

2013 SENATE NATURAL RESOURCES

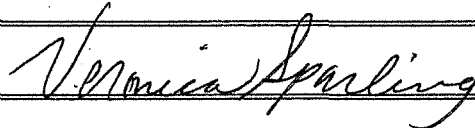
SB 2048

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2048
January 11, 2013
17116

☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to allocation of funds from the resources trust fund by the state water commission.

Minutes:

Written testimony attached

All committee members were present.

Chairman Lyson opened the hearing on SB 2048.

Jeff Nelson, a staff attorney with Legislative Management who served as interim counsel for the Water Related Topics Overview Committee (the committee that is recommending passage of SB 2048) introduced the bill. His comments should not be construed as being in favor of or opposed to the proposal. By way of background, the Water Related Topics Overview Committee is different than other interim committees in that it is a statutory committee created by the legislative assembly so it is an ongoing committee from interim to interim. Legislative management during each interim appoints a Water Related Topics Overview Committee. It meets quarterly and is responsible for overview of water-related topics and related matters and for any necessary discussions with adjacent states on water-related topics. Last interim the legislative management assigned several studies to the committee, a study of the state's irrigation laws, a review to set the priorities for the 40 million dollars of the Resources Trust Fund to the Western Area Water Supply Authority.

Representative Curt Hofstad of District 15 from Devils Lake stood in support of the bill. Their charge as the Water Related Topics Overview Committee was to prioritize water projects in the state. It was a very difficult challenge; the conditions were all set for the major flooding we experienced in Fargo, Bismarck, the Cheyenne Valley, 4100 homes in Minot were lost or damaged, numerous roads were inundated with water. All of those communities and cities came to the Water Related Topics Overview Committee with their assessment of damages, their plans to rebuild and their costs associated with those projects. The Water Related Topics Overview Committee members observed the process that the coalition put together to prioritize these projects and to fit all of those needs in the revenue stream of the Resource Trust Fund. The Resource Trust Fund seemed to have enough money to solve all of those problems when in fact with the devastating flood and all of the issues we have because of the oil impact counties we simply don't have enough money. The discussion turned to how to maximize the Resource Trust Fund money so we

can meet our needs. The bill before us will help us to get there. You look at the Fargo Diversion of 1.8 billion dollars, the Red River Water Supply of 1 billion dollars, the 1 billion dollars for Minot, the Western Area Water Supply is 300 to 400 million dollars.... This bill is designed to help us step back and consider what the revenue streams for each of these projects is and to adjust the funding from the Resource Trust Fund accordingly. A portion for each project could become a loan rather than the whole amount being a grant. This bill would also allow a revolving loan and the ability to forgive a loan amount if it becomes impossible for the entity to repay.

Chairman Lyson asked whether there should be a deadline on the establishment of the policies. Without a deadline specified it seems it can drag on for years.

Curt Hofstad stated that would be up to the committee to add that if they deemed it necessary.

Chairman Lyson asked if that had been part of the discussion.

Curt said it had not been.

Senator Hogue asked for clarification on the last sentence of the bill that mentioned the ability to forgive the debt if an entity could not repay the amount. He wanted to know what was behind that.

Curt said it will be a contractual agreement and it could be forgiven. They would also have the option to offer it at a 50% or 60% or some other grant level.

Senator Hogue asked how often that happens under the current law.

Curt deferred that question to Curt Kreun.

Representative Curt Kreun from District 43 out of Grand Forks, who served as a member of the interim Water Related Topics Overview Committee, spoke in support of the bill. The committee members went to various communities and gathered information. They realized a long term plan was needed to be able to anticipate the needs. The needs are great and the funds, although large, are limited.

Todd Sando, Chief Engineer and Secretary of the State Water Commission, spoke in favor of SB 2048 but suggested an amendment. See attached testimony #1. This would give us the option of financing their local share. It would also provide a policy so we could loan them a portion of their local share. We would provide funding for their portion of the grant, but we would look at a loan policy that we could help finance their local share. We haven't done that. Doing that would provide money back into the Resources Trust Fund for future projects instead of just granting it all out. Right now some of the projects are looking for a 100% cost share. Now our policy for flood control is at a lower rate than that so if we would be able to loan a portion of that out we would be able to get some of that money back instead of granting the larger dollar amount. Another reason is, the way the law is now we have to consider each and every request and there are hundreds of them.

Senator Triplett stated that she also served on the Water Related Topics Overview Committee this interim. She requested a copy of the policy of the State Water Commission.

Todd said he will get a copy to her.

Mike Dwyer, representing the ND Water Users Association, stood in support of the bill and of the amendment offered by Todd Sando.

Opposition: None
Neutral: None

Chairman Lyson closed the hearing on SB 2048.

Chairman Lyson asked the intern to draft the amendment for SB 2048.

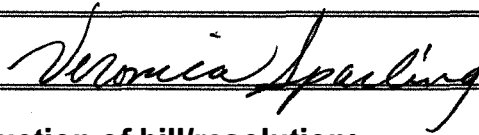
2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2048
January 17, 2013
17351

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to allocation of funds from the resources trust fund by the state water commission

Minutes:

No attachments

All committee members were present.

Chairman Lyson opened the discussion on SB 2048.

Senator Laffen mentioned this bill allowed the Water Commission to consider the ability for different groups to pay. It just gave them some ability to re-coupe some money back to the state.

Senator Hogue mentioned that he had Legislative Council prepare an amendment for this bill. He did not have a copy of the amendment with him. The amendment proposes putting a cap on the amount that could be converted from a loan to a grant at \$250,000.00. He feels the small projects are fine to be forgiven but the larger ones should be capped. He will bring the amendment the next time the committee meets.


2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2048
January 25, 2013
17733

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to allocation of funds from the resources trust fund by the state water commission

Minutes:

Attachments

Chairman Lyson opened the discussion on SB 2048.

Chairman Lyson had the committee clerk read from the minutes of the committee's last meeting on SB 2048. The minutes read as follows: "Senator Hogue mentioned that he had Legislative Council prepare an amendment for this bill. He did not have a copy of the amendment with him. The amendment proposes putting a cap on the amount that could be converted from a loan to a grant at \$250,000.00. He feels the small projects are fine to be forgiven but the larger ones should be capped. He will bring the amendment the next time the committee meets."

