

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1020

In lieu of the amendments adopted by the Senate as printed on pages 1415-1419 of the Senate Journal, Engrossed House Bill No. 1020 is amended as follows:

Page 1, line 2, remove "to create and enact a new"

Page 1, remove line 3

Page 1, line 4, remove "policies and procedures of the state water commission;"

Page 1, line 4, replace "sections" with "section"

Page 1, line 5, remove "and 54-35-02.37"

Page 1, line 5, remove "and sections 6 and 7 of"

Page 1, line 6, remove "chapter 46 of the 2011 Session Laws"

Page 1, line 6, remove ", the"

Page 1, line 7, remove "water-related topics overview committee, and Fargo flood control project funding"

Page 1, line 8, after the semicolon insert "to provide for a loan from the Bank of North Dakota;"

Page 1, replace lines 17 through 22 with:

"Administrative and support services	\$3,229,873	\$1,620,136	\$4,850,009
Water and atmospheric resources	<u>498,413,774</u>	<u>324,694,788</u>	<u>823,108,562</u>
Total all funds	501,643,647	326,314,924	827,958,571
Less estimated income	<u>486,648,448</u>	<u>341,310,123</u>	<u>827,958,571</u>
Total general fund	\$14,995,199	(\$14,995,199)	\$0"

Page 2, line 25, remove the comma

Page 2, line 26, remove "subject to budget section approval,"

Page 2, after line 28, insert:

"SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER SUPPLY AUTHORITY. The Bank of North Dakota shall provide a loan of \$40,000,000 to the western area water supply authority for construction of the project. The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota and any previous loans may be added to and merged into this loan as agreed by the authority and the Bank of North Dakota. The authority may repay the loan from income from specific project features. If the authority is in default in the payment of the principal or interest on the obligation to the Bank of North Dakota for the loan, the authority is subject to the default provisions under section 61-40-09."

Page 3, remove lines 5 through 31

Page 4, replace lines 1 through 13 with:

"SECTION 7. FARGO FLOOD CONTROL PROJECT FUNDING. Funds designated by the sixty-first legislative assembly, the sixty-second legislative assembly, and the sixty-third legislative assembly for Fargo flood control are available only for levee and dike protection until the Fargo flood control project receives federal authorization, a project partnership agreement is executed, a federal appropriation is provided for project construction, and the budget for the Fargo flood control project is approved by the state water commission.

SECTION 8. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-third legislative assembly that the state provide one-half of the local cost-share of constructing a federally authorized Fargo flood control project and that total Fargo flood control project funding to be provided by the state not exceed \$450,000,000."

Page 4, line 19, after "projects" insert ", including levees and dikes"

Page 4, line 21, remove "or for a river diversion project. Notwithstanding"

Page 4, remove lines 22 and 23

Page 4, line 24, remove "Fargo flood control project"

Page 4, line 27, after the period insert "Costs incurred by nonstate entities for dwellings or other real property which are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state."

Page 4, remove lines 28 through 31

Page 5, remove lines 1 through 3

Page 5, line 13, replace "\$515,000,000" with "\$287,000,000"

Page 5, remove lines 14 through 31

Page 6, replace lines 1 through 3 with:

"SECTION 12. FARGO FLOOD CONTROL - REPORTS TO THE BUDGET SECTION. The Fargo-Moorhead area diversion authority board shall report to the budget section prior to December 2013 and prior to October 2014 regarding an update on congressional authorization of the diversion project and the status of the self-insured crop insurance pool, mitigation efforts, easements, and the project budget."

Page 6, remove lines 12 through 30

Page 7, remove lines 1 through 16

Page 7, line 17, after "1" insert "of this Act and section 5"

Page 7, line 18, replace "is" with "are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - State Water Commission - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Administrative and support services	\$4,042,784	\$3,909,500	\$940,509	\$4,850,009
Water and atmospheric resources	823,096,248	822,339,358	769,204	823,108,562
Accrued leave payments		325,774	(325,774)	
Total all funds	\$827,139,032	\$826,574,632	\$1,383,939	\$827,958,571
Less estimated income	809,359,388	826,574,632	1,383,939	827,958,571
General fund	\$17,779,644	\$0	\$0	\$0
FTE	90.00	90.00	0.00	90.00

Department No. 770 - State Water Commission - Detail of Senate Changes

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Increases Funding for Operating Expenses ³	Total Senate Changes
Administrative and support services	\$86,252	\$49,192	\$805,065	\$940,509
Water and atmospheric resources	492,622	276,582		769,204
Accrued leave payments		(325,774)		(325,774)
Total all funds	\$578,874	\$0	\$805,065	\$1,383,939
Less estimated income	578,874	0	805,065	1,383,939
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

² The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

³ Funding for the following operating expenses is increased to pay fees to other agencies due to the change in funding source for the State Water Commission from the general fund to special funds:

- Audit fees \$53,000 - State Auditor
- Attorney's fees \$321,276 - Attorney General
- Rent \$430,789 - Office of Management and Budget

This amendment removes:

- Sections added by the House to amend 2011 Session Laws and 2009 Session Laws, previously amended in 2011, related to Fargo flood control funding. The House amendments changed legislative guidelines for Fargo flood control project expenditures.
- A section added by the House to provide that total Fargo flood control project funding to be provided by the state not exceed \$325 million.
- Sections added by the House directing the State Water Commission to study the use of ring dikes as part of a flood protection plan for the city of Fargo and water supply needs in the Red River Valley.
- A section added by the House to require the State Water Commission to adopt policies regarding project development and financing.
- A section added by the House which increases the membership of the Water-Related Topics Overview Committee and directs the committee to prepare a water project priority schedule to be included in the committee's final report to the Legislative Management.

- A section added by the House to require the State Water Commission to move information technology hardware to the Information Technology Department secure data center.
- A section added by the House to require the State Water Commission to report to the Budget Section within 90 days of any changes made to the water project priority list presented to the Legislative Assembly in 2013.
- The requirement that the State Water Commission receive Budget Section approval prior to spending any additional funds that may become available in the resources trust fund or water development trust fund during the 2013-15 biennium.

In addition, this amendment:

- Adds a section to provide for a \$40 million loan from the Bank of North Dakota to the Western Area Water Supply Authority for construction of the project, which is declared an emergency measure.
- Adds a section to provide that funds designated by the Legislative Assembly for Fargo flood control are available only for levee and dike protection until the project receives federal authorization, a project partnership agreement is executed, and there is a federal appropriation for construction. In addition, the budget for the Fargo flood control project must be approved by the State Water Commission.
- Adds a section of legislative intent that the state provide one-half of the local cost-share of constructing a federally authorized Fargo flood control project and that total Fargo flood control project funding not exceed \$450 million.
- Adds a section requiring the Fargo-Moorhead Area Diversion Authority reports to the Budget Section.
- Amends guidelines for Fargo flood control project expenditures included in a section added by the House to designate \$100 million for Fargo flood control projects. The guidelines are amended to match the guidelines approved by the 62nd and 61st Legislative Assemblies and to include levees and dikes.
- Allows the State Water Commission to use funding in the resources trust fund to pay off or defease outstanding bond issues when the balance in the resources trust fund exceeds \$287 million rather than \$515 million, as provided in the executive recommendation.