

SENATE BILL NO. 2020

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 water resources; to amend and reenact section 61-02-79 of the North Dakota Century Code
3 and section 4 of chapter 20 of the 2021 Session Laws, relating to a Bank of North Dakota line of
4 credit and state water commission discretionary funding; to provide legislative intent; to provide
5 an exemption; and to declare an emergency.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated from special funds derived from federal funds and other
9 income, to the department of water resources for the purpose of defraying the expenses of the
10 department of water resources, ~~for the biennium beginning July 1, 2023, and ending June 30,~~
11 2025 for the period beginning with the effective date of this Act, and ending June 30, 2025, as
12 follows:

	<u>Governor's</u>		
	<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
15 Salaries and wages	\$20,537,867	\$23,809,878	\$20,537,867
16 Operating expenses	43,366,550	59,479,068	43,366,550
17 Capital assets	98,467,437	172,396,344	98,467,437
18 Water supply - grants	125,000,000	270,000,000	125,000,000
19 Rural water supply - grants	59,600,000	35,000,000	59,600,000
20 Flood control projects	48,000,000	115,000,000	48,000,000
21 Discretionary fund for water projects	0	5,000,000	0
22 General water - grants	14,227,275	14,233,275	14,227,275
23 Total special funds	\$409,199,129	\$694,918,565	\$409,199,129
24 Full-time equivalent positions	90.00	93.00	90.00

	Adjustments or		
	Base Level	Enhancements	Appropriation
1			
2			
3	Salaries and wages	\$20,537,867	\$2,927,459
4	Operating expenses	43,366,550	16,112,518
5	Capital assets	98,467,437	201,916,513
6	Water supply - grants	125,000,000	158,000,000
7	Rural water supply - grants	59,600,000	(19,600,000)
8	Flood control projects	48,000,000	66,600,000
9	Discretionary funding	0	1,000,000
10	General water - grants	14,227,275	(2,227,275)
11	Basinwide plan implementation	0	1,000,000
12	Total special funds	\$409,199,129	\$425,729,215
13	Full-time equivalent positions	90.00	3.00
		93.00	

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
19	Line of credit - Bank of North Dakota	\$50,000,000	\$0
20	Basinwide plan implementation	1,100,000	0
21	Discretionary water project funding	6,000,000	0
22	Mouse River flood control project	74,500,000	0
23	Water infrastructure projects	75,000,000	0
24	Total special funds	\$206,600,000	\$0
25	Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
26	Basinwide plan implementation	1,100,000	1,000,000
27	Discretionary funding	0	1,000,000
28	Equipment for new employees	0	19,320
29	Information technology unification	0	1,532,980
30	Increased motor pool rates	0	118,180
31	Drilling supplies inflation	0	180,000

1	<u>Navigability study</u>	0	180,000
2	<u>Airborne electromagnetic survey data collection</u>	0	750,000
3	<u>Ground water modeling and hydrologic analysis software</u>	0	72,665
4	<u>Potential agency relocation</u>	0	200,000
5	<u>Radar system</u>	0	1,800,000
6	<u>Drilling rig replacement</u>	0	1,800,000
7	<u>Northwest area water supply</u>	0	47,847,238
8	<u>Discretionary water project funding</u>	6,000,000	0
9	<u>Mouse River flood control project</u>	74,500,000	0
10	<u>Water infrastructure projects</u>	75,000,000	0
11	<u>Total special funds</u>	\$206,600,000	\$156,500,383

12 The 2023-25 one-time funding amounts are not a part of the entity's base budget for the
13 2025-27 biennium. The department of water resources shall report to the appropriations
14 committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
15 period beginning with the effective date of this Act, and ending June 30, 2025.

16 **SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** In addition to the amounts
17 included in the estimated income line item in section 1 of this Act, any additional amounts in the
18 resources trust fund that become available are appropriated to the department of water
19 resources for the purpose of defraying the expenses of that agency, excluding operating
20 expenses and salaries and wages, for the period beginning with the effective date of this Act,
21 and ending June 30, 2025.

22 **SECTION 4. APPROPRIATION - WATER PROJECTS STABILIZATION FUND - LOAN**
23 **REPAYMENT - ONE-TIME FUNDING.** There is appropriated out of any moneys in the water
24 projects stabilization fund in the state treasury, not otherwise appropriated, the sum of
25 \$30,000,000, or so much of the sum as may be necessary, to the department of water
26 resources for the purpose of repayment of loans issued by the Bank of North Dakota to the
27 western area water supply authority for the period beginning with the effective date of this Act,
28 and ending June 30, 2025. This funding is considered a one-time funding item.

29 **SECTION 5. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING.** The
30 discretionary funding appropriated to the department of water resources in section 1 of this Act

1 may be used as necessary, except for salaries and wages, for the period beginning with the
2 effective date of this Act, and ending June 30, 2025.