Senator Hogue mentioned that he did have amendments prepared but he talked to the representative of the State Water Commission and she assured him that that is not how they would do business. They would make a determination upfront on how much a project could afford to re-pay and how much would be in the form of a grant. They would not go back at some future date and decide that what they had required to be repaid would be converted to a grant. His concern was with the language of the bill on lines 17- 19. The amendment the State Water Commission is offering doesn't contain that language, so his concern is satisfied.

There was discussion about this amendment being a hoghouse amendment. See attachment #1

Senator Triplett felt the proposed amendment from the Water Commission kind of misses the point of what the Water Related Topics Overview Committee was trying to accomplish. She read line 8 and 9 of the bill. A long-term plan is being sought, not "dribs and drabs" over a 30 year period. We are losing something that the Water Related Topics Overview Committee saw as important. Senator Triplett asked if she could think about it over the weekend and maybe blend the two ideas.

Chairman Lyson closed the discussion on SB 2206.

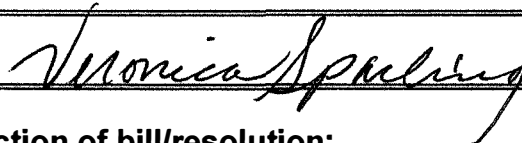
2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2048
February 1, 2013
18177

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to allocation of funds from the resources trust fund by the state water commission

Minutes:

No attachments

Chairman Lyson opened the discussion on SB 2048.

There was discussion about a possible amendment. The last paragraph of the minutes from the last time the committee discussed the bill was read.

Senator Triplett asked if she could have more time to work on it.

Chairman Lyson closed the discussion session.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2048
February 14, 2013
18940

☐ Conference Committee

Committee Clerk Signature

Veronica Spaulding

Explanation or reason for introduction of bill/resolution:

Relating to allocation of funds from the resources trust fund by the state water commission

Minutes:

No attachments

Chairman Lyson opened the discussion for SB 2048.

There was confusion over which amendment the committee was supposed to be considering. The useful recording is at 05:45 - 06:15 and again at 11:54 - 12:54. The rest of the recording is blank. The backup copy of the recording is also blank except for those two short segments.

Senator Triplett made a motion to adopt the amendments on page 2 of testimony # 1 during the hearing.

Senator Burckhard: Second

Motion passed by voice vote.

Senator Burckhard made a motion Do Pass as Amended.

Senator Unruh: Second

The committee decided they would call in Todd Sando or someone else from the State Water Department to help them decide which amendment is the correct one.

Chairman Lyson closed the discussion on SB 2048 until after they talk with someone from the Water Department.

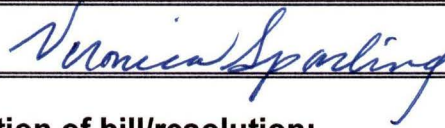
2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee Fort Lincoln Room, State Capitol

SB 2048
February 15, 2013
19029

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to allocation of funds from the resources trust fund by the state water commission

Minutes:

Attachments

All committee members were present.

Chairman Lyson opened the discussion of SB 2048.

Chairman Lyson directed the committee's attention to the amendment that was presented by Todd Sando. See attachment #1.

Senator Triplett made a motion to adopt the amendments presented by the State Water Commission following Todd Sando's testimony dated January 11th, 2013.

Senator Burckhard: Second

There was some discussion about revolving loan funds and other bills that cover that.
(Ends at 03:35)

There was a withdrawal of today's motions because there was a motion on the table from yesterday to Amend and for a Do Pass as Amended.

Roll Call 7, 0, 0

Carrier: Senator Triplett

February 15, 2013

2/15/13
TU

PROPOSED AMENDMENTS TO SENATE BILL NO. 2048

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an act to amend and reenact subsection 3 of section 57-51.1-07.1 of the North Dakota Century Code, relating to the resources trust fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 3 of section 57-51.1-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. The state water commission shall adopt rules for governing the review and recommendation of proposed water projects for which financial assistance by legislative appropriation from the resources trust fund is being sought under this section. The rules must consider project revenues, local cost sharing, and ability to pay. The rules may provide for repayment of a portion of funds allocated from the resources trust fund."

Renumber accordingly

Date: 2-14-13
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2048

Senate Natural Resources Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Triplett Seconded By Burckhard

Senators	Yes	No	Senators	Yes	No
Senator Lyson			Senator Triplett		
Senator Burckhard			Senator Murphy		
Senator Hogue					
Senator Laffen					
Senator Unruh					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

voice vote passed.

*page 2 of
#1 from hearing*

Date: 2-14-13
Roll Call Vote #: 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2048

Senate Natural Resources Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Burckhard Seconded By Unruh

Senators	Yes	No	Senators	Yes	No
Senator Lyson	✓		Senator Triplett	✓	
Senator Burckhard	✓		Senator Murphy	✓	
Senator Hogue	✓				
Senator Laffen	✓				
Senator Unruh	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Triplett

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2048: Natural Resources Committee (Sen. Lyson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2048 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an act to amend and reenact subsection 3 of section 57-51.1-07.1 of the North Dakota Century Code, relating to the resources trust fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 3 of section 57-51.1-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. The state water commission shall adopt rules for governing the review and recommendation of proposed water projects for which financial assistance by legislative appropriation from the resources trust fund is being sought under this section. The rules must consider project revenues, local cost sharing, and ability to pay. The rules may provide for repayment of a portion of funds allocated from the resources trust fund."

Renumber accordingly

2013 HOUSE ENERGY AND NATURAL RESOURCES

SB 2048

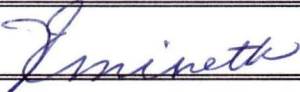
2013 HOUSE STANDING COMMITTEE MINUTES

House Energy and Natural Resources

Pioneer Room, State Capital

SB 2048
March 8, 2013
19613

☐ Conference Committee



Relating to the resources trust fund;

Minutes:

"attached testimony."

