## MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION SEN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1396

#### 2001 HOUSE STANDING COMMITTEE MINUTES

#### BILL/RESOLUTION NO. 1396

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/08/01

Tape Number	Side A	Side B	Meter#
1	X		0-2761
2	$\mathbf{X}_{1}$		2370-3072
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Committee Clerk Signatur	re Johnson.	Small	4

Minutes:

REP. M. KLEIN called the meeting to order with all committee members present.

In favor:

#### REP. RALPH E. METCALF, DISTRICT 24

Please see attached testimony. Please see amendment.

REP. M. KLEIN asks how did you get involved in this bill, it looks like a good bill.

<u>REP. METCALF</u> replies that he got involved with the local soil conservation district.

REP. BELLEW asks where do all the water trust funds come from? REP. METCALF replies that some are from the tobacco fund.

In favor:

#### CURTIS TEWS, SLOPE-HETTINGER SCD

Please see attached testimony.

Page 2 House Government and Veterans Affeirs Committee Bill/Resolution Number HB 1396 Hearing Date 2/08/01

REP. M. KLEIN asks what is the levy? TEWS replies that it is 11,000 in the local. 1.1 per acre, annually. REP. KLEMIN asks who would decide the amount of the money that would be coming out of the trust fund? TEWS replies that it would be the water commission. REP. DEVI.IN asks what would the total dollar amount be that would be coming out of the trust fund? TEWS replies that a million and a half would be nice. REP. HAAS asks if the cost share would be 50-50? TEWS replies yes that is what it is at the present time. REP. HUNSKOR asks if there is local share? TEWS states that most districts have a budget.

In favor:

DALE FRINK, INTERIM STATES ENGINEER, STATE WATER COMMISSION
Please see attached testimony.

REP, M. KLEIN asks how did they operate without this bill? <u>FRINK</u> replies that this would not change the process at all. <u>REP, M. KLEIN</u> comments that if fifty people would propose this. there would not be enough money to do all of the projects. <u>FRINK</u> replies that the water commission makes the decision. <u>REP, M. KLEIN</u> asks how much money is in the fund right now. <u>FRINK</u> replies that there is over \$23 million, as of July 1, 2001.

In favor:

FRANCIS SCHWINDT, NORTH DAKOTA HEALTH DEPARTMENT

SCHWINDT states to the committee that they are in favor of the bill.

REP. M. KLEIN asks if the EPA money comes to them first? <u>SCHWINDT</u> replies yes, that is correct. <u>REP. M. KLEIN</u> then asks if it is ran through the local boards. <u>SCHWINDT</u> comments that there is a local match.

Page 3
House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1396
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In favor:

MIKE DWYER, NORTH DAKOTA WATER COALITION

Please see attached testimony.

REP, M, KLEIN asks about the new arsenic group. <u>DWYER</u> refers to someone else.

SCHWINDT replies that the health department is responsible for that.

Being there was no further testimony in favor or in opposition the hearing was then closed.

Action was taken later that day.

REP. KLEMIN motioned to accept the amendment, seconded by REP. CLARK. A voice vote was taken with the majority passing it. REP. CLEARY motioned for a DO PASS AS AMENDED, seconded by REP. HUNSKOR. The roll call was taken with 15 YES, 0 NO and 0 ABSENT AND NOT VOTING. The CARRIER of the bill is REP. METCALE.

HB 1396; DO PASS AS AMENDED 15-0

CARRIER: REP. METCALE

#### FISCAL NOTE

### Requested by Legislative Council 03/26/2001

Bill/Resolution No.:

Amonument to:

Engrossed

HB 1396

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.

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Appropriations				,		

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

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

HB 1396, as amended, allows the State Water Commission to include water quality improvement projects as potential projects when determining which projects that the State Water Commission will cost share in. This bill does not increase the available pool of money the State Water Commission uses to provide local cost share so would not have any direct fiscal impact on the agency.

- 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.
  - 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.

N	ame:	David Laschkewitsch	Agency:	State Water Commission
P	hone Number:	328-1956	Date Prepared:	03/27/2001

#### **FISCAL NOTE**

### Requested by Legislative Council 02/12/2001

Bill/Resolution No.:

Amendment to:

HB 1396

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.

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

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2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relovant to your unalysis.

HB 1396, as amended, allows the State Water Commission to include water quality improvement projects as potential projects when determining which projects that the State Water Commission will cost share in. This bill does not increase the available pool of money the State Water Commission uses to provide local cost share so would not have any direct fiscal impact, although more projects will be competing for the available funds.

- 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.
  - 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.

Name:	Dale Frink	Agency:	State Water Commission	1
Phone Number:	328-4998	Date Prepared:	02/13/2001	ĺ

#### FISCAL NOTE

### Requested by Legislative Council 01/23/2001

Bill/Resolution No.: HB 1396

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.

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

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

HB 1396 specifically allows the State Water Commission to include projects authorized under section 319 of the Federal Water Pollution Control Act, for the control of nonpoint sources of pollution, as potential projects when determining which projects that the State Water Commission will cost share in. The North Dakota Department of Health would continue to pass the Federal funds through to the local sponsors. This bill does not increase the available pool of funds the State Water Commission uses to provide local cost share so would not have any fiscal impact although more projects will be competing for the available funds.

- 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.
  - 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.

ÿ	lame:	Dale Frink	1 ** *	State Water	Commission
Г	hone Number:	328-4098	Date Prepared:	01/25/2001	

2/8/01

HOUSE AMENDMENTS TO HB 1396 HOUSE GVA 2-08-01

Page 1, line 5, replace "watershed" with "water quality"

- Page 1, line 15, after the second "of" insert "water quality improvement" and after "projects" insert an underscored period
- Page 1, remove lines 16 through 18
- Page 1, line 23, after "for" insert "water quality improvement" and remove "authorized under section 319 of the"
- Page 1, line 24, remove "Federal Water Pollution Control Act [Pub. L. 100-4; 101 Stat. 52; 33 U.S.C. 1329]"
- HOUSE AMENDMENTS TO HB 1396 HOUSE GVA 2-08-01.
  Page 2, line 3, after "for" insert "water quality improvement" and replace "authorized under section 319 of the Federal" with an underscored period
- Page 2, remove lines 4 and 5
- Page 2, line 11, after "Include" insert "water quality improvement" and remove "for"
- Page 2, remove line 12
- Page 2, line 13, remove "319 of the Federal Water Pollution Control Act [Pub. L. 100-4; 101 Stat. 52; 33 U.S.C. 1329]"

Renumber accordingly

Date:	2-8-2001
Roll Call Vote #:	

## 2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 48 1396

House GOVERNMENT AND V	ETER/	NS AF	FAIRS	Com	mittee
Subcommittee on	·	n a sain ann an a			
Conference Committee					
Legislative Council Amendment Nur					
Action Taken Occept	the	2 A	mendments		
Motion Made By Glernin	)	Se By	conded Clark		
Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	<del> </del>		REP KROEBER		
VICE CHAIR GRANDE	<del> </del>	<b> </b>			
REP BELLEW REP BRUSEGAARD					<b></b>
REP CLARK	<u> </u>				
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REP METCALF					
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			Date: _	2-8-2	00/	
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2001 HOUSE ST	ANDING C BILL/RES	OMM SOLUT	ITTEE RO	LL CALL VOT HB 13960	ES	
House GOVERNMENT AN	D VETERA	NS A	FFAIRS		Com	mittee
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Motion Made By Club	ley		econded y	Hurske	שנו	
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### REPORT OF STANDING COMMITTEE (410) February 8, 2001 5:21 p.m.

