MICROFILM DIVIDER

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SFN 2053 (2/85) 5M

ROLL NUMBER

DESCRIPTION

1171

2001 HOUSE NATURAL RESOURCES

HB 1171

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1171

House Natural Resources Committee

☐ Conference Committee

Hearing Date January 12, 2001

Tape Number	Side A	Side B	Meter #
1	x		620 - 3305
Committee Clerk Signature			

Minutes: Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. DeKrey, Rep. Drovdal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Solberg, Rep. Winrich.

Chairman Rennerfeldt: I will open the hearing on HB 1171. Is there anyone here to testify for this bill?

Dale Frink - Asst. State Engineer for the State Water Commission: I am here today in support of HB 1171. (See attached testimony.)

Chairman Rennerfeldt: Thank you, Dale. Is there any cap on the amount of money spent for FTE's or drawn from this fund?

Frink: I am not sure if there is a cap. The Water Coalition and the Water Commission agreed that $150,000 is the amount we would allocate to the eastern water users. We certainly do not intend during the next biennium to hire more that one FTE. We may fund some additional money out of our contract fund which is part of our water appropriation bill. That would be for more

professional services, or a cost share with the Bureau of Reclamation. But certainly this biennium we are looking at one FTE, max. Probably not starting until July 1st.

Chairman Rennerfeldt: Rep. Keiser.

Rep. Keiser: If you are so certain of one FTE, why doesn't it specify one FTE instead of leaving it to your discretion to hire whomever and as many as you like?

Frink: This bill is similar to what we had in the SW pipeline and an oil project and both of those started as studies. Long term it is possible we would hire more than one FTE, certainly not this biennium. Eastern ND is a little different than the SW pipeline because the Garrison Diversion Conservancy district will be more involved. The staffing on this one is somewhat greater, but right now we are looking at one person.

Chairman Rennerfeldt: Rep. Hanson.

Rep. Hanson: If we pass this bill, will it pass in appropriations.

Chairman Rennerfeldt: I would think so.

Rep. Hanson: It says it is already in the budget.

Chairman Rennerfeldt: It is, $150,000 is part of HB1023. Rep. Winrich.

Rep. Winrich: It seems that whenever we put anything in the Red River Valley a whole bunch of agencies get involved. One of the agencies that seems to be after this is the International Joint Commission. Is someone in this group charged with working on the international issues that always come up when dealing with water in the Red River Valley.

Frink: The Bureau of Reclamation is involved in the study and environmental impact statement, and we will be involving a lot of people. The IJC would be an indirectly involved. The Water Commission and the State of ND have representatives on a couple of IJC boards. This study will involve people from ND, MN and Manitoba. Canada's main interest in this would be if it

involved the Missouri River as a source of water. The Dakota Water Resources Act requires that we go back to Congress if the Missouri River is involved. It is a transfer of water from the Missouri River as we are taking a long time to implement it.

Chairman Rennerfeldt: Rep. Keiser.

Rep. Keiser: If this is already in 1023, what makes this bill important that it be passed? If the FTEs and additional staff and research are already covered, what other additional elements are covered that require this to be passed?

Frink: If this bill was defeated, certainly we would continue to work with the Bureau of Reclamation on this study. The decision was made that we want to fight the nemeses on this project, it is a very important project to the State of ND. That is why we specifically tagged into a separate bill.

Rep. Keiser: I do not disagree with your statement, but I don't think it answers the question. If appropriations approves this, the project goes ahead, if we approve this bill and appropriations didn't, the project doesn't go ahead. Again, what is it about this bill that makes it important for us to approve it, given to the appropriations reviewing list the budgetary issues, and the approval for the project and the FTE's.

Frink: Our appropriations bill does not include language for FTE's, if it was strictly an appropriations bill we would have to do it with our current staff. The key on this particular bill is to allow us to hire staff.

Chairman Rennerfeldt: Any more questions from the committee?

Rep. Keiser: On your $150,000 fiscal note, it is coming from other funds, can you detail what other funds, and are there any general fund implications, benefits, or others for these positions.

Frink: The Water Bill and Trust Fund. I also indicated that similar to SW Pipeline and NAWS, neither one of those projects have been funded out of the general fund. Those are strictly funded by the resources of other funds, not general funds.

Chairman Rennerfeldt: Thank you Dale. Anyone else here to testify in favor?