Rep. Porter: We will open the hearing on SB 2048.

Rep. Hofstad: SB 2048 comes to us from the water topics overview committee and is a product of many meetings. After the last session many cities were flooded Fargo, Minot, Devil Lake and the Missouri River, all of these communities came to us with their reports of disaster and brought plans for the losses and brought the bill of what it would cost. How do we pay for the issues that we have across N. D.? It came apparent that the Resources Trust Fund didn't have enough money in that. It is not only the flood issues that we have but also the water supply projects are needed. This bill asks the State Water Commission to look at what those projected revenues are of that project, what the local cost share can be and what the ability to pay is. There is component companion bill that we hear yesterday that says we are going to take 10% of that Resource Trust Fund and going to set it aside in a revolving loan. In the future we will have source of income because who knows what will happen with the oil revenue.

Rep. Schmidt: SB 2048 is there any reason why couldn't be put into SB 2233?

Rep. Hofstad: There is no reason; it is all part of the same concept.

Rep. Nathe: Is there about a half million dollars in this fund?

Rep. Hofstad: The Resource Trust Fund at this time is at \$515,000.000 and that has grown is the last number of years but it is still not enough.

Rep. Hunsakor: The 10% that you talked about will go into the revolving loan fund; is that a one time or are there other funds that go into the revolving loan fund?

Rep. Hofstad: It is my believe that there is 10% taken every year from the Resource Trust Fund money and put into the revolving loan fund making that available for projects alone.

Rep. Hunsakor: Is it that 10% of what is in the trust fund will go into the revolving loan fund.

Rep. Hofstad: Yes.

Rep. Porter: What are the projections at the trust fund levels?

Dave Lashkewitsch: That is a tax department question.

Rep. Porter: We will close the hearing on SB 2048.

2013 HOUSE STANDING COMMITTEE MINUTES

House Energy and Natural Resources

Pioneer Room, State Capital

SB 2048

March 8, 2013

19619

☐ Conference Committee

Imeneth

Relating to the resource trust fund;

Minutes:

"attached testimony."

Rep. Porter: We will open SB 2048; as we get going with the Comprehensive water bill Rep. Schmidt brought up I think this bill is a stand-alone issue that should stand by itself rather than amend it into the comprehensive bill because then that issue becomes a concept of a conference committee where if both sides agree that this is language that should go by itself than is off the table and gone.

Rep. Porter: We have a motion for a do pass to SB 2048 from Rep. Hofstad and a second from Rep. Nathe.

Rep. Schmidt: Right now we have commented to spending \$515,000.000 on water projects; only one of those projects has a cost benefit ratio and that is the Fargo Diversion. When it comes to voting for those projects it is difficult for me to admit to my constituents that I voted for these projects when I don't know for a fact that the amount of dollars put forth by the N.D. tax payers is returned by the benefits of the project. I think we should add a cost benefit analysis or a cost benefit ratio in the future.

Rep. Porter: That is kind of oranges and apples on that because we did that on HB 1206 and I think that is kind of a different animal. This is talking about the ability to pay and the ability to provide a repayment of the funds allocated on those projects.

Rep. Schmidt: I think the ability to repay is somewhat continuant on the benefits the project because if the benefits of the project do not offset the cost then is not the payment more difficult to make?

Rep. Porter: Absolutely. I think we have addressed both of those issues.

Rep. Schmidt: As long as we don't lose the concept of cost benefit analysis and cost ratio in the future.

Rep. Hofstad: We are on the very bottom of the policy development. This has nothing to do with the money that we are appropriating right now. What we are doing is looking into the future and trying to develop a policy where we can implement the kinds of things that we are talking about.

Rep. Porter: Motion passed Yes 12 no 0 Absent 1 Carrier Rep. Hofstad

Date: 3-8-13
Roll Call Vote #: 81

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2048

House Natural Resources Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep Hofstad Seconded By Rep Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Todd Porter	✓		Rep. Bob Hunskor	✓	
Vice Chairman Chuck Damschen	✓		Rep. Scot Kelsh	✓	
Rep. Jim Schmidt	✓		Rep. Corey Mock	✓	
Rep. Glen Froseth	✓				
Rep. Curt Hofstad	✓				
Rep. Dick Anderson	✓				
Rep. Peter Silbernagel	✓				
Rep. Mike Nathe	✓				
Rep. Roger Brabandt	✓				
Rep. George Keiser	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep. Hofstad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2048, as engrossed: Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends DO PASS (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2048 was placed on the Fourteenth order on the calendar.

2013 TESTIMONY

SB 2048

#1

TESTIMONY ON SENATE BILL NO. 2048

Senate Natural Resources Committee

**Todd Sando, Chief Engineer and Secretary
North Dakota State Water Commission**

January 11, 2013

Mr. Chairman and members of the Natural Resources Committee, my name is Todd Sando and I am the Chief Engineer and Secretary of the State Water Commission. I am here in support of the concept embodied in Senate Bill No. 2048. However, rather than creating a new section to N.D.C.C. chapter 61-02 to deal with allocations from the Resources Trust Fund, I suggest amending N.D.C.C. § 57-51.1-07.1, which already provides for the procedure for review of applications for financial assistance from the Resources Trust Fund for water-related projects.

I therefore offer the attached amendment adding language to subsection 3 of N.D.C.C. § 57-51.1-07.1. Also attached is a full version of N.D.C.C. § 57-51.1-07.1.

I will gladly answer any questions.

PROPOSED AMENDMENT TO SENATE BILL NO. 2048

Page 1, line 1, after "Act" replace the remainder of the bill with "to amend and reenact subsection 3 of section 57-51.1-07.1 of the North Dakota Century Code, relating to the application review for financial assistance from the resources trust fund for water-related projects.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Subsection 3 of section 57-51.1-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. The state water commission shall adopt rules for governing the review and recommendation of proposed water projects for which financial assistance by legislative appropriation from the resources trust fund is being sought under this section. Such rules shall consider project revenues, local cost sharing, and ability to pay, and may provide for repayment of a portion of funds allocated from the resources trust fund.

