \$50 million may be used for the Southwest Pipeline Project.

**Red River Valley Water Supply Project** - Section 13 provides legislative intent for a total of \$953 million for the Red River Valley Water Supply Project, of which \$180 million is provided during the 2023-25 biennium.

**Mouse River flood control** - Section 14 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.

**Southwest Pipeline Project** - Section 15 provides legislative intent that the 69<sup>th</sup> Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project water treatment plant.

**City of Bismarck water treatment plant** - Section 16 provides legislative intent for up to \$50 million to be provided during the 2023-25 biennium for a City of Bismarck water treatment plant project.

**City of Medora water supply** - Section 17 provides legislative intent for the City of Medora to request funding for water projects from the State Water Commission after all agreements with the City of Medora are completed for the construction of the Theodore Roosevelt Presidential Library.

**Missouri River water rights** - Section 18 provides legislative intent in support of efforts to protect and develop beneficial use of Missouri River system water.

**Missouri River water intake** - Section 19 provides legislative intent that the Department of Water Resources research and identify options for the use of the Missouri River water intake constructed near Washburn.

**Line item transfers** - Section 20 provides authority for the Director of the Department of Water Resources to transfer up to \$9.9 million between the operating expenses and capital assets line items.

**Exemption** - Section 21 provides that up to \$367 million of unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.

**Emergency** - Section 22 declares Senate Bill Nos. 2020 and 2196 to be an emergency measure.

#### **Related Legislation**

**Senate Bill No. 2015 (2023) - Funding pools** - Includes funding pools from which the Department of Water Resources may receive allocations, including the:

- Employer retirement contribution pool from which the Department of Water Resources is to receive \$108,163 from other funds in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023);

- New and vacant FTE funding pool from which the agency may request funding when hiring new FTE positions or if the agency does not realize sufficient savings from vacant FTE positions in accordance with provisions of Section 22 of Senate Bill No. 2015; and
- Targeted market equity pool from which the Department of Water Resources may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.

**Senate Bill No. 2196** - Provides for WAWS Authority loans to be consolidated under the infrastructure revolving loan fund and appropriates \$2 million from the resources trust fund to the Department of Water Resources to pay accrued and unpaid interest on certain WAWS Authority loans to the general fund.