Mike Dwyer - ND Water Coalition: I am representing about 30 state wide organizations that have a stake in water. The Water Coalition was created to try to complete ND's water infrastructure for economic growth and quality of life. In 1979 the Legislature said it is our intent to build the SW Pipeline Project, they didn't authorize it at that time, but it was their intent to provide water to SW ND. This was similar legislation to the one before you for Eastern ND. Four years later the legislature authorized a specific project. In 1995 the legislature enacted a similar piece of legislation for the NW part of ND to focus energy towards providing a water supply to northwest ND. You created a NAWS advisory committee, which is held up at the moment with negotiations with Canada. What we have before you now is intent to focus upon eastern ND, because we have had these other projects and have accomplished a number of rural water systems, 31 rural water systems in our state as part of the Garrison Diversion reformation act of 1986. Water in Eastern ND has been connected to Garrison because of the McClusky and New Rockford canals and so it is connected to this project. We have been working on the ND Water Resource act for a number of years. Congress did pass it, so we are asking here for special emphasis and say it is our intent to put extra attention to provided long term water supply to eastern ND. It is part of the ND Water Resource Act, it is involved in the study that the Bureau of Reclamation is doing to find the best alternative for a water supply for eastern ND, there are negotiations with Canada, a vote will take place between our State Department and Canada. We are trying to be careful with the agreement we will reach on NAWS, because that might have an

impact on the kind of agreement we reach with Canada on the Red River and moving the water from the Missouri River to Eastern ND. We feel this bill is an expression of legislative intent to move this forward. As far as the money, the appropriations committee will be addressing that issue. So really this goes hand in hand with intent and funds. We really support this, we are in a good position to water infrastructure completed in some other portions of our state, we are working on irrigation and a number of other things. This getting water to eastern ND is a critical and high priority. We think this would be a good step for the legislature to express this intent.

Chairman Rennerfeldt: Rep. Nelson

Vice Chair Nelson: In the negotiations with Canada and the NAWS project, you anticipate the same types of objections or issues with this project because it ultimately is an issue of Missouri water going into that country? Or are there different issues with the eastern water projects?

Dwyer: I would expect they would be pretty much the same. With Missouri river water there would be a connection between McClusky and New Rockford Canal and so if the same kind of treatment is necessary, there would be the same type of discussion. The NAWS discussion is very important to the Red River Valley discussion we face down the road. If we get that agreement with NAWs the precedent has been set for constructive negotiations for the Red River Valley project. We think it will have a precedent setting impact.

Vice Chair Nelson: Where is the negotiation with Canada today on the NAWS project?

Dwyer: There is an effort to try and get this deal done with this administration. Included in the discussion is UV treatment which some believe has no scientific basis. I would speculate that with only eight days there has been a conference call between EPA, The Dept. Of the Interior, the Bureau of Reclamation and the state of ND every day for a week, and we would not get this done on this watch. We will need to start over.

Chairman Rennerfeldt: Thank you. Rep. Nottestad.

Rep. Nottestad: If we have to start over again, could the discussion on NAWS and the eastern part of the state be done at the same time?

Dwyer: Probably not. With NAWs everything is ready to go, the money and the design, except for the agreement with Canada In the case of the Red River Valley we have to go through the studies with the Bureau of Reclamation on the right alternative. Those of us in the water business feel that the Missouri River is the only long term alternative that will meet our needs. Once an alternative is selected then we would get to that point.

Chairman Rennerfeldt: Rep. Porter.

Rep. Porter: In the testimony it says that the study and draft on environmental impact are expected to be completed in three years and cost 3 million dollars, with appropriations for 150 thousand where is the rest of the money coming from?

Dwyer: The Dakota Water Resource Act which just passed authorizes 200 million dollars for MR and I, 200 million dollars for statewide MR and I, and 200 million dollars for Red River Valley water use. That is federal money. It would come out of the federal funding by the Bureau of Reclamation.

Chairman Rennerfeldt: Any further questions of the committee? Thanks Mike.

Pat Zavoral - City Administrator of the City of Fargo and Chair of Eastern Dakota Water Users Group: I am here today to speak in support of HB 1171. Since I have gotten involved in the water business in eastern ND, it has been dryer longer than it has been wet. We think it is critical to move forward on this bill. This bill is as much a commitment of the State of ND to bring water to the eastern part of the state as it is whether or not there is an FTE involved. We have studied this for the last three years and have gotten to the point where we can justify the Federal

allocation of 200 million for the fund, the next step is to study the most feasible way of running that water from the Missouri to the eastern part of the state. Our completed study shows if we have the conditions of the thirty's and our population growth with value added agriculture, we would truly have a water shortage. We would have to import water from some place else. 96% of all surface water in this state is in the Missouri River. Hopefully we can resolve the issue with Canada and the environmental concerns, and truly bring better water to the valley.

Chairman Rennerfeldt: Pat, will there be additional industrial growth with the additional water shipped down there?

Zavoral: Whether it comes to Fargo or the Valley, it doesn't matter to us as long as we see that there are opportunities of additional irrigation in the Valley which would lead to different types of crops, which would lead to different processing industries. We anticipate seeing 3 or more corn milling plants, but they take a lot of water and you can't have that without the raw products - the farm product and water.

Chairman Rennerfeldt: Rep. Nelson.

Vice Chair Nelson: In your opinion would there be less resistance to using Devils Lake water to supply water to eastern ND or more resistance, as using Devils Lake water as a means implementing a source of water sooner. I realize the long term effect and stability of using Missouri River Water, how does the proposed Devils Lake Outlet fit into your scheme?