Renumber accordingly

§ 57-51.1-07.1. Resources trust fund--Procedure for review of applications for financial assistance for water-related projects.

1. A political subdivision or rural water system seeking loans, grants, or other financial assistance by legislative appropriation from the resources trust fund for a water-related project or study must submit the proposed water-related project or study to the state water commission for review. The commission may require the political subdivision or rural water system to supply information as it considers necessary to review the request. After consideration and review of the proposed water-related project or study, the state water commission may conduct or it may require the project sponsor to conduct a preliminary study for the proposed project or study. The preliminary study must be conducted in accordance with criteria established pursuant to subsection 3.
2. Every legislative bill appropriating moneys from the resources trust fund pursuant to subsection 1 must be accompanied by a state water commission report, which must include:
 - a. A summary of the engineering feasibility study of the proposed water project.
 - b. Statements concerning the proposed water project as it relates to the comprehensive state water plan of the state water commission.
 - c. The need for the proposed water project, including any alternative projects which would satisfy such need.
 - d. The availability of other sources of funding or financial assistance for such water project.
 - e. A recommendation as to whether or not the proposed water project should receive financial assistance through legislative appropriation from the resources trust fund.
 - f. Other items as deemed necessary or appropriate by the state water commission.
3. The state water commission shall adopt rules for governing the review and recommendation of proposed water projects for which financial assistance by legislative appropriation from the resources trust fund is being sought under this section. Such rules shall consider project revenues, local cost sharing, and ability to pay, and may provide for repayment of a portion of funds allocated from the resources trust fund.

COST-SHARE POLICY, PROCEDURE, AND GENERAL REQUIREMENTS

It is the policy of the State Water Commission that the following categories of projects shall be eligible for cost-sharing, and that the projects are consistent with the public interest to receive cost-share funding from the agency's appropriated funds. Projects that receive Federal Emergency Management Agency funding and/or financial support from the State's Division of Emergency Management Fund are not eligible for funding through the State Water Commission. No funds shall be used in violation of the Anti-Gift Clause of the North Dakota Constitution.

ELIGIBLE ITEMS

It is the policy of the State Water Commission that the following items shall be eligible for cost-sharing upon approval by the State Water Commission:

- I. Construction costs, which include but are not limited to, earthwork, concrete, mobilization and demobilization, dewatering, materials, seeding, rip-rap, re-routing electrical transmission lines, moving storm and sanitary sewer systems, and other underground utilities and conveyance systems, irrigation supply works, and other items and services provided by the contractor. The costs must have been incurred after the cost-share approval date, except for emergencies as determined by Chief Engineer.

The eligibility of certain items for cost-share may be addressed on an individual basis.

NON-ELIGIBLE ITEMS

It is the policy of the State Water Commission that the following items shall not be eligible for cost-sharing by the State Water Commission:

- I. Engineering services (not applicable to "*Studies, Reports, Analyses, Surveys, Models, Assessments, Mapping*") to include but not limited to, project development, preliminary and final engineering design, project inspections, contract administration, material testing, preliminary analysis, flood insurance studies, cultural and archeological studies, hydraulic models, soils investigations, and surveying.

Note: In the event of an approved exception to allow engineering services as eligible, preliminary engineering costs preceding the cost-share approval date up to a maximum of two years will be considered eligible. Final engineering costs incurred after the cost-share approval date will be considered eligible.

- II. Acquisition of property interests in fee or easement for projects.
- III. Administrative and legal expenses incurred in connection with any project.
- IV. Maintenance, deferred maintenance, repairs. Maintenance work and deferred maintenance on any project shall not be an eligible item for cost-sharing, except for maintenance that may be required as a result of an unusual climatological event or dam safety repairs.
- V. Projects that do not receive cost-share approval prior to the commencement of the Project, except for emergencies as determined by Chief Engineer.

- VI. Construction costs incurred prior to cost-share approval.
- VII. Funding contributions provided by other entities that reduce the project cost to the applicant.
- VIII. Work incurred outside the scope of the project.
- IX. Technical assistance provided as in-kind may not be submitted for cost-share reimbursement.

The eligibility of certain items for cost-share may be addressed on an individual basis.

COST-SHARE APPLICATION AND APPROVAL PROCEDURES

It is the policy of the State Water Commission to provide cost-share funding for water development projects. The Chief Engineer has the authority to cost-share up to \$50,000 without State Water Commission action. Projects estimated in excess of \$50,000 must be presented to the State Water Commission for approval. The Chief Engineer is authorized to approve cost overruns up to \$50,000.

The following are general cost-share application procedures and requirements for State Water Commission and Chief Engineer approval:

- I. **APPLICATION REQUIRED.** The State Water Commission will not consider any request for cost-sharing for water-related projects unless an application is first made to the Chief Engineer. The applicant must be a federal or state entity, a political subdivision, or a commission legislatively granted North Dakota recognition.
- II. **PERMITS.** The applicant for cost-sharing must also address the appropriate federal, state, and local permits required. No contract will be initiated until all required permits have been issued.
- III. **CONTENTS OF APPLICATION.** An application for cost-sharing must be in writing, but is not required to be in a prescribed format. A "North Dakota State Water Commission Project Information and Cost-Share Request Form" is available from the Commission upon request. The application must include the following:
 - A. Description and location of the proposed project
 - B. Purpose, goal, objective/narrative of the proposed project
 - C. Delineation of costs
 - D. Preliminary designs, if applicable
 - E. Scope of work for an engineering feasibility study
 - F. Additional information as deemed appropriate by the Chief Engineer
- IV. **REVIEW.** Upon receiving an application for cost-sharing, the Chief Engineer shall review the application and accompanying information. If the Chief Engineer is satisfied that the proposal meets all the requirements, the Chief Engineer shall present the application to the State Water Commission for approval (for projects where the state cost-share amount is greater than \$50,000), or he may make a determination for approval (state cost-share amount is \$50,000 or less). The Chief Engineer's review of the application will

include the following items, and any other considerations that the Chief Engineer deems necessary and appropriate.

