

Department 770 - Department of Water Resources
Senate Bill No. 2020

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$0	\$864,928,344	\$864,928,344
2023-25 Base Level	0	409,199,129	409,199,129
Increase (Decrease)	\$0	\$455,729,215	\$455,729,215

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Additional income - Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages.

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 Western Area Water Supply (WAWS) Authority.

Discretionary funding - Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.

Basinwide water plan implementation - Section 6 provides that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.

Water projects stabilization fund - Section 7 identifies \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.

Line of credit - Section 8 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 the Northwest Area Water Supply (NAWS) Project and \$50 million may be used for the Southwest Pipeline Project.

Prior biennium discretionary funding - Section 9 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.

Red River Valley Water Supply Project - Section 10 provides legislative intent for a total of \$953 million for the Red River Valley Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.

Mouse River flood control project - Section 11 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 12 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.

Line item transfers - Section 13 provides authority for the Director of the Department of Water Resources to transfer a sum equal to up to \$13.3 million between the operating expenses and capital assets line items.

Water-related projects carryover - Section 14 provides that any 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 15 declares the bill to be an emergency measure.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor reported the Department of Water Resources did not properly account for the sale of land, making their expenditures and other financing sources understated by \$461,500.

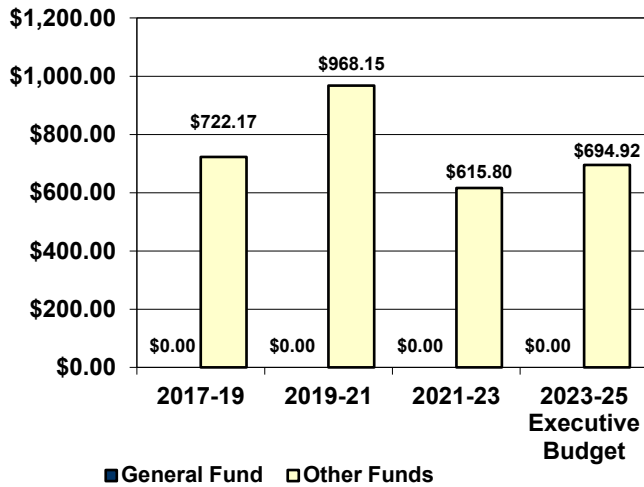
Major Related Legislation

Senate Bill No. 2196 - Provides for a line of credit for the WAWS Project at the prevailing interest rate charged to North Dakota governmental entities.

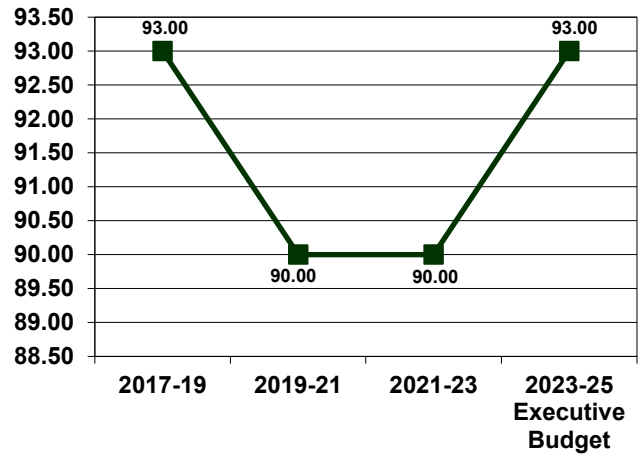
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing other funds appropriations	\$868,935,836	\$647,173,475	\$867,254,091	\$409,199,129	\$417,995,724
Increase (decrease) from previous biennium	N/A	(\$221,762,361)	\$220,080,616	(\$458,054,962)	\$8,796,595
Percentage increase (decrease) from previous biennium	N/A	(25.5%)	34.0%	(52.8%)	2.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(25.5%)	(0.2%)	(52.9%)	(51.9%)

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

- Removed 4 FTE positions and related funding (\$753,720)
- Increased funding for Bank of North Dakota loan payments relating to State Water Commission outstanding bonds refinanced through the Bank during the 2015-17 biennium to provide \$7.5 million per biennium \$3,693,997
- Adjusted funding for operating expenses and water projects (\$225,437,836)