3 **SECTION 6. PILOT PROJECT - BASINWIDE WATER PLAN IMPLEMENTATION -**
4 **REPORT TO LEGISLATIVE MANAGEMENT.** Of the \$1,000,000 in the basinwide plan
5 implementation line item in section 1 of this Act, up to \$1,000,000 may be used to provide
6 grants for the pilot project authorized in this section for the period beginning with the effective
7 date of this Act, and ending June 30, 2025. These funds are not subject to state water
8 commission cost-share policies. Water resource districts and joint water resource districts in a
9 basin may develop a basinwide water plan identifying water conveyance, flood control, and
10 other water projects to be undertaken in the basin, and may jointly apply to the state water
11 commission for a grant of up to \$1,000,000 for implementation of the plan. The state water
12 commission may select a basinwide plan submitted under this section for funding and enter into
13 one cooperative agreement with the water resource districts and joint water resource districts
14 that submitted the plan. The cooperative agreement must include the amount of funding the
15 state water commission will provide, a prohibition on using funds granted for implementation of
16 the plan for planning or any purpose other than implementation of the basinwide plan, and the
17 obligations of the state water commission and each water resource district and joint water
18 resource district in implementing the basinwide plan. The agreement also must provide for
19 monitoring and oversight of the basinwide plan's implementation. The department of water
20 resources shall report to the legislative management on the results of this pilot project no later
21 than August 1, 2024.

22 **SECTION 7. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND.** The
23 total special funds line item in section 1 of this Act includes \$120,000,000 from the water
24 projects stabilization fund for water supply grants for the period beginning with the effective date
25 of this Act, and ending June 30, 2025.

26 **SECTION 8. AMENDMENT.** Section 61-02-79 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **61-02-79. Bank of North Dakota - Line of credit.**

29 The Bank of North Dakota shall extend a line of credit not to exceed fiftyone hundred million
30 dollars at ~~a rate of one and one-half percent over the three-month London interbank offered~~
31 ~~rate, but may not exceed three percent to the state water commission~~the prevailing interest rate

1 ~~charged to North Dakota government entities.~~ The ~~state water commission~~department of water
2 resources shall repay the line of credit from funds available in the resources trust fund, ~~water~~
3 ~~development trust fund~~, or other funds, as appropriated by the legislative assembly. The ~~state~~
4 ~~water commission~~department of water resources may access the line of credit, as necessary, to
5 provide ~~funding as authorized by the legislative assembly~~up to fifty million dollars for the
6 northwest area water supply project and up to fifty million dollars for the southwest pipeline
7 project during the biennium beginning July 1, ~~2024~~2023, and ending June 30, ~~2023~~2025.

8 **SECTION 9. AMENDMENT.** Section 4 of chapter 20 of the 2021 Session Laws is amended
9 and reenacted as follows:

10 **SECTION 4. APPROPRIATION - RESOURCES TRUST FUND - STATE**

11 **WATER COMMISSION DISCRETIONARY FUNDING.** There is appropriated out of
12 any moneys in the resources trust fund in the state treasury, not otherwise
13 appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to
14 the ~~state water commission for the purpose of providing discretionary funds for water~~
15 ~~project grants~~department of water resources to be used as necessary except for
16 salaries and wages, for the biennium beginning July 1, 2021, and ending June 30,
17 2023. This funding is considered to be a one-time funding item.

18 **SECTION 10. STATE WATER COMMISSION - RED RIVER WATER SUPPLY PROJECT**

19 **FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for Red River water supply
20 projects prior to the 2023-25 biennium, the state water commission may not approve state
21 funding for the Red River water supply project in excess of a total of \$953,000,000 without
22 legislative approval. It is the intent of the sixty-eighth legislative assembly that of the
23 \$953,000,000, \$175,000,000 is provided from the resources trust fund for the period beginning
24 with the effective date of this Act, and ending June 30, 2025.

25 **SECTION 11. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL**

26 **PROJECT FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for Mouse River
27 flood control projects prior to the 2023-25 biennium, the state water commission may not
28 approve state funding for the Mouse River flood control project in excess of a total of
29 \$380,500,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly
30 that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period
31 beginning with the effective date of this Act, and ending June 30, 2025.

1 **SECTION 12. SOUTHWEST PIPELINE PROJECT FUNDING - LEGISLATIVE INTENT.** It
2 is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly
3 appropriate \$40,000,000 from the resources trust fund for the southwest pipeline project for the
4 biennium beginning July 1, 2025, and ending June 30, 2027.

5 **SECTION 13. EXEMPTION - LINE ITEM TRANSFERS.** The office of management and
6 budget shall transfer up to \$13,292,362 between the operating and capital assets line items in
7 section 1 of this Act, during the period beginning with the effective date of this Act, and ending
8 June 30, 2025, as requested by the director of the department of water resources. The director
9 of the department of water resources shall notify the legislative council of any transfers made
10 pursuant to this section.

11 **SECTION 14. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS -**
12 **CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to \$405,000,000 for grants or
13 water-related projects included in the capital assets, water supply - grants, rural water supply -
14 grants, flood control projects, and general water - grants line items in section 1 of chapter 20 of
15 the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of
16 chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021
17 Special Session Session Laws. Any unexpended obligated and unobligated funds from these
18 appropriations may be continued into the 2023-25 biennium. Any funds continued may be
19 expended only for the purpose for which it was originally appropriated. The department of water
20 resources may seek emergency commission and budget section approval under section
21 54-16-04.2 to increase carryover spending authority of funds appropriated in the 2021-23
22 biennium into the 2023-25 biennium.

23 **SECTION 15. EMERGENCY.** This Act is declared to be an emergency measure.