Zavoral: Let me give you a couple of examples. The cost of treating water from the Red River and Sheyenne is 20 cents per gallon as opposed to the Missouri River which is 9 cents a gallon. It is a water quality issue. The Safe Water Drinking Act which is what drives us in terms of how we treat water is primarily focused on surface water. 10 years ago we had 17 characteristics we had to identify, today it is 70. The Feds are pushing that characteristic identification into the ground

water and wells will have to have the same treatment level as surface water. Unfortunately the Devils Lake water is more difficult to treat, if we had over fifty percent of the water coming out of Devils Lake it would cost us an additional 15-25 million dollars in our treatment plant. Devils Lake can be a solution if we can meld it with some of the other water we get, but it cannot be our only solution.

Chairman Rennerfeldt: Rep. Drovdal.

Rep. Drovdal: Pat, when Garrison Diversion was established, water for the eastern part of the state was one of the issues. That was fifty years ago or better. I have only been here 10 years or five sessions. You mentioned that three sessions ago you started working this issue. It seems we have always been working on issues supporting getting water to eastern North Dakota. Here we are in 2001 looking at another environmental impact study and you are talking about another study down the road. When are we going to finally get to a point where we get that water out there?

Zavoral: In 1986 the Garrison Diversion Bill was re-authorized to admit 100 cubic feet of water per second to the eastern part of ND. They didn't give any other declaration as to how that would happen. The last re-authorization of Garrison would change the name to the Dakota Water Resource Act and they identified money for the act, so I think we are making steps. We may be talking soon about more positive things, like how are we going to deliver that water, and what sort of economic activity it could generate. I am optimistic we are going to see something soon. The studies are necessary because the State of Missouri say we have to prove there is a need for the water to be drawn out of the Missouri River. Our studies show there is a need if we have drought conditions again. Are we going to declare an emergency to get the water there or are we

going to be diligent in our studies to get the water there? I can't answer you directly, but you understand.

Chairman Rennerfeldt: Any other questions of the committee? Anyone else care to testify in favor of this bill? Any opposition to this bill? I will close the hearing on HB 1171.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1171

House Natural Resources Committee

❑ Conference Committee

Hearing Date January 18, 2001

Tape Number	Side A	Side B	Meter #
1	x		1853 to 4042
Committee Clerk Signature			

Minutes:

Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. Drovdal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Solberg, Rep. Winrich,

Chairman Rennerfeldt: I will call HB 1171 to order. What are the committees wishes on this one?

Rep. Porter: I just had a couple questions on this one. On page two starting on line 8, it seems like this is kind of open ended. With all the money that went into the water trust fund out of 2188 from last session and the availability of federal money it looks like what we are doing is giving them carte blanc to hire as many people as they want for the administration of this section that we are going to be passing. I am not real comfortable with that kind of wording.

Chairman Rennerfeldt: I have the same concern.

Vice Chair Nelson: I did do some research on this and when the NW water project was considered, I went back and looked at state law and it read, "the state engineer may employ full time personnel and other such personnel as are necessary for the administration of this chapter as available funds permit." So this is consistent with NW area as well as the SW project.

Rep. Porter: I understand that was done in the past before 2188 passed and 45% of the tobacco money was sitting in that trust fund, my concern is that there is more available money and that means more available money to spend on that particular section of the code.

Rep. Drovdal: In referring to the SW pipeline and NAWS. They're a self contained unit, I thought, and pay their own salary and their own administrative costs. Did I interpret this that they could set this up as a state agency and then fund their administration cost from the state if they so choose, or do they need additional funding to be self contained like NAWS or the SW pipeline?

Chairman Rennerfeldt: I couldn't answer that. Does anyone have an opinion or fact on that?

Rep. Keiser: I oppose this bill, everything they want is in their appropriations bill. This bill seems to be redundant. I asked specifically what does this bill do that the appropriations bill doesn't do and all they said is that they want a reaffirmation of a commitment to the project. That should be done in the form of a resolution, not in the form of legislation. This just continues to expand the Century Code, and if it has no merit, we have to ask ourselves at some point, what is the value of it? It is not that I oppose any of the concepts, but the bill itself, does nothing. If that is the case, then I am opposed to it.

Rep. Nottestad: I understand where you are coming from on this, but I think this committee needs to make a commitment to the eastern p.. of the state as far as Garrison water is concerned. If setting this bill up with a Do Not Pass, would not in my estimation be for the good of the entire state of ND. Certainly there is a situation where the moneys coming through there, that I would

ask this, there were bills of this sort for both SW and NAWS and I see no reason that this one should be downplayed because of that type of wording, if the wording is not satisfactory, then we should get together with them and get an amendment to change that. But to oppose this and send it up with a Do Not Pass for that reason would be slighting an area that certainly deserves to receive water as well as the rest of the state of ND.