2019-21 Biennium

- Removed 4 FTE unspecified positions and related funding (\$693,912)
- Added 1 FTE risk mapping position from federal funds \$174,126
- Adjusted funding available for project carryover to provide a total of \$308,333,818 \$33,465,921
- Adjusted funding for capital assets, which includes state-owned projects, to provide a total of \$105,938,758 in ongoing funding (\$18,880,684)
- Removed funding in the new projects line item, to provide funding for new projects in multiple line items (\$169,782,147)
- Added funding for water supply projects \$128,000,000
- Added funding for rural water supply projects \$37,200,000
- Added funding for the Fargo area flood control project, including the FM Area Diversion Project \$66,500,000
- Added funding for the Mouse River flood control project \$82,500,000
- Added funding for other flood control projects \$48,000,000
- Added funding for general water projects \$27,093,776

- 12. Adjusted funding for operating expenses to include a reduction to ongoing operating expenses (\$14,188,938) (\$14,188,938)
(\$14,257,138), and additional funding for Microsoft Office 365 licensing expenses (\$68,200)

2021-23 Biennium

- 1. Removed 1 FTE risk mapping position and related federal funds (\$183,884)
- 2. Added 1 FTE regulatory position and related funding \$211,596
- 3. Removed funding for carryover projects (\$308,333,818)
- 4. Reduced funding available for water supply grants (\$3,000,000)
- 5. Increased funding available for rural water supply grants \$22,400,000
- 6. Removed funding for Fargo area flood control (\$66,500,000)
- 7. Removed funding for Mouse River flood control (\$82,500,000)
- 8. Reduced funding available for general water grants (\$12,866,501)
- 9. Increased funding for professional services \$1,713,735
- 10. Removed base level funding for Bank of North Dakota debt payment (\$7,236,750)

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds 3 FTE positions, including 2 FTE natural resources services II positions and 1 FTE engineering and planning services IV position \$703,398
- 2. Adds funding for IT unification \$4,082,784
- 3. Adds funding for PRESENS installations \$1,572,800

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time other funds appropriations	\$290,000,000	\$75,000,000	\$100,900,000	\$206,600,000	\$276,922,841

Major One-Time Other Funds Appropriations

2017-19 Biennium

- Added funding from a Bank of North Dakota line of credit \$75,000,000

2019-21 Biennium

- 1. Added funding from a Bank of North Dakota line of credit \$75,000,000
- 2. Added funding to pay an outstanding loan from the Bank \$25,900,000

2021-23 Biennium

- 1. Added funding from a Bank of North Dakota line of credit for the NAWS Project \$50,000,000
- 2. Added funding from the bond proceeds for the Mouse River flood control project \$74,500,000
- 3. Added funding from the federal State Fiscal Recovery Fund for water infrastructure projects \$75,000,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds funding for IT unification \$1,532,980
- 2. Increases funding for flood control projects to provide a total of \$115 million \$67,000,000
- 3. Increases funding for water supply grants to provide a total of \$270 million \$120,400,000
- 4. Increases funding for capital improvements to provide a total of \$172.4 million \$77,869,696
- 5. Adds funding for discretionary water projects \$5,000,000

