

TESTIMONY OF

Reice Haase, Director, Department of Water Resources

Chairman Schauer, and members of the House Government and Veterans Affairs Committee, I am Reice Haase, the Director of the Department of Water Resources (DWR). I'm here today to provide testimony in support of the First Engrossment of Senate Bill 2308.

Senate Bill 2308, in part, repeals North Dakota Century Code (N.D.C.C.) ch. 43-35 related to the State Board of Water Well Contractors. The bill also repeals the North Dakota Atmospheric Resource Board and the Devils Lake Outlet Management Advisory Committee. Rationale for the repeal of the three boards is to:

- Shrink the footprint of government
- Gain efficiencies in management of their work
- Take advantage of synergies with Department staff who currently conduct similar work

Board of Water Well Contractors

The Board of Water Well Contractors regulates water well contractors, pump and pitless installers, and geothermal system contractors. The board consists of seven members, including a Department of Environmental Quality (DEQ) representative, a DWR representative, and five governor-appointed members.

The Board's Executive Officer, who is also the Board's DWR representative and a Department employee, oversees budgeting, licensing, renewals, testing, well driller report filings, continuing education tracking, public complaints regarding contractors, and two part-time employees—an administrative assistant (also a DWR employee) and field representative (contracted consultant). On average, the board meets once per year.

N.D.C.C. ch. 43-35 has sections requiring Board licensed contractors to adhere to construction standards outlined in DEQ rules for water wells, pump and pitless units and monitoring wells. Additionally, geothermal system contractors are required to adhere to construction standards adopted under State Geologist rules.

Section 5 clarifies that with the board's repeal, water wells must still comply with these rules.

Section 18, subsection f. clarifies that DWR would continue to license water well contractors.

Section 19 re-adopts the boards rules and authorities under the state engineer chapter of Century Code.

Currently, the Board of Water Well Contractors is operating at a financial loss of approximately -\$9,589 per year (see Figure 1, Cash Flow). Of their expenses, consulting services make up the largest amount. If DWR were to assume this work, our existing staff could absorb the work and we would expect cost savings as a result.

Cash Flow

Category	7/1/23 - 6/30/24
Inflows	
Business Income	
Other Income (Business)	\$4.04
Certification Fees	
Geothermal	\$600.00
Monitoring Well	\$5,000.00
Monitoring Well - inactive	\$500.00
Pump Pitless	\$2,100.00
Pump Pitless - Inactive	\$100.00
Water Well	\$18,800.00
Water Well - inactive	\$2,100.00
Total Certification Fees	\$29,200.00
Credit Card Payment	-\$189.75
Interest Income	\$164.91
Test Fees	
Monitoring Well	\$300.00
Pump & Pitless	\$200.00
Water Well	\$400.00
Total Test Fees	\$900.00
Total Inflows	\$30,079.20
Outflows	
Admin Services	-\$3,958.20
Board Travel & Per Diem	-\$1,003.38
Bond	-\$100.00
Conference Fees	-\$150.00
Consulting Services	-\$28,172.00
Decals & Well Logs	-\$727.00
Legal Services	-\$1,827.61
Newspaper Publications	-\$2,054.12
Office Supplies	-\$206.25
Postage	-\$503.51
Printing	-\$128.00
Risk Management	-\$838.16
Total Outflows	-\$39,668.23
Total	-\$9,589.03

Figure 1: Board of Water Well Contractors Annual Cash Flow

Devils Lake Outlet Management Advisory Committee

The Devils Lake Outlet Management Advisory Committee consists of 17 members and makes recommendations to DWR regarding the operation of the Devils Lake outlets. The committee meets once per year.

The outlets are managed by the department to manage the level of Devils Lake and mitigate the risk of future flooding. DWR is committed to working with stakeholders and soliciting feedback, and the department can accomplish this work without a formal committee.

SB 2308 would eliminate this committee, and Section 18, subsections g. and h. clarify DWR's role in the management of the outlets.

North Dakota Atmospheric Resources Board

The North Dakota Atmospheric Resources Board consists of 10 members and its primary function is to license weather modification contractors and to permit cloud seeding operations. The board typically meets twice per year.

The board operates under the supervision of DWR. SB 2308 would eliminate the board and would place those responsibilities under the department. This is accomplished in Sections 20 – 36.

Thank you for your time, and I would be more than willing to answer any questions the committee may have.