Module No: HR-23-2806 Carrier: Metcalf

Insert LC: 10538.0201 Title: .0300

#### REPORT OF STANDING COMMITTEE

HB 1396: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1396 was placed on the Sixth order on the calendar.

- Page 1, line 5, replace "watershed" with "water quality"
- Page 1, line 15, after the second "of" insert "water quality improvement" and after "projects" insert an underscored period
- Page 1, remove lines 16 through 18
- Page 1, line 23, after "for" insert "water quality improvement" and remove "authorized under section 319 of the"
- Page 1, line 24, remove "Federal Water Pollution Control Act [Pub. L. 100-4; 101 Stat. 52; 33 U.S.C. 1329]"
- Page 2, line 3, after "for" insert "water quality improvement" and replace "authorized under section 319 of the Federal" with an underscored period
- Page 2, remove lines 4 and 5
- Page 2, line 11, after "include" insert "water quality improvement" and remove "for"
- Page 2, remove line 12
- Page 2, line 13, remove "319 of the Federal Water Pollution Control Act [Pub. L. 100-4; 101 Stat. 52; 33 U.S.C. 1329]"

Renumber accordingly

2001 SENATE NATURAL RESOURCES

HB 1396

#### 2001 SENATE STANDING COMMITTEE MINUTES

#### **BILL/RESOLUTION NO. HB 1396**

Senate Natural Resources Committee

☐ Conference Committee

Hearing Date 3-8-01

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Minutes:

SENATOR FISCHER opened the hearing on HB 1396.

Written testimony by LLOYD HUBER, member of Morton Co. W.R.B. in support of HB 1396 was distributed to the Committee.

Written testimony by MIKE DONAHUE, of the United Sportsmen of North Dakota and the North Dakota Wildlife Federation, in support of HB 1396 was distributed to the Committee. REPRESENTATIVE RALPH MET CALF of District 24, cosponsor introduced HB 1396, A BILL RELATING TO THE POWERS AND DUTIES OF THE STATE WATER COMMISSION AND RELATING TO SHARING OF COSTS FOR WATER QUALITY PROTECTION PROGRAMS AND THE STATEWIDE WATER DEVELOPMENT PROGRAM. (See attached testimony).

Page 2
Senate Natural Resources Committee
Bill/Resolution Number HB 1396
Hearing Date 3-8-01

EUGENE KLEIN a thirty year member of the Barnes County Soil Conservation District testified in support of HB 1396 requested assistance in funding for the matching funds of the 319 programs through the water quality projects in the state. This 319 grant is the best thing they have ever seen making available money to use. He referred to material distributed to the Committee (See attached). The \$4,800.000.00 looks pretty good except for one thing the inability to raise the \$3, 200,000,00 that needs to raised for matching funds. He explained the three phase process for water shed project. 1). The assessment and evaluation of the water quality problem to be addressed. This phase has no cost as it is done by office personal, 2). The demonstration to put up and installed on what has to be done to correct that water quality problem. This is not quit as easy as you need to choose an individual that will participate in the program will ability financially or with equipment to do the work. 3). The actual implementation through out the entire water district. This is the difficult part because the people do not have the 40% matching funds to implement the projects. He also explained the economic impact of the \$4.8 million verses the \$7 million along with the employment possibilities. They are not asking that the North Dakota pay the 100% of the matching 40% funds for the projects. A person needing the project should also make an investment. This issue should be handled now before a federal mandate comes.

FRANCIS SCHWINDT representing the Department of Health testified in support of HB 1396. He said there are 40 active project at the three different stages active in the state and the total federal money committed to those projects is in the neighborhood of \$18-19 million.

SENATOR TRAYNOR wanted to clarify that if \$4.8 million comes from federal money where does the matching \$3.2 million come from.

FRANCIS SCHWINDT confirmed the local money can be state or local coming from a local soil conservation district, a local water board and the bulk coming from the land owner.

<u>SENATOR CHRISTMANN</u> wanted to clarify that with passage of HB 1396 funds from the State Water Commission can be used to help with the 40% matching funds.

DALE FRINK Interim State Engineer for the State Water commission testified in support of HB 1396 (See attached testimony)

SENATOR KELSH asked about the fiscal note and where funds would come from for the projects.

DALE FRINK answered that funds would come out of the general fund of appropriations bill HB 1023. In that is some flexibility called general water projects and funds could be used from there. If bonds were sold they would be paid for from the Water Development Trust Fund that is funded by the Tobacco Trust Fund.

DAVE KOLAND, the Executive Director of the North Dakota Rural Water Systems, presented a house cleaning amendment (10538.0301) that would reimbursement of expenses to water district employees.

There was no neutral or opposing testimony of HB 1396.

SENATOR FISCHER closed the hearing on HB 1396.

SENATOR FISCHER reopened discussion of HB 1396.

SENATOR TRAYNOR made a motion to adopt the "Koland" amendment (10538.0301).

SENATOR TOLLEFSON second the motion.

<u>SENATOR FISCHER</u> called for a roll vote indicating 7 YAYS, 0 NAYS, AND 0 ABSENT OR NOT VOTING.

Page 4
Senate Natural Resources Committee
Bill/Resolution Number HB 1396
Hearing Date 3-8-01

Discussion was held about the concern of the bill being too generic and if there was a standard formula for deciding the division of the 40% matching funds.

SENATOR KELSH made a motion for a "DO PASS" as amended of HB 1396.

There was no second to the motion and the motion died.

SENATOR CHRISTMANN stated his concern how the state wide water program was the game plan for water development and the worry is there is no limit with this bill and when the funds are gone there won't be funds for the really large needed projects.

<u>SENATOR KELSH</u> stated his understanding was that there was so much money set aside to bond for those large projects. His concern is that small projects would not be done because private matching funds cannot be raised.

SENATOR FREBORG asked what kinds of projects are included in the 319 program.

It was answered that basically farmland projects like feedlots, small drainage projects and chemical runoffs in surface water.