Chairman Rennerfeldt: I don't think this would prevent them in any way or stop this project.

Rep. Nottestad: That may be true, but it would certainly send a message to this group.

Rep. Porter: I don't have a problem with sending a positive statement about a commitment to do this, but my concern, if we would go to page 2, line 9 and instead of available funds permit, just "as appropriated", then it is always tied into their appropriations bill and I don't have a problem with it. But leaving it open ended concerns me. If that little housekeeping amendment was performed then I would haven't a problem with tying it back to their appropriation bill.

Chairman Rennerfeldt: You are proposing an amendment.

Rep. Porter: I am just putting it on the table for discussion. Then I would make a motion that we would amend it. Line 9, after the word as, put in the word "as appropriated" and strike "available funds permit". You would have to start after the word section, scratch the word "and" and then add "as appropriated funds permit". That would be fine.

Chairman Rennerfeldt: That is a motion, do we have a second?

Rep. Brekke: Second.

Vice Chair Nelson: My understanding of 2188 was that those projects were spelled out, how the money was spent for that. I am wondering where the boogie man is in this one as far as available funds changed to appropriated. Where is the fear with that? My other question is, is it possible that there are special funds that may be included from the Dakota Water Resource Act or some

other means that if you put appropriated funds that you be taking yourself out of the eligibility for those funds? Couple of fears I might have.

Rep. Porter: In looking at the testimony from Mr. Frink, the study is 3 years for 3 million and is mostly from the Dakota Water Resources Act. Along with that it ties it to an appropriation bill from the State Water Commission for $150,000 with one FTE. All we are saying is that reaffirming the importance of this project is just tied to their appropriation bill within their budget to alleviate some of the concerns of Rep. Keiser that it is not needed. At least tied to the appropriations bill, if they need additional funds or people that it goes back to appropriations committee for that, rather than give them the authority to do just what they want to do. They have appropriated funds federally also.

Rep. Keiser: How does it relate to 2188 then?

Rep. Porter: Well I think there is a lot of available money sitting in this trust fund and they have the authority to spend out of this trust fund.

Vice Chair Nelson: Don't you think that money is dedicated out of 2188? My feeling is that it is.

Rep. Porter: I don't think all of it is.

Rep. Winrich: I have the same concerns as Rep. Nelson. I think this project as it was explained to us involves cooperation of several federal agencies and over along period of time, I know that when we do an audit of a state agency, we do indeed check on appropriated funds and what happens to other funds. I am very concerned that this might restrict the ability of a ND agency to participate in this study.

Rep. Klein: Mr. Frink testified that this bill was strictly to put the rubber stamp on the hiring of the employees, and the money was already dealt with in HB 1023?

Chairman Rennerfeldt: He mentioned one full time employee. But there is not limit.

Rep. Klein: But this other bill does not have the employee in it. The money has already been approved and appropriated, it was the employee that wasn't in there.

Chairman Rennerfeldt: But it says employ full time personnel. It doesn't say one full time employee. Is there any further discussion. We have a motion and a second for an amendment. We can do that with a voice vote. Or we can have a recorded vote.

Rep. Drovdal: I move for a recorded vote.

Chairman Rennerfeldt: Okay, we will record a roll call vote.

Rep. Weiler: Could we have the amendment read?

Rep. Porter: Line 9, page 2 after the word section cross off the word "and". After the word as, insert the word "appropriated".

MOTION ON AMENDMENT TO HB 1171

YES 6, NO 8

1 ABSENT

Chairman Rennerfeldt: So your amendment fails. Any further discussion on the he bill.

Rep. Nottestad: I move a Do Pass.

Rep. Solberg: Second.

Chairman Rennerfeldt: We have a motion for a do pass from Rep. Nottestad, and a second by Rep. Solberg. Any further discussion.

Rep. Drovdal: Coming from where the SW pipeline is I do want to register a concern and a hope that we do set up the structure on the pipeline when it is built in the future to be similar to the structures of the NAWS and SW Pipeline projects and not a project strictly set up on the funding which seems to have really anything to do.

Rep. Nottestad: I am hearing the testimony of the people that came down here. I don't think anyone wishes to have it any other way. These two projects have been very successful. I don't expect to see this happen before 15 or 20 years, but I prefer we would take this first step so this project can be what it can be for the state of ND years and years ahead. It would bring industry into this state. We have too much water up there in the spring, and too little in the fall. We have the population in that area now and also the shipping of the product doesn't necessary go west.

Vice Chair Nelson: I think we need to send a signal that this session as it has in the past made this a priority. This language is consistent with every project that we have supported, the SW Pipeline, the NAWS project and now this proposed water supply to Eastern ND. I just think it would be a mistake if we send a signal that is different from those other projects. We need a strong signal and pass this bill to get this thing started. I am going to support it.

Chairman Rennerfeldt: Anyone else? I am not comfortable with this. I am going to oppose this because of the wording. I think you are re talking a lot more money than any other project we have had in this state. I guess I see no need for this. It is repetition. I plan to oppose it. If there is no further discussion, call the roll.