Department of Water Resources - Budget No. 770

Senate Bill No. 2020

Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129
2023-25 Ongoing Funding Changes								
Base payroll changes			\$148,098	\$148,098			\$148,098	\$148,098
Salary increase			1,404,288	1,404,288			1,049,393	1,049,393
Health insurance increase			449,618	449,618			459,961	459,961
Adds FTE positions	3.00		703,398	703,398	3.00		703,398	703,398
Adds funding for travel costs for new FTE positions			2,000	2,000			2,000	2,000
Adds a temporary employee for the NAWS Project			170,000	170,000			170,000	170,000
Adds funding to fund a temporary employee at the same level as an FTE position			61,609	61,609			61,609	61,609
Adds funding for staff training and professional development			80,000	80,000			80,000	80,000
Adds funding for IT unification			4,082,784	4,082,784			4,082,784	4,082,784
Adds funding for PRESENS installations			1,572,800	1,572,800			1,572,800	1,572,800
Adds funding for maintenance of ground water modeling and related hydrologic analysis software			22,000	22,000			22,000	22,000
Adds funding from federal funds for RiskMAP			100,000	100,000			100,000	100,000
Adjusts funding among line items, including an increase of \$5.9 million in professional fees and services, a \$1.8 million increase in other operating expenses, and a \$7.7 million decrease in capital assets				0				0
Adjusts funding for NAWS, including a \$5.16 million reduction in federal funds and a corresponding increase in other funds				0				0
Transfers \$24.6 million from the rural water supply grants line item to the water supply grants line item				0				0
Reduces funding for rural water supply grants				0			(19,600,000)	(19,600,000)
Reduces funding for general water grants				0			(2,233,275)	(2,233,275)
Adds funding for water supply grants				0			158,000,000	158,000,000
Adds funding for flood control projects				0			66,600,000	66,600,000
Adds funding for capital assets				0			58,010,064	58,010,064
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595	3.00	\$0	\$269,228,832	\$269,228,832
One-Time Funding Items								
Adds funding for new FTE positions equipment			\$19,320	\$19,320			\$19,320	\$19,320
Adds funding for IT unification			1,532,980	1,532,980			1,532,980	1,532,980

Adds funding for increased motor pool rates	118,180	118,180	118,180	118,180
Adds funding for drilling supplies inflation	180,000	180,000	180,000	180,000
Adds funding for a navigability study	180,000	180,000	180,000	180,000
Adds funding for airborne electromagnetic survey data collection	750,000	750,000	750,000	750,000
Adds funding for ground water modeling and related hydrologic analysis software	72,665	72,665	72,665	72,665
Adds funding for the potential relocation of the agency	200,000	200,000	200,000	200,000
Adds funding for the Bowman radar system	1,800,000	1,800,000	1,800,000	1,800,000
Adds one-time funding to replace the drilling rig	1,800,000	1,800,000	1,800,000	1,800,000
Adds one-time funding for flood control projects	67,000,000	67,000,000		0
Adds one-time funding for water supply grants	120,400,000	120,400,000		0
Adds one-time funding for capital improvements	77,869,696	77,869,696		0
Adds one-time funding for discretionary funds	5,000,000	5,000,000	1,000,000	1,000,000
Adds funding for basinwide plan implementation		0	1,000,000	1,000,000
Adds funding from a line of credit		0	100,000,000	100,000,000
Adds federal funds for NAWS		0	47,847,238	47,847,238
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436
2023-25 Total Funding	93.00	\$0	\$694,918,565	\$694,918,565
<i>Federal funds included in other funds</i>			\$36,053,261	\$89,053,261
<i>Total ongoing changes as a percentage of base level</i>	3.3%		2.1%	2.1%
<i>Total changes as a percentage of base level</i>	3.3%		69.8%	69.8%

			118,180	118,180
			180,000	180,000
			180,000	180,000
			750,000	750,000
			72,665	72,665
			200,000	200,000
			1,800,000	1,800,000
			1,800,000	1,800,000
				0
				0
			1,000,000	1,000,000
			1,000,000	1,000,000
			100,000,000	100,000,000
			47,847,238	47,847,238
	0.00	\$0	\$156,500,383	\$156,500,383
	3.00	\$0	\$425,729,215	\$425,729,215
	93.00	\$0	\$834,928,344	\$834,928,344
			\$89,053,261	
	3.3%		65.8%	65.8%
	3.3%		104.0%	104.0%

Other Sections in Department of Water Resources - Budget No. 770

	<u>Executive Budget Recommendation</u>	<u>Senate Version</u>
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.	Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages.
Loan repayment - Appropriation	Section 5 would appropriate \$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.	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.
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.	Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.
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Line item transfers	Section 7 would provide authority for the Director of the Department of Water Resources to transfer funding between line items.	Section 13 provides authority for the Director of the Department of Water Resources to transfer a sum equal to up to \$13.3 million between the operating expenses and capital assets line items.
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	Section 14 provides that any 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 15 declares the bill to be an emergency measure.