It was decided to obtain a copy of SB 2188 from the 1999 Session along with its companion bill for review before action was taken on HB 1396. It was also asked that Dale Frink from the State Water Commission be present for questions.

SENATOR FISCHER closed the discussion on HB 1396.

#### March 9, 2001

SENATOR FISCHER reopened discussion HB 1396.

FRANCIS SCHWINDT of the North Dakota Health Department was asked to present the rules and regulations of Section 319 of the Clean Water Act. It is primarily funding mechanism for the EPA to provide funding to the state to control non point sources of pollution. These grants require a 40% local match of funds. In North Dakota the 40% requirement is passed onto the

the CRP they are not longer able to that so alot of requests come to the department. There is an application process with a task force review ranking and choosing projects. He gave examples of the 44 projects presently under the 319 program explaining again these are non point sources of pollution.

<u>SENATOR CHRISTMANN</u> asked why this wasn't included in the state wide water plan two years ago.

FRANCIS SCHWINDT answered that it was mentioned but because these projects are more water quality related activity rather than water development activity it didn't receive as much consideration but the language in HB1396 makes it point.

DALE FRINK of the State Water Commission was also asked to be present and give the commission's perspective. He presented the 2001 Water Development Biennial Report (See attached). Section 319 projects are not listed specifically but might be included under some general projects. He also presented a copy of the flyer of the North Dakota Water Coalition which is basically what the budget is based upon (See attached). It has a General Water Management which 80% of many requests end up in this category. The other information he supplied was a copy of the undated projected expenditures of Water Development Fund/Resources Trust Fund (See attached).

<u>SENATOR FISCHER</u> asked Dale to explain the how the policy is set when a request is made before the Water Commission for a certain project.

DALE FRINK answered that the request would come into the state engineer who has the authority to approve up to a \$20,000 project without going to the Commission. If it is over that amount the state engineer will make a recommendation along with the request. The

recommendation will include an analysis of the project and recommend a cost share of the percentage of the non-federal cost. The Commission is keep updated as to how much is available in the trust fund and can make a decision. Local sponsors are notified of the hearing of the commission so that they can be present for questions.

SENATOR FISCHER closed the discussion on HB 1396.

#### MARCH 23, 2001

SENATOR FISCHER reopened the discussion on HB 1396.

SENATOR FISCHER in visited with several senators and representatives they want this issue resolved. It has been suggested to pass HB 1396 by the committee and rerefer it to appropriations committee. Appropriations will bring it back Do Not Pass and take the language and put it in the state water commission budget. The language that they are going use in appropriations is that funds come out of the general projects fund of the state water commission which means that every 319 projects will be considered on a case by case basis. This should have been a continuing appropriations for matching funds for 319 projects and it wasn't done.

SENATOR KELSH made a motion for a "DO PASS as Amended and rereferred a Appropriations Committee" of HB 1396.

SENATOR EVERY second the motion.

DAVE KOLAND was asked to explain the status of his amendments and he stated that sensing the bill might have a rocky road he put the exact same amendment on SB 2223 in the house natural resources committee. The amendment did pass but is being held the bill for action on another bill.

SENATOR FISCHER called for a roll vote of HB 1396, indicating 7 YAYS, 0 NAYS, AND 0 ABSENT OR NOT VOTING.

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Senate Natural Resources Committee
Bill/Resolution Number HB 1396
Hearing Date 3-8-01

SENATOR KELSH will carry HB 1396.

#### PROPOSED AMENUMENTS TO ENGROSSED HOUSE BILL NO. 1396

Page 1, line 3, after "61-01-26" insert "and subsection 7 of section 61-35-12"

Page 1, line 5, after "programs" insert ", reimbursement of water district employee expenses,"

Page 1, after line 24, insert:

"SECTION 3. AMENDMENT. Subsection 7 of section 61-35-12 of the North Dakota Century Code is amended and reenacted as follows:

7. Appoint and fix the compensation and reimbursement of expenses of such employees as the board deems necessary to conduct the business and affairs of the district and to procure the services of engineers and other technical experts, and to retain attorneys to assist, advise, and act for it in its proceedings."

Renumber accordingly

Date:  $3-\mathcal{P}$ Roll Call Vote #: 1

# 2001 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1394

Senate NATURAL RESOURCES	S			Com	mittee
Subcommittee on	7-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	- Paul rej			يشفيها فجيد بعقد ومري
Conference Committee					
Legislative Council Amendment Nu	mber _	·			
Action Taken		do	t 10538.	- 0.50	
Motion Made By	wr	Se By	conded 1011	efsni	<u> </u>
Senators	Yes	No	Senators	Yes	No
Sen. Thomas Fischer, Chairman			Sen. Michael A. Every		
Sen. Ben Tollefson, Vice Chair.			Sen. Jerome Kelsh	1/	
Sen. Randel Christmann	V	******			
Sen. Layton Freborg					
Sen. John T. Traynor	1		1		
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Total (Yes) 7		No	0		
Absent		0			
Floor Assignment					
If the vote is on an amendment, briefly					

3-8-11/

Date:

Roll Call Vote #: 2

# 2001 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1394

Senate NATURAL RESOURCES	}			Com	mittee
Subcommittee on					
or Conference Committee					
Legislative Council Amendment Nu	mber				
Action Taken	0	Pass	as Amanded		
Motion Made By Kulsh		Se By	conded <u>no S</u>	lame	<u>l</u>
Senators	Yes	No	Senators	Yes	No
Sen. Thomas Fischer, Chairman			Sen. Michael A. Every		
Sen. Ben Tollefson, Vice Chair.			Sen. Jerome Kelsh		
Sen. Randel Christmann	<del></del>			_	
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If the vote is or an amendment, briefl					

Date:

3.23-61

Roll Call Vote #: /

# 2001 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. / 394

Senate NATURAL RESOURCES	<u> </u>			Com	mittee
Subcommittee on					•
Conference Committee					
Legislative Council Amendment Nur	nber _			الله و المراجع	
Action Taken	Pas	s a	is Amendal + ring	wil	to A
Motion Made By			conded		
Senators	Yes	No	Senators	Yes	No
Sen. Thomas Fischer, Chairman			Sen. Michael A. Every		
Sen. Ben Tollefson, Vice Chair.	<b>V</b>		Sen. Jerome Kelsh		
Sen. Randel Christmann	1				
Sen. Layton Freborg					
Sen. John T. Traynor	1				
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Total (Yes)	<u> </u>	No	0		
Absent		Ü			
Floor Assignment	<u>)</u>	reh	)		
f the vote is on an amendment, briefl	y indicat	e intent	<b>:</b> :		

Module No: SR-51-6543

Carrier: Kelsh

Insert LC: 10538.0301 Title: .0400

#### REPORT OF STANDING COMMITTEE

HB 1396, as engrossed: Natural Resources Committee (Sen. Fischer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1396 was placed on the Sixth order on the calendar.