MOTION MADE FOR DO PASS

YES 10, NO 4

1 ABSENT AND NOT VOTING

Chairman Rennerfeldt: We need a carrier for this bill. Rep. Drovdal.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1171

House Natural Resources Committee

☐ Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
1		x	786 to 1823
Committee Clerk Signature			

Minutes: Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. Drovdal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Solberg, Rep. Winrich.

Chairman Rennerfeldt: We will reopen the hearing on HB 1171.

Rep. Drovdal: I would like to make a motion to reconsider our actions on HB 1171.

Rep. Porter: Second.

Chairman Rennerfeldt: Committee all in favor signify by saying Aye. Opposed. We should have someone from the Water Commission answer some questions?

Rep. Drovdal: There has been a lot of discussion concerning the FTE. I don't have the amendment, but I was wondering what would happen if we withdrew the last three paragraphs starting at line 8 and going to line 12. Maybe someone from the State Water could explain what that would do to the bill? If we withdrew that whole paragraph.

Dale Frink - Asst. State Engineer, State Water Commission: The FTE is the key issue on this entire bill. It boils down to the fact that the Bureau of Reclamation will be spending about 3 million dollars on a study to get water to Eastern ND. I think it would be remise not to stay very involved in that study. The District and the Water Commission have to be involved in that study and the question is, how directly are we involved? We are on the management team regardless, but we feel this study is important enough to have an FTE assigned to it. If the Bureau is spending that kind of money, obviously they have several people involved in it. We would like to have some significant exposure to that bill.

Chairman Rennerfeldt: This one FTE is not included in the appropriations bill?

Frink: No, this would be an additional FTE.

Chairman Rennerfeldt: Would you have a problem if we put as appropriated in line 9 in place of available.

Frink: I would like the FTE to remain, if some language would change to allow that that would be fine. Is the issue the one FTE or is the issue that it is so general in nature.

Chairman Rennerfeldt: It is too general in nature. I don't think the one FTE is the problem. Some of the members feel it is too open ended.

Frink: We certainly would support the fact, we could have our attorney draw up some language that would limit it to one FTE. If that would be more acceptable.

Rep. Porter: If we just change that last part of line 9, instead of saying administration of this section as available funds permit, and just change it to administration of this section as appropriated. Make it that simple of a change, would that take care of it?

Frink: I'm not sure that that includes the FTE.

Rep. Porter: The FTE is in the first line so it wouldn't matter. On line 9, page 2 where it reads "for the administration of this section and as available funds permit" and change that to "for the administration of this section as appropriated funds permit".

Frink: That would be no problem at all

Rep. Winrich: The concerns I have with this change, because of the involvement of so many other agencies, there may be funds coming from other sources, other than the general funds. Would this limit the ability of the state to participate in the project that you see.

Frink: I don't believe so. All the money we are looking at is included in the appropriations bill.

Chairman Rennerfeldt: Any further questions of the committee?

Rep. Porter: Mr. Chairman I make a motion that we amend HB 1171 on page 2, line 9 after the word section, strike the word "and" and strike the word "available funds permit" and after the word "as" insert the word appropriated. It would read "the State Water Commission may employ full time personnel and may employ such other personnel as are necessary for the administration of this section as appropriated."

Chairman Rennerfeldt: Wouldn't you need as appropriated funds permit?

Rep. Porter: That would be fine. As appropriated funds permit.

Rep. Drovdal: Second.

Chairman Rennerfeldt: Any further committee discussion?

Rep. Winrich: Could we have that sentence in its entirety read now as it would stand as amended.

Rep. Porter: (reads amended statement).

Chairman Rennerfeldt: We will take a voice vote, all those in favor of this amendment say Aye. Opposed? Amendment passes.

Rep. Drovdal: I move a Do Pass on HB 1171 as amended, side recommendation Rep. Porter carries.

Rep. Nottestad: Second.

Chairman Rennerfeldt: I have a motion for a Do Pass.

Rep. Porter: As a point, I believe the motion needs to be Do Pass with a Re-referal to Appropriations.

Chairman Rennerfeldt: Any more discussion, if not read the roll.

Recommended Do Pass

Yes 13, No 0

2 Absent and not voting

Re-referred to Appropriations.

Rep. Winrich: It was my understanding that there is a separate bill for this appropriations which is in the committee now. Why does this one need to be referred to appropriations?

Chairman Rennerfeldt: Because of the one FTE, it needs to be re-referred. (more discussion.) I will check on that.

