### PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

That the House recede from its amendments as printed on pages 1510-1518 of the Senate Journal and pages 1700-1709 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

- Page 1, line 2, after the second semicolon insert "to create and enact three new sections to chapter 61-02 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit, to the state water commission cost-share policy, and to North Dakota outdoor heritage fund grants and cost-share;"
- Page 1, line 3, remove "to repeal section"
- Page 1, line 4, remove "61-02-78 of the North Dakota Century Code, relating to the infrastructure revolving loan fund;"
- Page 1, line 5, after the first semicolon insert "to designate funding; to provide contingent allocations; to provide for a report to the legislative assembly;"
- Page 1, line 5, remove "and"
- Page 1, line 6, after "study" insert "; to provide for a state water commission study; and to declare an emergency"
- Page 1, line 11, replace "biennium" with "period"
- Page 1, line 11, replace "July 1, 2015" with "with the effective date of this Act"
- Page 1, replace lines 15 through 21 with:

"Accrued leave payments	\$325,774	(\$325,774)	\$0
Administrative and support services	4,716,665	818,953	5,535,618
Water and atmospheric resources	822,365,166	<u>297,035,052</u>	<u>1,119,400,218</u>
Total all funds	\$827,407,605	\$297,528,231	\$1,124,935,836
Full-time equivalent positions	90.00	7.00	97.00"

Page 2, after line 13, insert:

"SECTION 4. SOVEREIGN LANDS RECREATION USE GRANT. The water and atmospheric resources line item in section 1 of this Act includes \$1,000,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the biennium beginning July 1, 2015, and ending June 30, 2017."

- Page 2, line 14, after "APPROPRIATION" insert "- BUDGET SECTION APPROVAL"
- Page 2, line 17, after "appropriated" insert ", subject to budget section approval,"
- Page 2, after line 25, insert:

"SECTION 7. BANK OF NORTH DAKOTA LOAN - BOND PAYMENTS. The state water commission shall obtain a loan from the Bank of North Dakota in an amount that may not exceed \$56,000,000 for the purpose of paying off or defeasing

outstanding bond issues, for the period beginning with the effective date of this Act, and ending June 30, 2017."

Page 2, remove lines 26 through 30

Page 3, remove lines 1 through 14

Page 3, after line 27, insert:

# "SECTION 9. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT

**FUNDING.** It is the intent of the sixty-fourth legislative assembly that the state provide one-half of the local cost-share of Fargo flood control projects, including constructing a federally authorized Fargo flood control project, and that total Fargo flood control project funding to be provided by the state not exceed \$570,000,000. It is the intent of the sixty-fourth legislative assembly that \$120,000,000 of the \$570,000,000, be used for Fargo interior flood control projects and that any funds spent for Fargo interior flood control projects after July 1, 2017, require 50 percent matching funds from the Fargo flood authority. It is the intent of the sixty-fourth legislative assembly that the \$266,000,000 yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next four bienniums. It is the intent of the sixty-fourth legislative assembly that funding for the Fargo flood control project will end June 30, 2021, if a federal appropriation for project construction has not been provided by June 30, 2021.

#### **SECTION 10. FARGO INTERIOR FLOOD CONTROL - FUNDING**

**REQUIREMENTS.** The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

SECTION 11. APPROPRIATION - FARGO INTERIOR FLOOD CONTROL -STATE DISASTER RELIEF FUND - FUNDING REQUIREMENTS. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, the sum of \$30,000,000, or so much of the sum as may be necessary, for the purpose of providing funding for flood protection projects within city limits of Fargo, for the period beginning with the effective date of this Act, and ending June 30, 2017. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits. including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

### SECTION 12. FARGO INTERIOR FLOOD CONTROL PROJECT FUNDING -

**EXEMPTION.** Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$30,000,000 is for Fargo interior flood control projects, for the period beginning with the effective date of this Act, and ending June 30, 2017. Any funds not spent by June 30, 2017, are not subject to section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo interior flood control projects. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-ofway acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project."

