2025 HOUSE APPROPRIATIONS

HB 1020

DEPARTMENT 770 - DEPARTMENT OF WATER RESOURCES
2025-27 BASE-LEVEL BUDGET

Base Budget - Summary

	Base Level
Salaries and wages	$22,998,148
Operating expenses	56,625,923
Capital assets	124,136,712
Water supply - grants	316,200,000
Rural water supply - grants	52,000,000
Flood control grants	115,700,000
General water - grants	12,000,000
Total other funds	$699,660,783
Full-time equivalent positions	93.00

Selected Base Budget Information

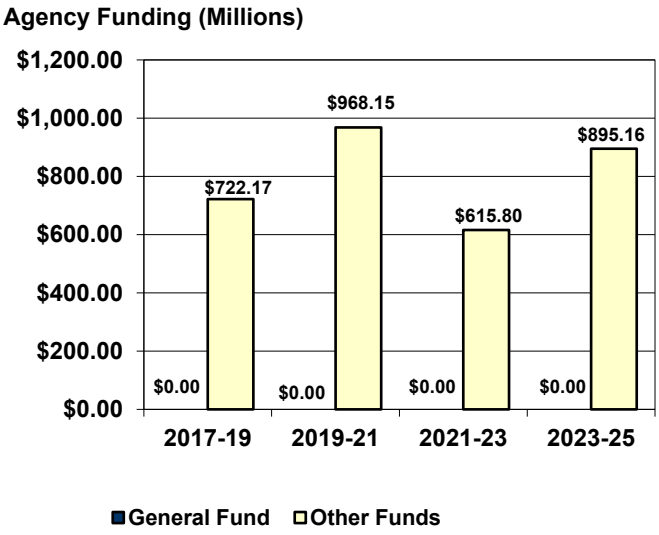
	General Fund	Other Funds	Total
1. Includes funding for state employee salaries and benefits for 93 FTE positions ($21,583,850), overtime ($314,299), and temporary and other salaries ($1,099,999)	$0	$22,998,148	$22,998,148
2. Includes funding for operating expenses, primarily relating to utilities ($9,756,015), information technology ($5,780,983), and professional fees and services ($33,694,959)	$0	$56,625,923	$56,625,923
3. Includes funding for capital assets, primarily relating to state-owned water projects, including the Northwest Area Water Supply Project ($36,000,000), the Southwest Pipeline Project ($80,000,000), and the Devils Lake outlet ($2,000,000)	$0	$124,136,712	$124,136,712
4. Includes funding for water supply grants, including the Red River Valley Water Supply Project ($180,000,000), Western Area Water Supply Project ($46,000,000), City of Bismarck projects ($50,000,000), sovereign lands projects ($3,000,000), and other projects ($37,200,000)	$0	$316,200,000	$316,200,000
5. Includes funding for rural water supply grants	$0	$52,000,000	$52,000,000
6. Includes funding for flood control grants, including funding for projects relating to the Mouse River ($76,100,000), Valley City ($13,200,000), Mandan ($12,300,000), and other projects ($14,100,000)	$0	$115,700,000	$115,700,000
7. Includes funding for general water grants, including dam rehabilitation, studies, and irrigation projects	$0	$12,000,000	$12,000,000

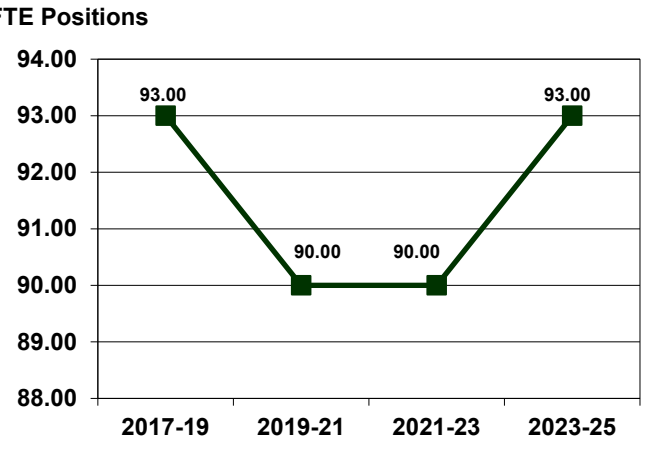
Continuing Appropriations

There are no continuing appropriations for this agency.

Historical Appropriations Information

Agency Appropriations and FTE Positions





Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing other funds appropriations	$868,935,836	$647,173,475	$867,254,091	$409,199,129	$699,660,783
Increase (decrease) from previous biennium	N/A	($221,762,361)	$220,080,616	($458,054,962)	$290,461,654
Percentage increase (decrease) from previous biennium	N/A	(25.5%)	34.0%	(52.8%)	71.0%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(25.5%)	(0.2%)	(52.9%)	(19.5%)

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

1. Removed 4 FTE positions and related funding	($753,720)
2. Increased funding for Bank of North Dakota loan payments relating to State Water Commission outstanding bonds refinanced through the Bank during the 2015-17 biennium to provide $7.5 million per biennium	$3,693,997
3. Adjusted funding for operating expenses and water projects	($225,437,836)

2019-21 Biennium

1. Removed 4 FTE unspecified positions and related funding	($693,912)
2. Added 1 FTE risk mapping position from federal funds	$174,126
3. Adjusted funding available for project carryover to provide a total of $308,333,818	$33,465,921
4. Adjusted funding for capital assets, which includes state-owned projects, to provide a total of $105,938,758 in ongoing funding	($18,880,684)
5. Removed funding in the new projects line item, to provide funding for new projects in multiple line items	($169,782,147)
6. Added funding for water supply projects	$128,000,000
7. Added funding for rural water supply projects	$37,200,000
8. Added funding for the Fargo area flood control project, including the FM Area Diversion Project	$66,500,000
9. Added funding for the Mouse River flood control project	$82,500,000
10. Added funding for other flood control projects	$48,000,000
11. Added funding for general water projects	$27,093,776
12. Adjusted funding for operating expenses to include a reduction to ongoing operating expenses ($14,257,138), and additional funding for Microsoft Office 365 licensing expenses ($68,200)	($14,188,938)

2021-23 Biennium

1. Removed 1 FTE risk mapping position and related federal funds	($183,884)
2. Added 1 FTE regulatory position and related funding	$211,596
3. Removed funding for carryover projects	($308,333,818)
4. Reduced funding available for water supply grants	($3,000,000)
5. Increased funding available for rural water supply grants	$22,400,000
6. Removed funding for Fargo area flood control	($66,500,000)
7. Removed funding for Mouse River flood control	($82,500,000)
8. Reduced funding available for general water grants	($12,866,501)
9. Increased funding for professional services	$1,713,735
10. Removed base level funding for Bank of North Dakota debt payment	($7,236,750)

2023-25 Biennium

1. Added 3 FTE positions, including 2 FTE natural resources services II positions and 1 FTE engineering and planning services IV position	$724,718
2. Added funding for information technology unification	$4,082,784
3. Added funding for pushing remote sensors installations	$1,572,800
4. Added funding for water supply grants	$191,200,000
5. Added funding for flood control projects	$67,700,000

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time other funds appropriations	$290,000,000	$75,000,000	$100,900,000	$206,600,000	$195,500,383

Major One-Time Other Funds Appropriations

2017-19 Biennium

1. Added funding from a Bank of North Dakota line of credit	$75,000,000

2019-21 Biennium

1. Added funding from a Bank of North Dakota line of credit	$75,000,000
2. Added funding to pay an outstanding loan from the Bank	$25,900,000

2021-23 Biennium

1. Added funding from a Bank of North Dakota line of credit for the Northwest Area Water Supply Project	$50,000,000
2. Added funding from the bond proceeds for the Mouse River flood control project	$74,500,000
3. Added funding from the federal State Fiscal Recovery Fund for water infrastructure projects	$75,000,000

2023-25 Biennium

1. Added funding for information technology unification	$1,532,980
2. Added funding for discretionary funds	$9,000,000
3. Added funding for the Northwest Area Water Supply Project, including $47,847,238 from federal funds and $50 million from a Bank of North Dakota line of credit	$97,847,238
4. Added funding for the Southwest Pipeline Project from a Bank of North Dakota line of credit	$50,000,000
5. Added funding to repay a loan for the Western Area Water Supply Authority	$32,000,000
6. Added funding for a Bowman radar system	$1,800,000
7. Added funding for a drilling rig replacement	$1,800,000

Department of Water Resources
Department No. 770
2025 House Bill No. 1020

EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	**102.00**	**$0**	**$750,965,046**	**$750,965,046**
Base level	93.00	0	699,660,783	699,660,783
Increase (decrease)	9.00	$0	$51,304,263	$51,304,263
Percentage increase (decrease)	9.7%	0.0%	7.3%	7.3%

NOTE:
More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Health insurance increase of $250 per month (15.2 percent), from $1,643 to $1,893, per employee
- Adds $2.8 million of ongoing funding for 9 new FTE positions
- Adds $6.9 million of ongoing funding for Biota water treatment plant operations
- Reduces ongoing funding by $127.5 million for water supply grants to provide total funding of $238.7 million, including $50 million of one-time funding from a Bank of North Dakota line of credit

Deficiency Appropriations

House Bill No. 1024, as recommended in the executive budget, would appropriate $10 million from the water infrastructure revolving loan fund to the Department of Water Resources.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management pursuant to North Dakota Century Code Section 54-35-27, this agency has four fees. The agency did not recommend any changes to the fees.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783
2025-27 Ongoing Funding Changes				
Base payroll changes			$416,661	$416,661
Salary increase			1,224,966	1,224,966
Health insurance increase			630,554	630,554
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231
Adds team development coordinator position	1.00		246,806	246,806
Adds accountant position	1.00		289,442	289,442
Adds outreach and education division director position	1.00		352,434	352,434
Adds deputy director position	1.00		427,980	427,980
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154
Adds general counsel position	1.00		452,162	452,162
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624
Adds RiskMAP program specialist position	1.00		350,706	350,706
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960
Adds funding for overtime and temporary salaries			60,000	60,000
Adds funding for NAWS on-call pay			106,954	106,954
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023
Adds funding for internship program			100,000	100,000
Adds funding for NAWS Biota water treatment plant operations			6,900,000	6,900,000
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788
Increases funding for operating expenses, including professional fees and services			1,509,270	1,509,270
Decreases funding for capital assets, including state-owned water projects			(9,467,114)	(9,467,114)
Reduces funding for water supply grants			(127,467,199)	(127,467,199)
Reduces funding for rural water supply grants			(6,200,000)	(6,200,000)
Increases funding for flood control grants			13,400,000	13,400,000
Adds funding for discretionary funding			5,000,000	5,000,000
Increases funding for general water grants			4,972,500	4,972,500
Total ongoing funding changes	**9.00**	**$0**	**($102,159,700)**	**($102,159,700)**
One-Time Funding Items				
Adds new FTE one-time funding			$62,000	$62,000
Adds funding for emergency pumps replacement			480,000	480,000
Adds funding for an excavator replacement			400,000	400,000
Adds funding for a data logger replacement			60,000	60,000
Adds funding for a permanent office location			3,000,000	3,000,000
Adds funding for a Missouri River intake sites field investigation			600,000	600,000

Adds funding for the Southwest Pipeline Project, including $50 million from a Bank of North Dakota (BND) line of credit			58,650,000	58,650,000
Adds funding for the NAWS project			40,211,963	40,211,963
Adds funding for the Red River Valley Water Supply Project from a BND line of credit			50,000,000	50,000,000
Total one-time funding changes	**0.00**	**$0**	**$153,463,963**	**$153,463,963**
Total Changes to Base Level Funding	**9.00**	**$0**	**$51,304,263**	**$51,304,263**
2025-27 Total Funding	**102.00**	**$0**	**$750,965,046**	**$750,965,046**
Federal funds included in other funds			*$62,918,578*	
Total ongoing changes - Percentage of base level	*9.7%*	*N/A*	*(14.6%)*	*(14.6%)*
Total changes - Percentage of base level	*9.7%*	*N/A*	*7.3%*	*7.3%*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	Executive Budget
Additional income - Appropriation	Section 3 would appropriate any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for water project grants.
Exemption - Water-related projects	Section 4 would provide that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2025-27 biennium.
Water projects stabilization fund	Section 5 would identify $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 and any discretionary funding carried over pursuant to Section 4 may be used as necessary, except for salaries and wages.
Line item transfers	Section 7 would provide authority for the Director of the Department of Water Resources to transfer funds between the operating expenses and capital assets line items.
Bank of North Dakota line of credit	Section 8 would amend Section 61-02-79 to provide a line of credit of up to $50 million for the Red River Valley Water Supply Project.
Attorney	Section 9 would amend Section 54-12-08 to allow the Department of Water Resources to employ an attorney.
FTE positions	Section 10 would authorize the agency to increase or decrease FTE positions as needed, subject to the availability of funds.
Emergency	Section 11 would declare the bill to be an emergency measure.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1020
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide for a transfer; to provide an exemption; to amend and reenact section 61-02-79 of the North Dakota Century Code relating to a Bank of North Dakota line of credit; to amend and reenact section 54-12-08 of the North Dakota Century Code relating to state agency employment of attorneys; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$22,998,148	$6,666,165	$29,664,313
Operating expenses	56,625,923	19,987,948	76,613,871
Capital assets	124,136,712	84,944,849	209,081,561
Water supply - grants	316,200,000	(77,467,199)	238,732,801
Rural water supply - grants	52,000,000	(6,200,000)	45,800,000
Flood control projects	115,700,000	13,400,000	129,100,000
General water - grants	12,000,000	4,972,500	16,972,500
Discretionary fund for water projects	0	5,000,000	5,000,000
Total special funds	$699,660,783	$51,304,263	$750,965,046
Full-time equivalent positions	93.00	9.00	102.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the grand total appropriation in section 1 of this Act:

One-Time Funding Description	2023-25	2025-27
Line of credit – Bank Of North Dakota	$100,000,000	$50,000,000
Northwest area water supply	47,847,238	40,211,963
Discretionary fund	9,000,000	0
Equipment for new employees	19,320	62,000
Information technology unification	1,532,980	0
Increased motor pool rates	118,180	0
Drilling supplies inflation	180,000	0
Navigability study	180,000	0
Airborne electromagnetic survey	750,000	0
Ground water modeling and hydrologic analysis software	72,665	0
Equipment	3,600,000	940,000
Potential agency relocation	200,000	3,000,000
Southwest pipeline projects – includes line of credit	0	58,650,000
Missouri river intake sites field investigation	0	600,000
Total special funds	$163,500,383	$153,463,963

SECTION 3. ADDITIONAL INCOME - APPROPRIATION. Any revenue deposited in the resources trust fund during the period beginning with the effective date of this Act, and ending June 30, 2025, in excess of the March 2025 legislative revenue forecast is appropriated to the department of water resources for the purpose of providing grants for water projects, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 4. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding for grants or water-related projects included in the capital assets, water supply – grants, rural water supply – grants, flood control projects, discretionary funding, and general water – grants line items in section 1 of chapter 52 of the 2023 Session Laws and section 21 of Chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued may be expended only for the purpose for which it was originally appropriated. The department of water resources may seek emergency commission and budget section approval under section 54-16-04.2 to increase carryover spending authority of funds appropriated in the 2023-25 biennium into the 2025-27 biennium.

SECTION 5. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND. The total special funds line item in section 1 of this Act includes $42,500,000 from the water projects stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or included as carryover in section 4 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 7. EXEMPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the office of management and budget shall transfer funds between the operating expenses and capital assets line items in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall notify the legislative council of any transfers made pursuant to this section.

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

61-02-79. Bank of North Dakota – Line of Credit.

The Bank of North Dakota shall extend a line of credit not to exceed one hundred million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. The department of water resources may access the line of credit, as necessary, to provide up to fifty million dollars for the ~~northwest area water supply~~red river valley water supply project and up to fifty million dollars for the southwest pipeline project as authorized by the legislative assembly during the biennium beginning July 1, ~~2023~~2025, and ending June 30, ~~2025~~2027.

SECTION 9. AMENDMENT. Subsection 1 of section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, ~~and~~ the securities commissioner, and the department of water resources may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the

attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.

SECTION 10. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the department of water resources may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The department of water resources shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

SECTION 11. EMERGENCY. This Act is declared to be an emergency measure.

Department of Water Resources
Department No. 770
2025 House Bill No. 1020

REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum budget recommendation	102.00	$0	$750,965,046	$750,965,046
Revisions - Increase (decrease)	(2.00)	0	(3,869,846)	(3,869,846)
Armstrong budget recommendation	**100.00**	**$0**	**$747,095,200**	**$747,095,200**
Base level	93.00	0	699,660,783	699,660,783
Increase (decrease)	7.00	$0	$47,434,417	$47,434,417
Percentage increase (decrease)	7.5%	0.0%	6.8%	6.8%

NOTE:
More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- ***Salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026***
- Health insurance increase of $250 per month (15.2 percent), from $1,643 to $1,893, per employee
- ***Adds $2.2 million of ongoing funding for 7 new FTE positions***
- Adds $6.9 million of ongoing funding for Biota water treatment plant operations
- Reduces ongoing funding by $127.5 million for water supply grants to provide total funding of $238.7 million, including $50 million of one-time funding from a Bank of North Dakota line of credit

Deficiency Appropriations

House Bill No. 1024, as recommended in the executive budget, would appropriate $10 million from the water infrastructure revolving loan fund to the Department of Water Resources.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has four fees. The agency did not recommend any changes to the fees.

Major Related Legislation

House Bill No. 1385 - Water-related permits - Establishes deadlines for the Department of Water Resources to make a final decision on a permit application.

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783
2025-27 Ongoing Funding Changes				
Base payroll changes			$416,661	$416,661
Salary increase			979,370	979,370
Health insurance increase			618,544	618,544
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231
Adds accountant position	1.00		289,442	289,442
Adds deputy director position	1.00		427,980	427,980
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154
Adds general counsel position	1.00		452,162	452,162
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624
Adds RiskMAP program specialist position	1.00		350,706	350,706
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960
Adds funding for overtime and temporary salaries			60,000	60,000
Adds funding for NAWS on-call pay			106,954	106,954
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023
Adds funding for internship program			100,000	100,000
Adds funding for NAWS Biota water treatment plant operations			6,900,000	6,900,000
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788
Increases funding for operating expenses, including professional fees and services			1,509,270	1,509,270
Decreases funding for capital assets, including state-owned water projects			(9,467,114)	(9,467,114)
Reduces funding for water supply grants			(127,467,199)	(127,467,199)
Reduces funding for rural water supply grants			(6,200,000)	(6,200,000)
Increases funding for flood control grants			13,400,000	13,400,000
Adds funding for discretionary funding			5,000,000	5,000,000
Increases funding for general water grants			4,972,500	4,972,500
Total ongoing funding changes	**7.00**	**$0**	**($103,016,546)**	**($103,016,546)**
One-Time Funding Items				
Adds new FTE one-time funding			$49,000	$49,000
Adds funding for emergency pumps replacement			480,000	480,000
Adds funding for an excavator replacement			400,000	400,000
Adds funding for a data logger replacement			60,000	60,000
Adds funding for a Missouri River intake sites field investigation			600,000	600,000
Adds funding for the Southwest Pipeline Project, including $50 million from a Bank of North Dakota (BND) line of credit			58,650,000	58,650,000

Adds funding for the NAWS project			40,211,963	40,211,963
Adds funding for the Red River Valley Water Supply Project from a BND line of credit			50,000,000	50,000,000
Total one-time funding changes	**0.00**	**$0**	**$150,450,963**	**$150,450,963**
Total Changes to Base Level Funding	**7.00**	**$0**	**$47,434,417**	**$47,434,417**
2025-27 Total Funding	**100.00**	**$0**	**$747,095,200**	**$747,095,200**
Federal funds included in other funds			*$62,910,358*	
Total ongoing changes - Percentage of base level	*7.5%*	*N/A*	*(14.7%)*	*(14.7%)*
Total changes - Percentage of base level	*7.5%*	*N/A*	*6.8%*	*6.8%*

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1020
1/9/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources.

1:04 p.m. Chairman Vigesaa called the meeting to order.

Members Present: Vice Chair Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- Diversion
- Fargo and Moorhead River
- Red River Diversion

1:03 p.m. Alex Cronquist, Fiscal Analyst, stated an updated Department of Water Resources Funding Summary.

1:05 p.m. Reice Haase, North Dakota Water Resources Director, presented a water resources overview and submitted testimony #28308, #28341, #28334.

1:15 p.m. Aaron Carranza, North Dakota Water Resources Director of the Regulatory Division, testified in favor and continued testimony #28308.

1:15 p.m. Reice Haase, North Dakota Water Resources Director, continued testimony #28308.

1:23 p.m. Sindhuja Pillai-Grinolds, Division Director, North Dakota Water Resources Water Development Division testified in favor and continued testimony #28308.

1:27 p.m. Reice Haase, North Dakota Water Resources Director, continued testimony #28308.

1:31 p.m. John Paczkowski, State Engineer, ND Department of Water Resources testified in favor and continued testimony #28308.

1:35 p.m. Reice Haase, North Dakota Water Resources Director, continued testimony #28308.

1:45 p.m. Chris Kadrmas, Director of Administrative Services, ND Department of Water Resources testified in favor and continued testimony #28308.

1:48 p.m. Reice Haase, North Dakota Water Resources Director, continued testimony #28308.

2:05 p.m. Recess

2:17 p.m. Reconvened

2:18 p.m. Tony Grindberg, Metro Flood Diversion Authority Cass County Commissioner 2025 MFDA Board Chairman, testified in favor and submitted testimony #28341.

2:38 p.m. John Shockley, General Council, Metro Flood Diversion Authority Council answered questions.

2:39 p.m. Tony Grindberg, Metro Flood Diversion Authority Cass County Commissioner 2025 MFDA Board Chairman, resumed testimony #28341.

2:41 p.m. John Shockley, General Council, Metro Flood Diversion Authority Council answered questions.

2:59 p.m. Martin Nicholson, Consultant, Metro Flood Diversion Authority, testified in favor.

3:01 p.m. John Shockley, General Council, Metro Flood Diversion Authority Council answered questions.

3:17 p.m. Chairman Vigesaa adjourned the meeting.

Krystal Eberle for Sierra Schartz, Committee Clerk

January 9, 2025

NORTH DAKOTA DWR

NORTH Dakota | Water Resources
Be Legendary.

DWR OVERVIEW
AGENCY & BUDGET

House Appropriations Committee | House Bill 1020 | 69th Legislative Assembly



ABOUT
DEPARTMENT OF WATER RESOURCES & STATE WATER COMMISSION



Divisions Within DWR Remained The Same Including:

- Administrative Services
- Atmospheric Resources
- Planning & Education
- Regulatory
- Water Appropriation
- Water Development

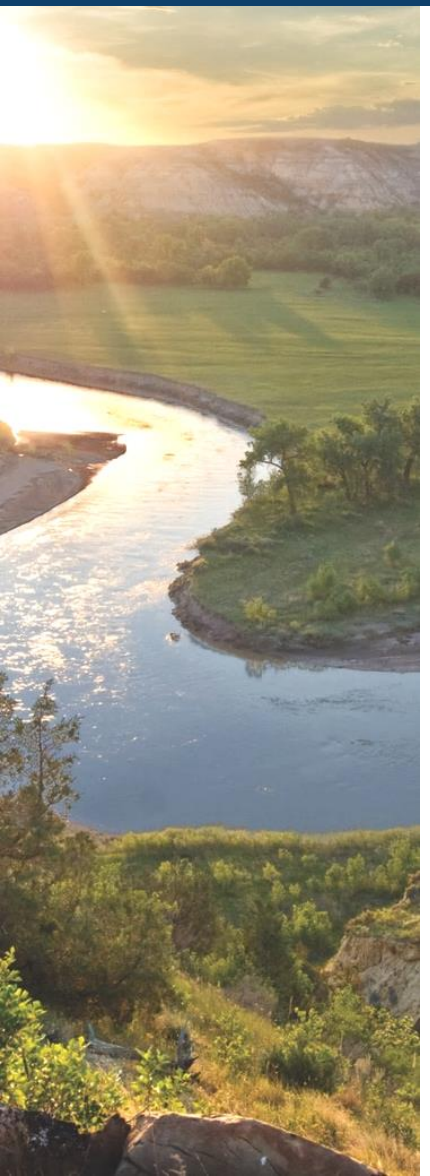
ND CENTURY CODE TITLE 61

DEPARTMENT OF WATER RESOURCES

2021 LEGISLATIVE SESSION - HB 1353 RESTRUCTURED THE AGENCY AS THE DWR, APPOINTED A DIRECTOR, & MADE THE AGENCY A MEMBER OF THE GOVERNOR'S CABINET

MISSION, VISION, & VALUES

5-YEAR STRATEGIC PLAN



MISSION

To responsibly manage North Dakota's water needs and risks for the people's benefit.

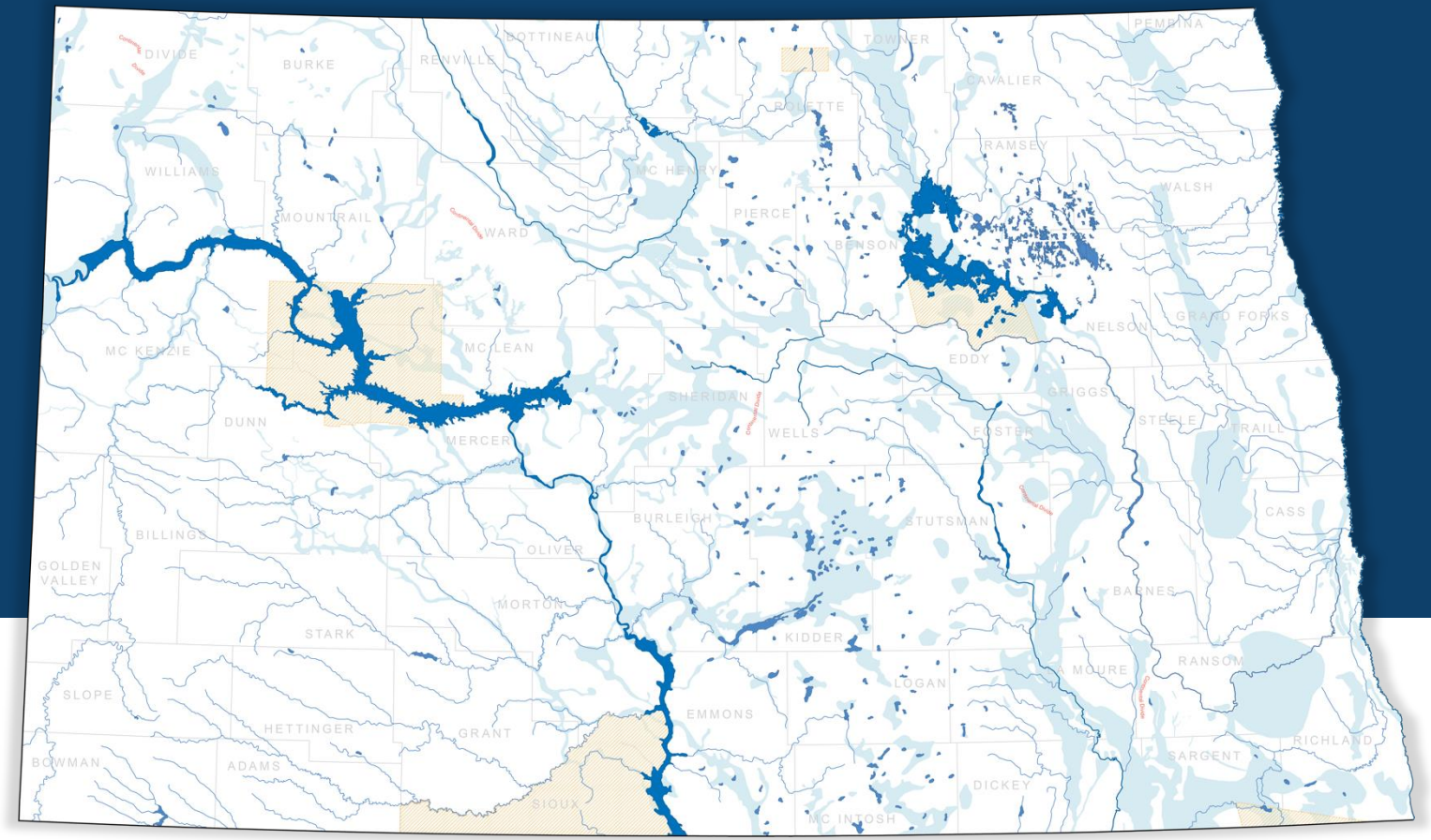
VISION

The Department of Water Resources will sustainably manage and develop North Dakota's water resources for the health, safety, and prosperity of its people, businesses, agriculture, energy, industry, recreation, and natural resources.

VALUES

The Department of Water Resources values fairness, objectivity, accountability, responsiveness, engagement, and credibility. We pledge to use professional and scientific methods to maintain the highest of standards in our delivery of services.

MANAGING NORTH DAKOTA'S WATER RESOURCES

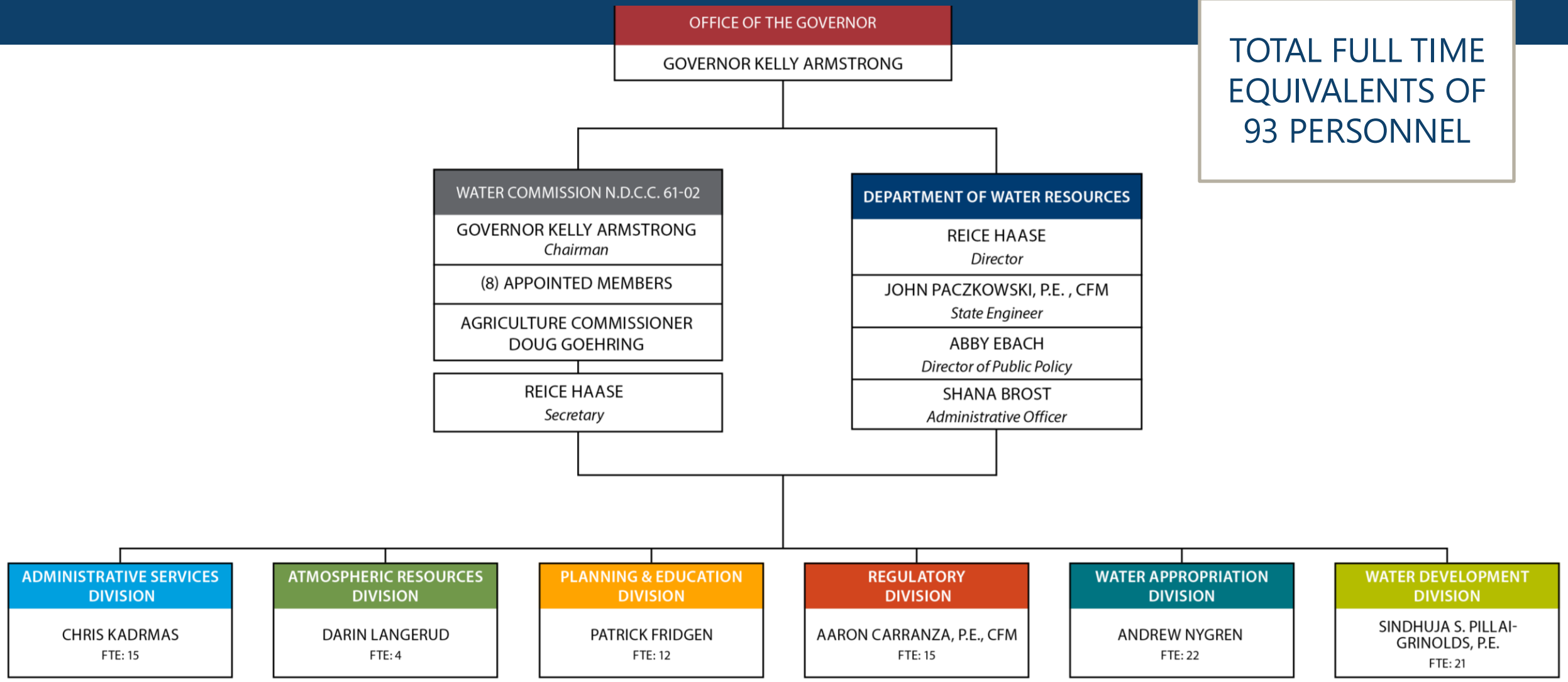


60 Million Acre-Feet Of Water Is Stored In Major Aquifers In ND

Over 7,000 River Miles Are In The State, Including Major Rivers & Tributaries

Seven Of ND's Largest Lakes & Reservoirs Cover **863,000** Acres

DWR ORGANIZATIONAL CHART



TOTAL FULL TIME EQUIVALENTS OF 93 PERSONNEL

WATER COMMISSION



SWC Chair
Governor Armstrong



Ag. Comm.
Goehring



Secretary
Reice Haase



Gene Veeder
Upper Missouri River Basin



Jason Zimmerman
Mouse River Basin
Reappointed



Jeff Frith
Devils Lake Basin



Michael Anderson
Lower Red River Basin



James Odermann
Little Missouri, Upper Heart,
& Upper Cannonball River
Basins



Jay Volk
Lower Missouri River Basin



Connie Ova
James River Basin



April Walker
Upper Red River Basin
Reappointed

DWR DIRECTOR & STATE ENGINEER



DWR DIRECTOR

Reice Haase., Director
rehaase@nd.gov | 701-328-4940

The Director is appointed by the Governor, serves as a Cabinet member, provides overall leadership and decision-making, oversees the State Engineer and DWR team members, and serves as Secretary to the State Water Commission.



STATE ENGINEER

John Paczkowski, P.E., State Engineer
jpaczkowski@nd.gov | 701-328-4940

ND's State Engineer is responsible for several regulatory functions and responsibilities, including allocation of the state's waters, dam safety, and drainage.

DWR DIVISIONS



ADMINISTRATIVE SERVICES

Chris Kadrmas, Director
ckadrmas@nd.gov | 701-328-1956

Accounting, general support, budget development, records management, human resources, State Water Commission meeting preparation, data/technology, and PRESENS.



ATMOSPHERIC RESOURCES

Darin Langerud, Director
dlangerud@nd.gov | 701-328-4751

Cloud Modification Program, atmospheric research, data collection, pilot intern program, licenses and permits, and radar operations.

DWR DIVISIONS



PLANNING & EDUCATION

Patrick Fridgen, Director
pfridgen@nd.gov | 701-328-4964

Water Development Plan, media relations, public outreach and education, Drought Livestock Water Supply Program, Environmental Reviews, Cost-Share Program, and MR&I Program.



REGULATORY

Aaron Carranza, P.E., Director
acarranza@nd.gov | 701-328-4813

Construction and drainage permits, sovereign lands, dam safety, floodplain management, water resource district support, and Silver Jackets Program.

DWR DIVISIONS



WATER APPROPRIATION

Andrew Nygren, Director
anygren@nd.gov | 701-328-1069

Water rights permitting, ground and surface water management, subsurface exploration, data management, and water resource investigations.



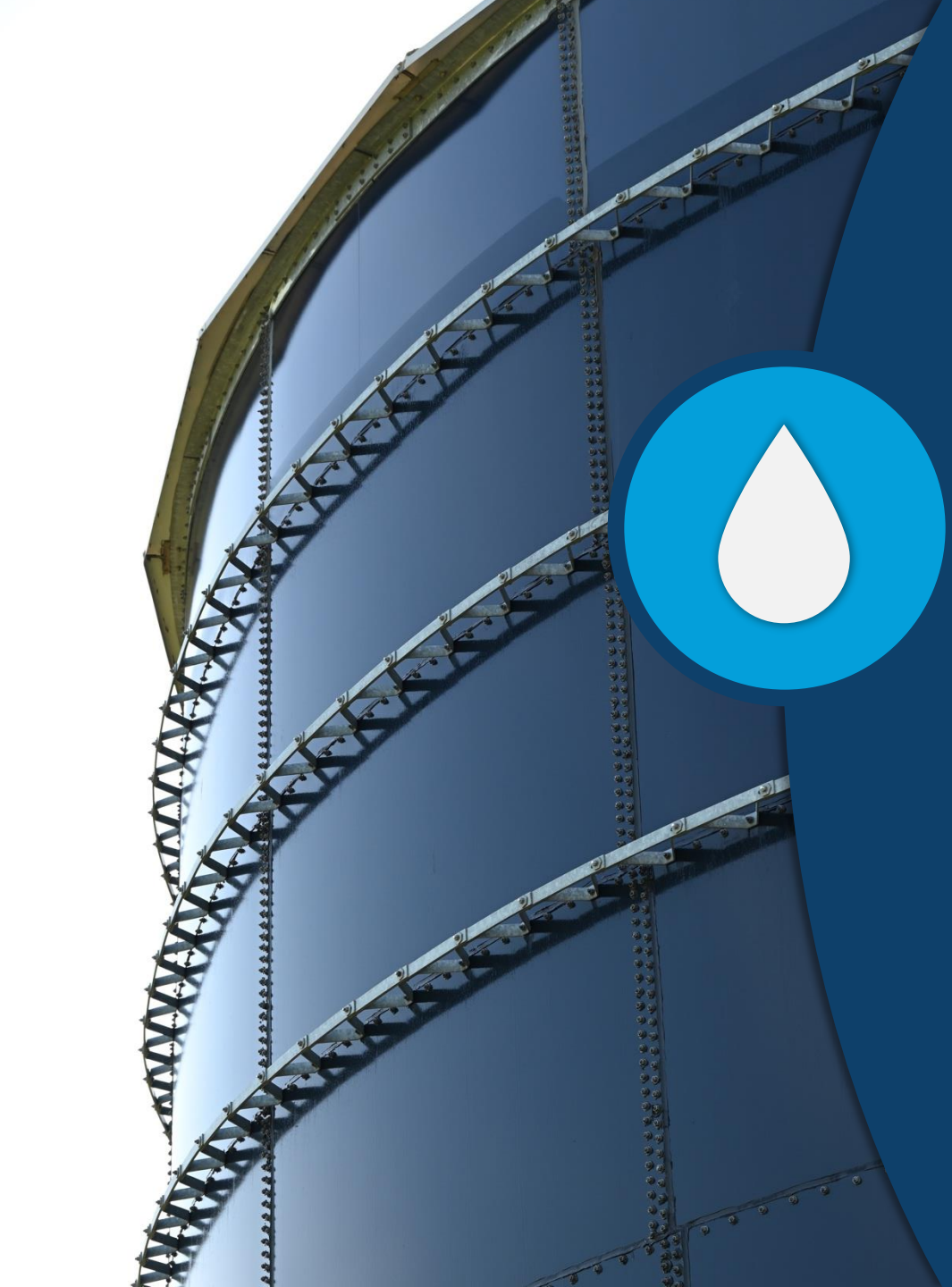
WATER DEVELOPMENT

Sindhuja S.Pillai-Grinolds, Director
spillai@nd.gov | 701-328-4954

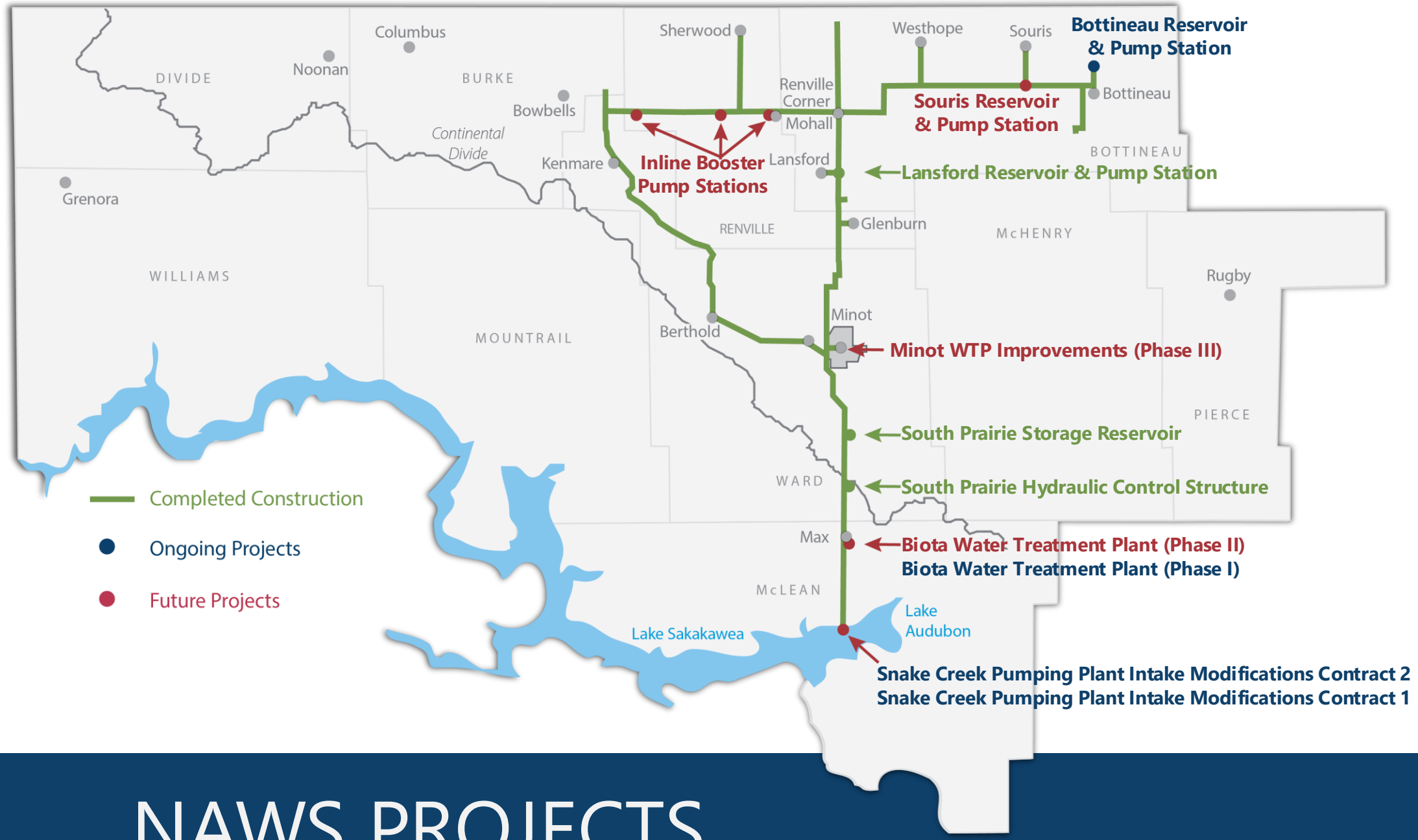
Investigations and surveying, construction operations, flood response and recovery, Southwest Pipeline, Northwest Area Water Supply, Red River office, and Devils Lake outlet operations.

DWR FUNCTIONS & RESPONSIBILITIES

- Allocation Of The State's Waters
- Cost-Share Funding
- Dam Safety
- Drainage & Construction Permits
- Drone Initiatives
- Drought Livestock Program
- Floodplain Management
- Investigations & Surveys
- LiDAR Collections
- Map Services
- North Dakota Cloud Modification Project
- PRESENS
- Sovereign Land Management
- Water Project Development

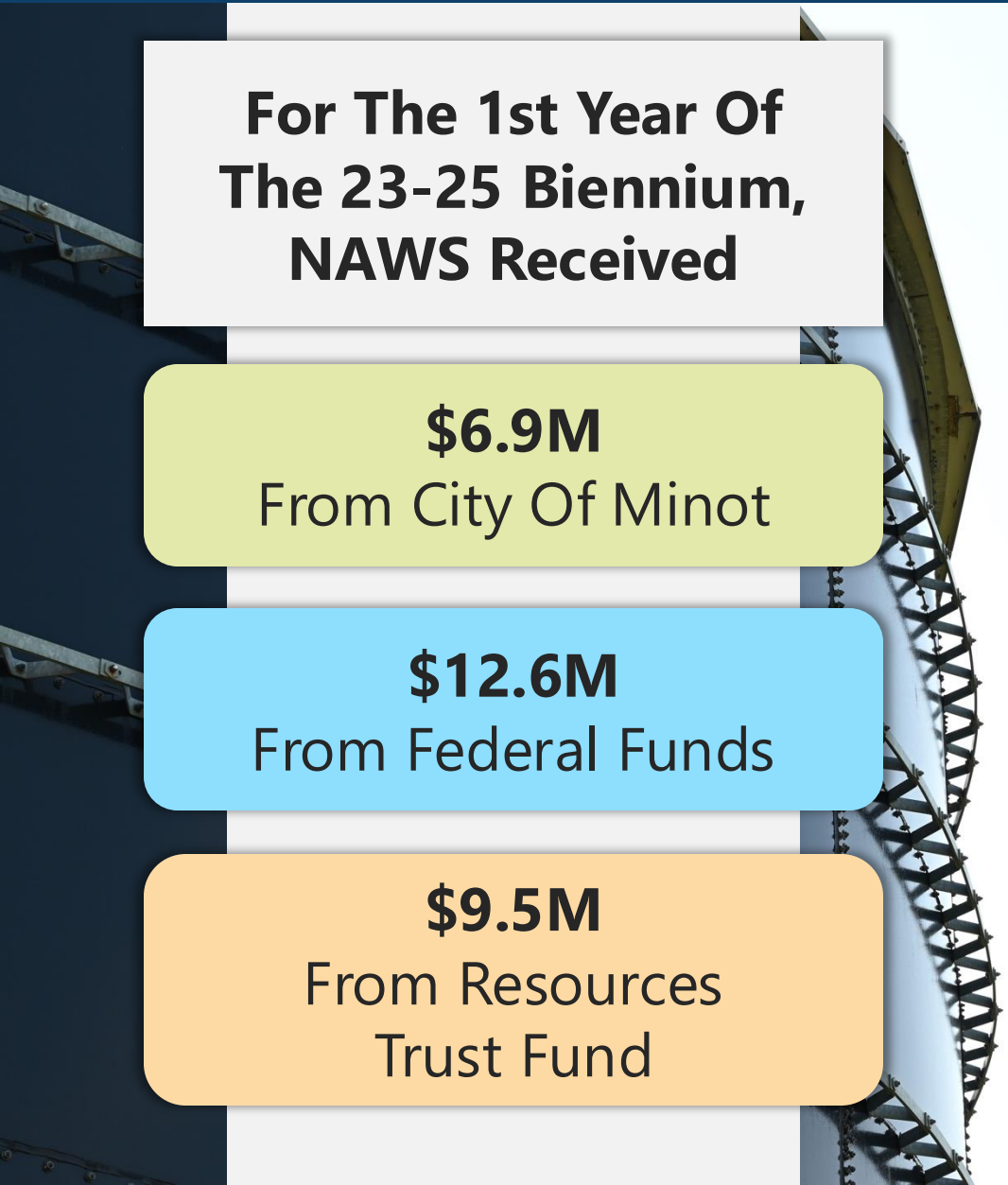


STATE-OWNED **PROJECTS**



NAWS PROJECTS

NAWS



For The 1st Year Of The 23-25 Biennium, NAWS Received

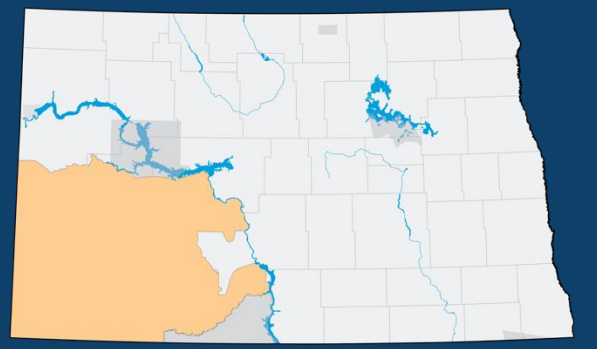
$6.9M
From City Of Minot

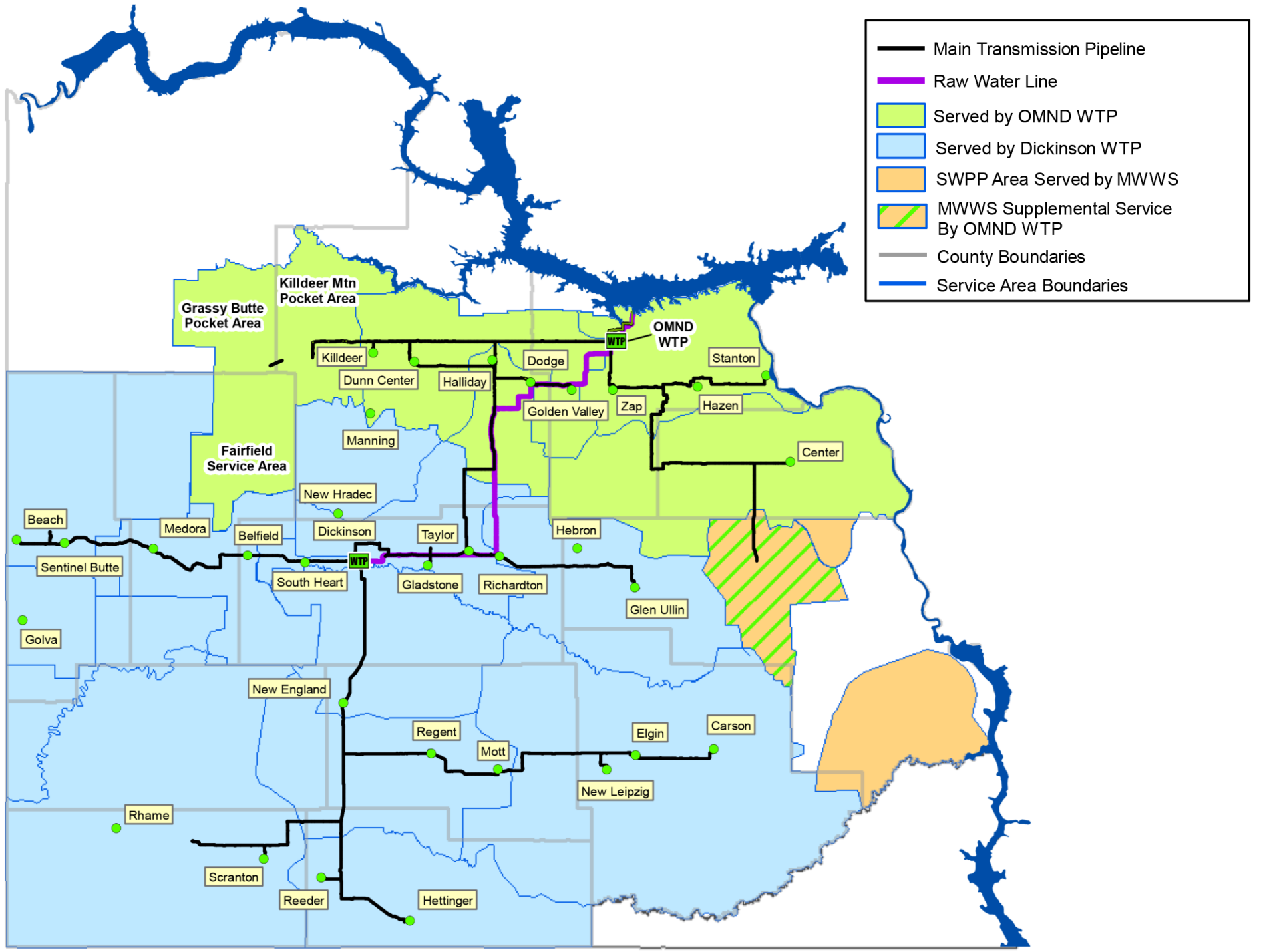
$12.6M
From Federal Funds

$9.5M
From Resources Trust Fund

- Completion Of The South Prairie Reservoir, Flow Control Facility, Hydraulic Control Structure, & Minot Water Treatment Plant Phase II
- Ongoing Construction
  - Snake Creek Pumping Plant For The Intake
  - Discharge Pipeline Connecting The Snake Creek Pumping Plant To The Transmission Pipeline
  - Biota Water Treatment Plant Phase I
  - Bottineau Reservoir & Pump Station
- Lake Sakakawea Water Expected Delivery In 2025
- Design Ongoing For The Permanent Intake Pipeline & Screen Structure; Section 408 Application Submitted To The USACE

SOUTHWEST PIPELINE PROJECT UPDATES





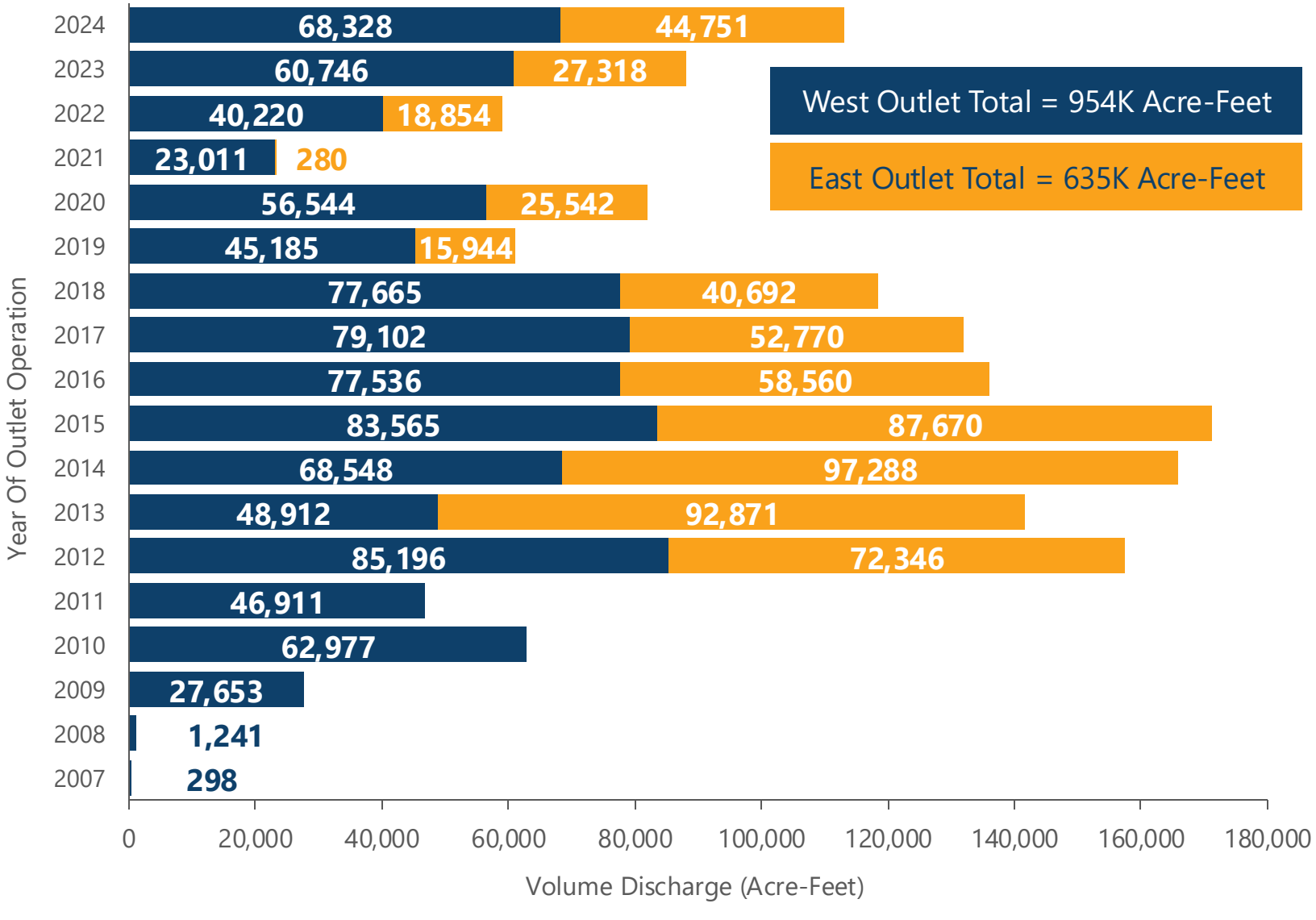
SWPP - CONSTRUCTION UPDATES



- Metallic Pipeline Replacement Project Near City Of Taylor Complete
- Multi-Service Area Hydraulic Improvements Project
- Total Expenditures From July 2023 Through June 2024 = $8.7M
- Supplementary Intake - Continuing In Mediation Process
- Transmission - **West Zone Construction Anticipated Summer 2025**
- Hydraulic Improvements - North New England Area - Moving Forward With Final Design
- **Burt Hebron Expansion** - Moving Forward With Final Design
- **SW Water Treatment Plant Expansion**
  - Funding Approved At The December 2024 SWC Meeting
  - Will Treat 12 Million Gallons Per Day & Replace The 70-Year-Old Dickinson WTP
  - Expected 36 Month Construction Project

DEVILS LAKE

2024 DISCHARGE - 113,100 ACRE FEET



East Outlet

350 cfs



Operations Ended **October 18**

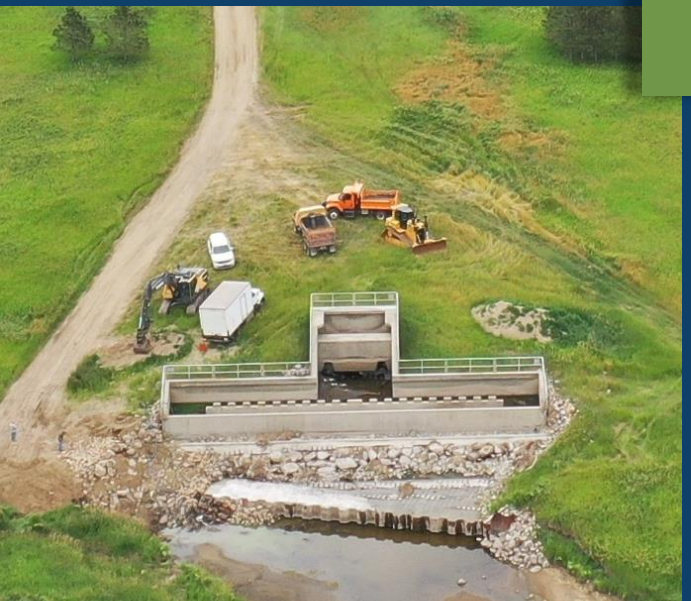
West Outlet

250 cfs



Operations Ended **October 22**

DEVILS LAKE OUTLET PROJECTS



OUTLETS | PUMPS | STRUCTURE

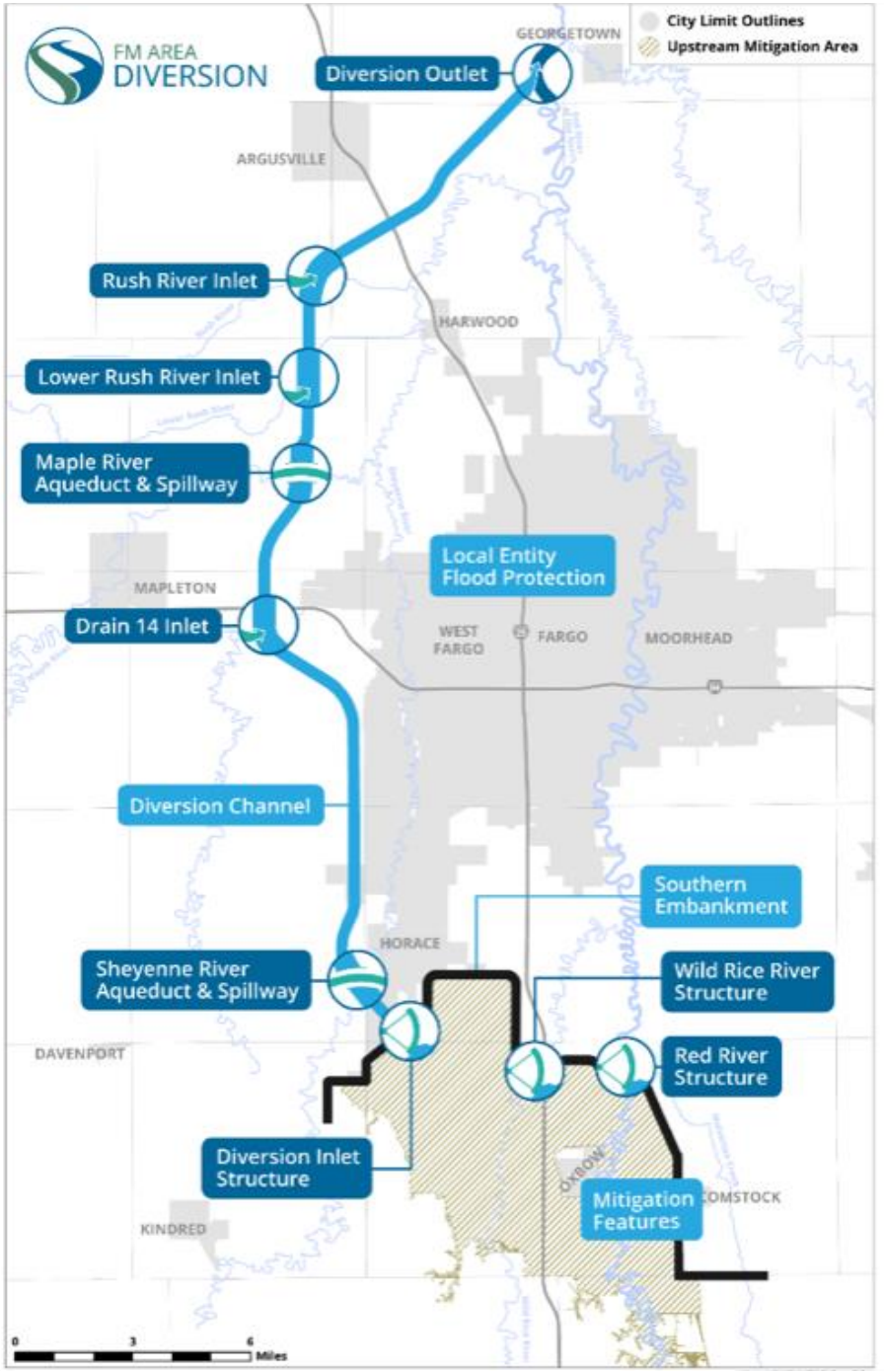
- Completed Flow Meter Replacements
- Completing Preventative Maintenance
- Inspecting Pumps & Motors
- Intake Sediment Removal (Spring 2025)



FARGO-MOORHEAD **DIVERSION PROJECT**

FM AREA DIVERSION PROJECT

- Will Provide 100-Year Protection
- Total Cost = **$3B+**
  - Federal = **$750M**
  - North Dakota = **$850M**
    (2021 Session, HB 1431 Bonding Bill)
  - Minnesota = **$86M**
  - Local = **$1.5B**
- Includes 30-Mile Diversion Channel, 22-Mile Earthen Embankment, 3 Railroad Crossings, 2 Interstate Crossings, 2 Aqueducts (Maple & Sheyenne Rivers), & More
- Estimated Operational 2027
- First P3 Project Delivery By US Army Corps
- DWR Has Permitting Oversight Over The Diversion, Embankment, & In-Town Levee Works





MANAGING ND'S **WATER RESOURCES**

REGULATORY ACTIONS 2024



20 Drain Permits Issued

One Emergency Drain Permit

29 Construction Permits Issued

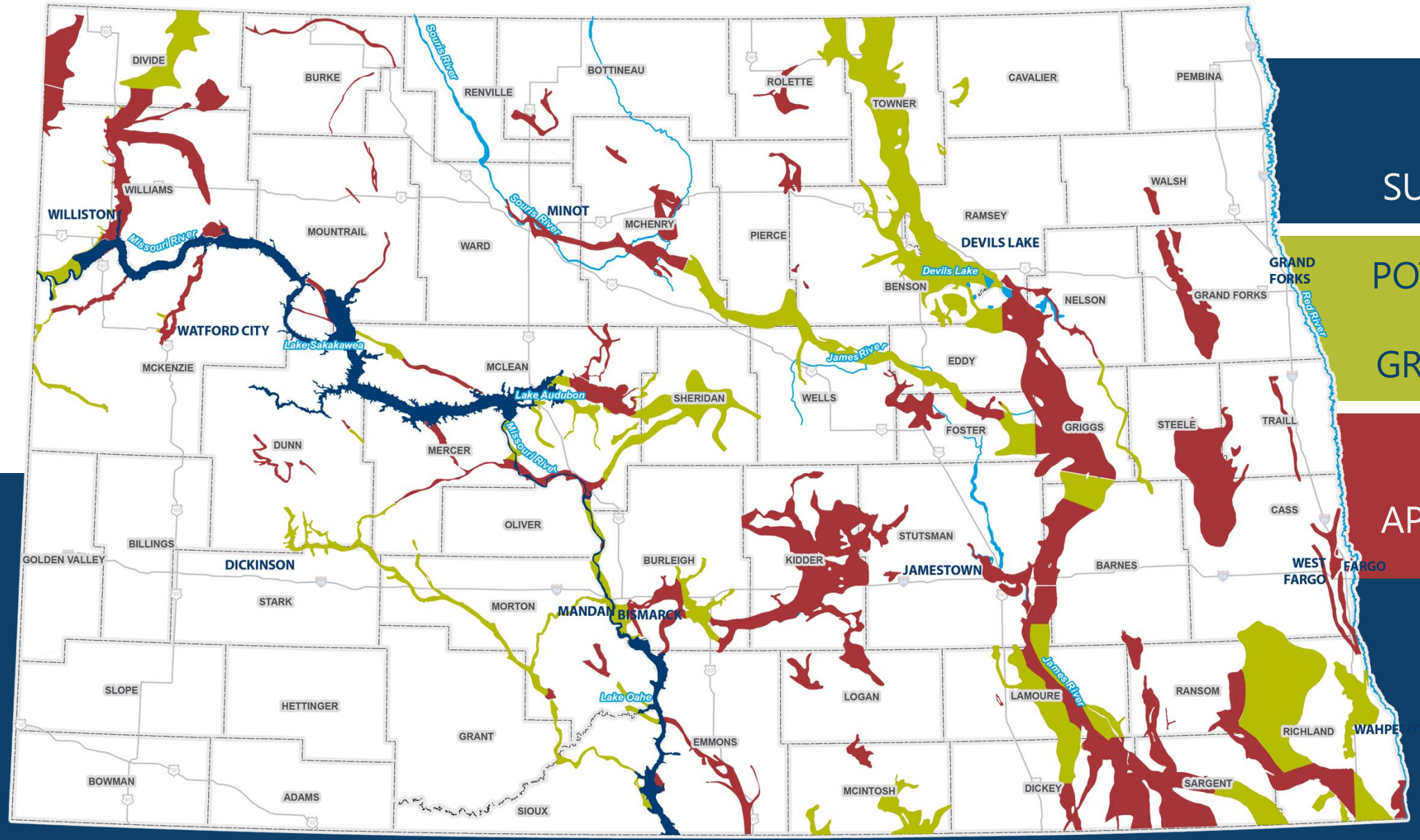
One Emergency Construction Permit

2 Complaint Appeals Reviewed

3 Determinations Issued

One Watercourse; Two Stream Crossing

30 Sovereign Lands Permits Issued



GOOD WITH LIMITATIONS / SURFACE WATER

POTENTIAL WITH LIMITATIONS / GROUND WATER

NEAR FULL APPROPRIATION

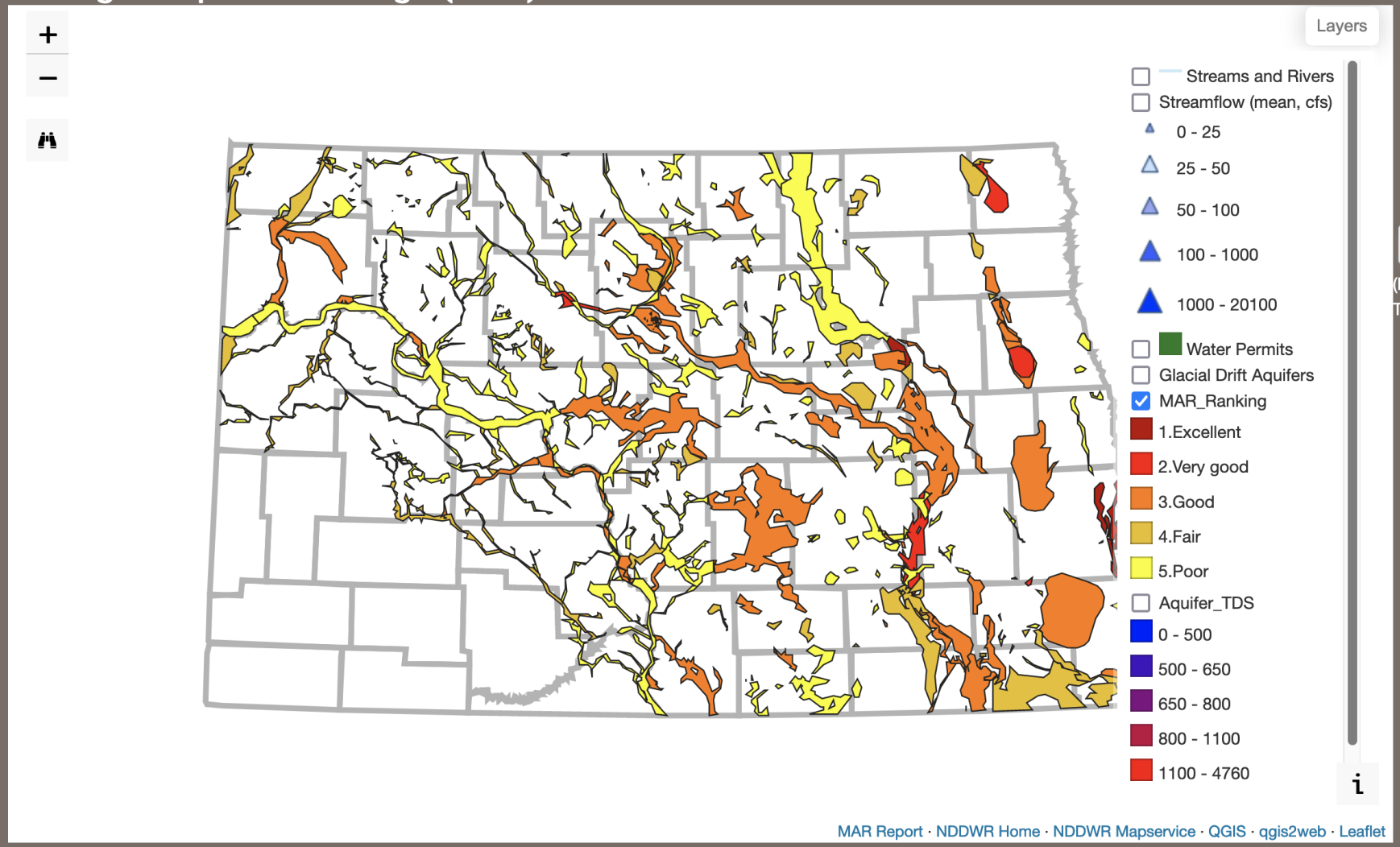
WATER AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT

MAR STATEWIDE ASSESSMENT

North Dakota Glacial Drift Aquifers

Managed Aquifer Recharge (MAR) Potential

More Info



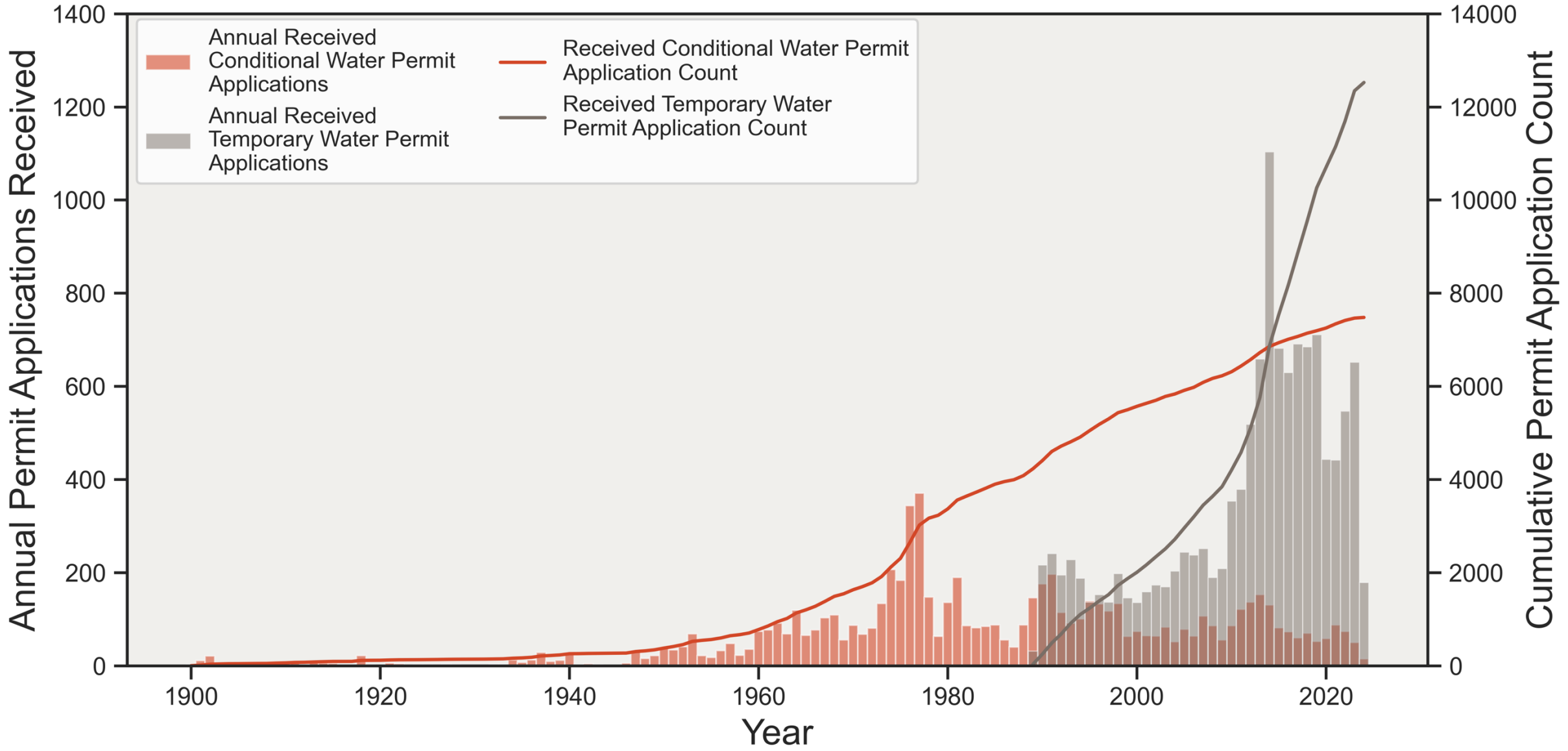
1.Excellent
2.Very good
3.Good
4.Fair

RANK

clear filter

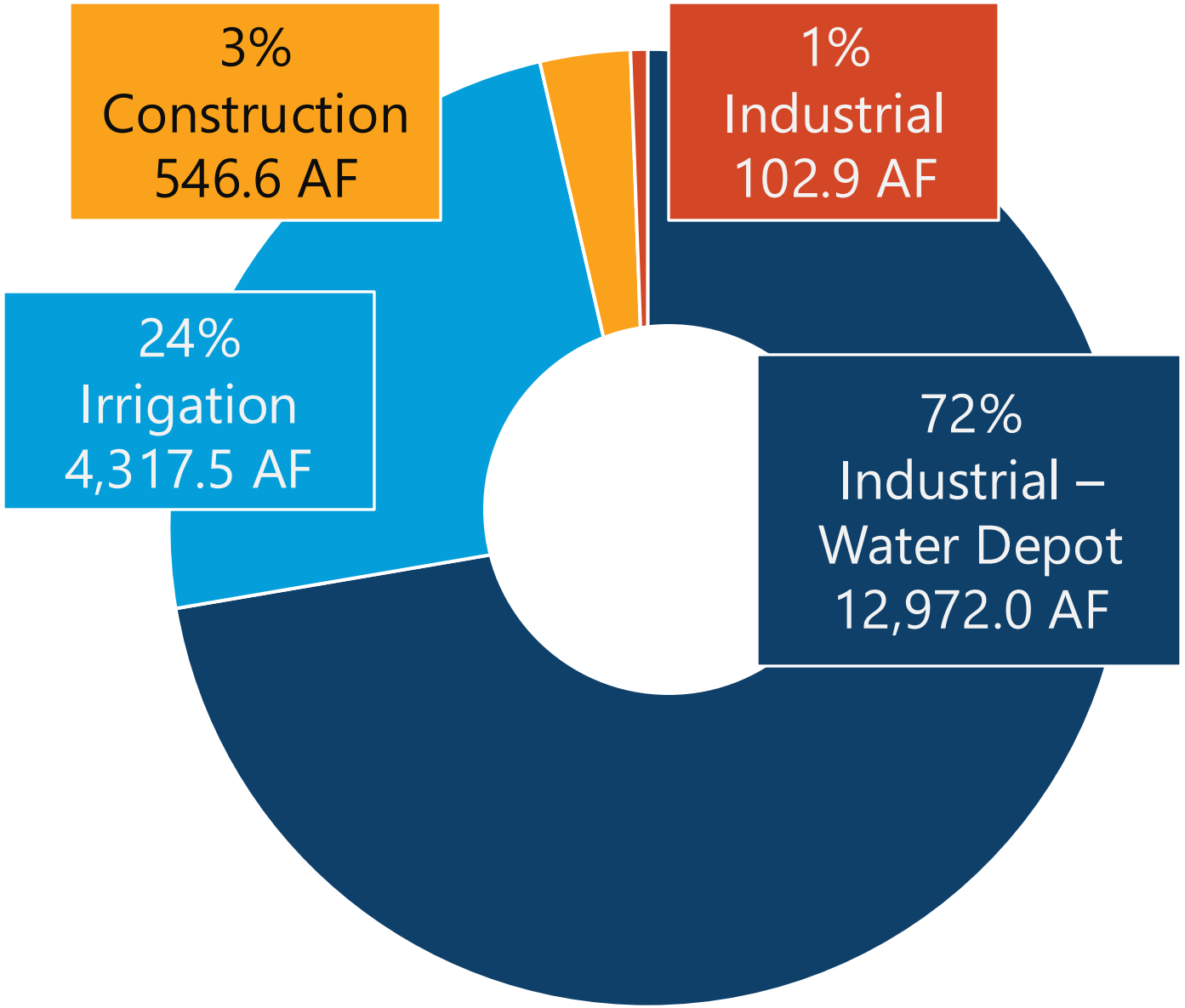
(Must activate layer)
TDS_median: 228.00 - 4760.00

Interactive MapServices
Check it out!