FISCAL NOTE

Requested by Legislative Council
12/26/2000

Bill/Resolution No.: HB 1171

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$0	$150,000	$0	$150,000
Appropriations	$0	$0	$0	$0	$0	$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	$0	$0	$0	$0	$0	$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1171 establishes water to eastern North Dakota as a critical priority and directs the State Water Commission, in cooperation with the Garrison Diversion Conservancy District and existing water users, to develop a plan and cost estimate. HB 1171 is closely tied to the recently passed Dakota Water Resources Act of 2000 and the Red River Valley Comprehensive Water Supply Study. This study will be managed through a Memorandum of Understanding between the U.S. Bureau of Reclamation, the State Water Commission, and the Garrison Diversion Conservancy District.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditures related to HB 1171 include one FTE to work on the project along with funds for engineering and other professional contracts. This is similar to the approach used by the State Water Commission in first developing the Southwest Pipeline Project and the Northwest Area Water Supply Project. The estimated cost of HB 1171 for the 2001-03 biennium is $150,000 from the Water Development Trust Fund. The breakdown of this cost is:

New FTE:	One
Salaries:	$100,000
Operating:	45,000
Equipment:	5,000

Total: $150,000

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Funding Source for HB 1171 will be the Statewide Water Development Projects line item in the State Water Commission's budget. This bill will require appropriation increases of $100,000 in salaries, $45,000 in operating, and $5,000 in equipment. A corresponding appropriation decrease of $150,000 will be taken from the Statewide Water Development Projects line item.

Name:	Dale L. Frink	**Agency:**	Water Commission
Phone Number:	328-4998	**Date Prepared:**	01/03/2001

18203.0101
Title.0200

Adopted by the Natural Resources Committee
January 19, 2001

VR
1/19/01

HOUSE AMENDMENTS TO HOUSE BILL NO. 1171 HOUSE NATURAL RESOURCES 1-22-01

Page 2, Line 9, remove "and" and replace "available" with "appropriated"

Renumber accordingly

Date: Jan. 18
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. [redacted] 1171

House Natural Resources Committee

☐ Subcommittee on

or

☐ Conference Committee

Legislative Council Amendment Number Amend Amendment

Action Taken

Motion Made By Seconded By

Representatives	Yes	No	Representatives	Yes	No
Earl Rennerfeldt - Chairman	✓		Lyle Hanson		✓
Jon O. Nelson - Vice Chairman		✓	Scot Kelsh		✓
Curtis E. Brekke		✓	Lonnie B. Winrich		✓
Duane DeKrey			Dorvan Solberg		✓
David Drovdal	✓				
Pat Galvin	✓				
George Keiser	✓				
Frank Klein		✓			
Darrell D. Nottestad		✓			
Todd Porter	✓				
Dave Weiler	✓				

Total (Yes) 6 No 8

Absent

Floor Assignment

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

Date: 1-18-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1171

House Natural Resources Committee

☐ Subcommittee on

or

☐ Conference Committee

Legislative Council Amendment Number

Action Taken

Motion Made By Nottestad Seconded By Solberg

Representatives	Yes	No	Representatives	Yes	No
Earl Rennerfeldt - Chairman		✓	Lyle Hanson	✓	
Jon O. Nelson - Vice Chairman	✓		Scot Kelsh	✓	
Curtis E. Brekke	✓		Lonnie B. Winrich	✓	
Duane DeKrey			Dorvan Solberg	✓	
David Drovdal	✓				
Pat Galvin	✓				
George Keiser		✓			
Frank Klein	✓				
Darrell D. Nottestad	✓				
Todd Porter		✓			
Dave Weiler		✓			

Total (Yes) 10 No 4

Absent

Floor Assignment Drovdal

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

Carrier ~~Klein~~ Drovdal

rereferred to appropriations

Date: 1-19-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1171

House Natural Resources Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS as amended

Motion Made By Drovdal Seconded By No Hestad

Representatives	Yes	No	Representatives	Yes	No
Earl Rennerfeldt - Chairman	✓		Lyle Hanson	✓	
Jon O. Nelson - Vice Chairman	✓		Scot Kelsh	✓	
Curtis E. Brekke	✓		Lonnie B. Winrich	✓	
Duane DeKrey			Dorvan Solberg	✓	
David Drovdal	✓				
Pat Galvin	✓				
George Keiser					
Frank Klein	✓				
Darrell D. Nottestad	✓				
Todd Porter	✓				
Dave Weiler	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment Drovdahl

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

REPORT OF STANDING COMMITTEE

HB 1171: Natural Resources Committee (Rep. Rennerfeldt, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1171 was placed on the Sixth order on the calendar.

Page 2, Line 9, remove "and" and replace "available" with "appropriated"

Renumber accordingly

2001 HOUSE APPROPRIATIONS

HB 1171

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1171

House Appropriations Committee
Education and Environment Division

☐ Conference Committee

Hearing Date January 29, 2001

Tape Number	Side A	Side B	Meter #
1 of 1	x		2,140

Committee Clerk Signature Judy Keck

Minutes:

Representatives Aarsvold, Boehm, Gulleson, Martinson, Monson, Wald, Wentz.

Dale Frink: State Engineer for the State Water Commission. See attached.

Representative Wald: How much will the Bureau pick up? If no Bureau Federal dollars there is no study. Correct?