Page 1, line 3, after "61-01-26" insert "and subsection 7 of section 61-35-12"

Page 1, line 5, after "programs" insert ", reimbursement of water district employee expenses,"

Page 1, after line 24, Insert:

"SECTION 3. AMENDMENT. Subsection 7 of section 61-35-12 of the North Dakota Century Code is amended and reenacted as follows:

7. Appoint and fix the compensation and reimbursement of expenses of such employees as the board deems necessary to conduct the business and affairs of the district and to procure the services of engineers and other technical experts, and to retain attorneys to assist, advise, and act for it in its proceedings."

Renumber accordingly

2001 SENATE APPROPRIATIONS

HB 1396

#### 2001 SENATE STANDING COMMITTEE MINUTES

#### BILL/RESOLUTION NO. HB 1396

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 30, 2001

1 X 1.6-13.8	Tape Number	Side A	Side B	Meter#
		X		1.6-13.8
	Afficient Road & Antain Note: applicationing carbon programs of the contract o			
	present time there courses not a source income interesting a responsibility of the district			٠

Minutes:

Senator Solberg opened the hearing on HB 1396.

Representative Ralph Metealf, District #24, gave testimony (attached) and support for the bill.

Senator Bowman: What is the fiscal note on this? No dollars involved?

Senator Solberg: The money is rolled up in the Water Commission budget, is it not?

Representative Metcalf: My understanding it is in the Water Commission's budget, as an amendment to the Water Commission's budget.

Senator Andrist: Why is this bill here?

Senator Solberg: I'm not sure but it is here and we will hear it.

Senator Robinson: The subcommittee in the Water Commission budget intent would to be amend language into the Water Commission budget to allow up to \$200,000 for project line item for this application for the next two years at which time reviewed hopefully in the Health Department budget.

Page 2 Senate Appropriations Committee Bill/Resolution Number IIB 1396 Hearing Date March 30, 2001

Senator Solberg: This is access to federal funds?

Senator Robinson: Exactly.

Senator Tallackson moved a Do Pass on the bill and seconded by Senator Holmberg.

Further discussion.

Senator Grindberg Where is this going to go?

Senator Solberg: Hopefully continue to access federal dollars to come in and work on these projects. The EPA continuing putting more restrictions on feed operations, animal unit size you must comply with clean water act. Will continue to grow as see more restrictions on ground water.

Francis Schwindt, Department of Health, for ground water and surface water. Increasing 319 grant funds available to the state of ND but now closed to \$5 million per year getting into the stage. Local project sponsors are having a hard time coming up with the 40% match they need to implement the projects for certain areas to help the farm provide cost share system. This would certainly provide some funding to help the local march.

Senator Grindberg: EPA scares me and makes me nervous. What if we would do nothing?

Francis Schwindt: Then the local projects will struggle to provide that local match. The Health

Department does not have these matching funds in their budget but attaching that match

requirement on to the individual projects and them to come up with the local match. With EPA,

we relied on social conservation services natural resources, for technical assistance to farmers.

Senator Solberg: Senator Grindberg also to answer your question if we do nothing, EPA can

then come in to an operation with over a 1000 operation unit and look at the run off from animal

waste, they can shut them down.

Do you want to vote now?

Page 3
Senate Appropriations Committee
Bill/Resolution Number IIB 1396
Hearing Date March 30, 2001

Senator Heitkamp: Where are the dollars that you are going to have to access to do the math on this? And if you don't use them on this? How much potential of doing this is out there?

Dale Fink, Water Commission, the money would come from the Water Develop Trust Fund or resources trust fund. Category is broken down into general water management. All projects go to the Water Commission on ease by case basis and the Water Commission would make a decision on the cost share. There are many different projects out there with various modifications. The cap for this is \$200,000 and down the road this could get large.

Senator Robinson: On procedure, we have the Water Commission bill before us Monday morning that we amend the Water Commission budget and amendments drafted and then proceed to defeat this bill. Have it amended in first. Prefer to keep it alive.

Senator Solberg: I have no knowledge on that and not approached on it. This is the enabling legislation for this. Not sure I want to defeat this. I am going to ask for motion to withdraw the motion and second and hold until Monday morning.

Motion was withdrawn and to keep bill alive until Monday morning.

Hearing is now closed.

Tape #1, Side A, meter 13.8.

4-2-01 Full Committee Action (Tape #2, Side B, Meter # 9.2 - 15.0)

Senator Nething reopened the hearing on HB1396 - Relating to the sharing of costs for watershed protection programs and the statewide water development program.

Senator Nething led the review discussion; bill will be incorporated into the Water Commission Bill HB1023 - per Subcommittee on Water Commission (Senator Nething, Chair; Senator Holmberg and Senator Robinson).

Senator Robinson moved a DO NOT PASS; seconded by Senator Holmberg. Discussion; call for the vote: 13 yes; 1 no; 0 absent and not voting.

Senator Robinson accepted the floor assignment. He will discuss the motion/reasoning with Senator Kelsh, original committee carrier.

Date:	33	c ()/	
Roll Call	Vote #:		

## 2001 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 4.3.4.4.

Senate Appropriations		Committee
Subcommittee on or Conference Committee		
Legislative Council Amendment N	the second real control of the contr	•••••
Action Taken Do	ass ps Amor- Ocal	
Motion Made By Senator	Mackson By Senator //0/	mberry
Senators	Yes No Senators	Yes No
Dave Nething, Chairman		
Ken Solberg, Vice-Chairman		
Randy A. Schobinger		
Elroy N. Lindaas Harvey Tallackson	<del></del>	
Larry J. Robinson		
Steven W. Tomac		<del>   </del>
Joel C. Heltkamp		
Tony Grindberg		
Russell T. Thane		
Ed Kringstall		
Ray Holmberg		
Bill Bowman		
John M. Andrist		
V		
Total Yes	No	
Absent		
Floor Assignment Senator		

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

1.00.00
VOTES
Committee
Shending
Yes No

talkli Sen Koloh

Appropriations

Conference Committee

Action Taken

Motion Made By

Legislative Council Amendment Number

Dave Nething, Chairman Ken Solberg, Vice-Chairman

Randy A. Schobinger

Elroy N. Lindaas Harvey Tallackson Larry J. Robinson Steven W. Tomac Joel C. Heitkamp Tony Grindberg Russell T. Thane

Ed Kringstad Ray Holmberg Bill Bowman John M. Andrist

Yes

Floor Assignment Senator

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

Total

Absent

Subcommittee on

### REPORT OF STANDING COMMITTEE (410) April 2, 2001 12:51 p.m.

Module No: SR-57-7450 Carrier: Robinson Insert LC: . Title: .