- A. If the application for cost-sharing is for project construction, a field inspection will be made, if deemed necessary by the Chief Engineer. Previous field inspections made by the Chief Engineer as part of a permit application may satisfy this requirement.
 - B. Engineering plans and specifications will be reviewed.
 - C. If the request is for a study, the Chief Engineer will review the application to ensure that the study qualifies as an eligible study as defined by the State Water Commission.
 - D. The amount of eligible cost-share will be determined by the project type or the amount requested by the applicant.
- V. NOTICE & APPEARANCE OF THE APPLICANT. For projects with an excess state cost-share amount of \$50,000, the Chief Engineer shall place the application for cost-sharing on the tentative agenda of the State Water Commission meeting at which the application will be presented. The Chief Engineer shall give notice to such applicant when the project will be presented to the State Water Commission.
- VI. CHIEF ENGINEER'S RECOMMENDATION. The Chief Engineer will make a recommendation to the State Water Commission on an application in excess of \$50,000 for state cost-sharing at the meeting of the commission when such application for cost-sharing is presented for approval. No funds will be disbursed until the State Water Commission and applicant(s) have entered into a contract for state cost-share participation.
- VII. LITIGATION. If a project for which an application for cost-sharing has been submitted is the subject of litigation, the application may be deferred until the litigation is resolved. If a project for which the State Water Commission or Chief Engineer has approved a cost-sharing request becomes the subject of litigation before the funds approved by the Commission have been disbursed, the Chief Engineer may withhold such funds until the litigation is resolved.
- VIII. ENGINEERING DESIGNS, PLANS & SPECIFICATIONS. Engineering designs, plans, and specifications for the construction of a project must be approved by the Chief Engineer. The applicant/project sponsor must also comply with the North Dakota Century Code in the soliciting and awarding of bids and contracts, and all federal, state, and local laws.
- IX. COST SHARING BY OTHER AGENCIES. All applications for cost-sharing shall be reviewed to determine if other local or state agencies are participating in the project costs. If so, the State Water Commission will take this into account, and may reduce the percentage of commission cost-sharing accordingly.
- X. PARTIAL & FINAL PAYMENTS The Chief Engineer may make partial payment of cost-sharing funds as deemed appropriate. Upon notice by the applicant/project sponsor that all work or construction has been completed, the Chief Engineer may conduct a final field inspection. If the Chief Engineer is satisfied that construction has been completed in

accordance with the designs, plans and specifications for the project, the final payment for cost-sharing as approved by the State Water Commission shall be disbursed to the project sponsor, less any partial payment previously made.

- XI. **MAINTENANCE AND REPAIRS.** Except as otherwise provided, the State Water Commission shall require that the applicant for cost-sharing be responsible for maintenance and repairs of the project.

PROJECTS ELIGIBLE FOR COST-SHARE

- I. *Rural Flood Control Projects.* The primary purpose of rural flood control projects is to manage runoff/drainage from agricultural sources or to provide flood control in a rural setting. Typically, rural flood control projects consist of drains, channels, diversion ditches, or ring dikes. The State Water Commission has established design criteria for rural flood control projects. Projects that are managing runoff/drainage from urban sources are not eligible for State Water Commission cost-share participation.

A. Drains, Channels, Diversion Ditches. The Commission will provide cost-sharing up to 45 percent of the eligible items for the construction of drains, channels, and diversion ditches. Improvement reconstructions are reimbursed at 45 percent. The cost-share of any one project is capped per biennium. County and township road crossing work that are an integral part of the drains, channels, and diversion ditches and the appropriate costs per the awarded contract bid are eligible for cost-share. A Water Resource District applying for cost-sharing for a rural assessment-based flood control project must comply with regulatory statutes per the North Dakota Century Code. If an assessment-based rural flood control project is to be established within two or more districts, or the project is sponsored by two or more districts, and financial participation is sought from the State Water Commission, each district involved must join in the application for financial assistance.

B. Ring Dikes. A ring dike program shall be developed and sponsored by a federal, state, or political subdivision consisting of one or more occupied farmsteads and/or rural residences. Ring dikes will receive up to a 60 percent cost-share of the eligible items, limited to a maximum of \$40,000 per ring dike. All ring dikes within the program are subject to the Commission's minimum design criteria standards, eligible items, and costs.

Design Criteria: The height is to be constructed greater of 2 ft. above the 1997 flood (or greater flood event if high water mark is documented) or 2 ft. above the 100-year flood. The top width is to be constructed as follows: If dike height is 5 ft. or less - 4 ft. top width, if dike height is between 5 ft. and 14 ft. - 6 ft. top width, if dike height is greater than 14 ft. - 8 ft. top width. Sides slopes constructed at 3 horizontal to 1 vertical. Strip topsoil and vegetation to a minimum of 1 foot. Adequate embankment compaction required with fill in 6 in. to 8 in. layers and compact with passes of equipment. The topsoil is to be spread and seeded. The payment schedule for work performed by the landowner is described in Attachment A.

Landowners are responsible to address internal drainage on ring dikes. If culverts and flap gates are installed, these costs are eligible for cost share.

Landowners enrolled in the Natural Resource Conservation Service's (NRCS) Environmental Quality Incentive Program (EQIP) who intend to construct rural/farmstead ring dikes meeting Commission's elevation design criteria are eligible for a cost-share reimbursement of 20 percent of the NRCS construction payment, limited to a combined NRCS and Commission contribution of 80 percent of total project costs.