Dale Frink: The Bureau of Reclamation has allocated the 3 million, but we think it is imperative that both stay involved. That is correct.

Representative Wald: We can assume the 3 million was included in the Federal Dakota Resources Act.

Dale Frink: That is where it would be coming out of. It is a three year effort.

Representative Aarsvold: (393) The recently announced agreement between the state of Missouri and Canada with regards to move water from Missouri Basin into the Hudson Bay

drainage system. What implications does that have for this bill and for our efforts as a State to resolve some of the problems we have in terms of water?

Dale Frink: (416) I am aware that they signed a MAU, but I am not aware of exactly what is in it. This study is one of the main reasons they are looking at a MAU at this time. Canada and Missouri will closely scrutinize these efforts. It will make it more difficult to implement.

Representative Monson: Am I to understand if this bill were to pass that there would be no general fund Moines from the state, that it is all Federal funds and you would hire people to do the study, and they go away when the study is done?

Dale Frink: The 150,000 in this study comes out of the Water Resources Development Trust Fund. It is part of our appropriation bill.

Representative Boehm: Last week we hear the bill with Water Commissioners. Fargo put in an amendment. Has a stand been taken by the Water Commission whether we support that or not.

Dale Frink: The Water Coalition recommended they support it. They recommended that there be an increase from bonding from the 30 million up to 35 million.

Representative Wald: (640) We have a first engrossment in our bill book. What is the difference between the original draft and the engrossment?

Dale Frink: On line 9 of the second page. The words as appropriated funds permit is what they added. It was available funds.

Representative Wald: Your saying when this Federal money comes forward, we would have to appropriate it. When do we do that?

Dale Frink: The 3 million will not flow through the State Water Commission budget. They will spend it and pay all the bills and their staff, consultants etc. Those bills will not hit the State

budgets. Only the 150,000 dollars plus if the Water Commission elects they could appropriate from the Water Development Trust Fund.

Representative Monson: Your saying that the money is already appropriated. Your asking for this 150,000 and one FTE in the water bill we heard.

Dale Frink: The one FTE is not in HB1023. One is in addition. I think if we had to this again we would have the 150,000 and the one FTE in this bill. The 150,000 was included in our original bill. We felt a separate bill on Eastern Dakota water supply was in order.

Representative Wald: How are the Valley City people and down stream? Is it the river or Cheyenne that will carry the water upstream?

Dale Frink: To my knowledge the people are not objecting to water from the Missouri River. They are objecting to water from Devils Lake, which is poor quality. It could be a pipe line sort of thing which would avoid the Cheyenne entirely.

Representative Wald: The Federal Legislation doesn't state whether it would be using existing body of water or pipe line? If it were a pipe line, how many other cities would tap in?

Dale Frink: Yes. They require we look at all alternatives. We could have many, including rural.

Representative Aarsvold: Other than you feel this merits separate hearing, is there a reason we should not put this into HB1023.

Dale Frink: That would be fine.

Dave Kolen : (1232) I am appearing as Executive Director of Eastern Dakota Water Users. We support this bill fully.

Representative Gulleson: Is Minnesota willing to contribute to this study?

Dave Kolen: The communities along the Red River have a markedly different view than the state of Minnesota. They know first hand the dealings with water shortages. They are willing to

contribute to our organization. I would not speak to them contributing to this study. Certainly it is a key step forward to have them supporting this project and looking forward to augmenting their water supplies, and being able to carry that message back to Minnesota.

Representative Wald: Maybe we should put the emergency clause on HB1171, if you want to go ahead with the study and the Federal money is sitting there instead of waiting for July 1 to roll around.

Dave Kolen: We appreciate the concern. The study is actually is moving forward. HB1171, the State has made a commitment that they would contribute to the first part of the study. We do not want the Bureau to go forward on this study without the in put from the State and the C district.

Representative Monson: (1480) What are the odds that Canada is going to go along with this? You can't even get Minnesota to come on board.

Dave Kolen: That is a valid point. In our Treaty with Canada, we pledge that we are not going to harm their water. With the NAWS project and this project, we are going to have water that is disinfectant and will meet the safe drinking water act.

Representative Monson: It almost guarantees that, if you get this water over from the Missouri River to the East, you cannot use the Cheyenne unless you are going to treat that water at the point where you take it out of the Missouri just as if it were ready for someone to drink it in the city along the way or you would have to pipe it all the way and treat it at the end.

Dave Kolen: Your probably right.

Representative Wald: If it is the pipe line, how could they possibly object?

Dave Kolen: Your right.

Mike Dwyer: (1958) I am representing the ND Water Users and the ND water Coalition. The toughest challenge is Eastern ND water supply and so we urge your support of this, because it the major water user of all the different areas in the state.

Representative Wald: Would you advocate amending this into the major appropriation bill, or stand alone bill.

Mike Dwyer: Most questions were, why is this a separate bill. It may be better that it be a part of HB1023.