WATER APPROPRIATION PERMIT APPLICATIONS RECEIVED

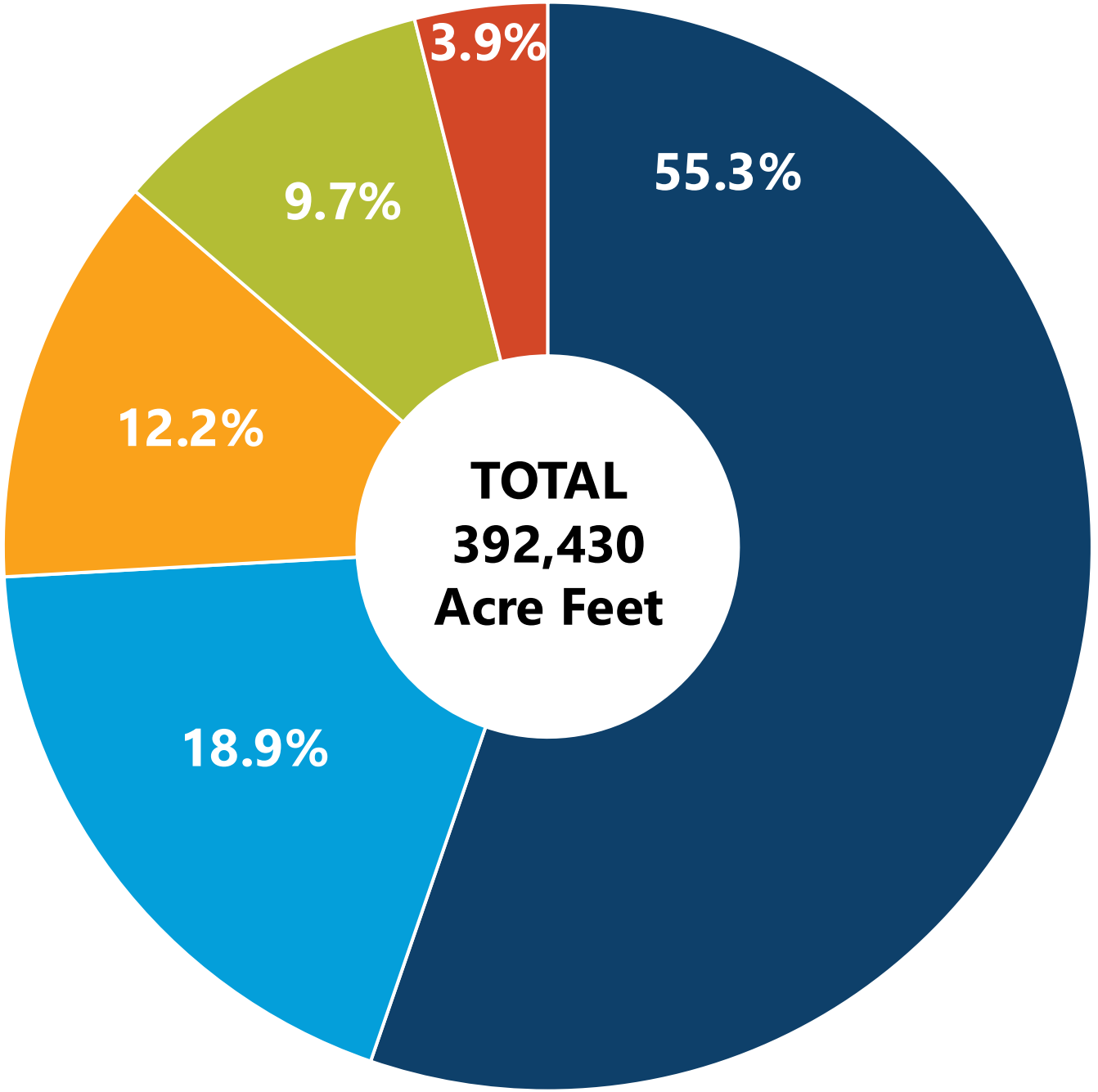
Nature of Use	2023 Reported Use (acre-feet)
Construction	546.6
Industrial	102.9
Industrial - Water Depot	12,972.0
Irrigation	4,317.5
Total	**17,939**



TEMPORARY WATER PERMIT SUMMARY

2023 CONSUMPTIVE WATER USE

- Irrigation
- Municipal
- Industrial (Non-Water Depot), Power Generation, Multi-Use
- Industrial (Water Depot)
- Rural Water



2024 WATER APPROPRIATION PERMITS



64	Water Permit Applications Received
42	Water Permits Issued
82	Water Permits Cancelled
39	Water Permits Perfected
682	Temporary Water Permits Issued

DATA COLLECTION ACTIVITIES

4000+	Measured Sites In 2024
66	Added (62 Observation Wells & 4 Testholes)
550+	Real Time Ground Water Sites
80+	Real Time Surface Water Sites
USGS	Gage Cooperative Agreement
Expand	Include Precipitation & Soil Moisture Real Time Sites

PUSHING REMOTE SENSORS (PRESENS)

- **Collecting Real-Time Valuable Water Resource Data** - Publicly Accessible On Agency's Map Services
- **Collect** Water Levels, Precipitation, Soil Moisture, Soil Temperature, Barometric Pressure, Air Temperature
- **600+ Units** Operated In 2024
  - Surface Water Units Are Removed In Winter To Prevent Damage
- **53 Units** Have Rain Gage & Soil Moisture Sensors
- **Over 28 Million Data Points** Collected In 2024

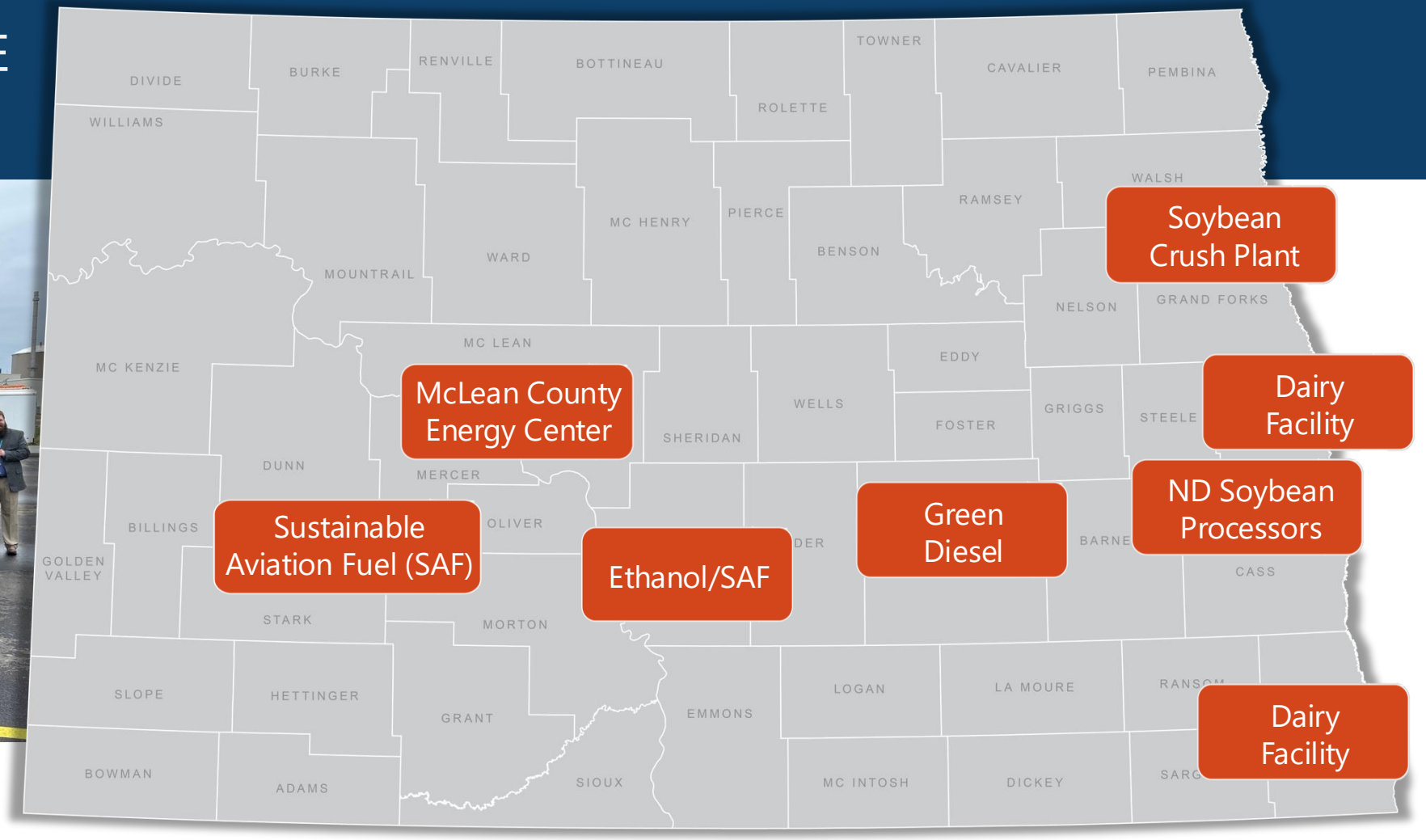


Goal - Continue Expanding The PRESENS Network

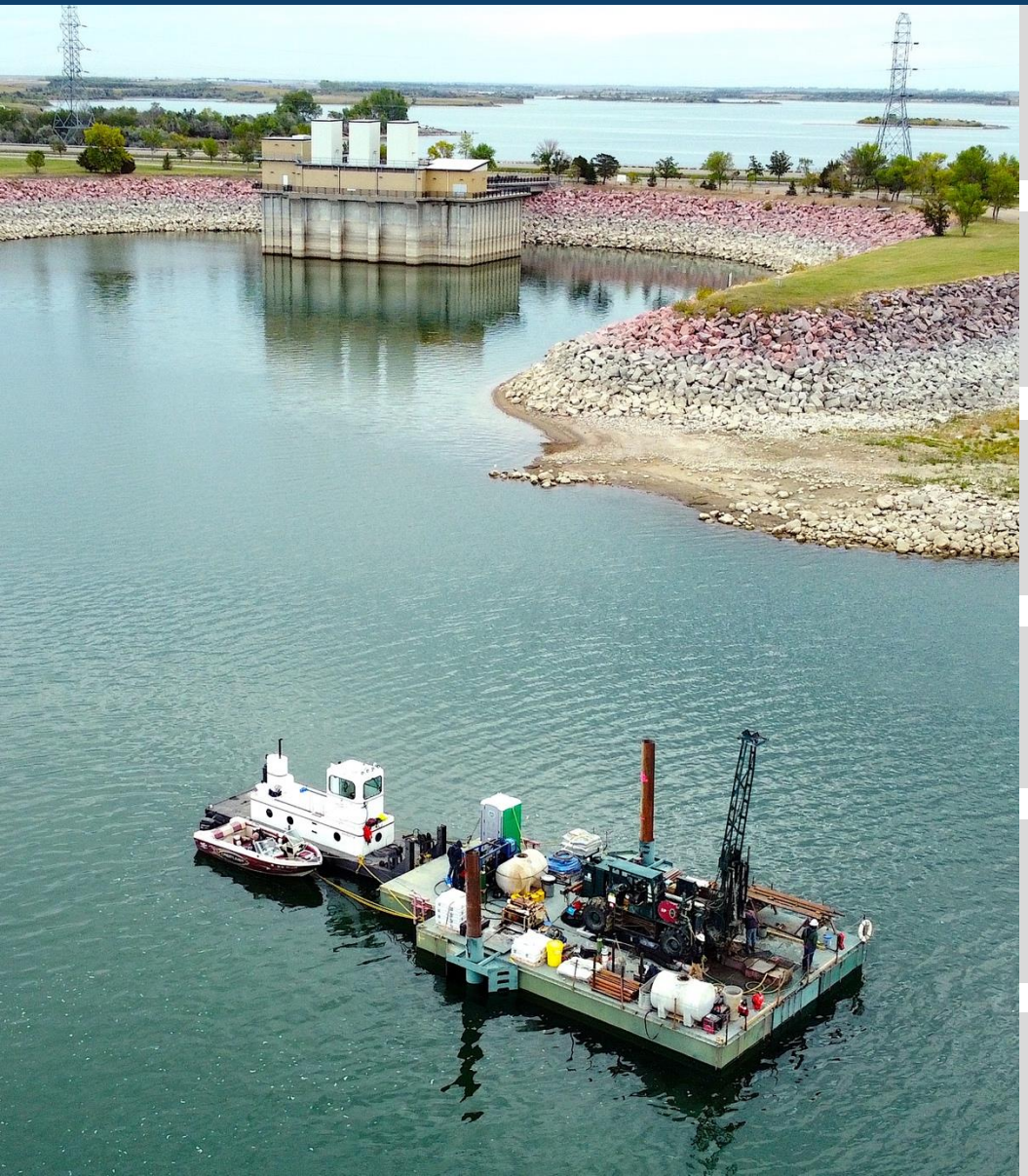
EMERGING ECONOMIC DEVELOPMENT OPPORTUNITIES

WATER INFRASTRUCTURE IS A KEY FACTOR





ONGOING FEDERAL ISSUES OF INTEREST



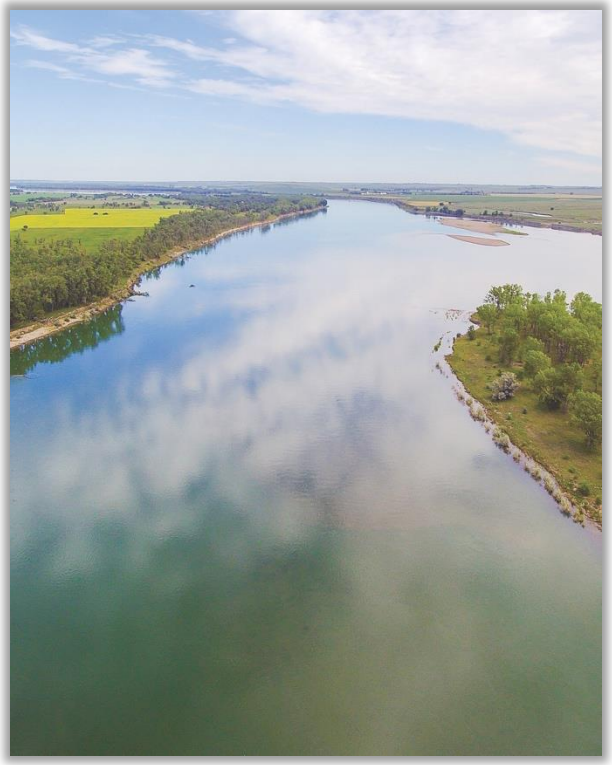
- USFS Dakota Grasslands Travel Management Plan
- BLM Resource Management Plan
- USACE Water Resources Development Act
- Baldhill Dam Operation Plan
- Snake Creek Embankment
- Dakota Water Resources Act Of 2024

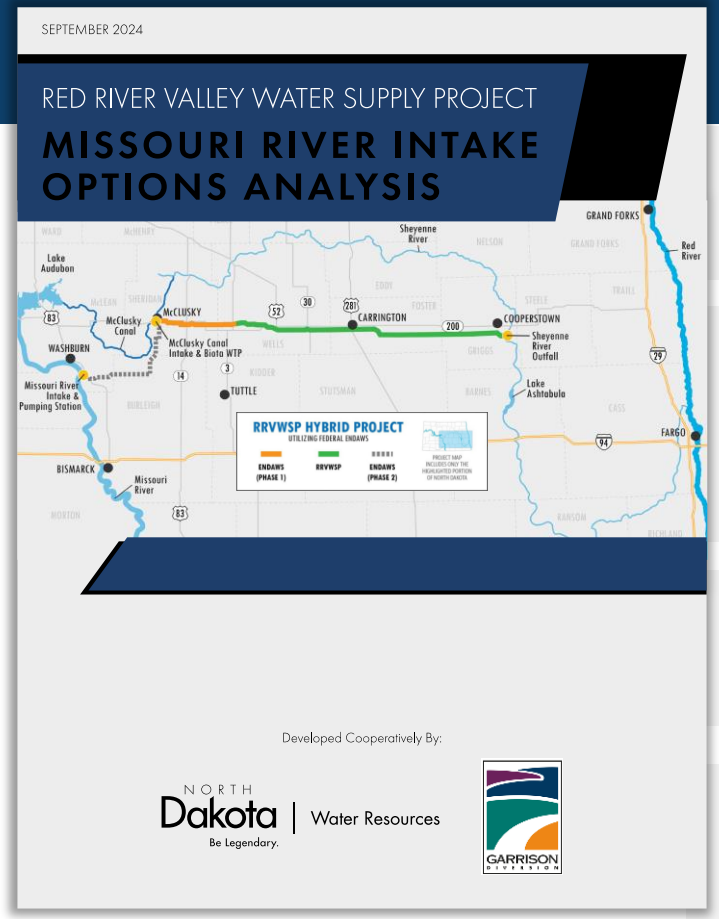


OTHER **ONGOING EFFORTS**

STUDIES









Missouri River Intakes

RRVWSP Missouri River Intake Options Report

Statewide Irrigation Feasibility

Western States Water Collection Survey

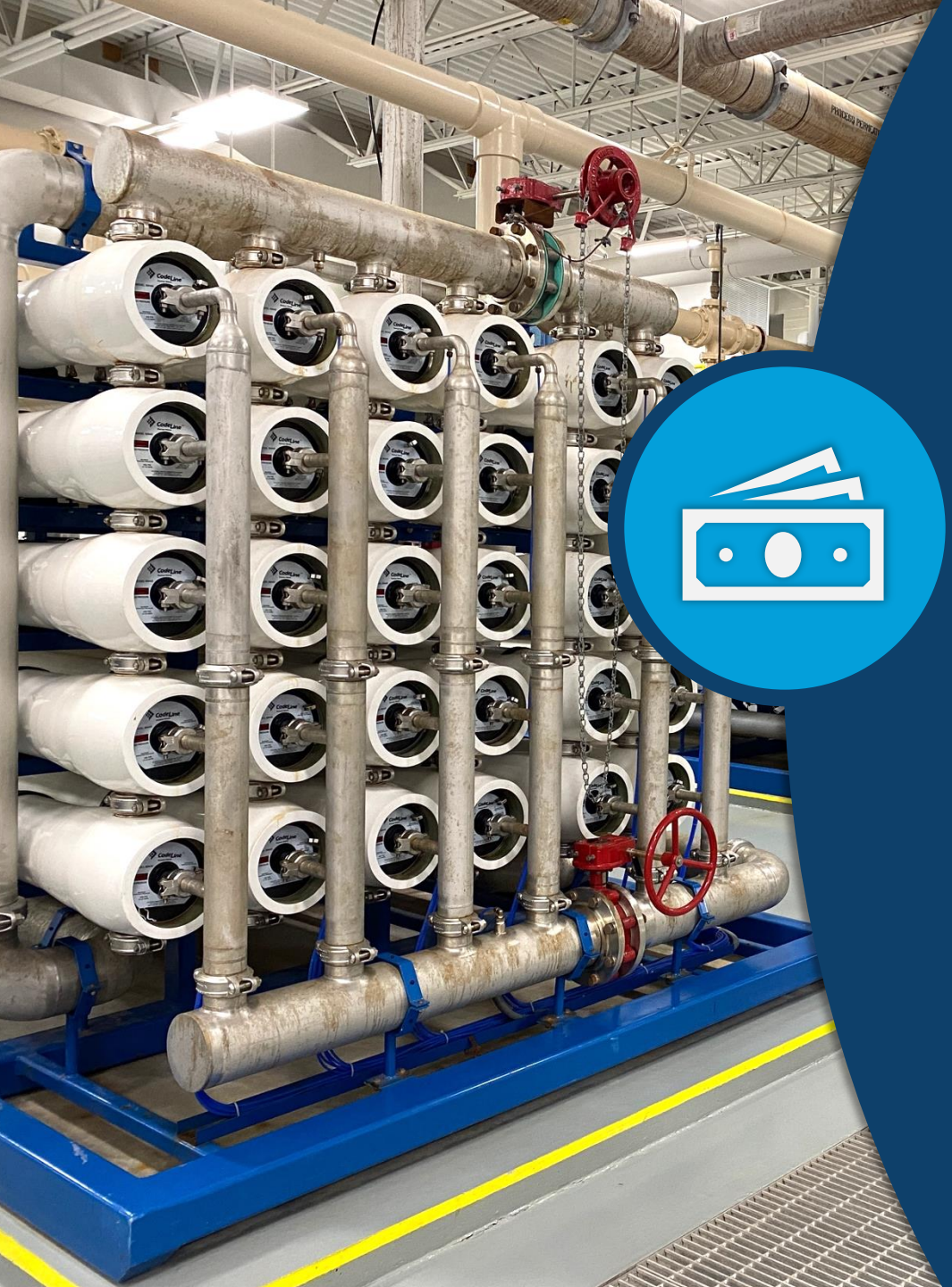
Multi-State Survey Of Surface Water Management Practices

Communication Campaign Topics

SIGN UP TODAY!

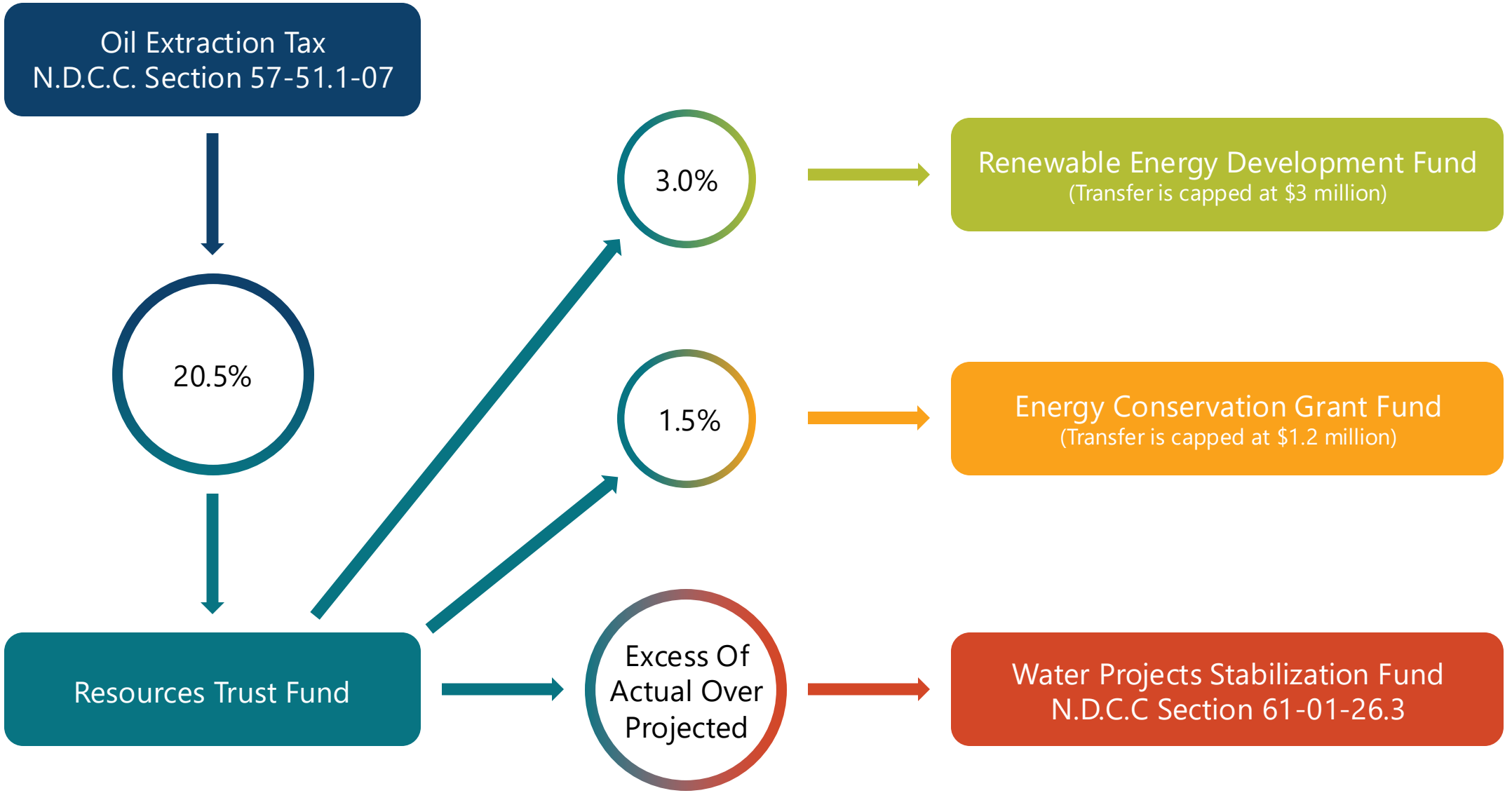
- Know Your Aquifer
- In The Clouds
- Watershed Thread

EDUCATIONAL CAMPAIGNS

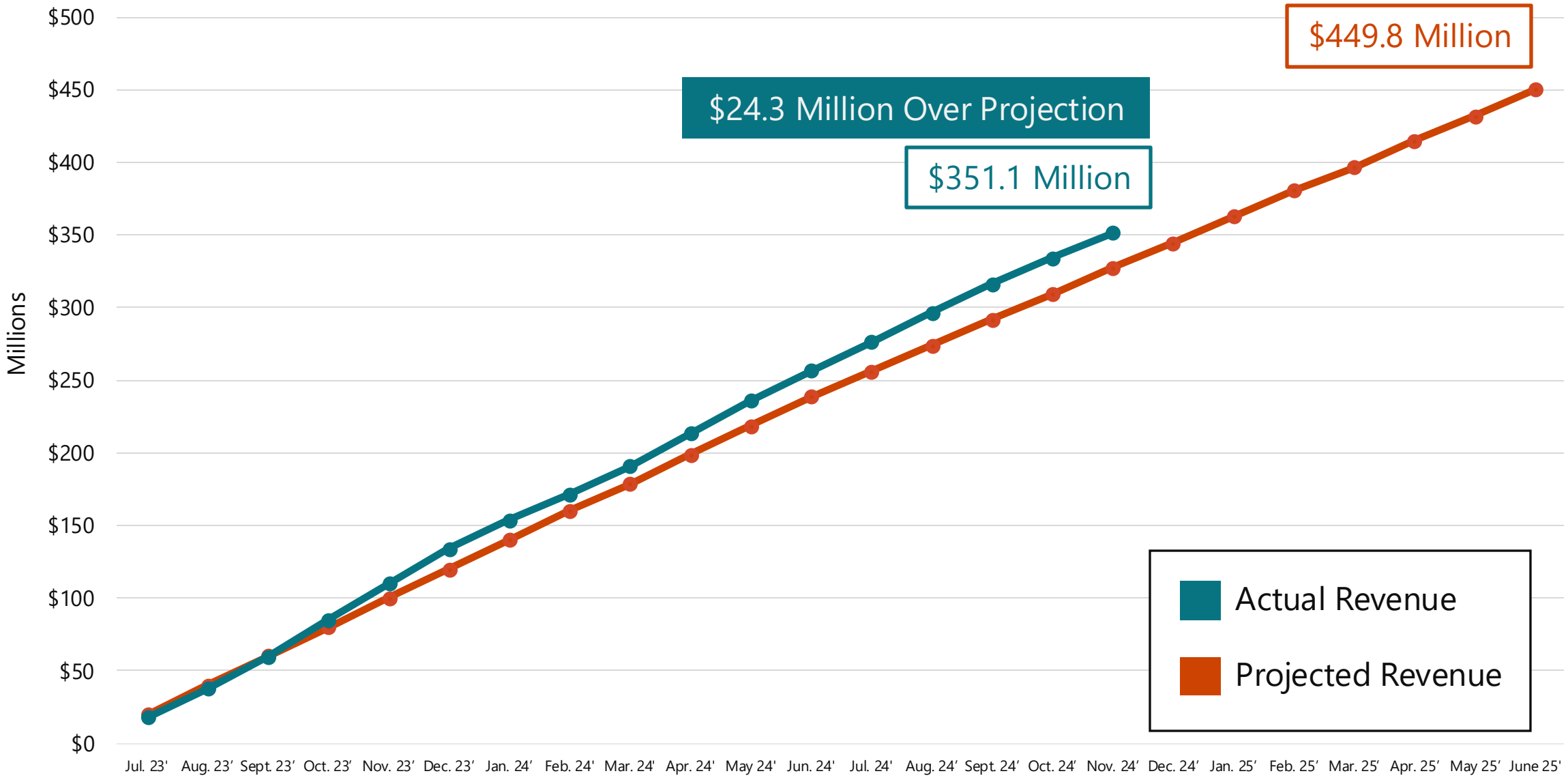


DWR BUDGET & WATER DEVELOPMENT PLANNING

RESOURCES TRUST FUND REVENUE

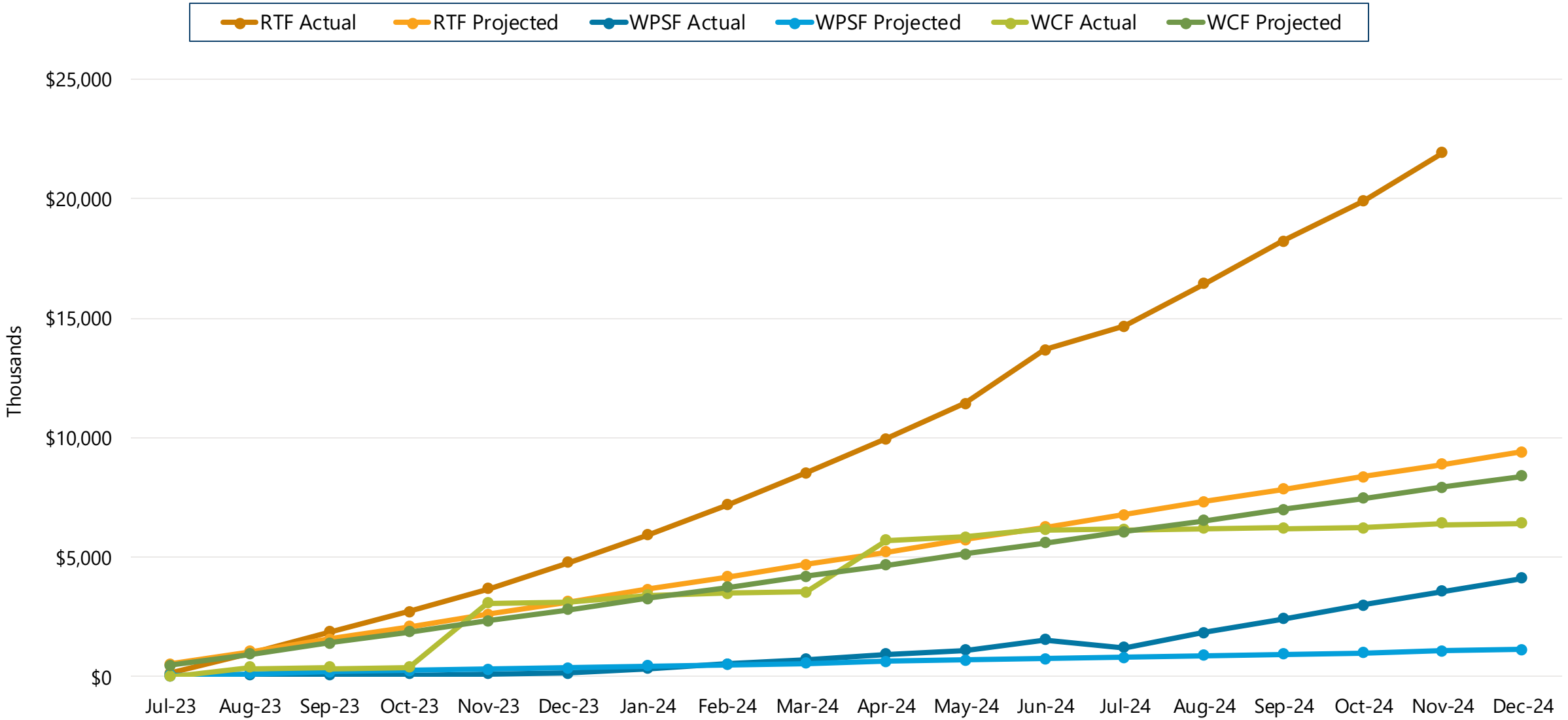


RESOURCES TRUST FUND REVENUE



OTHER REVENUES

2023-2025 (CUMULATIVE) DECEMBER 2024



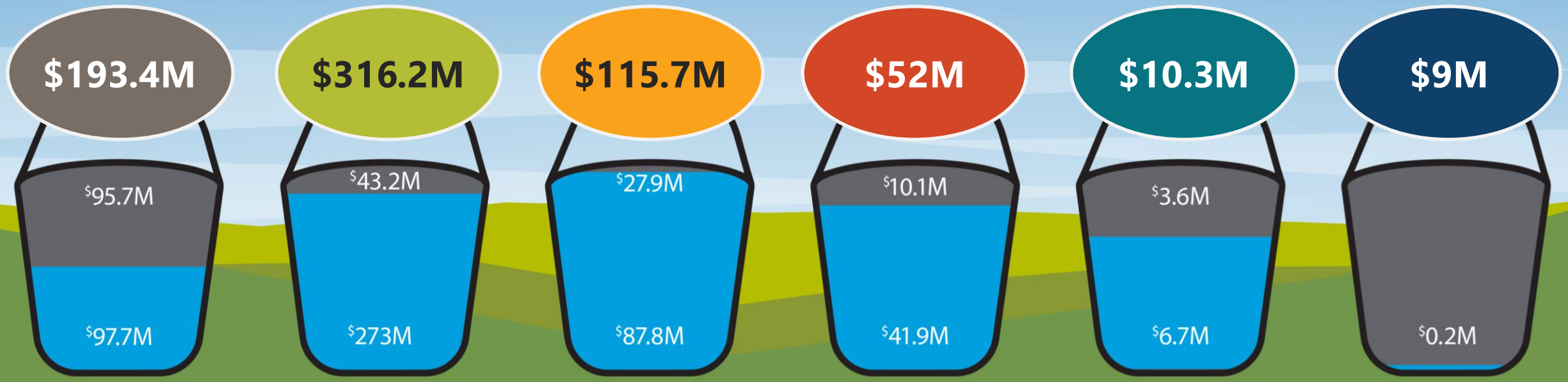
WATER PROJECTS STABILIZATION FUND



- Created By SB 2345 During 2021 Special Session
- SB 2020 (2023) Included **$150M**
  - **$120M** Red River Valley Water Supply Project
  - **$30M** Western Area Water Supply Project (Loan Payoff)
- SB 2020 (2023) Provided For Transfers Of Revenues In Excess Of The March 2023 Legislative Revenue Forecast Be Deposited In The WPSF
- $24.3M Transferred To The WPSF Through December 2024

2023-2025 PURPOSE FUNDING

JULY 2023 - DECEMBER 2024



APPROVED

UNOBLIGATED

*Capital Assets bucket includes $100M line of credit.

2023-2025 COST-SHARE APPROVALS

REGIONAL WATER SUPPLY

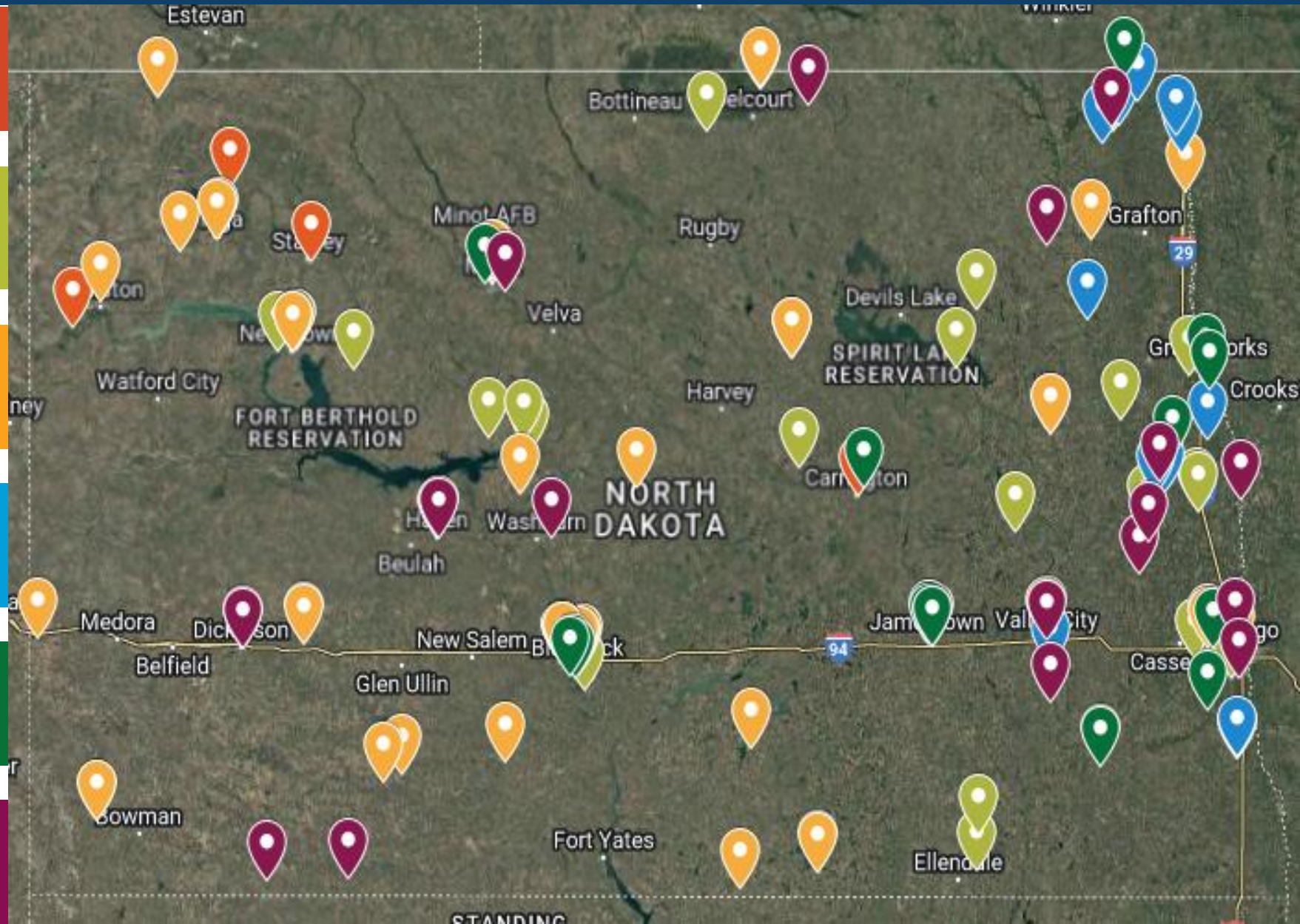
RURAL WATER SUPPLY

MUNICIPAL WATER SUPPLY

CONVEYANCE

FLOOD CONTROL

GENERAL WATER MANAGEMENT



TRIBAL NATIONS COST-SHARE PARTNERING



- 2023 Legislature Passed HB 1385
- Tribal Nations Eligible To Enter Into Cost-Share Agreements With SWC
- 2023-2025 Approvals
  - Ft Berthold Rural Water, Four Bears WTP, Intake & Raw Water Line Precon. = **$1.3M**
  - Ft Berthold Rural Water, Parshall To White Shield Regionalization Precon. = **$341K**
  - Turtle Mountain Band Of Chippewa, Hwy 43 Corridor Construction = **$4M**
  - Turtle Mountain Band Of Chippewa, Hwy 3 Area = **$3.1M**

COST-SHARE PROGRAM UPDATES

EFFECTIVE 2024

WEBGRANTS CERTIFICATION

Accurate Information, Follows Applicable Laws, & Consequences (NDCC 12.1-11-02)

PRE-APPLICATION POLICY

Compliance With Applicable Laws & Total Project Cost Disclosure

APPLICATION DOCUMENTATION

Sponsor-Signed Letter & Meeting Minutes

BAIA & CIP With Water Supply Construction Applications

AGREEMENTS

Compliance With Applicable Laws

OPERATION & MAINTENANCE (O&M)

Added Operation To O&M Definition

Meter Replacement Considered O&M - Ineligible

PROGRAM VIOLATIONS

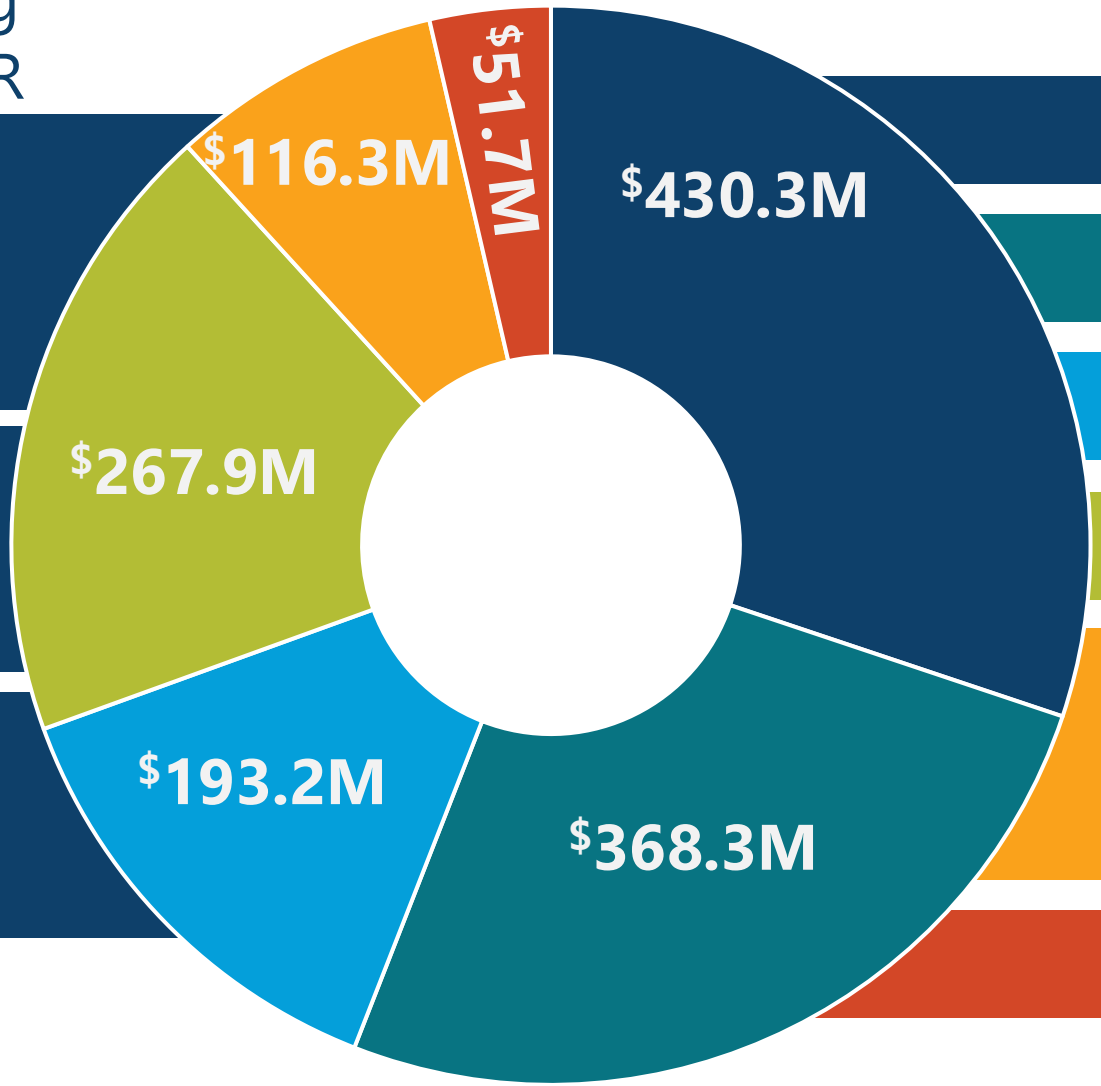
No Participation 24 Months
Return Funding
Professional Reporting & Legal Referrals

Potential Funding Needs From DWR

2025-2027
$1.4B

2023-2025
$1.05B

2021-2023
$0.64B



REGIONAL WATER SUPPLY

MUNICIPAL WATER SUPPLY

FLOOD CONTROL

RURAL WATER SUPPLY

CONVEYANCE
(Bank Stabilization,
Snag & Clear, & Drains)

GENERAL WATER

2025 WATER DEVELOPMENT PLAN INVENTORY

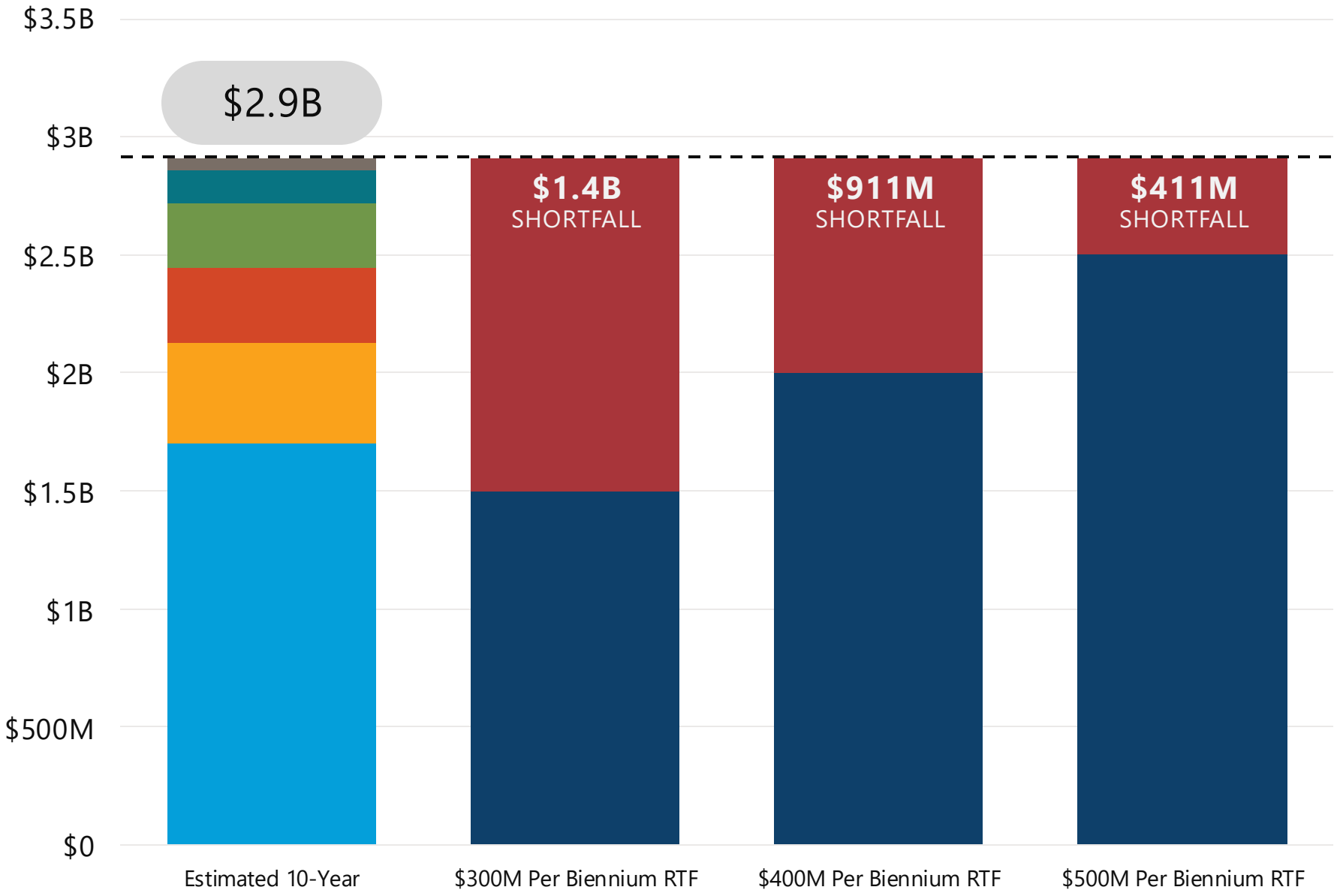
2025-2027 PROJECT & PURPOSE FINANCIAL NEEDS SUMMARY

ESTIMATED DWR SHARE BY PRIORITY

Project Purposes	Water Development Plan Inventory Project Needs		
	High Priority	Moderate Priority	Low Priority
Flood Control (Total = $307.9M)	**$190.2**	**$54.5**	**$63.2**
Heart River - Mandan	$8.6	-	-
Mouse River Enhanced Flood Protection	$76.1	-	-
Other Flood Control	$16.5	$0.9	$0.5
South Bismarck	$73.0	-	-
Valley City Permanent Flood Protection	$16.0	-	-
Water Conveyance	-	$53.6	$62.7
General Water (Total = $51.8M)	**$8.6**	**$40.1**	**$3.1**
Rural Water Supply (Total = $267.9M)	**$5.3**	**$61.3**	**$201.3**
Water Supply (Total = $635.7M)	**$267.5**	**$16.9**	**$351.3**
Municipal	-	$16.9	$351.3
Red River Valley Water Supply	$221.0	-	-
Western Area Water Supply	$46.5	-	-
State Owned Projects (Total = $164.4M)	**$164.4**	**$0.0**	**$0.0**
Devils Lake Outlets	$1.7	-	-
Northwest Area Water Supply	$12.7	-	-
Southwest Pipeline Project	$150.0	-	-
TOTAL IDENTIFIED NEEDS ($1.4B)	**$635.9**	**$172.8**	**$618.9**

10-YEAR PROJECTIONS

- Water Supply
- Flood Control
- Agency Operations
- Rural Water
- Other Flood Control & Conveyance
- General Water Management
- Resources Trust Fund (RTF)
- State Shortfall



WATER DEVELOPMENT PLAN & DASHBOARD



Web-Based Version

Launched & Operational

Dashboard Includes

Interactive Charts

Changing Conditions

Information Can Be Updated By Staff

Access Any Time

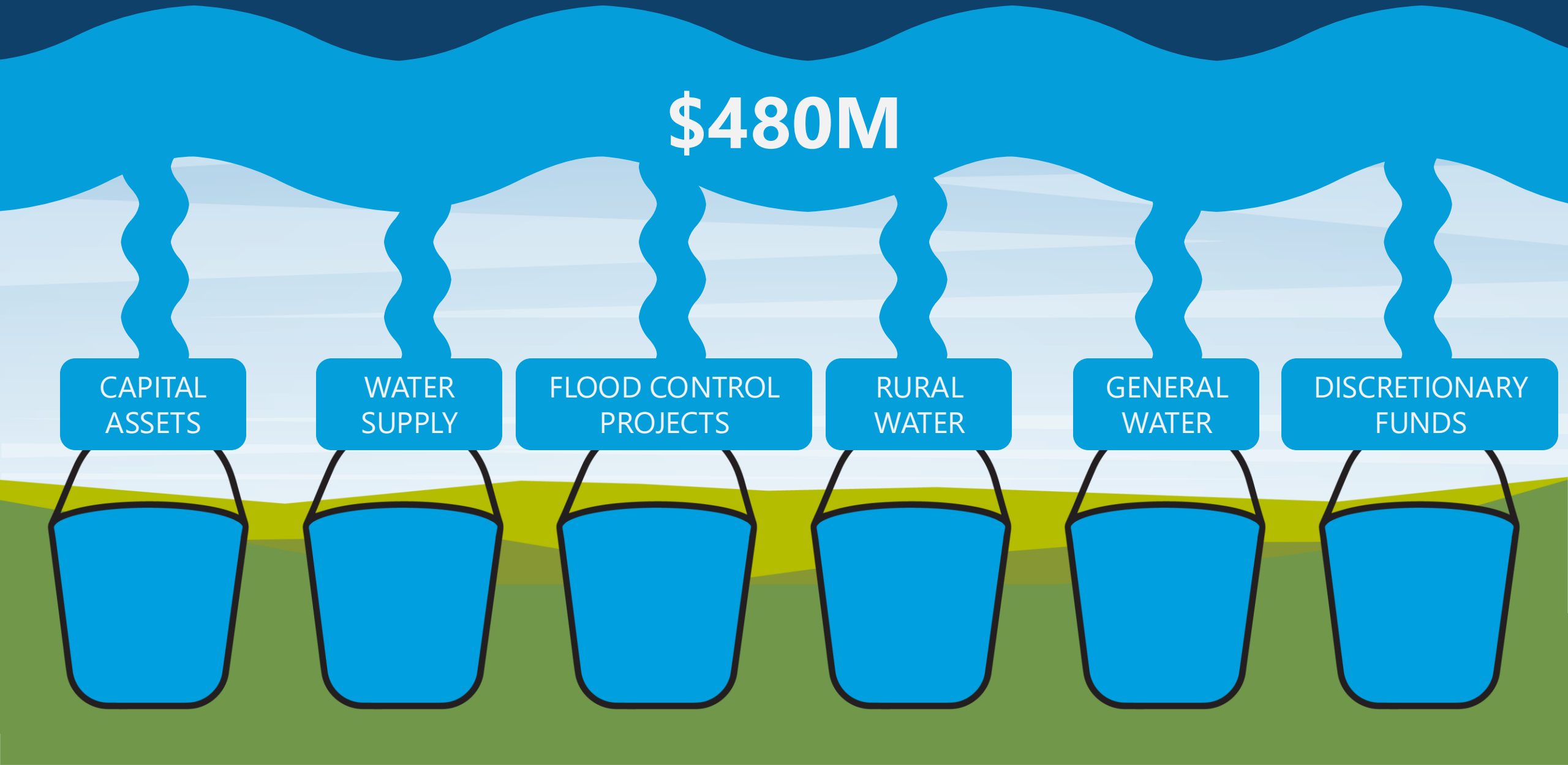
Phones & Computers

WWW.DWR.ND.GOV

DWR BUDGET SUMMARY

	2023-2025 Appropriation	2025-2027 Base Level
Salaries & Wages	$23,727,769	$22,998,148
Operating Expenses	$59,479,068	$56,625,923
Capital Assets	$275,783,950	$124,136,712
Water Supply Projects	$348,200,000	$316,200,000
Rural Water Supply	$52,000,000	$52,000,000
Flood Control Projects	$115,700,000	$115,700,000
General Water Projects	$12,000,000	$12,000,000
Discretionary Projects	$9,000,000	-
TOTAL	**$895,890,787**	**$699,660,783**
Full Time Equivalents (FTE)	**93**	**93**

HB 1020: FUNDING FOR WATER PROJECTS



2025 LEGISLATION

- 11 Agency-Sponsored Bills
- Red Tape Reduction
- Clean Up & Clarification
- NAWS Authority Support
- NFIP Township Study (SB 2365 (2023))
- Water Appropriation Updates



CHALLENGES & OPPORTUNITIES



Drainage & Water Conveyance

Water Reuse & Recharge

Cost/Benefit Analysis

Infrastructure & Resources

- Real Time Data
- Data Analysis
- Education
- Technical/Legal
- Emergency Response

Competing Uses For North Dakota's Water

- International
- Other States



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THANK YOU

701.328.2750

dwr@nd.gov

dwr.nd.gov

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DEPARTMENT OF WATER RESOURCES & WATER COMMISSION

MISSION

To responsibly manage North Dakota's water needs and risks for the people's benefit.

DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) has several responsibilities on behalf of the people of North Dakota. DWR serves as the primary funding entity for critical water infrastructure; appropriates the state's water resources; and is responsible for other water-related regulatory and management functions that ensure public safety and support the long-term sustainability and beneficial use of North Dakota's water resources.

DWR FACTS

- Department of Water ...ources Full Time ...uivalents (FTE): **93**
- Groundwater Monitoring Wells: **7,500+**
- PRESENS (Pushing REmote SENSors) Real-Time Environmental Data Loggers Have Collected Measurements: **~600**
- Senate Bill (SB) 2020 was the DWR budget bill for the 2023-2025 Biennium: **SB 2020**
- Available For Water Supply, Flood Protection & Other Water Projects ...3-25 Biennium): **$621M**
- Average Increase In Temporary Water Permit Applications Annually - Last 10 Years: **250%**

WHO WE SERVE



Water Users
Citizens, businesses, and public water systems who require permits to put ND's water resources to beneficial use.



Agricultural Producers
Livestock producers and farmers who are mitigating impacts from drought, are irrigators, or benefit from hail suppression and rainfall enhancement.



Water Project Sponsors
Cities, rural and regional water systems, water boards, irrigation districts, or other political subdivisions that cost-share with DWR to develop water projects, or require permits.



General Public/Students/Teachers
Anyone interested in learning more about ND's water resources, permitting through DWR, or floodplain management.



Water-Related Data Users
Water managers, consultants, water resource professionals, surveyors, and the general public who are seeking water, land, survey, elevation, and weather-related data.



Government Officials
Federal, state, and local government agencies; Congressionals; Legislators; Tribes; and Governor's Office - who cooperate to improve water management and development.

WATER COMMISSION

Scan to view Water Commission Members

The Water Commission consists of the Governor as chairman, the Commissioner of Agriculture, and eight members representing major drainage basins who are appointed by the Governor to serve terms of six years each. The primary function of the Water Commission is to review and consider cost-share requests from project sponsors seeking financial assistance from the Department of Water Resources. Water Commission members meet on a monthly basis. The Director serves as Secretary to the Water Commission.

WHAT WE DO | DWR DIVISIONS

CONTACT US



DWR DIRECTOR

Reice Haase, Director
rehaase@nd.gov | 701-328-4940

The Director is appointed by the governor, serves as a Cabinet member, provides overall leadership and decision-making, and oversees the State Engineer and DWR team members.



STATE ENGINEER

John Paczkowski, P.E., State Engineer
jpaczkowski@nd.gov | 701-328-4940

ND's State Engineer is responsible for several regulatory functions and responsibilities, including allocation of the state's waters, dam safety, and drainage.



ADMINISTRATIVE SERVICES

Chris Kadrmas, Director
ckadrmas@nd.gov | 701-328-1956

Accounting, general support, budget development, records management, human resources, State Water Commission meeting preparation, data/technology, and PRESENS.



ATMOSPHERIC RESOURCES

Darin Langerud, Director
dlangerud@nd.gov | 701-328-4751

Cloud Modification Program, weather research, data collection, licenses and permits, and radar operations.



PLANNING & EDUCATION

Patrick Fridgen, Director
pfridgen@nd.gov | 701-328-4964

Water Development Plan, media relations, public outreach and education, Livestock Water Supply Program, Cost-Share Program, and MR&I Program.



REGULATORY

Aaron Carranza, P.E., Director
acarranza@nd.gov | 701-328-4813

Construction and drainage permits, sovereign lands, dam safety, floodplain management, and Silver Jackets.



WATER APPROPRIATION

Andrew Nygren, Director
anygren@nd.gov | 701-328-1069

Water rights permitting, ground and surface water management, subsurface exploration, data management, and water resource investigations.