Page 3, remove lines 28 through 31

Page 4, replace lines 1 through 6 with:

"SECTION 13. LEGISLATIVE INTENT - GRAND FORKS WATER TREATMENT PLANT PROJECT FUNDING. It is the intent of the sixty-fourth legislative assembly that the state provide grants for one-half of the cost to construct the Grand Forks water treatment plant project and provide a \$30,000,000 grant for the project during the 2015-17 biennium and a \$30,000,000 grant for the project during the 2017-19 biennium.

**SECTION 14. RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - REPORT TO WATER TOPICS OVERVIEW COMMITTEE.** The 2013-15 unobligated funding of \$7,359,000 designated by the state water commission for the Red River valley water supply project in the water and atmospheric resources line item in section 1 of this Act and an additional \$5,000,000 in the water and atmospheric resources line item in section 1 of this Act is designated for a grant to the Garrison diversion conservancy district to plan and design the Red River valley water supply project for the biennium beginning July 1, 2015, and ending June 30, 2017. The state water commission shall transfer funds upon request of the Garrison diversion conservancy district. The Garrison diversion conservancy district shall report on a regular basis to the legislative management's water topics overview committee to review its progress in planning and designing the Red River valley water supply project.

SECTION 15. APPROPRIATION - MISSOURI RIVER CORRECTIONAL CENTER LEVEE - FOX ISLAND LEVEE - STATE DISASTER RELIEF FUND. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, the sum of \$4,000,000, or so much of the sum as may be necessary, to the state water commission, for the purpose of providing funding for levee projects for the biennium beginning July 1, 2015, and ending June 30, 2017. Of the funds the state water commission shall make available \$1,200,000 for a levee for the Missouri River correctional center, and \$2,800,000, for a levee for Lincoln township's Fox Island area.

SECTION 16. FUNDING DESIGNATION - REIMBURSEMENTS FOR 2013-15 BIENNIUM RURAL AND MUNICIPAL WATER SYSTEMS AFFECTED BY LOCAL COST-SHARE CHANGE. Of the funds appropriated in the water and atmospheric

resources line item in section 1 of this Act, the state water commission shall make available \$11,000,000 from funds available from the line of credit for reimbursing rural and municipal water systems affected by local cost-share changes during the 2013-15 biennium. Rural and municipal water systems must be reimbursed up to an amount, which makes the state share 65 percent in lieu of the 75 percent that was approved by the state water commission.

#### SECTION 17. STATE WATER COMMISSION PROJECT FUNDING

**DESIGNATIONS.** Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act from funds available in the resources trust fund, water development trust fund, and the line of credit available from the Bank of North Dakota, \$414,000,000 is designated as follows:

- 1. \$113,000,000 for flood control projects:
- 2. \$61,000,000 for general water projects;
  - a. \$50,000,000 is available for providing grants;
  - b. \$11,000,000 from the infrastructure revolving loan fund is available for providing loans;
- 3. \$130,000,000 for rural water projects;
- 4. \$85,000,000 for municipal water projects;
- 5. \$25,000,000 for providing loans from the infrastructure revolving loan fund for rural and municipal water projects.

**SECTION 18. FUNDING DESIGNATIONS - TRANSFERS - BUDGET SECTION APPROVAL.** The funding designated for the items in section 17 of this Act, is designated for the specific purposes identified; however, the state water commission may transfer funding among these items, upon notification to the water topics overview committee and subject to budget section approval.

SECTION 19. CONTINGENT ALLOCATION - WATER AND ATMOSPHERIC RESOURCES - CENTRAL DAKOTA WATER SUPPLY STUDY. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$70,000,000, is designated as follows, contingent on the state water commission entering into a written agreement that a fertilizer or chemical processing facility will be constructed in Stutsman County:

- 1. \$10,000,000 for a grant and \$40,000,000 for a loan for a water reuse facility;
- 2. \$20,000,000 for the central Dakota water supply project.

The state water commission shall conduct a study on the feasibility and desirability of the central Dakota water supply project for the biennium beginning July 1, 2015, and ending June 30, 2017. The study must include a cost-benefit analysis as well as a detailed business plan for the project, including projected operational costs and projected water supply needs for the area to be served.