#### REPORT OF STANDING COMMITTEE

HB 1396, as engrossed and amended: Appropriations Committee (Sen. Nething, Chairman) recommends DO NOT PASS (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1396, as amended, was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1396

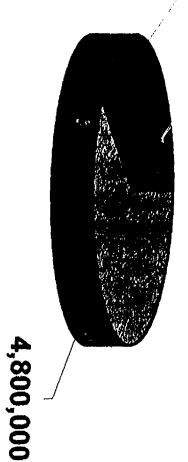


### SUPPORT MATERIALS FOR

House Bill 1396

# FY 2001 319 FUNDING Total Dollars = \$8,000,000

3,200,000



**⊠**EPA

■ State/local

# ECONOMIC IMPACT ASSESSMENT REPORT

Data furnished by North Dakota State University

YEAR: 2001

ID: Const. \$4.8 mill

Sector	Business Activity
(1) Ag Livestock	\$ 165,000
(2) Ag Crops	64,000
(3) Nonmetal Mining	145,000
(4) Construction	5,040,000
(5) Transportation	50,000
(6) Comm & Pub Util	290,000
(7) Ag Proc & Misc Mfg	99,000
(8) Retail Trade	1,968,000
(9) Fin, Ins, Real Estate	402,000
(10) Bus & Pers Service	138,000
(11) Prof & Soc Service	193,000
(12) Households	2,923,000
(13) Government	249,000

SECONDARY EMPLOYMENT

**147 JOBS** 

TOTAL

\$11,726,000

# ECONOMIC IMPACT ASSESSMENT REPORT

Data furnished by North Dakota State University

Year: 2001 ID: Const. S8 mill

	BUSINESS ACTIVITY
(1) Ag Livestock	\$ 274,000
(2) Ag Crops	107,000
(3) Non Metal Mining	242,000
(4) Construction	9.401.000
(5) Transportation	84,000
(6) Comm & Pub Util	483,000
(7) Ag Proc & Misc Mfg	166,900
(8) Retail Trade	3,280,000
(9) Fin, Ins, Real Estate	670,000
(10) Bus & Pers Service	230,000
(11) Prof & Soc Service	322,000
(12) Households	4,871,000
(13) Government	415,000

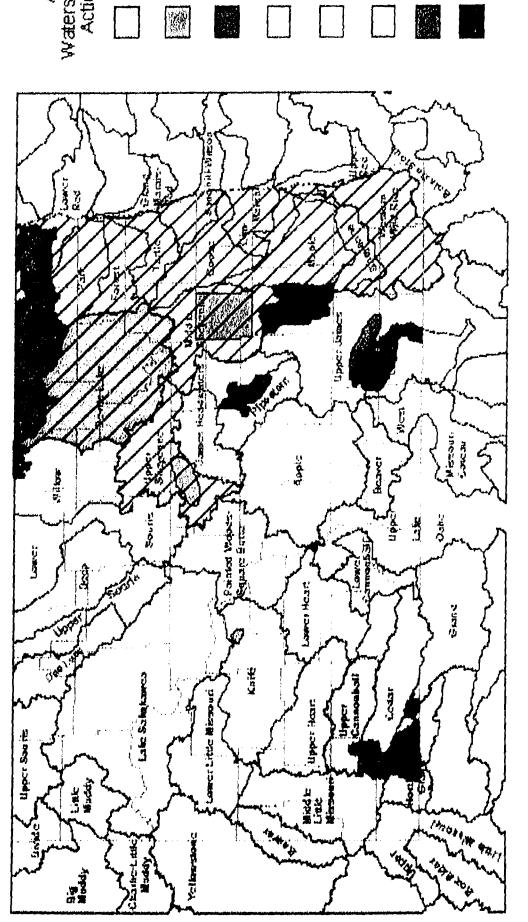
TOTAL

SECONDARY EMPLOYMENT

**246 JOBS** 

\$20,545,000.00

!



Approved Watershed Restoration Action Strategies

BEAVERCREEK

CARGOS COUNTY

PEMBINA GRATA

WILD FICE RIVER

CEDAR CREEK

DEVICE LAKE

COTTOWNOUS CREEK

LARPLE RIVER

Active Nonpoint Source Pollution Management Watershed Projects (As of 9-15-00)

CEDRA LIVE

KELLYCREEK ANTELOPE CREEK

HAYCREEK

BUTTALO LIGHTHANGSPRINGS

BARNES COUNTY LIWESTOCK WASTE HGT

REHAPICK DAG

UPPERSHEYENHE RIVER

LARTICR LAKE

LOWER PIPESTEN ASSESSMENT

SED SINES BASH SIPASIAN PROJECT

ROCKY RUMIND DER JAMES ASSESSMENT

UPPERCANNON BALL ASSESSMENT

### **CONSERVATION PRACTICES FOR WATER QUALITY**

### **GENERAL PRACTICES:**

Ag Waste Systems
Stock Ponds
Wells
Tanks
Abandoned Well Sealing
Diversions
Pipelines
Grassed Waterways
Terraces
Riparian Areas (bank erosion)
Spring Development
Dry Dams (to hold spring runoff)

### **RANGELAND PRACTICES:**

Range Seeding Pasture Seeding Haylands Cell Grazing Fencing

### **CROPLAND PRACTICES:**

Tillage:
No-till
Minimum Till
Soil Health Testing
Water Quality Testing
Strip Cropping
Windbreaks

### BEST MANAGEMENT PRACTICE (BMP)

Following are the most common BMPs that can receive federal funding. These practices are commonly referred to as "319 practices."

### A. GENERAL PRACTICES:

Ag Waste Systems

Stock Ponds

Wells and Tanks

Abandoned Well Sealing

Diversions

**Pipelines** 

Grassed Waterways

Terraces

Riparian Areas (Repair of stream bank erosion)

Spring Development

Dry Dams (to hold Spring runoff)

### **B. RANGELAND PRACTICES:**

Range Seeding

Pasture Seeding

Hay lands

Cell Grazing

Fencing

Plant Identification

### C. CROPLAND PRACTICES:

Tillage

No-till

Minimum till

Conventional till

Soil Health Testing

Water Quality Testing

Strip Cropping

### TESTIMONY IN SUPPORT OF HB 1396

Chairman Klein and members of the House Government and Veterans Affairs Committee. I am Ralph Metcalf, Representative from District 24, Barnes County and I am here to introduce HB 1396. I and several other legislators were informed of a problem to provide adequate financial support to meet matching funds provided by the Environmental Protection Agency under Section 319 of the Clean Water Act commonly called "319".

To give you a little history as I know it, 319 funds have been available for more than 10 years. During the first few years the match was 75% federal and 25% state/local. In 1993, the match was changed to 60% federal and and 40% state/local which has been met up to now by in kind work performed and supplies furnished by local Soil Conservation Districts (SCD), Resource Conservation and Development Councils (RC&D), Water Resource Boards (WRB), several other federal and state agencies and the local producer/farmer. These sources are running dry and an additional source of funding must be developed if this state is to continue to utilize these EPA funds while we are correcting problems in water quality as the EPA is demanding and will demand in the future. Currently EPA has authorized \$9.6 million for the biennium to be matched with \$6.4 million from the state/local.