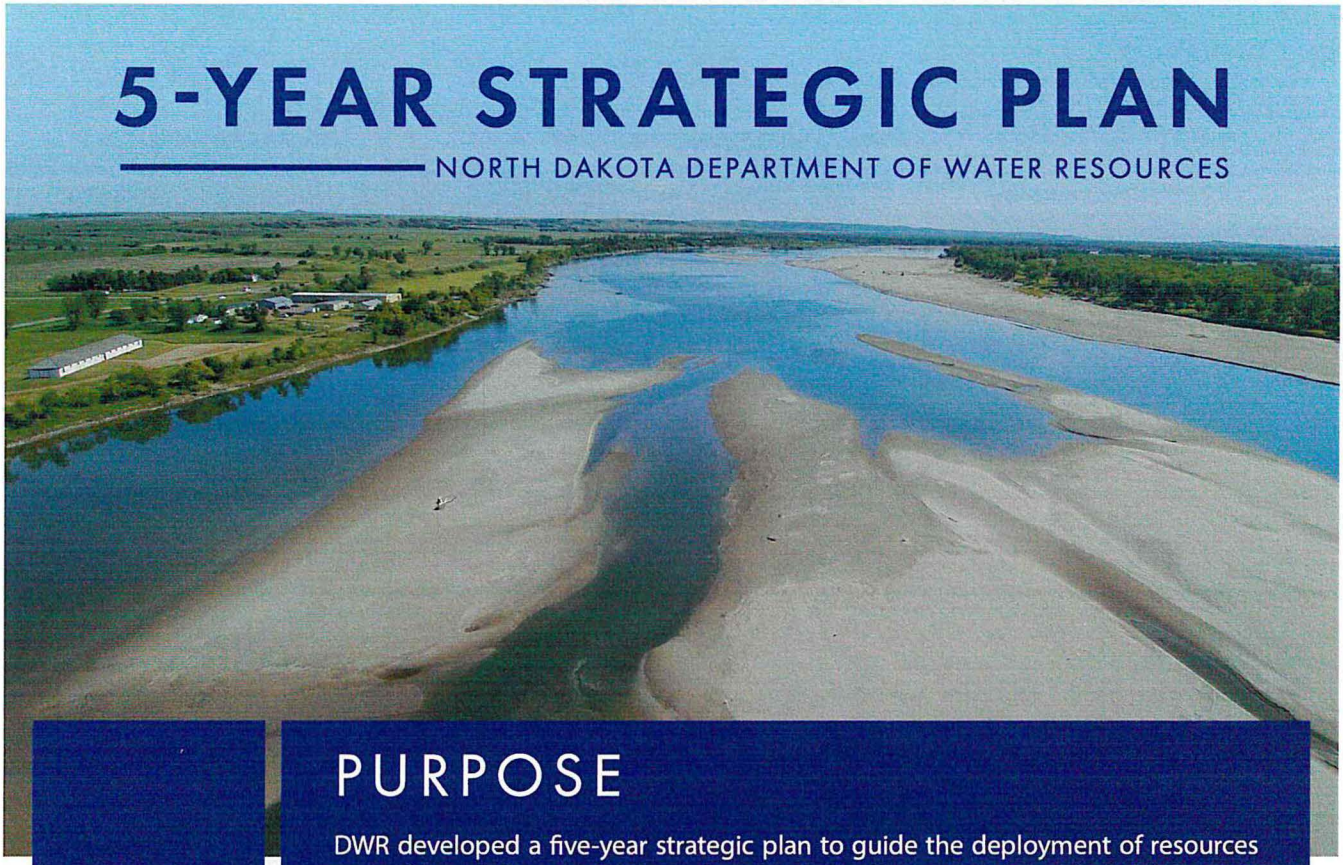
WATER DEVELOPMENT

Sindhuja S.Pillai-Grinolds, Director
spillai@nd.gov | 701-328-4954

Investigations and surveying, construction operations, Southwest Pipeline, Northwest Area Water Supply, Red River office, and Devils Lake outlet operations.

5-YEAR STRATEGIC PLAN

NORTH DAKOTA DEPARTMENT OF WATER RESOURCES



PURPOSE

DWR developed a five-year strategic plan to guide the deployment of resources toward key objectives, goals, and tactics that will remain a focus from July 1, 2022 through June 30, 2027. This plan is also intended to help create awareness among the public and stakeholders about DWR priorities.

BACKGROUND

116 Surveys Completed

77 Personal Interviews

2 Focus Groups

The North Dakota Department of Water Resources (DWR) was created in 2021 by legislative action through House Bill 1353. DWR was previously called the State Water Commission, which itself was created by legislative action in 1937 for the specific purpose of fostering and promoting water resources development throughout the state. The 2021 legislation also moved functions of the Office of the State Engineer (OSE) within the DWR, and allows the Governor to appoint a DWR Director subject to approval by the State Water Commission.

DWR has the authority to investigate, plan, construct, regulate, provide water appropriations, develop water-related projects, and serves as a mechanism to financially support those efforts throughout North Dakota. There are currently six divisions that make up the DWR: Administration, Atmospheric Resources, Planning and Education, Regulatory, Water Appropriation, and Water Development.

In developing this plan, DWR commissioned a third-party vendor, Odney Inc., to engage DWR team members and stakeholders to gather input for the development of objectives, goals, tactics, and metrics.

MISSION STATEMENT

To responsibly manage North Dakota's water needs and risks for the people's benefit.

VISION STATEMENT

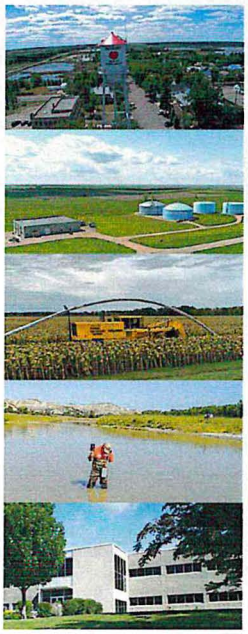
The Department of Water Resources will sustainably manage and develop North Dakota's water resources for the health, safety, and prosperity of its people, businesses, agriculture, energy, industry, recreation, and natural resources.

VALUES STATEMENT

The Department of Water Resources values fairness, objectivity, accountability, responsiveness, engagement, and credibility. We pledge to use professional and scientific methods to maintain the highest of standards in our delivery of services.

OBJECTIVES

The DWR Strategic Plan outlines five key overarching objectives to be accomplished with establishment of goals and tactics for each objective.



1. Effectively communicate with the public and stakeholders with a primary focus on collaboration and building partnerships.
2. Develop world-class, sustainable, and resilient water development and management practices.
3. Support beneficial use of Missouri River system water and other available water supply sources.
4. Implement innovative ideas, technology, and grow analytic capabilities to improve efficiencies in water management and development.
5. Improve the department's internal resilience and promote a positive culture.

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NORTH DAKOTA DWR

COST-SHARE PROGRAM: DEPARTMENT OF WATER RESOURCES

ABOUT

The primary purpose of the Department of Water Resources' (DWR) Cost-Share Program is to assist local project sponsors with financial support of water development projects – making them more affordable to local constituents. The decision-making body that reviews cost-share requests is the State Water Commission. The 10-member SWC consists of the Governor as chairman, the Agricultural Commissioner, and eight members appointed by the governor who represent the state's major water drainage basins. Decisions related to the Cost-Share Program are guided by the SWC's Cost-Share Policy, Procedure, and General Requirements.



FUNDING SUPPORT

North Dakota funds the majority of its water projects through the DWR. State funding that is provided through DWR primarily comes from the Resources Trust Fund (RTF). The RTF is funded with 20.5 percent of revenues from North Dakota's oil extraction tax. Funding available through the Cost-Share Program is appropriated by the North Dakota Legislature. In recent budget cycles, the Legislature has specified amounts of funding available for specific project purposes, including water supply, rural water, flood protection, general water, and state-owned projects.

LOAN OPPORTUNITIES

In 2021, the Legislature and Governor's Office worked to advance legislation intended to support and create loan opportunities for a broad spectrum of infrastructure needs. This included the creation of the Water Infrastructure Revolving Loan Fund (WIRLF), and continued support of the Infrastructure Revolving Loan Fund (IRLF).

HOW TO APPLY

Project sponsors who are seeking cost-share grants through DWR, loans from the WIRLF or IRLF, or loans through the Department of Environmental Quality-administered Drinking/Clean Water State Revolving Fund Programs must apply through North Dakota's WebGrant's portal. For additional details on how to apply, go to dwr.nd.gov, click on Project Development, and then Cost-Share Program.

COST-SHARE PERCENTAGES

DWR shares in the costs of eligible projects at different percentages, depending on project type.

40%	Recreation
45%	Rural Flood Control
50%	Snagging & Clearing
50%	Bank Stabilizations
60%	FEMA Levee Accreditation
60%	Flood Control
60%	Municipal Water Supply
60%	Dam Repairs, Removals, & Retention
75%	Irrigation
75%	Rural Water & Regionalizations
75%	Low Head Dam Roller Mitigation
80%	Emergency Dam Action Plans

CONTACT US
(701) 328-4989 or dwrcostshare@nd.gov

NORTH DAKOTA DWR

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EFFECTIVE DATE: 6/13/2024

SWC PROJECT PRIORITIZATION GUIDANCE

Projects submitted during the project planning inventory process[1] that meet SWC cost-share eligibility requirements will be considered for prioritization. In the interest of strategically investing in the state's highest water development priorities, the Water Commission will give funding preference to projects designated as high or moderate priorities for the first 6 months of each budget cycle. Sponsors who are able to accept reduced SWC cost-share of 10% or more of the maximum allowable amount can be moved up one priority designation level.

ESSENTIAL PROJECTS *(No Priority Ranking)*

Agency operational expenses.

An imminent water supply loss to an existing multi-user system, an immediate flood or dam related threat to human life or primary residences, or emergency response efforts.

Existing agency debt obligations.

SWC project mitigation.

HIGH PRIORITY PROJECTS

Federally authorized water supply or flood control projects.

Mitigation of low head dam roller effects.

New water supply connections between communities and rural or regional water systems that result in reduced costs through economies of scale.

Corrects a violation of a primary drinking water standard under the Safe Drinking Water Act.

Addresses severe or anticipated water supply shortages for domestic use in a service area or city with rapid population growth.

Protects primary residences or businesses from flooding in population centers or involves flood-related property acquisitions.

MODERATE PRIORITY PROJECTS

Dam safety repairs and emergency action plans.

Expansion of an existing water supply system (including to industrial water users).

Levee system accreditations, or water retention.

Irrigation system construction.

New rural flood control projects.

Bank stabilization.

Snagging and clearing in population centers or specific critical infrastructure locations..

Main Street Initiative related projects.

LOW PRIORITY PROJECTS

Studies, reports, analyses, surveys, models, evaluations, mapping projects, or engineering designs.[11]

Improvement or extraordinary maintenance of a water supply system.

Improvement or extraordinary maintenance of rural flood control projects.

Recreation projects.

Individual rural and farmstead ring dike constructions.

Replacement of existing infrastructure.

Snagging and clearing in sparsely populated areas.

Footnotes

1. All local sponsors are encouraged to submit project financial needs during the budgeting process. Projects not submitted as part of the project information collection effort may be held until action can be taken on those that were included during budgeting, unless determined to be an emergency that directly impacts human health and safety or that are a direct result of a natural disaster.

1l. May be considered as a higher priority if the related project is of higher priority.

Disclaimer

This process is meant to provide guidance for prioritizing water projects during the budgeting process that may be eligible for cost-share assistance through the Department of Water Resources. Interpretation and deviations from the process are within the discretion of the state as authorized by the State Water Commission or Legislature.



METRO FLOOD DIVERSION AUTHORITY

2025 State of the Diversion

Cass County Commissioner Tony Grindberg,
2025 MFDA Board Chairman

2024 Year in Review

68 Components Under Construction

FM AREA DIVERSION

ASN Constructors

316K

Hours Put on P3 Machinery

>80

Tb of Data Collected from Drone Surveying

28M

CY of Material Excavated

24

Miles of Piling Driven

23K

CY of Concrete Placed

3,508

Trees Planted

1,077

Acres of Native Grasses Planted

US Army Corps of Engineers®

800

Boulders Placed at Drayton Dam

850K

CY of Material Excavated for the Southern Embankment & OHB Levee

42K

CY of Concrete Placed at the Red River Structure

16

Miles of Piling Driven at RRS

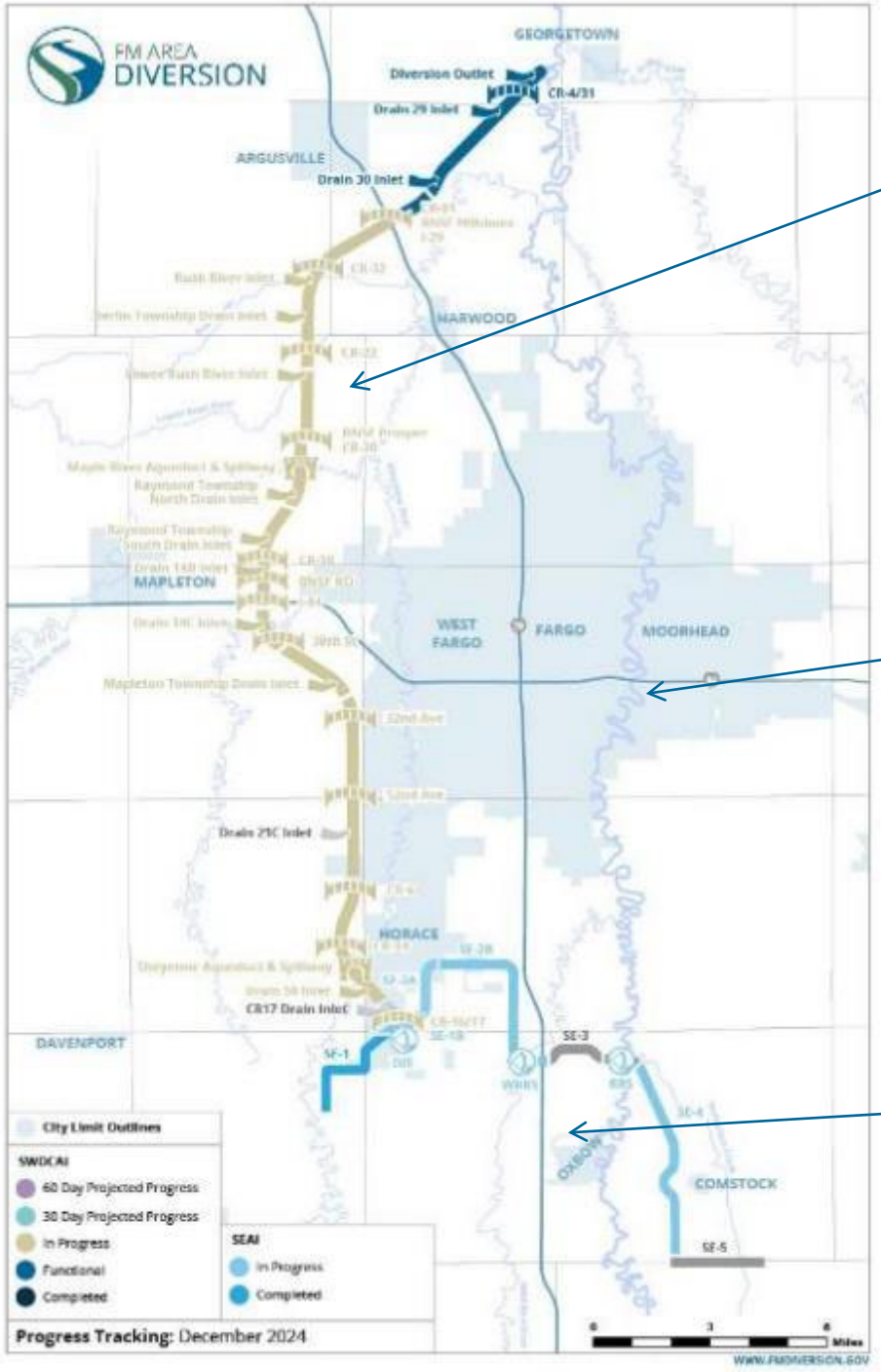
THE CITY OF Fargo FAR MORE

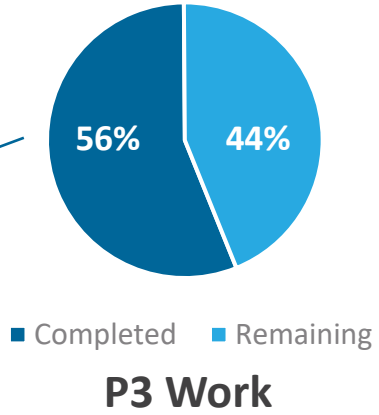
MOORHEAD MINNESOTA

6

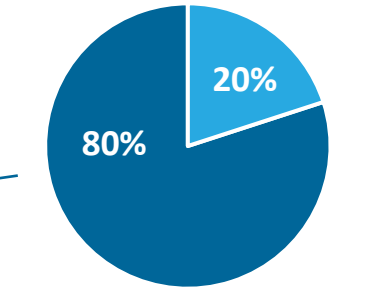
Stormwater Lift Stations Worked On

METRO FLOOD DIVERSION AUTHORITY

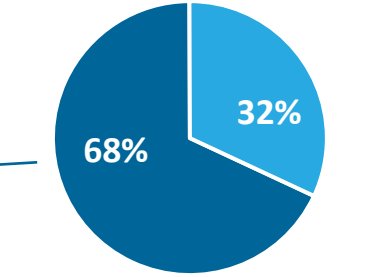




P3 Work



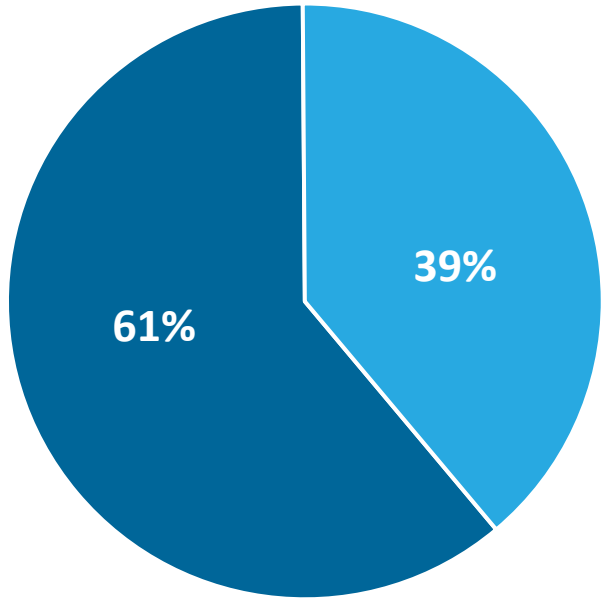
In-Town Work



Federal Work

METRO FLOOD DIVERSION AUTHORITY

Construction Completion



FM Area Diversion Total



Red River Structure

METRO FLOOD DIVERSION AUTHORITY

2025 MFDA Priorities



METRO FLOOD DIVERSION AUTHORITY

Onboard Jason Benson

- New MFDA executive director
- Former Cass County engineer
- Significant project experience
- Brigadier general in the Minnesota Army National Guard
- Start date: Feb. 1, 2025



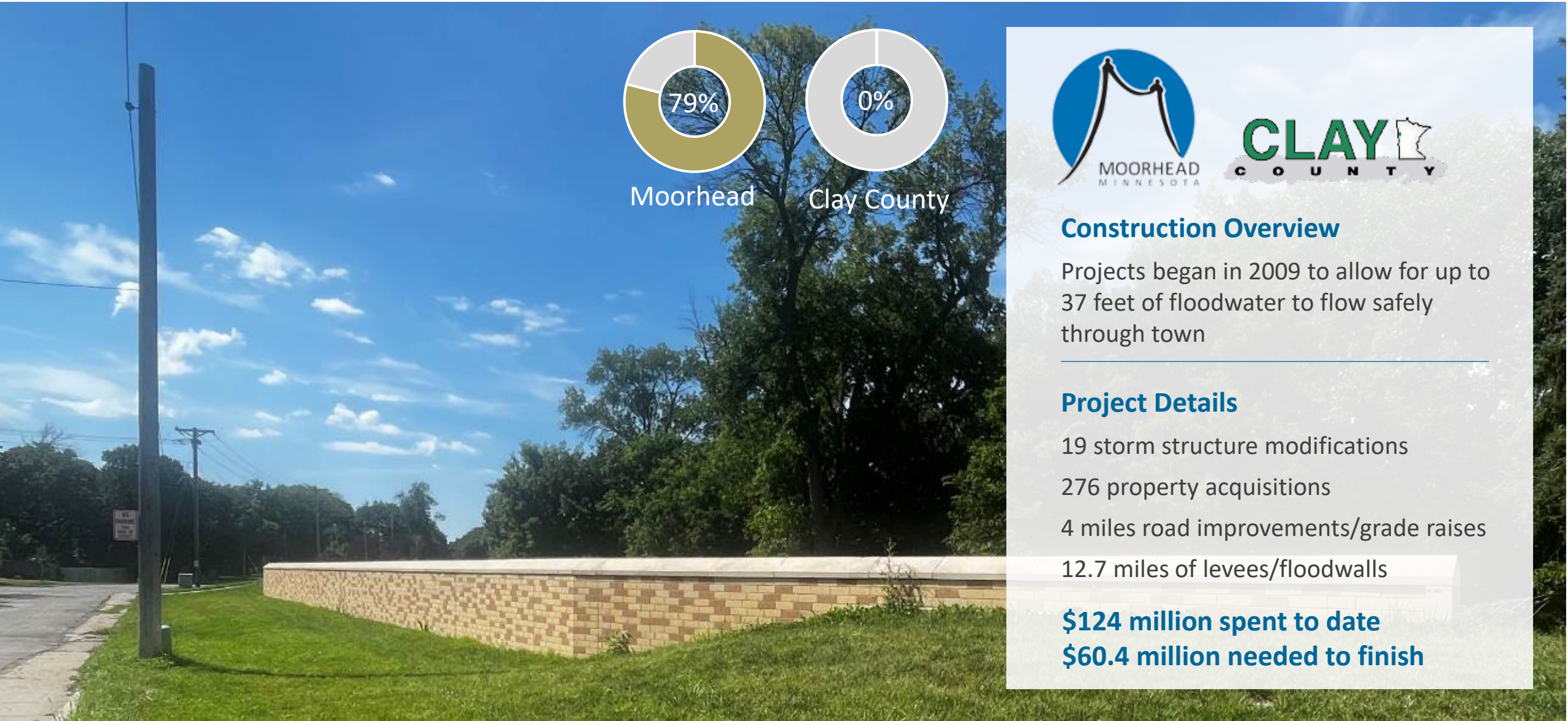
METRO FLOOD DIVERSION AUTHORITY

Develop 5-Year Strategic Plan

- Address Board challenges as the organization transitions from construction to O&M, ensuring sustainable operations and financial stability.
  - Administration of Funding & Finance Model
  - Board Policy & Guidance
  - Staffing & Transition Plan
  - Litigation/Conflict Management

In-Town MN Flood Protection To-Date

METRO FLOOD DIVERSION AUTHORITY



MOORHEAD MINNESOTA

CLAY COUNTY

Construction Overview

Projects began in 2009 to allow for up to 37 feet of floodwater to flow safely through town

Project Details

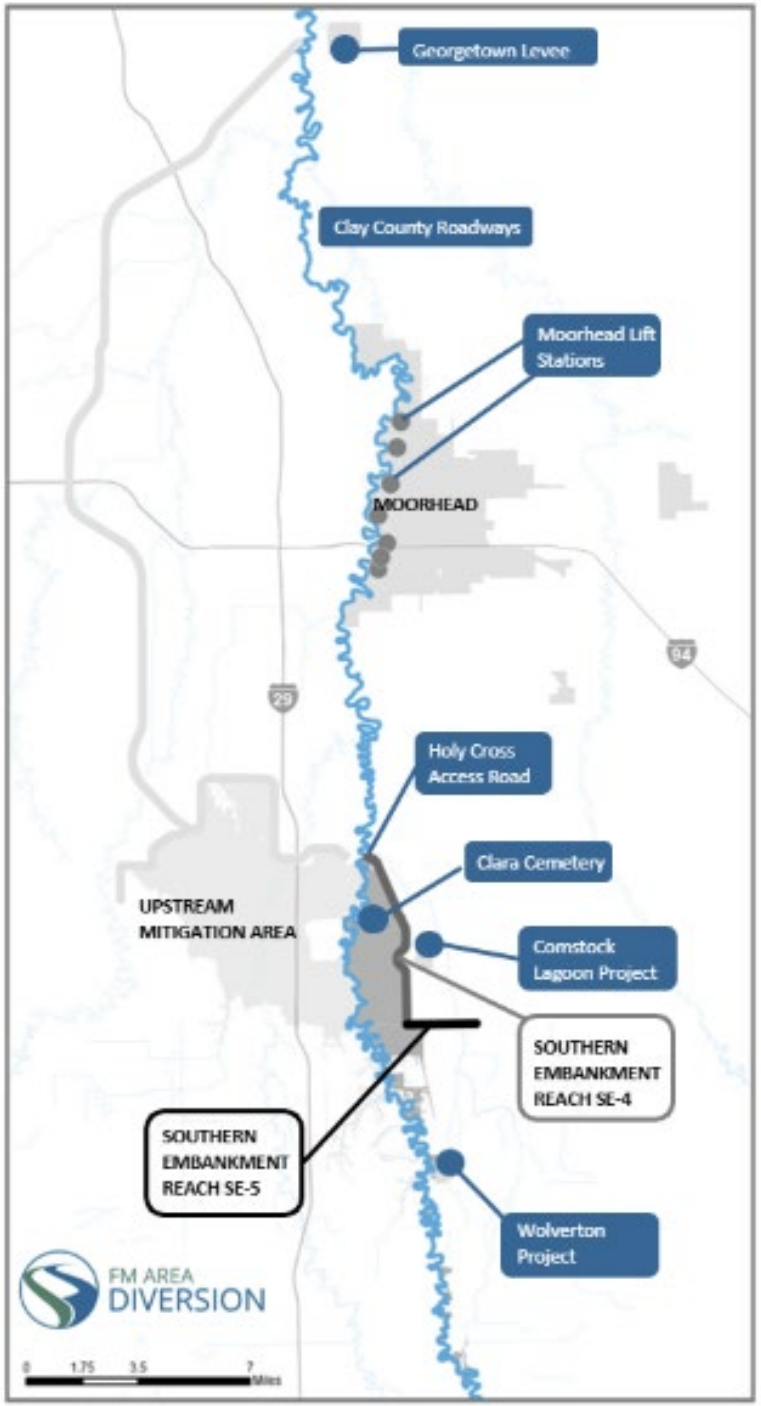
19 storm structure modifications

276 property acquisitions

4 miles road improvements/grade raises

12.7 miles of levees/floodwalls

$124 million spent to date
$60.4 million needed to finish



METRO FLOOD DIVERSION AUTHORITY

Secure MN Funding

$60.4 million being requested from the DNR's Flood Damage Reduction Program

CLAY COUNTY

Clay County Roadways	$11 million
Comstock Lagoon Project	$5 million
Holy Cross Access Road	$1.1 million
Southern Embankment Property Acquisition	$2.2 million
Clara Cemetery	$2 million
Georgetown Levee*	$6.5 million
Wolverton Project*	$16.6 million
Total:	**$44.4 million**

MOORHEAD MINNESOTA

7 Flood Control Lift Station Improvements	$16 million
Total:	**$16 million**

MN Funding Resolution

Approved by the MFDA Board in November 2024

Clay Count Legislative Priorities:
https://claycountymn.gov/2092/Legislative-Priorities

RESOLUTION SUPPORTING MINNESOTA ENTITIES REQUEST
FOR FUNDING FROM THE MINNESOTA LEGISLATURE

WHEREAS, the City of Moorhead and Clay County, Minnesota, are Member Entities of the Metro Flood Diversion Authority (the Authority); and

WHEREAS, the City of Moorhead is one of the three Non-Federal Sponsors of the Fargo-Moorhead Metropolitan Area Flood Risk Management Project (the "FM Diversion Project"); and

WHEREAS, the Authority was created to coordinate and oversee the construction, operation and maintenance of the FM Diversion Project; and

WHEREAS, the FM Diversion Project will benefit the City of Moorhead and Clay County by reducing flooding from the Red River in the City of Moorhead and in Clay County; and

WHEREAS, the City of Moorhead and Clay County, Minnesota, formed the Moorhead Clay County Joint Powers Authority (the "MCCJPA") to acquire lands in Minnesota and to foster cooperation between the City of Moorhead and Clay County regarding requests for funding and FM Diversion Project activities occurring within Minnesota; and

WHEREAS, the City of Moorhead and Clay County, Minnesota, intend to request funding from the State of Minnesota as set forth herein during the 2025 Minnesota Legislative Session and have requested that the Authority formally support that request; and

WHEREAS, the Authority finds that it is in the best interests of the FM Diversion Project to support the 2025 Minnesota Legislative Requests of City of Moorhead and Clay County, Minnesota.

NOW, THEREFORE, BE IT RESOLVED BY THE DIVERSION AUTHORITY BOARD THAT: The Authority supports funding requests of the City of Moorhead and Clay County, Minnesota, as described in Exhibit A, and will support such efforts.


Wild Rice River Structure

METRO FLOOD DIVERSION AUTHORITY

Construction Commissioning and O&M Transition Plan

- P3 Transition Plan
  - Oversee construction closeout
  - Determine MFDA's O&M role
- USACE Asset Transfer Plan
  - Develop plan ensuring accountability and oversight
- In-Town Maintenance



METRO FLOOD DIVERSION AUTHORITY

Long-Term Priorities

- Flood Fight Coordination
  - Define roles/responsibilities for leading/coordinating flood responses with USACE and developer before substantial completion
- Post-Completion Plan
  - Develop flood response strategy for P3 operational phase of the P3

Discussion / Q&A



www.FMDiversion.gov

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
1/15/2025

A Bill for an Act to provide an appropriation for defraying the expenses of the department of water resources.

1:59 p.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Martinson, Richter, Sanford and Hanson.

Discussion Topics:

- 2025 Budget request

2:00 p.m. Reice Haase, Director of the North Dakota Department of Water Resources and Secretary to the State Water Commission spoke in favor and submitted testimony #29196, #29197, and #29198.

2:34 p.m. Chris Kadrmas, Department of Water Resources, presented additional testimony and submitted testimony #29319

Additional written testimony:

Ron Lisko, Southwest Water Authority, submitted testimony in favor #28418

Jonathan Fortner, Lignite Energy Council, submitted testimony in favor #29055

Dan Wogsland, Lobbyist, North Dakota Grain Growers, submitted testimony in favor #29183.

Cale Dunwoody, FMWF Chamber of Commerce, submitted testimony in favor #29193

Matt Perdue, North Dakota Farmers Union submitted testimony in favor #29222

Ryan R. Jilek, Stark Development Corporation, submitted testimony in favor #29241

Jennifer Feist, Valley City-Barnes County Development, submitted testimony in favor #28248

2:44 p.m. Chairman Nathe closed the meeting.

Steven Riehl, Committee Clerk

Testimony on Behalf of Southwest Water Authority
Regarding the Benefits to Southwest North Dakota

From:
Ronald Lisko
445 West Broadway
Dickinson, ND 58601
rlisko@ndsupernet.com
701-290-4018

Chairman Vigesaa and member of the House Appropriations committee, I am writing today in support of House Bill 1020 and specifically the support for the Southwest Pipeline Project.

I am currently retired from Job Service North Dakota, where I worked for more than 36 years, the last being as the customer service manager in Dickinson. Prior to that, I was a teacher at South Heart High School for two years. I also worked several jobs during my high school and college years, including two summers at the Dickinson Water Treatment Plant. I lived in Dickinson for all but two years and am reaching my 81st year of age shortly.

I strongly support a positive review and approval regarding actions and funding related to Southwest Water and other state water projects. During my life in Dickinson, I have lived several years with water delivery from Patterson Lake. Although the lake is a huge benefit to our community, I also easily recall many situations, over the years, where the water distribution to the City of Dickinson was quite precarious. As a Camper and water skier at the lake, the green water of algae certainly gave an incentive not to fall while skiing. I also recall several years where drought conditions worried the City Fathers and Local Citizens regarding water quality, even to the extent of having to recycle wastewater.

During my early years at Job Service in Dickinson, I served as the Rural Representative serving the 8 SWND counties. In that capacity I traveled, about three days per week, to the local cities and towns in that area. I stopped at many cafes and other facilities during my trips. It was not unusual, in many cases, that I was a bit wary about drinking the water due to the off taste or brownish color.

Luckily the past Legislators felt a need to create Southwest Water Authority to build and administer projects bringing Lake Sakakawea water to the western communities of North Dakota. This has been, perhaps, one of the greatest benefits for our area regarding health, economics, recreation, growth and other aspects.

However, the project benefits must continue to be funded to assure the maintenance of these facilities, inclusion of other communities in our region, and the extension into other areas of the State of North Dakota where water needs continue to exist.

In addition, I live about a block away from Southwest Water Authority's main facility in Dickinson. I am impressed with the buildings at the site, the maintenance of those buildings and the grounds surrounding it. I also appreciate the staff and board and their work regarding this entity. I urge all legislative officials to vote for bills regarding Southwest Water Authority and other water benefits.

Lignite Energy Council
LEADING THROUGH ADVOCACY AND INNOVATION

January 14, 2025

Chairman Nathe and House Appropriations- Education and Environment Committee Members,

We are writing in support of House Bill 1020, which seeks to allocate funding for general counsel to the Department of Water Resources. This measure is essential to safeguarding North Dakota's water rights, a cornerstone of our industries and our state's future.

Water is not only a vital natural resource but also a foundation of economic stability in North Dakota. Our agriculture, energy, and industrial sectors depend on reliable access to water to sustain operations, drive economic growth, and support thousands of jobs. Threats to our state's water rights—whether through federal overreach, interstate disputes, or other external pressures—put these industries and the livelihoods they support at risk.

In recent years, we have seen increasing challenges to state control over water resources, including proposed federal regulations that could undermine our authority. The complexity and significance of these issues demand legal expertise and dedicated resources. The Department of Water Resources requires general counsel with the specific mandate to defend against these threats, ensuring that North Dakota retains the authority to manage its water for the benefit of its citizens and industries.

This is not just about protecting a resource; it's about defending North Dakota's sovereignty, securing economic stability, and preserving our ability to grow and innovate. Without this investment in legal counsel, we risk losing the ability to effectively counter regulatory and legal challenges that could have far-reaching consequences for our state.

I urge you to support HB1020 and to provide the Department of Water Resources with the tools it needs to protect North Dakota's water rights and ensure the continued success of our industries and communities.

Thank you for your consideration,

Jonathan Fortner
VP of Government Relations
Lignite Energy Council

1016 E. Owens Ave. | PO Box 2277 | Bismarck, ND 58502
701.258.7117 www.lignite.com LEC@lignite.com

North Dakota Grain Growers Association
Testimony in Favor of
HB 1020
House Education and Environment Division
January 15, 2025

Chairman Nathe, Members of the House Appropriations Education and Environment Division, for the record my name is Dan Wogsland. I am here today on behalf of the North Dakota Grain Growers Association in support of HB 1020 especially as it pertains to the new attorney position contained in the budget.

NDGGA strongly supports the addition of a new attorney position within the Department of Water Resources as proposed in HB 1020. Water is a critical resource for our state's agricultural industry, and having adequate legal expertise within the department is essential for addressing the complex water issues that impact our members.

We believe this new attorney position will provide several key benefits:
1. Enhanced legal support for water projects and policies that affect agricultural producers
2. Improved ability to navigate federal and state water regulations
3. Stronger advocacy for North Dakota's water interests in regional and national forums
4. More efficient resolution of water rights and access issues

NDGGA views this position as a wise investment that will help protect and maximize our state's water resources for the benefit of agriculture and all North Dakotans. Therefore, Chairman Nathe, Committee members, NDGGA would respectfully request the Committee to support the inclusion of this new attorney position in the final appropriations for the Department of Water Resources and would hope that the full House Appropriations Committee and the full House concur.

Thank you for your consideration. I would be happy to answer any questions.

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Letter of Support – HB 1020

Wednesday, January 15, 2025

Chairman Nathe and Members of the House Appropriations Committee - Education and Environment Division,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of House Bill 1020, specifically as it relates to the Red River Valley Water Supply Project (RRVWSP).

Our region is extremely grateful for the North Dakota Legislative Assembly's steadfast support and continued investment for critical water projects. For example, the FM Diversion which protects our region from the unpredictable Red River. This generational project is vital to the long-term growth of our community, providing permanent flood protection for thousands of North Dakota residents and businesses.

As our state and region continue to grow, so will the demand for water. The RRVWSP will serve as a key asset for many communities across central and eastern North Dakota – providing access to a sustainable supply of water. This project will not only mitigate drought conditions but will foster economic development by meeting growing residential and industrial water demands. The RRVSWP is a crucial component to the health and economic vibrancy of our region and the state of North Dakota.

As this committee considers House Bill 1020, we encourage funding the RRVWSP at an adequate level to ensure its timely completion.

Thank you for your attention to this matter and your commitment to North Dakota.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

January 15, 2025

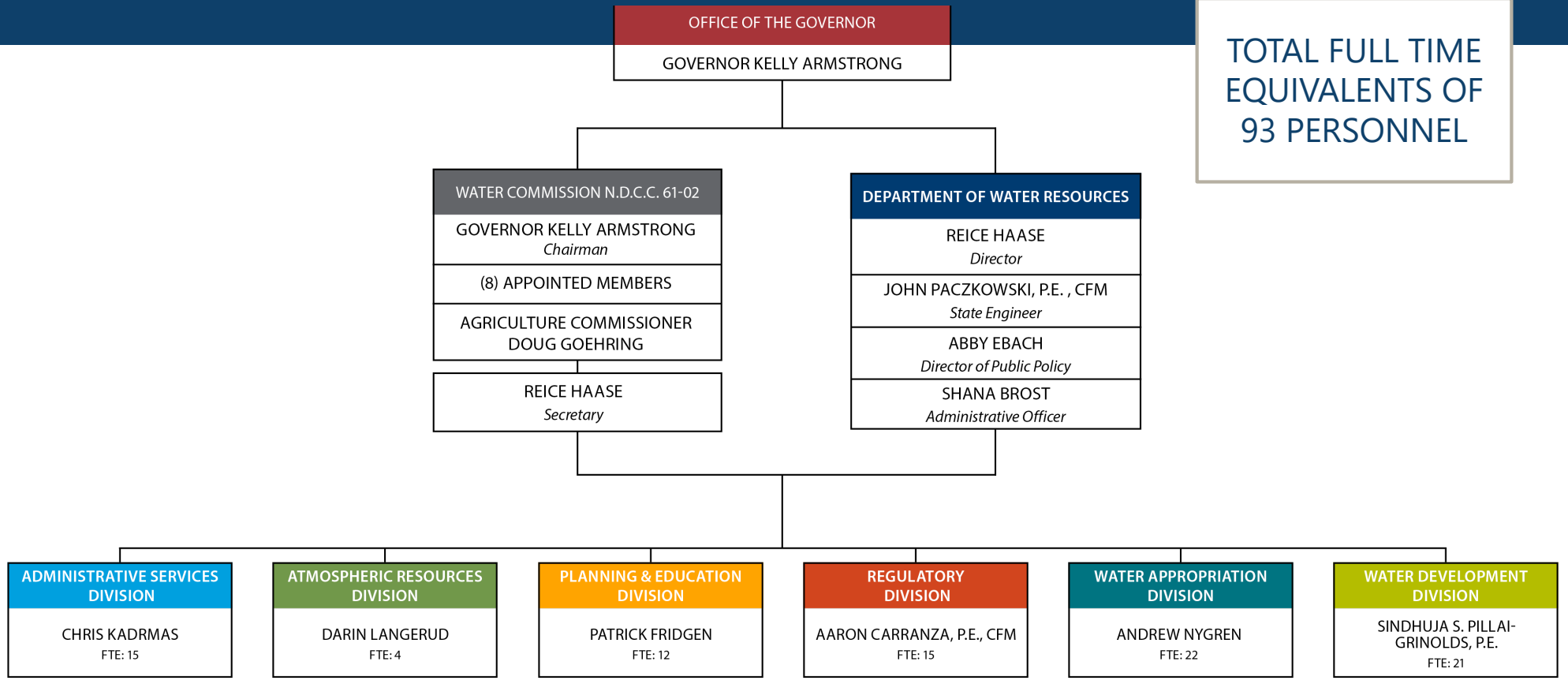
NORTH DAKOTA DWR

NORTH Dakota | Water Resources
Be Legendary.

DWR OVERVIEW
AGENCY & BUDGET

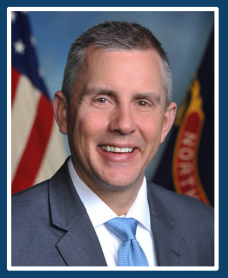
House Appropriations, Education & Environment Division
House Bill 1020 | 69th Legislative Assembly

DWR ORGANIZATIONAL CHART



TOTAL FULL TIME EQUIVALENTS OF 93 PERSONNEL

WATER COMMISSION



SWC Chair
Governor Armstrong



Ag. Comm.
Goehring



Secretary
Reice Haase



Gene Veeder
Upper Missouri River Basin



Jason Zimmerman
Mouse River Basin
Reappointed



Jeff Frith
Devils Lake Basin



Michael Anderson
Lower Red River Basin



James Odermann
Little Missouri, Upper Heart,
& Upper Cannonball River
Basins



Jay Volk
Lower Missouri River Basin



Connie Ova
James River Basin



April Walker
Upper Red River Basin
Reappointed



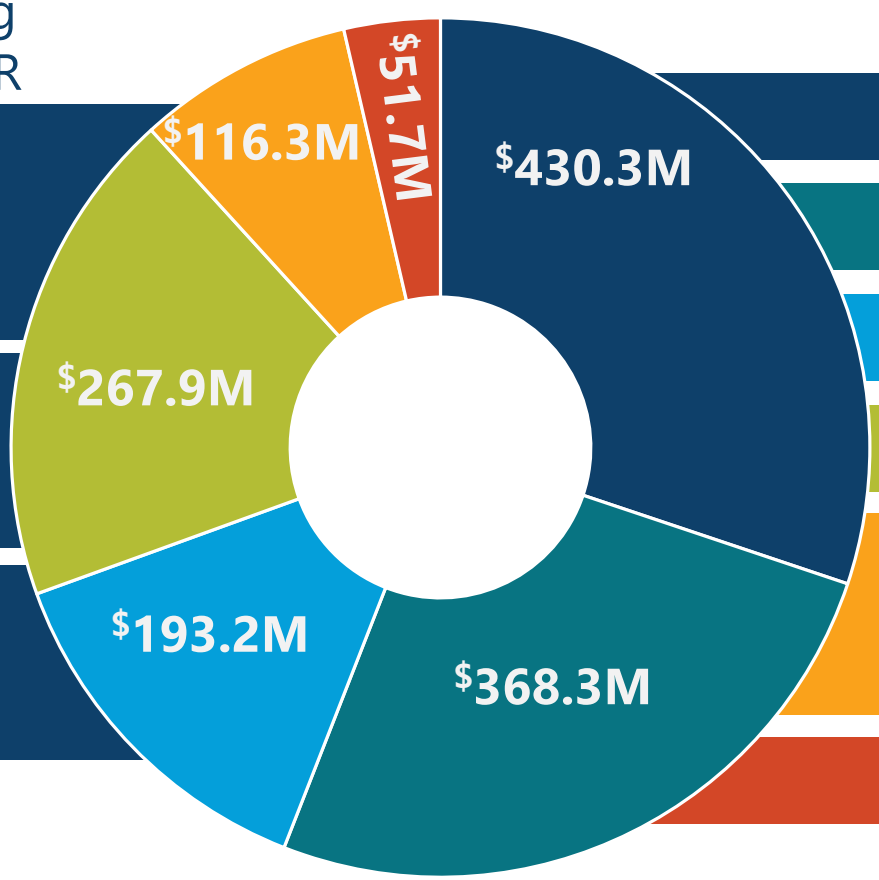
DWR BUDGET & WATER DEVELOPMENT PLANNING

Potential Funding Needs From DWR

2025-2027
$1.4B

2023-2025
$1.05B

2021-2023
$0.64B



REGIONAL WATER SUPPLY

MUNICIPAL WATER SUPPLY

FLOOD CONTROL

RURAL WATER SUPPLY

CONVEYANCE
(Bank Stabilization,
Snag & Clear, & Drains)

GENERAL WATER

2025 WATER DEVELOPMENT PLAN INVENTORY

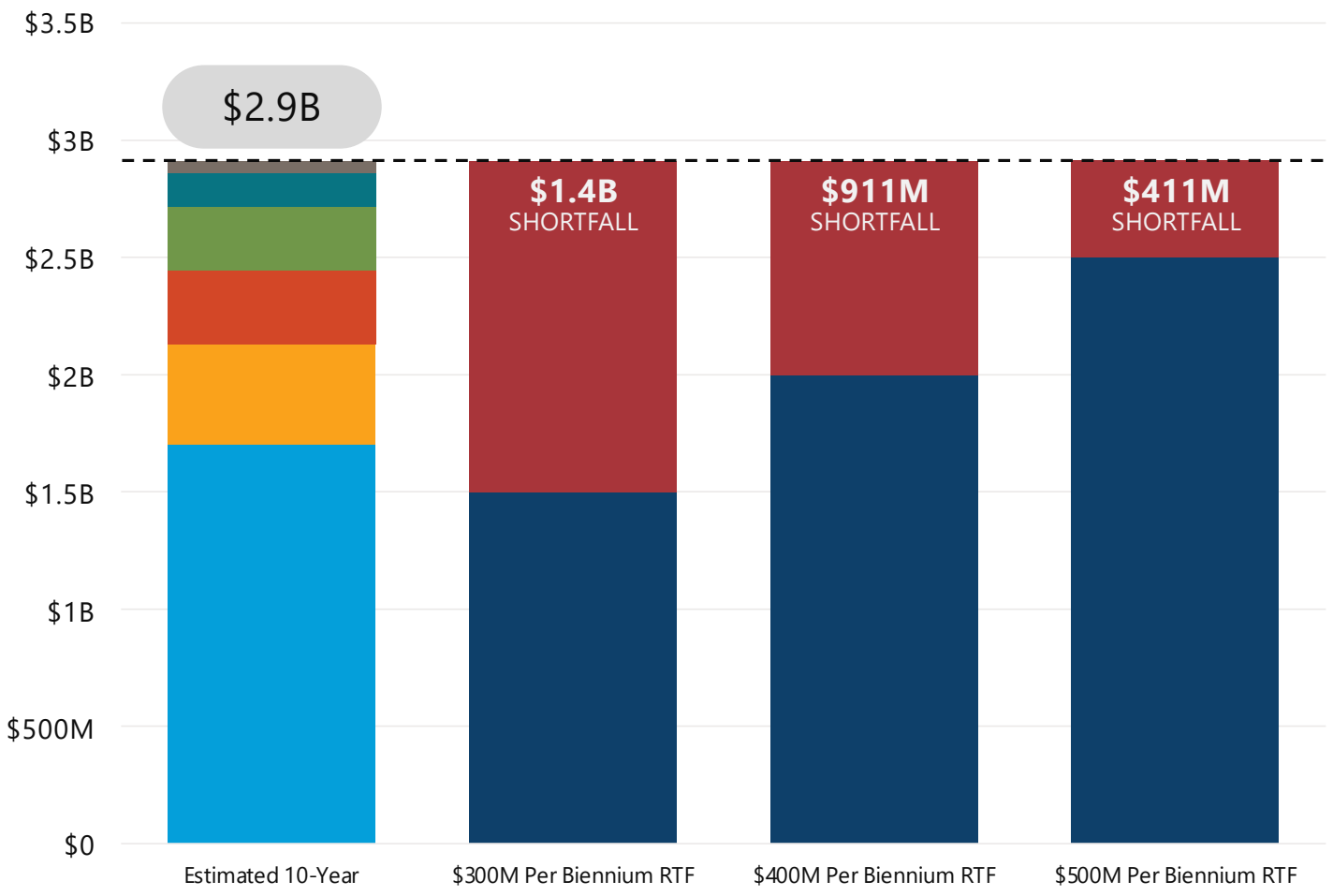
2025-2027 PROJECT & PURPOSE FINANCIAL NEEDS SUMMARY

ESTIMATED DWR SHARE BY PRIORITY

Project Purposes	Water Development Plan Inventory Project Needs		
	High Priority	Moderate Priority	Low Priority
Flood Control (Total = $307.9M)	**$190.2**	**$54.5**	**$63.2**
Heart River - Mandan	$8.6	-	-
Mouse River Enhanced Flood Protection	$76.1	-	-
Other Flood Control	$16.5	$0.9	$0.5
South Bismarck	$73.0	-	-
Valley City Permanent Flood Protection	$16.0	-	-
Water Conveyance	-	$53.6	$62.7
General Water (Total = $51.8M)	**$8.6**	**$40.1**	**$3.1**
Rural Water Supply (Total = $267.9M)	**$5.3**	**$61.3**	**$201.3**
Water Supply (Total = $635.7M)	**$267.5**	**$16.9**	**$351.3**
Municipal	-	$16.9	$351.3
Red River Valley Water Supply	$221.0	-	-
Western Area Water Supply	$46.5	-	-
State Owned Projects (Total = $164.4M)	**$164.4**	**$0.0**	**$0.0**
Devils Lake Outlets	$1.7	-	-
Northwest Area Water Supply	$12.7	-	-
Southwest Pipeline Project	$150.0	-	-
TOTAL IDENTIFIED NEEDS ($1.4B)	**$635.9**	**$172.8**	**$618.9**

10-YEAR PROJECTIONS

- Water Supply
- Flood Control
- Agency Operations
- Rural Water
- Other Flood Control & Conveyance
- General Water Management
- Resources Trust Fund (RTF)
- State Shortfall



HB 1020: DWR BUDGET SUMMARY

	2023-2025 Base Level	Increase/ (Decrease)	2025-2027 Executive Rec.
Salaries & Wages	$22,998,148	$4,370,123	$27,368,271
Operating Expenses	$56,625,923	$19,938,888	$76,564,811
Capital Assets	$124,136,712	$81,944,849	$206,081,561
Water Supply Projects	$316,200,000	($77,467,199)	$238,732,801
Rural Water Supply	$52,000,000	($6,200,000)	$45,800,000
Flood Control Projects	$115,700,000	$13,400,000	$129,100,000
General Water Projects	$12,000,000	$4,972,500	$16,972,500
Discretionary Projects	-	$5,000,000	$5,000,000
TOTAL	**$699,660,783**	**$45,959,161**	**$745,619,944**
Full Time Equivalents (FTE)	**93**	**7**	**100**

HB 1020: DWR BUDGET SUMMARY

2023-2025 **SALARIES & WAGES** Base	$22,998,148
Cost To Continue Adjustment & New & Vacant FTE Funding	$2,032,214
Salary & Health Insurance Increase	TBD
7 FTE (Admin, NAWS, & Regulatory)	$1,951,172
Cost To Continue Adjustment For SWC Members & Temporary/Overtime	$220,714
Board Of Water Well Contractors Administrative Services	$66,023
Internship Program	$100,000
2025-2027 SALARIES & WAGES EXECUTIVE RECOMMENDATION	**$27,368,271**

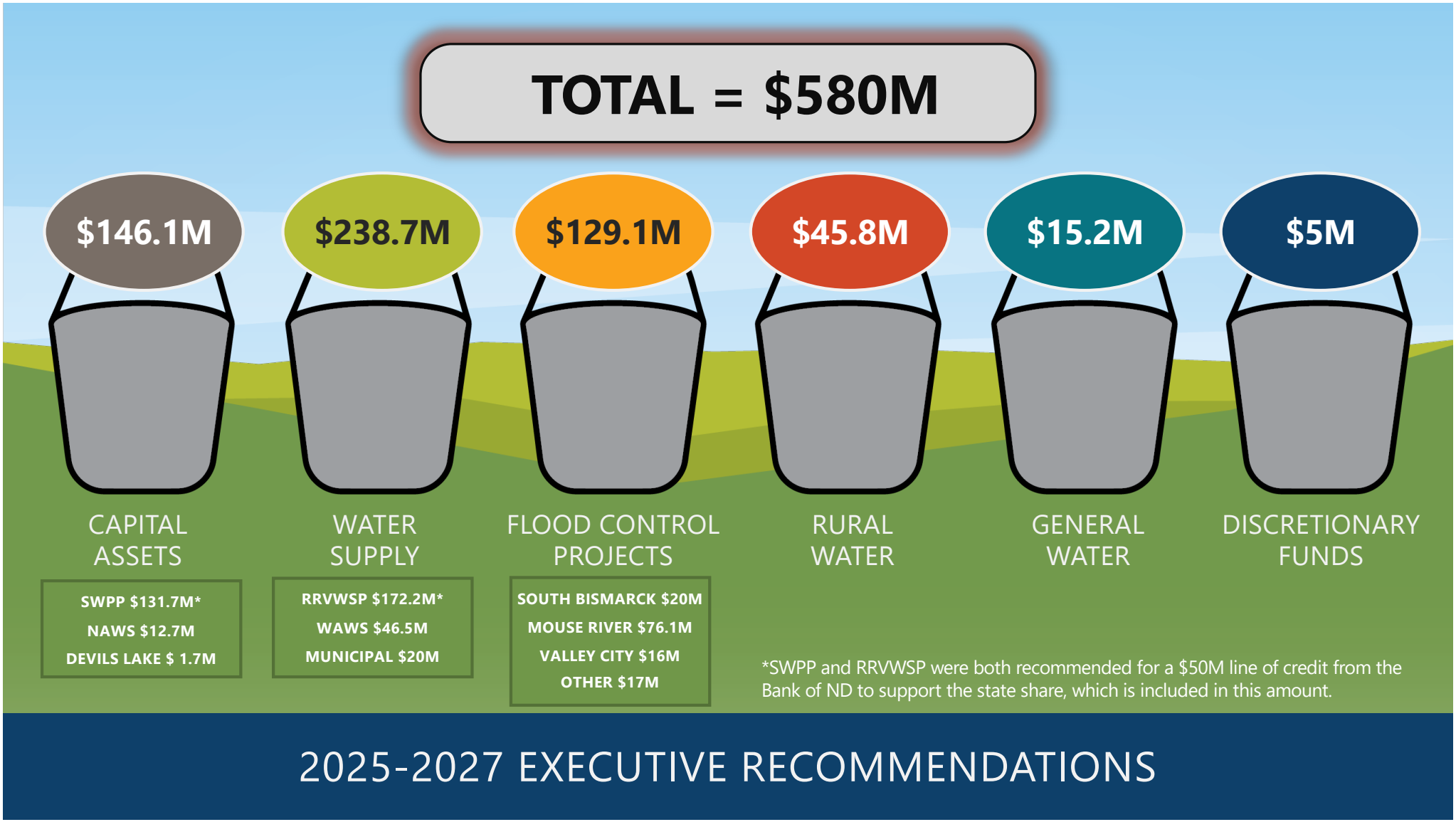
	Base	Request	Recommendation
Full Time Equivalents (FTE)	**93**	**7**	**100**

HB 1020: DWR BUDGET SUMMARY

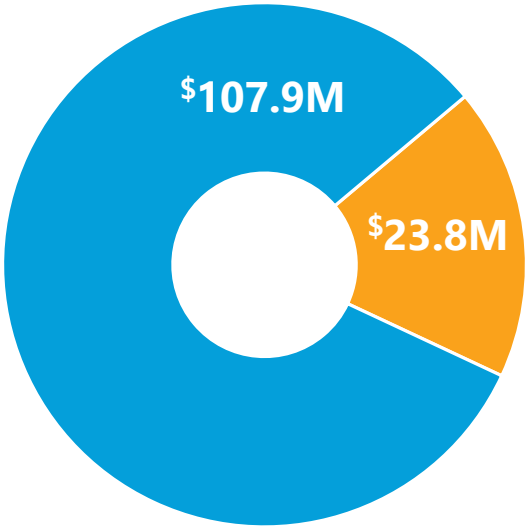
2023-2025 **OPERATING EXPENSES** Base	$56,625,923
Base Level Funding Adjustments ($1,171,104 Reduction To Meet Governor's Guidance & Shifted $2,680,374 From Capital Assets)	$1,509,270
Biota Water Treatment Plant Operations (Federal Funds)	$6,900,000
Operating Expenses Related To 7 FTE ($197,465 Is Federal Funds)	$392,630
Cost To Continue SWC Members (Travel, IT Equipment Replacement Cycle, & Professional Development)	$85,200
Adjust Funding For Professional Services For SWPP (All One-Time)	$8,400,000
Missouri River Intake Study Phase II (All One-Time)	$600,000
Increase Federal Spending Authority (Regulatory)	$2,051,788
2025-2027 OPERATING EXPENSES EXECUTIVE RECOMMENDATION	**$76,564,811**

HB 2020: DWR BUDGET SUMMARY

2023-2025 **CAPITAL ASSETS** Base	$124,136,712
Base Level Funding Adjustments ($716,415 Reduction To Meet Governor's Guidance, Reduced $3,600,699 & Shifted $2,680,374 To Operating)	($4,317,114)
Equipment For The New NAWS Operator FTE	$10,000
State Owned Water Project Funding (All One-time)	$85,311,963
Emergency Pumps (All One-Time)	$480,000
Excavator Replacement (All One-Time)	$400,000
Data Logger Replacement (All One-Time)	$60,000
2025-2027 CAPITAL ASSETS EXECUTIVE RECOMMENDATION	**$206,081,561**


TOTAL = $580M
$146.1M
$238.7M
$129.1M
$45.8M
$15.2M
$5M
CAPITAL ASSETS
SWPP $131.7M*
NAWS $12.7M
DEVILS LAKE $ 1.7M
WATER SUPPLY
RRVWSP $172.2M*
WAWS $46.5M
MUNICIPAL $20M
FLOOD CONTROL PROJECTS
SOUTH BISMARCK $20M
MOUSE RIVER $76.1M
VALLEY CITY $16M
OTHER $17M
RURAL WATER
GENERAL WATER
DISCRETIONARY FUNDS
*SWPP and RRVWSP were both recommended for a $50M line of credit from the Bank of ND to support the state share, which is included in this amount.
2025-2027 EXECUTIVE RECOMMENDATIONS

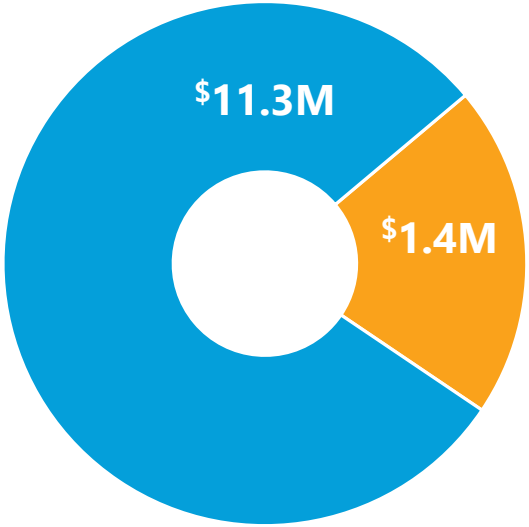
SOUTHWEST PIPELINE PROJECT
$131.7M



Engineering Fees - Operating Expenses

Construction Costs - Capital Assets

NORTHWEST AREA WATER SUPPLY PROJECT
$12.7M



Engineering Fees - Operating Expenses

Construction Costs - Capital Assets

25-27 STATE OWNED WATER PROJECTS $146.1M

DWR 2023-2025 BUDGET: OPTIONALS

OPTIONAL REQUESTS	2023-2025 BIENNIUM
3 FTE	$724,718
1 Full Time Temp - NAWS	$170,000
Motor Pool Rate Increase	$118,180
IT Standardization, Applications, & Security	$5,615,764
PRESENS Installations & Temp Salaries	$1,572,800
Drilling Supply Cost Increases	$180,000
Navigability Study	$180,000
AEM Survey Technology	$750,000
Groundwater Modeling/Analysis Software	$94,665
Professional Development	$80,000
Full Time Temp - FTE Conversion Funding Only	$61,609
Bowman Radar Replacement	$1,800,000
New Drilling Rig	$1,800,000
Office Modifications	$200,000
*RiskMAP - *Federal Funding Spending Authority*	*$100,000**
TOTAL OPTIONAL REQUESTS	**$13,447,736**

DWR 2025-2027 BUDGET: OPTIONAL REQUESTS

- Federal Funding

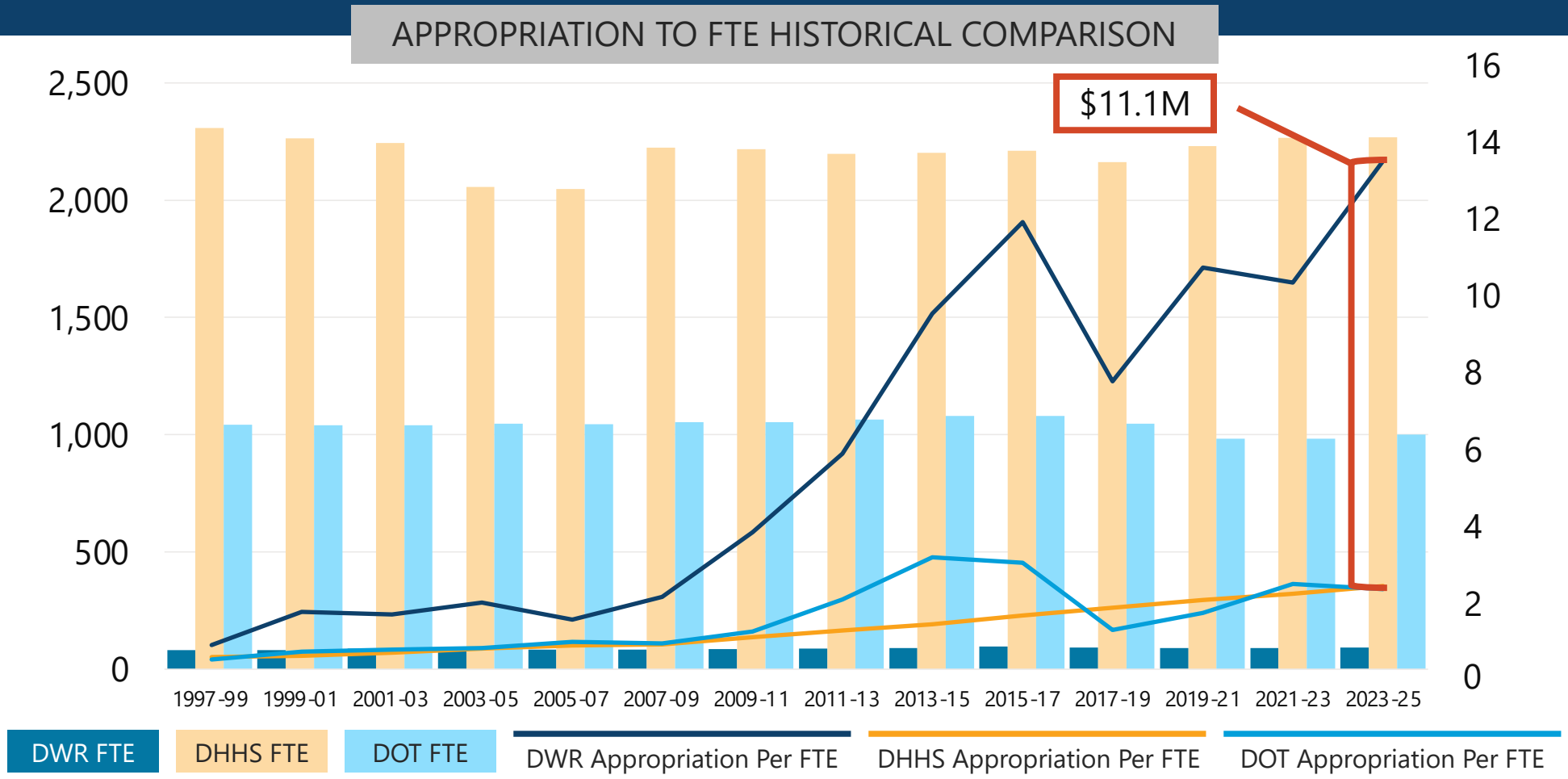
7 Full Time Equivalents (FTE)

OPTIONAL REQUESTS	EXECUTIVE RECOMMENDATION
NAWS Biota Water Treatment Plant Operations	$6,900,000*
(One-Time) Emergency Pumps Replacement	$480,000
(One Time) Excavator Replacement	$400,000
(One Time) Data Logger Replacement	$60,000
(One Time) Missouri River Intake Sites Field Investigation	$600,000
Cost to Continue SWC Expenditure, Temp Salary, & Overtime Adjustments	$305,914
Board of Water Well Contractors	$66,023
Internship Program	$100,000
Federal Spending Authority	$2,051,788*
TOTAL OPTIONAL REQUESTS	**$10,963,725**

2025-2027 FTE REQUESTS

FTE Requests	Executive Recommendation	
	Federal Funds	Special Funds
Accountant/Budget Specialist	-	$312,774
Deputy Director	-	$456,972
NAWS Operator (Water Rate Funded)	-	$380,893
General Counsel	-	$482,253
Assistant NFIP Coordinator	$250,028	$83,345
RiskMAP Program Specialist	$372,004	$0
Silver Jackets Coordinator	$0	$15,533
TOTAL	**$622,032**	**$1,731,770**
TOTAL ALL FUNDS	**$2,353,802**	
TOTAL FTE	**7**	

ACCOUNTANT & BUDGET SPECIALIST



DEPUTY DIRECTOR

The Presence Of An Deputy Director Would Create A Resilient Leadership Structure, Ensuring The Department Can Maintain Consistent Operations In The Director's Absence

The Deputy Director Would Understand The Whole Of The Department & Be Able To Step In As Acting Secretary At Commission Meetings, Represent The Department At National & International Meetings & Legislative Committee Commitments

Nearly Every Department Across ND State Government Has At Least One Deputy Director

7.6 Meetings Per Workday

1,348 DWR Director Attended Meetings

576 State Engineer Attended Meetings On Behalf Of The Director

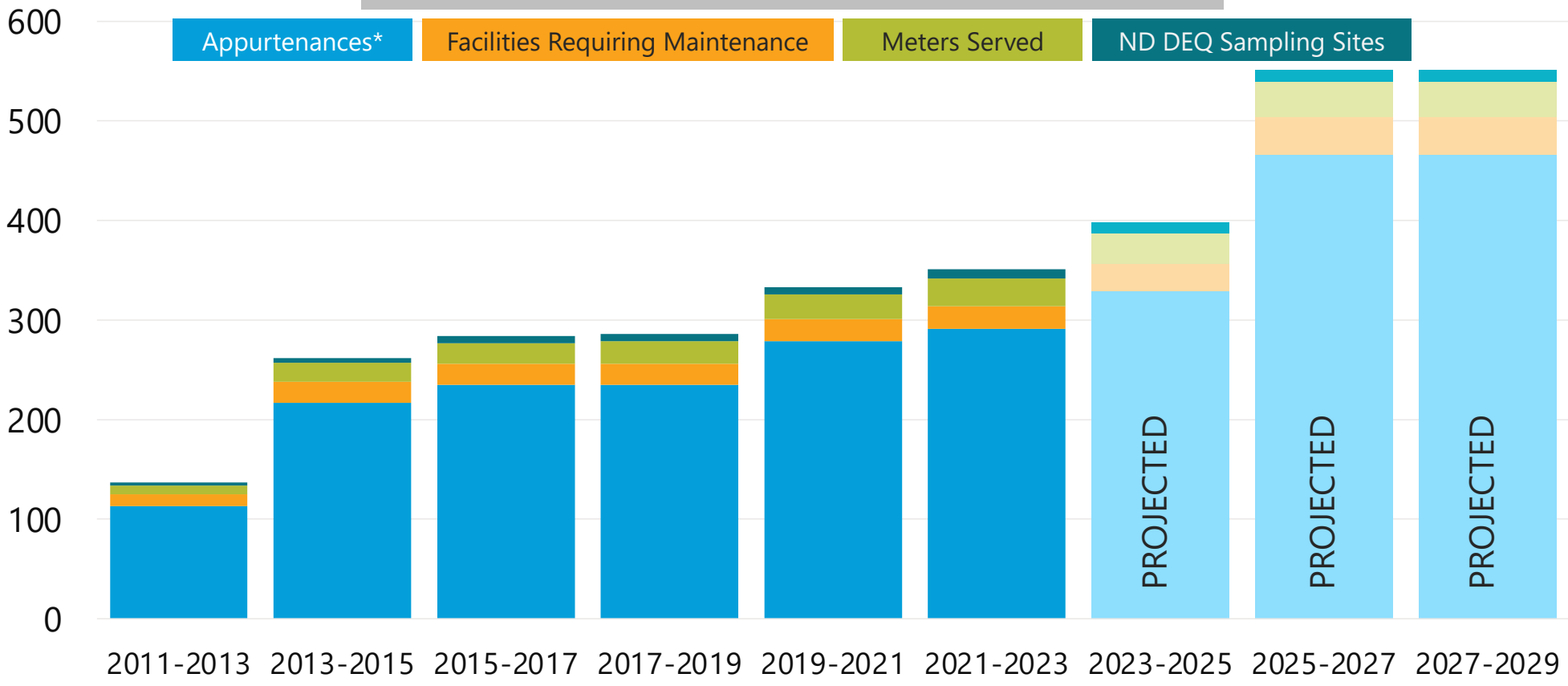
~45* Boards, Commissions, Councils, & Associations The DWR Is Tasked To Monitor Or Represent The State

*Various DWR team members represent DWR at joint water boards, watershed boards, and other similar entities, that neither the Director or State Engineer can attend due to other demands. The ability for high-level leadership to interact at more board and association meetings would improve the state's collaboration and partnerships.