SECTION 20. STUTSMAN COUNTY WATER REUSE FACILITY - EXEMPTION. For purposes of a project for a water reuse facility, the Stutsman rural

water district is granted an exemption from the aggregate total outstanding limit of \$50,000,000 of revenue bonds under section 61-35-15 and is instead limited to an aggregate total outstanding limit of \$100,000,000 of revenue bonds for purposes of section 61-35-15.

SECTION 21. STUTSMAN COUNTY WATER REUSE FACILITY PROJECT - USER BONDING. Any agreement entered into by the state water commission relating to the Stutsman County water reuse facility project must include requirements that the users of the water reuse facility have entered into contracts, which may include use contracts or credit support arrangements, with the Stutsman rural water district pursuant to which the expected revenues from these contracts over the term of the contracts are sufficient to repay the total balance of the loans or revenue bonds authorized by the sixty-fourth legislative assembly for the Stutsman County water reuse facility.

SECTION 22. LEGISLATIVE MANAGEMENT STUDY - WATER SUPPLY FOR CENTRAL AND EASTERN NORTH DAKOTA. During the 2015-16 interim, the legislative management shall study options available for providing a sustainable water supply to central and eastern North Dakota. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 23. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT.** It is the intent of the sixty-fourth legislative assembly that the state, beginning on July 1, 2017, and extending over the next four bienniums, provide \$150,000,000 per biennium of state funds to implement the selected alternative for the Red River valley water supply project.

SECTION 24. WESTERN AREA WATER SUPPLY AUTHORITY MEMBER ENTITIES - DEBT. A western area water supply authority member entity may incur debt as authorized by law, except that an entity may not use any income from industrial water sales relating to oil and gas exploration or production to repay any debt or as collateral to secure debt beginning January 1, 2015. Previous debt accrued by the western area water supply may be serviced by the western area water supply revenues from industrial water sales."

Page 4, line 18, replace "budget section" with "legislative management's water topics overview committee"

Page 4, after line 20, insert:

"SECTION 27. INDEPENDENT WATER PROVIDERS AND WESTERN AREA WATER SUPPLY AUTHORITY - REPORT TO THE WATER TOPICS OVERVIEW COMMITTEE. During the 2015-16 interim, the independent water providers and the western area water supply authority shall report to the legislative management's water topics overview committee on a regular basis and collaborate with the committee and the state water commission to monitor water usage, rates, engineering contract procedures, and market share. The water topics overview committee shall report to the legislative management with recommendations to ensure western area water supply authority's ability to maintain its payment schedule of the state's loan.

SECTION 28. REPORT TO LEGISLATIVE ASSEMBLY - SOUTHWEST PIPELINE PROJECT. The state water commission and the southwest water authority shall continue the process of reviewing capital repayment and revenues being returned to the resources trust fund; payments necessary to meet obligations of existing bonds

and other loans; ownership of land and associated facilities; existing construction documents; liabilities; contracts with cities, bulk users, companies, and other users; and other items; and shall report to the sixty-fifth legislative assembly on the actions necessary for the transfer of ownership and responsibility of the southwest pipeline project from the state water commission to the southwest water authority."

- Page 4, line 27, after "must" insert "be completed by September 1, 2016, and must"
- Page 4, line 28, remove "The impacts in the area outside the area recognized by the United States army corps"
- Page 4, replace lines 29 through 31 with "The area determined by hydrology modeling to be affected by project conditions in excess of six inches, and outside the area recognized by the army corps of engineers for which mitigation is required upstream of the proposed dam, which is consistent with current floodplain designation by the federal emergency management agency for the studied flood event."
- Page 5, line 1, replace "Agricultural production income impacts due to operation of the diversion project." with "The impacts on agricultural production income due to operation of the diversion project."
- Page 5, replace lines 2 and 3 with:

"SECTION 30. BONDING AUTHORITY - BUDGET SECTION APPROVAL. The state water commission shall request budget section approval prior to issuing any revenue bonds during the biennium beginning July 1, 2015 and ending June 30, 2017."

- Page 5, line 12, after "develop" insert "and review"
- Page 5, line 12, after "policies" insert "and update as necessary"
- Page 5, after line 26, insert:

"**SECTION 32.** A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

### Bank of North Dakota - Line of credit.

The Bank of North Dakota shall extend a line of credit not to exceed two hundred million dollars at a rate that may not exceed one and three-quarters percent to the state water commission. The state water commission shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commission may access the line of credit, as necessary, to provide funding as authorized by the legislative assembly for water supply projects in suspense, water supply projects identified in section 19 of this Act and water supply projects approved before June 30, 2017, and flood control projects that have approval for funding before June 30, 2017.