- II. *Water Supply Projects.* The State Water Commission will provide cost-sharing for up to 60 percent of the eligible items of any cost-sharing application approved for water supply projects. These projects are commonly associated with dams and water retention methods. If sufficient funds are not available for all competing cost-sharing applications, water supply projects for domestic, municipal, and rural uses shall receive highest priority.
- III. *Flood Control Projects.* The State Water Commission will provide cost-sharing for up to 60 percent of the eligible items of all cost-sharing applications approved for flood control projects, except for the construction of flood retention projects which are cost-shared at 65 percent of all non-federal costs, excluding sponsor's administrative costs and applicable study project reimbursements. Flood retention costs up two years preceding the cost-share approval will be allowed. Flood control projects protect communities from flooding and may include the repair of dams that provide a flood control benefit. These projects are commonly associated with dams, dikes, levees, diversion channels, water retention structures/methods, dam repairs, drop structures, and miscellaneous flood control programs.
- IV. *Dam Safety Projects.* The State Water Commission will provide cost-share for up to 65 percent of the eligible items of any cost-sharing application approved for dam safety repair construction projects. The cost-share percentage of 65 percent is only applicable to those dam safety repairs that do not have any other contributing partners. The local level would be responsible for 35 percent. On those dam safety repairs of which the North Dakota Game and Fish will be a third contributing party, the SWC will fund 33.33 percent, NDG&F 33.33 percent, and the local level will be at 33.33 percent. Dam safety repairs that are funded with federal funds, will be cost-shared at 50 percent of the non-federal costs. The intent of these projects is to return the dam to a state of being safe from the condition of failure, damage, error, accidents, harm or other events that are considered non-desirable.
- V. *Recreation Projects.* The State Water Commission will provide cost-sharing for up to 40 percent of the eligible items of any cost-sharing application approved for the purpose of water-based recreation. Upon proposed project review, the cost-share percentage of up to 40 percent may be adjusted to account for any contributing partners. Various types of projects may constitute a recreation project.
- VI. *Snagging & Clearing Projects.* The State Water Commission will provide cost-share for up to 50 percent of the eligible items for snagging and clearing on watercourses as defined in NDCC 61-01-06. Snagging and clearing projects consist of the removal and disposal of fallen trees and associated debris encountered within or along the primary channel as well as any sediment that has accumulated in the immediate vicinity and any trees in imminent danger of falling in the channel. Snagging and clearing projects are intended to prevent damage to structures such as bridges, and maintain the hydraulic

capacity of the channel during flood flows. The snagging and clearing of artificial/man-made channels; the dredging of watercourses for sediment/silt removal; the clearing and grubbing of cattails and other plant vegetation; or the removal of any other unwanted materials are not eligible under State Water Commission's snagging and clearing cost-share policy. The Chief Engineer reserves the right to determine the eligibility of projects and the percentage of cost-share up to 50 percent.

- VII. *Studies, Reports, Analyses, Surveys, Models, Assessments, Mapping Projects.* The State Water Commission will provide cost-sharing up to 50 percent of the eligible items of any cost-sharing application approved for studies, reports, analyses, surveys, models, assessments, and mapping projects. The percentage of funds is limited by the maximum cost-share limits of eligible project categories to which the purpose of the project corresponds. Flood retention studies are limited to 50 percent and reimbursed costs will be accounted for in the applicable flood retention construction project. A paper and electronic copy of the study, report, analysis, survey, model, assessment or mapping project must be provided to the State Water Commission upon completion. Chief Engineer will determine payment schedule and interim progress report(s) requirements.

A. Engineering Feasibility Studies. An engineering feasibility study identifies a water-related problem and the alternatives/options to solve or alleviate the problem, an evaluation (analysis, surveys, models, assessments, reports, mapping) of the alternatives/options for technical, engineering, and financial feasibility, and the selection of an alternative/option.

B. Mapping Products. The State Water Commission will provide cost-share up to 50 percent for projects with a purpose to gather data and/or accomplish a specific task such as, but not limited to, flood insurance studies and mapping projects, LiDAR acquisition, and flood imagery attainment that is valuable to managing water resources.

C. Emergency Action Plans (EAP's). The State Water Commission will provide cost-share up to 80 percent, limited to \$25,000, for emergency action plans (EAP's) of each dam classified as high or medium/significant hazard dam. Reimbursement per actual costs incurred. The cost of a dam break model is only eligible for reimbursement for dams classified as a high hazard.

D. FEMA Flood Control/Reduction Levee System Certification Analyses and Reports. The State Water Commission will provide cost-share up to 60 percent for eligible services for FEMA 44 CFR 65.10 flood control/reduction levee system certification analysis. Federally mandated, the analysis is required for FEMA to accredit the levee system for flood insurance mapping purposes. Typical eligible costs, limited to and as per FEMA guidelines, include site visits and field surveys to include travel expenses, hydraulic evaluations, closure evaluations, geotechnical evaluations, embankment protection, soils investigations, interior drainage evaluations, internal drainage hydrology and hydraulic reports, system modifications, break-out flows and all other engineering services as required by FEMA. Ineligible costs consist of project administration; data and document gathering; construction or reconstruction engineering designs for Levee compliance; maintenance and operations plans and updates to; services to recreate required documents/plans that have not been developed; emergency warning systems implementation; and engineering firm's indirect expenses. The analysis will

result in a comprehensive report to be submitted to FEMA and the Commission. This cost-share policy is dependent upon federal funding availability and services and is subject to change.

VIII. *Irrigation.* The State Water Commission will provide cost-sharing for up to 50 percent of the eligible items of any cost-sharing application approved for irrigation projects. The cost-share must be limited to supporting the irrigation development efforts of political subdivisions. The items eligible for cost-share are those associated with new central supply works, to include water storage facilities, intake structures, wells, pumps, power units, primary water conveyance facilities, and electrical transmission and control facilities.

IX. *Bank Stabilization.* The State Water Commission will provide cost-share for up to 60 percent of eligible items of any cost-sharing application approved for bank stabilization projects on public lands or those lands under easement by federal, state, or political subdivisions. Bank Stabilization projects are intended to stabilize the banks of lakes and of watercourses, as defined in 61-01-06 of the NDCC, with the purpose of protecting public facilities. Drop structures and outlets are not considered for funding as bank stabilization projects, but may be eligible under other cost-share program categories.

Bank Stabilization projects, typically consist of a rock or vegetative design, and are intended to prevent the loss of land or damage to utilities, roads, buildings or other facilities adjacent to the lake or watercourse. The Chief Engineer reserves the right to determine the eligibility of projects and the percentage of cost-share up to 60 percent.