NAWS OPERATOR

Paid By Water Rates

LOCATIONS WITH OPERATOR RESPONSIBILITIES



* Supply line from Lake Sakakawea to Minot will likely begin operations near the end of the 23-25 biennium which will add 46 miles of pipeline and numerous additional facilities.

GENERAL COUNSEL

AGENCY IN-HOUSE LEGAL SERVICES COMPARISON			
Agency	Attorneys	Other Legal Support	Total Legal Support In-House
Transportation	2	8 (hearing officers) (3 FTE, 5 Temp)	10
Trust Lands	1	1	2
Public Service Commission	2	0.5	2.5
Agriculture	1	0	1
Environmental Quality	0	1	1
Water Resources	**0**	**0**	**0**

ASSISTANT NFIP COORDINATOR

75% Federal Funded

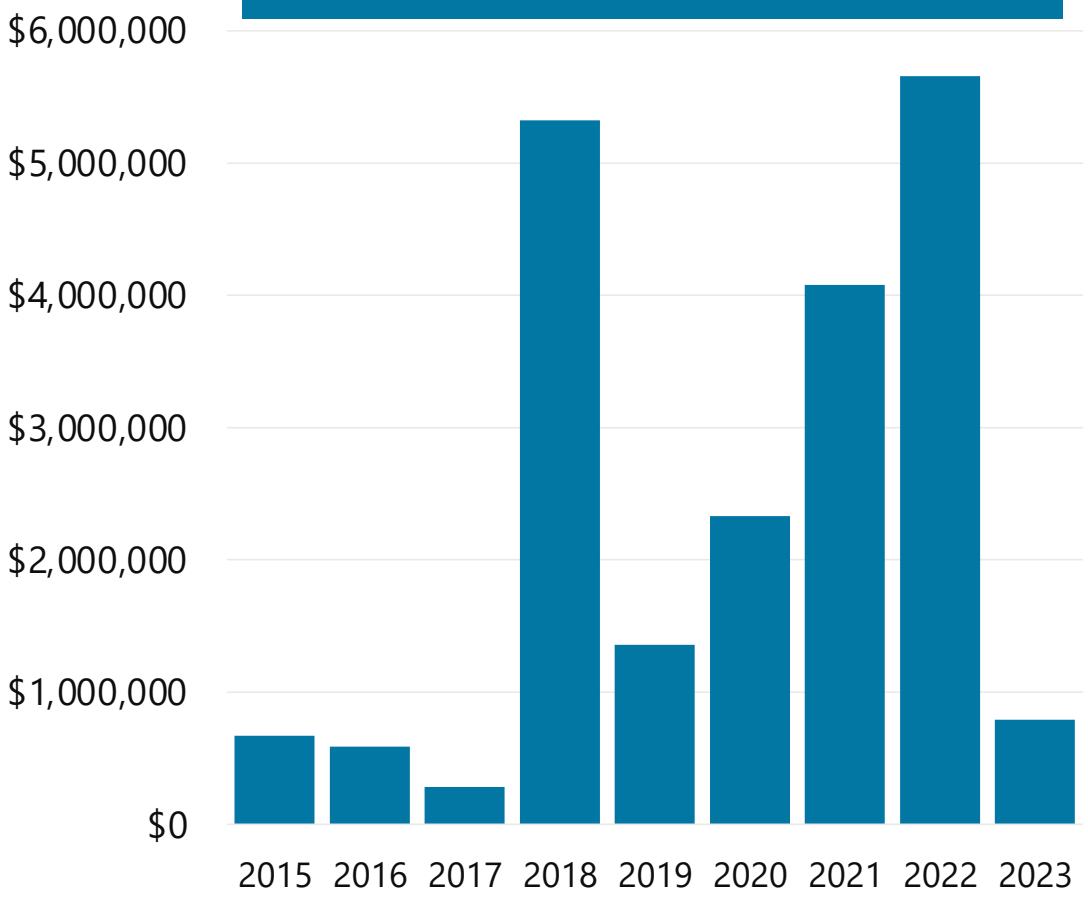
OTHER FEMA REGION 8 STATES & NUMBER OF COMMUNITIES PER FTE OF NFIP COORDINATING TEAM

State	Communities	FTE
Wyoming	85	1 (85 comm./FTE)
Montana	136	3 (45 comm./FTE)
Utah	229	2 (115 comm./FTE)
Colorado	256	3 (85 comm./FTE)
North Dakota	**339**	**1 (339 comm./FTE)**

RISKMAP PROGRAM SPECIALIST

100% Federal Funded

RISKMAP GRANT AWARDS PER YEAR

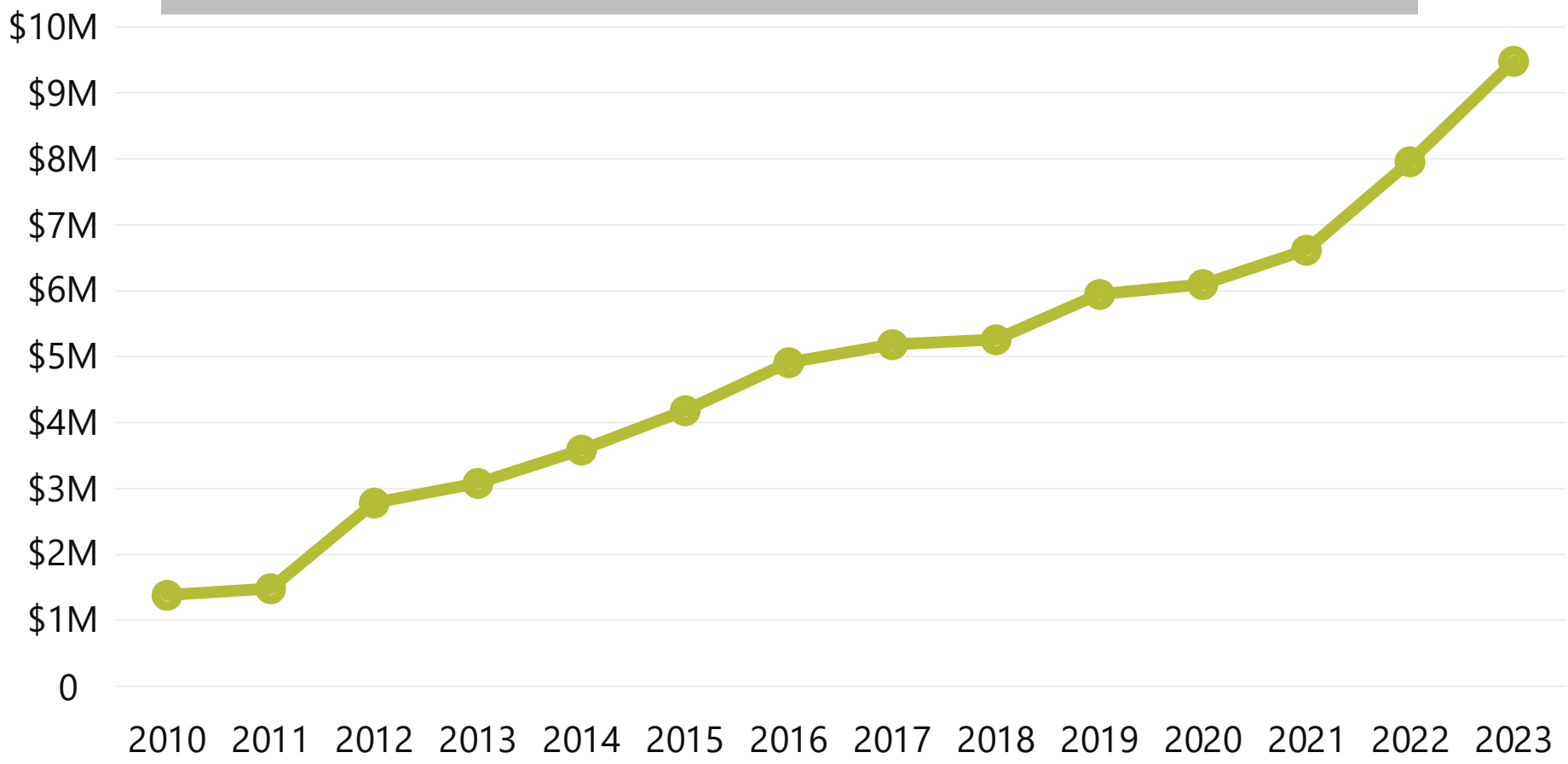


FEMA REGION 8 COOPERATIVE TECHNICAL PARTNER STATES FTE SUPPORT OF THE RISKMAP PROGRAM

Program	FTE
Montana	4
Colorado	3
Utah	3
North Dakota	**1**

SILVER JACKETS COORDINATOR

ACCUMULATION OF ALL GRANTS ASSISTED BY SILVER JACKETS PROGRAM



HB 1020: DWR BUDGET SUMMARY

OTHER SECTIONS IN HB 1020

The Following Sections Were Included In The Executive Recommended Version Of HB 1020



- A Section Appropriating Any Additional Amounts In The Resources Trust Fund To The DWR
- A Section Authorizing 2023-25 Biennium Appropriations For Water Projects To Be Carried Over Into The 2025-27 Biennium
- A Section Identifying $42.5 Million Of The Special Funds In Section 1 Is From The Water Project Stabilization Fund
- A Section Identifying The Allowable Uses Of Discretionary Funding
- A Section Authorizing Line-item Transfers
- A Section Authorizing A $100 Million Line Of Credit For SWPP ($50M) & RRVWSP ($50M)
- A Section Authorizing The DWR To Employ An Attorney
- A Section Allowing The DWR To Employ Any Number Of Full-Time Positions As Funding Allows

HB 1020: DWR BUDGET SUMMARY

EMERGENCY CLAUSE

An Emergency Clause Has Been Provided For Water Related Funding Since The 63rd Legislative Assembly - This Provision Is Beneficial Because



- It Allows Project Sponsors To Bring Forward 2025-27 Biennium Projects For The State Water Commission To Approve Prior To The End Of The 2023-25 Biennium
- The Ability To Approve These Projects Early Allows The Possibility Of Beginning Construction In The Early Part Of The 2025-27 Biennium
- If An Emergency Clause Is Not Provided, Construction In Most Cases Doesn't Occur Until The Spring Or The End Of The First Fiscal Year Of A Biennial Budget



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THANK YOU

701.328.2750

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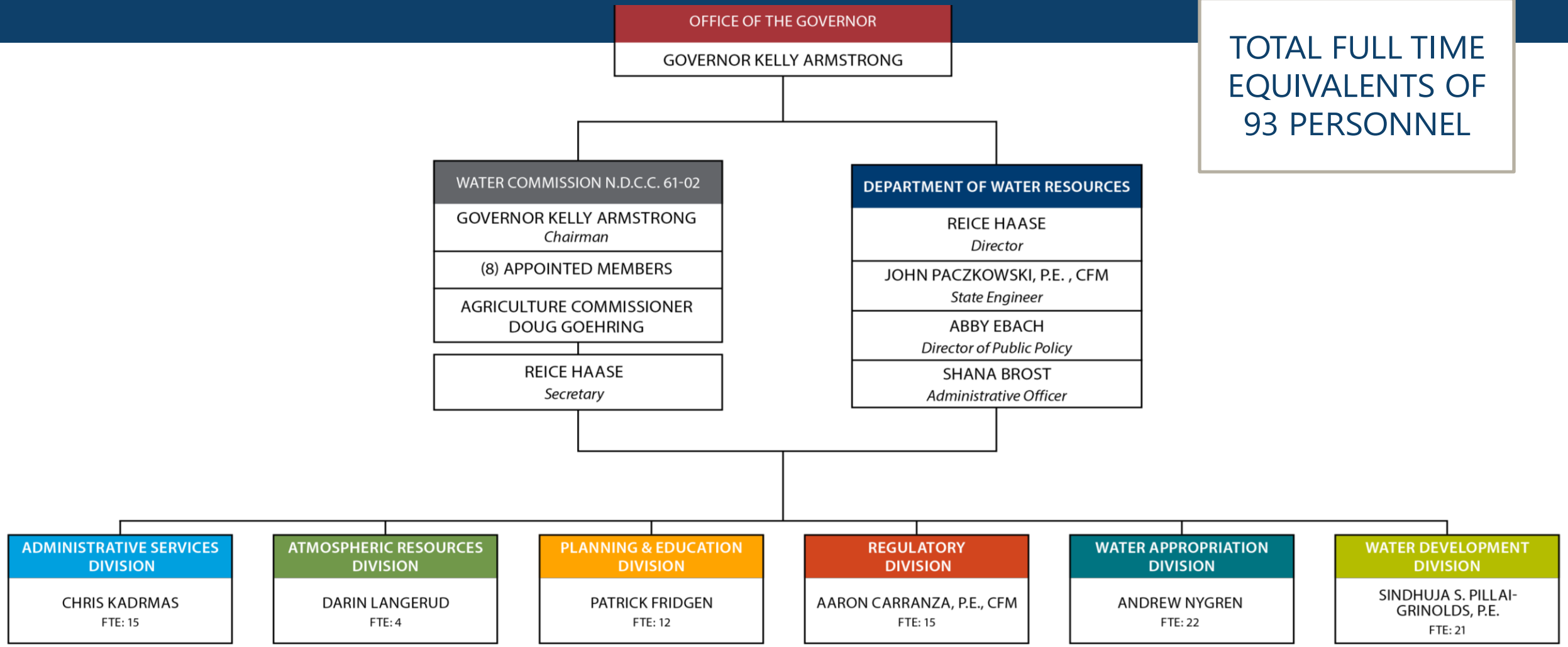
/NDWaterResources

DWR ORGANIZATIONAL CHART



TOTAL FULL TIME EQUIVALENTS OF 93 PERSONNEL



DWR FTE REQUEST SUMMARY

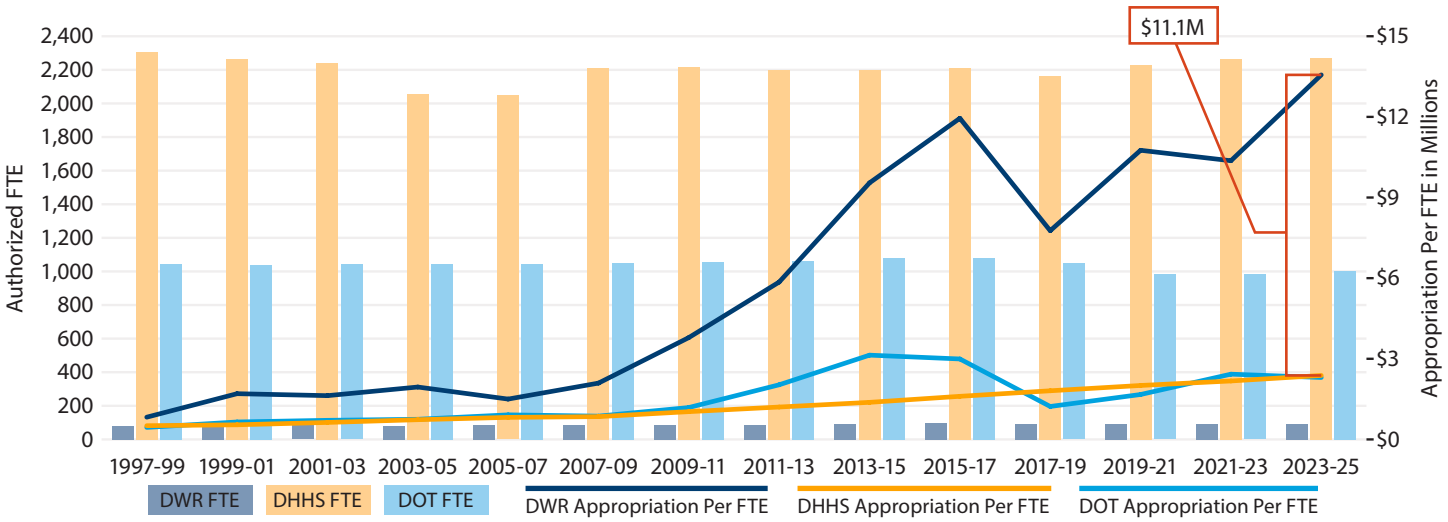
The following includes a summary of FTE positions being requested as part of DWR's 2025- 2027 budget proposal. Specific details and metrics are available in detailed one-page summaries (attached).

NEW FTE Requests			
Position	Division	FTE Request	Funding Source
Accountant	Administration	1 FTE	State
Deputy Director	Administration	1 FTE	State
NAWS Operator	Development	1 FTE	NAWS Users
General Counsel	Administration	1 FTE	State
Assistant NFIP Coordinator	Regulatory	1 FTE	+75% Federal +25% State
RiskMAP Program Specialist	Regulatory	1 FTE	+100% Federal
Silver Jackets Coordinator	Regulatory	Convert	No Change

ADMINISTRATION DIVISION

Accountant/Budget Specialist (1 FTE)

Appropriation To FTE Historical Comparison



DWR's appropriation has surged by **$1.2 billion** or 1,759% since 1997. The DWR's sole Accountant/Budget Specialist occupies a pivotal role in the agency's financial process, having immense responsibility across domains critical for operational integrity and fiscal accountability. Responsibilities include:

- Accuracy and Transparency: Adherence to accounting best practices, fiscal policy, and reconciling financial statements.
- Mitigating Risk: Reviewing and verifying expenditures to safeguard against any misallocation or non-compliance with federal and state regulations.
- Procurement: Oversees agency procurement processes, OMB's vendor maintenance program and year-end reporting.
- Reporting: Managing accounts receivable, optimizing collections, and preparing fiscal and audit reports.
- Verification: Processing, monitoring and reconciling $1.1 billion cost-share program.

The Accountant/Budget Specialists are guardians of the agency's financial integrity, entrusted with the task of ensuring every dollar is accounted for, every regulation meticulously adhered to, and every decision rooted in fiscal prudence.

Metrics

1,759% Increase in DWR appropriation since 1997 Legislative Session and 0 accountants added.

25K Transactions processed biannually.

Why An FTE is Necessary

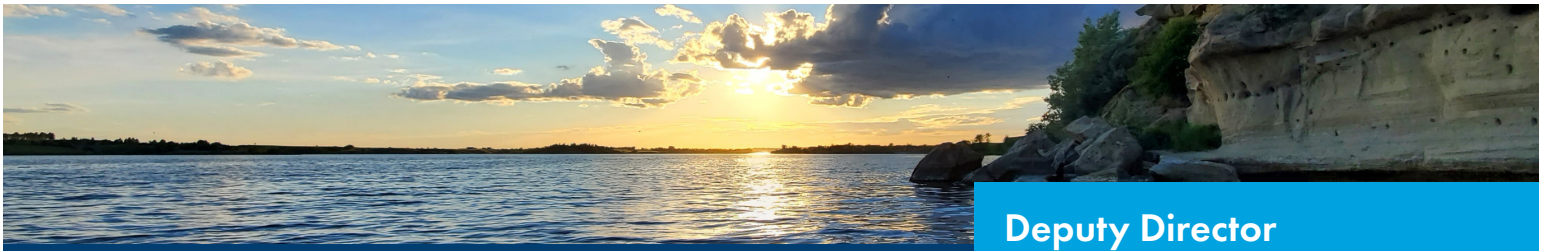
- Vital accounting tasks are being done by team members not specialized in financial or accounting best practices such as engineers and meteorologists.
- Additional responsibilities to property account for and monitor federal funds passed through to Minot for the operation of the NAWS WTP..
- Increased funding for water projects has resulted in requests for more financial reports along with increased funding source reporting requirements.
- Additional Accountant/Budget Specialist FTEs would be able to provide managers with revenue and expenditure analyses to check for errors, for development of more accurate divisional budgets, and assistance for contracts and procurement.

Metrics

$13.5M Total appropriation per DWR FTE – an increase of $12.7M since the 1997 Legislative Session.

$2.4M Appropriation per FTE of other similar agencies.

NORTH Dakota | Water Resources
Be Legendary.

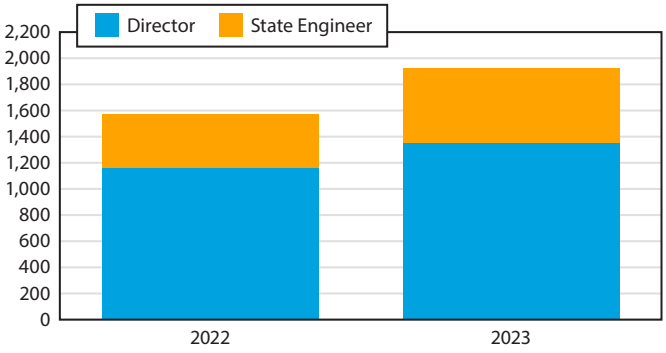


DEPARTMENT OF WATER RESOURCES

Deputy Director (1 FTE)

House Bill 1353, passed in the 2021 legislative session, established the Department of Water Resources (DWR), replacing the State Water Commission and the Office of the State Engineer. The DWR Director, appointed by the governor, serves as a Cabinet member, serves as the Secretary to the State Water Commission (Commission), and advocates for sound water management at the local, regional, tribal, national, and international levels. Collaborative approaches and high-level engagement continues to increase as heightened awareness of shared and competing water needs evolves, along with growing competition for state cost-share for water development projects. In response to the Director's expanding responsibilities in safeguarding state interests in water-water related matters, a Deputy Director becomes crucial to represent both the state and DWR under the Director's oversight.

Historical Meeting Comparison



Metrics (2023)

7.6 Meetings per workday.

1,348 DWR Director attended meetings.

576 State Engineer attended meetings on behalf of the Director.

~45* Boards, Commissions, Councils, and Associations the DWR is tasked to monitor or represent the state.

*Various DWR team members represent DWR at joint water boards, watershed boards, and other similar entities, that neither the Director or State Engineer can attend due to other demands. The ability for high-level leadership to interact at more board and association meetings would improve the state's collaboration and partnerships.

Why An FTE Is Necessary

- The State Engineer has been acting in a dual role as an Deputy Director, pulling the main focus of the position from crucial regulatory responsibilities.
- The Deputy Director would ensure a broader and more effective representation for the state in water-related issues by engaging with various entities concurrently, which also include tribal, national, and international responsibilities.
- The Deputy Director would assist in conversations related to increasing demand for water related to economic development.
- By distributing responsibilities between the Director and Deputy Director, the Department could address evolving demands more strategically, optimizing their efforts and resources for a more targeted approach.
- The Deputy Director's specialized expertise could enhance the Department's ability to navigate complex challenges, providing a deeper understanding of technical, legal, and policy intricacies for informed decision-making.
- The presence of a Deputy Director would create a resilient leadership structure, ensuring the Department can maintain consistent operations in the Director's absence.
- The Deputy Director would understand the whole of the Department and be able to step in as Acting Secretary at Commission meetings, represent the Department at national and international meetings and legislative committee commitments.
- Nearly every department across ND state government has at least one Deputy Director.

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WATER DEVELOPMENT DIVISION

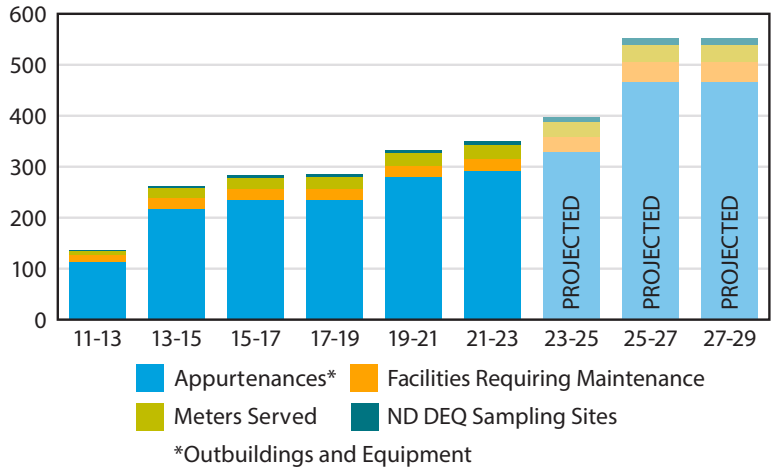
NAWS Operator (1 FTE)

The Northwest Area Water Supply (NAWS) project has been under construction since 2002. Construction has continued, and NAWS has been adding customers and infrastructure as project buildout continues. A full-time operator position was filled in 2010. As NAWS continues to expand, an additional FTE is needed to support the operations and provide 24-hour monitoring and response for one of North Dakota's largest water supply projects.

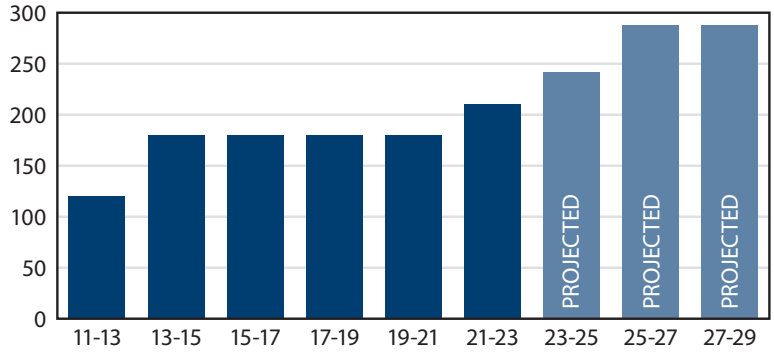
The NAWS Operator will assist with extensive ND Department of Environmental Quality (DEQ) sampling and reporting, reading meters for billing, operations and maintenance of facilities, locating infrastructure in response to one call requests, coordinating repairs and maintenance with contractors, coordination with customer entities, and being responsive to pipe breaks or other emergencies. This position will additionally develop a routine maintenance schedule for the entire NAWS system.

All costs for the NAWS Operator will be funded through the water rate from NAWS project customers. The requested FTE position will have an office located at the Lansford Pump Station and be required to have a Water Distribution System Class II certification as required by DEQ.

Locations With Operator Responsibilities



Miles Of Pipeline In Service



* Supply line from Lake Sakakawea to Minot will likely begin operations near the end of the 23-25 biennium which will add 46 miles of pipeline and numerous additional facilities.

Why An FTE Is Necessary

- Currently, DWR has one FTE and one long-term temporary upkeeping a system that will one day serve **one in ten North Dakotans**. As the build-out of NAWS continues, the operations require the position for ongoing safety, redundancy, and support of the entire NAWS system.
- Continued build-out of NAWS has increased the population served, number of facilities requiring maintenance, miles of pipeline in service, as well as travel time between facilities. The treated water distribution system includes **242 miles of pipeline**, and travel time to cover the full distribution system is over **five and a half hours**.
- The system includes 38 facilities that require regular maintenance, and approximately 500 appurtenances that needs attention at least once a year.

One Call Requests In NAWS Project Area

Year	Requests
2021	236
2022	303
2023	402

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ADMINISTRATION DIVISION

Legal Support: General Counsel (1 FTE)

The Department of Water Resources (DWR) has a long history of requiring legal services to sustainably manage and develop North Dakota's water resources. DWR's responsibilities include project development; appropriation of surface and ground water rights; and regulating drainage, dams, floodplain management, and ND's sovereign lands - all of which require a significant amount of legal support and knowledge of water law.

The gained efficiency of having in-house legal support would mean the legal staff would be consistently aware of all agency actions, and both internal and external decisions.

Why General Counsel (1 FTE) is Necessary:

The Assistant Attorney General currently supporting DWR through the Attorney General's (AG) Office is often requested to consult on water issues for other agencies and boards such as the Dept. of Environmental Quality, ND Game and Fish, ND Parks and Recreation, Dept. of Agriculture, Dept. of Trust Lands, and the Public Service Commission.

In addition to continued services from the AG's Office, the DWR is proposing an in-house General Counsel to support the DWR's needs. With the increasing complexity of construction contracts, development of MOUs with Tribal Nations regarding water rights, growing federal overreach, and general water disputes, DWR finds itself in need of specialized legal services and a FTE dedicated solely to supporting these important initiatives.

Other Considerations

- The DWR has committed to developing policy and guidelines transparently to ensure public awareness and understanding. As these policies are developed, legal counsel support in-house would optimize the direction and review considerations.
- Until 2018, DWR had a paralegal FTE. During the 2017 Reduction-in-Force, this position was reallocated, and the duties were absorbed by technical staff or in-house directed to the AG's Office. The reduction in legal support has been difficult to overcome with some of the duties remaining subpar and detracting from the technical responsibilities of the larger team.

Agency In-House Legal Services Comparison

Agency	Attorneys	Other Legal Support	Total Legal Support In-House
Transportation	2	8 (hearing officers) (3 FTE, 5 Temp)	10
Trust Lands	1	1	2
Public Service Commission	2	0.5	2.5
Agriculture	1	0	1
Environmental Quality	0	1	1
Water Resources	0	0	0

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REGULATORY DIVISION

Assistant NFIP Coordinator (1 FTE; 75% Federal)

The Department of Water Resources (DWR) supports the Federal Emergency Management Agency's (FEMA) Community Assistance Program - State Support Services Element (CAP-SSSE) through 1 grant-funded FTE (known as the National Flood Insurance Program (NFIP) State Coordinator). The CAP-SSSE grant supports city, township, and county floodplain and emergency managers in their understanding, communicating, and managing of identified flood risks within their communities.

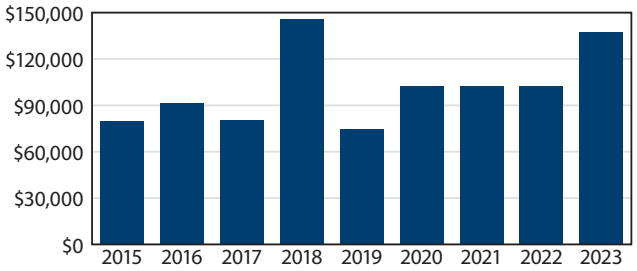
NFIP community support in North Dakota was previously served by 2 FTEs within the DWR, but this was reduced to 1 FTE as a part of the 2017 Reduction-in-Force. However, the complexity of the NFIP program, the available resources, and potential implications for communities and people of North Dakota have all elevated in support needs. There is currently a gap in support for communities that are actively involved or looking to become involved with the NFIP in North Dakota.

The Assistant NFIP Coordinator position is an eligible position to be covered by the CAP-SSSE Grant at a 75% federal cost-share for salary and benefits. The position will enable necessary collaborations and support to communities and enable the state to plan and succeed in managing flood risk for decades to come.

Why An FTE Is Necessary

- The NFIP Township Study (SB 2365; 2023)) and FEMA's Township Study have resulted in an increased number of ND communities joining the program. There are currently 339 communities participating, and DWR is aware of ~50 communities currently considering participation.
- Available grant funding is expected to increase by 28% (to $270,000/year) if ND can meet the local match.
- CAP-SSSE program funding levels are dictated by a secondary level of program tracking called Tiered State Framework (TSF). Tracking two different sets of grant metrics took 160+ hours and 2,200+ pages of evidence in 2022. Grant funding availability is dependent upon these metrics.
- North Dakota is falling behind on community assistance efforts. In 2023, the program was only able to evaluate 2% of participating communities (8) instead of the program's goal of 10% (34).
- With ND's population growth comes additional economic and development growth. Ensuring community decisions are made with a solid understanding of known flood risk is a key mission in the CAP-SSSE program.

CAP-SSSE Grant Awards Per Year



Other FEMA Region 8 States & Number Of Communities Per FTE Of NFIP Coordinating Team

State	Communities	FTE
Wyoming	85	1 (85 comm./FTE)
Montana	136	3 (45 comm./FTE)
Utah	229	2 (115 comm./FTE)
Colorado	256	3 (85 comm./FTE)
North Dakota	338	1 (338 comm./FTE)

Trainings In 2023

- Insurance Agent Training: 136 ND insurance agents
- Floodplain Administrator Training: 41 ND communities
- Elevation Certificate Training: ND Society of Professional Land Surveyors Fall Seminar
- NFIP 101 8-week Virtual Training: Floodplain Administrators, Team ND (Water Resources, Insurance, Transportation, Emergency Services)

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REGULATORY DIVISION

RiskMAP Program Specialist (1 FTE; 100% Federal)

The Department of Water Resources (DWR) supports the research and identification of flood risk in North Dakota through the Federal Emergency Management Agency's (FEMA) Cooperating Technical Partner (CTP), Risk Mapping, Assessment, and Planning (RiskMAP) program. As North Dakota communities continue to prioritize flood risk resilience, assessing and disseminating defensible areas of flood risk is an important step in allowing communities to ideate and deploy resilience measures.

Since 2009, the RiskMAP program has been fully supported through 1 federally-funded FTE within the DWR. Recently, the RiskMAP program oversight has had increasingly complex responsibilities tied to program management through GIS metrics, tracking, and deliverables; while at the same time, RiskMAP funding potential is increasing.

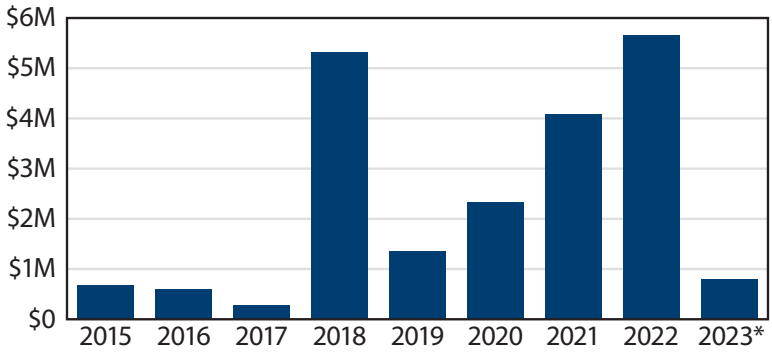
No additional FTE have been provided in support of this program even as demands related to project and grant management have increased. North Dakota is the only FEMA Region VIII Cooperative Technical Partner who services the needs of the Risk MAP program with only one dedicated staff member.

The RiskMAP Program Specialist position would be financed 100% by FEMA funds to support the program and are tied to the continued FEMA funding support.

Why An FTE Is Necessary

- Available grant funding is not being used as DWR does not have the staff to support the use of the funds. With an additional FTE, ND and the DWR would be able to apply for, and leverage, these funds that would enhance state flood risk resilience.
- This FTE would assist with additional tracking metrics and grant reporting required by FEMA on a monthly, quarterly, and annual basis.
- This position will increase outreach and communication with communities statewide to identify areas of need to match or develop resources efficiently, such as Base Level Engineering (a non-regulatory flood risk identification product).
- The FTE would allow increased collaboration with DES to identify projects and opportunities that would be eligible to accelerate statewide flood risk resilience efforts.

RiskMAP Grant Awards Per Year



*Requested amount lower due to current FTE workload capacity.

FEMA Region 8 Cooperative Technical Partner States FTE Support Of The RiskMAP Program

Program	FTE
Montana	4
Colorado	3
Utah	3
North Dakota	1

Reporting Requirements

The RiskMAP program requires monthly, quarterly, and annual reporting which takes a significant amount of time. Metrics vary from grant cycle to grant cycle. State priorities, phase funding, project manager grant cycle, and business plans all contribute to what is submitted in a given year.

166 Monthly tasks reported to FEMA. Of the 166 metrics, 91 of the tasks are actively managed by the DWR.

5 FEMA grant management platforms that requiring quarterly reporting.

2 Weeks How long it takes to develop the quarterly reports. Currently, the report requires 108 metrics.

27 Active grants as of February 2024.

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REGULATORY DIVISION

Silver Jackets Coordinator (Convert Long-Term Temporary to FTE)

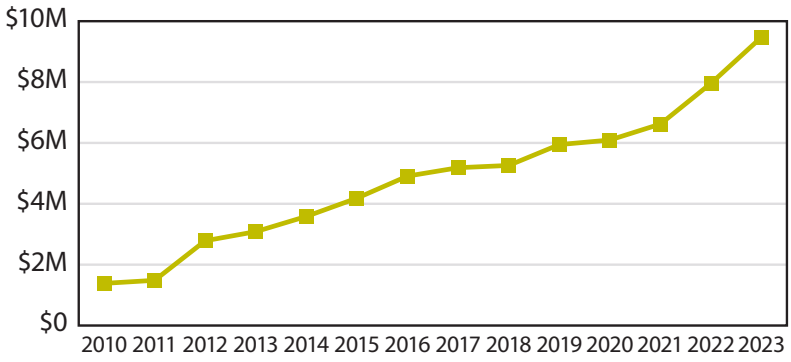
The Department of Water Resources (DWR) supports North Dakota's Silver Jackets team through a single temporary employee (Silver Jackets Coordinator). Silver Jackets teams are interagency (local, state, and federal) teams that facilitate collaborative ideation and solution development to achieve state flood risk resilience priorities. The ND Silver Jackets team has helped secure over $9.4 million in grants to support ND entities for projects such as flood risk reduction feasibility studies, flood forecasting improvements, emergency action planning workshops, and scientific resource updates.

Since 2009, the ND Silver Jackets Coordinator has been classified as a temporary employee, with the state paying wages with no benefits. In the 2023 Legislative Session, the ND Legislature allocated funding to the DWR to provide benefits commensurate with the Silver Jackets Coordinator's wages.

Why An FTE Is Necessary

- The DWR already has the FTE-equivalent funding allocation associated with the Silver Jackets position.
- Transitioning the position from temporary to FTE would enable long-term recruiting and retention benefits.
- An FTE would also enable the DWR to strategically utilize the position to achieve the enhanced pro-resilience objective of the Silver Jackets program, while also dynamically adjusting to ND-specific priorities.
- Long-term support of the Silver Jackets program enhances and advances ND's effort to promote increased disaster resilience across the state.

Accumulation Of All Grants Assisted By Silver Jackets Program



Metrics

Year	Projects
2013	3
2014	1
2015	5
2016	3
2017	2
2018	1

Year	Projects
2019	1
2020	1
2021	3
2022	3
2023	3

2013-2023: Averaged 2.4 projects per year at an annual grant average of over $610,000/year for a total of $6.7 million.

Ongoing Projects

The Silver Jackets Coordinator continues to facilitate and negotiate ND-beneficial projects with local, state, and federal partners:

- Mouse/Souris River Discharge Frequency Curve Updates for Sherwood and Westhope Gages (Funded by St Paul Corps)
- Mouse/Souris River Basin Flood Inundation Mapping Project (Funded by St Paul Corps with select funding provided by Souris River Joint Board)
- Mouse/Souris River Basin Precipitation, Soil Moisture, and Temperature Gage Project (Gages / Installation through DWR Atmospheric Resources Division)
- City of Medora Flood Risk Reduction Study (Funded by Omaha Corps)
- Red River Bathymetry Project (Funded by DWR and St Paul Corps)
- ND Flood History Project (Funded by Omaha Corps)
- United States Geological Survey (USGS) ND Statewide Flood Frequency Analysis Project (Funded by DWR and USGS)
- USGS ND Stream Stats and Regression Equation Update Projects (Funded by DWR and USGS)

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DEPARTMENT OF WATER RESOURCES

2025-27 OPTIONAL REQUESTS

ONGOING REQUESTS

OTHER COST TO CONTINUE ADJUSTMENTS

- **State Water Commissioners (SWC) Budget** – As a result of the significant increase in funding available for water projects, the SWC has implemented pre-commission meetings the month prior to regular SWC meetings where funding is approved for projects. This process allows Commissioners to be briefed by Department of Water Resources (DWR) team members, as well as project sponsors, regarding the details about projects seeking cost-share assistance. By being more informed about projects, Commissioners can more effectively and efficiently allocate public tax dollars. Furthermore, the number, extent, and complexity of water development and management issues across the state necessitates that Commissioners remain engaged with the water community and local constituents. This includes attendance at local government meetings, conferences, or workshops to stay informed.

  In addition to expanding responsibilities, an increase in funding for increased commissioner pay is necessary as they are paid the same rate as Legislators and funding had not been adjusted to reflect the change over several biennia. The DWR is also looking to establish a biennial budget for each SWC member to better facilitate their awareness of what financial resources are available to them to complete their duties. The request is for an increase of $53,760 in temporary salaries and $85,200 in operating expenses.
- **Overtime Pay** – As a result of the equity adjustments and legislative increases that have occurred during the 2023-25 biennium, it is necessary to increase funding for overtime to accommodate those adjustments. The request is for an increase of $36,000 in overtime and $24,000 in temporary salaries.
- **Northwest Area Water Supply (NAWS) On-call Pay** – Northwest Area Water Supply (NAWS) On-call Pay – The DWR is responsible for the construction and operations of the critical water supply project. To maintain 24/7 operations NAWS team members are expected to be on call to cover evenings and weekends. To ensure team members are being properly compensated for their time, the DWR has implemented an on-call policy, which is like the North Dakota Department of Transportations on-call policy. In implementing this policy, the DWR is requesting an increase of funding in the overtime line item to accommodate this operational change. These increased costs are paid through revenues generated by the users of the water system. The request is for an increase of overtime expense which is necessary to ensure 24/7 coverage of operational on-call duties.

BOARD OF WATER WELL CONTRACTORS

The Board of Water Well Contractors (BWWC) is responsible for registering, licensing, and overseeing well contractors across the state. Since its establishment in 1971, the BWWC has partnered with the Department of Water Resources (DWR) to manage certain operational aspects, as the data collected from well contractors has been valuable to the State. Historically, a DWR team member has provided accounting and administrative services to the BWWC during their personal time. However, increasing demands have made it challenging to maintain a clear distinction between the team member's roles. To ensure transparency and simplify the working relationship between the BWWC and DWR, the DWR is requesting additional funding for salaries and wages, to be covered by revenues generated through a contract with the BWWC for accounting and administrative services. This will allow the team member currently serving the BWWC part-time to continue fulfilling these responsibilities without needing to balance duties between the DWR and BWWC. The request is for an increase of $46,954 in salaries and wages.



DEPARTMENT OF WATER RESOURCES

2025-27 OPTIONAL REQUESTS

ONGOING REQUESTS CONTINUED

INTERNSHIP PROGRAM

It has been challenging to recruit qualified and experienced individuals for Hydrologist, Hydrogeologist, and Engineering positions at the DWR. The technical demands of these positions, combined with the limited candidate pool with the necessary expertise, make it increasingly difficult to fill these essential roles. To address this issue, the DWR plans to establish an internship program to engage potential candidates before graduation and provide training opportunities and experience thereby bridging the gap between academic learning and the practical skills needed in these fields. Funding for the internship program, in addition to the FTE request for a Team Development Coordinator, will help the DWR build a robust program to attract and retain talented team members, and develop a pipeline of skilled professionals to address the State's future water resource management challenges. The request is for a $100,000 increase in temporary salaries.

FEDERAL SPENDING AUTHORITY

FEMA's Cooperating Technical Partner grant program is anticipated to have increased grant funding levels than previously assumed for the 2025-27 biennium. This increase would enable the DWR to access this additional federal funding to advance projects that benefit all North Dakotans. These additional FEMA grant funds require no state matching funds. An example of such project would be the update of the North Dakota base level engineering data currently housed in the North Dakota Risk Assessment Map service. The request is for an increase in federal spending authority of $2,051,788.

ONE-TIME REQUESTS - TECHNOLOGY & EQUIPMENT

Emergency Water Pumps – Development Division

The DWR needs to replace four inefficient and inoperable water pumps purchased in the early 2000s. These pumps are essential for the Construction Section's operations, including dewatering during construction; dewatering Devils Lake Outlets at the end of the operation season; stormwater management; and are also used during flood-fighting efforts. Due to their age, the pumps have become unreliable, prone to breakdowns, and inefficient, leading to increased downtime and repair costs. Replacing them with modern 6-inch pumps, capable of handling 500-600 gallons per minute, will improve operational efficiency, reduce maintenance costs, and ensure reliable performance. This would allow for the agency to responsive to critical water resource management needs. The cost of the proposed replacement pumps is $120,000 each.

Excavator – Development Division

The current Volvo excavator, purchased in 2015, has incurred increased repair costs due to its age and service requirements. With regards to the service requirements, the local Volvo dealership is no longer available. Service must now be performed in either Fargo or Williston or service calls must come from those locations. This creates an additional expense of $1,000 to $1,500 for each service call, even for minor repairs. Moreover, parts are becoming harder to source and more expensive, further driving up maintenance costs. To ensure efficiency and reduce downtime, the DWR is requesting one-time funding to replace the excavator with a more cost-effective solution. The budgetary cost for the replacement of the excavator is $400,000.

Data Logger – Water Appropriation Division

The geophysical logging system, purchased and installed in early 2008, is essential for collecting subsurface data critical to hydrogeologic investigations. It provides detailed information about the geological formations encountered in boreholes, aiding in the identification of the most productive zones within an aquifer for well placement. Additionally, this data supports the calibration of Airborne Electromagnetic Survey equipment. Given that the current system is over 15 years old and has been operating beyond the typical 7-to-15-year life cycle for geophysical and surveying equipment, we are requesting funding for its replacement. The original system was acquired for approximately $30,000, and based on a June 10, 2024, quote, the cost for a replacement is $60,000.

2025 EXECUTIVE SUMMARY WATER DEVELOPMENT PLAN

CHECK OUT The Dashboard!

www.dwr.nd.gov

JANUARY 2025



607 Project Forms Submitted

8 Commissioner Hosted Basin Meetings

$2.5B Total Needs Identified

$580M Executive Recommendation (see figure below)

Those involved in water project development know that existing projects evolve, and new projects are continuously being considered by local water managers. For that reason, it is necessary for the state to assemble updated water project information on a biennial basis to coincide with the state's budget cycles. In the past, the Department of Water Resources (DWR) has produced and printed that information in a detailed Water Development Plan. Today, DWR and the State Water Commission are providing that same information electronically through a Water Development Plan Dashboard (Dashboard) - along with highlights included in this printed Executive Summary.

The following information outlines funding available for critical water supply, flood protection, and other general water management projects; a prioritized summary of water development financial needs that were collected directly from project sponsors; and summaries of revenue streams that support projects. In addition to the aforementioned information, the Dashboard includes large project overviews, long-term funding needs, aging water supply infrastructure survey results, current purpose funding tracking, and more!

WATER DEVELOPMENT GOALS & PRIORITIES

GOAL 1

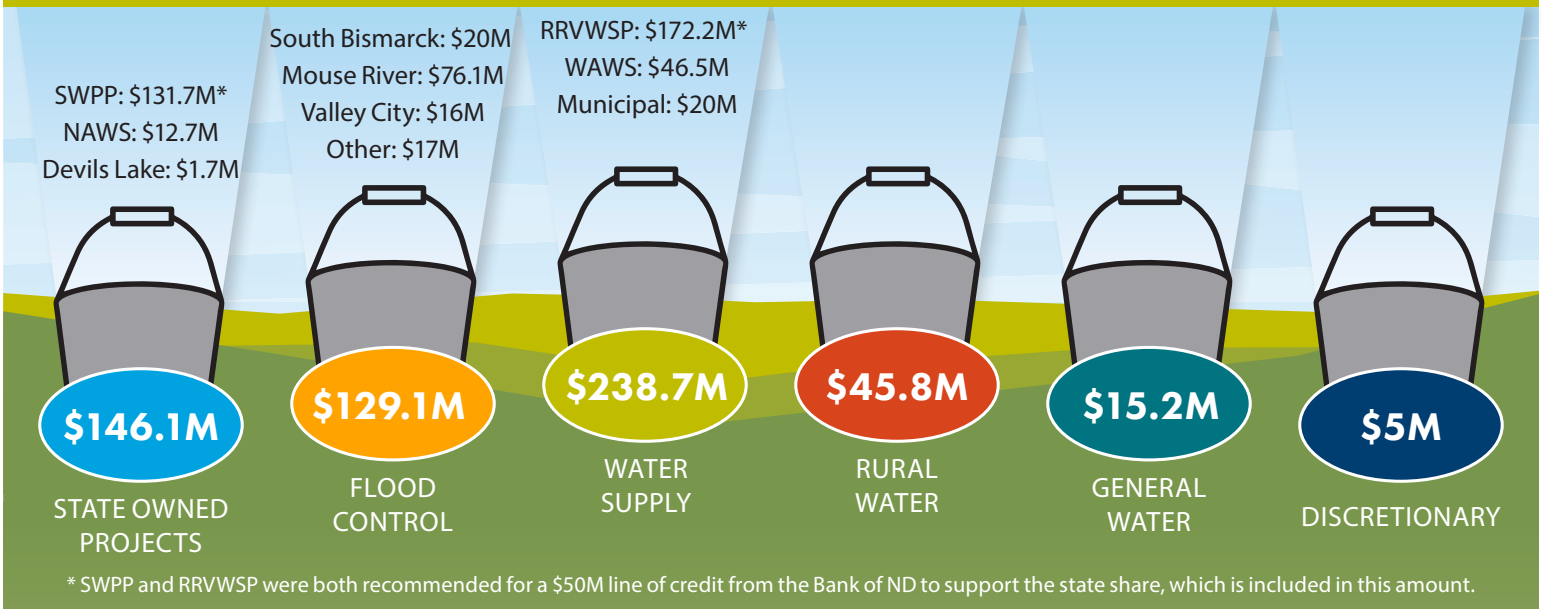
Improve resiliency and protect North Dakota's citizens and economy from negative water-related impacts.

GOAL 2

Improve resiliency and provide safe and reliable water supplies for the health and prosperity of North Dakota's citizens and economy.

Each Goal has associated high priority initiatives that can be viewed on the Dashboard.

2025-2027 EXECUTIVE RECOMMENDATIONS: **TOTAL $580M**



* SWPP and RRVWSP were both recommended for a $50M line of credit from the Bank of ND to support the state share, which is included in this amount.

Northwest Area Water Supply (NAWS) | Southwest Pipeline Project (SWPP) | Red River Valley Water Supply Project (RRVWSP) | Western Area Water Supply (WAWS)

2025-2027 BIENNIUM PROJECT FUNDING NEEDS FROM DWR
(MILLIONS $)

PROJECT PURPOSES	WATER DEVELOPMENT PLAN INVENTORY PROJECT NEEDS		
	High Priority	Moderate Priority	Low Priority
Flood Control (Total = $307.9M)	**$190.2**	**$54.5**	**$63.2**
Heart River - Mandan	$8.6	-	-
Mouse River Enhanced Flood Protection	$76.1	-	-
Other Flood Control	$16.5	$0.9	$0.5
South Bismarck	$73.0		
Valley City Permanent Flood Protection	$16.0	-	-
Water Conveyance	-	$53.6	$62.7
General Water (Total = $51.8M)	**$8.6**	**$40.1**	**$3.1**
Rural Water Supply (Total = $267.9M)	**$5.3**	**$61.3**	**$201.3**
Water Supply (Total = $635.7M)	**$267.5**	**$16.9**	**$351.3**
Municipal	-	$16.9	$351.3
Red River Valley Water Supply	$221.0	-	-
Western Area Water Supply	$46.5	-	-
State Owned Projects (Total = $164.4M)	**$164.4**	**$0.0**	**$0.0**
Devils Lake Outlets	$1.7	-	-
Northwest Area Water Supply	$12.7	-	-
Southwest Pipeline Project	$150.0	-	-
TOTAL IDENTIFIED NEEDS ($1.4B)	**$635.9**	**$172.8**	**$618.9**

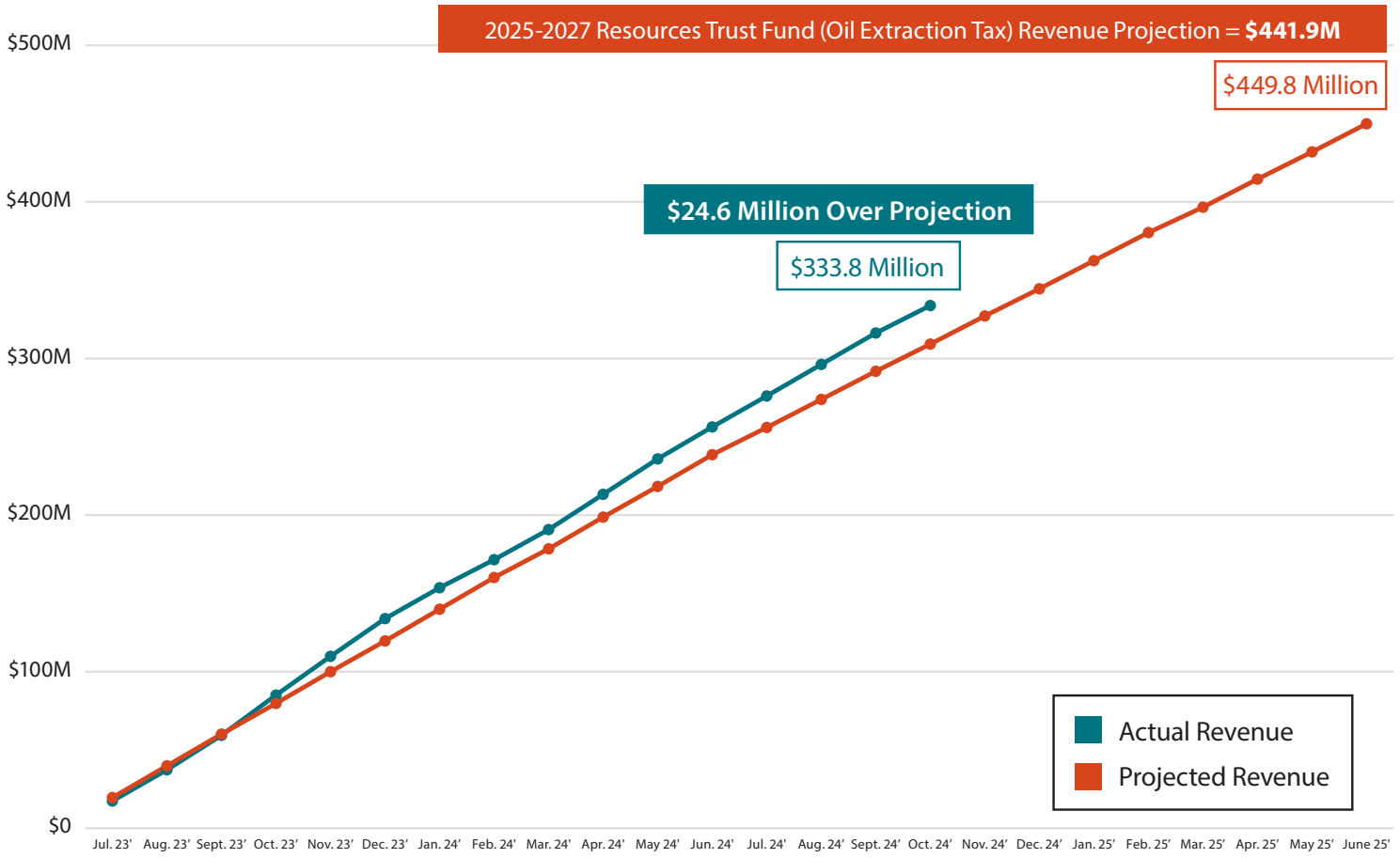





DESCRIPTION OF FINANCIAL NEED: 2025-2027
Heart River Flood Control (Mandan), Mouse River Enhanced Flood Protection, Other Flood Control, South Bismarck, Valley City Permanent Flood Protection, and Water Conveyance.
Lower Heart Levee System improvements to meet FEMA compliance. Funding included as part of 2023-2025 budget.
Property acquisitions in Minot and rural areas, additional levee design, and construction on the Maple Diversion and in-town levees.
Community flood protection projects, levee certifications, flood reduction studies, and rural ring dikes.
Pump station, gate stucture, and conveyance improvements for FEMA compliance.
Phase 6 - Permanent concrete flood walls, removable flood walls, clay levees, storm water pump stations, and bioengineered stream bank restorations.
New drainage, drainage improvements, bank stabilizations, and snagging and clearing.
Dam remediations, repurposing, rehabilitations, and repairs; irrigation; watershed plans; and water retention and detention.
Community regionalizations, system expansions, storage improvements, transmission line installations, and WTP improvements.
Municipal water supply projects, Red River Valley Water Supply, and Western Area Water Supply.
Water distribution and storage expansions, improvements, and replacements.
Main transmission pipeline construction, Eastern North Dakota Alternative Water Supply design, McClusky Canal Intake preliminary design, and Biota WTP and Main Pump Station design.
Rural water service expansions, and improvements of pretreament system, intake and control system.
Devils Lake Outlets, Northwest Area Water Supply (NAWS), Southwest Pipeline Project (SWPP).
Capital Improvements
Permanent intake, Minot Phase III expansion, Souris Pump Station and Reservoir, and inline booster pump station.
Water treatment plant replacement, west zone capacity improvement, intake, and Burt-Hebron rural expansion.

RESOURCES TRUST FUND - State funding provided through DWR for water development has historically come from several sources including the General Fund, Resources Trust Fund (RTF), and Water Development Trust Fund. Today, the primary source of funding is the RTF. The RTF is currently funded with 20.5 percent of revenues from the oil extraction tax.

2023-2025 RESOURCES TRUST FUND (OIL EXTRACTION TAX) REVENUE TRACKING



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NORTH DAKOTA DWR

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FARGO-MOORHEAD AREA DIVERSION PROJECT



LOOKING AHEAD
2025-2027

$0 MILLION

FULLY FUNDED

State funding of $414.5M was provided through the 2019-2021 biennium. During the 2021 Legislative Session HB 1431 provided an additional $435.5M for a total state commitment of $850M.

QUICK FACTS

100 YEAR
FLOOD PROTECTION

IN-TOWN PROTECTION

DIVERSION CHANNEL
(30 Miles Long, 1,500 Feet Wide)

2027
ESTIMATED OPERATIONAL

11
LEGISLATIVE DISTRICTS
(10, 11, 13, 16, 21, 22, 27, 41, 44, 45, 46)

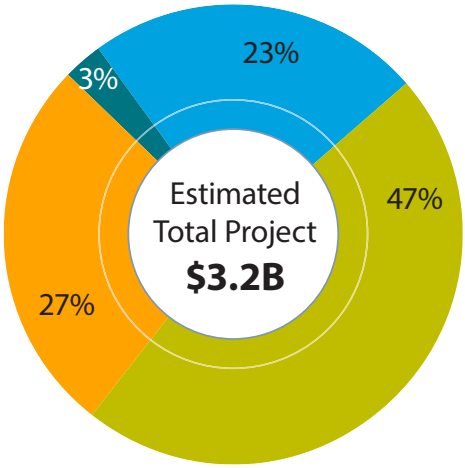
BACKGROUND AND PURPOSE

The Fargo-Moorhead Area Diversion Project (FMADP) was developed in response to the 1997 flood to reduce flood risk for the Fargo-Moorhead metropolitan area. It protects against flooding from the Red River and North Dakota tributaries, including the Wild Rice, Sheyenne, Maple, Rush, and Lower Rush Rivers. The project consists of four major elements: an in-town levee system, a diversion channel, a southern embankment, and mitigation projects. Once complete, it will protect approximately 260,000 people.

HISTORIC FUNDING

Local	$1.5B
State ND	$850M*
State MN	$86M
Federal	$750M

*Approx. 35% of non-federal funding



LOCAL SPONSOR

The communities of Fargo, Moorhead, Cass County, Clay County, and the Cass County Joint Water Resource District established the Metro Flood Diversion Authority (MFDA) through a joint powers agreement to work with the US Army Corps of Engineers (USACE) in building, financing, operating, and maintaining a project that provides permanent flood protection for the Fargo-Moorhead metro area. Funded by a local financial model, the project is supported by three half-cent sales taxes extended through 2084, as approved by voters. The MFDA partnered with the Red River Valley Alliance, a consortium of three international companies, through a public-private partnership (P3), the first P3 overseen by the USACE, with the MFDA ensuring construction meets its standards.

NORTH DAKOTA DWR

NORTH Dakota Be Legendary. | Water Resources

DECEMBER 2024

MOUSE RIVER ENHANCED
FLOOD PROTECTION PROJECT



LOOKING AHEAD
2025-2027

$76.1 MILLION

EXECUTIVE RECOMMENDATION

QUICK FACTS

26
COMBINED PROJECTS
(Levees, Floodwalls, Diversion, Bridges, Etc.)

2035
ESTIMATED OPERATIONAL

4
COUNTIES
(Renville, Ward, McHenry, & Bottineau)

6
LEGISLATIVE DISTRICTS
(3, 5, 6, 4B, 38, 40)

CURRENT DWR COST-SHARE

65%	75%
Engineering & Construction	Property Acquisitions

BACKGROUND AND PURPOSE

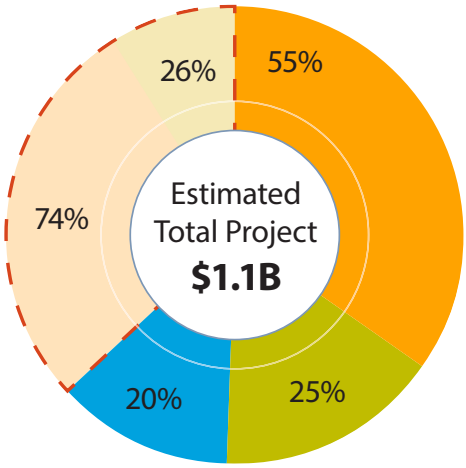
The Mouse River Enhanced Flood Protection Project (MREFPP) is designed to provide flood relief to Mouse River Valley residents - both urban and rural. The project was originally initiated by the State Water Commission in response to a request from the Souris River Joint Water Resource Board (SRJB) following the record-setting Mouse River flood of June 2011. That event brought a record flow of 27,400 cubic feet per second in Minot - impacting 4,700 residential, commercial, and public structures throughout the entire Mouse River loop. Ongoing phases of the MREFPP involve developing flood risk solutions in the urbanized and rural portions of the basin.

HISTORIC FUNDING

Local	$176M
State	$389M
Federal	$141M

FUTURE FUNDING

Est. Remaining Funds	$409.4M
Local	$150M
State	$304M



LOCAL SPONSOR

The City of Minot remains the primary source for the local funding share with the SRJB also serving as a local sponsor. Presently, Minot is collecting a 0.7 percent sales tax for flood control, which is generating approximately $7 million per year. Discussions are ongoing to examine the possibilities associated with increasing revenues through additional sales taxes, property taxes, or other fees. The city also received Disaster Recovery Assistance from the U.S. Department of Housing and Urban Development (HUD), and elected to utilize those funds for flood control acquisitions, as HUD funds may not be used for the construction of flood control features.

NORTH DAKOTA DWR

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JANUARY 2025

NORTHWEST AREA
WATER SUPPLY PROJECT



LOOKING AHEAD
2025-2027

$12.7 MILLION

EXECUTIVE RECOMMENDATION

QUICK FACTS

81K
FUTURE WATER USERS
(10% OF ND POPULATION)

16
SYSTEMS SERVED

267
MILES OF PIPE

7
LEGISLATIVE DISTRICTS
(2, 3, 4B, 5, 6, 38, 40)

BACKGROUND AND PURPOSE

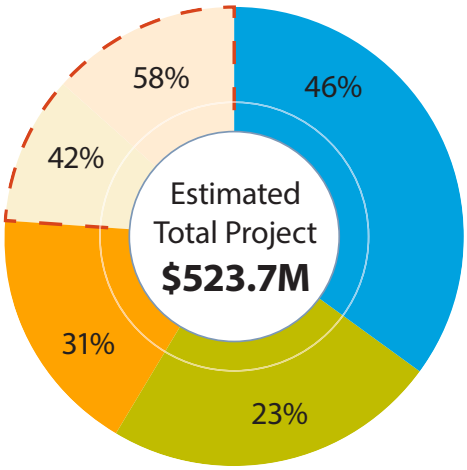
The purpose of the Northwest Area Water Supply (NAWS) project is to address long-standing water supply and poor water quality problems in northern North Dakota by delivering high quality Missouri River water to the region. NAWS was authorized by the Garrison Diversion Reformulation Act of 1986 and the Dakota Water Resources Act of 2000 under the Municipal, Rural, and Industrial (MR&I) Water Supply Program. Construction of NAWS began in April 2002, with a main line and associated features being built between the City of Minot and Lake Sakakawea. Later in 2002, lawsuits were initiated, delaying the project for 17 years. Today, construction on the NAWS project is back underway, with interim water supplies provided by the City of Minot. Utilization of Missouri River water is expected to begin in 2025, with overall expected completion in 2029.

HISTORIC FUNDING

Local	$92.8M
State	$123.1M
Federal	$184M

FUTURE FUNDING

Est. Remaining Funds	$123.8M
Local	$52.1M
State	$71.7M



LOCAL SPONSOR

The city of Minot has been covering the entire local share of the project through a one percent city sales tax. In addition, the 68th North Dakota Legislative Assembly passed House Bill 1218, replacing the Northwest Area Water Supply (NAWS) Project's Advisory Committee, created in 1991, with the NAWS Authority, which was signed into law on April 12, 2023. HB 1218 elevates the NAWS advisory committee to an authority and aligns it with other regional systems in the state.

CURRENT DWR SHARE

65%*

*Biota Water Treatment Plant - 100% Federal Funds

NORTH DAKOTA DWR

NORTH Dakota | Water Resources
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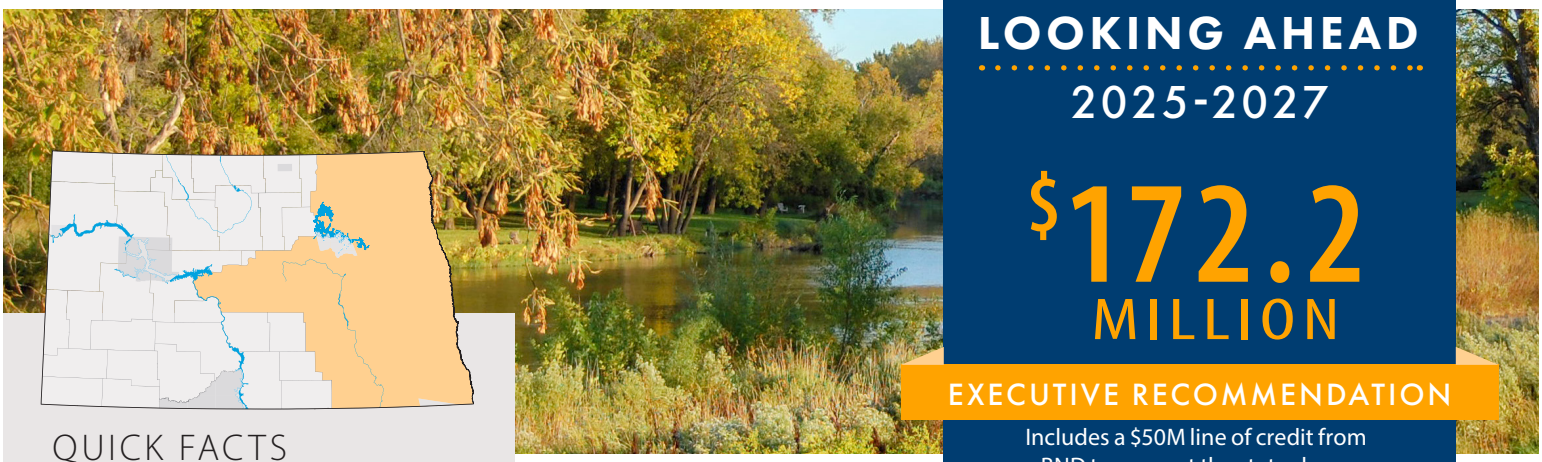
JANUARY 2025

RED RIVER VALLEY
WATER SUPPLY PROJECT



LOOKING AHEAD
2025-2027

$172.2 MILLION

EXECUTIVE RECOMMENDATION

Includes a $50M line of credit from BND to support the state share.