Water quantity is of very little value if it does not have quality. Water quality can be maintained and improved utilizing 319 funds from the EPA. Representatives from Soil Conservation will explain the working of the 319 program much better than I and you will hear from them shortly.

As this bill developed, I was privilized to work with representatives from the Department of Health, the Water Commission and the Governor's office and several bill alternatives were developed before we settled on HB 1396. Since it was filed, we found that a change was necessary to make it less restrictive and I have prepared an amendment to address that concern. The amendment takes out the reference to 319 projects and basically authorizes the Water Commission to utilize Water Trust Funds for any water quality project.

HB 1396 will authorize the State Water Commission to utilize Water Trust Fund monies for a portion of the state/local match to federal funds. We have been told

that current law MAY authorize the use of the Water Trust Funds for this purpose but we were advised that the passing of this bill would give a clear authorization. We also realize that an authorization does not mean that funds will be available. The ultimate goal is to have the state provide half of the matching funds and the local districts and project participants providing the other half. It is hoped that enough money can be provided by the Water Commission to fund several essential projects to insure continuance of current 319 projects. By doing this everyone should have time to plan for the fiscal requirements of water quality projects and determine a course of action for future years.

1

I welcome questions but we may want to wait until more testimony is presented that may have more detail.

### NORTH DAKOTA WATER COALITION

Mission: Complete North Dakota's Water infrastructure for economic development and quality of life.



### Meeting the

Challenge Phase II

THE NORTH DAKOTA WATER COALITION'S FOCUS ON NORTH DAKOTA'S CRITICAL WATER NEEDS: 2001-2003

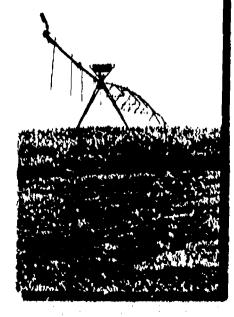
### Flood Control in Eastern North Dakota

Red River flood control projects will protect the cities of Grand Forks, Wahpeton, Grafton, Fargo and other areas from the damage caused in a flood event like the 1997 flood.

### Water supply for cities and rural water systems

Eastern North Dakota through Garrison Diversion, Southwestern North Dakota through the Southwest Pipeline Project, Northwestern North Dakota through the Northwest Area Water Supply (NAWS), and local rural water systems are especially significant.





Increased high value crop production and processing opportunities help build and diversify our economy. Irrigation is necessary for many of these developments.

### NORTH DAKOTA WATER COALITION



### Missouri River

The Corps of Engineers Master Manual, bank protection and a comprehensive plan for future growth are among the major concerns.



### Cerleta

A permanent solution for the damage to homes, land and infrastructure from the 22-foot rise of Devils Lake must be achieved.

### MORTH DAKOTA WATER COALITION PRIORITIES 2001-2003 BIENNIUM

٨	11	T	H	ň	D	Z	F	n

NEW FUNDING NEEDS

SB 2188 Projects (Projects authorized in 1999 as part of SB 2188 but not yet contracted for construction)

State Funds (in millions of dollars)

31.5

State Funds 15.00 3.29 5.00

INCH PURPLING	
1. Municipal and F	Rural Water Supply
2. Irrigation	
3. General Water N	/lanagement
4. Flood Control	_
5. Eastern Dakota	Water Supply
6. Devils Lake	• • •
7. Missouri River I	Management*
8. Northwest Area	Water Supply
8. Northwest Area 9. Southwest Pipe	line Lessand Francisch.

Note: These priorities are for new funding only.

Funding will be provided through federal and local sources.

State funds are not requested at this time.

Sub-Total,

AD B4

72.34

### estimated revenues for water

Pesources Trust Fund (Oll Extraction Tax = 20%) 最終 異なけれる Peyonus for 2001-2003 blennium。

2. Water Development Trust Fund (State Tobacco Settlement

3. Bonding (as needed to cover the difference)

2001-2003

12.5

16.04

72.34

### **TESTIMONY ON HOUSE BILL 1396**

### House Government and Veterans Affairs Committee

### Dale Frink, Interim State Engineer State Water Commission

### February 8, 2001

Mr. Chairman and members of the House Government and Veterans Affairs Committee, I am Dale Frink, Interim State Engineer for the State Water Commission, and I appear today in support of House Bill 1396.

House Bill 1396 allows the State Water Commission, at its discretion, to cost share on projects funded under Section 319 of the Federal Water Pollution Control Act, for the control of non-point sources of pollution. The State Water Commission provides a cost share for many federal and non-federal water projects across the state. The State Water Commission is also familiar with several of the watershed projects undertaken with Section 319 funding assistance. The implementation of best management practices provides several benefits such as reduced runoff and improved water quality for our rivers and streams.

The State Water Commission has adopted an updated State Water Management Plan. I believe individual Section 319 projects will be eligible for a cost share consideration. The process for obtaining a State Water Commission cost share would be for the local sponsor to submit an application for consideration on a project-by-project basis by the State Water Commission.

Mr. Chairman, thank you for your consideration of House Bill 1396.

### **TESTIMONY ON ENGROSSED HOUSE BILL 1396**

### Senate Natural Resources Committee

### Dale Frink, Interim State Engineer State Water Commission

### March 8, 2001

Mr. Chairman and members of the Senate Natural Resources Committee, I am Dale Frink, Interim State Engineer for the State Water Commission, and I appear today in support of Engrossed House Bill 1396.

Engrossed House Bill 1396 allows the Water Commission, at its discretion, to cost share on water quality projects. The Water Commission provides a cost share for many federal and non-federal water projects across the state. The Water Commission is familiar with Section 319 watershed projects. The implementation of best management practices provides several benefits such as reduced runoff and improved water quality for our rivers and streams.

Funding for water quality projects would come from the Water Development Trust Fund, the Resources Trust Fund, or bonding. Although a need of up to \$1.5 million has been identified, the Water Commission may elect to provide considerably less than this amount to the program. The process for obtaining cost share would be for the local sponsor to submit an application for consideration on a project-by-project basis to the Water Commission.

Mr. Chairman, thank you for your consideration of Engrossed House Bill 1396.