**SECTION 33.** A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

### State water commission cost-share policy.

The state water commission shall adopt a cost-share policy for the financing of water projects. The policy:

- 1. Must provide a water supply project is eligible for grants up to seventy-five percent of the total eligible project costs.
- 2. May not determine program eligibility of water supply projects based on a population growth factor. However, a population growth factor may be used in prioritizing projects for that purpose.
- 3. Must consider all project costs potentially eligible for reimbursement, except the commission may exclude operations expense and regular maintenance. The commission shall require a water project sponsor to maintain a capital improvement fund from the rates charged customers for future extraordinary maintenance projects as condition of funding an extraordinary maintenance project.
- 4. May not determine program eligibility of water supply projects based on affordability. However, affordability may be used in prioritizing projects for that purpose.

**SECTION 34.** A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

## North Dakota outdoor heritage fund grants - Effect on local cost-share.

For projects involving the repair of an existing flood control or recreation structure, the state water commission may not deduct North Dakota outdoor heritage fund moneys provided from the cost of the project before determining the local cost-share. The state water commission shall include those provided moneys as part of the local cost-share, however, the local entity may not receive funding in excess of the total project cost."

Page 5, replace line 27 with:

"SECTION 35. EMERGENCY. Sections 1, 7, 12, and 17 of this Act are declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

# Senate Bill No. 2020 - State Water Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Administrative and support services	\$4,716,665	\$4,507,674	\$1,027,944	\$5,535,618	\$5,535,618	
Water and atmospheric resources	822,365,166	989,218,748	130,181,470	1,119,400,218	1,119,199,763	200,455
Accrued leave payments Fargo interior flood protection Levees in Burleigh County	325,774		30,000,000 4,000,000	30,000,000 4,000,000	30,000,000 5,000,000	(1,000,000)
Total all funds Less estimated income	\$827,407,605 827,407,605	\$993,726,422 968,741,263	\$165,209,414 190,194,573	\$1,158,935,836 1,158,935,836	\$1,159,735,381 1,159,735,381	(\$799,545) (799,545)
General fund	\$0	\$24,985,159	(\$24,985,159)	\$0	\$0	\$0
FTE	90.00	98.00	(1.00)	97.00	96.00	1.00

Department No. 770 - State Water Commission - Detail of Conference Committee Changes

	Changes Funding Source for Administrative Costs <sup>1</sup>	Adds Funding for Costs Associated with Funding Source Change <sup>2</sup>	Adjusts Funding for Health Insurance Premium Increases <sup>3</sup>	Removes Funding for New Water Permitting Position <sup>4</sup>	Adds Funding From a Line of Credit for Water Projects <sup>5</sup>	Adds Funding From Bank of North Dakota Bond Refinancing Loan <sup>6</sup>
Administrative and support services Water and atmospheric resources Accrued leave payments Fargo interior flood protection Levees in Burleigh County		\$1,038,000	(\$10,056) (70,851)	(218,640)	200,000,000	56,000,000
Total all funds Less estimated income	\$0 24,985,159	\$1,038,000 1,038,000	(\$80,907) (80,907)	(\$218,640) (218,640)	\$200,000,000 200,000,000	\$56,000,000 56,000,000
General fund	(\$24,985,159)	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00
	Adds Funding for 2015-17 Biennium Payment on Refinanced Bonds <sup>7</sup>	Removes Carryover Funding for Water Projects <sup>8</sup>	Adjusts Water Projects Funding <sup>9</sup>	Adds One-Time Funding for Fargo Interior Flood Protection <sup>10</sup>	Adds One-Time Funding for Levees <sup>11</sup>	Total Conference Committee Changes
Administrative and support services Water and atmospheric resources Accrued leave payments	for 2015-17 Biennium Payment on Refinanced	Carryover Funding for	Projects	Funding for Fargo Interior Flood Protection <sup>10</sup>	Funding for	Conference Committee Changes \$1,027,944 130,181,470
services Water and atmospheric resources	for 2015-17 Biennium Payment on Refinanced Bonds <sup>7</sup>	Carryover Funding for Water Projects <sup>8</sup>	Projects Funding <sup>9</sup>	Funding for Fargo Interior Flood	Funding for	Conference Committee Changes \$1,027,944
services Water and atmospheric resources Accrued leave payments Fargo interior flood protection	for 2015-17 Biennium Payment on Refinanced Bonds <sup>7</sup>	Carryover Funding for Water Projects <sup>8</sup>	Projects Funding <sup>9</sup>	Funding for Fargo Interior Flood Protection <sup>10</sup>	Funding for Levees <sup>11</sup>	Conference Committee Changes \$1,027,944 130,181,470
services Water and atmospheric resources Accrued leave payments Fargo interior flood protection Levees in Burleigh County Total all funds	for 2015-17 Biennium Payment on Refinanced Bonds <sup>7</sup> 7,000,000	Carryover Funding for Water Projects <sup>®</sup> (16,529,039) (\$16,529,039)	Projects Funding <sup>9</sup> (116,000,000) (\$116,000,000)	Funding for Fargo Interior Flood Protection <sup>10</sup> 30,000,000  \$30,000,000	Funding for Levees <sup>11</sup> 4,000,000  \$4,000,000	Conference Committee Changes \$1,027,944 130,181,470 30,000,000 4,000,000 \$165,209,414