QUICK FACTS

125 MILES
TRANSMISSION PIPELINE

165 CFS
MAX FLOW

30+
CITIES/RURAL SYSTEMS
(50% Of ND Population)

23
LEGISLATIVE DISTRICTS
(6, 10, 11, 13, 14, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 29, 33, 41, 42, 43, 44, 45, 46)

CURRENT DWR COST-SHARE
75%

BACKGROUND AND PURPOSE

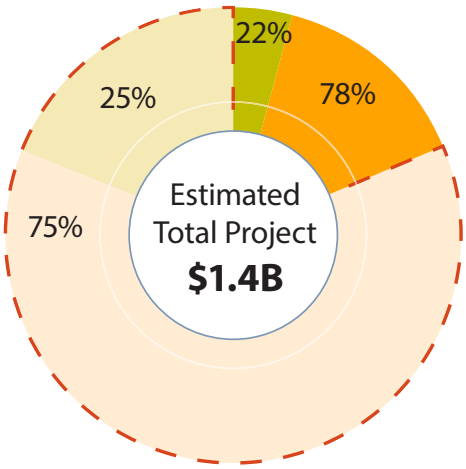
The Red River Valley Water Supply Project (RRVWSP) will use a buried pipeline to transport up to 165 cubic feet of water per second from the McClusky Canal in central North Dakota, along Highway 200, to the Sheyenne River north of Lake Ashtabula. The water will be treated before crossing the continental divide, providing supplemental and emergency water to central and eastern North Dakota. The Main Transmission Pipeline (MTP) will serve communities along its route, with additional users supplied via the Sheyenne and Red Rivers. Those not on the MTP or rivers may require branch pipelines in the future.

HISTORIC FUNDING

Local	$86M
State	$297M

FUTURE FUNDING

Main Transmission Est. Remaining Funds	$1.03B
Local	$257M
State	$773M



LOCAL SPONSORS

The Garrison Diversion Conservancy District comprises 28 member counties, each with an elected board representative. Its mission is to provide a reliable, high-quality, and affordable water supply to benefit the people of North Dakota. In 2003, the North Dakota Legislature created the Lake Agassiz Water Authority (LAWA) to address future water needs in the Red River Valley and secure a reliable drinking water supply for central and eastern North Dakota. LAWA represents RRVWSP water users and cooperates with the Garrison Diversion Conservancy District.

NORTH DAKOTA DWR

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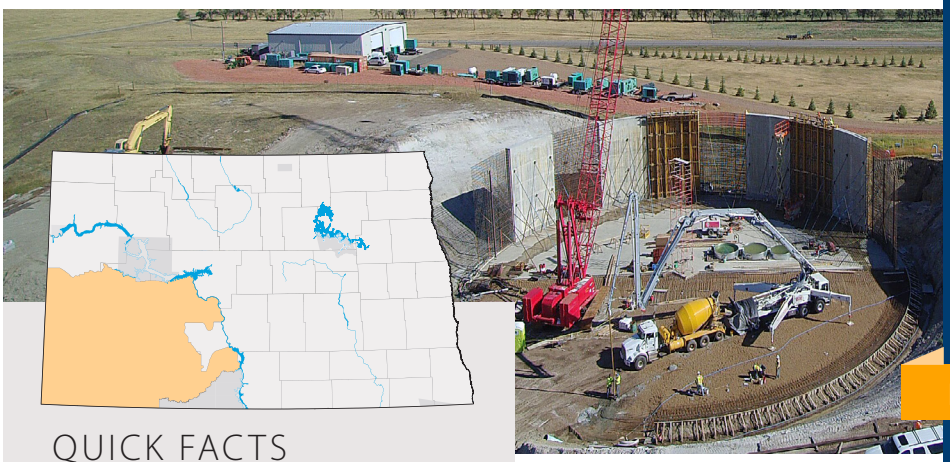
JANUARY 2025

SOUTHWEST PIPELINE PROJECT



LOOKING AHEAD
2025-2027

$131.7 MILLION

EXECUTIVE RECOMMENDATION

Includes a $50M line of credit from BND to support the state share.

QUICK FACTS

58K
WATER USERS
(7.4% OF ND POPULATION)

33
COMMUNITIES SERVED

7.6K
RURAL CUSTOMERS

6
LEGISLATIVE DISTRICTS
(26, 31, 33, 36, 37, 39)

DWR COST-SHARE

100%

Funded by State of ND with local share paid through user fees, including capital repayment ($100M), and replacement and extraordinary maintenance funds ($2.1M).

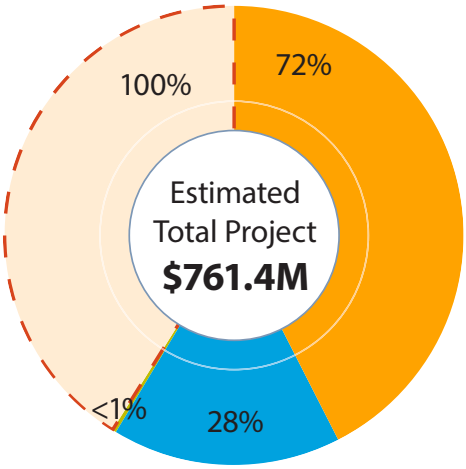
BACKGROUND AND PURPOSE

The purpose of the Southwest Pipeline Project (SWPP) is to address water quality and quantity issues in southwest North Dakota by delivering high quality Missouri River water to the region. Authorized by the North Dakota Legislature in 1981, the SWPP transports raw water from Lake Sakakawea to water treatment plants located at Dickinson and north of Zap where it is treated and delivered to the Project's customers in southwest North Dakota and Perkins County, South Dakota. Since construction began in 1986, the Project now includes three water treatment plants, 35 pumping stations, 32 water storage reservoirs, and over 5,000 miles of pipe. Future construction efforts will address ongoing growth in the region and connection of rural customers waiting for SWPP water.

HISTORIC FUNDING

Local	$2.1M
State*	$324.4M
Federal**	$121.9M

*Includes bonds ($6.1M), bond payoff ($18.3M), and State Fiscal Recovery Funds
** Municipal, Rural and Industrial (MR&I) Program; and USDA Rural Development



FUTURE FUNDING

Foreseeable Funding Needs	$313M
State	$313M

LOCAL SPONSOR

The SWPP is funded and owned by the state of North Dakota and administered through the Department of Water Resources. In 1996, the operation and maintenance of the SWPP was transferred to the Southwest Water Authority (SWA), a political subdivision established by the Legislature. Capital repayment occurs through user fees.

NORTH DAKOTA DWR

NORTH Dakota | Water Resources
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JANUARY 2025

VALLEY CITY PERMANENT FLOOD PROTECTION



LOOKING AHEAD
2025-2027

$16 MILLION

EXECUTIVE RECOMMENDATION

QUICK FACTS

8
PROJECT PHASES

COMBINED PROTECTION
(Flood Walls, Earthen Levees, Pump Stations and Stream Bank Restoration)

2023
CLOMR COMPLETION
(Conditional Letter Of Map Revision)

1
LEGISLATIVE DISTRICT
(24)

CURRENT DWR COST-SHARE

80%	85%
Construction	Engineering

BACKGROUND AND PURPOSE

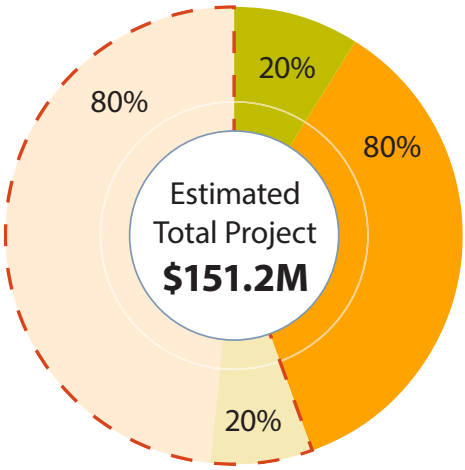
The Sheyenne River flows roughly 591 miles from central North Dakota, eventually meandering its way east to the Red River near Fargo. Valley City sits along the Sheyenne River, downstream of Baldhill Dam, which forms Lake Ashtabula. During a typical spring each year, the river swells from snow melt with water levels peaking around March and April, often creating flood conditions. After experiencing major flooding in 2009, 2010, and 2011, the cities of Valley City and Lisbon each decided to pursue permanent flood protection. Collectively known as the Sheyenne River Valley Flood Protection project, the City of Lisbon completed its flood protection in 2018. Valley City has completed phases I-III, with phase IV scheduled for 2025, and an estimated overall completion date of 2035.

HISTORIC FUNDING

Local	$12.4M
State	$49.5M

FUTURE FUNDING

Est. Remaining Funds	$76.5M
Local	$15.3M
State	$61.2M



LOCAL SPONSOR

Through the State Water Commission's Cost-Share Program, Valley City is receiving an elevated cost-share percentage due to past and potential future impacts caused by water releases from the Devils Lake outlets, which empty into the Sheyenne River.

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JANUARY 2025

WESTERN AREA WATER SUPPLY



LOOKING AHEAD
2025-2027

$46.5 MILLION

EXECUTIVE RECOMMENDATION

QUICK FACTS

70K
WATER USERS
(9% OF ND POPULATION)

13
COMMUNITIES SERVED

4K
RURAL CONNECTIONS

5
LEGISLATIVE DISTRICTS
(1, 2, 4B, 23, 26)

BACKGROUND AND PURPOSE

The Western Area Water Supply (WAWS) project goal is to utilize Missouri River water, along with supplemental ground water, to meet the municipal, rural, and industrial water needs of counties in northwest North Dakota. Currently, the system supplies water to 70,000 water users in five counties: Burke, Divide, Mountrail, McKenzie and Williams. The system is expected to expand to 100,000 users by 2038.

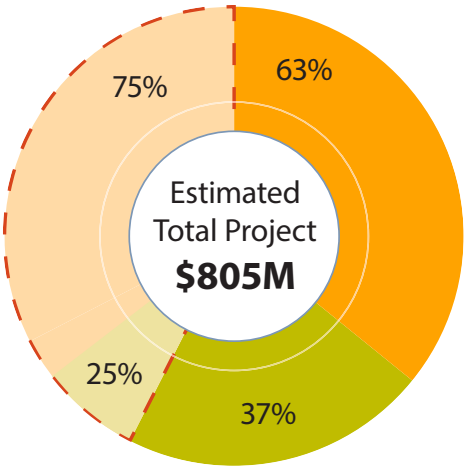
As originally planned during the 2011 Legislative Assembly, the financial model for WAWS was to take advantage of the extensive regional growth that was taking place as a result of oil production and to fund the majority of the project with loans that were to be paid by selling excess water to the energy industry. Since that time, the funding model has been modified, with the Legislature allowing restructuring of WAWS debt, and loan forgiveness of $74.5 million in 2021 and $30 million in 2023.

HISTORIC FUNDING

Local	$173M
State	$290M

FUTURE FUNDING

Foreseeable Funding Needs	$342.1M
Local	$85.5M
State	$256.6M



LOCAL SPONSOR

In 2011, the North Dakota Legislature created the Western Area Water Supply Authority, (WAWSA) with the intent to develop the WAWS project to treat, store, and distribute water to northwestern North Dakota. WAWSA includes Williams Rural Water District, McKenzie County Water Resource District, the City of Williston, Burke-Divide-Williams Water System Association, and R&T Water Supply Association.

CURRENT DWR COST-SHARE

50%-75%

NORTH DAKOTA DWR

NORTH Dakota Water Resources
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JANUARY 2025

NORTH Dakota | Water Resources
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Testimony in Support of
HB 1020
House Appropriations—
Education & Environment Division
January 15, 2025

TESTIMONY OF
Reice Haase, Director, Department of Water Resources

Good afternoon, Chairman Nathe, and members of the House Appropriations Education and Environment Division, I am Reice Haase, Director of the North Dakota Department of Water Resources and Secretary to the State Water Commission.

In response to the specific requests included in your letter dated December 19, 2024, I offer the following testimony:

1. ***Explain the purpose of the agency and its various divisions/programs. Cite North Dakota Century provisions and attach an organizational chart.***

The statutory authorities of the Department of Water Resources (DWR or Department), and State Water Commission (SWC or Commission) are provided in North Dakota Century Code Title 61. The 67th Legislative Assembly passed HB 1353 which combined the SWC agency and the Office of the State Engineer into the DWR. The DWR is now a Cabinet agency that reports directly to the Governor. The Department serves as the primary funding entity for critical water infrastructure; appropriates the state's water resources; and is responsible for other water-related regulatory and management functions that ensure public safety and support the long-term sustainability and beneficial use of North Dakota's water resources. The overall mission of the Department is to responsibly manage North Dakota's water needs and risks for the people's benefit.

The SWC board consists of the Governor as chairman, the Commissioner of Agriculture, and eight members representing the state's major drainage basins who are appointed by the Governor to serve terms of six years each. The primary function of the SWC is to review and consider cost-share requests from project sponsors seeking financial assistance from DWR.

The Commission promotes water development by providing cost-share assistance for many local projects such as flood control, water conveyance, water supply systems, and other general water management efforts. Development and associated project funding for state-owned projects such as the Southwest Pipeline Project (SWPP), the Northwest Area Water Supply (NAWS), Devils Lake outlets, and Tolna Coulee control structure are a function of the State Water Commission. The DWR has a project management role for the state projects.

Regulatory functions fall under the responsibility of the DWR. Specifically, they include water appropriation or water rights, drainage, floodplain management, sovereign land management, and dam safety.

DWR also has an active role in public information and education regarding the state's water resources. This includes public outreach and education related to Department functions.

As illustrated by our organizational chart (see attached), DWR is comprised of 93 Full Time Equivalent (FTE) employees. In terms of structure, the Department is made up of six divisions – Administrative Services, Atmospheric Resources, Planning and Education, Regulatory, Water Appropriation, and Water Development, which I will cover in greater detail.

As the Director, I serve as the head of the Department of Water Resources, providing overall leadership and decision-making responsibilities and oversee the State Engineer and DWR team members. In addition, as mentioned previously, I serve as the Secretary to the State Water Commission.

North Dakota’s State Engineer, John Paczkowski, is responsible for several regulatory functions and responsibilities, including allocation of the state’s waters, dam safety, and drainage.

The Administrative Services Division, directed by Chris Kadrmas, provides agency operational support including accounting, budgeting, human resources, records management, and administrative support for Commission meetings. This Division is also responsible for providing the technology infrastructure required to support the scientific and regulatory functions for the agency; the office and back-office automation functions to address workflow and integration requirements; and the development and maintenance of the data management infrastructure to support agency water resource management initiatives.

The Atmospheric Resources Division, directed by Darin Langerud, conducts atmospheric research, provides student intern training opportunities, performs weather-related data collection and analyses, and is responsible for the administration of cloud seeding activities in the state.

The Planning and Education Division, directed by Patrick Fridgen, maintains and updates the Water Development Plan for the State of North Dakota, and administers the cost-share program in support of that plan. Division staff participate in numerous regional, state, local, and inter-office planning activities; manage the agency's water education programs; coordinate environmental reviews; manage the Drought Disaster Livestock Water Supply Assistance Program (when activated); and oversee public outreach and media relations efforts. This Division also supports implementation of the Department's Five-Year Strategic Plan.

The Regulatory Division, directed by Aaron Carranza, is responsible for the review and permitting of drain, dike, dam, and sovereign land applications; administration of North Dakota's Dam Safety Program; assisting communities with floodplain management through Federal Emergency Management Agency (FEMA)'s National Flood Insurance Program; administration of FEMA's Risk Mapping, Assessment, and Planning program; sovereign land management, including ordinary high water mark delineations; general water resource district support; and the Silver Jackets Program in partnership with the U.S. Army Corps of Engineers.

The Water Appropriation Division, directed by Andrew Nygren, is responsible for the processing of water permit applications, water rights evaluations, hydrologic data collection, and water supply investigations to support economic development activities.

Finally, the Water Development Division, directed by Sindhuja S.Pillai-Grinolds, is responsible for preliminary engineering studies; technical assistance for flood response and recovery; survey data and drone imagery collection; construction of SWPP; construction, operation, and maintenance of NAWS; and operation and maintenance of the Devils Lake outlets and Tolna Coulee control structure. Division staff also represent the agency nationally and internationally on Missouri River, Red River, and Souris River issues.

As discussed above, the SWC is made up of eight Governor-appointed members representing the state's major river basins. North Dakota's Commission members who represent the eight basins are Michael Anderson (Lower Red River), Connie Ova (James River), Jeff Frith (Devils Lake), Gene Veeder (Upper Missouri River), April Walker (Upper Red River), James Odermann (Little Missouri, Upper Heart, and Upper Cannonball Rivers), Jay Volk (Lower Missouri River), and Jason Zimmerman (Mouse River). Other members of the Commission include Governor Kelly Armstrong as Chairman, and Agriculture Commissioner, Doug Goehring.

2. ***Report any financial audit findings included in the most recent audit of your department or institution and action taken to address each finding.***

DWR had no findings in the most recent Performance Audit dated June 10, 2024.

3. ***Discuss current biennium accomplishments and challenges and next biennium goals and plans.***

With regard to current biennium accomplishments, DWR:

- Continued to make progress on the NAWS project that is planned to one-day serve up to 81,000 water users in North Dakota. Progress included completion of the 10.5 million-gallon South Prairie Reservoir, flow control structure, and hydraulic control structure; and continued advancements at the Snake Creek Pumping Plant for the project intake, the discharge pipeline connecting the Snake Creek Pumping Plant to the transmission pipeline, the Biota Water Treatment Plant, Minot Water Treatment Plant Phase II, and the Bottineau Reservoir and Pump Station.
- On the SWPP, current and future needs for expanding the west zone main transmission pipeline that serves west from Dickinson to Beach were identified and progress was made in completing the preliminary design. Hydraulic improvements were completed that aided in serving over 100 wait-listed rural customers. Progress was also made towards resolving issues with the Supplementary Raw Water Intake construction contract, and additional intake capacity from Basin Electric Power Cooperative (BEPC)'s intake was negotiated and approved by the SWC and BEPC. Construction contracts for the replacement of the 12 million gallons per day (MGD) water treatment plant located at Dickinson was bid and award of the contract was approved at the December SWC meeting.
- Operated the Devils Lake outlets to provide ongoing flood relief for areas surrounding the greater Devils Lake system. The outlets removed over 201,000 acre-feet of floodwater during the 2023 and 2024 operating seasons. Since outlet operations began 17 years ago in 2007, almost 1.6 million acre-feet of floodwater has been removed from the big lake.
- Completed and began implementation of multiple Cost-Share Program and policy improvements that continue to modernize the Cost-Share Program in response to more contemporary project development needs. As an example, DWR and the SWC began implementation of Basic Asset Inventory Assessment (BAIA) and Capital Improvement Planning (CIP) requirements for water supply project sponsors applying for construction cost-share funding. In preparation for this requirement, DWR completed a guidance document and fillable electronic

workbook. By conducting BAIA and CIP, sponsors are better positioned to raise or save capital to support their infrastructure maintenance and replacement needs for the foreseeable future.

- Over the course of the biennium, provided state funding support of approximately $433.4 million in Commission project approvals through the Cost-Share Program, including $326.6 million to support water supply efforts in 33 cities and 19 rural/regional systems, and $106.8 million for 66 different flood protection, water conveyance, and general water projects benefitting citizens across the state.
- Continued to greatly improve North Dakota's ability to manage our state's water resources through innovation, including the monitoring of over 600 locations by PRESENS (Pushing REmote SENSors) loggers across the state. PRESENS was developed in-house by DWR to collect environmental data such as water levels, precipitation, soil moisture, soil temperature, barometric pressure, and air temperature – at a fraction of the cost of more traditional means. The PRESENS system continues to expand and improve and is the envy of other states that are working toward cost-effective means of collecting valuable environmental data.
- North Dakota's Dam Safety Standards were updated in January 2024 after years of work and investment from FEMA's Dam Safety Program State Assistance Grant and DWR's dam safety team. The updates were improvements from the previous 1985 Dam Design Guidelines.
- Completed a water development planning process through extensive public outreach, cooperation, and coordination efforts involving water project sponsors and managers. The 2025 Water Development Plan (WDP) is being presented again through an almost entirely electronic platform and dashboard. The WDP dashboard includes interactive charts, enables staff to make updates in response to changing conditions, and can be accessed at any time via phones and computers.
- DWR's weather radar, which has operated at the Bowman Municipal Airport since 1997, is in the process of being replaced with a new state of the art, dual-polarimetric radar system that is expected to be operational in 2025. The radar is

operated year-round with the collaboration of eight regional counties to fill a radar coverage gap in the national radar network.

- Implemented a new public information campaign to inform the public, legislators, and other interested officials about North Dakota's water resources related management challenges, and opportunities. Topic areas covered so far as part of the "Know Your Water Resources" campaign include aquifers, atmospheric resources, watersheds, and more.

With regard to next biennium goals and plans, DWR continues to work toward implementation of the agency's Five-Year Strategic Plan. An Executive Summary of our current Five-Year Strategic Plan was provided during our January 9, 2024, agency overview for your reference. In terms of specific areas of focus for the 2025-2027 biennium, DWR intends to:

- Effectively communicate with the public and stakeholders with a primary focus on collaboration and building partnerships;
- Develop world-class, sustainable, and resilient water development and management practices;
- Support beneficial use of Missouri River system water and other available water supply sources;
- Implement innovative ideas, technology, and grow analytic capabilities to improve efficiencies in water management and development;
- Improve the department's internal resilience and promote a positive culture;
- Improve Department responsiveness and continue to identify efficiencies;
- Advance innovative ideas and technology like PRESENS, managed aquifer recharge, and water reuse opportunities;
- Work toward Tribal Nation engagement, including development of memorandums of understanding;
- Strive for Workforce enhancements, retention of talent, recruiting, and mentoring;
- Continue advancements on NAWS, including progress on permanent intake-related contracts, Minot Water Treatment Plant (WTP) Phase III, Souris Reservoir and Pump Station, and inline booster pump station work.

- Make progress on SWPP water treatment plant replacement, west zone capacity improvements, raw water intake efforts, and the Burt-Hebron rural expansion; and
- Implement results of capital improvement planning efforts related to the West End Devils Lake Outlet.

Though the aforementioned accomplishments and opportunities are many in comparison to challenges, there are a few general areas with that regard that are worth noting. In particular, we anticipate continued challenges related to:

- Competing uses for North Dakota's water both nationally and internationally;
- Addressing growing demands for water within our own state – particularly in support of economic development opportunities;
- Growing needs for real-time data collection and availability, and our ability to analyze that data;
- Implementation of legislatively-required cost-benefit analyses for projects seeking state investment;
- Drainage and water conveyance; and
- General education related to agency efforts and our state's water resources.

4. ***Compare the agency's request/recommendation totals, including full-time equivalent (FTE) positions, for the next biennium compared to the current biennium.***

Description	2023-2025 Biennium Appropriation	2025-2027 Biennium Governor's Recommendation	Variance
Salaries and wages	$22,998,148	$27,368,271	$4,370,123
Operating expenses	56,625,923	76,564,811	19,938,888
Capital assets	124,136,712	206,081,561	81,944,849
Water supply – grants	316,200,000	238,732,801	(77,467,199)
Rural water supply – grants	52,000,000	45,800,000	(6,200,000)
Flood control projects	115,700,000	129,100,000	13,400,000
General water - grants	12,000,000	16,972,500	4,972,500
Discretionary funding	0	5,000,000	5,000,000
Total	$699,660,783	$745,619,944	$45,959,161
Full Time Equivalents (FTE)	93	100	7

The department has 93 FTE in the 2023-2025 biennium, and a request of 100 FTE was included in Governor Armstrong's recommendation for the 2025-2027 biennium. We have included one-page summaries related to the 7 FTE we are requesting with metrics related to why each are necessary.

5. ***Discuss any new positions approved for your agency for the 2023-25 biennium by the 2023 Legislative Assembly, the timing of filling the positions, amounts transferred from the OMB pool for the filled positions, and funding appropriated and the amount estimated to be spent for each position for the 2023-25 biennium.***

During the 2023 session, the DWR received an increase of 3 FTE authorizations (2 natural resources services and 1 engineering and planning services) and funding of

$703,398. These positions were filled because of Emergency Commission and Budget Section action in March 2022. In July 2023, the DWR requested $703,398 for the new FTE positions authorized by the 2023 Legislative Assembly. The DWR estimates it will expend the $505,772 provided for 2 natural resources services positions and $197,626 for 1 engineering and planning services position.

6. ***Discuss employee turnover and the number of vacant positions during the 2023-25 biennium to date, the amount of savings relating to the vacant positions and employee turnover to date compared to the vacant position savings removed from your agency's budget by the 2023 Legislative Assembly, the amount of vacant position saving spent for other purposes, and any amounts transferred or anticipated to be transferred from the OMB pool.***

Through December 2024, the DWR has averaged 5 vacant positions per month with salary savings of $782,285, of which $331,7090 has been used for accrued leave payouts, performance and incentive bonuses, temporary salary funding to support the DWR's 4D program, and on-call pay related to NAWS operations paid from special funds received from users of the NAWS system. The net salary savings is $450,576 through December 2024. The DWR has experienced difficulties in recruiting hydrologists, engineers, and field technicians. As of January 14, 2025, the DWR will have 2 vacant positions - one in the Regulatory Division and the other in the Water Appropriation Drilling Program. The DWR requested and received a transfer of $703,398 for the 3 new FTE authorized as they were filled prior to the start of the 2023-2025 biennium and we anticipate requesting $200,000 be transferred from the OMB pool if funds are available.

7. Explain the funding included in each program/line item either in total or by division depending on the size of the agency.

The major components of the DWR budget recommendation consist of:

Description	2023-25 Biennium Base	Ongoing Adjustment Request	2025-27 Biennium Base Request	One-time Adjustment Request	2025-27 Biennium Governor's Recommendation
Salaries and wages	$22,998,148	$4,370,123	$27,368,271		$27,368,271
Operating expenses	56,625,923	10,899,888	67,525,811	$9,039,000	76,564,811
Capital assets	124,136,712	(9,467,114)	114,669,598	91,411,963	206,081,561
Water supply – grants	316,200,000	(127,467,199)	188,732,801	50,000,000	238,732,801
Rural water supply - grants	52,000,000	(6,200,000)	45,800,000		45,800,000
Flood control projects	115,700,000	13,400,000	129,100,000		129,100,000
General water - grants	12,000,000	4,972,500	16,972,500		16,972,500
Discretionary funding	0	5,000,000	5,000,000		5,000,000
Total	$699,660,783	($104,491,802)	$595,168,981	$150,450,963	$745,619,944
FTE	93.00	7.00	100.00		100.00

7a. Amounts included in the base budget and their purpose and use.

Salaries and Wages - The 2023-2025 biennium totaled $22,998,148 and included salaries and fringe benefits for all employees, including employees that provide services for NAWS, SWPP, and the Devils Lake outlets. This is $1,615,629 less than actual need to support the 93 FTE authorized because of the new and vacant FTE funding pool.

Operating Expenses - The 2023-2025 biennium totaled $56,625,923 and included operations for NAWS, SWPP, and the Devils Lake outlets. This included funding of $33.6 million for professional services, which are primarily consultant engineering services for the construction of SWPP and NAWS, and $9.7 million for utility costs, primarily to operate the Devils Lake outlets and NAWS project.

Capital Assets - The 2023-2025 biennium totaled $124,136,712 and consisted mostly of projects for NAWS and SWPP, which are both state owned. Specifically, $66.3 million is for SWPP, and $55.1 million is for NAWS.

Grants for Water Projects - For the 2023-2025 biennium, the remaining dollars were in the five purpose funding buckets. They included $316.2 million for Water Supply; $52 million for Rural Water Supply; $115.7 million for Flood Control; $12 million for General Water projects, and $9 million for Discretionary. General Water includes funding for dam repairs and rehabilitations, water related studies, irrigation projects, as well as other general water management efforts.

7b. Amounts included in the request/recommendation and justification for the change from the base budget level. Discuss changes relating to each line item (salaries and wages, operating expenses, etc.), funding sources (general fund, special funds, federal funds), and FTE positions:

Salaries and Wages – An increase of $4,370,123 from the base budget due to the following:

- Cost to continue adjustment of $416,585.
- Reinstate funding of $1,615,629, for funds removed because of the new and vacant FTE funding pool.
- Increase of $1,951,172 for 7 additional FTE ($424,568 federal funds, $282,163 non-state funds, and $1,244,441 state funds) to support the operations of the DWR and its responsibilities. Supporting information is provided as an attachment.
- Increase funding for SWC board members, temporary salaries, on-call pay, and overtime of $220,714, to provide sufficient funding for impacts of legislative increases and adjustments to team member and SWC members' pay.
- Increase funding for temporary salaries of $100,000 to support an internship program for the DWR. It has been challenging to recruit

qualified and experienced individuals for Hydrologist, Hydrogeologist, and Engineering positions at the DWR. The technical demands of these positions, combined with the limited candidate pool with the necessary expertise, make it increasingly difficult to fill these essential roles. To address this issue, the DWR plans to establish an internship program to engage potential candidates before graduation and provide training opportunities and experience thereby bridging the gap between academic learning and the practical skills needed in these fields. Funding for the internship program will help the DWR build a robust program to attract and retain talented team members, and develop a pipeline of skilled professionals to address the State's future water resource management challenges.

- Increase funding of $66,023 from revenues received from the Board of Water Well Contractors (BWWC) for administrative support. The BWWC is responsible for registering, licensing, and overseeing well contractors across the state. Since its establishment in 1971, the BWWC has partnered with the DWR to manage certain operational aspects, as the data collected from well contractors has been valuable to the State. Historically, a DWR team member has provided accounting and administrative services to the BWWC during their personal time. However, increasing demands have made it challenging to maintain a clear distinction between the team member's roles. To ensure transparency and simplify the working relationship between the BWWC and DWR, the DWR is requesting additional funding for salaries and wages, to be covered by revenues generated through a contract with the BWWC for accounting and administrative services. This will allow the team member currently serving the BWWC part-time to continue fulfilling these responsibilities without needing to balance duties between the DWR and BWWC.

Operating Expenses – Includes a $19,938,888 increase, of which $10,899,888 is ongoing and $9,039,000 is one-time. Major changes are as follows:

- Reduced operating expenses of $1,171,104 to meet the Governor's budget guidelines and shifted $2,680,374 from capital assets to operating primarily for professional services related to state owned water projects. These changes were made based on anticipated needs for planning of projects and operating costs.
- $6.9 million is from federal funds for the operation of the NAWS Biota Water Treatment Plant.
- $392,630, of which $39,000 is one-time funding for operating expenses related to 6 of the 7 FTE included in the Executive recommendation.
- $85,200 for operating expenses related to the duties of the SWC members.
- $2,051,788 from federal funds for professional services related to federal programs and other related operating expenses of the Regulatory Division. FEMA's Cooperating Technical Partner grant program is anticipated to have increased grant funding levels than previously assumed for the 2025-2027 biennium. This increase would enable the DWR to access this additional federal funding to advance projects that benefit all North Dakotans. These additional FEMA grant funds require no state matching funds. An example project would be the update of the North Dakota base level engineering data currently housed in the North Dakota Risk Assessment Map Service.
- One-time funding of $600,000 for a Missouri River Intake Study Phase II.
- One-time funding of $8.4 million for professional services related to SWPP.

Capital Assets - Changes to provide a total of $81,944,849 as follows:

- Base decrease of ($9,467,114), of which ($716,415) is to meet the Governor's budget guidelines, and ($8,750,699) primarily to shift funding from capital assets to professional fees in operating expenses to pay engineering fees related to state owned water projects.

- One-time increase of $91,411,963 ($50 million from a line of credit) for state owned water projects, to provide a total of $206.1 million, of which $1.7 million is for Devils Lake outlets, $107.9 million is for SWPP, $95.3 million is for NAWS, $480,000 to replace emergency water pumps, $400,000 to replace an excavator, $60,000 to replace a data logger, and $10,000 for equipment for the NAWS Operator FTE request included in the Executive recommendation.

  Total project funding for state owned water projects includes funding in operating expenses in combination with capital assets due to the classification of expenses related to contracted engineers and consultants. Total state owned project funding of $240.35 million includes $1.65 million for Devils Lake outlets from the Resources Trust Fund, $131.7 million for SWPP from the Resources Trust Fund, and $107 million for NAWS, of which $12.7 million is from the Resources Trust Fund, $52.1 million is from reimbursements from Minot, and $42.2 million in federal funds.

Grants for Water Projects - Changes are as follows:

- Water supply decrease of ($77,467,199) to provide $238,732,801, of which $50 million is from a line of credit for Red River Valley Water Supply Project (RRVWSP).
- Rural water supply decrease of ($6,200,000) to provide $45,800,000.
- Flood control increase of $13,400,000 to provide $129,100,000.
- General water increase of $4,972,500 to provide $16,972,500.
- The addition of discretionary funding in the amount of $5,000,000. Discretionary funding is for flexibility to provide additional funding either in the buckets, unaccounted for events such as flooding, and to address any other anticipated issues.

8. Discuss the purpose and use of any one-time funding items for the current biennium.

There were thirteen one-time funding items included in the DWR 2023-2025 appropriation bill.

- Line of Credit, $100,000,000 – This has not been utilized to date. The intent was for this to be used if needed for NAWS and SWPP development efforts.
- Discretionary Funding, $9,000,000 – To support unforeseen project or program needs, such as the Emergency Drought Disaster Livestock Water Supply Program, emergency response efforts, or other unexpected agency costs. To date, $231,139 has been approved for a Managed Aquifer Recharge analysis and agency equipment.
- Equipment For New Employees, $19,320 – The DWR anticipates fully expending these funds by June 30, 2025.
- IT Unification, $1,532,980 - To consolidate and standardize IT services under one umbrella, and to support ongoing costs for services and management to include: file services, computational infrastructure for scientific applications, big data development/production for various data types, big data administrative costs, costs associated with additional FTE for ITD, ITD business analysis, ITD project management, and ITD project oversight. Through December 2024, $27,670 has been expended.
- Increased Motor Pool Rates, $118,180 - To address inflation impacting current travel expenses and anticipated motor pool rate increases. The DWR has not had to utilize these funds through December 31, 2024, and it is not known if it will be necessary to do so.
- Drilling Supply Inflation, $180,000 - To maintain ongoing drilling operations and to account for increasing costs related to drilling mud, cement, and PVC pipe. The DWR has not had to utilize these funds through December 31, 2024, and it is not known if it will be necessary to do so.

- Navigability Study, $180,000 - To support a study involving navigability determinations for the Red, Missouri, Yellowstone, Bois de Sioux, and Mouse Rivers, and Upper Des Lacs Lake as directed by HB 1202 (66th Legislative Assembly). Due to staff time limitations, little movement had been achieved on this effort since the 2019 directive, which led to the contracted Navigability Study. As of today, the Department has approved the final preliminary navigability reports of the six subject waters, expending $171,000 of the allocated $180,000.
- Airborne Electromagnetic (AEM) Survey Data Collection, $750,000 - To expand use of AEM technology to better understand the extent and availability of ground water, particularly in glaciated regions - at a fraction of the cost of traditional methods. Through December 31, 2024, $600,000 has been expended and the DWR anticipates expending the remaining $150,000 by June 30, 2025.
- Groundwater Modeling and Hydrologic Analysis Software, $72,665 - To acquire advanced software for purposes of performing many of the scientific analytical functions and related modeling activities in support of DWR's water appropriation responsibilities. Through December 31, 2024, $3,936 had been expended during the 2023-2025 biennium. The DWR expended $24,980 during the 2021-2023 biennium.
- Agency Relocation, $200,000 - DWR was required to evacuate the State Office Building due to environmental hazards. Funding was provided to address office modifications at the agency's current location – the Bank of North Dakota. As a result of the emergency clause in SB 2020, the DWR expended $116,315 for modifications at the BND during the 2023-2025 biennium and anticipates expending an additional $64,000 to finalize cubical adjustments before June 30, 2025.
- Radar System, $1,800,000 - To replace the original Bowman radar system to provide enhanced surveillance and ensure the capability of continual operations long into the future. The Bowman radar has filled a gap in radar coverage in southwest North Dakota since 1997 - using 1970s equipment. Through December 31, 2024, $17,500 has been expended for engineering services. The procurement for the new radar and radar tower are complete and completion of

the project is anticipated to be mid-June 2025, and all funds are anticipated to be expended.

- Drilling Rig Replacement, $1,800,000 - To replace DWR's 15-year-old drill rig with a drilling rig that provides finer control over the drilling operation and improved safety features. Through December 31, 2024, $1,391,800 has been expended to purchase the drill rig and chassis. The DWR anticipates additional expenditures prior to June 30, 2025, for final modification of the new drill rig before putting it into operation.
- Northwest Area Water Supply (NAWS), $47,847,238 - Through December 31, 2024, $40.8 million has been expended for the NAWS project and additional expenditures are anticipated to occur prior to June 30, 2025.

9. Identify and justify the need for any one-time funding being requested or recommended.

- One-time funding of $49,000 related to equipment for 7 new FTE of which, $39,000 is in operating expenses and $10,000 is in capital assets related to NAWS operations.
- One-time funding of $480,000 for replacement of four inefficient and inoperable water pumps purchased in the early 2000s. The pumps are essential for dewatering during DWR construction projects, dewatering Devils Lake outlets at the end of operational seasons, stormwater management, and during flood fighting efforts.
- One-time funding of $400,000 for replacement of an excavator that was purchased in 2015 and has incurred increasing repair costs due to its age. The brand of the excavator is also no longer serviced in the Bismarck area.
- One-time funding of $60,000 for data logger replacement originally purchased in 2008. This equipment is essential for collecting subsurface data critical to hydrogeologic investigations.
- One-time funding of $600,000 for Missouri River intake site investigations. Funding is necessary to continue the process for identifying water intake sites

along the Missouri River to put the state in a better position to secure its water rights as it relates to use of the Missouri River. This funding would facilitate both phase I and phase II site investigations. Phase I would provide high-level results for the screening of site suitability and to determine sites that might be worth further study. Phase II would provide for a comprehensive fieldwork campaign to verify a site's total suitability. The study includes both surface water and groundwater sites.

- One-time funding of $58,650,000 ($50M line-of-credit) for SWPP to support the projects anticipated during the 2025-2027 biennium.
- One-time funding of $40,211,963 for NAWS to support the projects anticipated during the 2025-2027 biennium.
- One-time funding of $50,000,000 line of credit for water supply grants for RRVWSP.

10. Discuss any fees the agency charges, the appropriateness of the fee amount, fee collections that are deposited that are deposited in the general fund or special fund, and any anticipated changes from 2023 legislative session estimates during the 2023-25 biennium and estimated changes for the 2025-27 biennium.

DWR has minimal deposits going into the General Fund. They include open records requests, land lease revenue, water report late fees, and illegal water usage fees. The main Special Fund deposits are from the Resource Trust Fund. This makes up 77% of the agency’s revenue. Other Special Fund deposits include SWPP capital repayments, NAWS payments from the City of Minot, NAWS water rate revenues, payments from counties for cloud seeding, and CD interest. The DWR 2025-2027 budget includes increased collections and use of special funds received from political subdivisions and a reduction in federal funds.

The DWR has no General Fund dollars in its budget. The last time the Department received a General Fund appropriation was during the 2011-2013 biennium for some operations of the Department.

11. Identify any federal state fiscal relief funds remaining to be spent by your agency by December 2026. Provide the amount, the purpose, and a timeline of anticipated expenditures.

The DWR has $2,184,086 remaining to be expended for NAWS. The DWR anticipates expending these remaining funds prior to June 30, 2025.

12. Discuss the need for any other sections to be added to the appropriation bill.

a. A section providing appropriation of additional income during the 2025-27 biennium.
b. A section identifying the allowable use of discretionary funding.
c. A section identifying $42.5 million of the total funds included in the Executive recommendation are from the Water Project Stabilization Fund.
d. A section authorizing the DWR to employ an attorney.
e. A section providing a $100 million line of credit from the Bank of North Dakota for the SWPP ($50 million) and the RRVWSP ($50 million).
f. A section authorizing the DWR to transfer funds between line items, except from salaries and wages.
g. A section authorizing the DWR to carryover water project funding.
h. A section allowing the DWR to employ any number of full-time positions as funding allows.
i. A section declaring HB 1020 to be an emergency measure.

13. Discuss any other bills being considered by the Legislative Assembly and their potential budgetary impact on the agency.

Senate Bill 2106 eliminates the Weather Modification Program within the DWR which would result in a reduction in revenue and related expenditures for the program.

14. Provide a one-page itemized listing of the changes your agency is requesting the committee to make to the executive recommendation.

We are not requesting any adjustments to the Executive recommendation.

15. Provide additional information as necessary.

Each biennium, the DWR completes a Water Development Plan to provide an overview of North Dakota's ongoing and anticipated water development projects across the state. For the 2025-2027 biennium, DWR and the State Water Commission are providing that information electronically through a Water Development Plan Dashboard (Dashboard) - along with highlights in a printed Executive Summary that has been provided for your reference.

The Water Development Plan Executive Summary outlines funding recommendations for critical water supply, flood protection, and other general water management projects; a prioritized summary of water development financial needs that were collected directly from project sponsors; and summaries of revenue streams that support projects. In addition to the aforementioned information, the Dashboard includes large project overviews (that have also been included in your packets), long-term funding needs, aging water supply infrastructure survey results, current purpose funding tracking, and more. To see all the information that's available on the Dashboard, go to our homepage at www.dwr.nd.gov and click on the Water Development Plan Dashboard link.

Overall, the Department continues to work towards improving agency responsiveness and efficiencies; advancing innovative ideas and technology; supporting the development of critical water infrastructure; and prioritizing workforce enhancement, retention of talent, recruiting, and mentoring.

Mr. Chairman, this concludes our agency overview and testimony relative to House Bill 1020. If there are any questions from you or other committee members, I will try to answer them at this time.

ATTACHMENTS

1. State Water Commission and Department of Water Resources Organizational Chart
2. One-Page Overviews of Requested FTE
3. Other Optional Requests
4. 2025 Water Development Plan Executive Summary
5. Large-Scale Project Summaries

NORTH DAKOTA Farmers Union

Contact:
Matt Perdue, Lobbyist
mperdue@ndfu.org I 701.641.3303

Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
House Appropriations Committee – Education and Environment Division
January 15, 2025

Chairman Nathe and members of the division,

Thank you for the opportunity to submit testimony on House Bill No. 1020. My name is Matt Perdue, and I am submitting this testimony on behalf of North Dakota Farmers Union's (NDFU) members. NDFU supports the Department of Water Resources's request to allocate funding for a general counsel.

Water is a vital resource for North Dakota's farmers and ranchers. Agriculture contributes over $30 billion to North Dakota's economy. Protecting our state's water rights are critical to the future success of our agriculture industry and the state's economy, as a whole.

NDFU is increasingly concerned about threats to our state's control over our water resources. Outside interests, including other states and provinces and out-of-state water districts have been attempting to secure rights over our water for years. Proposals to take additional water from the Missouri River have become more frequent. This poses a threat to North Dakota's farmers and ranchers.

An in-house general counsel will give the Department of Water Resources the expertise and capacity to protect our water rights. We strongly encourage you to make this investment and protect our state's most vital resource.

Thank you for your consideration.

Phone: 701.225.5997
Fax: 701.227.8647

STARK DEVELOPMENT CORPORATION

www.starkdev.com
team@starkdev.com

103 1st Avenue West, Suite 101 • Dickinson, ND 58601

Wednesday, January 15, 2025

Testimony in Support of HB 1020 Presented to the House Appropriations - Education and Environment Division.

Honorable Chairman Nathe and Members of the Committee,

My name is Ryan Jilek, and I am the executive vice-president for Stark Development Corporation (SDC). I am submitting my testimony today to express my support for House Bill 1020 and the continued funding of the Department of Water Resources. More specifically as it relates to the continued development and funding of the Southwest Pipeline Project, as facilitated by the Southwest Water Authority.

The importance of the Southwest Water Authority cannot be overstated. Its mission to ensure a reliable water supply for Southwest North Dakota is vital for the economic prosperity, health, and quality of life for our communities.

The Southwest Pipeline Project has been instrumental in providing clean and safe water to residents, businesses, and industries. This access is critical for sustaining agriculture, supporting local businesses, and enhancing the overall well-being of our region.

With its strong vision to address the water needs of the region, the Southwest Water Authority has demonstrated a commitment to efficient and sustainable water management. Additional capacity from the Intake and expanding transmission and treatment facilities allows future growth and economic opportunities for southwest North Dakota. Continued support and funding are essential for the ongoing success of this project and the continued growth of Southwest North Dakota.

I urge you to recognize the pivotal role of the Department of Water Resources and Southwest Water Authority and to lend your support to HB 1020. Thank you for considering my testimony.

Sincerely,

Ryan Jilek, Executive Vice-President
Stark Development Corporation

VALLEY CITY-BARNES COUNTY
DEVELOPMENT CORPORATION

January 15, 2025

Honorable Representative Steve Swiontek
State Representative
600 East Boulevard Avenue
Bismarck, ND 58505

RE: HB 1020

Dear Representative Swiontek:

This is a formal request to amend HB 1020 and include an appropriation to establish a sanitary sewer program that provides funding for 60% of the cost of a mainline extension. The program would mirror the State Water Commission's program for water mainline extensions where 60% of the cost is covered.

This program is critical to reduce the cost to the homeowner, hold the line on special assessments, increase home ownership, increase housing inventory, and increase population.

Infrastructure costs are the greatest barrier to home ownership especially in communities under 10,000 population. Communities of 10,000 population and under are at a major disadvantage because of their size and they pay premiums for such items as concrete and all infrastructure development.

In Valley City, we have two smaller housing projects where the mainlines of the water and sanitary sewer are in the street in front of the development; however, to extend the mainlines (water and sanitary sewer), is extremely costly and pushes home ownership out of reach.

In Barnes County, our median household income is slightly over $70,000. The "missing middle" in housing is $250,000 to $300,000. A recent study documented 86% of the respondents were comfortable with a home that cost under $300,000 at their current household income. The respondents indicated they want to purchase or build a home within the next 24 months.

A sanitary sewer mainline extension fund would make a significant difference to encourage single family housing construction and increase home ownership.

We are working extremely hard to ensure companies such as John Deere Seeding, Malach USA, Eagle Creek Software (an Eviden business) and others can continue to grow and provide quality jobs. Job creation is the first step. Employers such as CHI Mercy Hospital, Valley City State University, SMP Health-St. Raphael, and others must be able to secure the workforce they need. We need housing to capture the benefits of our investments.

Please amend HB 1020 and include an appropriation to create a sanitary sewer mainline extension program that provides funding for 60% of the cost. Thank you.

Respectfully,

Jennifer Feist

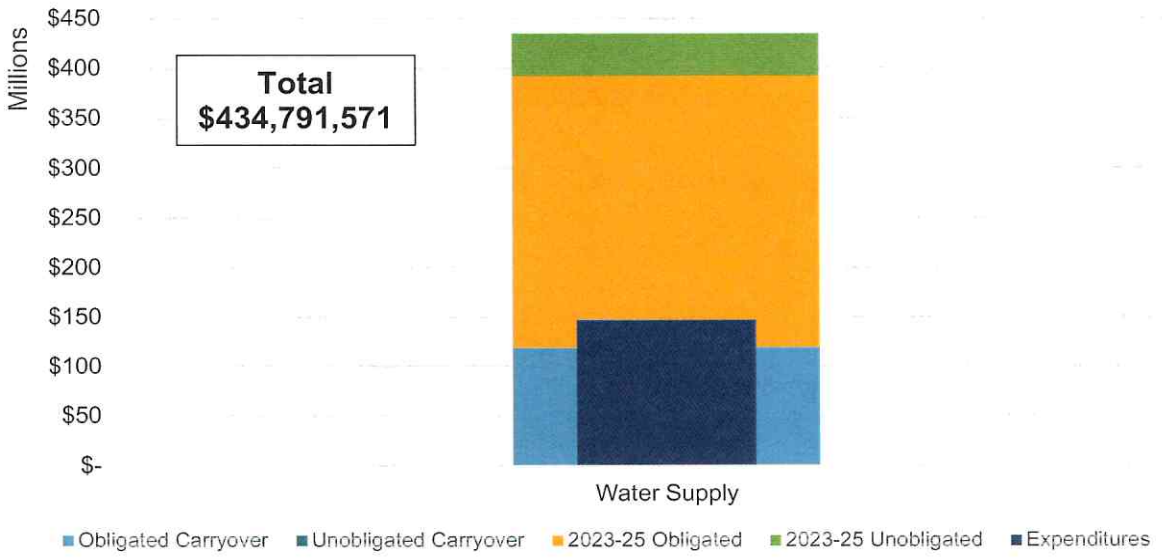
Jennifer Feist, Director of Development

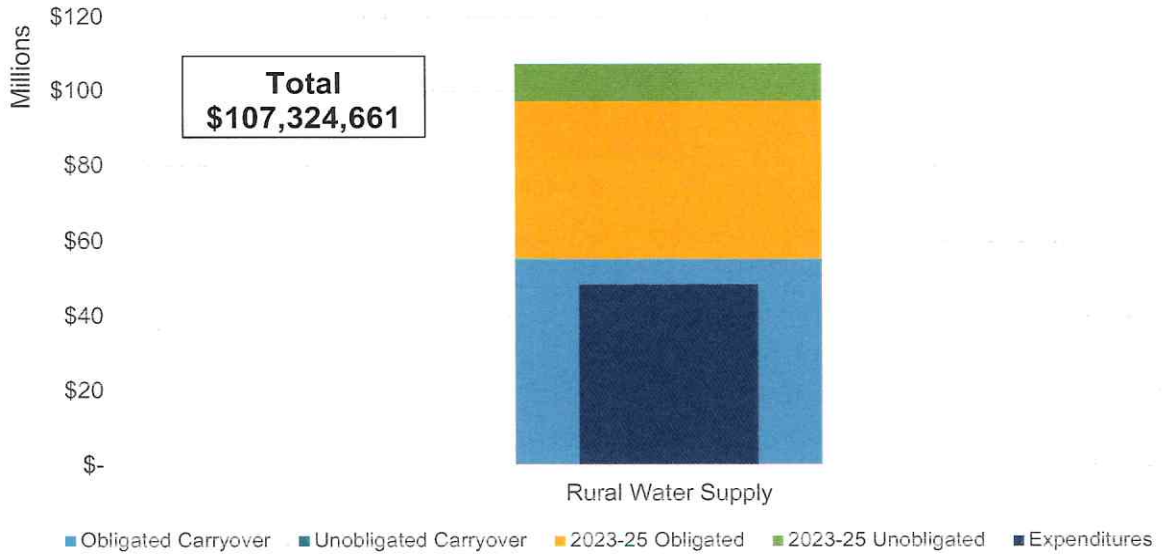
Valley City–Barnes County Development Corporation
250 Main Street West, Valley City, ND 58072 • Direct (701) 840-7820 • Email: vdg@hellovalley.com • Fax: (701) 845-1892

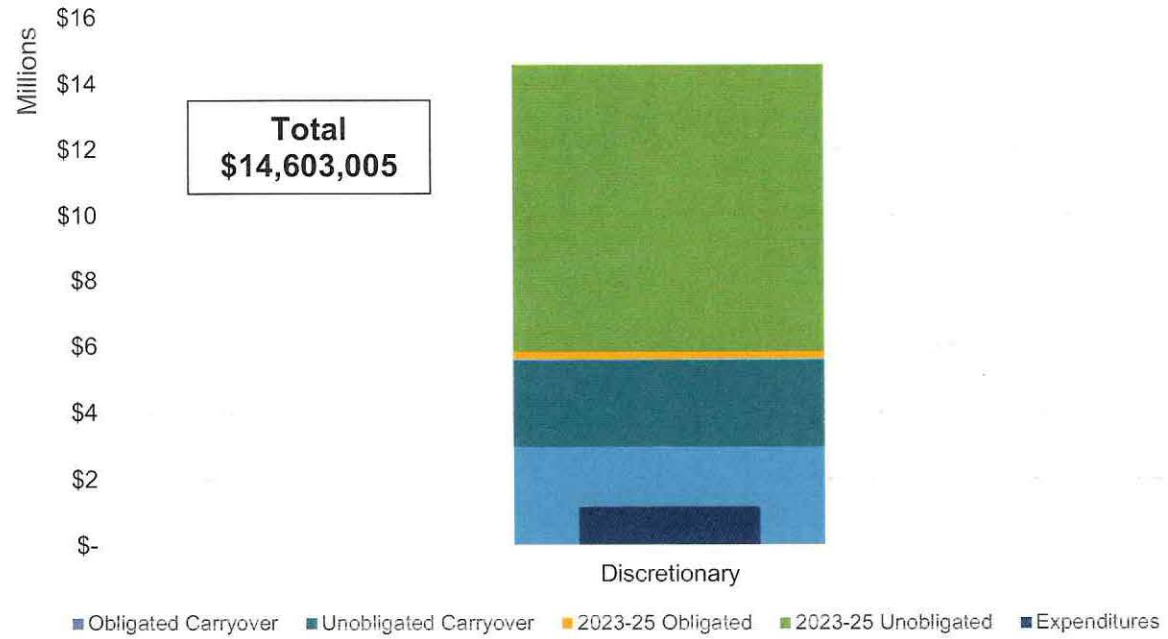
NORTH Dakota | Water Resources
Be Legendary.

2023-25 BIENNIUM

The following graphic illustrates water project funding provided for the 2023-25 biennium by purpose, incorporating both obligated and unobligated carryover funds, as well as new appropriation authority. Each chart also highlights related expenditures for each purpose through December 2024.



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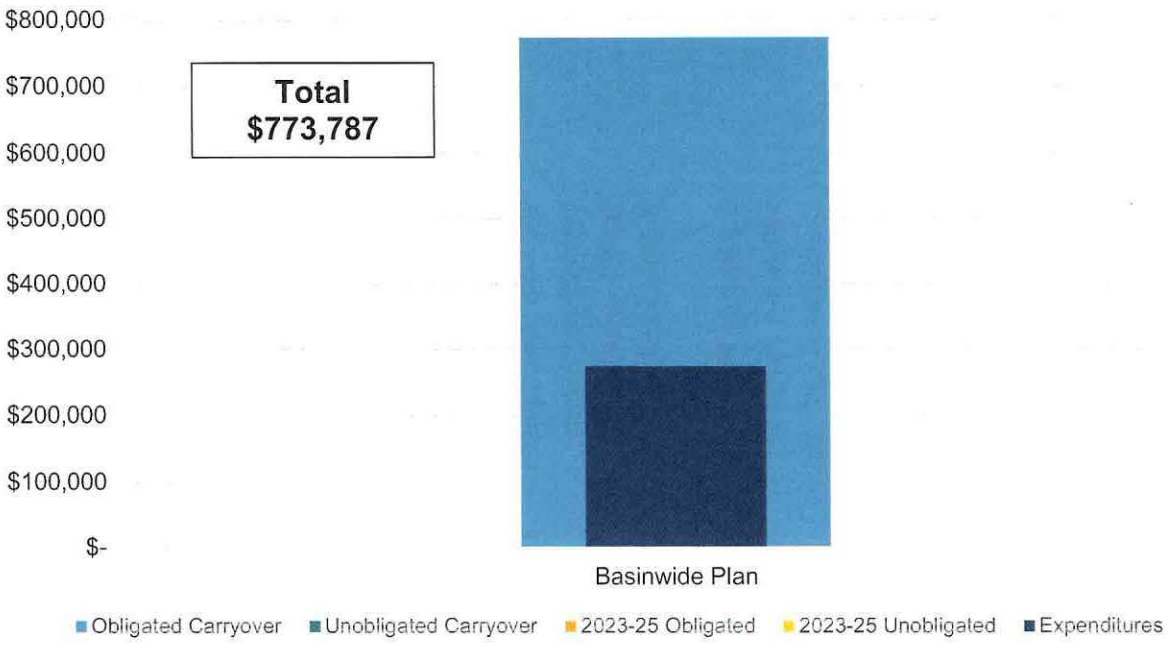
Discretionary
Obligated Carryover
Unobligated Carryover
2023-25 Obligated
2023-25 Unobligated
Expenditures


$800,000
$700,000
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$500,000
$400,000
$300,000
$200,000
$100,000
$-
Total
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Basinwide Plan
Obligated Carryover
Unobligated Carryover
2023-25 Obligated
2023-25 Unobligated
Expenditures

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
1/22/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources.

9:01 a.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Martinson, Richter, Sanford and Hanson

Discussion Topics:

- Bismarck Flood Control Project
- Minot Area Flood Control
- Valley City Water
- Rural Water

9:06 a.m. Greg Zenker, Bismarck City Commission, testified in favor.

9:15 a.m. Gabe Schell, PE, Bismarck City Engineer, in favor and submitted testimony #30702.

9:45 a.m. Jason Sorenson, Utilities Director, Souris River Joint Board, testified in favor.

9:46 a.m. David Ashley, Chairman, Souris River Joint Board, presented testimony in favor #30711 and #30718.

10:22 a.m. Chairman Nathe recessed the meeting.

10:40 a.m. Chairman Nathe reconvened the meeting.

10:40 a.m. Dave Carlsrud, President, Water Commission, testified in favor.

10:42 a.m. Gwen Crawford, City Administrator, Valley City, testified in favor and submitted testimony #30831.

10:48 a.m. Eric Volk, Executive Director, ND Rural Water, in favor and submitted testimony #31777.

11:12 a.m. Matt Gardner, Executive Director, ND League of Cities, testimony #31121.

Additional written testimony:

Tom Ross, Mayor, City of Minot, submitted testimony in favor #30715.

11:27 a.m. Chairman Nathe closed the meeting.

Steven Riehl, Committee Clerk



January 22, 2025

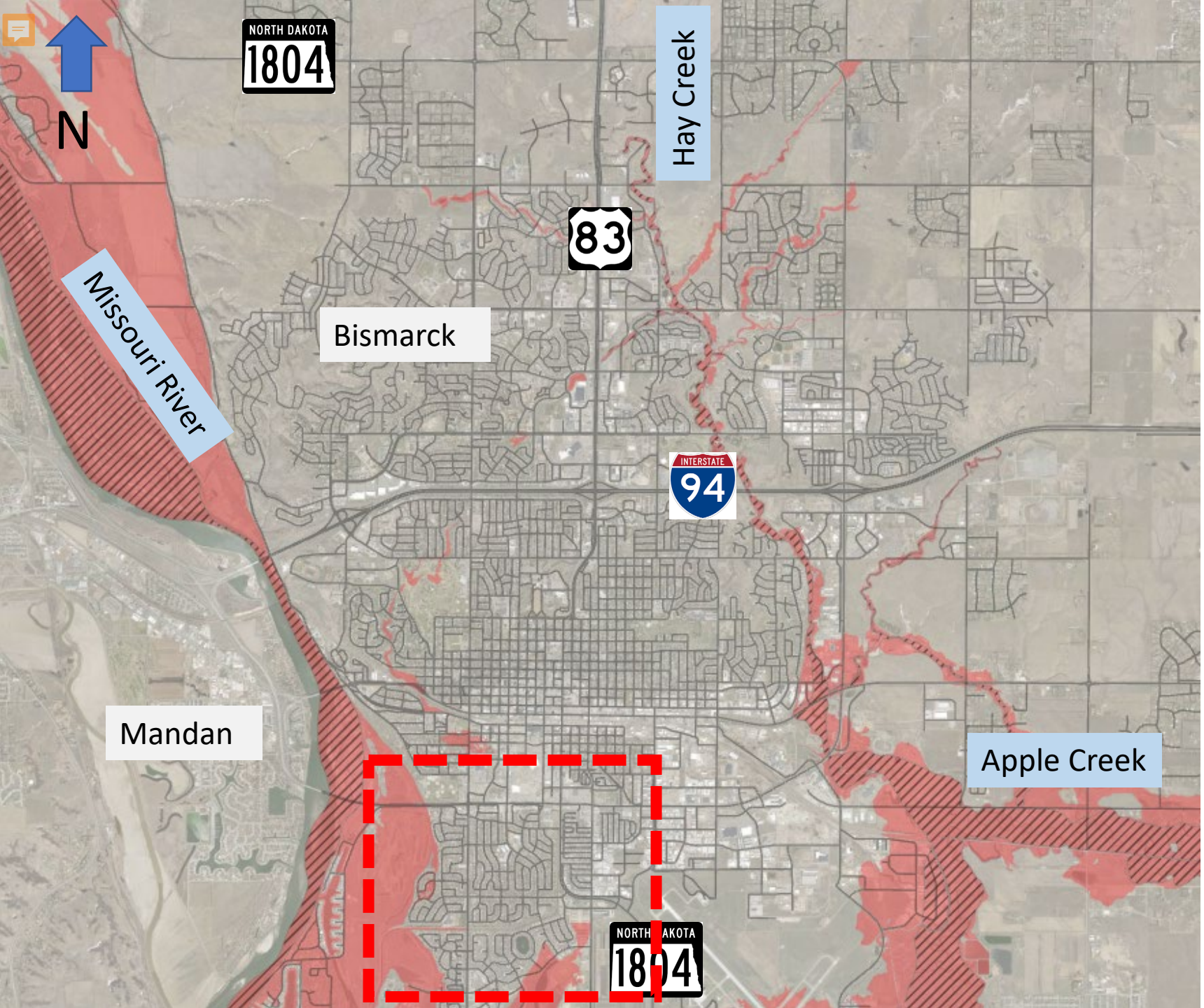
Bismarck

South Bismarck Flood Control Project
House Appropriations, Education & Environment Division HB 1020 Testimony



Outline

- FEMA Risk Map Update and Impacts
- City of Bismarck Response
- Proposed Alternative
- Project Partners
- Funding and Timeline



Bismarck

2013 Effective Floodplain


N
Bismarck Expy
Kirkwood Mall
University Dr
South Bismarck Drainage Ditch
S Washington St
NORTH DAKOTA
1804
Bismarck Airport
2013 Effective Floodplain

S Washington St Closure Structure



View Looking West



View Looking East

S Washington St Closure Structure







2011 Flood Response

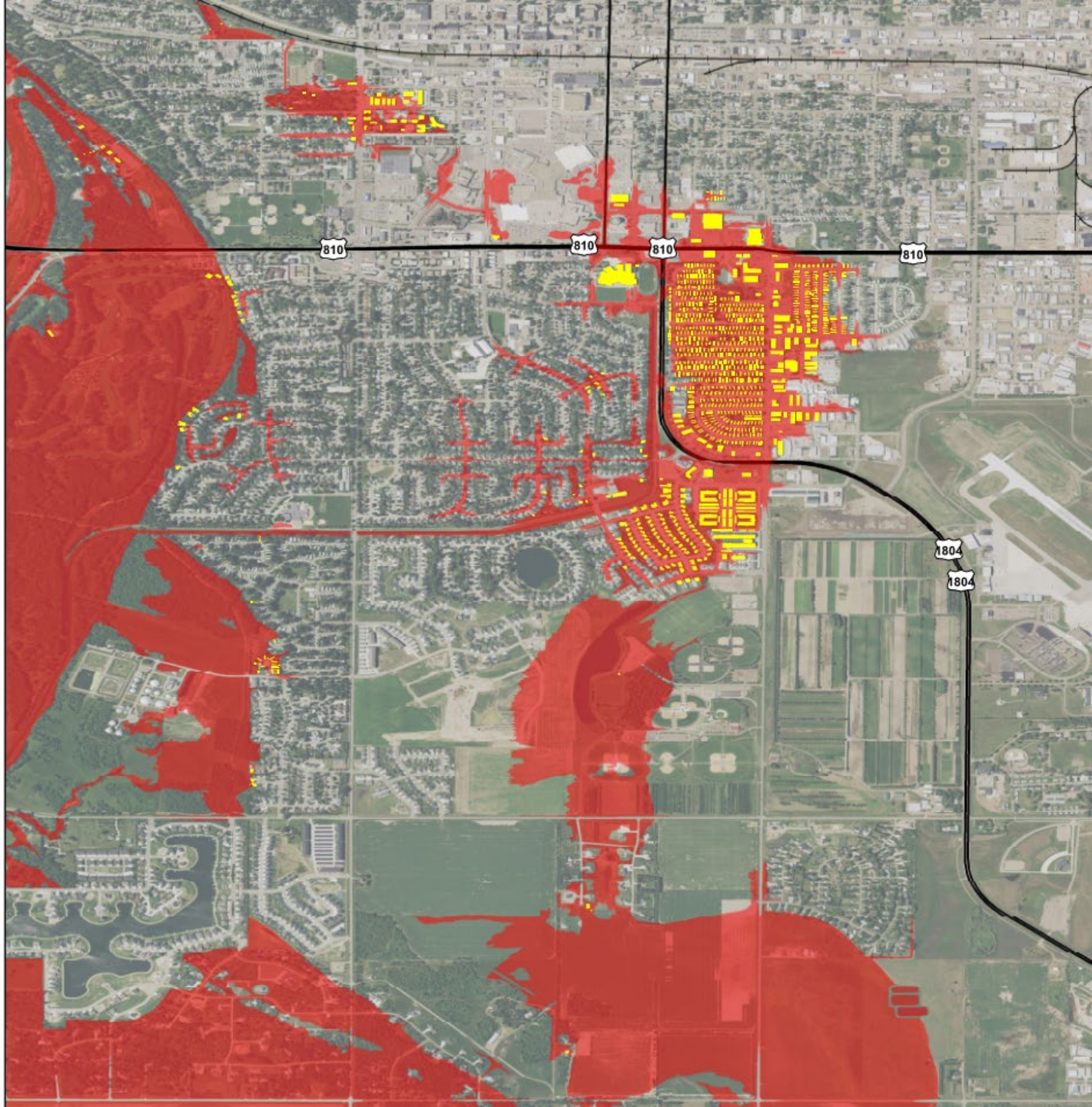

N
Bismarck Expy
Kirkwood Mall
University Dr
South Bismarck Drainage Ditch
S Washington St
NORTH DAKOTA
1804
Bismarck Airport
2013 Effective Floodplain


N
Bismarck Expy
Kirkwood Mall
University Dr
South Bismarck Drainage Ditch
S Washington St
NORTH DAKOTA
1804
Bismarck Airport
2024 Effective Floodplain

Bismarck

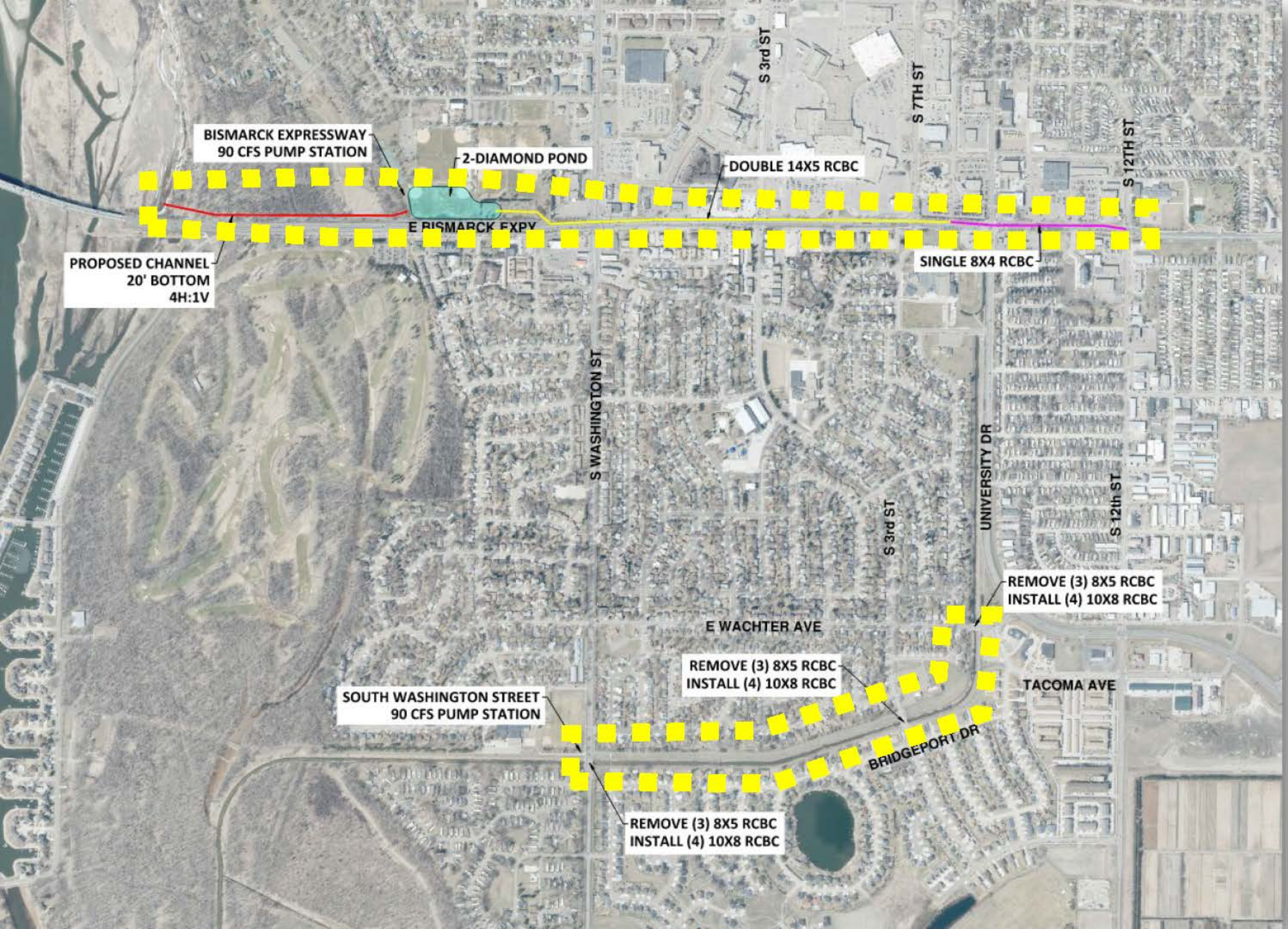
Approximately 950 structures in South Bismarck are at risk of Flooding