4B 1396

ammittee milero 1 loyd pluber (Monter Marton Concert B) surger HE 1396 for the following reasons ? The need to clime ey Vous dealers in creeks + River deprotest ander underground Water resources Feedbeg of Cittle wester-way, suchas couline, on idean checket Rivers, finding of Jackage, pary conficement lanking of Lagorett Gath Farment Coll. Morton C. W.R.E. in in the process of building and Elood protection & Regrestion hall en a neater lied in the hear future. The watershed was trued by MCWRB. + N.Co. & Herend Resurce Constiton, Rep. of Myriculture, Waste Spring have to be cleanupe they their are eight Blef + Carry operations with thater shed that ned to have naste Control Systems installed or or change of operation pratices Therefore we and that a higher Parte of costshare be minde wallebe though the 319 pregram. Que to the pase Faring prices of France Cannet afford the Cost of the Cost to clean & Keep Clean one waters of seal State of Tayl There, Mordon low liver

### TESTIMONY IN SUPPORT OF HB 1396

Chairman Fischer and members of the Senate Natural Resources Committee. I am Ralph Metcalf, Representative from District 24, Barnes County and I am here to introduce HB 1396. I and several other legislators were informed of a problem to provide adequate financial support to meet matching funds provided by the Environmental Protection Agency under Section 319 of the Clean Water Act commonly called "319".

To give you a little history as I know it, 319 funds have been available for more than 10 years. During the first few years the match was 75% federal and 25% state/local. In 1993, the match was changed to 60% federal and and 40% state/local which has been met up to now by in kind work performed and supplies furnished by local Soil Conservation Districts (SCD), Resource Conservation and Development Councils (RC&D), Water Resource Boards (WRB), several other federal and state agencies and the local producer/farmer. These sources are running dry and an additional source of funding must be developed if this state is to continue to utilize these EPA funds while we are correcting problems in water quality as the EPA is demanding and will demand in the future. Currently EPA has authorized \$9.6 million for the biennium to be matched with \$6.4 million from the state/local.

Water quantity is of very little value if it does not have quality. Water quality can be maintained and improved utilizing 319 funds from the EPA. Representatives from Soil Conservation will explain the working of the 319 program much better than I and you will hear from them shortly.

As this bill developed, I was privilized to work with representatives from the Department of Health, the Water Commission and the Governor's office and several bill alternatives were developed before we settled on HB 1396. Since it was filed, we found that a change was necessary to make it less restrictive and an amendment was added by the House Government and Veterans affairs Committee to address that concern. The amendment took out the reference to 319 projects and basically authorizes the Water Commission to utilize Water Trust Funds for any water quality project.

HB 1396 will authorize the State Water Commission to utilize Water Trust Fund monies for a portion of the state/local match to federal funds. We have been told that current law MAY authorize the use of the Water Trust Funds for this purpose but we were advised that the passing of this bill would give a clear authorization. We also realize that an authorization does not mean that funds will be available. The ultimate goal is to have the state provide half of the matching funds and the local districts and project participants providing the other half. It is hoped that enough money can be provided by the Water Commission to fund several essential projects to insure continuance of current 319 projects. By doing this everyone should have time to plan for the fiscal requirements of water quality projects and determine a course of action for future years.

I welcome questions but we may want to wait until more testimony is presented that may have more detail.

### Water Development Trust Fund/ Resources Trust Fund <u>Projected Expenditures</u>

Senate.	BIII 3188	3 Prolects
---------	-----------	------------

Grand Forks Flood Control	\$18,400,000
Wahpeton Flood Control	1,600,000
Dovils Lake	10,000,000
Orafton Flood Control	1,500,000
	\$31,500,000

### Additional Funding Needs

Municipal, Rural and Industrial Water Supply FARGO FLOOD CONTROL PROJECT Irrigation Development	\$15,000,000 5,500,000 3,290,000
General Water Management	5,000,000
Flood Control (Baldhill Dam and Maple River Dry Dam)	5,750,000
Eastern Dakota Water Supply (HB 1171)	150,000
Devils Lake Basin Development	4,000,000
Southwest Pipeline Project	8,105,000
Weather Modification	350,000
Northwest Area Water Supply	100,000
	\$41,745,000 47, 245,000

47, 245,000 \$73,245,000 \$73,245,000

Subtotal

Other Trust Fund Expenditures  &ECTION 404 (SB 2185)  Resources Trust Fund Obligated Carryover Projects  STATE HEALTH DEPT EmployEES(SB 2004)  Projected State Water Commission Agency Costs  S B 1396 (319 PROJECTS)  Estimated Biennium Bond Payments (SB 2188)	\$00,000 \$ 7,800,000 100,000 9,773,000 1,000,000 8,636,000
	\$ <del>26,209,00</del> 0 <b>\$</b> 28,109,000

**Combined Total Expenditures** 

\$<del>99,454,00</del>0 106,854,000 The executive budget recommendation for water projects includes dollars from the Resources Trust Fund, the Water Development Trust Fund, and bonding. The breakdown of projected revenue from these sources is as follows:

### Resources Trust Fund Revenues (2001-2003)

Total Resources Trust Fund (RTF)	\$ 21,718,000
Oil Royalties (Southwest Pipeline O&M Center)	5,000
Southwest Pipeline Project Repayments	800,000
MR&I Loan Repayments	999,000
Oil Extraction Tax and Interest	9,014,000
Unobligated Carry Over (July 1, 2001)	3,100,000
Obligated Carry Over (July 1, 2001)	\$ 7,800,000

### Water Development Trust Fund

Beginning Balance (July 1, 2001)	\$ 23,483,000
Tobacco Settlement Deposits (2001-2003)	23,883,000
Total Water Development Trust Fund (WDTF)	<u>\$ 47,366,000</u>
Combined Revenues (WDTF & RTF)	\$ 69,084,000
Combined Total Expenditures	\$ <del>99,454,000</del> #106,854,000
Bonding Requirement	<del>\$ 30,370,000</del>
	# 37,770,000

REVISED

## WATER DEVELOPMENT 2001 BIENNIAL REPORT

a supplicate of to the

1999 State Water Management Pla



North Dakota State Water Commission

416 1396

### TESTIMONY IN SUPPORT OF FUNDING FOR ENVIRONMENTAL PROJECTS

Chairman Nething and members of the Senate Appropriations Committee. Lam Ralph Metcali, Representative from District 24, Barnes County and Lam here to request support to meet the matching funds requirement to access federal monies provided by the Environmental Protection Agency under Section 319 of the Clean Water Act commonly called "319".

To give you a little history as I know it, 319 funds have been available for more than 10 years. Currently the match requirement is 60% federal and 40% state/local which has been met up to now by in kind work performed and supplies furnished by local Soil Conservation Districts (SCD), Resource Conservation and Development Councils (RC&D), Water Resource Boards (WRB), and most importantly, the local producer/farmer. Up to this point in time, the local producer/farmer has been able to meet a major portion of the 40% match by providing cash money, and in kind service and materials.

