

**State Water Commission
Budget No. 770
Senate Bill No. 2020, House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2007-09 executive budget (bills as introduced)	84.00	\$13,687,506	\$160,923,049	\$174,610,555
2007-09 legislative appropriations	84.00	13,877,247¹	162,122,016	175,999,263
Legislative increase (decrease) to executive budget	0.00	\$189,741	\$1,198,967	\$1,388,708
Legislative increase (decrease) to 2005-07 appropriations	0.00	\$12,866,027	\$37,062,298	\$49,928,325

¹This amount includes \$3 million of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$10,687,506.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Water Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2189.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Reduced funding recommended in the executive budget relating to retiree health credit contributions		(\$10,259)	(\$1,033)	(\$11,292)
Added funding from the general fund and the water development trust fund for the Red River Basin Mapping Initiative		200,000	200,000	400,000
Added funding from the game and fish fund for the Sweetbriar Dam project			1,000,000	1,000,000
Total	0.00	\$189,741	\$1,198,967	\$1,388,708

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 84 FTE positions, the same as the 2005-07 biennium.

One-Time Funding

In Section 12 of Senate Bill No. 2020, the Legislative Assembly identified \$3 million from the general fund for the Red River Water Supply Project as a one-time funding item. This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget and the State Water Commission is to report to the Appropriations Committees during the 2009 legislative session on the use of this funding.

Other Sections in Senate Bill No. 2020

Resources trust fund - Section 4 authorizes \$69,352,698 from the resources trust fund. Any additional amount in the resources trust fund that becomes available is appropriated to the State Water Commission for the purposes of defraying the expenses of the State Water Commission for the 2007-09 biennium (see the resources trust fund analysis in the **Trust Fund Analyses** section of this report).

Water development trust fund - Section 5 authorizes \$40,055,999 from the water development trust fund. Any additional amount in the water development trust fund that becomes available is appropriated to the State Water Commission for the purpose of defraying the expenses of the State Water Commission for the 2007-09 biennium (see the water development trust fund analysis in the **Trust Fund Analyses** section of this report).

Grant and water project carryover authority - Section 6 authorizes the State Water Commission to carry over unexpended funding authority for grants or water-related projects to the 2009-11 biennium.

Bank of North Dakota line of credit - Section 7 authorizes a Bank of North Dakota line of credit of up to \$25 million to the State Water Commission for the 2007-09 biennium. Section 8 provides a contingent appropriation of \$25 million, or so much of the sum as may be necessary, from the water development trust fund, resources trust fund, bond proceeds, or other sources to the State Water Commission for repaying the line of credit.

Grand Forks flood control project - Section 9 increases the eligible cost-share for the Grand Forks flood control program in order for the city to access the entire \$52 million state share dedicated for the project.

Livestock water assistance program - Section 10 amends North Dakota Century Code (NDCC) Section 61-34-04 to remove the requirement that an application for a water supply project be approved by the State Engineer prior to commencement of the project in order for the project to be eligible for the livestock water assistance program. Under the program, the state cost-share is up to 50 percent of the cost of the project, not to exceed \$3,000. The State Engineer is to provide funds for approved applications in accordance with rules and criteria for eligibility to the extent that funding is available. This section was declared an emergency measure (see **House Bill No. 1215** below).

Tile drainage study - Section 11 directs the State Water Commission to study tile drainage effects on water use and to report the findings to the Legislative Council by July 1, 2008.

Sweetbriar Dam project - Section 12 provides legislative intent for the State Water Commission to provide funding for the Sweetbriar Dam project. In addition, Morton County is to provide \$15,000 for the project and the Legislative Assembly appropriated \$1 million from the game and fish fund for the project. The funding from Morton County and the game and fish fund is contingent upon the State Water Commission providing funding for the project.

Administrative expenses - The Legislative Assembly did not change the executive recommendation to fund administrative expenses of the State Water Commission primarily from the general fund rather than the water development trust fund.

Red River Valley Water Supply Project - The Legislative Assembly appropriated \$3 million from the general fund for the Red River Valley Water Supply Project. In addition, the State Engineer plans to recommend to the State Water Commission that an additional \$9 million from the water development trust fund be allocated to the project for the 2007-09 biennium. The anticipated plan for the project is to supplement the existing Red River Valley water supply by importing water from the Missouri River (see **Senate Bill No. 2345** below).

Related Legislation

Senate Bill No. 2345 - This bill provides intent for funding purposes, that the state of North Dakota will contribute \$100 million for the **Red River Valley Water Supply Project**. The bill provides authority for the State Water Commission to issue up to \$40 million in bonds for the Red River Water Supply Project. The principal and interest payments for a bond issuance are to be payable from the water development trust fund. The remaining \$60 million is to be provided from the general fund (\$30 million) and from the resources trust fund (\$30 million). In addition, the state is to dedicate \$100 million of municipal, rural, and industrial water supply funds for the project.

House Bill No. 1215 - This bill amends NDCC Section 61-34-04 relating to the **livestock water assistance program** to provide that an individual may be eligible to receive a cost share for up to three projects. The state cost-share for each project is limited to up to 50 percent of the cost of the project, not to exceed \$3,000. In addition, the bill provides that a drought livestock assistance program located on Indian land is eligible for the program.

House Bill No. 1513 - This bill provides that the State Water Commission may establish an **emergency municipal, tribal, and rural water assistance program** for municipalities, tribes, and rural water systems, whose primary source of water is the Missouri River, Lake Sakakawea, or Lake Oahe. The commission may establish procedures, cost-share guidelines, and other criteria for the program. The purpose of this program is to provide emergency grant funds to municipalities, tribes, and rural water systems facing a critical need or health risk as a result of the inability of existing water intake systems to supply an adequate quantity of quality water to the people served by the municipal, tribal, or rural water system.