Representative Wentz: Does anyone else wish to appear in opposition of HB1171? Seeing none we will close the hearing on HB1171

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1171

House Appropriations Committee
Education and Environment Division

☐ Conference Committee

Hearing Date January 29, 2001

Tape Number	Side A	Side B	Meter #
1 of 1	2,180		2,506
Committee Clerk Signature			

Minutes:

Representatives Aarsvold, Boehm, Gulleson, Martinson, Monson, Wald, Wentz.

Representative Wald: As they all stated, I don't see why we can't amend HB1171 into HB1023. And have one bill out of here.

Representative Wentz: How does the rest of the committee feel about this? If we agree that we would want HB1171 to be apart of it we could do that at this point.

Representative Wald: I would move that we amend HB1171 into HB1023.

Representative Aarsvold: I second the motion.

Five yes, two no and 0 absent.

Representative Wald: I would move that we do not pass on HB1171 in view that we amended it into HB1023.

Representative Aarsvold: I second the motion,

Five yes, two no and 0 absent.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB1171**

House Appropriations Committee

☐ Conference Committee

Hearing Date **February 9, 2001**

Tape Number	Side A	Side B	Meter #
1		x	3613 - 3763

Committee Clerk Signature L'Dawn

Minutes:

HOUSE APPROPRIATIONS COMMITTEE ACTION ON HB1171.

Rep. Wald: This bill was amended into HB1023 and there is no further use for this bill. I would move a DO NOT PASS on HB1171. Seconded by Rep.Wentz.

Rep. Timm: We will call the roll for a DO NOT PASS on HB1171. (18) YES (0) NO (3) absent and not voting. Motion passes. Rep. Wald will carry the bill to the floor.

End of committee action on HB1171.

Date: January 29, 2001
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Appropriations Education and Enviroment Division

House _____ Committee

☑ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Amend HB 1171 into 16102.3

Motion Made By Rep. Wald Seconded By Rep. Aarsvold

Representatives	Yes	No	Representatives	Yes	No
Rep. Janet Wentz -Chairman	✓				
Rep. James Boehm - Vice Chairman		✓			
Rep. Ole Aarsvold	✓				
Rep. Pam Gulleson	✓				
Rep. Bob Martinson		✓			
Rep. David Monson	✓				
Rep. Francis J. Wald	✓				

Total (Yes) 5 No 2

Absent 0

Floor Assignment _____

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

Date: January 29
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Appropriations Education and Enviroment Division

House _____ Committee

☑ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Amended Do not pass 1171

Motion Made By Rep Wald Seconded By Rep. Aarsvold

Representatives	Yes	No	Representatives	Yes	No
Rep. Janet Wentz -Chairman	✓				
Rep. James Boehm - Vice Chairman		✓			
Rep. Ole Aarsvold	✓				
Rep. Pam Gulleson	✓				
Rep. Bob Martinson		✓			
Rep. David Monson	✓				
Rep. Francis J. Wald	✓				

Total (Yes) 5 No 2

Absent 0

Floor Assignment _____

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

Date: 02/09/01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1171

House APPROPRIATIONS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By WALD Seconded By WENTZ

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman	✓	
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson		
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman					
Rep - Kliniske					

Total (Yes) 18 No 0

Absent 3

Floor Assignment WALD

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

2001 TESTIMONY

HB 1171

TESTIMONY ON HOUSE BILL 1171

House Natural Resources Committee

Dale Frink, Assistant State Engineer
State Water Commission

January 12, 2001

Mr. Chairman and Members of the House Natural Resources Committee. I am Dale Frink, Assistant State Engineer for the State Water Commission and I appear today in support of House Bill 1171.

Development of a water supply for eastern North Dakota has been a goal for many years. House Bill 1171 directs the State Water Commission, in cooperation with the Garrison Diversion Conservancy District and potential water users, to develop a plan and cost estimate for the project.

House Bill 1171 is closely tied to the recently passed Dakota Water Resources Act of 2000 and the Red River Valley Comprehensive Water Supply Study. The U.S. Bureau of Reclamation will manage the study through a memorandum of agreement between the Bureau of Reclamation, the State Water Commission, and the Garrison Diversion Conservancy District. The study and draft environmental impact statement are expected to be completed in three years at a cost of $3 million. The study will evaluate water sources in and out of the Red River basin. If an out-of-basin, Missouri River, alternative is selected, the Dakota Water Resources Act requires that Congress specifically authorize these features. Even though the Bureau of Reclamation will pay these costs, it is important for the State Water Commission to be directly involved.

House Bill 1171 provides the State Water Commission with staff and funds to participate in the study during the 2001-03 biennium. The expenditures include one FTE along with funds for engineering and professional service contracts. The $150,000 appropriation for this bill is included in the State Water Commission's appropriation bill (HB 1023).

On December 8, 2000, the State Water Commission approved support of this bill and I request your favorable consideration.

Thank you.