- Schools
- Underserved Disadvantaged Communities
- Medical Facilities
- Businesses
- Critical Transportation, Electrical, Water and Waste-Water Infrastructure



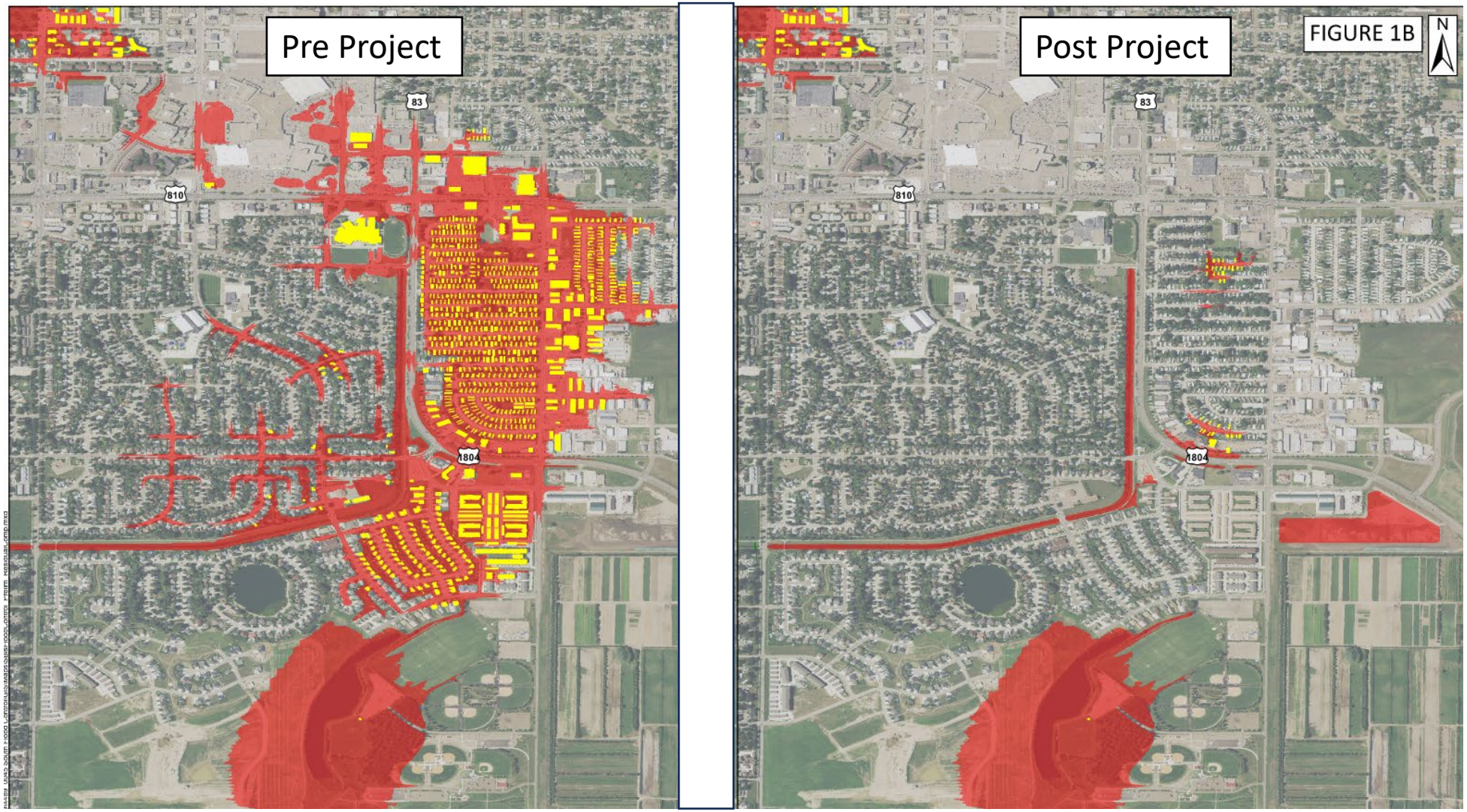
City of Bismarck Response

- Goals
  - Mitigate flood risk
  - Achieve FEMA accredited flood protection
  - Remove buildings from 100-year floodplain
- Alternative Screening Criteria
  - Certify S Washington structure
  - Minimize impacts to private/public property
  - Negligible downstream stage increase


BISMARCK EXPRESSWAY
90 CFS PUMP STATION
2-DIAMOND POND
DOUBLE 14X5 RCBC
E BISMARCK EXPY
PROPOSED CHANNEL
20' BOTTOM
4H:1V
SINGLE 8X4 RCBC
S 3rd ST
S 7TH ST
S 12TH ST
S WASHINGTON ST
S 3rd ST
UNIVERSITY DR
S 12th ST
REMOVE (3) 8X5 RCBC
INSTALL (4) 10X8 RCBC
E WACHTER AVE
REMOVE (3) 8X5 RCBC
INSTALL (4) 10X8 RCBC
TACOMA AVE
SOUTH WASHINGTON STREET
90 CFS PUMP STATION
BRIDGEPORT DR
REMOVE (3) 8X5 RCBC
INSTALL (4) 10X8 RCBC

Bismarck

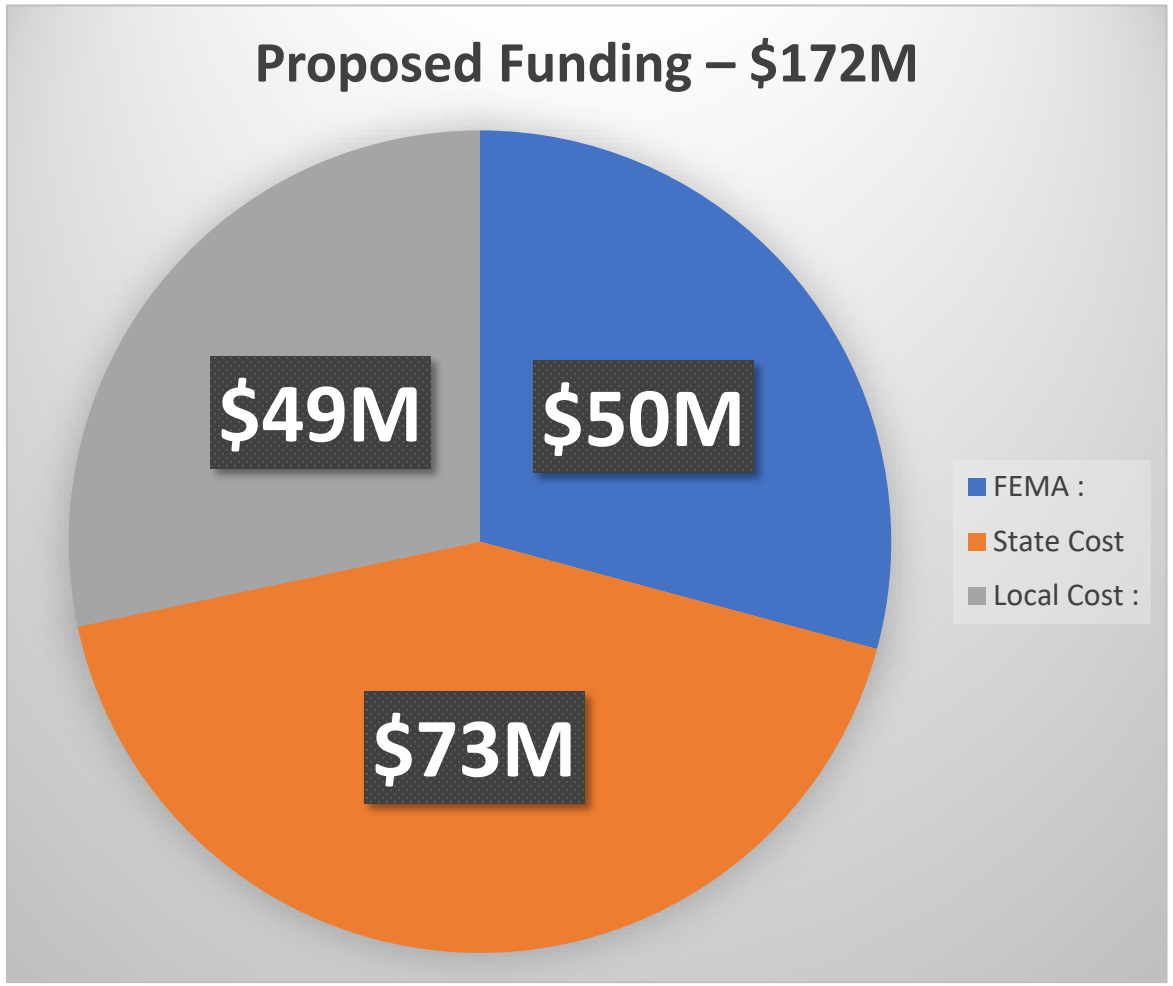
Flood Risk Reduction



Project Partners

- FEMA
  - Flood Mitigation Assistance (FMA) $50 million grant (capped)
  - Achieve FEMA Accredited Flood Protection
  - Reduce Flood Insurance Premiums
  - Maintain a Benefit-Cost Ratio of > 1.0
  - $278M Benefit ($113M Physical + $165M Social)
  - Timeline - 3 years to complete
  - ND Department of Emergency Services pass through
- State Water Commission
  - Phase 1 Pre-Construction cost share
  - 60% cost share of non-federal costs
  - $2,369,000 for design and pre-construction activities

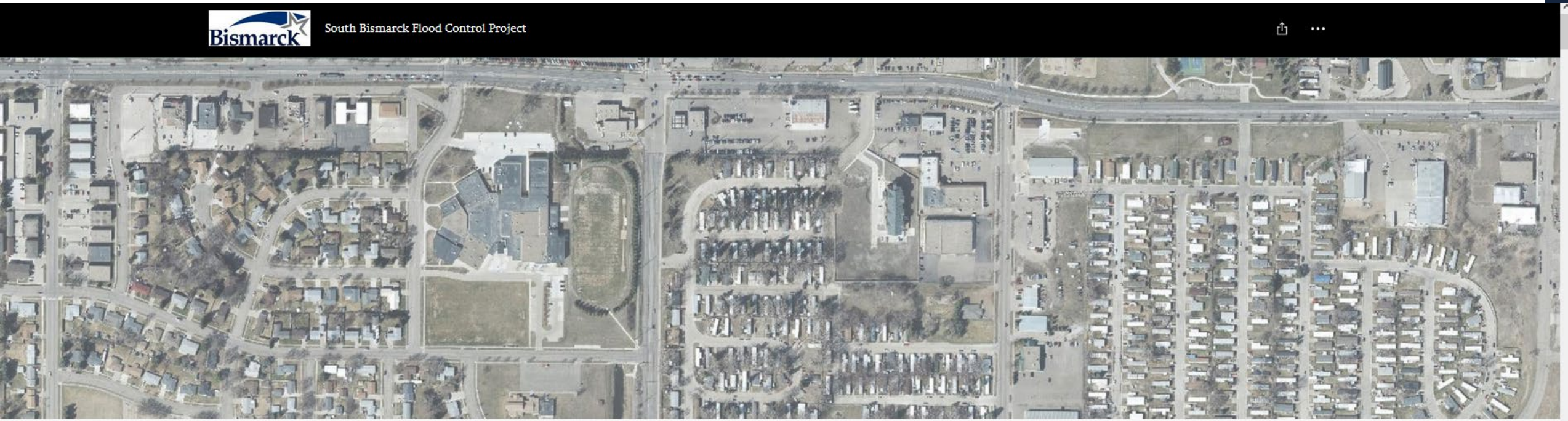
Funding & Timeline



- FY24 FEMA Award
  - Spend down by FY27
- Final Design 2025 and 2026
- Fall 2026 bid and award
- Anticipated Construction 2027 & 2028 & 2029

www.bismarcknd.gov/floodresources

Bismarck



South Bismarck Flood Control Project

City of Bismarck Engineering Dept

December 10, 2024

Thank you

Contact Info:

Gabe Schell, PE

City Engineer, City of Bismarck

701.355.1505

gschell@bismarcknd.gov

MOUSE RIVER PLAN

TESTIMONY TO HOUSE APPROPRIATIONS

EDUCATION & ENVIRONMENT SECTION

RE: HOUSE BILL 1020

22 JANUARY 2025

NORTH DAKOTA SRJB SOURIS RIVER JOINT BOARD

23-25 Biennium Funding Summary

$76.1 Million Total

The funding amount of $76.1 million represented the first biennium with the same amount to complete the project (Legislative Intent, Section 14, SB 2020)

Uses:

SRJB	City of Minot
$66.35 M	**$9.75 M**

- $66.35 Million to the Souris River Joint Board for Construction and Engineering Throughout the Basin (Including Minot) and Acquisition Activities Outside Minot City Limits
- $9.75 Million to the City of Minot for Acquisition Activities inside City Limits

Contracts between the State Water Commission and SRJB / City of Minot signed in May 2024

Original 23-25 Biennium Work Plan

Fairly significant shift in focus within the last 24-36 months based on delays associated with railroad negotiations and permitting.

Originally, Phase MI-4: Maple Diversion was programmed for the 23-25 biennium, but based on delays associated with the railroads, the SRJB repositioned to advance Phases MI-6 and MI-7 to completion.

			Total Estimated Cost to Complete
2023-2025 WORK PLAN	PROPERTY ACQUISITIONS	Minot	$ 13,000,000
		Outside of Minot	$ 1,800,000
	CONSTRUCTION	Phase MI-6: Downtown Levee / Floodwall	$ 59,000,000
		Phase MI-7: Roosevelt Park Levee / Floodwall	$ 41,000,000
		Total	**$ 114,800,000**
		State Funds	**$ 76,100,000**
		Federal Funds	**$ -**
		Local Funds	**$ 38,700,000**

Significant progress has been made with the three railroad entities affected by the Mouse River Enhanced Flood Protection Project

Early design concepts (at right) included impractical railroad requirements:

- Significant reconstruction of BNSF Railway tracks
- Significant reconstruction of CPKC (formerly Canadian Pacific) Railway tracks
- Construction of a new bridge on the CPKC tracks to cross the diversion channel
- Reconstruction of the Amtrak passenger loading platform adjacent to BNSF Railway tracks



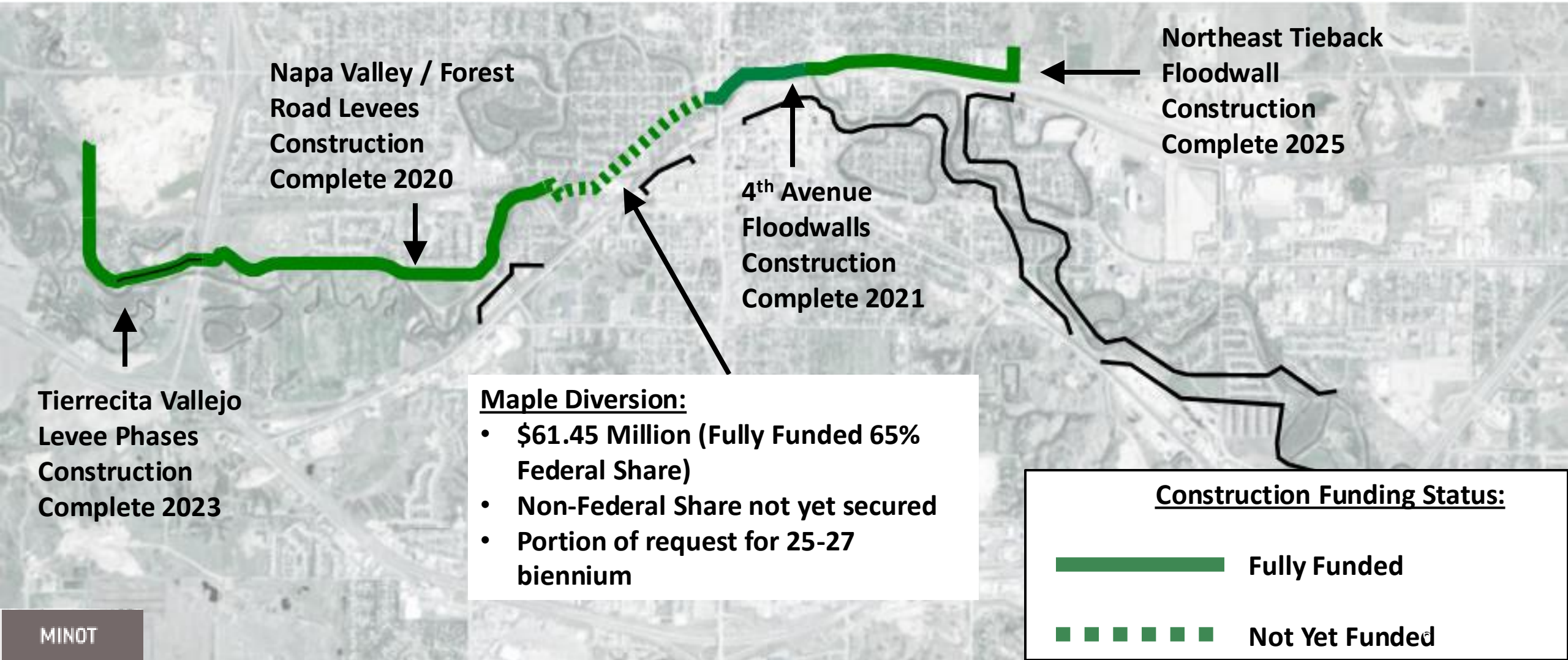
Significant progress has been made with the three railroad entities affected by the Mouse River Enhanced Flood Protection Project

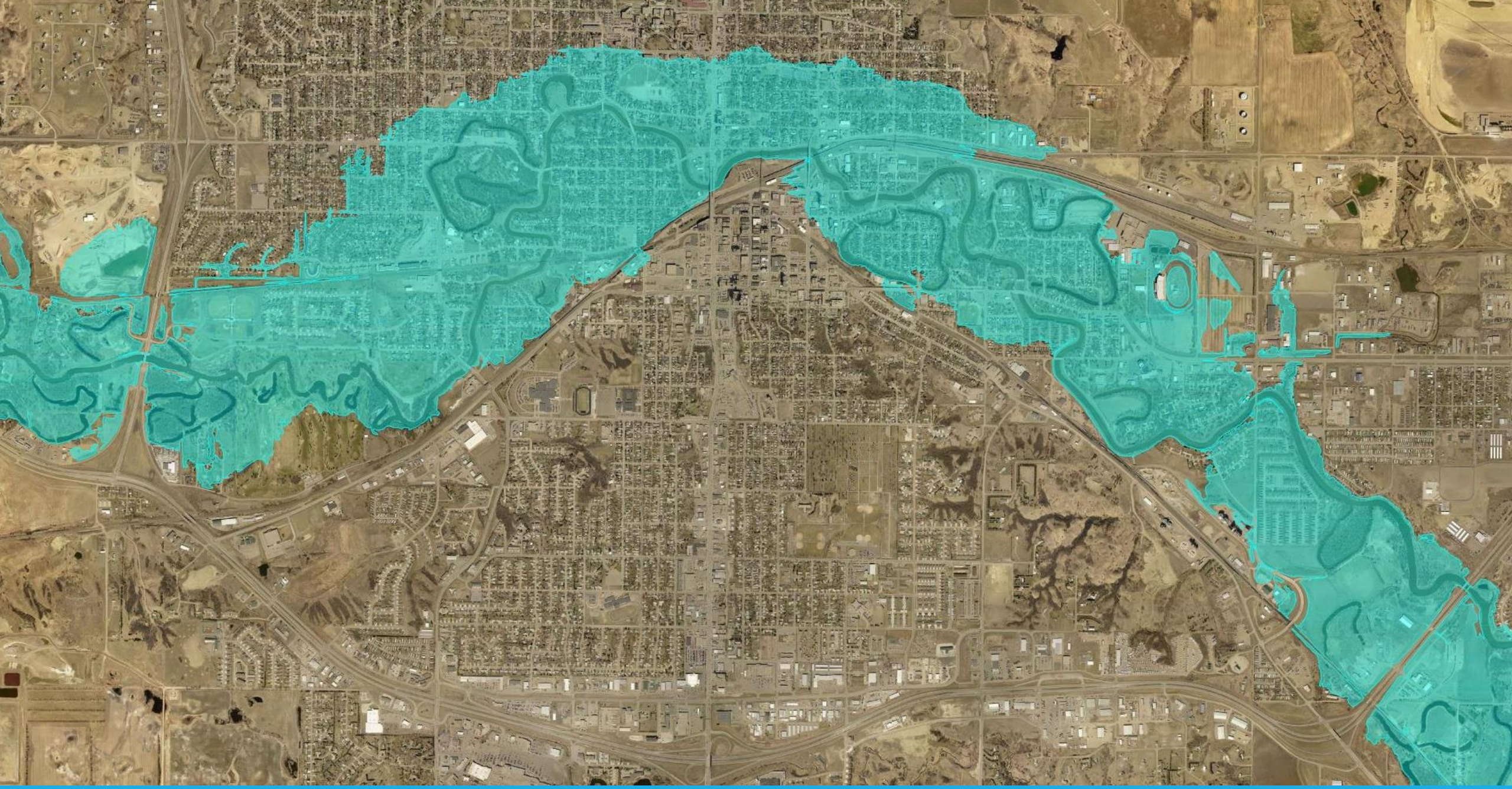
Latest design concepts only include:

- Construction of a new bridge on the CPKC tracks to cross the diversion channel
- Reconstruction of the 6th Street railroad underpass bridge on the CPKC tracks
- Limited coordination with BNSF Railway
- Limited coordination with Amtrak

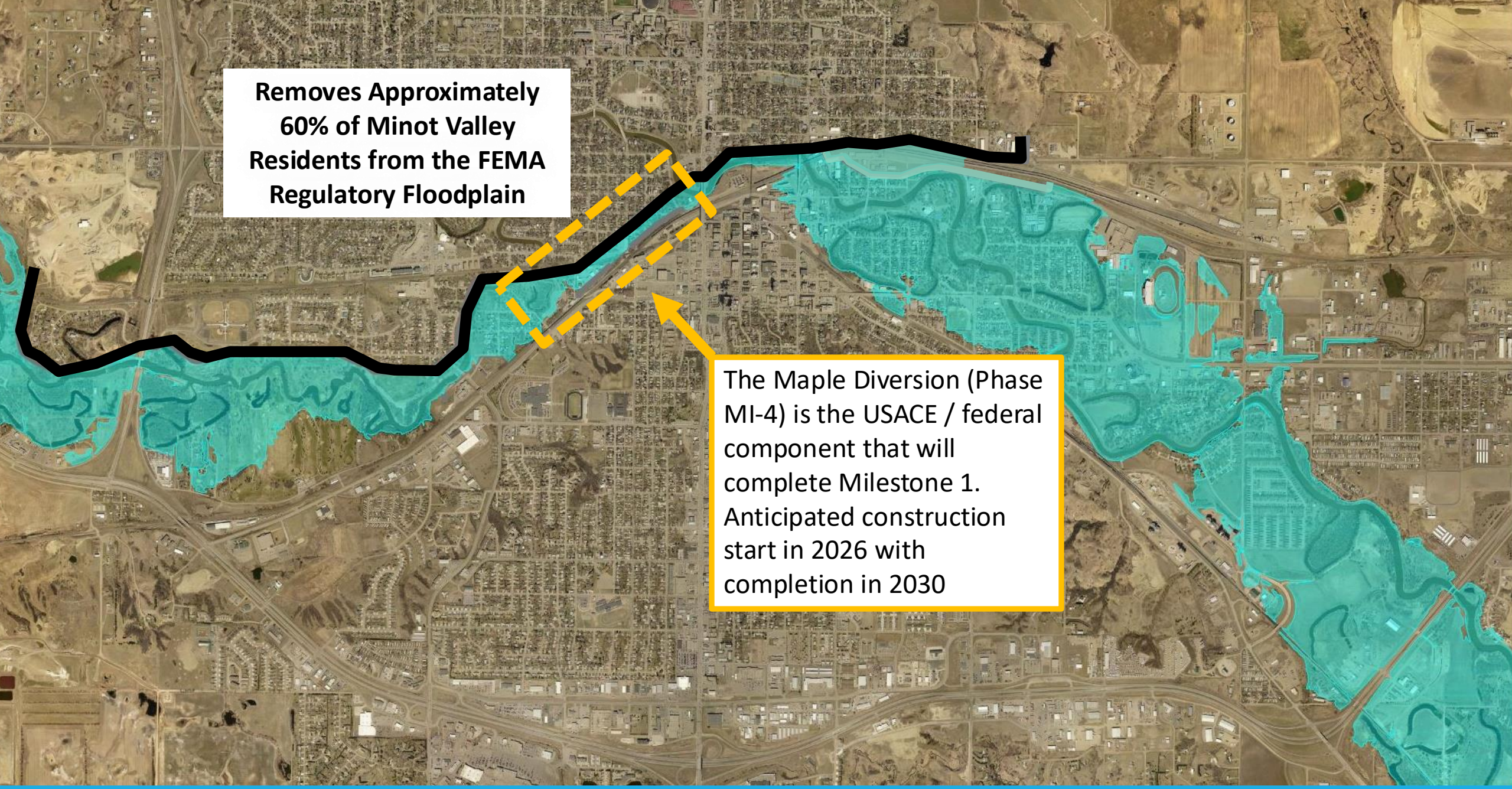


Significant Progress Made Towards Minot Milestone 1



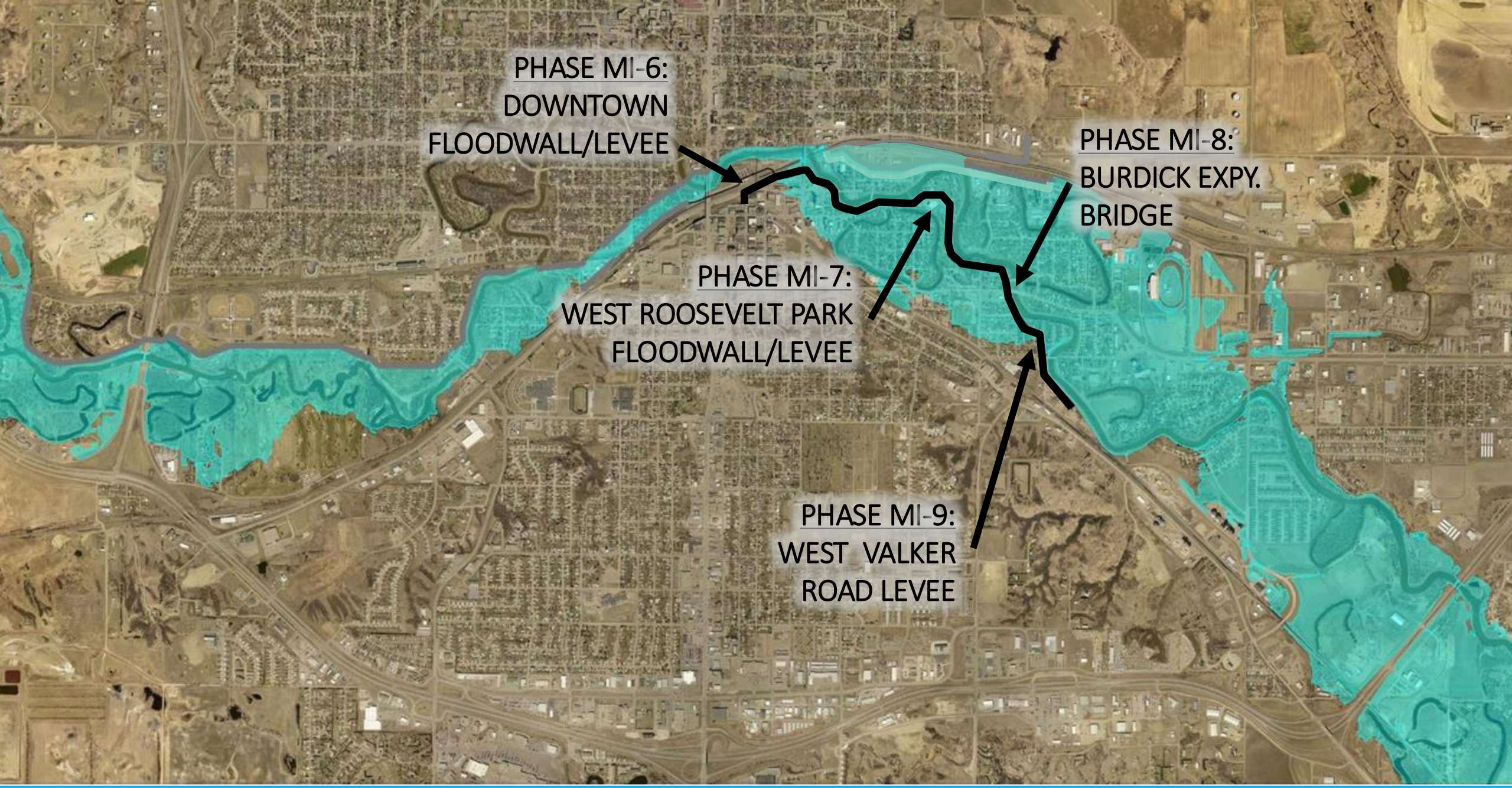


Future FEMA Regulatory Floodplain Prior to Milestone 1

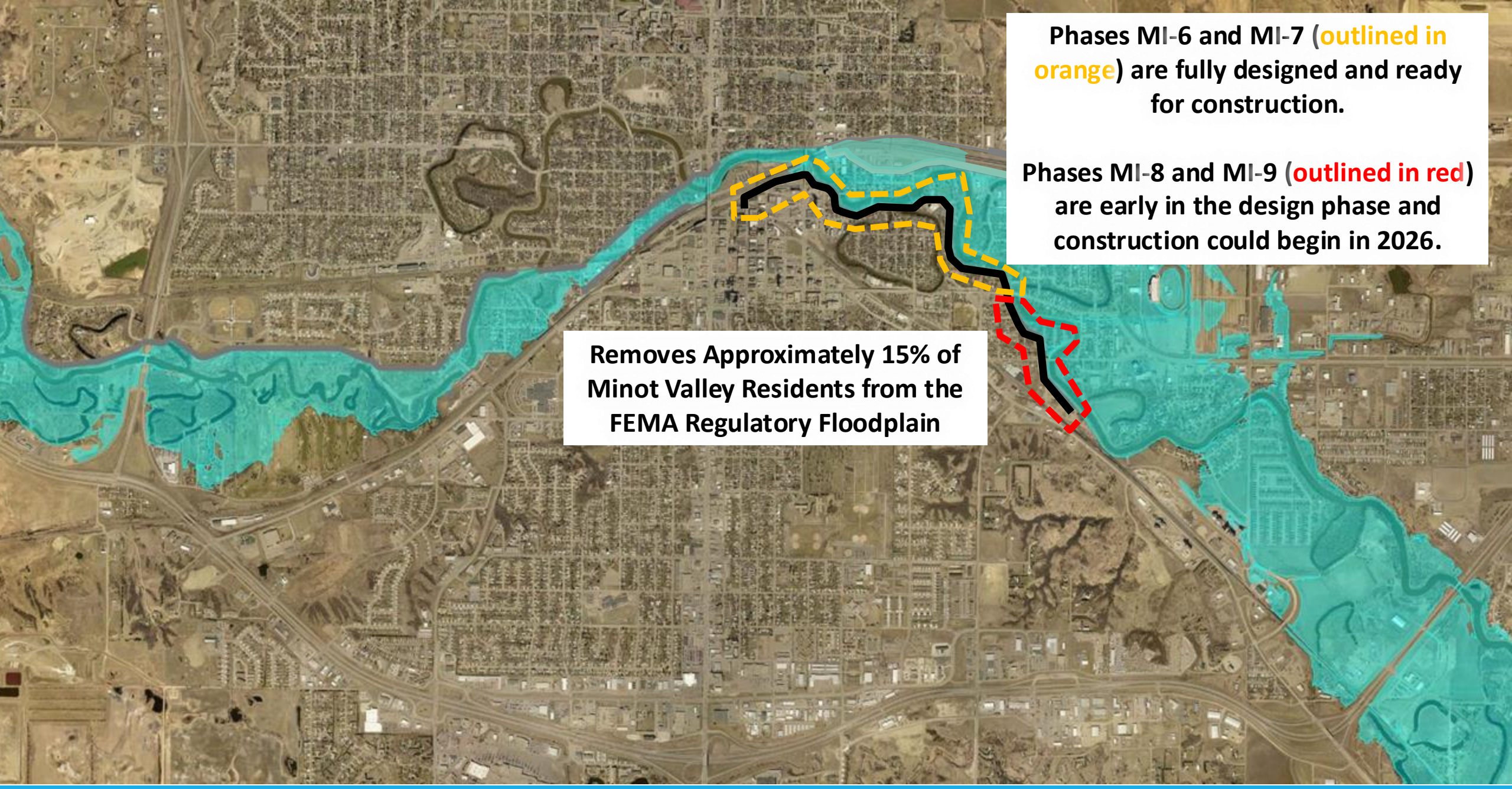


Interim Regulatory Floodplain Following Minot Milestone 1

NORTH DAKOTA SRJB SOURIS RIVER JOINT BOARD

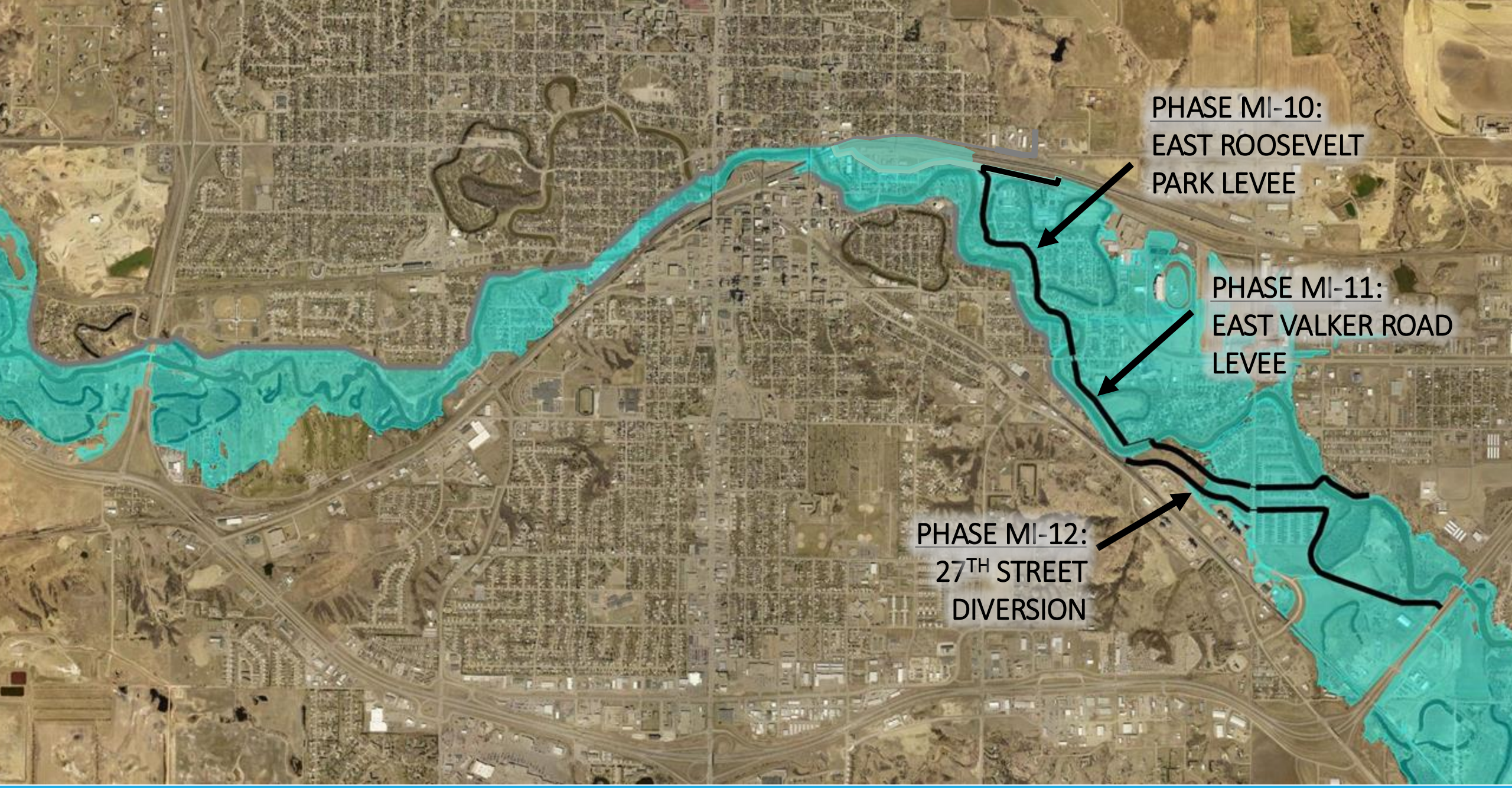


Minot Milestone 2



Interim Regulatory Floodplain Following Milestone 2

SRJB SOURIS RIVER JOINT BOARD

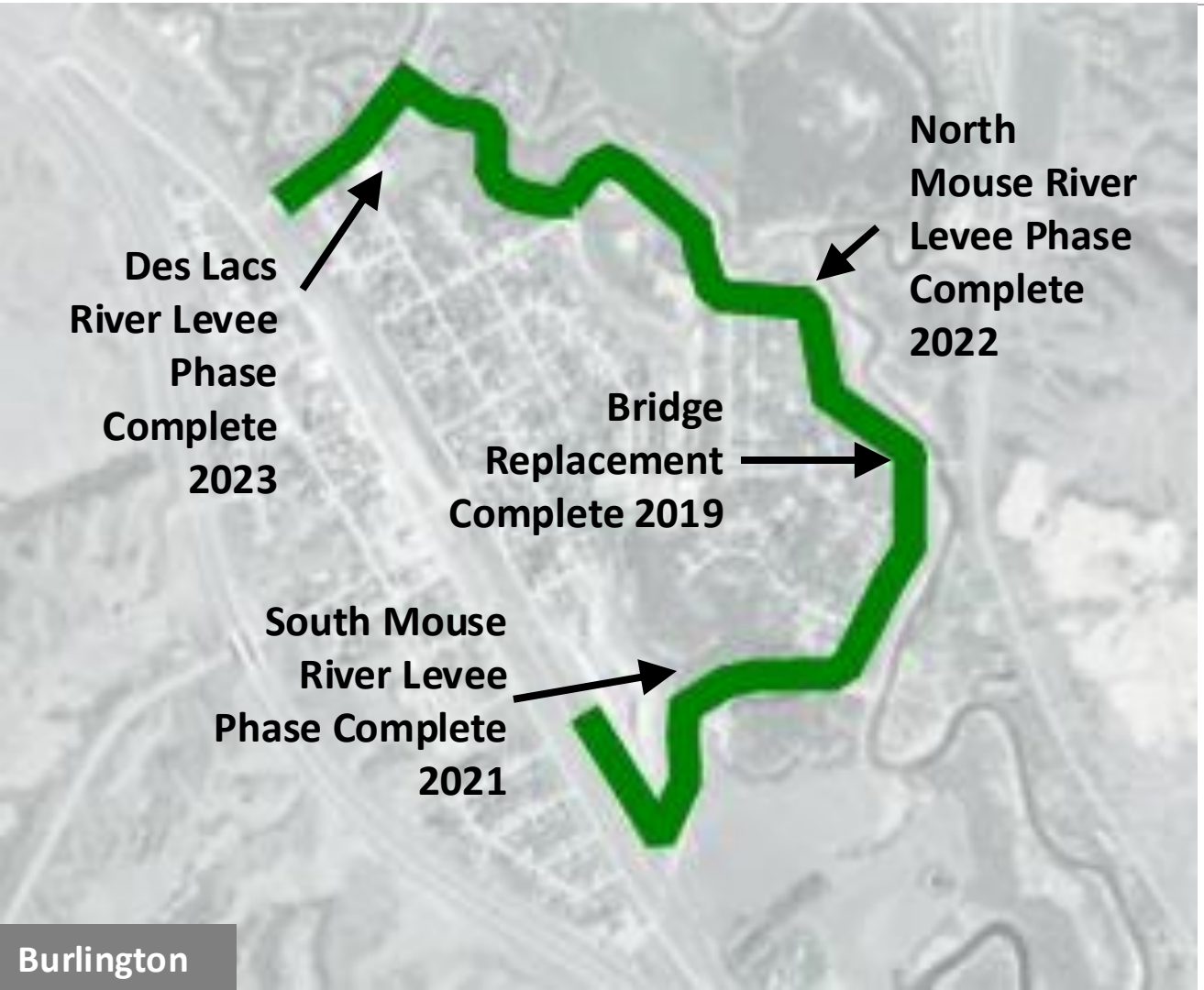


Minot Milestone 3



Regulatory Floodplain Following Milestone 3

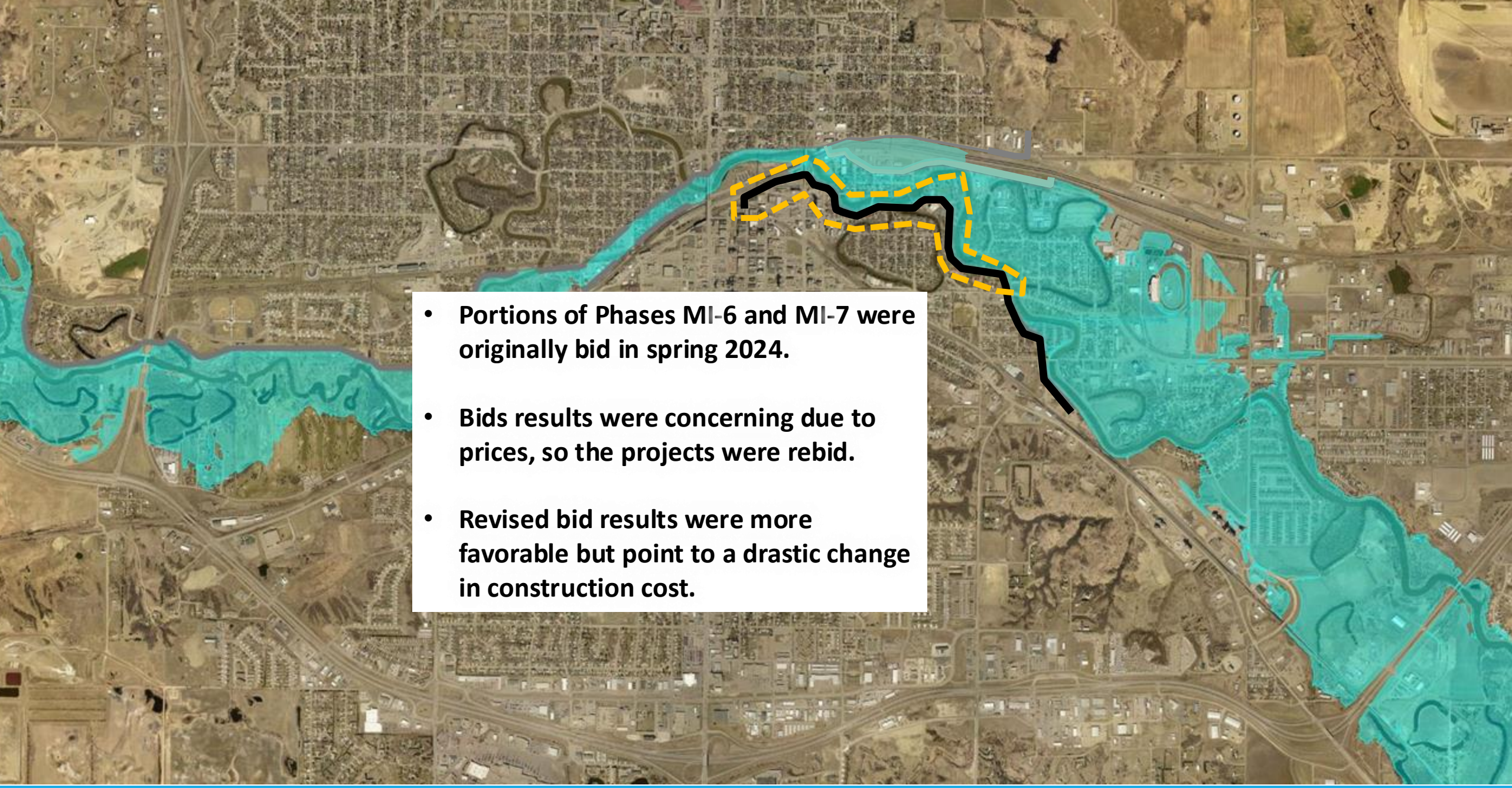
Progress in Rural Portions of the Mouse River Valley



Construction Funding Status:

Fully Funded

Construction of all Burlington phases of the project are substantially complete.



- Portions of Phases MI-6 and MI-7 were originally bid in spring 2024.
- Bids results were concerning due to prices, so the projects were rebid.
- Revised bid results were more favorable but point to a drastic change in construction cost.

Construction Cost Challenges



Photo: Roadway closure installed near the Minot water treatment plant

Historical Concrete Bid Costs – Price per Cubic Yard (CY)

Pump Station Concrete

- Phase MI-1 (Bid December 2017): $921 / CY *
- Phase MI-5 (Bid February 2022): $1,100 / CY
- **Phase MI-6 (Bid September 2024): $3,400 / CY** *

+209% in 31 months

Floodwall Concrete

- Phase MI-1 (Bid December 2017): $752 / CY *
- Phase MI-5 (Bid February 2022): $1,213 / CY
- **Phase MI-7 (Bid July 2024): $1,710 / CY** *

+41% in 29 months

* Project was re-bid due to high pricing or irregularities



Photo: Installation of steel sheet pile to combat seepage beneath levee west of Minot.

Nationwide Construction Cost Indices Show Similar Trends, Though Not as Excessive

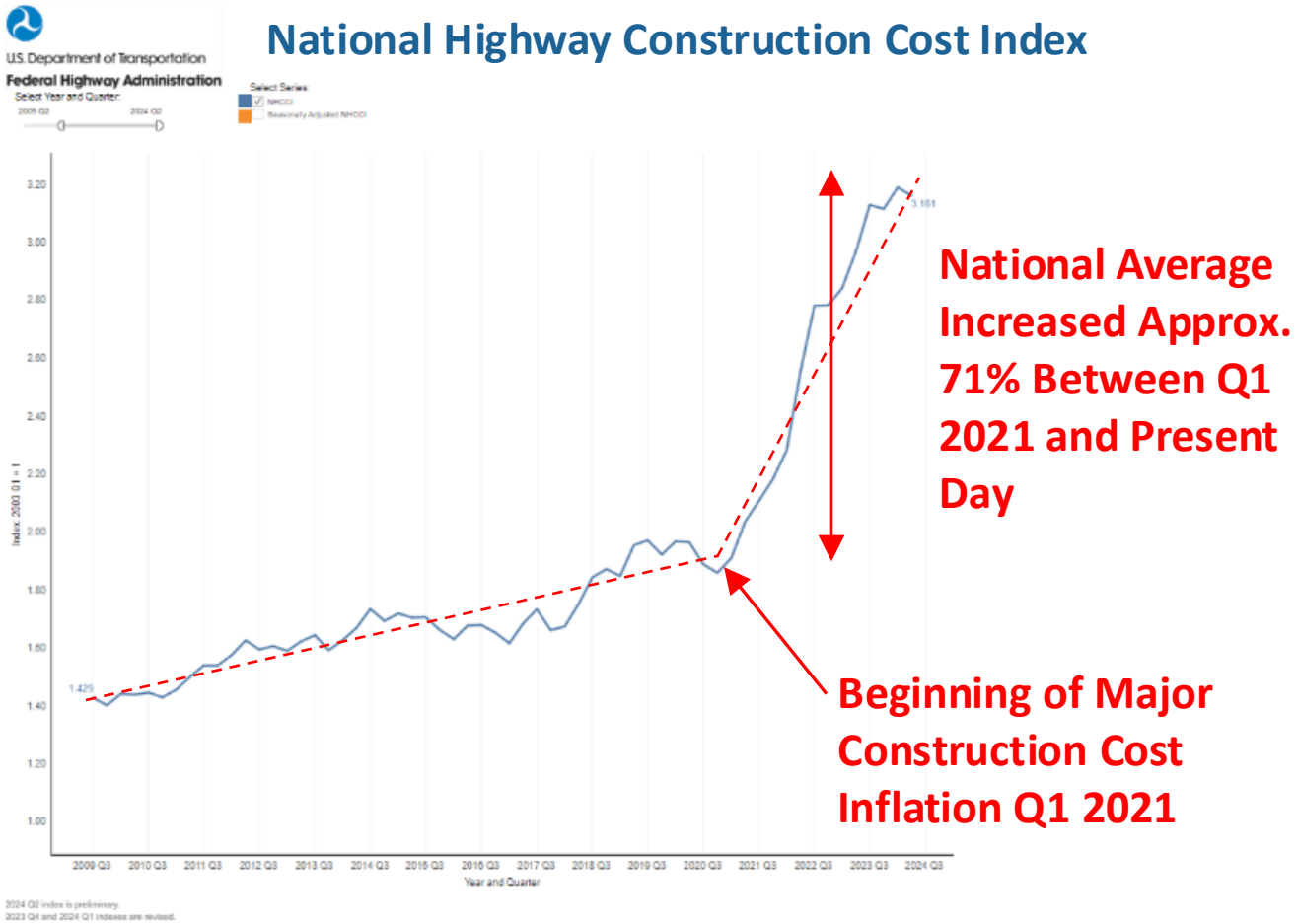




Photo: Levee embankment being constructed at Tierrecita Vallejo subdivision, west of Minot

Our actions thus far include:

Rejecting and rebidding phases of the project.

- Rebidding of Phases MI-6 and MI-7 resulted in the costs being reduced by approximately $12 million. These projects were subsequently awarded.

Repackaging the project to solicit the interest of smaller contractors

- Phases MI-6 and MI-7 were split into smaller scopes of work (approximately $20M each) in an attempt to entice other bidders. This encouraged some additional competition, which lowered pricing of the larger contractors.



Photo: Levee embankment being constructed at Tierrecita Vallejo subdivision, west of Minot

Our actions thus far include:

Evaluating why there has been a considerable change in the degree of competition and the bid amounts for these projects. Contractor feedback indicates:

- Relocation of crews and labor to the Minot region is not ideal due to increased workload across the state and region (state-funded projects, federally funded projects, etc.)
- Cost of labor
- Cost of materials
- Too much carryover work from last year to meet schedule demands of the flood control work



Photo: Levee embankment being constructed at Tierrecita Vallejo subdivision, west of Minot

Our actions thus far include:

Performing a re-evaluation of the entire program to identify

- Projected budgetary impacts of inflation (i.e. construction costs)
- Projected effects of revised alignments due to railroad feedback
- Opportunities for capital cost savings
- Alternate Delivery Methods
  - Bridge replacement at Mouse River Park bid 4 times with no bidders
  - Bridge replacement at Velva bid 1 time with no bidders

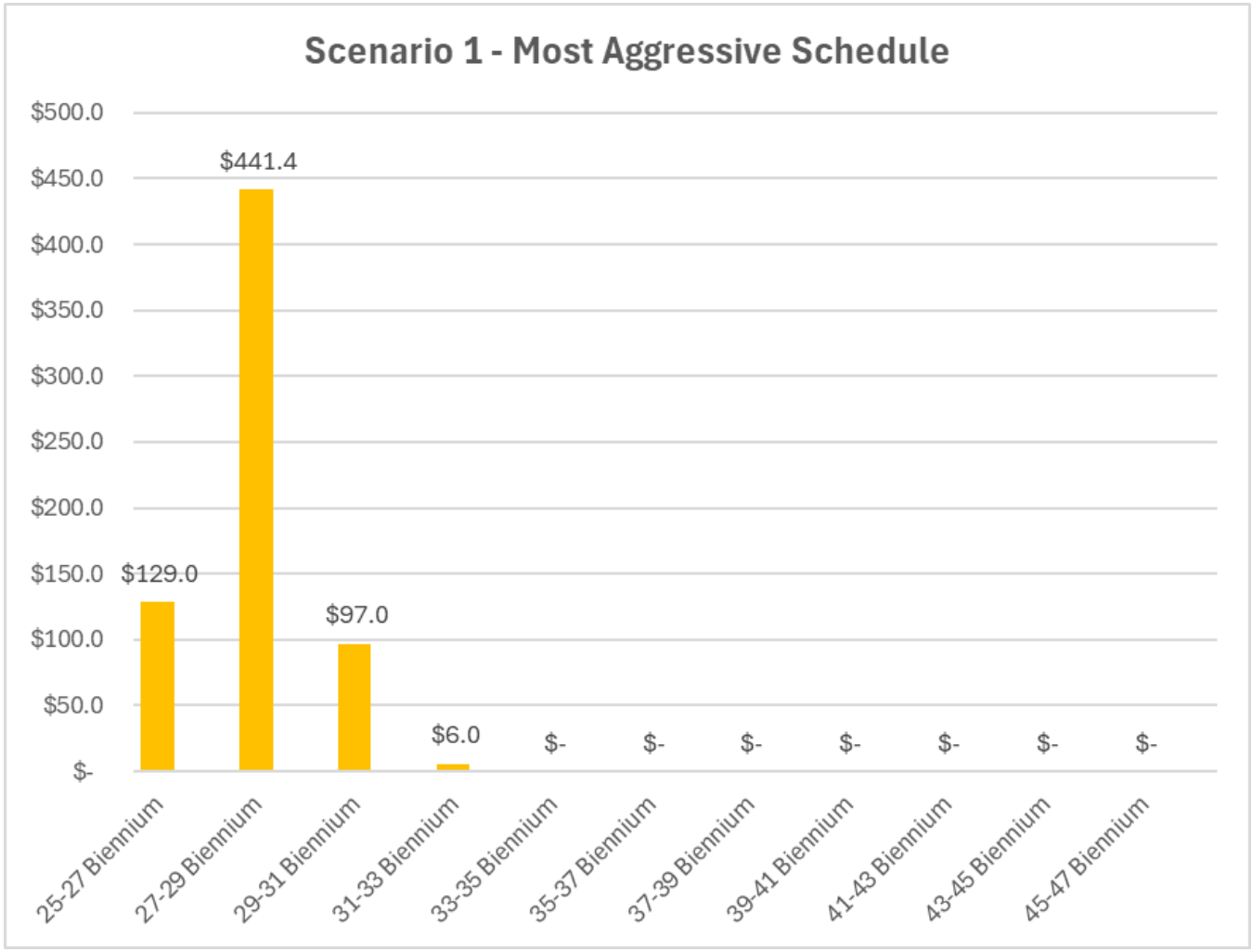
We Wish to Secure a Commitment to Finish this Project

Alternate funding scenarios have been developed to illustrate the effects of inflation on the total investment and schedule for completing the project.

State Funding Scenarios

Scenario 1

(Most Aggressive Schedule)



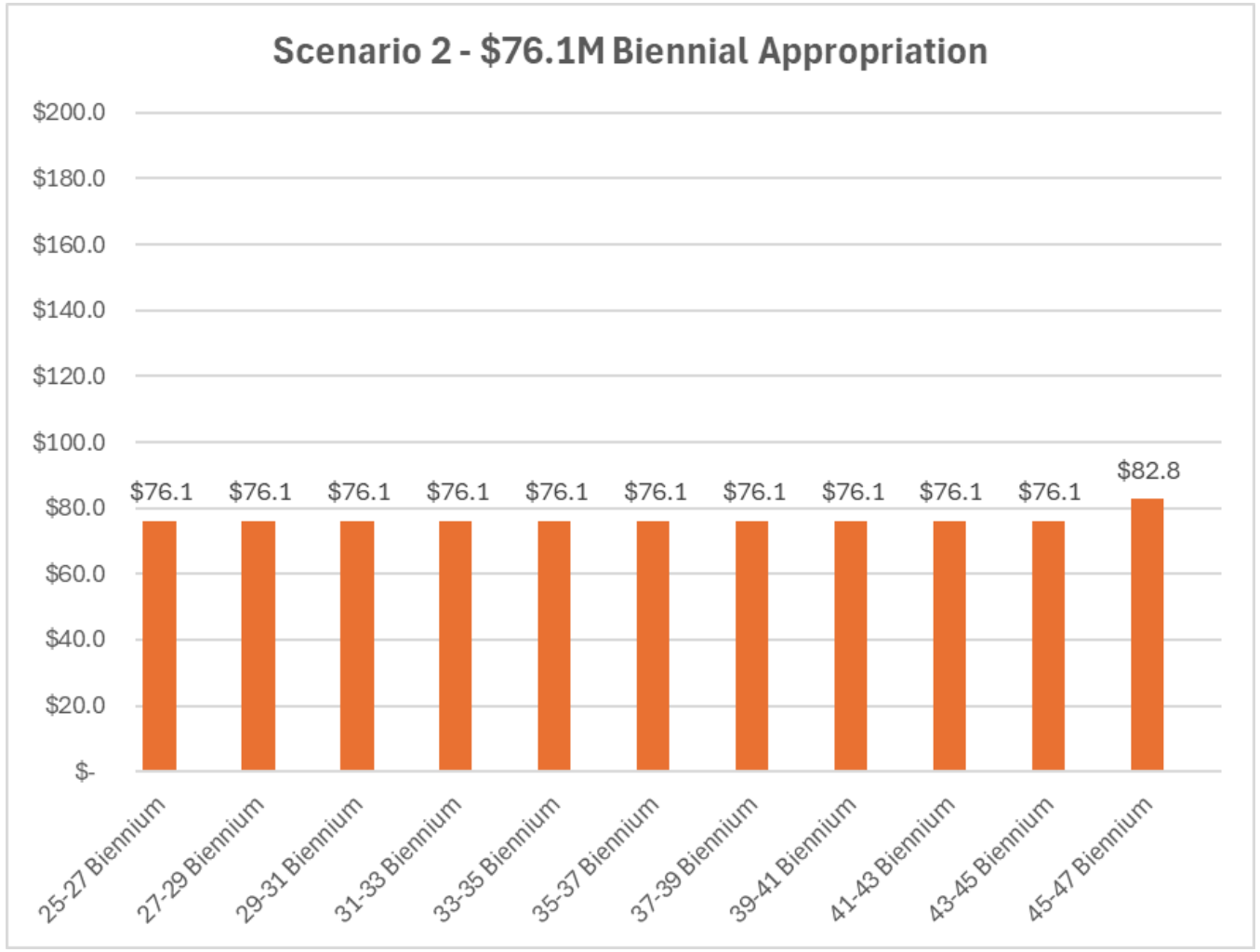
$1,092 M TOTAL

$673 M STATE | $70 M FEDERAL | $349 M LOCAL

State Funding Scenarios

Scenario 2

($76.1M / Biennium to Completion)



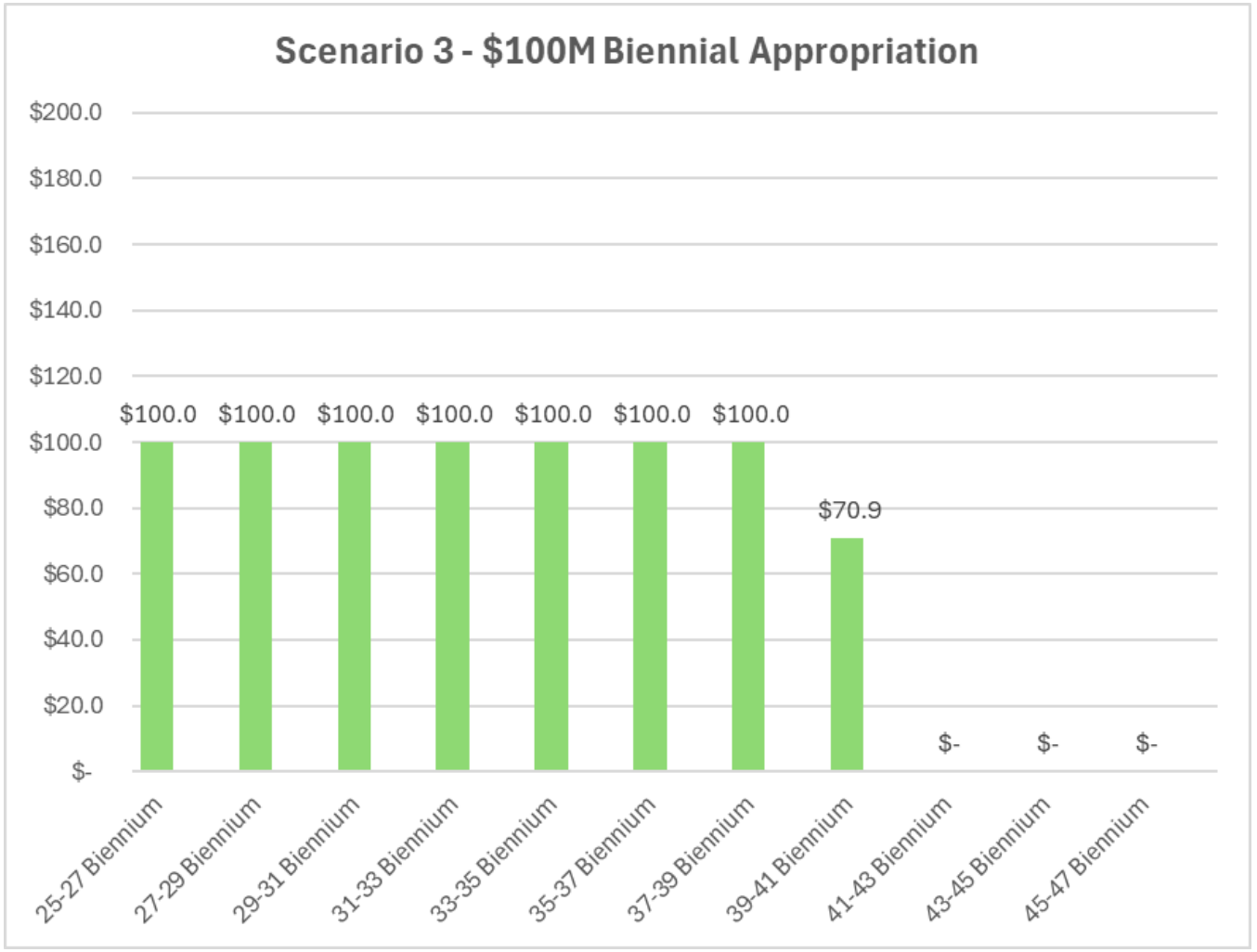
$1,351 M TOTAL

$844 M STATE | $70 M FEDERAL | $437 M LOCAL

State Funding Scenarios

Scenario 3

($100M / Biennium to Completion)



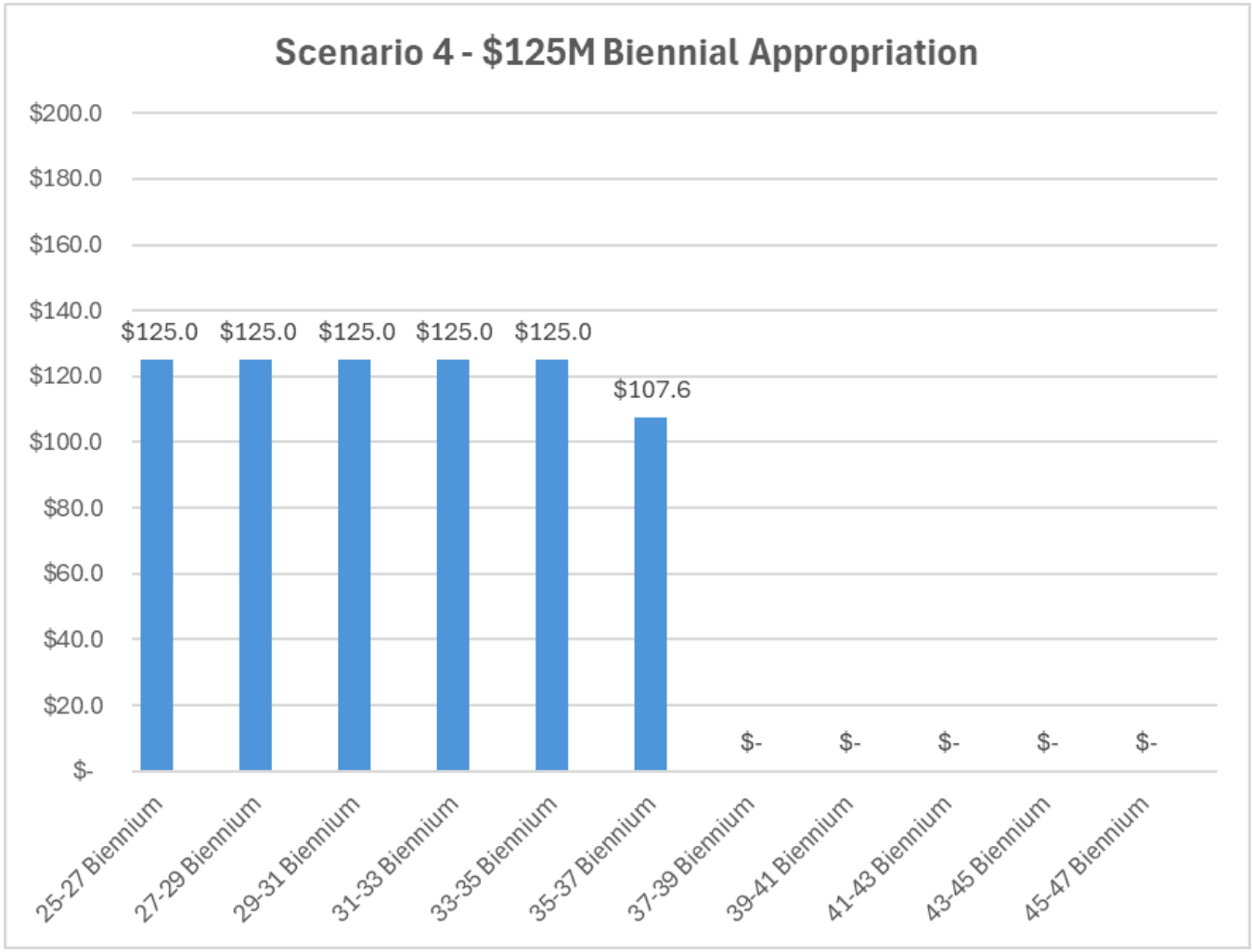
$1,240 M TOTAL

$771 M STATE | $70 M FEDERAL | $399 M LOCAL

State Funding Scenarios

Scenario 4

($125M / Biennium to Completion)



$1,182 M TOTAL

$733 M STATE | $70 M FEDERAL | $380 M LOCAL

Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

It is the optimal investment. The US Army Corps of Engineers performed an independent evaluation of the economics associated with the design level for the Maple Diversion. The maximum benefit-cost ratio is achieved at a design flow rate of 27,400 cfs.

US Army Corps of Engineers®
St. Paul District

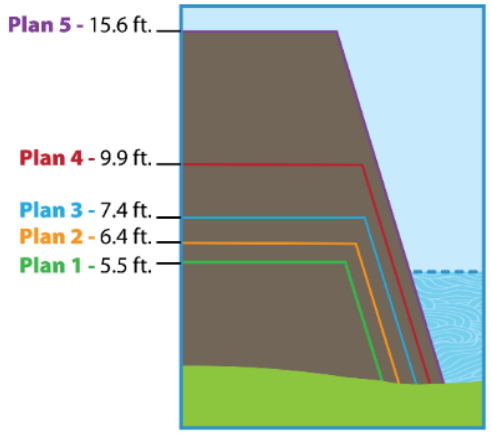


Figure 10: Levee Height Differences Across Different Plans Evaluated During Optimization

Table 9: Optimization results across Plan 1 – Plan 5

Results Top of Levee	Plan 1 14,000 cfs	Plan 2 17,000 cfs	Plan 3 20,400 cfs	Plan 4 27,400 cfs	Plan 5 36,000 cfs
Total Investment Cost[1]	66,900,000	67,800,000	69,500,000	72,000,000	78,600,000
Total Annual Costs[2]	2,700,000	2,800,000	2,900,000	3,000,000	3,200,000
Total Annual Benefits[3]	2,400,000	2,800,000	3,100,000	3,600,000	3,800,000
Net Annual Benefits	-400,000	-30,000	300,000	600,000	600,000
BCR	0.89	0.99	1.09	1.20	1.18

Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

The cost savings don't justify the reduction in project value.
The ND State Water Commission studied the costs associated with building to various lower levels. A 64% reduction in project capacity (i.e. 10,000 cfs in lieu of 27,400 cfs) would produce savings of approximately 6%.

