

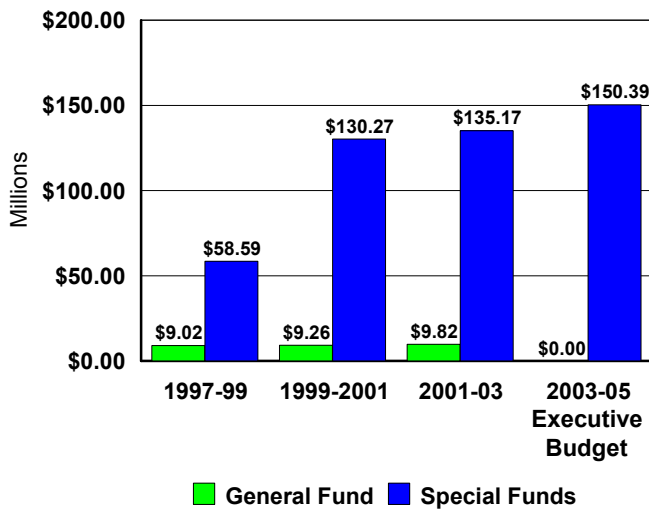
**Department 770 - State Water Commission
 Senate Bill No. 2022**

	FTE Positions	General Fund	Other Funds	Total
2003-05 Executive Budget	85.00	\$0	\$150,385,990	\$150,385,990
2001-03 Legislative Appropriations	89.00	9,815,151 ¹	135,173,009	144,988,160 ²
Increase (Decrease)	(4.00)	(\$9,815,151)	\$15,212,981	\$5,397,830

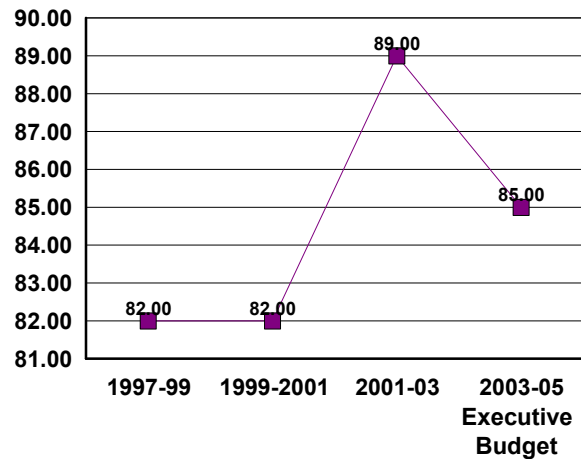
¹ The 2001-03 general fund appropriation is the amount appropriated by the 2001 Legislative Assembly and does not include a reduction of \$103,059 relating to the 1.05 percent budget allotment ordered by Governor Hoeven in July 2002.

² The 2001-03 appropriation amounts include \$82,152, \$81,331 of which is from the general fund, for the agency's share of the \$5 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. In addition, the appropriation amounts do not include \$4 million of other funds carried over from the 1999-2001 biennium for Grand Forks flood control projects.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes Noted)**

	General Fund	Other Funds	Total
1. Consolidates the State Water Commission's reporting levels into two new levels: administration and support services and water and atmospheric resources			
2. Replaces the State Water Commission general fund authority with special funds from the water development trust fund. The Senate transferred funding for operations of the State Water Commission to the general fund in the amount of \$9,440,117.	(\$9,236,683)	\$9,236,683	
3. Increases fees for rent (\$257,974), audit fees (\$25,000), and legal fees (\$265,000) due to the agency no longer receiving a general fund appropriation. The Senate removed this funding.		\$547,974	\$547,974
4. Removes two FTE water testing positions due to the State Department of Health assuming the water testing duties currently performed by two		(\$211,834)	(\$211,834)

State Water Commission FTEs at the state laboratory. One of the two positions will be transferred to the State Department of Health.