X. *Technical Assistance.* The State Water Commission will provide cost-share of up to 50 percent of eligible costs based on the type of project as described above. In some cases a portion of the assistance provided may be in the form of in-kind technical assistance. The cost or value of the technical assistance will count toward the Commission's total contribution. The project sponsor, upon awarding a contract for the construction or other work to be performed for a project in which the State Water Commission is providing technical assistance, shall file a copy of the contract with the Chief Engineer.

XI. *Emergency Municipal, Tribal, and Rural Water Supply Projects.* The State Water Commission will provide cost-share on the eligible items of any cost-share application approved for emergency municipal, tribal, and rural water supply projects. The percentage of cost-share will be calculated upon review of the application. These projects are associated water systems, whose primary source of water is the Missouri River, Lake Sakakawea, or Lake Oahe, that request emergency assistance due to low water conditions on the Missouri River, Lake Sakakawea, or Lake Oahe, and face a critical need or health risk as a result of the inability of the water intake system to supply an adequate quantity of quality water to the people served by the municipal, tribal, or rural water system.

XII. *Dam Removal/Breach Projects.* The State Water Commission will provide cost-share for up to 65 percent of the eligible items of any cost-sharing application approved for a dam removal/dam breach project. Upon proposed project review, the cost-share percentage of up to 65 percent may be adjusted to account for any contributing partners. Each project will be evaluated on, but not limited to, impacts to water rights; reservoir sediment disposal or stabilization, stream bank erosion; the plan for draining the reservoir; method

used to breach the dam; and if applicable, sociological, ecological, and historical impacts. A North Dakota State Water Commission Dam Removal/Breach Permit is required.

- XIII. *Municipal, Rural, and Industrial Water Supply Program.* The Municipal, Rural, and Industrial Water Supply Program (MR&I) is administered according to the policies, procedures, and general requirements set forth in North Dakota Administrative Code Article 89-12.

FLOODWAY PROPERTY ACQUISITION COST-SHARE POLICY

- The State Water Commission (SWC) will provide cost share to cities or counties for acquisition of property in floodways to provide long-term flood reduction benefits that compliments, but does not duplicate, federal funding of flood mitigation projects. *This Floodway Property Acquisition Cost-Share Policy will supersede the remainder of the cost-share policy in the event there is any conflict.*
- On any acquisitions cost shared by the SWC, the property must not be eligible for federal Hazard Mitigation Grant Program (HMGP) funding. For the purpose of this policy, floodway is defined as the area needed to convey floodwaters. It does not refer to a specific return period flood. Use of the terms Individual Assistance and HMGP refers to federal cost share programs through the Federal Emergency Management Agency (FEMA), not programs under this cost share policy.
- Prior to applying for assistance, the applicant shall adopt and provide to the SWC an acquisition plan (similar to plan required by HMGP) that includes the description and map of properties to be acquired, the estimated cost of property acquisition including contract costs, removal of structures, the benefit of acquiring the properties, and information regarding the ineligibility for HMGP funding. This plan must also include a description of how the applicant will insure there is not a duplication of benefits.
- Over the long-term development of a flood control project, following a voluntary acquisition program, the applicant's governing body must officially adopt a flood risk reduction plan or proposal including the flow to be mitigated. The flow used to develop the flood risk reduction plan must be included in zoning discussions to limit new development on other flood-prone property. An excerpt of the meeting minutes documenting the applicant's official action must be presented to the SWC.
- Eligible applicants must fund the local cost share for acquisitions. Local cost shares will not be waived. Disaster Community Development Block Grant funding may be used for local cost share and will not be considered as federal funds.
- The SWC cost shares are identified as follows:
 1. SWC cost share for applicant's acquisition of property for potential temporary or permanent flood control projects in counties designated

for FEMA Individual Assistance in 2011 with the addition of Ransom County shall not exceed 75%.

2. SWC cost share for applicant's acquisition of property that will provide additional conveyance (Open Space) but will not be protected by a proposed flood control project, in counties designated for FEMA Individual Assistance in 2011 with the addition of Ransom County, shall not exceed 60%.
3. SWC cost share for all other applicants shall not exceed 50%.

Purchase and removal of structures are eligible acquisition costs. All contracted costs directly associated with the acquisition will be considered eligible for cost share. Contracted costs may include: appraisals, legal fees (title and abstract search/update, property survey, closing costs, etc.), hazardous materials abatement needs (asbestos, lead paint, etc.), and site restoration. Salary and administrative costs incurred by the local sponsor shall not be cost shared.

- The applicant shall include a perpetual restrictive covenant similar to the restrictions required by the federal HMGP funding with the additional exceptions being that the property may be utilized for flood control structures and related infrastructure, paved surfaces, and bridges. These covenants must be recorded either in the deed or in a restrictive covenant that would apply to multiple deeds.
- The applicant shall provide justification acceptable to the SWC describing the property's ineligibility to receive federal HMGP funding. This is not meant to require submission and rejection by the federal government, but rather an explanation of why the property would not be eligible for federal funding. Example explanations include: permanent flood control structures may be built on the property; project will not achieve required benefit/cost analysis to support HMGP eligibility; or lack of available HMGP funding. If inability to receive federal funding is not shown to the satisfaction of the SWC, following the SWC's consultation with the North Dakota Department of Emergency Services, the requests for costs share will be returned to the applicant for submittal for federal funding prior to use of these funds.
- The SWC must vote to approve the funding allocation toward all floodway acquisition cost share requests. The Chief Engineer, or designee, will approve the specific payments under the funding allocation. Assistance pursuant to this policy will be limited by SWC's determination of funding availability.
- Highest priority for these funds shall be given to counties that qualified for FEMA Individual Assistance in 2011 with the addition of Ransom County, in the following order:
 1. Property has flood damage and may be needed for construction of long-term flood control projects.
 2. Property has flood damage and may be needed for construction of temporary flood control projects.

3. Property has flood damage and would increase conveyance or provide other flood control benefits.
4. Property **does not** have flood damage but may be needed for construction of long-term flood control project.
5. Property **does not** have flood damage but may be needed for construction of temporary flood control projects.

The SWC recognizes additional areas still recovering from prior floods may also require assistance.