Figure 5: Levee geometry A

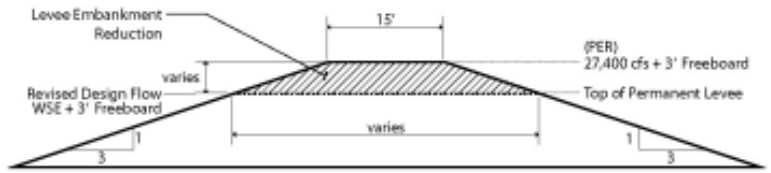


Figure 6: Levee geometry B

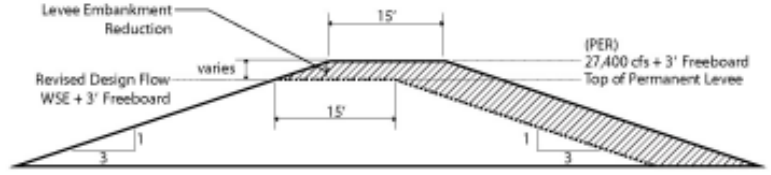
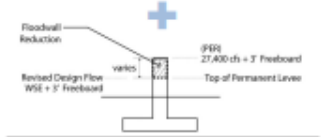


Figure 7: Levee geometry A costs



Levee scaling only

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	534.6	-1.6%
15,000	538.7	-0.8%
20,000	541.0	-0.4%



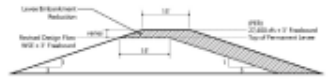
Floodwall scaling only

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	528.3	-2.7%
15,000	535.8	-1.3%
20,000	538.8	-0.8%

Levee and floodwall scaling

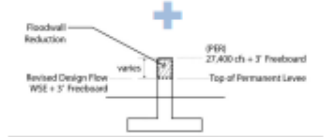
Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	519.8	-4.3%
15,000	531.4	-2.1%
20,000	536.9	-1.1%

Figure 8: Levee geometry B costs



Levee scaling only

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	527.1	-2.9%
15,000	531.5	-2.1%
20,000	535.9	-1.3%



Floodwall scaling only

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	528.3	-2.7%
15,000	535.8	-1.3%
20,000	538.8	-0.8%

Levee and floodwall scaling

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	512.3	-5.6%
15,000	524.3	-3.4%
20,000	531.7	-2.1%

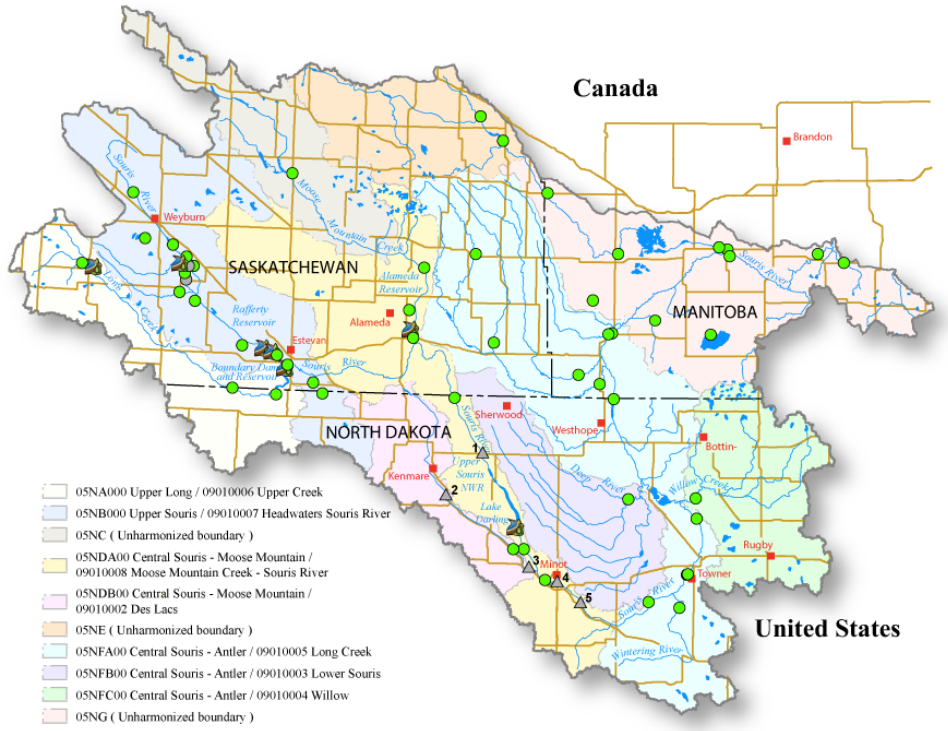
As shown in Figure 7 and 8 above, the reduction in costs for levee and floodwall scaling are estimated to be less than 6 percent of the project cost for PER Minot reach 1: (OPC of $543 million).

Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

Allows for adaptive reservoir management that can be used to benefit both urban and rural portions of the basin. When flow rates are well below the capacity of the urban levee systems, the reservoirs could be operated for the benefit of rural stakeholders. This is the essence of a basin-wide solution.

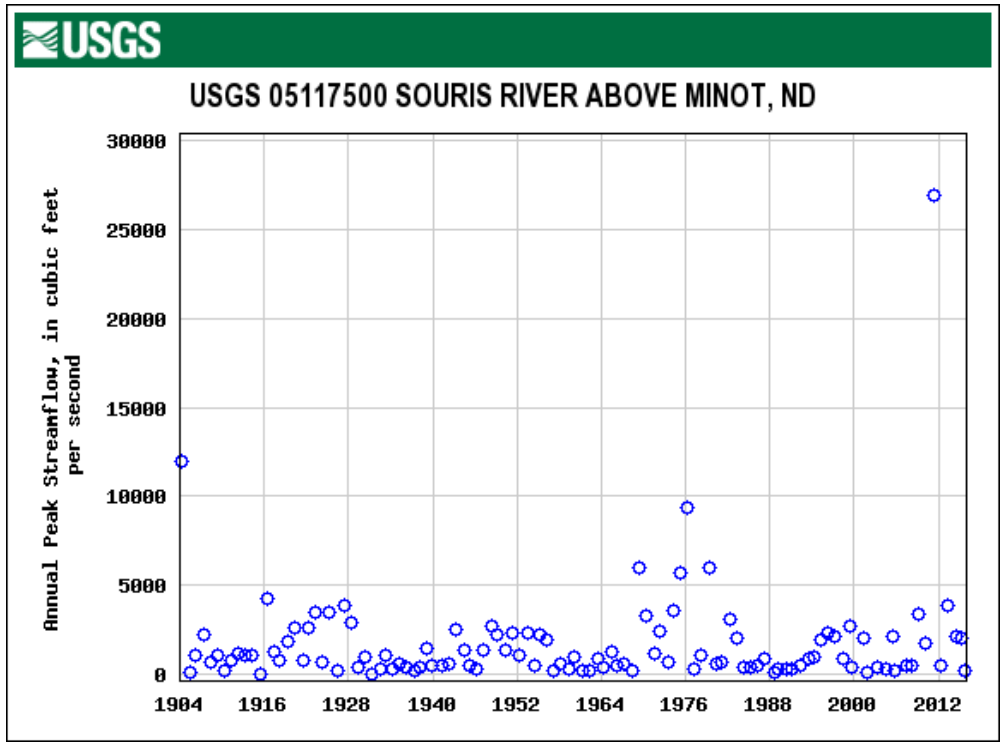


Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

Our historical record is 'only' a century long, and multiple researchers and agencies have classified the 20th Century (1900s) as a relative drought.
What will the next century bring?



Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

It actually happened.



On behalf of the residents of the Mouse River Basin…

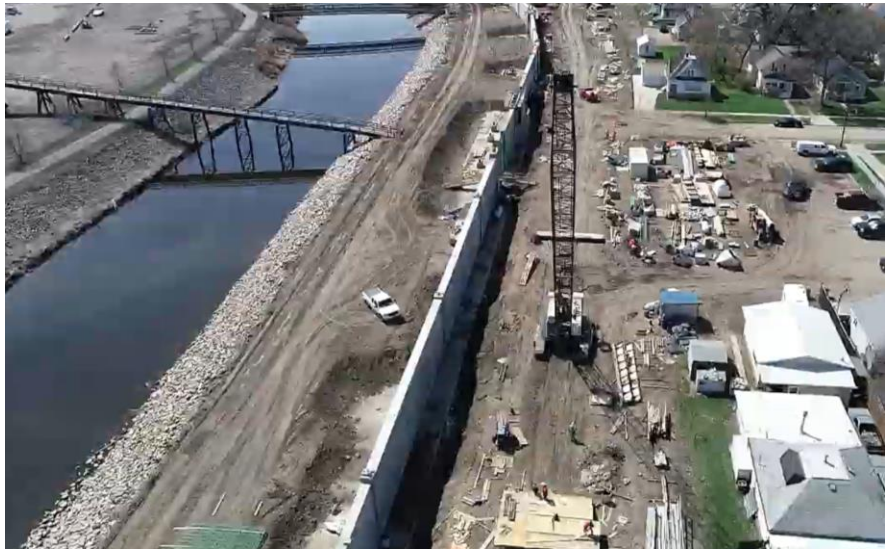
Thank You!

MOUSE RIVER PLAN

Project information may be viewed or downloaded at:

http://www.mouseriverplan.com

Construction progress videos may be viewed at:
https://www.youtube.com/channel/UCJEMcuR74qzNPZ83qzQhCTg





SRJB
SOURIS RIVER JOINT BOARD

Testimony to House Appropriations – Education and Environment Division

Re: House Bill 1020

Date: Wednesday, January 22, 2025

By: Tom Ross, Mayor of the City of Minot

Chairman Mike Nathe and members of the House Appropriations Education and Environment Division, thank you for the opportunity to speak with you today about House Bill 1020. It's truly an honor to represent the City of Minot and the broader Souris River basin as we work together to secure our region's future.

As you know, the Souris River basin endured a devastating flood in 2011 that displaced more than 11,000 residents in Minot alone and damaged over 4,000 homes and businesses. It's a memory none of us will ever forget. Thirteen years later, while the scars of that disaster are fading, our community's determination to rebuild stronger and safer has only grown.

Thanks to the unwavering support of the Legislature, three Governors, the Department of Water Resources, and our Congressional Delegation, we've made great strides in constructing permanent flood protection. We're proud of the progress we've made, but there's still much to do.

The work completed so far hasn't yet removed properties from the proposed floodplain, and we know the economic toll flood insurance premiums will take if we don't finish what we've started.

We in Minot are committed to doing our part. We've met our local share obligations every step of the way, and we'll continue to meet them—not just in this biennium but in the years to come. This is a shared effort, and the partnership between the state and our community is critical to protecting the lives and livelihoods of everyone in the Souris River basin.

At the same time, we recognize that this is about more than just dollars and construction. It's about momentum—keeping the conversation going, working together, and finding solutions that ensure the long-term safety and resilience of our region.

As mayor, I want to express my heartfelt gratitude to all of you for the investments you've made in our community and for the trust you've placed in us. Because of your support, we're not just recovering from a flood; we're building a stronger future for generations to come.

Thank you for your time, your partnership, and your commitment to this vital work. I look forward to continuing this conversation and would be happy to answer any questions you may have.

House Appropriations – Education and Environment Section
Chairman – Representative Mike Nathe
January 22, 2025

Testimony of:

David Ashley
Chairman, Souris River Joint Board
dashley@mouseriverplan.com
(701) 626-1566

HB 1020

SLIDE 1

Chairman Nathe and members of the House Appropriations Education and Environment Section, my name is David Ashley. I am chairman of the Souris River Joint Board. I am here today to speak in support of House Bill 1020 and the appropriation needed to continue progress on the Mouse River Enhanced Flood Protection Project.

This summer will mark 14 years since the 2011 flood devastated Minot and the surrounding region. We have come a long way as a community and as a basin, and much of that progress is a result of the support from the North Dakota Legislature. For that, we are very grateful.

I want to offer a little bit of background information regarding the Souris River Joint Board and the project. The Joint Board is a water resource district with representatives from all four counties along the Mouse River in North Dakota – those being Renville, Ward, McHenry and Bottineau counties. In addition, we have a voting member from the City of Minot.

We have been responsible for developing, designing and building the flood control project along with our funding partners, who have included the State of North Dakota, the City of Minot, all four counties along the River, the US Army Corps of Engineers, the Department of Defense, FEMA, HUD and others.

SLIDE 2

I'd like to provide a brief overview of the project funding summary for the current biennium. A total of $76.1 million was appropriated for Mouse River activities during the last legislative session. Of that total, the Souris River Joint Board received $66.35 million for construction and engineering activities throughout the basin and property acquisitions outside the city limits of Minot. The balance of the appropriation, $9.75 million, was granted to the City of Minot for property acquisitions within Minot's city limits.

SLIDE 3

Our original work plan, as we presented to this committee two years ago, is shown on this slide. The program included approximately $14.8 million in total property acquisitions and $100 million in construction of two phases within the city of Minot. All of the funding for the current biennium is contractually committed.

SLIDE 4

Much of our planning focus has been on the Maple Diversion phase of the project in central Minot. We have been engaged in dialogue with the three railroad entities that the project will affect – BNSF Railway, CPKC Railway, and Amtrak – to determine necessary design considerations and mitigation measures for the project.

The original feedback from the railroads would have the project include significant reconstruction of both BNSF and CPKC railroad infrastructure, including a realignment of the intersection of the two railroads and reconstruction of the Amtrak passenger platform.

SLIDE 5

Over time, we have been able to significantly reduce the amount of railroad work, which reduces project cost. The latest design iteration includes limited modifications of both BNSF and Amtrak infrastructure. While beneficial to the project budget, this dialogue takes a long time to occur and gaining concurrence between the three railroad entities has been a lengthy process.

SLIDE 6

There are three different milestones which have been identified within the City of Minot. Minot Milestone 1 will provide flood protection for much of northwest Minot, and we have made significant progress towards that goal. The lines shown in the solid green color indicate segments of the project which are fully funded and nearly complete. The dashed green line represents the Maple Diversion, which is the piece of the project that has a funding commitment of over $60 million from the Corps of Engineers.

SLIDE 7

This slide represents another reason for urgency in implementing this project. The blue shading represents FEMA's proposed regulatory floodplain through Minot. As you can see, there are thousands of homes within their proposed floodplain. The owners of these homes would generally be required to purchase high-risk flood insurance if they have any type of mortgage or debt on their property. This is a major economic hardship, with projected premiums exceeding $10,000 annually for some of the lowest-lying homes.

SLIDE 8

This is how the completion of Minot Milestone 1 will affect that regulatory floodplain. Approximately 60% of the homes within the regulatory floodplain in Minot would be mapped out, once the Maple Diversion is completed. While this is a significant improvement within Minot, it's important to point out that two additional milestones will remain.

SLIDE 9

We have also begun working on Minot Milestone 2 which focuses on providing benefit to the areas of downtown Minot and the Eastwood Park historic residential neighborhood.

SLIDE 10

The areas outlined in orange are fully designed, permitted and partially under construction. The areas outlined in red are currently undergoing final design and construction could begin on those phases in 2026.

SLIDE 11

Minot Milestone 3 focuses on southeast Minot, including the North Dakota State Fair Center and thousands of residents in that area.

SLIDE 12

Ultimately, our vision is for the regulatory floodplain in Minot to resemble the figure shown on this slide. We have not begun detailed design on Minot Milestone 3.

SLIDE 13

We've also been completing work outside of Minot. Levee work in Burlington is substantially complete. If Burlington were to see a flood of similar magnitude to what was experienced in 2011, the community would be safe without much emergency effort. Burlington represents the first community to complete flood protection.

SLIDE 14

We want to share the results of recent bidding for the project that has caused us great concern. We originally bid the phases outlined in orange on this slide in the spring of 2024. Those bids were considerably higher, in some cases nearly double, than we had experienced only two years prior. The first round of bids were ultimately rejected by the Joint Board and the projects were rebid.

Ultimately, the rebid process yielded better results, including a reduction of approximately $12 million as compared to the initial bidding process. The lowest bid amounts were still 40-50 percent higher than comparable bids received in the spring of 2022.

SLIDE 15

We want to share a couple of data points from projects that we have put out for bids since 2017. The low bidder's price for pump station concrete was 209% higher than it was in February of 2022. While not nearly as drastic, the low bidder's price for floodwall concrete saw an increase of 41% over a similar period.

SLIDE 16

The United States Department of Transportation publishes the National Highway Construction Cost Index, and this chart illustrates the troubling inflation trend of the past several years. Nationally, hyper-inflation seemed to start in the first quarter of 2021. Present day estimates indicate that costs have increased 71% as an average across the nation. We are seeing an even greater impact of hyper-inflation in Minot.

SLIDE 17

We have taken several steps in an attempt to understand and counteract the effects of hyper-inflation. As I indicate previously, we rejected the bids received for Phases MI-6 and MI-7 of the project in the spring of 2024. We subsequently rebid those phases of the project and reduced the costs of those by approximately $12 million.

We also repackaged the project in an attempt to solicit the interest of smaller contractors. We split the project into several sub-phases, which seemed to encourage additional competition and interest. Ultimately, it was the combined bids of the larger contractors that were the most cost-competitive.

SLIDE 18

We reached our contractor base to inquire why there has been such a considerable change in pricing and interest in these projects. Their feedback is clear – they're very busy doing a lot of work in other areas of the state. Relocation of their crews to the Minot area is not ideal because they have ample opportunity to work closer to their home bases. Additionally, contractors cited costs of labor, materials, and carryover work as reasons for lack of interest and high pricing.

SLIDE 19

The Joint Board also undertook a re-evaluation of the remaining program to identify the anticipated costs to complete the project with the effects of inflation. In addition, the Joint Board has been evaluating alternative delivery methods for the project. Recently, an agency construction manager was selected to facilitate the construction of the required bridge replacement at Mouse River Park in Renville County. That project was originally developed as a design-bid-build project. After four consecutive bid openings with no bids received, the Joint Board is pursuing a different method of project delivery. We also recently bid a required bridge replacement in Velva and received no bids for that project either. The feedback is that bridge contractors are plenty busy doing bridge replacements in other areas of the state closer to their home bases.

SLIDE 20

Our hope is that we can work together to find a solution to finish this project. As we shared with the Water Topics Overview Committee last summer, we have been working to refine the project budget based on best available information. With this updated budget, we have developed a number of scenarios to aid in your deliberations. We have estimated that the cost to complete the project is $1.018 billion, represented in 2025 dollars.

SLIDE 21

Scenario 1 represents the most aggressive implementation for the remainder of the project. Based on having no constraints to funding, we would expect to spend $129 million in State funding in the next biennium, followed by $441 million in the 27-29 biennium, $97 million in the 29-31 biennium, and $6 million in the 31-33 biennium. Total cost to complete the project would be $1.092 billion, with the remaining State share estimated to be $673 million.

SLIDE 22

Scenario 2 represents maintaining an appropriation level of $76.1 million until the project is completed. With a remaining capital cost of roughly $1 billion to complete, the cost of 3% inflation is approximately $30 million each year or $60 million per biennium. Naturally, this cost extends out the timeframe. We would expect the schedule to extend to the 45-47 biennium under this model. Total remaining state share would balloon to $844 million under this scenario.

SLIDE 23

Scenario 3 represents a $100 million biennial State appropriation until the project is completed in the 39-41 biennium. Total remaining State share would be $771 million under this scenario.

SLIDE 24

Scenario 4 increases the biennial appropriation to $125 million until the project is completed in the 35-37 biennium. Total remaining State share would be $733 million under this scenario.

SLIDE 25

As we consider ways to deliver this project, we are asked about why we are building to the level we experienced in 2011. We have a few perspectives that we would like to share with the committee. First, building to the flood of record has been identified as the optimal investment with the maximum benefit to cost ratio. The US Army Corps of Engineers performed an independent evaluation of the economics of the project and reached this conclusion.

SLIDE 26

Second, the cost savings don't justify the reduction in project value. Following the development of the original Preliminary Engineering Report, the State Water Commission, led by Governor Dalrymple at the time, studied the costs associated with building to various lower levels of protection. The conclusion of that study was that a 64% reduction in project capacity – building to a 10,000 cubic feet per second level of protection – would produce savings of only around 6%.

SLIDE 27

Building to the flood of record will allow for flexibility and adaptive reservoir management that can be used to benefit both urban and rural portions of the basin. When flow rates are well below the capacity of the urban levee systems, the reservoirs could be operated for the benefit of rural stakeholders. This is the essence of a basin-wide solution.

SLIDE 28

Our historical record is roughly 120 years long, and multiple researchers and agencies have classified the 1900's as a relative drought. We don't know for certain what the next century will bring, but we aren't comfortable expecting a drought to persist for the next one hundred years as part of our strategy.

SLIDE 29

And finally, the 2011 flood actually happened. This design level was not established through the mystics of statistics. It actually happened, and we are committed to preventing damage from a similar threat in the future.

SLIDE 30

On behalf of a grateful community of residents along the Mouse River, I want to thank you once again for your steadfast support.

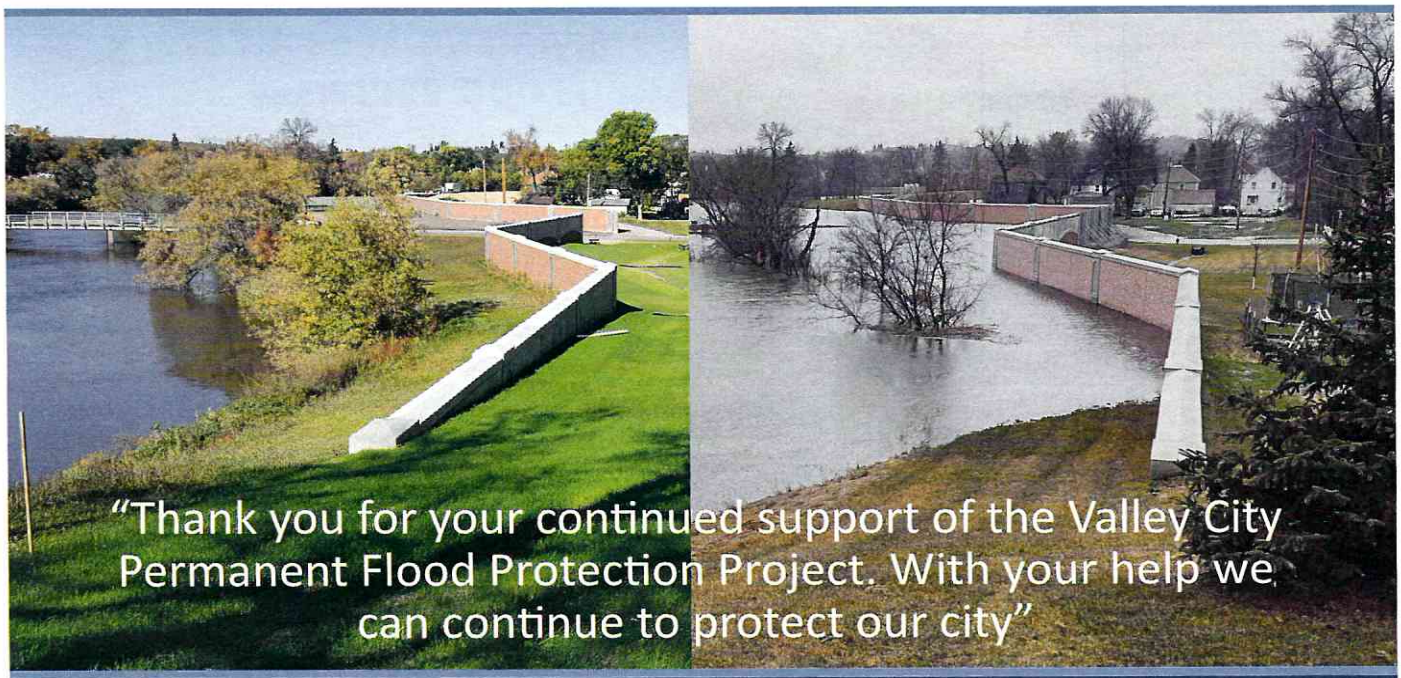
2025 - 2027 BIENNIUM FUNDING REQUEST

HB 1020 - DEPARTMENT OF WATER RESOURCES FUNDING



VALLEY CITY-SHEYENNE RIVER

PERMANENT FLOOD PROTECTION



"Thank you for your continued support of the Valley City Permanent Flood Protection Project. With your help we can continue to protect our city"

GWEN CRAWFORD | VALLEY CITY ADMINISTRATOR | GCRAWFORD@VALLEYCITY.US | 701 845 1700

CHAIRMAN NATHE AND MEMBERS OF THE HOUSE APPROPRIATIONS COMMITTEE:

Valley City sits along the Sheyenne River and is the first community downstream from Baldhill Dam. During the spring of each year, the Sheyenne River swells from snow melt with water levels peaking in March and April. During the spring of 2009, our community encountered a record flood, only to repeat it with a near record flood in the spring of 2011.

- Historic Crests (Top 5)
  - *20.69 ft — April 13, 2009
  - 20.66 ft — April 18, 2011
  - 20.00 ft — April 1, 1882
  - 18.78 ft — April 21, 1996
  - 18.09 ft — May 1, 2022



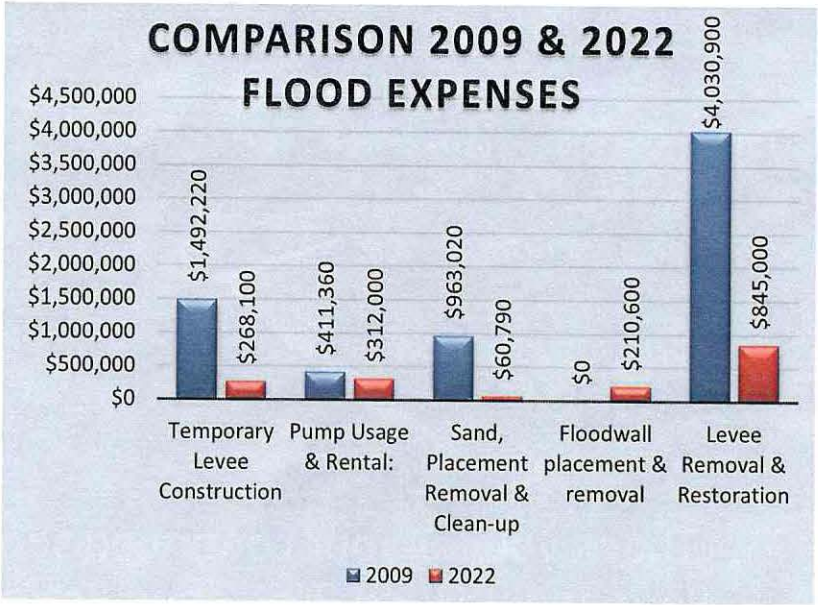
Each time our community experiences flood conditions, considerable amounts of resources are expended to combat the rising waters. With nearly back to back annual flooding events, City and community resources have been stressed financially and socially in recent years. Economic impacts are felt months and years after the flood waters have receded. Years of facility and infrastructure repair follow these floods.

To mitigate these disruptions to the community, our City is implementing permanent flood protection. The completed projects will provide permanent flood protection for our community eliminating the need for emergency flood fighting efforts for our citizens. Not needing to construct and remove emergency levees will mitigate damage to already aging city infrastructure that would be damaged by heavy construction equipment.

Once completed, the goal of our project is to protect the community from the one percent (100-year) flood event as described by the Flood Insurance Rate Maps mapped by the Federal Emergency Management Agency (FEMA).

We are thankful for the legislature's support of our flood protection project to date. Valley City has developed a long-term plan for providing permanent flood protection for the community based on the continued support from the Department of Water Resource and State Water Commission. Funding secured through passed legislative action has greatly reduced our cost to fight flood from the record flood in 2009 to the most recent flood in 2022:

	2009	2022
Temporary Levee Construction	$1,492,220	$268,100
Pump Usage & Rental:	$411,360	$312,000
Sand, Placement Removal & Clean-up	$963,020	$60,790
Floodwall placement & removal	$0	$210,600
Levee Removal & Restoration	$4,030,900	$845,000
Totals	$6,897,500	$1,696,490
Difference		$5,201,010
		25%



CURRENT PROGRESS

The permanent flood protection plan is outlined in multiple phases. Phase 1, completed in 2016, was centered on the area near Valley City State University (VCSU). Phase 1 funded in the 2013-2015 Legislative Biennium.



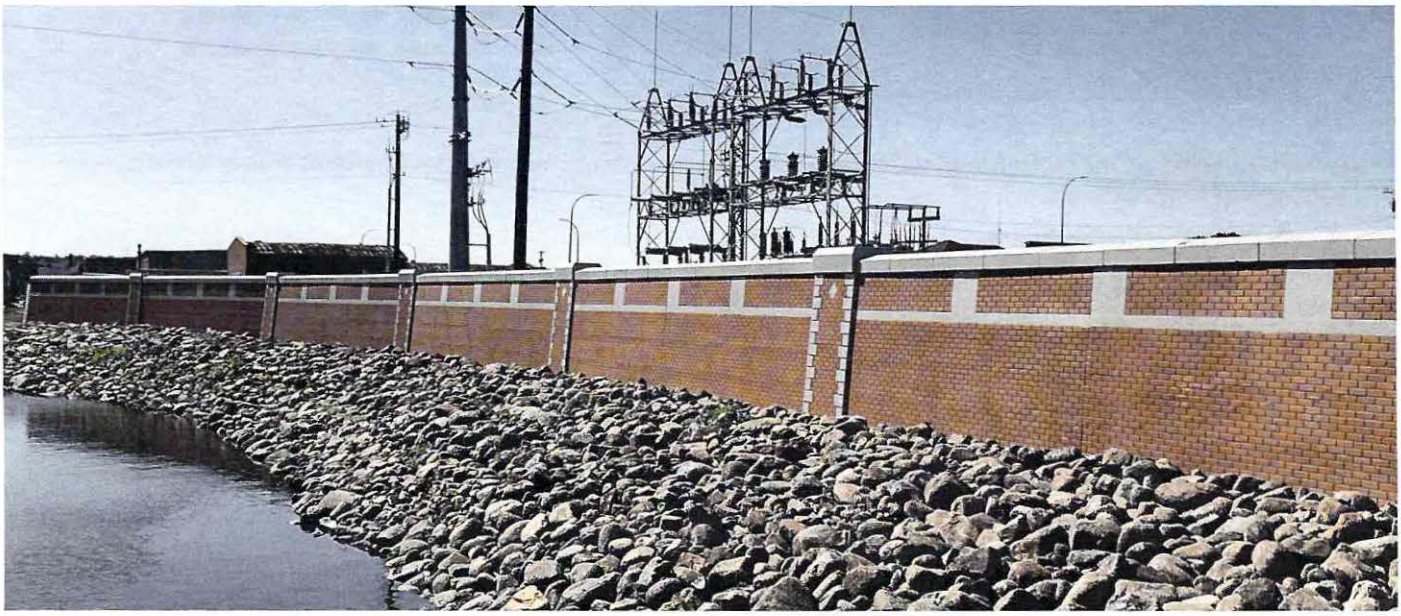


Phase 2 of permanent flood protection concentrates on a portion of the downtown area. This includes the section of Main Street which is located along the Sheyenne River in addition to protecting the area behind the power substation—critical infrastructure for the community. Construction started in the fall of 2017 and was completed in the summer of 2020. Phase 2 was funded as part of the 2015-2017 Legislative Biennium.

Phase 3 of permanent flood protection protects the City's Master Lift Station. The Master Lift Station is constructed on the bank of the Sheyenne River and serves the entire City. Work started in the fall of 2019 and was completed in the summer of 2020. Phase 3 was funded in the 2017-2019 Legislative Biennium.

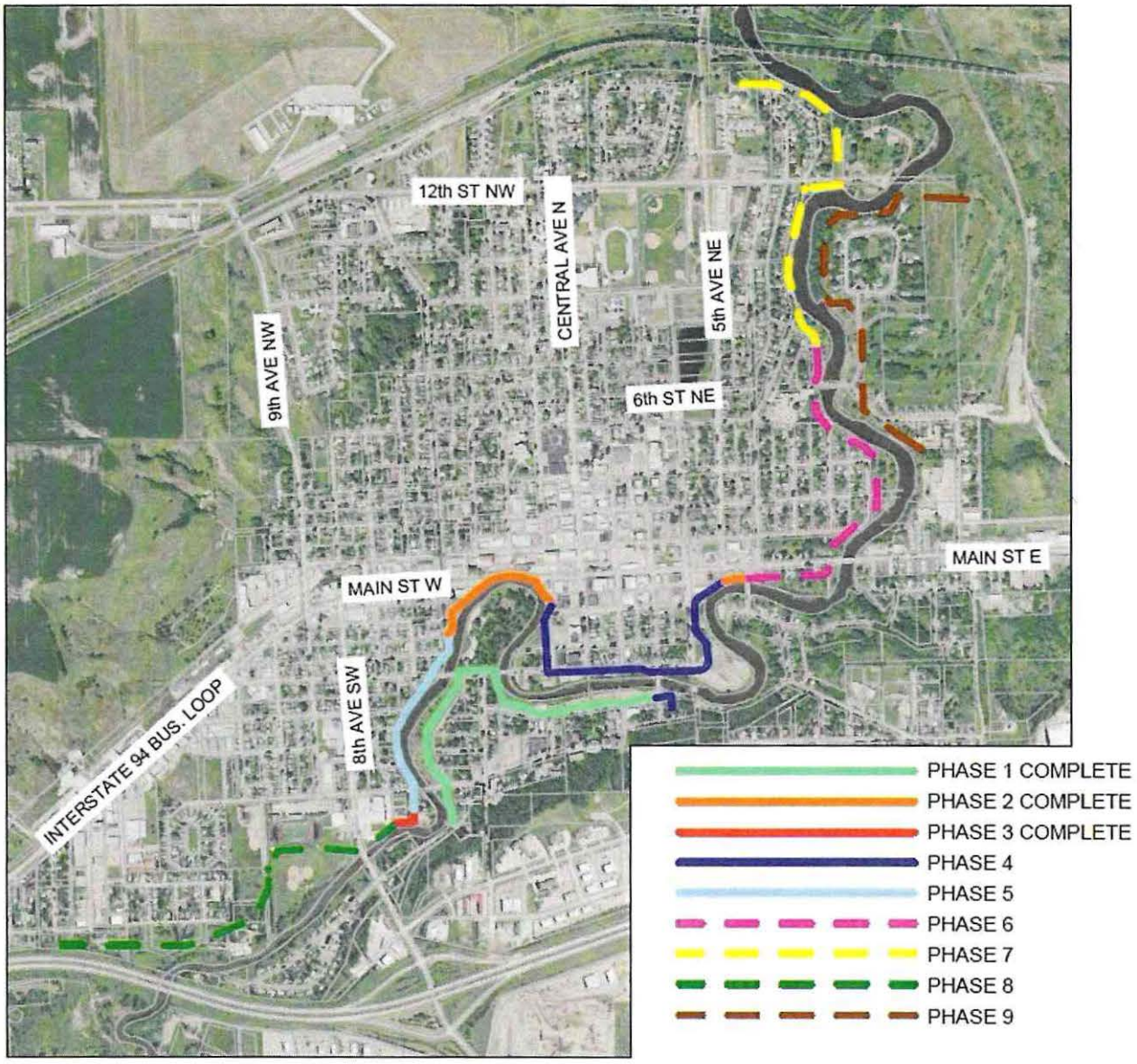
Funding for Phases 4-6 have been approved in previous Legislative Biennia. The City had been focusing on the Conditional Letter of Map Revision (CLOMR) for the entire permanent flood protection system. This was received in the fall of 2023 and the City is currently working on final plan development and permitting for Phase 4 to begin in 2025 and completed in 2026. As discussed above, Phase 2 only covers a portion of the downtown area, leaving a number of critical infrastructure components unprotected. Phase 4 focuses on building flood protection to protect this critical city infrastructure, including City Hall, the Fire Department, Police Department, Public Works, Mercy Hospital and two medical clinics.

Planning for Phases 5 and 6 will begin in 2025 with bidding to take place in 2026. Phase 5 focuses on connecting the Phase 2 project that protects the downtown area with Phase 3 that protects the Master Lift Station. Phase 5 will protect numerous residential dwellings, a public school and other critical infrastructure. Phase 6 will continue our efforts to protect the downtown area moving our construction north to protect Mercy Hospital as well as the other critical infrastructure within this area of protection, including City Hall, the Fire Department, Police Department and local clinics.



NEXT STEPS

Following the planning efforts for Phases 4-6, the City will turn their focus to Phase 7 of our flood protection project. Phase 7 continues north past Mercy Hospital protecting several residential developments along way tying into high ground near the Hi-Line Railroad Bridge.



Phase 7 concentrates on the protection of Valley City through these construction activities to protect critical infrastructure and surrounding neighborhoods:

- Permanent concrete flood walls
- Removable flood walls
- Clay levees
- Storm water pump stations

REQUEST

The City of Valley City asks for your support of House Bill 1020 and the funding of $16million in grant funding through the Department of Water Resources for the continued construction of the Valley City Flood Protection Project.

NORTH DAKOTA LEAGUE OF CITIES

ND Joint Water Convention

Present by : Matt Gardner

WWW.NDLC.ORG



Empowering North Dakota Communities

Through a culture of innovation, we will serve as the trusted voice for North Dakota communities to EMPOWER them to be healthy, safe, dynamic, and prosperous.

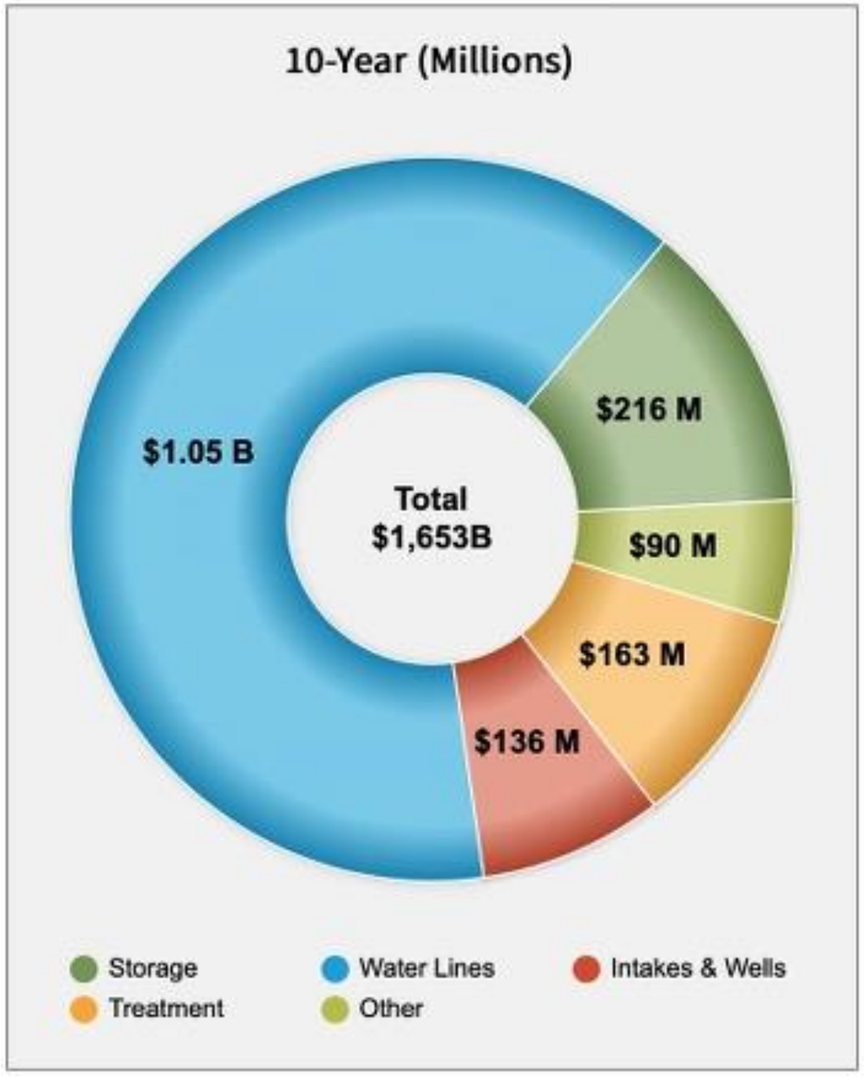


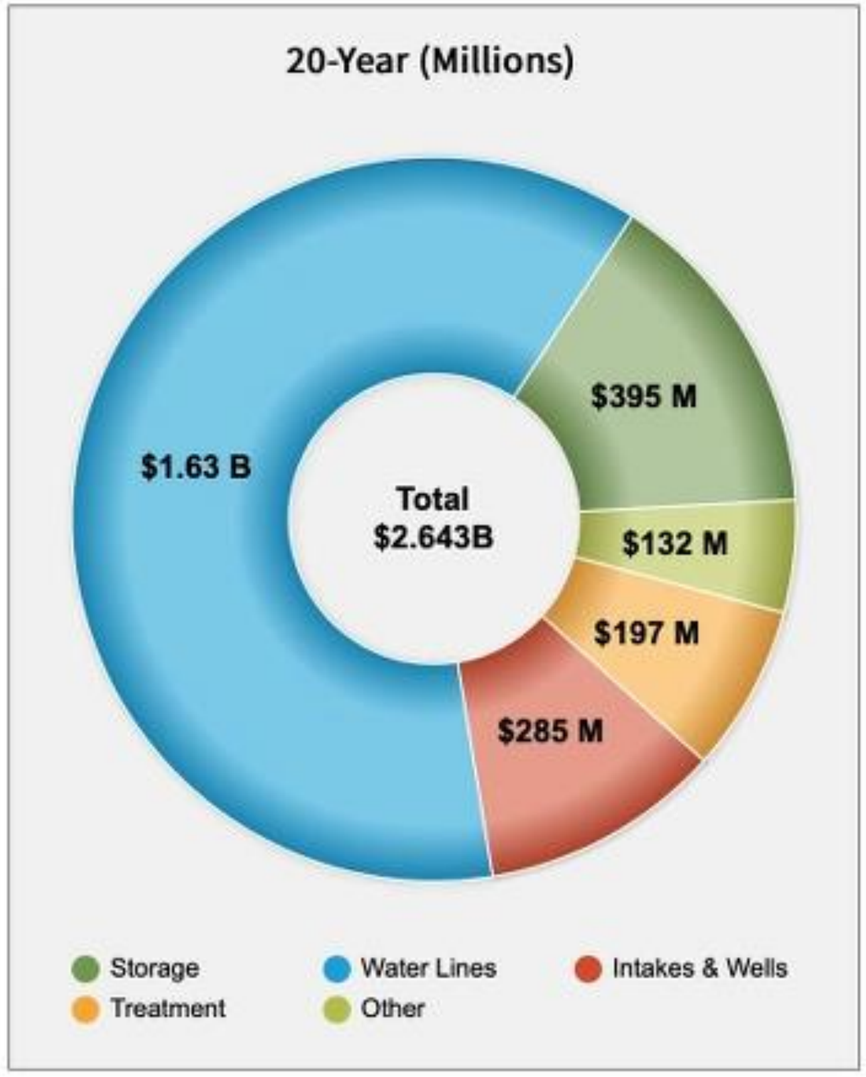
Municipal Water Stats

- 86 - Cities have their own water system, co-op with another city, or individual wells.
- 269 – Cities are connected to a rural or regional water system.
- 16 - Cities provide water for a rural or regional system.

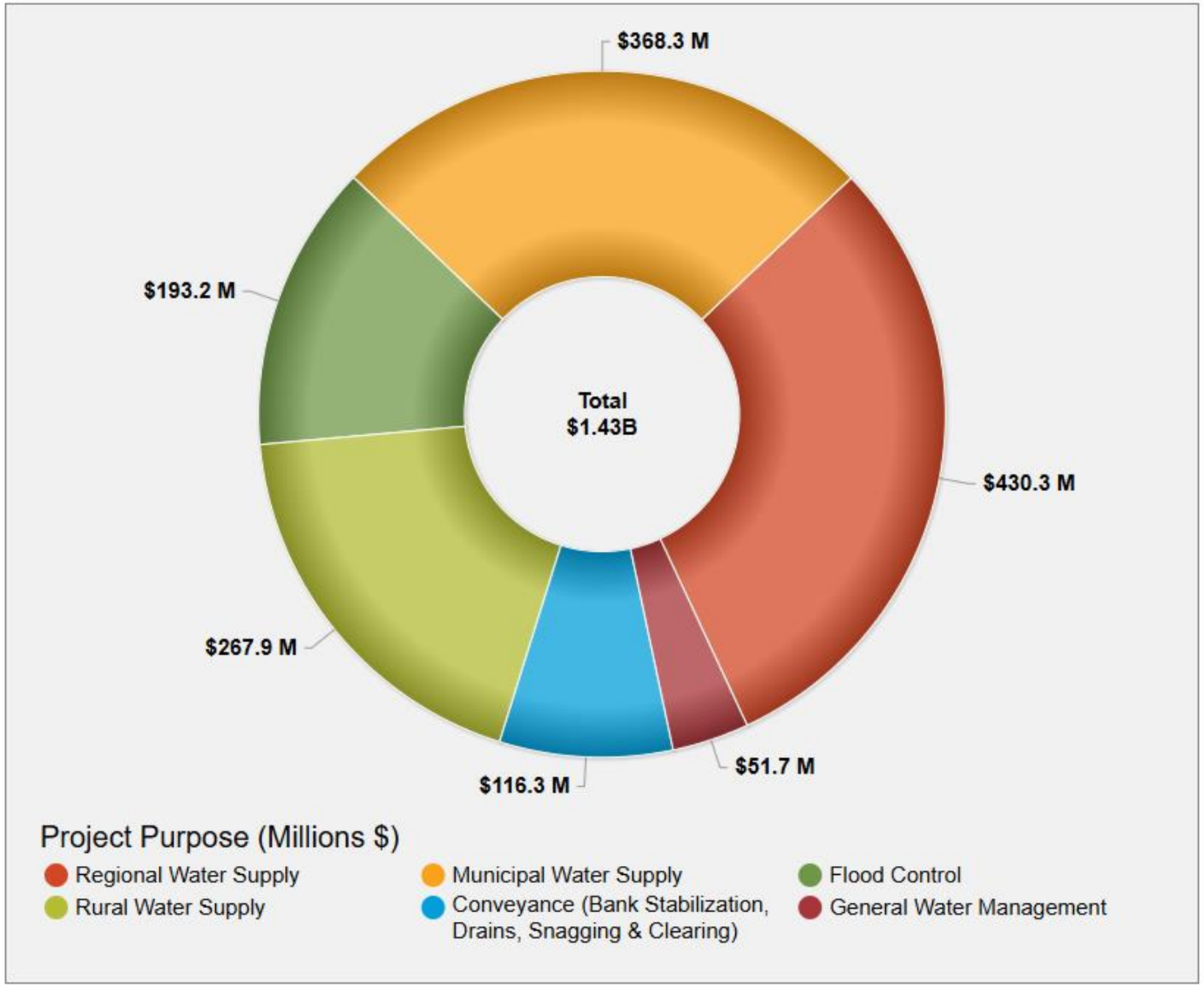
Aging Municipal Water Supply Infrastructure

Survey Results – Dept. Water Resources - 2022





25 – 27 State Cost-Share Funding Needs

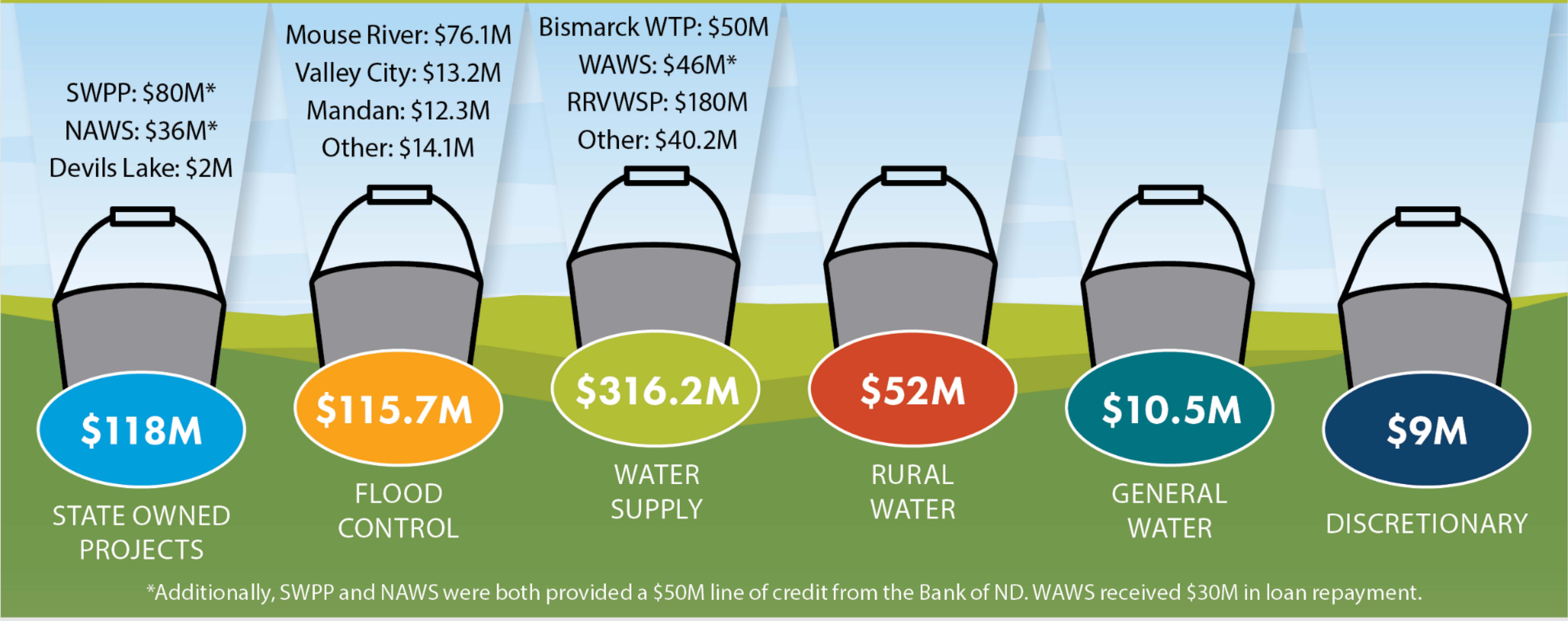




Cost Share Funding Needs Break Down

- $368.3m total
- 200+ total projects
- 95 different communities

SENATE BILL 2020: 2023-2025 DWR PROJECT & PURPOSE FUNDING APPROPRIATION



*Additionally, SWPP and NAWS were both provided a $50M line of credit from the Bank of ND. WAWS received $30M in loan repayment.

Northwest Area Water Supply (NAWS) | Southwest Pipeline Project (SWPP) | Red River Valley Water Supply Project (RRVWSP) | Western Area Water Supply (WAWS)

Other Challenges Facing Municipal Water Systems

- Estimated 22,000 lead service lines in the state.
  - 10 yr replacement requirement - EPA
  - 25 – 27 DWR plan 39 project requests
  - DEQ Priority List 135 projects
- Co2 needs for Ph Balance
- Project Costs
- Workforce – water operators







NORTH DAKOTA LEAGUE OF CITIES


NORTH
DAKOTA
LEAGUE
OF CITIES
thank you

Eric Volk, Executive Director

ND Rural Water Systems Association

In Support of House Bill 1020

House Appropriations Committee-E&E Div.

January 22, 2025

Chairman Nathe and members of the House Appropriations - Education and Environment Division, my name is Eric Volk. I am the executive director of the North Dakota Rural Water Systems Association (NDRWSA). Our vision is to ensure all of North Dakota has access to affordable, ample, and quality water. NDRWSA is committed to completing and maintaining North Dakota's water infrastructure for economic growth and quality of life (see attached system map). Today, I am submitting testimony in support of a Department of Water Resources (DWR) budget that allows for adequate funding to meet the critical water needs of Rural North Dakota.

In addition to the Southwest Pipeline Project, Northwest Area Water System, the Red River Valley Water Supply Project and the Western Area Water Supply Project, there are currently many other rural and regional projects in various stages of development across the state. Some examples of these projects are the completion of a new water treatment plant for the South Central Regional Water District, the further development of the East Central Regional Water District, the start of a significant user expansion for All Seasons Water Users District, numerous Tribally Sponsored projects, in addition to several others; many of them located in the energy impacted areas of our state. All of the systems are key players in the state's Agriculture Industry. The total cost of these rural and regional projects for the next biennium is $290 million **($172 million state grant is needed)** (see attached funding map).

These projects are designed to meet similar needs. Those needs include water quality and quantity. On the water quality side, the projects will help communities comply with federal mandates required by the Safe Drinking Water Act, including arsenic levels, nitrates, disinfection by-products, and total coliform bacteria. Quality issues also include water extremely high in sodium, sulfates, iron, and manganese. On the quantity side, many families do not have a potable source of water and even in this day and age must haul water for their families and livestock.

Meeting the demands of repairing & replacing aging infrastructure and complying with rules & regulations is taking its toll on many small and rural water systems. A United States Environmental Protection Agency study revealed that the rates needed to cover future infrastructure repair and replacement for small systems would be four times as high as their larger counterparts. Another major challenge facing rural and small water systems is the ever-increasing rural-to-urban migration, which continues to decrease the population base and adds to the cost to the individual consumer. This does offer a challenge in finding affordable ways to bring quality water to rural areas. Without significant state grant funding, the consumer's cost is too much for the average family to afford.

The money spent on water projects in the past has been an investment in the future of North Dakota – an investment in economic development and quality of life for our citizens (see attached 25-27 project funding). Every rural water system built in our state is still operating. They provide safe, clean water to their customers, reduce their debt, put money in reserve, comply with state and federal regulations, and do so with a prudent rate structure, albeit higher than most municipalities charge (see attached rate schedule). Not only do rural & regional water systems serve over 167,000 rural residents, they also provide water to 268 (75%) of the state's 355 incorporated cities (see attached map of cities not served by RW).

With that said, the NDRWSA supports a Department of Water Resources budget that allows for adequate funding to meet the critical water needs of Rural North Dakota. Thank you for giving me the opportunity to provide testimony on behalf of the members of the NDRWSA. Eric Volk, ericvolk@ndrw.org.

Rural Water System Background

- Statistics
- Maps
- Rates
- Booklet

2023-25 Project Updates

- Legislative List
- Funding Received through December 24
- Upcoming Funding Requests

December 2024 Project Summary List

- Rural Water Supply Obligated and Unobligated (Chris' Sheet)

2025 Rural Water Funding

- Systems, Number of Projects, Amount of Grant Requests, and Historical Funding from the Resources Trust Fund
- 2025 Funding List & Map

Rural/Regional Water Systems in ND Today

- 20 Rural Water Districts (61.35)
- 4 Tribal Systems
- 2 County Water Resource Districts
- 2 State Owned Regional Systems
- 2 Non-State Owned Regional Systems
- 1 Association
- 1 Coop

Rural/Regional Water on a Statewide Basis in 2025

- Touches Every County in the State
- Provides Water Service to over 167,000 Rural Residents
- Through over 71,000 Connections
- Network of 42,000 Miles of Pipe
- Serves 75% of ND's 355 Inc. Cities
- Water Service to almost 131,000 Residents in Bulk Cities
- No Taxing Authority

ND Water Service Data



355 Inc. Cities



268 on Rural or Regional Water

- 110 are Ind. Metered
- 158 are Bulk Users
- 4 from Other Cities



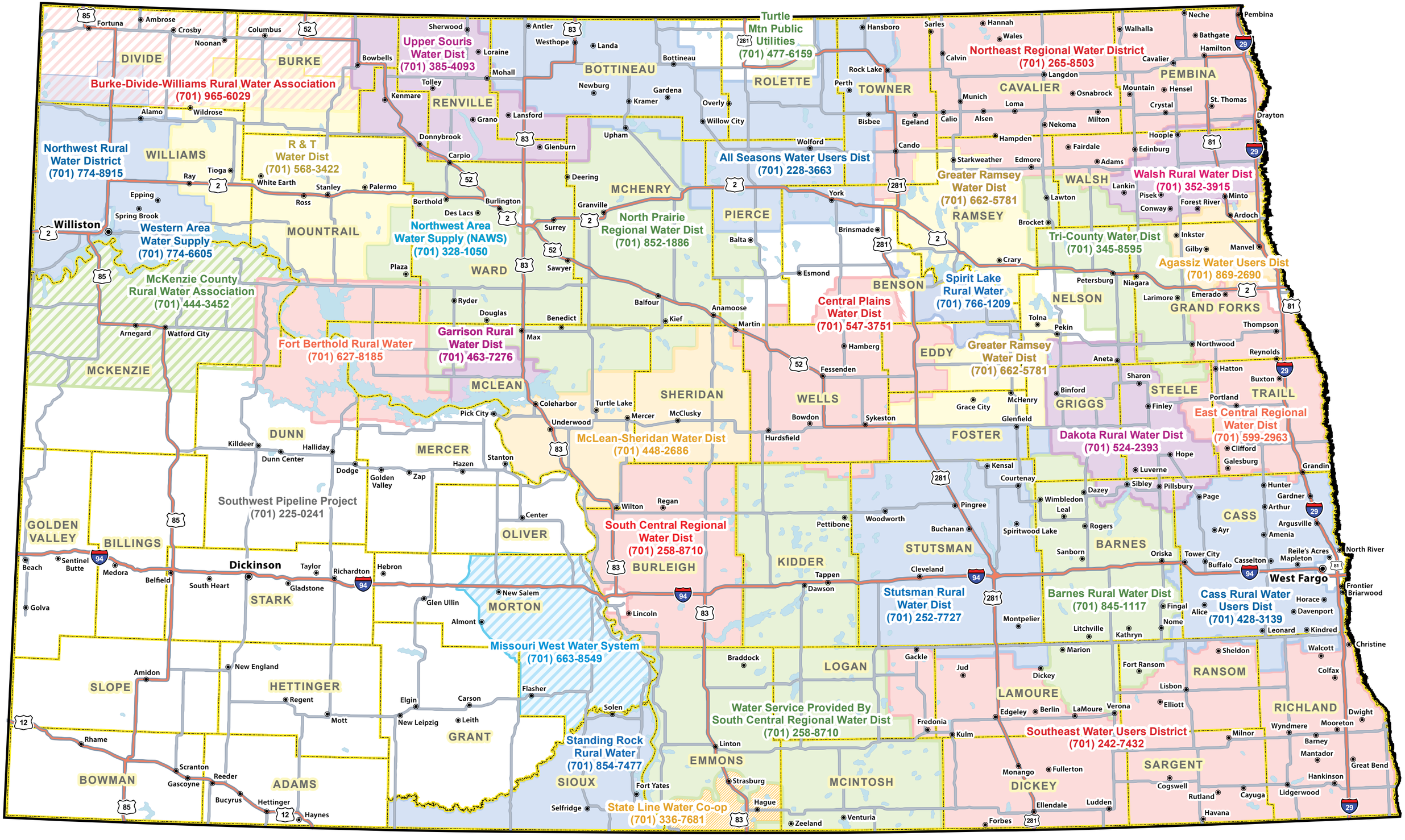
83 Cities have their own Source

- 8 from Ind. Wells
- 75 from Own Source

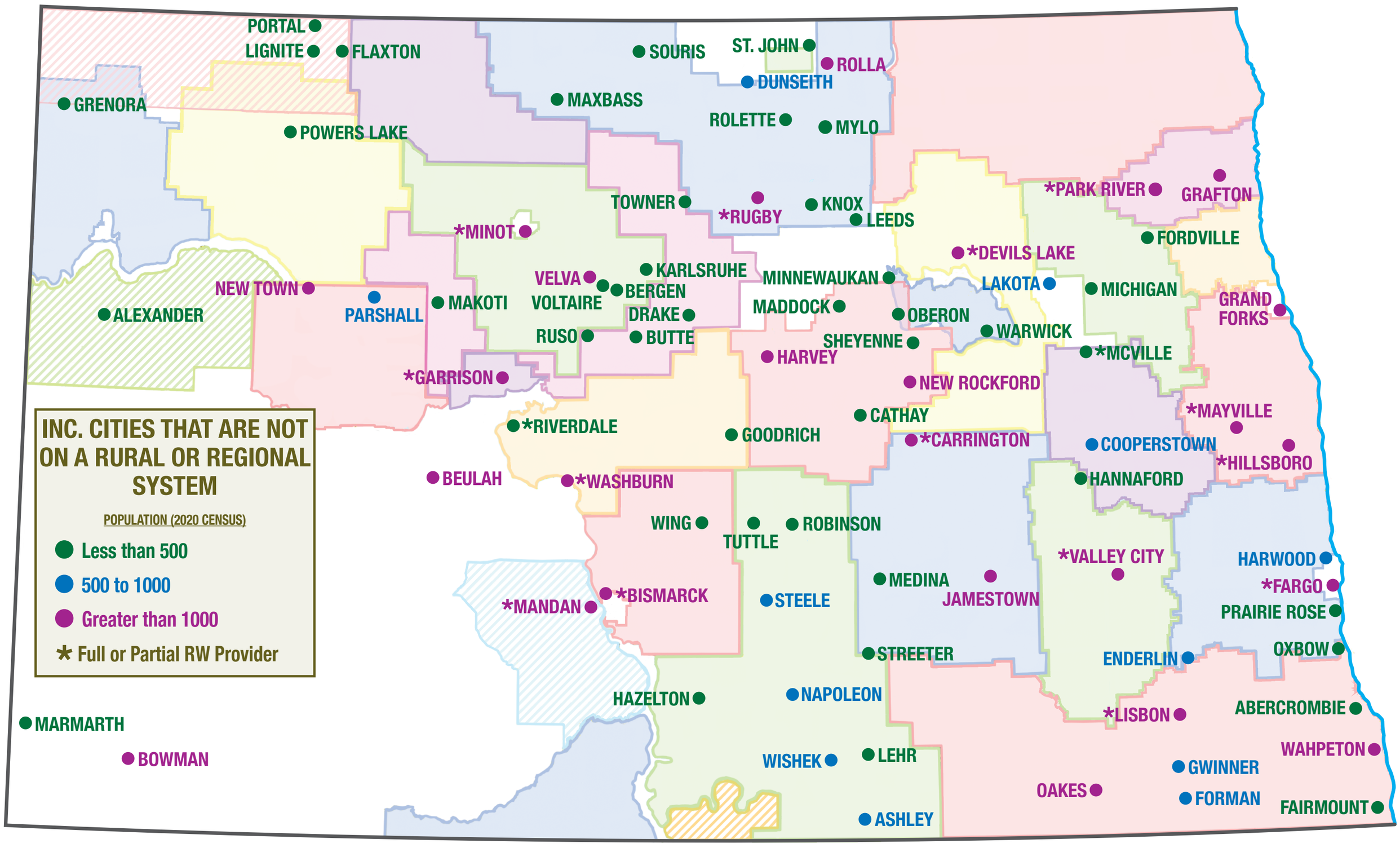
Rural Water System Rates - January 1, 2025

SYSTEM	# of Users	Minimum Cost	$/1000 Gal.	$/6000 Gal.	Miles of Pipe
Agassiz Water Users District	1,400	$30.00	$8.75	$82.50	425
All Seasons Water Users District System 1-4	908	$40.00	$7.50	$85.00	
All Seasons Water Users District System 4 Phase 1&2	124	$48.00	$7.50	$93.00	
All Seasons Water Users District System 5	538	$48.00	$7.50	$93.00	1,700
Barnes Rural Water District #1	1,415	$52.00	$6.00	$88.00	
Barnes Rural Water District #2	267	$60.00	$6.00	$96.00	
Barnes Rural Water District #3	346	$58.00	$6.00	$94.00	
Barnes Rural Water District #4 VC	9	$60.00	$7.00	$102.00	
Barnes Rural Water District #5 VC	8	$75.00	$7.00	$117.00	2,118
Belcourt Public Utilities	3,500	$20.50	$5.75	$55.00	275
Cass Rural Water District	3,430	$30.00	$5.40	$62.40	1,980
Cass Rural Water District - Leonard Project	50	$40.00	$5.40	$72.40	50
CRWD - Fargo	4,810	$30.00	$6.40	$68.40	410
CRWD - W-Fargo	720	$30.00	$7.40	$74.40	50
Central Plains Water District (Old)	790	$30.00	$6.50	$69.00	
Central Plains Water District (New)	340	$56.00	$7.25	$99.50	1,300
Dakota Rural Water District Expansion	1,090	$60.00	$6.50	$99.00	1,200
East Central Regional Water District	2,305	$42.00	$7.70	$88.20	
East Central Regional Water District	1,335	$63.00	$7.70	$109.20	2,500
Fort Berthold Rural Water	1,850	$25.00	$5.00	$55.00	645
Garrison Rural Water District	892	$62.00	$8.00	$110.00	167
Greater Ramsey Water District	2,233	$40.00	$5.50	$73.00	
Greater Ramsey Water District	394	$45.00	$5.50	$78.00	1,650
McKenzie County Water Resource District	1,661	$45.90	$7.19	$89.04	1,159
McLean-Sheridan Rural Water District #1	696	$65.00	$7.80	$111.80	
McLean-Sheridan Rural Water District #2	174	$65.00	$6.54	$104.24	
McLean-Sheridan Rural Water District #3	162	$76.00	$7.80	$122.80	700
Missouri West Water System	2,005	$40.00	$6.69	$80.14	650
North Prairie Regional Water District (Existing)		$54.00	$10.26	$115.56	
North Prairie Regional Water District (New)	4,835	$65.00	$10.26	$126.56	2,500
Northeast Regional Water District/Langdon Branch	1,320	$63.00	$7.50	$108.00	
Northeast Regional Water District/North Valley Branch	1,373	$50.00	$7.50	$95.00	2,512
Northwest Rural Water District	2,761	$45.00	$8.80	$97.80	1,231
R&T Water District	890	$55.00	$8.00	$103.00	683
South Central Regional Water District (Includes 500 gals)	6,600	$34.00	$7.90	$77.45	2,700
South Central Regional Water District	1,906	$40.00	$6.00	$76.00	1,900
Southeast Water Users District Central	602	$50.00	$6.00	$86.00	547
Southeast Water Users District Central-New	176	$55.00	$6.00	$91.00	147
Southeast Water Users District East	1,812	$31.00	$4.75	$59.50	1,372
Southeast Water Users District East-New	277	$55.00	$4.75	$83.50	201
Southeast Water Users District West	594	$50.00	$3.75	$72.50	743
Southeast Water Users District West-New	140	$55.00	$3.75	$77.50	166
Southwest Water Authority	7,750	$55.32	$6.47	$94.14	5,260
State Line Water Cooperative (includes 1000 gals)	452	$40.00	$8.00	$80.00	200
Stutsman Rural Water District	1,213	$43.00	$5.35	$75.10	1,100
Stutsman Rural Water District Expansion Project	1,402	$48.00	$5.35	$80.10	1,090
Tri-County Water District	1,200	$59.00	$9.00	$113.00	1,200
Upper Souris Water District	650	$35.00	$11.00	$101.00	600
Walsh Rural Water District R1	1,085	$36.00	$8.00	$84.00	
Walsh Rural Water District R3	140	$48.00	$8.00	$96.00	
Walsh Rural Water District R4	159	$55.00	$8.00	$103.00	730
	70,789				41,861
Median		$48.00	$7.00	$89.04	
Average		$48.19	$6.93	$89.56	
Yearly Average				$1,074.76	

Incorporated Cities on a Rural or Regional System



January 2025



JANUARY 2025

Local Sponsor	Project Name	SWC 23-25 Grant	Funding Status
Agassiz Water Users District	Reservoir 1 to 3 Transmission Expansion	$2,150,550	Funded in 23-25
All Seasons Water Users District	System 1 Expansion - Phase 2	$7,125,000	Moved to 25-27
Cass Rural Water District	County Road 17 Improvements	$891,675	Funded in 23-25
Cass Rural Water District	System Wide Improvements	$1,575,000	Funded in 23-25
Central Plains Water District	Connection to the city of Maddock	$3,750,000	Funded in 23-25
East Central Regional Water District	Individual Service to Galesburg	$1,337,737	Funded in 23-25
East Central Regional Water District	Hillsboro WTP Expansion	$2,124,513	Funded in 23-25
East Central Regional Water District	Wellfield, Transmission & User Expansion	$5,954,906	Funded in 23-25
Greater Ramsey Water District	North System Capacity Improvements	$3,216,410	Funded in 23-25
McLean-Sheridan Rural Water District	Phase 2 WTP Construction	$4,800,000	Funded in 23-25
McLean-Sheridan Rural Water District	Phase 3 Expansion	$2,300,000	Funded in 23-25
Northeast Regional Water District	Bulk Cities to Individual Services	$2,698,986	Moved to 25-27
Northeast Regional Water District	WTP and Wellfield Expansion	$4,500,000	Funded in 23-25
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply	$6,255,647	Moved to 25-27
Rolette County - Turtle Mountain	Highway 43 Reservoir & Pump Station Improvements	$3,000,000	Funded in 23-25
Rolette County - Turtle Mountain	Three Mile Road Rural Water Main Replacement	$1,125,000	Funded in 23-25
Rolette County - Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement	$4,822,500	Funded in 23-25
South Central Regional Water District	Service to the city of Ashley	$7,500,000	Funded in 23-25
Southeast Water Users District	West System Water Treatment Plant Improvements	$10,350,000	Partially funded in 23-25
Stutsman Rural Water District	Raw Water Facilities Improvement	$3,203,250	Funded in 23-25
Stutsman Rural Water District	Service to the city of Streeter	$582,000	Project was Postponed
Tri-County Water District	Phase 6 Expansion	$1,350,000	Project was Postponed
Tri-County Water District	Phase 7 Expansion - McVille Area	$2,464,500	Project was Postponed
Upper Souris Rural Water District	Improvements & Expansion - Phase 2	$3,750,000	Moved to 25-27
	Totals:	**$86,827,674**	