5. Increases funding for contract water testing to be conducted by the State Department of Health based on the amount to fund the one FTE laboratory technician position transferred	\$77,000	\$77,000
6. Provides a continuing appropriation for the sale of land and the existing shop building at the corner of 26th Street and Broadway Avenue in Bismarck and use the proceeds to build a maintenance facility at a new location. The total appropriation for the purchase of land and construction of the new building is not to exceed \$977,100, the same appropriation as the 2001-03 biennium.		
7. Provides authorization for water projects from the following sources:		
• Bond issuances up to \$60 million. The Senate reduced this amount to \$49,523,771.		
• \$23,709,542 (\$32,946,225 less \$9,236,683 for operations) from the water development trust fund. The Senate replaced the \$9,236,683 for operations with general fund money and maintained \$32,946,225 for water projects.		
• \$13,650,000 from the resources trust fund		
8. The major water projects budgeted for in the 2003-05 biennium by the State Water Commission include:		
Devils Lake outlet, basin development, and dike	\$26,500,000	
Grand Forks flood control	\$18,007,000	
Fargo flood control	\$10,500,000	
Maple River Dam	\$3,500,000	
Municipal, rural, and industrial water supply	\$10,000,000	
9. Deletes 1 FTE assistant state engineer. The person who currently fills this position also serves as the director of the Water Development Division and is funded from that division's budget.	(\$105,959)	(\$105,959)
10. Deletes 1 FTE water resource engineer	(\$97,446)	(\$97,446)
11. Total 2001-03 biennium funding of \$150.4 million for the State Water Commission includes:		
• Total funding for water projects, bonding, grants, Southwest Pipeline Project, and Northwest Area Water Supply Project of \$131 million. This includes funding from bonding pursuant to Section 9, resources trust fund, water development trust fund, local funds, and federal funds.		
• Total federal and special funding for salaries and wages of \$9.4 million		
• Total federal and special funding for other operating costs of \$10 million. The Senate reduced the total appropriation to the State Water Commission to \$149,444,673, which includes a \$9,440,117 general fund appropriation for operations.		

Major Related Legislation

Section 2 of Engrossed Senate Bill No. 2022 provides total funding of \$13,650,000 from the resources trust fund for statewide water projects.

Section 3 of Engrossed Senate Bill No. 2022 provides total funding of \$32,946,225 from the water development trust fund for operations, bond payments, and water projects. Funding for operations is \$9,236,683, and bond payments are estimated to be \$8 million during the 2003-05 biennium. An additional \$10,931,361 is appropriated from the water development trust fund for water disasters, including the University of North Dakota (\$1,193,146), North Dakota State University (\$262,928), Division of Emergency Management (\$8.9 million), and Parks and Recreation Department (\$575,287). The Senate replaced the \$9,236,683 for operations with general fund money. The Senate replaced the \$8.9 million Division of Emergency Management appropriation with a general fund appropriation.

Section 5 of Engrossed Senate Bill No. 2022 provides a continuing appropriation for the sale of land and the existing shop building at the corner of 26th Street and Broadway Avenue in Bismarck.

Section 6 of Engrossed Senate Bill No. 2022 authorizes the State Water Commission to use the land and building sale proceeds to purchase land and build a new maintenance shop. The total appropriation for the purchase of land and construction of the new building is not to exceed \$977,100, the same appropriation as the 2001-03 biennium.

Section 7 of Engrossed Senate Bill No. 2022 authorizes a Bank of North Dakota line of credit of up to \$25 million for the purpose of interim financing during the process of issuing bonds.

Section 8 of Engrossed Senate Bill No. 2022 provides a contingent appropriation from the water development trust fund or from bond proceeds for repaying the line of credit.

Section 9 of Engrossed Senate Bill No. 2022 authorizes bond issuances for statewide water projects up to \$60 million, plus the costs of issuance, capitalized interest, and required reserves for the 2003-05 biennium. The limitation does not apply to authority for the Southwest Pipeline Project (North Dakota Century Code Chapter 61-24.3) and the Northwest Area Water Supply Project (North Dakota Century Code Chapter 61-24.6). The Senate reduced the bonding limit to \$49,523,771.

Section 11 of Engrossed House Bill No. 2022 changes the tobacco settlement funding priority by removing language that distributions are to be made to the water development trust fund based on money needed for interest and principal on bond payments before distributions can be made to the common schools trust fund.

Section 12 of Engrossed House Bill No. 2022 repeals North Dakota Century Code Chapter 61-38, relating to assumption of the Section 404 program of the Clean Water Act by the State Water Commission.

House Bill No. 1148 - This bill authorizes the State Water Commission to assign easements for dam construction if it is determined the assignment would be in the best interest of the state.

Senate Bill No. 2193 - This bill requires \$20 million of bonding authority for the State Water Commission be restricted for a Devils Lake outlet.