In my district a farmer agreed to put in an ag waste system for his feedlot. These systems vary in cost depending on size and location but the average total cost is around \$100,000.00. He knew that he would eventually need this system as a requirement of EPA and he worked with the conservation district to do this as a demonstration project. This particular farmer is also a road contractor and owner of several borrow and gravel pits. This fits in perfectly with meeting the 40% match using in kind work and materials. However, as you probably realize, farmer/producers with this ability are few and far between.

Currently EPA, under 319, authorizes \$9.6 million per bienium for North Dakota. To completely utilize this amount, \$6.4 million must be provided in matching funds or in kind labor/materials. The funds from EPA provide for contracts that can be extended over a five year period. Attached is a listing of current approved and requested projects. You will notice in the middle column on page 2 that there is an anticipated local and/or state match requirement of \$12,542,814 to be met within the next five years. As projects progress from the planning phase to the implementation phase, larger expenditures are required.

During the next legislative assembly, if we are to continue utilizing these EPA funds, a separate source of matching funds must be identified for these 319 projects. To reach the 40% match requirements, a possible solution would be a combination of 20% matching funds from the state and 20% matching funds from

the farmer/producer. These projects have developed to the point where they could easily utilize several million dollars in state matching funds (20%) in the coming bienium.

In the mean time, limited funds are needed in the near future to insure continuation of planning and engineering for future projects. In late December, it was determined that there were not sufficient funds available to support this project which is shown as the NPS BMP Team on the attached project list. It is felt that the local conservation districts would be able to fund 20% of the match but would need assistance to meet the other 20%. In working with the Health Department and the Water Commission, it was felt that there maybe enough money available to support this project and perhaps several other projects, with the Water Commission making the final decision.

This helps the economic development effort of the state in two ways. North Dakota State University has done an Economic Impact Assessment Report and has provided information for two scenarios. The first report is strictly for one year and includes federal funds only, \$4.8 million. The second report again is just for one year but includes the state/local match making a total of \$8.0 million. These are attached to this testimony.

Probably the greatest economic impact will be the result of the projects themselves which will give state farmers/producers the ability to meet EPA requirements while upgrading their operation for greater production. Eventually EPA regulations will force North Dakota livestock producers to comply or quit livestock production. By being pro-active at this time, we will not only insure that our \$500 million livestock industry stays viable but may eventually show significant increases while ensuring a safe environment for our citizens.

With me today is Mr. Francis (Fritz) Schwindt who is the project expert from the Health Department. If I cannot answer your questions, I feel confident that Fritz will be able to furnish complete information. Thank you for allowing me to present this important program to you.

### FUNDING AND LOCAL MATCH OBLIGATIONS FOR 319 **PROJECTS**

	PROJECT NAME	SECTION 319(h) ALLOCATION	LOCAL AND/OR STATE MATCH	TOTAL
	Statewide ECO ED Camp - Statewile	692,378	461,585	1,153,963
	SW NPS/Water Quality I/E Project in sw ND	887,042	591,361	1,478,403
·	Foster Co. TREES * =   =   =   =   =   =   =   =   =   =	396,056	264,037	660,093
	Griggs Co. Water Quality Project - FY 99 WRAS Griggs Co.	1,213,536	809,024	2,022,560
LaMous		762,572	508,382	1,270,954
Emmune, Logon Methiush	Beaver Creek Watershed - ITY 99 WRAS	773,165	515,444	1,288,609
1.15-4-U183 M	NDSU Livestock Waste Management Program	262,663	175,109	437,772
	NPS BMP Team SE North Bakula	339,275	226,183	565,458
	Project WET + State winds	282,521	188,347	470,868
	Pipestem Creek Watershed Wells Co.	44,937	29,958	74,895
	Upper Sheyenne Watershed Walk/Shaidan	217,654	145,103	362,757
	Development Phase Funds State will	439,958	293,305	733,263
	Professional Fees	7,166	4,777	11,943
	Antelope Creek Watershed Macec	142,442	108,295	270,737
	Renwick Watershed - Phase II Pembina	270,095	180,063	450,158
	Mirror Lake Watershed Adams	189,047	126,031	315,078
	Red River Riparian Project - Phase II Real Miles	1,427,121	951,414	2,378,535
	NDDA Waterbank Program State wide	444,509	296,339	740,848
	Hay Creek Watershed - Phase III & IV * Burlingh	324,745	216,497	541,242
	Cedar Lake Watershed Slope / He Hinger	613,037	408,691	1,021,728
	Barnes Co. Livestock Waste Mgt. and Streambank Restoration Demonstration	96,555	64,370	160,925
	NDSU GIS Nitrate Assessment System Demonstration State wisks	39,008	26,005	65,013
laguitarian sub.	UND Aquifer Denitrification Assessment	71,905	47,937	119,842
	Wild Rice River FY 99 & 01 WRAS * Sarger	1,320,428	880,285	2,200,713

### FUNDING AND LOCAL MATCH OBLIGATIONS FOR 319 PROJECTS

	PROJECT NAME	SECTION 319(h) ALLOCATION	LOCAL AND/OR STATE MATCH	TOTAL
	NDSU Deep Soil Nitrate Assessment Burlingh	66,666	44,444	111,110
	Pembina River Basin FY 99 WRAS Caveller	151,572	101,048	252,620
	Tyler Coulee Watershed Water Quality Improvement Builington	57,523	38,349	95,872
	N. D. Duiry Pollution Prevention Program Links	695,000	463,334	1,158,334
	Satellite Image Applications to Water Quality Protection = telepicle.	293,460	195,640	489,1(X)
	Mouse River Park Streambank Restoration Demonstration	60,000	40,000	100,000
Foster	Kelly Creek Water Quality Improvement Project	191,135	127,424	318,559
Walls	Rocky Run/Upper James River Assessment	72,000	48,(XX)	120,000
	Devils Lake Basin FY (X) WRAS the Basin	72,876	48,584	121,460
	Cedar Creek Basin FY 00 WRAS Soft, the H. spece	901,260	600,840	1,502,100
	Groundwater Program Monitoring Well Installation	40,500	27,(XX)	67,500
	Maple River FY (X) WRAS La House Dickey	1,414,064	942,709	2,356,773
	Statewide Manure Handling System Cost Share Program * State cuicle.	726,(XX)	484,000	1,210,000
{	ND Groundwater Sensitivity Mapping * statemak	393,000	262,000	655,000
	ND Envirothon * 5 fat wille.	93,945	62,630	156,575
	Digital Taxonomic Keys for Aquatic Insects in ND * 5 Cale wiels	100,333	66,889	167,222
	Buffalo/Lightening Springs * Bowman	411,240	274,160	685,400
	Cannonball Assessment * 5 10 pol Ke Hinger	38,132	25,421	63,553
	Barnes Co. Sheyenne River FY 01 WRAS * Barnes	1,757,700	1,171,800	2,929,500
	TOTAL	18,814,221	12,542,814	31,357,035

<sup>\*</sup> Projects requesting FY 2001 Section 319 funding.