Property in counties that qualified for FEMA Individual Assistance in 2009 but not in 2011 will be considered as priority 6 through 10, in the same order as outlined for priorities 1 through 5 above.

Property in counties that did not qualify for FEMA Individual Assistance in either 2009 or 2011 will be considered as priority 11 through 15, in the same order as outlined for priorities 1 through 5 above.

Cost share policy for construction of permanent flood control on the property acquired is not addressed under this section.

ATTACHMENT A

NDSWC INDIVIDUAL RURAL/FARMSTEAD RING DIKE MINIMUM DESIGN CONSTRUCTION CRITERIA

Minimum Design Criteria

Height: The greater of 2 ft. above the 1997 flood (or greater flood event if high water mark is documented) or 2 ft. above the 100-year flood

Top Width:

If dike height is 5 ft or less: 4 ft. top width

If dike height is between 5 ft. and 14 ft.: 6 ft. top width

If dike height is greater than 14 ft.: 8 ft. top width

Side Slopes: 3 horizontal to 1 vertical

Strip topsoil and vegetation: 1 ft.

Adequate embankment compaction:

Fill in 6 inch to 8 inch layers

Compact with passes of equipment

Spread topsoil and seed on ring dike

Landowners are responsible to address internal drainage on ring dikes. If culverts and flap gates are installed, these costs are eligible for cost share.

The landowner has the option of completing the work himself or hiring a contractor to complete the work.

If a contractor does the work, payment is for actual costs, per the bid/contract/quote.

If a landowner does the work, payment is based on the following unit prices:

<i>Stripping and spreading topsoil:</i>	\$0.40 per square yard
<i>Embankment fill:</i>	\$3.18 per cubic yard
<i>Seeding:</i>	Cost of seed times 200%
<i>Culverts:</i>	Cost of culverts times 150%
<i>Flap gates:</i>	Cost of flap gates times 150%

The topsoil and embankment quantities will be estimated based on dike dimensions. Invoices will be used for the cost of seed, culverts, and flap gates.

Height can be determined by existing FIRM data or known elevations available at county floodplain management offices. Engineers/surveyors may also assist in establishing height elevations.

The projects will not require extensive engineering design. Extensive cross sections will not be required.

A dike permit will be required if the interior volume of the dike consists of 50 acre-feet, or more.

Reimbursement is limited to 60% of the actual incurred eligible costs, a maximum of \$40,000 per ring dike, and minimum design criteria. This ring dike program is intended to protect individual rural homes and farmsteads. Protection of a community, city, or development area does not fall under this program. See flood control.

Landowners enrolled in the Natural Resource Conservation Service's (NRCS) Environmental Quality Incentive Program (EQIP) who intend to construct individual rural/farmstead ring dikes also meeting Commission's minimum design criteria are eligible for a cost-share reimbursement of 20 percent of the NRCS construction payment.

#1

January 17, 2013

Sixty-third
Legislative Assembly
Of North Dakota

SENATE BILL NO. 2048

Introduced by

Legislative Management
Water-Related Topics Overview Committee

A BILL for an Act to create and enact a new section to ~~chapter 61-02~~ chapter 57-51.1-07.1 of the North Dakota Century Code, relating to ~~allocation of funds from the resources trust fund by the state water commission~~ the procedure for review of applications for financial assistance for water-related projects.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

Section 1. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Allocation of funds from the resources trust fund.

The state water commission shall develop policies to maximize long term funding for water development and water management through the resources trust fund. In furtherance of these policies, the state water commission shall:

1. Consider factors such as revenues, water rates, operation and maintenance costs, local assessments and contributions, and other local commitments.
2. Allocate funds from the resources trust fund in the form of loans if an entity is determined to have the ability to repay the funds allocated.
3. Set the terms of loans for entities that have the ability to repay funds allocated, including length of repayment, interest rates and other terms.

If the commission determines an entity does not have the ability to repay the funds allocated, the commission may allocate funds in the form of grants up to the amount the entity has an inability to repay the funds allocated.

Section 1. Section 57-51.1-07.1 of the North Dakota Century Code is amended and re-enacted as follows:

Resources trust fund--Procedure for review of applications for financial assistance for water-related projects

1. A political subdivision or rural water system seeking loans, grants, or other financial assistance by legislative appropriation from the resources trust fund for a water-related project or study must submit the proposed water-related project or study to the state water commission for review. The commission may require the political subdivision or rural water system to supply information as it considers necessary to review the request. After consideration and review of the proposed water-

related project or study, the state water commission may conduct or it may require the project sponsor to conduct a preliminary study for the proposed project or study. The preliminary study must be conducted in accordance with criteria established pursuant to subsection 3.

2. Every legislative bill appropriating moneys from the resources trust fund pursuant to subsection 1 must be accompanied by a state water commission report, which must include:

- a. A summary of the engineering feasibility study of the proposed water project.
- b. Statements concerning the proposed water project as it relates to the comprehensive state water plan of the state water commission.
- c. The need for the proposed water project, including any alternative projects which would satisfy such need.
- d. The availability of other sources of funding or financial assistance for such water project.
- e. A recommendation as to whether or not the proposed water project should receive financial assistance through legislative appropriation from the resources trust fund.
- f. Other items as deemed necessary or appropriate by the state water commission.

3. The state water commission shall adopt rules for governing the review and recommendation of proposed water projects for which financial assistance by legislative appropriation from the resources trust fund is being sought under this section. These rules shall consider project revenues, local cost sharing and ability to pay, and may provide for repayment of a portion of funds allocated from the resources trust fund.

February 4, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2048

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 3 of section 57-51.1-07.1 of the North Dakota Century Code, relating to the procedure for review of applications for financial assistance for water-related projects funded from the resources trust fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 3 of section 57-51.1-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. The state water commission shall adopt rules for governing the review and recommendation of proposed water projects for which financial assistance by legislative appropriation from the resources trust fund is being sought under this section. The rules must consider project revenues, local cost-sharing, and ability to pay, and may provide for repayment of a portion of funds allocated from the resources trust fund, in furtherance of legislative intent to maximize long-term funding for water development and water management through repayment to the resources trust fund."

Renumber accordingly