<sup>&</sup>lt;sup>1</sup> The funding source for administrative, salaries and benefits, and operating costs is changed from the general fund to the resources trust fund, the same as the House version.

<sup>&</sup>lt;sup>2</sup> The funding below is added for additional base level operating costs as a result of being a special funded agency, the same as the House version.

	General Fund	Other Funds	Total
Rent		\$315,000	\$315,000
Statewide cost allocation		235,000	235,000
Legal fees		488,000	488,000
Total	\$0	\$1,038,000	\$1,038,000

<sup>&</sup>lt;sup>3</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>&</sup>lt;sup>4</sup> Funding is removed for a new water permitting FTE position (\$210,184) and related salary increase (\$8,456), the same as the House version.

<sup>&</sup>lt;sup>5</sup> Funding from a \$200 million line of credit from the Bank of North Dakota is added for water projects. The House added the line of credit funding, but also designated the funding for certain types of projects.

- <sup>6</sup> Funding is added from loan proceeds from the Bank of North Dakota to pay off or defease the remaining outstanding bond issues of the State Water Commission, the same as the House version.
- <sup>7</sup> Funding is added from the water development trust fund for repayment to the Bank of North Dakota, relating to the loan to refinance the existing outstanding bonds of the State Water Commission, the same as the House version.
- <sup>8</sup> Carryover funding from the resources trust fund is removed for the following projects, the House also removed this funding:

	General Fund	Other Funds	Total
Devils Lake gravity outflow channel		(\$13,686,839)	(\$13,686,839)
Rice Lake recreation district		(2,842,200)	(2,842,200)
Total	\$0	(\$16,529,039)	(\$16,529,039)

- <sup>9</sup> Water projects funding is adjusted to provide a total of \$381 million for new water projects in the 2015-17 biennium from the resources trust fund and water development trust fund, the same as the House version.
- <sup>10</sup> A section is added to the bill to provide one-time funding from the state disaster relief fund for the Fargo interior flood protection project, the same as the House version.
- <sup>11</sup> One-time funding from the state disaster relief fund of \$1.2 million for the Missouri River Correctional Center levee and \$2.8 million for the Fox Island levee. The conference committee adjusted funding from the state disaster relief fund for levees in Burleigh County as follows:

	General Fund	Other Funds	Total
Missouri River Correctional Center levee		\$1,200,000	\$1,200,000
Fox Island levee		2,800,000	2,800,000
Total	\$0	\$4,000,000	\$4,000,000

#### This amendment also:

- Adds a section requiring the State Water Commission to obtain a loan from the Bank of North Dakota to pay off or defease the commission's outstanding bond issues, the same as the House version.
- Amends Section 10 to provide it is the intent of the Legislative Assembly to provide \$570 million for Fargo flood control projects, of which \$120 million is for Fargo interior flood control projects which require a 50 percent match beginning in July 2017, and funding yet to be designated will be made available over the next five bienniums. The Senate and House version provided additional funding over the next three bienniums.
- Adds a section designating funding from the water and atmospheric resources line item in Section 1 for the Garrison Diversion Conservancy District to plan and design the Red River Valley Water Supply Project, similar to the House version.
- Adds a section providing a contingent allocation from the water and atmospheric resources line item in Section 1 for various projects and requires the State Water Commission to conduct a study of the Central Dakota water supply project, the conference committee combined two sections of the House version.
- Adds a section increasing Stutsman Rural Water District's aggregated total outstanding revenue bond limit from \$50 million to \$100 million, the same as the House version.
- Adds a section requiring any agreement entered into by the State Water Commission relating to the Stutsman County water reuse facility project must include requirements that the users of the water reuse facility have entered into contracts, which may include use contracts or credit support arrangements with the Stutsman Rural Water District pursuant to which the expected revenues from these contracts over the term of the contracts are sufficient to repay the total balance of the loans or revenue bonds authorized by the 64th Legislative Assembly for the Stutsman County water reuse facility. This was not included in the Senate version and the House version required bonding equal only to a users proportionate share.
- Adds a Legislative Management study of the options available for providing a sustainable water

- supply to central and eastern North Dakota, the same as the House version.
- Adds a section of legislative intent to provide \$150 million per biennium beginning on July 1, 2017, and extending over the next four bienniums for the implementation of the Red River Valley Water Supply Project that results from the Legislative Management study. The House added the section, but the conference committee clarified the beginning date of July 1, 2017.
- Removes Section 14 relating to incremental funding for the Western Area Water Supply Authority, the same as the House version.
- Adds a section restricting Western Area Water Supply Authority member entities from using
  industrial water sales relating to oil and gas exploration or production to repay debt or as
  collateral to secure debt, similar to the House version.
- Adds a section requiring independent water providers and the Western Area Water Supply
  Authority to report to the Legislative Management's Water Topics Overview Committee, the same
  as the House version.
- Adds a section requiring Southwest Pipeline Authority to report to the 65th Legislative Assembly, the same as the House version.
- Amends a section related to a State Water Commission study of the Fargo diversion project, the same as the House version.
- Creates a new section to North Dakota Century Code Chapter 61-02 relating to a Bank of North Dakota line of credit for the State Water Commission. This was not included in the Senate version and the House version specifically identified projects.
- Creates a new section to Chapter 61-02 relating to State Water Commission cost-share policy, similar to the House version.
- Creates a new section to Chapter 61-02 relating to North Dakota outdoor heritage fund grants and their effect on local cost-share, the same as the House version.
- Removes the repeal of Section 61-02-78 related to the infrastructure revolving loan fund, the same as the House version.
- Amends a section related to the appropriation of additional income in the resources trust fund and the water development trust fund to require Budget Section approval, the same as the House version.
- Amends a section related to Fargo flood control reports to provide the MNDak Upstream
   Coalition report to the Legislative Management's Water Topics Overview Committee, the same
   as the House version.
- Adds an emergency clause. The House also added an emergency clause.
- Adds a section providing a \$1 million sovereign lands recreation use grant to the Parks and Recreation Department, same as the House version.
- Adds a section providing a \$4 million appropriation from the state disaster relief fund for levee projects in Burleigh County. The Senate version did not include this and the House version provided \$5 million from the state disaster relief fund.
- A section designating \$11 million of the line of credit for reimbursing rural and municipal water systems for the 2013-15 cost-share changes. The Senate version did not include this section and the House version also provided \$11 million for reimbursing rural and municipal water systems.
- A section designating funding for selected purposes. The Senate version did not include this section and the House version provided funding for selected projects.
- A section authorizing the transfer of funds among selected designated projects, subject to Budget Section approval, similar to the House version.
- The conference committee did not include the following sections added in the House version:
- A section of legislative intent relating to the lower Heart River Morton County flood control project.
- A section designating the use of \$9.7 million of State Water Commission carryover funding for flood control projects in areas that pose an imminent threat to loss of life and property.