2023-25 Funding Received through 12/13/2024

Local Sponsor	Project Name	Total Project Cost	SWC 23-25 Grant Request	SWC Actual Through 12/13/24	Funding Need Through 12/13/24
Agassiz Water Users District	User and Transmission Expansion Phase 2 (21-23 Carryover)	$4,386,187	$3,289,340	$3,289,340	$0
All Seasons Water Users District	System 1 Expansion - Phase 2	$2,000,000	$1,500,000	$0	$1,500,000
Cass Rural Water District	County Road 17 Improvements	$0	$0	$0	$0
Cass Rural Water District	System Wide Improvements (Reservoir D)	$4,950,892	$2,970,535	$2,970,535	$0
Central Plains Water District	Connection to the city of Maddock (Possible SRF Funding)	$14,358,350	$4,484,512	$7,480,881	$0
East Central Regional Water District	Well Field Expansion Feasibility Study	$94,500	$94,500	$94,500	$0
East Central Regional Water District	Hillsboro WTP Expansion	$3,200,000	$1,012,500	$1,012,500	$0
East Central Regional Water District	Hillsboro Area - Supply, Transmission and Distribution	$21,156,065	$1,151,250	$1,151,250	$0
East Central Regional Water District	Wellfield, Transmission & User Expansion	$8,468,963	$6,351,722	$1,002,563	$5,349,159
Fort Berthold Rural Water	Varloe Subdivision	$0	$24,000	$0	$0
Fort Berthold Rural Water	2nd Mandaree Elevated Reservoir	$0	$0	$0	$0
Fort Berthold Rural Water	Four Bears WTP, Intake, Raw Water Line	$28,224,400	$1,354,500	$1,354,500	$0
Fort Berthold Rural Water	Parshall to White Shield Regionalization	$6,560,000	$341,250	$341,250	$341,250
Greater Ramsey Water District	North System Capacity Improvements - Saunder's Booster Station	$4,288,547	$4,093,110	$3,999,360	$0
McLean-Sheridan Rural Water District	System Improvements Phase 2	$0	$1,288,860	$1,288,860	$0
McLean-Sheridan Rural Water District	Phase 3 WTP Construction (Possible SRF Funding)	$9,598,950	$1,054,342	$902,804	$0
McLean-Sheridan Rural Water District	Phase 4 Expansion	$0	$0	$0	$0
Northeast Regional Water District	Bulk Cities to Individual Services	$3,598,648	$2,698,986	$0	$2,698,986
Northeast Regional Water District	WTP and Wellfield Expansion (Possible SRF Funding)	$17,261,815	$4,033,911	$4,159,225	$0
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply	$8,340,862	$1,000,000	$0	$1,000,000
Turtle Mountain	Highway 43 Corridor Phase V	$11,189,211	$4,714,717	$4,033,767	$0
Turtle Mountain	Highway 3 Corridor Improvements Phase 1	$6,000,000	$3,112,801	$3,112,801	$0
Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement	$6,853,473	$2,853,473	$0	$2,853,473
South Central Regional Water District	U of Mary Service Area Water Storage/Trans Line	$6,762,800	$5,072,100	$367,500	$4,704,600
South Central Regional Water District	Service to the city of Ashley	$10,000,000	$7,532,000	$7,018,804	$0
Southeast Water Users District	West System Water Treatment Plant Improvements (Phase 1)	$17,326,525	$12,829,714	$3,370,257	$10,247,960
Stutsman Rural Water District	Raw Water Facilities Improvement	$4,271,000	$2,953,000	$2,953,000	$0
Stutsman Rural Water District	Service to the city of Streeter	$776,000	$500,000	$0	$500,000
Tri-County Water District	Phase 6 Expansion	$0	$0	$0	$0
Tri-County Water District	Phase 7 Expansion - McVille Area	$0	$0	$0	$0
Upper Souris Rural Water District	Improvements & Expansion - Phase 1 (21-23 Carryover Project)	$100,000	$75,000	$0	$75,000
Dakota Rural Water District	WTP and Service to Hannaford (21-23 Carryover Project)	$633,800	$415,280	$415,280	$0
Greater Ramsey Water District	2024 User Expansion	$5,385,075	$469,500	$469,500	$3,569,306
McLean-Sheridan Rural Water District	Basic Asset Inventory and Analysis	$54,000	$40,500	$40,500	$0
East Central Regional Water District	2019 Expansion Phase IV	$114,750	$86,060	$86,060	$0
Garrison Rural Water District	4 Inch Water Main Installation	$14,830	$11,123	$11,123	$0
Central Plains Water District	Backup Power Generators	$216,084	$162,036	$162,063	$0
Fort Berthold Rural Water	Parshall to White Shield Regionalization	$455,000	$341,250	$341,250	$0
Walsh Rural Water District	Water Treatment Plant Expansion	$90,000	$67,500	$67,500	$0
Greater Ramsey Water District	Basic Asset Inventory and Analysis	$30,000	$22,500	$22,500	$0
Southeast Water Users District	Basic Asset Inventory and Analysis	$33,750	$33,750	$33,750	$0
Walsh Rural Water District	Basic Asset Inventory and Analysis	$32,500	$32,500	$32,500	$0
Agassiz Water Users District	Basic Asset Inventory and Analysis	$26,250	$26,250	$26,250	$0
Walsh Rural Water District	Drayton Water Supply	$96,756	$96,756	$96,756	$0
East Central Regional Water District	Basic Asset Inventory and Analysis	$45,000	$45,000	$45,000	$0
	Totals:	**$206,994,983**	**$78,236,128**	**$51,753,729**	$29,270,428

SB 2020	Remaining Appropriation	$246,271
$52,000,000	Carryover/Turnback	$9,850,589
	2023-25 Unobligated	$10,096,860
	Unobligated Carryover	$12,877
	Total Funds Available	$10,109,737
	Funding Needed	$29,270,428
	Project Funding Shortfall/Surplus	($19,160,691)

Rural Water DWR Project Summary Dec 2024

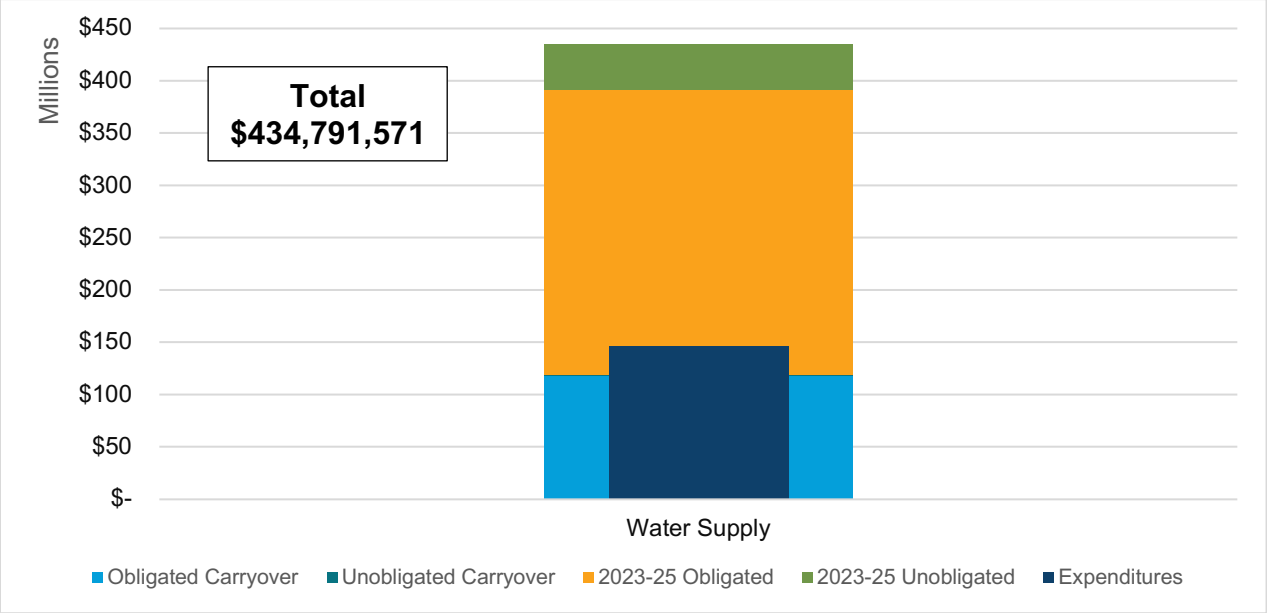
System	Approved Biennium	Project	Total Approved Carryover	Total Approved 2023-25 Biennium	Total Payments	Balance	% of Balance	Completion Status/Date
All Seasons	2021-23	System 4 Connection to System 1	$6,929,604	$0	$5,758,060	$1,171,544	2.41%	Spring 2025
North Central	2017-19	Mountrail Expansion Phase 2	$1,449,542	$0	$511,490	$938,052	1.93%	Completed
North Central	2017-19	Mountrail Expansion Phase 3	$3,346,320	$0	$4,879	$3,341,441	6.89%	Dec 2026
Dakota	2021-23	2019 Expansion	$596,562	$0	$420,001	$176,561	0.36%	June 2025
Walsh	2021-23	Drayton Water Supply Project	$1,025,300	$0	$987,492	$37,808	0.08%	Feb 2025
East Central	2021-23	Grandin Water Supply	$485,659	$0	$349,591	$136,068	0.28%	Completed
East Central	2021-23	Hatton Water Supply	$229,954	$0	$76,568	$153,386	0.32%	Completed
McLean-Sheridan	2021-23	McClusky Water Tower Replacement	$913,972	$0	$601,860	$312,112	0.64%	Summer 2025
East Central	2021-23	WTP and Transmission Expansion	$1,794,360	$0	$1,103,363	$690,997	1.42%	June 2025
McLean-Sheridan	2021-23	System Improvements Phase 2	$2,725,632	$0	$2,517,217	$208,415	0.43%	Oct 2025
Upper Souris	2021-23	2021 Improvements and Expansion	$423,185	$0	$304,481	$118,704	0.24%	Dec 2026
Agassiz	2021-23	2022 Expansion Phase 2	$0	$3,289,340	$1,222,252	$2,067,088	4.26%	June 2025
Cass	2021-23	2022 System Distribution Project	$2,009,730	$0	$1,610,897	$398,833	0.82%	Completed
Walsh	2021-23	Interconnect with NRWD	$1,733,233	$0	$218,631	$1,514,602	3.12%	Feb 2026
Dakota	2021-23	Service to Hannaford and WTP Expansion	$404,671	$0	$364,302	$40,369	0.08%	June 2025
Greater Ramsey	2021-23	North System Capacity Improvements	$8,193,297	$0	$5,472,798	$2,720,499	5.61%	Dec 2027
Missouri West	2021-23	South Mandan Expansion	$2,813,560	$0	$2,236,917	$576,643	1.19%	Completed
East Central	2021-23	Service to Galesburg	$1,704,450	$0	$1,173,505	$530,945	1.09%	June 2025
South Central	2021-23	Hawktree Tank	$106,971	$0	$12,158	$94,813	0.20%	Fall 2025
Stutsman	2021-23	Well Field Expansion	$3,120,057	$0	$1,648,400	$1,471,657	3.03%	April 2025
All Seasons	2021-23	Rolla Area Booster	$26,000	$0	$0	$26,000	0.05%	Winter 2025
Central Plains	2023-25	Maddock Connection to CPWD	$134,055	$0	$120,077	$13,978	0.03%	June 2026
South Central	2023-25	Service to Ashley	$0	$7,018,804	$2,898,898	$4,119,906	8.49%	Oct 2025
Dakota	2023-25	WTP & Service to Hannaford	$415,280	$0	$330,975	$84,305	0.17%	June 2025
East Central	2023-25	Well Field Expansion Feasibility Study	$94,500	$0	$93,769	$731	0.00%	Completed
East Central	2023-25	Expansion Phase VI	$641,250	$0	$264,747	$376,503	0.78%	Dec 2025
Southeast	2023-25	West WTP Improvements	$927,270	$0	$512,362	$414,908	0.86%	Fall 2025
McLean-Sheridan	2023-25	Basic Asset Inventory and Analysis	$0	$40,500	$28,518	$11,982	0.02%	March 2025
South Central	2023-25	U of Mary Service Area Water Storage	$0	$367,500	$187,916	$179,584	0.37%	April 2025
East Central	2023-25	Phase 6 Expansion	$0	$361,313	$6,122	$355,191	0.73%	June 2025
Fort Berthold	2023-25	Four Bears WTP, Intake, & Raw Water Line	$0	$1,354,500	$0	$1,354,500	2.79%	Dec 2026
Cass	2023-25	Reservoir D Supply Pipeline	$0	$2,700,535	$1,360,780	$1,339,755	2.76%	Summer 2025
Northeast	2023-25	Wellfield & WTP Expansion	$0	$4,159,225	$1,182,514	$2,976,711	6.14%	May 2026
Turtle Mtn.	2023-25	Highway 43 Corridor Expansion Ph. 5	$0	$4,033,767	$0	$4,033,767	8.31%	Nov 2025
McLean-Sheridan	2023-25	System Improvements Phase 2	$0	$1,062,500	$0	$1,062,500	2.19%	Oct 2025
Walsh	2023-25	Water Treatment Plant Expansion	$0	$67,500	$40,500	$27,000	0.06%	April 2025
Fort Berthold	2023-25	Parshall to White Shield Regionalization	$0	$341,250	$0	$341,250	0.70%	Dec 2026
Central Plains	2023-25	Backup Power Generators	$0	$162,063	$123,774	$38,289	0.08%	Spring 2025
Central Plains	2023-25	Maddock Connection to CPWD	$0	$7,346,826	$1,424,920	$5,921,906	12.21%	June 2026
Greater Ramsey	2023-25	Basic Asset Inventory and Analysis	$0	$22,500	$8,834	$13,666	0.03%	April 2025
McLean-Sheridan	2023-25	Water Treatment Plant Expansion Phase 3	$0	$831,554	$128	$831,426	1.71%	Nov 2026
Greater Ramsey	2023-25	2024 User Expansion	$0	$375,750	$143,419	$232,331	0.48%	April 2025
Walsh	2023-25	Basic Asset Inventory and Analysis	$0	$32,250	$0	$32,250	0.07%	June 2025
Agassiz	2023-25	Basic Asset Inventory and Analysis	$0	$26,250	$0	$26,250	0.05%	Feb 2025
Walsh	2023-25	Drayton Water Supply	$0	$96,756	$0	$96,756	0.20%	Feb 2025
Southeast	2023-25	West WTP Improvements	$0	$2,442,987	$0	$2,442,987	5.04%	Fall 2025
East Central	2023-25	ECRWD BAIA Creation	$0	$45,000	$0	$45,000	0.09%	April 2025
McLean-Sheridan	2023-25	System Improvements Phase 2	$0	$226,360	$0	$226,360	0.47%	Oct 2025
East Central	2023-25	Hillsboro Area Supply, Transmission, and Dis.	$0	$1,057,500	$0	$1,057,500	2.18%	Dec 2025
East Central	2023-25	Hillsboro Water Treatment Plant	$0	$1,012,500	$0	$1,012,500	2.09%	Dec 2025
Turtle Mtn.	2023-25	Highway 3 Corridor Improvements	$0	$3,120,800	$0	$3,120,800	6.43%	Aug 2026
		Total Ongoing Rural Water Supply	**$42,244,414**	**$41,595,830**	**$35,323,115**	**$48,517,129**	**100.00%**	
East Central	2019-21	2019 Expansion Phase IV	$1,177,399	$0	$1,177,399	$0		
East Central	2019-21	2019 Expansion Phase IV	$0	$86,060	$86,060	$0		
North Prairie	2019-21	Minot to Velva Highway 52 Improvement	$107,878	$0	$107,878	$0		
North Prairie	2021-23	Minot to Velva Highway 52 Improvement	$2,328,900		$2,328,900	$0		
Walsh	2019-21	Drayton Water Supply Project	$2,752,696	$0	$2,752,696	$0		
Barnes	2019-21	2021 Storage Expansion	$151,517	$0	$151,517	$0		
Agassiz	2021-23	2022 Expansion Phase 2	$118,491	$0	$118,491	$0		
Turtle Mtn.	2021-23	TMPUC Highway 43 Corridor Expansion	$4,550,333	$0	$4,550,333	$0		
McLean-Sheridan	2021-23	WTP Expansion-Preconstruction	$44,533	$0	$44,533	$0		
South Central	2021-23	Service to Ashley	$338,250	$0	$338,250	$0		
Northeast	2021-23	Wellfield & WTP Expansion	$1,145,000	$0	$1,145,000	$0		
McLean-Sheridan	2023-25	WTP Expansion-Preconstruction	$71,250	$0	$71,250	$0		
Cass	2023-25	Reservoir D Supply Pipeline	$270,000	$0	$270,000	$0		
Greater Ramsey	2023-25	2024 User Expansion	$0	$93,750	$93,750	$0		
Garrison	2023-25	Garrison Rural 4 Inch Water Main Installation	$11,123	$0	$11,123	$0		
Southeast	2023-25	Basic Asset Inventory and Analysis	$0	$33,750	$33,750	$0		
East Central	2023-25	Hillsboro Area Supply, Transmission, and Dis.	$0	$93,750	$93,750	$0		
		Total Completed Projects	**$13,067,370**	**$307,310**	**$13,374,680**	**$0**		
		Total Ongoing & Completed Projects	**$55,311,784**	**$41,903,140**	**$48,697,795**	**$48,517,129**		

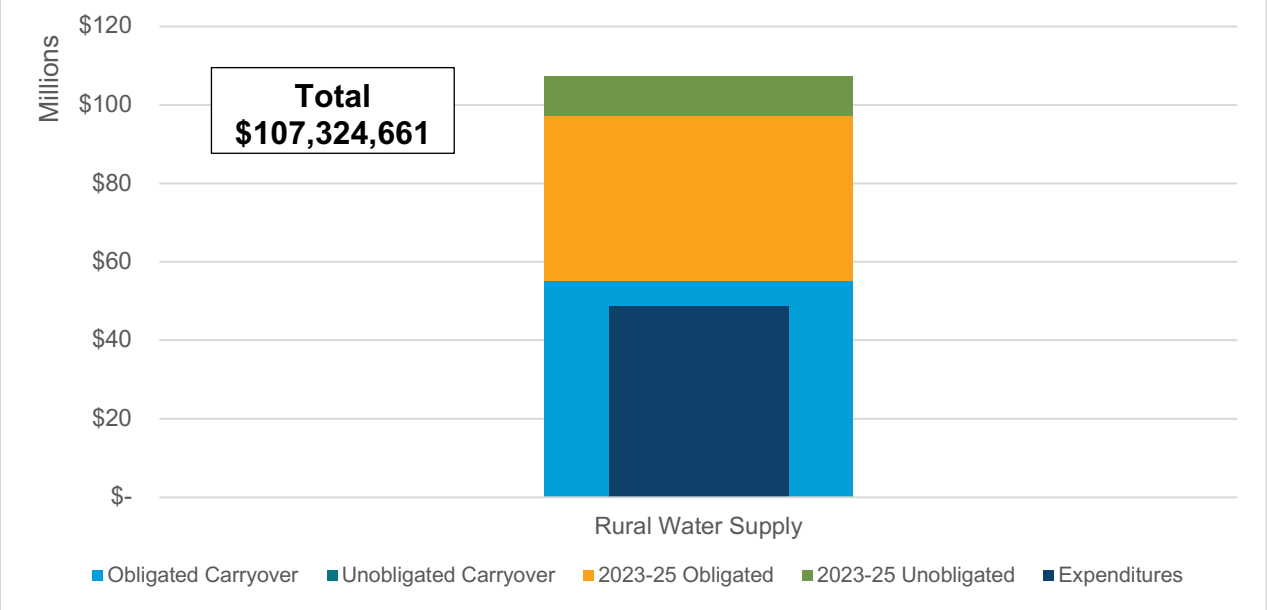
NORTH Dakota | Water Resources

Be Legendary.

2023-25 BIENNIUM

The following graphic illustrates water project funding provided for the 2023-25 biennium by purpose, incorporating both obligated and unobligated carryover funds, as well as new appropriation authority. Each chart also highlights related expenditures for each purpose through December 2024.





Municipal & Regional Water Supply	
Obligated Carryover	$118,577,594
Unobligated Carryover	13,976
2023-25 Obligated	273,186,372
2023-25 Unobligated	43,013,628
Total Municipal& Regional Water Supply	$434,791,570
Total Expended*	$146,878,493
% Expended	33.8%

General Water	
Obligated Carryover	$10,814,879
Unobligated Carryover	815,966
2023-25 Obligated	6,687,553
2023-25 Unobligated	3,562,447
Total General Water	$21,880,845
Total Expended*	$8,627,922
% Expended	39.4%

Rural Water Supply	
Obligated Carryover	$55,311,784
Unobligated Carryover	12,877
2023-25 Obligated	41,903,140
2023-25 Unobligated	10,096,860
Total Rural Water Supply	$107,324,661
Total Expended*	$48,697,790
% Expended	45.4%

Discretionary	
Obligated Carryover	$3,001,605
Unobligated Carryover	2,601,400
2023-25 Obligated	231,139
2023-25 Unobligated	8,768,861
Total Discretionary	$14,603,005
Total Expended*	$1,199,180
% Expended	8.2%

Flood Control	
Obligated Carryover	$102,315,079
Unobligated Carryover	1,506,577
2023-25 Obligated	87,750,919
2023-25 Unobligated	27,949,081
Total Flood Control	$219,521,656
Total Expended*	$44,995,005
% Expended	20.5%

Basinwide Plan Implementation	
Obligated Carryover	$773,787
Unobligated Carryover	0
2023-25 Obligated	0
2023-25 Unobligated	0
Total Basinwide Plan Implementation	$773,787
Total Expended*	$274,435
% Expended	35.5%

*Expenditures through December 2024

2025-27 Rural Water Bucket Projects

35 Projects

18 Systems

Total Project Cost: $289,831,325

Potential SWC Grant: $172,372,931

Local, Other State and Federal Funding: $117,458,394

7 Tribal Projects from 2 Systems

Potential Tribal SWC Grant: $40,050,000 (Included in the $172M)

Rural Water Bucket Funding History

2011-13: $15M

2013-15: $36M

2015-17: $61M

2017-19: $27M

2019-21: $37.2M

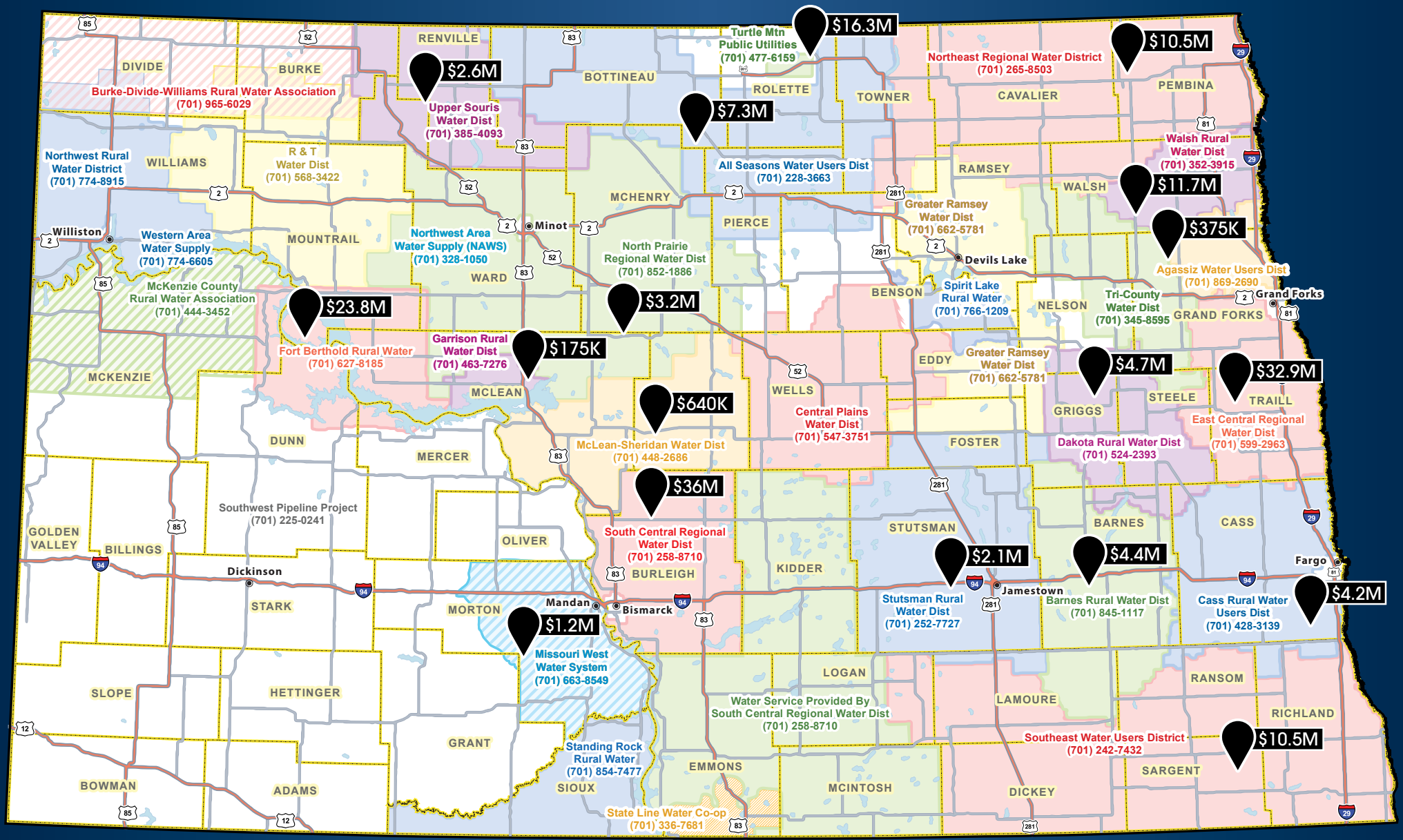
2021-23: $59.6M

2023-25: $52M + $10M State Fiscal Recovery Fund

Total: $297.8M

2025-27 Rural Water Bucket

Local Sponsor	Project Name	Federal Funding 2025-27	Potential SWC Grant 2025-27	Local & Other State Funding 2025-27	Total 2025-27
All Seasons Water Users District	System 1 Expansion Project - Phase 2	$0	$7,125,000	$2,375,000	$9,500,000
All Seasons Water Users District	System 1 Expansion Project - Phase 2 - Feasibility Report	$0	$180,000	$60,000	$240,000
Barnes Rural Water District & City of Dazey	Dazey - Rural Water Supply	$0	$4,355,000	$1,452,000	$5,807,000
Cass Rural Water District	System Wide Distribution Improvements	$0	$4,162,500	$1,387,500	$5,550,000
Dakota Rural Water District	Transmission Pipeline Expansion Project	$0	$4,650,000	$1,550,000	$6,200,000
East Central Regional Water District	Hillsboro Area Supply, Transmission, and Distribution	$1,500,000	$15,263,000	$4,326,000	$21,089,000
East Central Regional Water District	Phase 7 System Expansion	$0	$521,100	$173,700	$694,800
East Central Regional Water District	Hillsboro Water Treatment Project	$11,145,550	$17,140,837	$5,713,613	$34,000,000
ECRWD, NRWD, WRWD, AWUD, TCWD	North East North Dakota Long-Term Water Supply	$0	$375,000	$125,000	$500,000
Fort Berthold Rural Water	Parshall to White Shield Regionalization	$850,000	$3,000,000	$1,300,000	$5,150,000
Fort Berthold Rural Water	Four Bears Intake, Raw Water Line, and Water Treatment Plant	$1,750,000	$20,800,000	$7,400,000	$29,950,000
Garrison Rural Water District	4 Inch Watermain	$0	$175,200	$75,100	$250,300
McLean Sheridan Rural Water District	MSRWD Wellfield Improvements	$0	$639,750	$213,250	$853,000
Missouri West Water System	MWWS - Fort Abraham Lincoln State Park Improvements	$0	$1,176,000	$392,000	$1,568,000
North Prairie Regional Water District	NPRWD - Reservoir 3 to Max Transmission Water Main	$0	$2,637,000	$879,000	$3,516,000
North Prairie Regional Water District	NPRWD - Backup Generators at (7) Existing Reservoir / Booster Stations	$0	$563,000	$187,000	$750,000
Northeast Regional Water District	NRWD - New User and Reservoir Expansion	$0	$3,750,000	$1,250,000	$5,000,000
Northeast Regional Water District	NRWD - Bulk to Individual Service	$0	$6,750,000	$2,250,000	$9,000,000
South Central Regional Water District	Service to Napoleon	$0	$5,259,000	$1,753,000	$7,012,000
South Central Regional Water District	Keever Butte Mainline Improvements to Apple Creek Booster	$0	$4,206,000	$1,402,000	$5,608,000
South Central Regional Water District	North Burleigh Intake	$0	$6,495,500	$2,165,500	$8,661,000
South Central Regional Water District	North Burleigh Water Treatment Plant Expansion	$0	$15,487,000	$5,162,500	$20,649,500
South Central Regional Water District	University of Mary Storage and Line	$0	$4,547,044	$1,515,681	$6,062,725
Southeast Water Users District	West System Water Treatment Plant Improvements Phase I	$0	$10,300,000	$3,433,333	$13,733,333
Southeast Water Users District	System Distribution Improvements	$0	$225,000	$75,000	$300,000
Stutsman Rural Water District	New Water Treatment Plant	$0	$1,500,000	$500,000	$2,000,000
Stutsman Rural Water District	#14 Booster Station	$0	$626,250	$208,750	$835,000
Turtle Mountain Public Utilities Commission	Highway 3 Corridor Phase 3	$4,000,000	$4,000,000	$1,000,000	$9,000,000
Turtle Mountain Public Utilities Commission	Highway 43 Corridor Phase II	$11,000,000	$7,000,000	$2,000,000	$20,000,000
Turtle Mountain Public Utilities Commission	Trenton Water Supply and Water Treatment Plant	$5,000,000	$750,000	$250,000	$6,000,000
Turtle Mountain Public Utilities Commission	Reservoir C West - BIA2, BIA 15, BIA6, 33rd Avenue	$3,500,000	$2,000,000	$750,000	$6,250,000
Turtle Mountain Public Utilities Commission	Reservoir C East - BIA2, BIA4, BIA11, BIA10	$4,750,000	$2,500,000	$500,000	$7,750,000
Upper Souris Water District	2021 Improvements and Expansion	$0	$2,558,750	$852,917	$3,411,667
Walsh Rural Water District	Watermain Replacement Project	$0	$2,955,000	$985,000	$3,940,000
Walsh Rural Water District	Walsh County Water Supply	$0	$8,700,000	$20,300,000	$29,000,000
		$43,495,550	**$172,372,931**	**$73,962,844**	**$289,831,325**



New Horizons in Rural Living

NORTH DAKOTA
Rural Water
SYSTEMS ASSOCIATION

2718 Gateway Avenue #201 • Bismarck, ND 58503
Phone: 701-258-9249 • FAX: 701-258-5002
Email: ndrw@ndrw.org • www.ndrw.org

OUR VISION

All of North Dakota has access to affordable, ample, and quality water.

Quality On Tap!
Our Commitment Our Profession

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
1/28/2025

A Bill for an Act to provide an appropriation for defraying the expenses of the office of the department of water resources.

2:30 p.m. Chairman Nathe opened hearing on HB#1020

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Martinson, Richter, Sanford and Hanson

Discussion Topics

- Red River Valley Water Supply Project
- Western Area Water Supply Authority

2:30 p.m. Merri Mooridian, Administrative Officer River Valley Water Supply Project (RRVWSP), introduced presenters.

2:30 p.m. Jay Anderson, Chairman, Garrison Diversion, RRVWSP introduced presenters.

2:30 p.m. Tim Mahoney, Fargo Mayor, testified in favor and presented testimony #32125 & #32282.

2:41 p.m. Bernie Dardis, West Fargo Mayor, testified in favor and continued with testimony #32125.

2:54 p.m. Dave Carlsrud, Valley City Mayor, testified in favor.

2;57 p.m. Jay Anderson, Garrison Diversion Board Member, testified in favor.

3:06 p.m. Chris Barke, Interim Executive Director, Western Area Water Supply Authority testified in favor and submitted testimony #32275.

3:19 p.m. Weston McGruder Engineering Project Manager, testified in favor.

3:24 p.m. Loren DeWitz, Chairman, North Dakota Water Coalition testified in favor and submitted testimony #31890.

Additional written testimony: Bill Robinson- Chairman of the Lower Heart River Water Resource District submitted testimony in favor #31891.

Brandon Bochenski- Mayor of Grand Forks submitted testimony in favor. #32078

3:30 p.m. Chairman Nathe closed hearing.

Steven Riehl, Committee Clerk

North Dakota
WATER
COALITION

PO Box 2254
Bismarck, ND 58502
(701) 223-4330
FAX (701) 223-4645

Barnes Rural Water District
Cass County Government
Cass County Joint Board
City of Bismarck
City of Devils Lake
City of Fargo
City of Grafton
City of Grand Forks
City of Lisbon
City of Mandan
City of Minot
City of Valley City
City of West Fargo
City of Williston
Department of Environmental Quality
Department of Water Resources
Devils Lake Basin Joint Board
East Central Regional Water District
Fort Berthold Rural Water
Garrison Diversion Conservancy District
Lake Agassiz Water Authority
McLean-Sheridan Rural Water
Mercer County Water Resource District
Missouri River Joint Water Board
Morton County Water Resource District
North Dakota Association of Counties
North Dakota Irrigation Association
North Dakota League of Cities
North Dakota Public Finance Authority
North Dakota Rural Water Systems Association
North Dakota Water Resource Districts Association
North Dakota Water Users Association
North Dakota Weather Modification Association
North Prairie Regional Water District
Northwest Area Water Supply
Red River Joint Water Board
Souris River Joint Board
South Central Regional Water District
Southwest Water Authority
Stutsman Rural Water District
Western Area Water Supply

House Appropriations – Education and Environment Division

Hearing for HB 1020

January 28, 2025

Testimony of Loren DeWitz, Chairman, ND Water Coalition

Chairman Nathe and Members of the Committee,

My name is Loren DeWitz, and I serve as Chairman of the North Dakota Water Coalition. Thank you for the opportunity to offer testimony in support of House Bill 1020 and state funding for water projects.

The Water Coalition is an organization of organizations. This means that rather than individual members, the Water Coalition is a collection of organized groups, including water districts, regional water systems, rural water systems, joint water boards, and various state water groups. Included in our membership are the cities of Bismarck, Mandan, Williston, Minot, Grand Forks, Fargo, West Fargo, Devils Lake, Grafton, Lisbon, and Valley City.

Water Coalition members all have a common interest and a common goal – to work in a collaborative manner toward the identification and construction of water development projects and to provide a collective and unified position on the need for water funding for all the critical projects across the state. It is imperative that the State Water Commission and the Legislature understand and appreciate how important these projects are to the state and its citizens.

In today's hearing you will hear specific project details and funding needs for a wide variety of projects. These projects will include major water management projects and large water supply projects. You will hear testimony on behalf of all the rural water systems of our state, municipal water needs, irrigation development, and from our state's water resource districts.

You will quickly note that the projects you will hear about touch every corner of our state and every citizen of our state. These projects, individually and collectively, provide health, safety, economic, and social benefits which make our state a better place to live.

Attached to my comments is a critical water needs summary entitled "Meeting the Challenge," which the Water Coalition prepares each biennium to highlight the variety and need of water funding support.

Thank you for this opportunity to offer this testimony, and I will respond to any questions.



Meeting the Challenge

2025-27 Critical Water Needs Summary

Water is North Dakota's most valuable natural resource. Every day, our water resources are used for drinking water, agriculture, industry, power production, and recreation. Water also plays a major role in growing the state's economy through its vital use in oilfield development, value-added agriculture, and many more industries. The significant growth in industrial development and population, major flooding events throughout the years, and the need to provide reliable, quality water have presented North Dakota with a unique set of challenges that need to be addressed and met. The way these challenges can be addressed is through sufficient funding of water projects.

HOW WATER IS FUNDED



Water funding is allocated from the Resources Trust Fund, which was established in 1991 by an amendment to the North Dakota Constitution voted on by the people of North Dakota. The amendment, and subsequent legislation, directs 20.5% of the oil extraction tax to the Resources Trust Fund to develop water infrastructure projects. Resources Trust Fund dollars are appropriated by the legislature each biennium into funding "buckets," or categories, such as water supply or flood control. More dollars in the water supply, rural water, and capital projects buckets means more North Dakotans will have access to clean drinking water. More dollars in the flood control bucket means more protection for high flood-risk cities like Fargo, Minot, Valley City, and Mandan.

The establishment of the Resources Trust Fund in 1991 was a visionary move by both the people of North Dakota and the Legislature. It has made possible investment in water resources that makes North Dakota the envy of our neighbors in the Midwest and states across the country. Today, the Resources Trust Fund provides valuable investment in water infrastructure that improves the quality of life for every North Dakotan.

WATER FOR DRINKING AND INDUSTRY



Funding regional and rural water systems helps bring clean, safe and quality water to more than 75% of North Dakota and has helped strengthen economic development. Using regional water systems, which distributes water over large areas of the state partnering with rural and municipal water systems, allows North Dakota to tap into our largest water resource, the Missouri River, and deliver that abundant resource across large reaches of

the state. The Missouri River is the water source for the four regional water systems: the Southwest Pipeline Project (SWPP), Northwest Area Water Supply Project (NAWS), Western Area Water Supply Project (WAWS), and Red River Valley Water Supply Project (RRVWSP). When complete, these regional systems will carry Missouri River water to residents in all four corners of the state and serve approximately 80% of the population. Funding is also provided for municipal water systems, both those tied in with rural or regional systems and those who maintain systems of their own.

PROTECTION FROM FLOOD



North Dakota has many water resources that are used to positively grow the state and serve its residents and businesses. However, sometimes water is destructive, a problem that North Dakota knows too well. Over the 136 years of its existence as a state (and before), the wild and fluctuating levels of its rivers and lakes have resulted in devastating flooding for North Dakota. Without sufficient protection, these floods can displace people, destroy homes, and devastate businesses and productive crop land. Through funding provided by the legislature, North Dakota is diligently working to provide protection for urban and rural residents from devastating flood events. Thanks to bonding provided in 2021, the Fargo-Moorhead Area Diversion project is fully funded. Large projects like the Mouse/Souris River Enhanced Flood Protection Project, Valley City Permanent Flood Protection Project, and the Lower Heart-City of Mandan Flood Risk Reduction Project still lack the funds to be completed. Additionally, there are many projects brought forward by farmers, ranchers and rural residents to provide drainage and rural flood protection seeking funding in this biennium.

IRRIGATION DEVELOPMENT



Along with destructive floods, North Dakota also experiences severe drought and years with water scarcity. Drought is one of the many risks faced by farmers and ranchers across this state. However, with the development of irrigation, droughts cease to cause the catastrophic ruin they can cause in areas without irrigation. In drought years, irrigation can increase the productivity of an acre of cropland six-fold. State support in irrigation can help North Dakota become a leader in irrigation development and grow the overall agriculture economy in the state. In 2023, the State Water Commission increased their cost share for irrigation districts to 75% and increased their investment in interest rate buydown for irrigators through the Bank of North Dakota's (BND) AgPace program. Work is ongoing to increase BND's investment in AgPace as well with the goal of increasing the buydown cap to at least $100,000.

WHY FUND WATER



Investing in water means investing in the sustainable growth of North Dakota. Not only do water projects benefit from this investment, but so do other top industries of North Dakota and every North Dakota citizen. Sufficient funding for water infrastructure allows the state to provide one of the most basic necessities for life—water—to every North Dakotan while at the same time directing this resource to benefit agriculture, energy, tourism and other top industries across the state. We have come a long way since the Resources Trust Fund was established more than 30 years ago, but there is still much work left to do. We look forward to working with you as we develop a plan to meet the challenge of completing vital water infrastructure projects for the benefit of every North Dakotan.

WHO WE ARE

North Dakota WATER COALITION

The North Dakota Water Coalition is a membership organization, under the umbrella of the North Dakota Water Users Association, made up of organizations and individuals interested in funding for water infrastructure. Since 1994, the Water Coalition has worked to identify and lobby for state and federal funding for water projects across North Dakota.

North Dakota WATER COALITION

2025 and Beyond

Water needs are clearly greater than our resources.
We must work hard *to MEET THE CHALLENGE of completing vital water infrastructure projects for the benefit of every North Dakotan.*

(701) 223-4615 • staff@ndwater.net

Lower Heart River WRD
P O Box 395
Mandan, ND 58554

Appropriations – Education and Environment Division

HB 1020

Representative Mike Nathe, Chairman

Chairman Nathe, Members of the Education and Environment Division Appropriations Committee, my name is Bill Robinson, I am the Chairman of the Lower Heart River Water Resource District. We are submitting this testimony in support of HB 1020.

The Lower Heart River Water Resource District and the City of Mandan are truly appreciative of the past support provided by the State of North Dakota in progressing our Flood Risk Reduction Project forward. This FEMA recertification project is vital to the community, in both flood protection and flood mapping. Project completion would not be possible without past and continued support from the state.

The project timeline, as its presently understood, includes design and FEMA approval through 2025. Bidding and construction would commence in 2026 with completion occurring in 2028.

As it progresses toward construction, operating costs to implement construction will be a challenge we need to overcome. This project would benefit greatly from an opportunity to utilize a line of credit through the Bank of North Dakota's Water Infrastructure Revolving Loan Fund. Utilizing that line of credit would offer us the ability to pay construction costs as they are incurred. After construction, the special assessment district established through the City of Mandan would allow the project to pay off that loan.

Therefore, we request consideration to include a line of credit up to $11 million in the appropriation legislation for the North Dakota Department of Water

Resources budget in House Bill 1020. This would provide certainty to the financial condition of the construction activities of the project and allow us to move confidently forward toward final completion.

The project timeline, as it is presently understood, includes design and FEMA approval through 2025. Bidding and construction would commence in 2026 with completion occurring in 2028. Below are some pertinent information bullet points on the project:

- 2,600 commercial, industrial, and residential properties at direct risk.

- $10 million in estimated annual flood insurance requirements if de-accredited.

- $32 million in estimated in project cost remaining - $13.8 million funded with FEMA Flood Mitigation Assistance grant - $11 million estimated from ND DWR cost-share assistance - $7 million local funding via special assessment.

Thank you again for your past support. Without it and future consideration from the state, real and recognized flood protection for the City of Mandan will be in jeopardy. Please do not hesitate to reach out with any questions or concerns.

Thank you.

255 N. 4th St.
PO Box 5200
Grand Forks, ND 58206-5200

CITY OF GRAND FORKS NORTH DAKOTA

City of Grand Forks
(701) 746-4636

TESTIMONY ON HB 1020
House Appropriations
Education and Environment
January 28th, 2025

Brandon Bochenski, Mayor
City of Grand Forks, ND

Chairman Nathe, members of the committee. Please accept my written testimony in support of House Bill 1020 and funding for the Red River Water Supply Project (RRVWSP) in-line with the intent of the 68th Legislative Assembly last biennium.

The RRVWSP is an important drought mitigation project that serves a large part of the state including major cities and rural water systems alike. Grand Forks and Fargo have been working collaboratively to develop an Assurance Policy that will ease the potential burden on smaller users to ensure the maximum utilization of the project.

I am proud of the work done by the Lake Agassiz Water Authority (LAWA) to represent the end users of the project ensuring proper governance and leadership. LAWA couldn't be more grateful for the work and partnership with the State of North Dakota, to include a 75% cost share and favorable financing terms from the Bank of North Dakota.

As the project nears its midway point, it is crucial to continue momentum towards completion. All of the appropriated funds from last biennium have been allocated, proving the project construction is on schedule.

Grand Forks is seeing tremendous growth in value added agriculture processing, which relies heavily on water supply for production. Having water supply even in drought conditions allows the economy a resilience that will allow further investment in large production facilities.

Pairing the needs of large industry with the needs of all residential users the RRVWSP gives important assurances for all.

Thank you for your time and consideration.

Respectfully,
Brandon Bochenski
Mayor of Grand Forks

#32125

RED RIVER VALLEY
WATER SUPPLY PROJECT

Serving the Water Supply Needs of Central North Dakota and the Red River Valley

HOUSE APPROPRIATIONS HEARING HB 1020

JANUARY 28, 2025

Lake Agassiz Water Authority

GARRISON DIVERSION

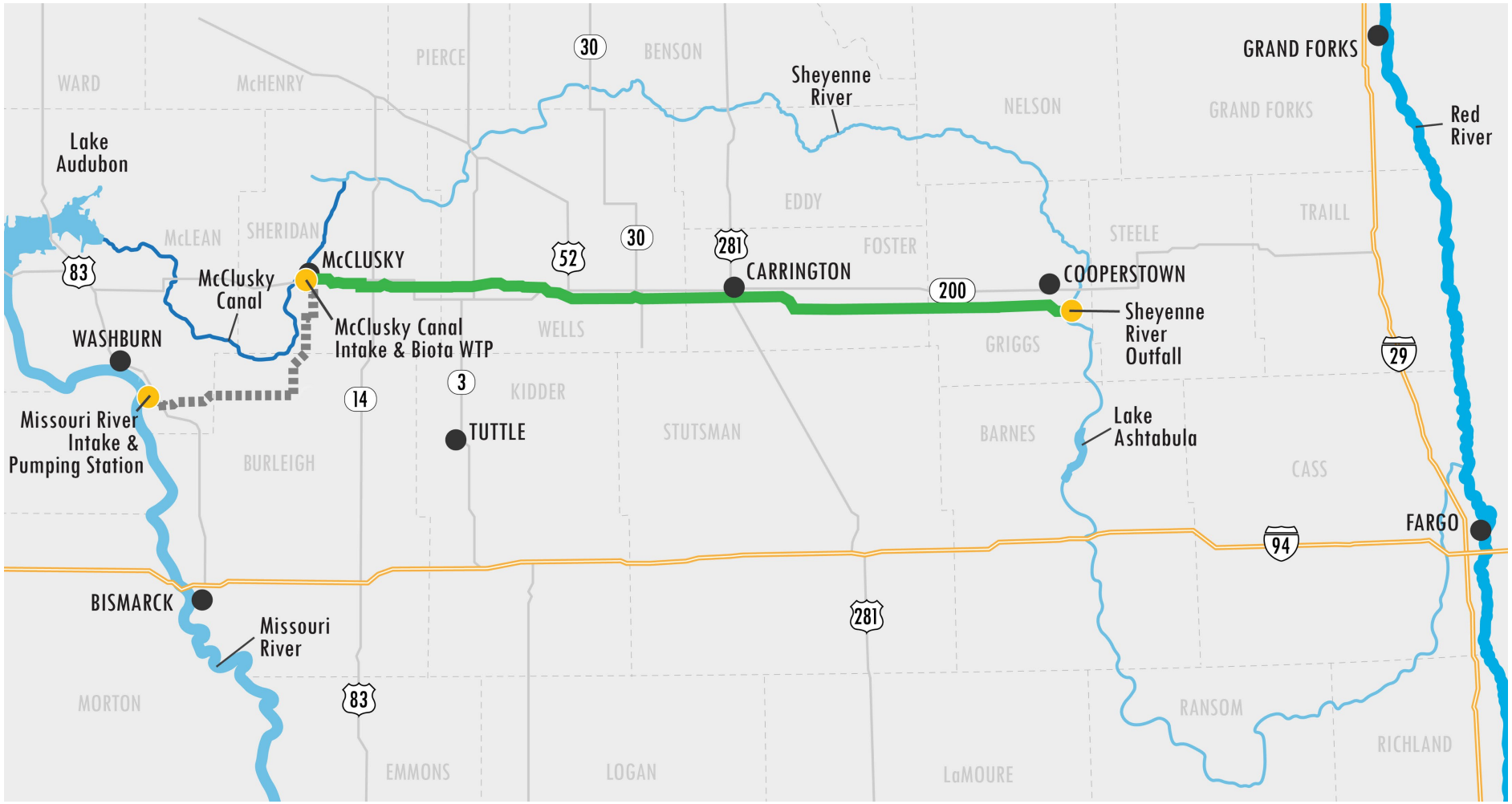
RED RIVER VALLEY WATER SUPPLY PROJECT

RRVWSP IS AN LONG-TERM EMERGENCY WATER SUPPLY AND ECONOMIC DEVELOPMENT DRIVER!





PROJECT OVERVIEW



Pipe Diameter

72” (6 foot)

Pipe Length

125 Miles

Pipe Material

Steel

Pipe Flow

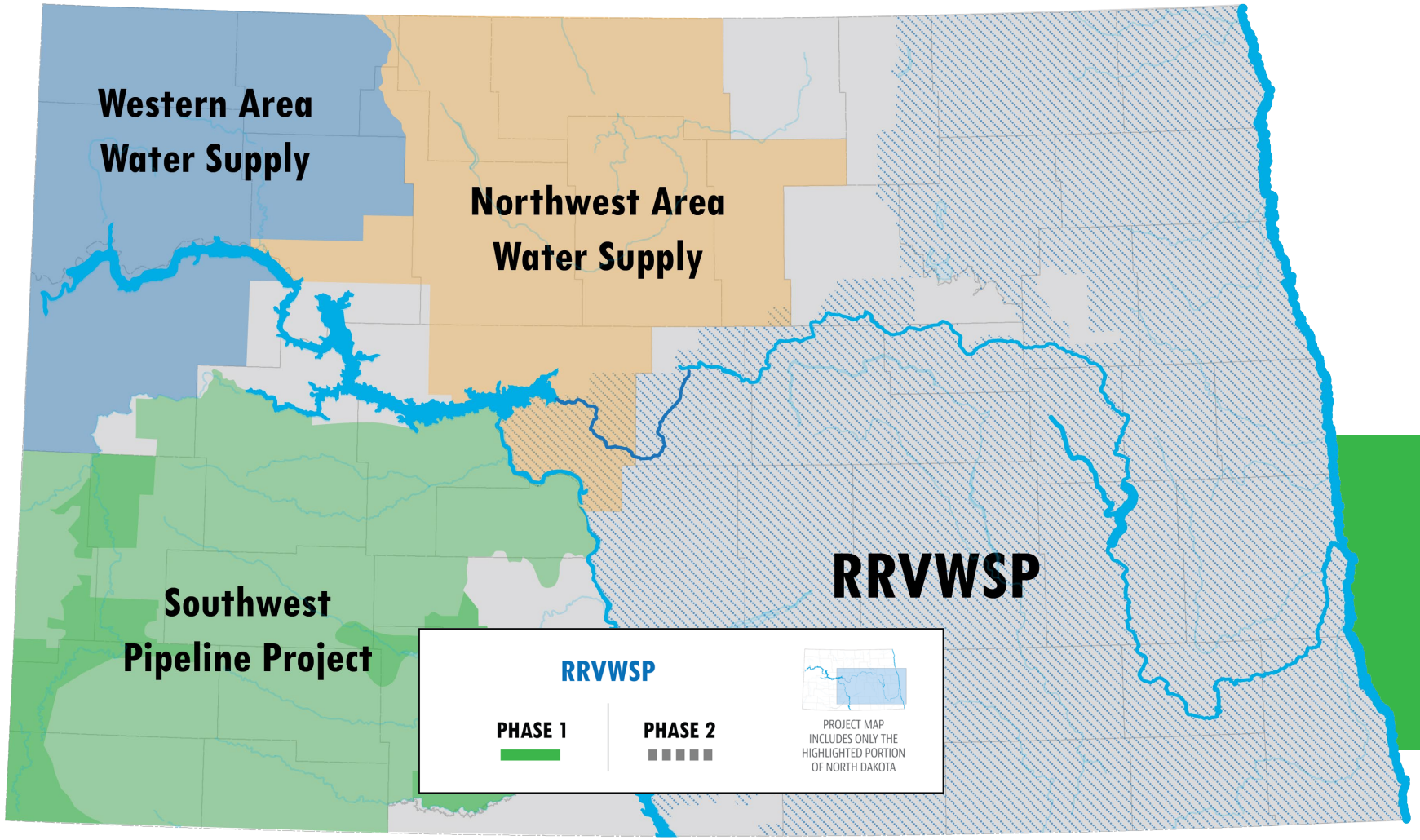
165 cfs

Bury Depth

7’ Top of Pipe

15’ Bottom of Trench

REGIONAL WATER SYSTEM



Existing Regional Water Supply Systems

RRVWSP Area

RRVWSP has the potential to serve nearly 50% of North Dakota's Population

FEDERAL, STATE AND LOCAL PARTNERSHIP

GARRISON DIVERSION CONSERVANCY DISTRICT

Represents the State of ND

ND CENTURY CODE CH. 61-24-01

To study and provide for the water needs of eastern North Dakota communities and water districts and western Minnesota communities through a Red River Valley Water Supply Project.



LAKE AGASSIZ WATER AUTHORITY

Represents Local Users

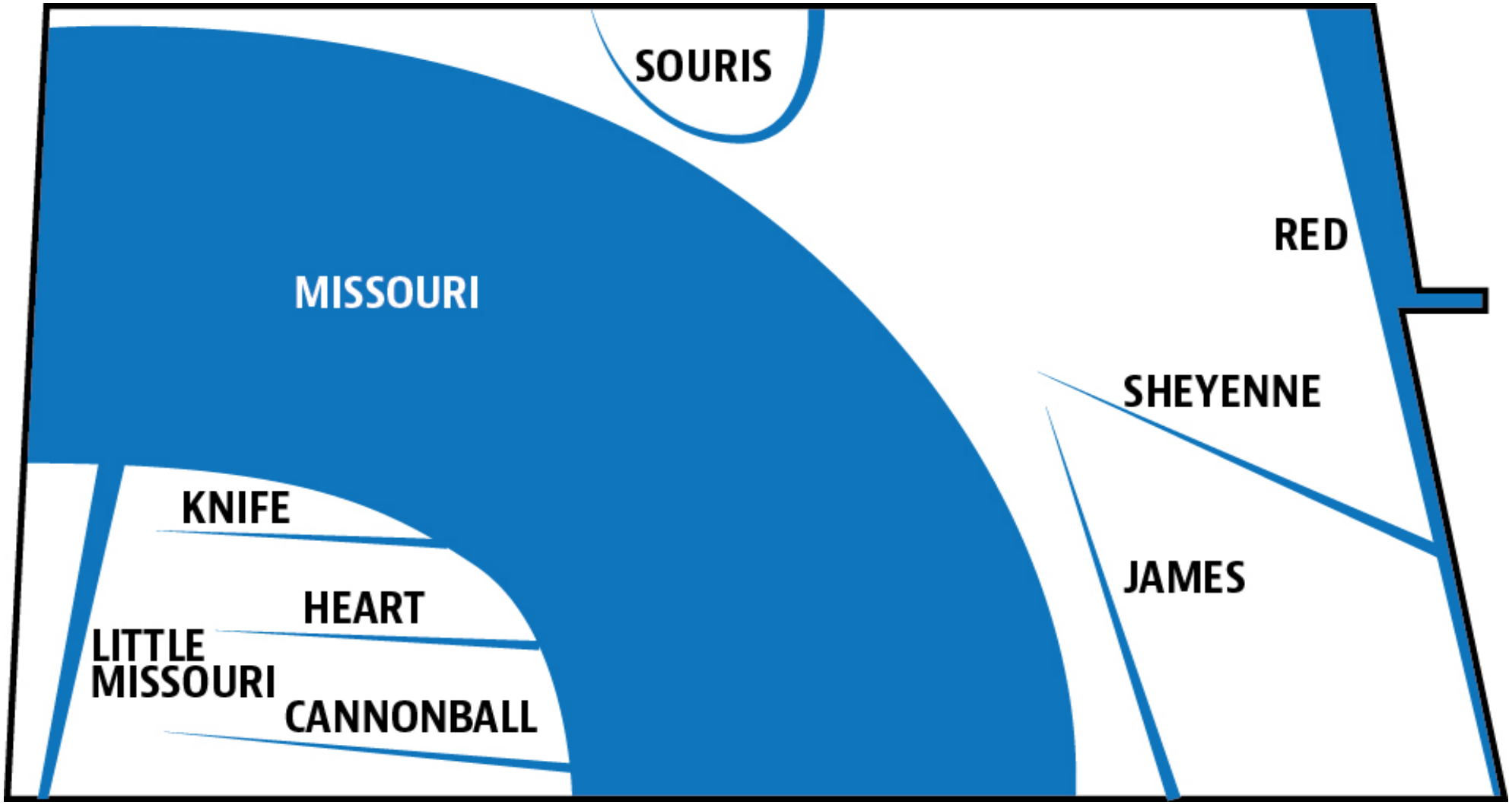
ND CENTURY CODE CH 61-39-04.1

The Lake Agassiz Water Authority and the Garrison Diversion Conservancy District shall continue studying, planning, developing, and constructing a nonfederal project to meet the water supply needs of eastern and central North Dakota.

ND STATE LEGISLATURE & ND STATE WATER COMMISSION

FEDERAL GOVERNMENT

NORTH DAKOTA SURFACE WATER SUPPLY



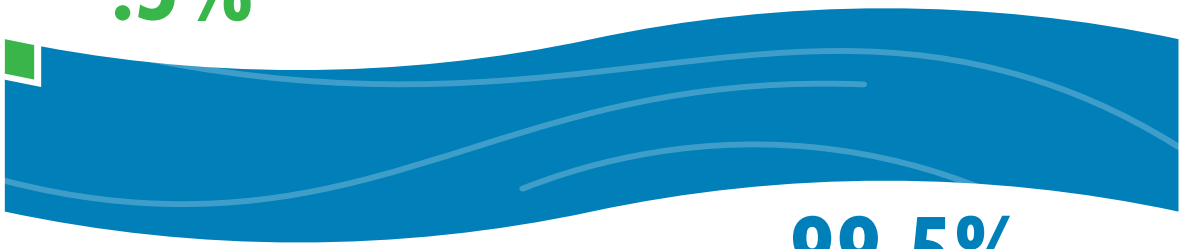
MISSOURI RIVER

ONE OF NORTH DAKOTA'S GREATEST NATURAL RESOURCES

Accounts for 95% of North Dakota's surface water - we only utilize about 1% of the water flowing through our state

Total amount of Missouri River water needed is

.5%



99.5%

of Missouri River is left unaffected



MISSOURI RIVER
USE IT OR LOSE IT



WESTERN SOUTH DAKOTA REGIONALIZATION PROJECT
- Up to 67.8 MGD / 105 CFS

COLORADO RIVER
- Reclamation has evaluated portfolios related to importing Missouri River Water into Colorado River Basin

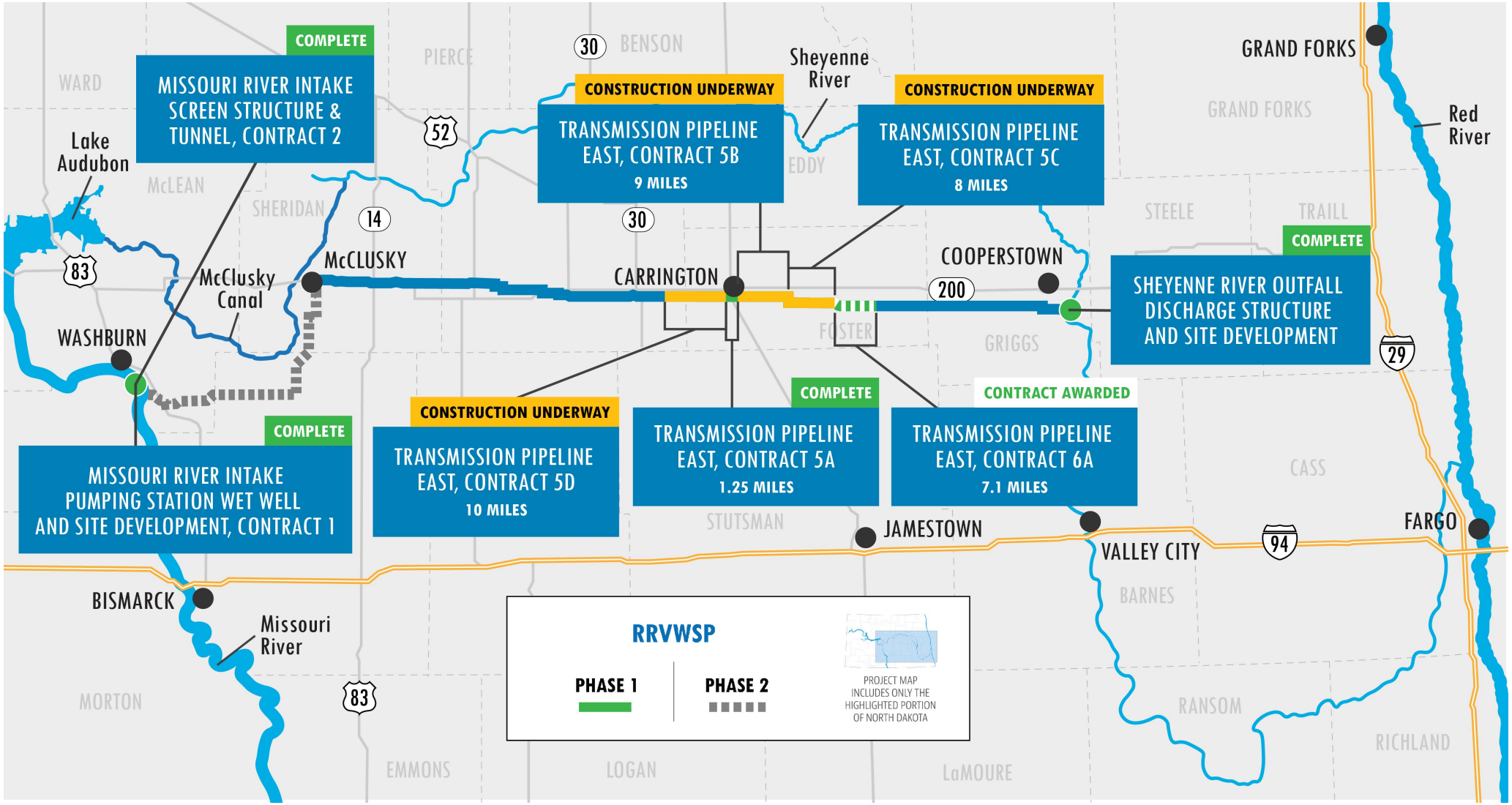
RRVWSP
- Construction Underway
- Up to 120 MGD / 165 CFS

ABERDEEN
- Completed Missouri River Feasibility Study
- Up to 32 MGD / 50 CFS

KANSAS OGALLALA AQUIFER
- 1982 Study Revitalized
- Up to 3,546 MGD / 5,540 CFS

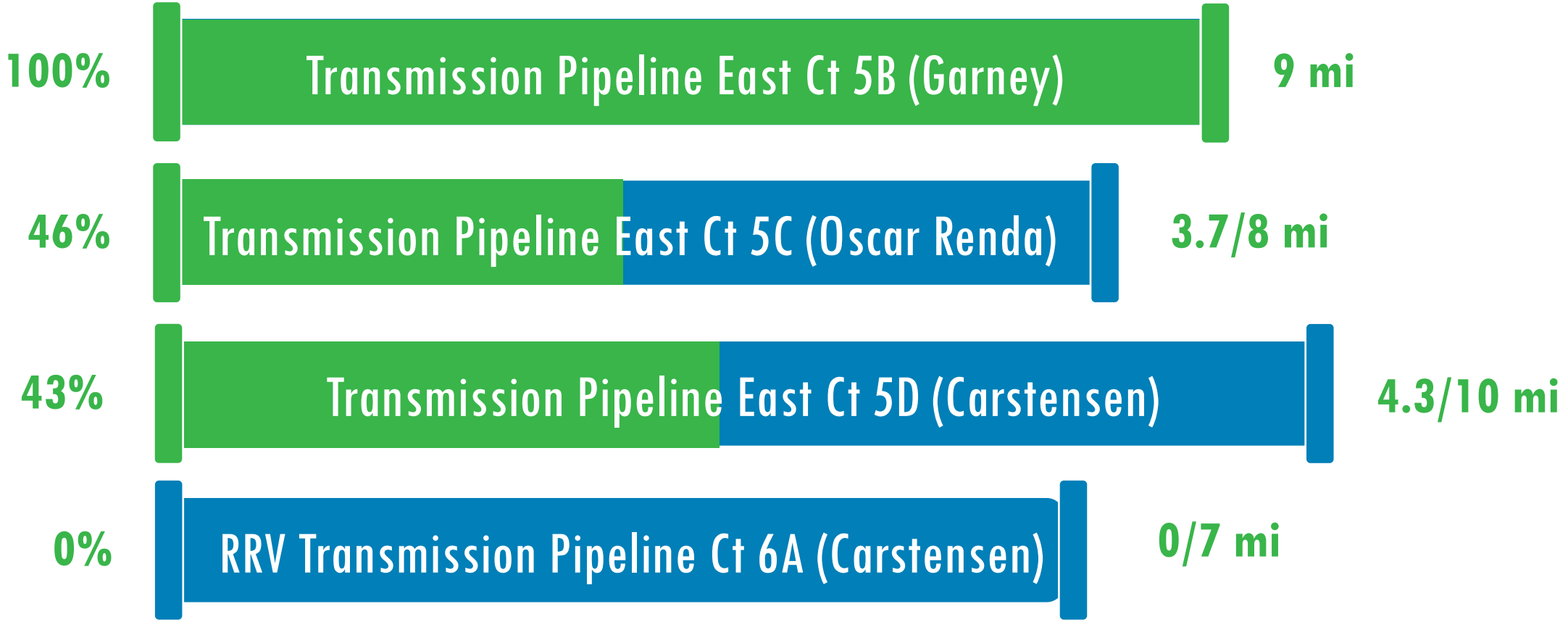
NORTH DAKOTA
MONTANA
MINNESOTA
SOUTH DAKOTA
IOWA
WYOMING
NEBRASKA
COLORADO
KANSAS
MISSOURI

CONSTRUCTION PROGRESS



CONSTRUCTION PROGRESS
AS OF JANUARY 9, 2025

ACTIVE PIPELINE CONSTRUCTION PROJECTS



CONSTRUCTION AND DESIGN SUMMARY

- By end of 2024, 8 construction contracts with total value of $270M were awarded.
- By mid-2025, more than 100 miles of pipeline will be 100% designed.
- The Project has experienced a good bidding environment to date.



USER OUTREACH UPDATE

80 USER MEETINGS AND COUNTING!

- 35 Different Municipalities & Water Districts
- Engaged with 9 Counties and Counting

SIGNED MOCS (126.95 CFS)

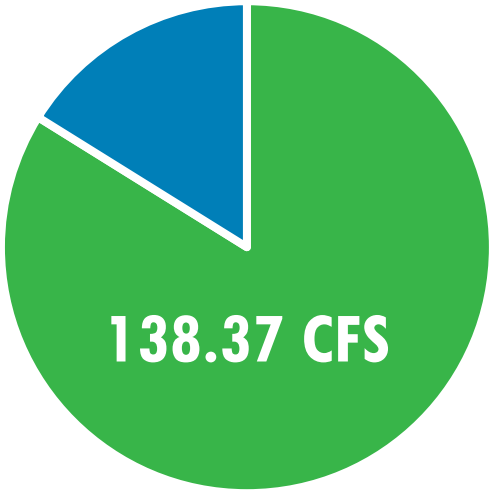
- Fargo, Grand Forks, Valley City, Carrington, Hillsboro, Mayville, Cooperstown, Washburn, Wahpeton, Sargent County, & Dickey County

ADDITIONAL APPROVALS (11.42 CFS)

- McLean-Sheridan Rural Water District, LaMoure County, Richland County, & SEWUD

84% OF THE

165 CFS CAPACITY

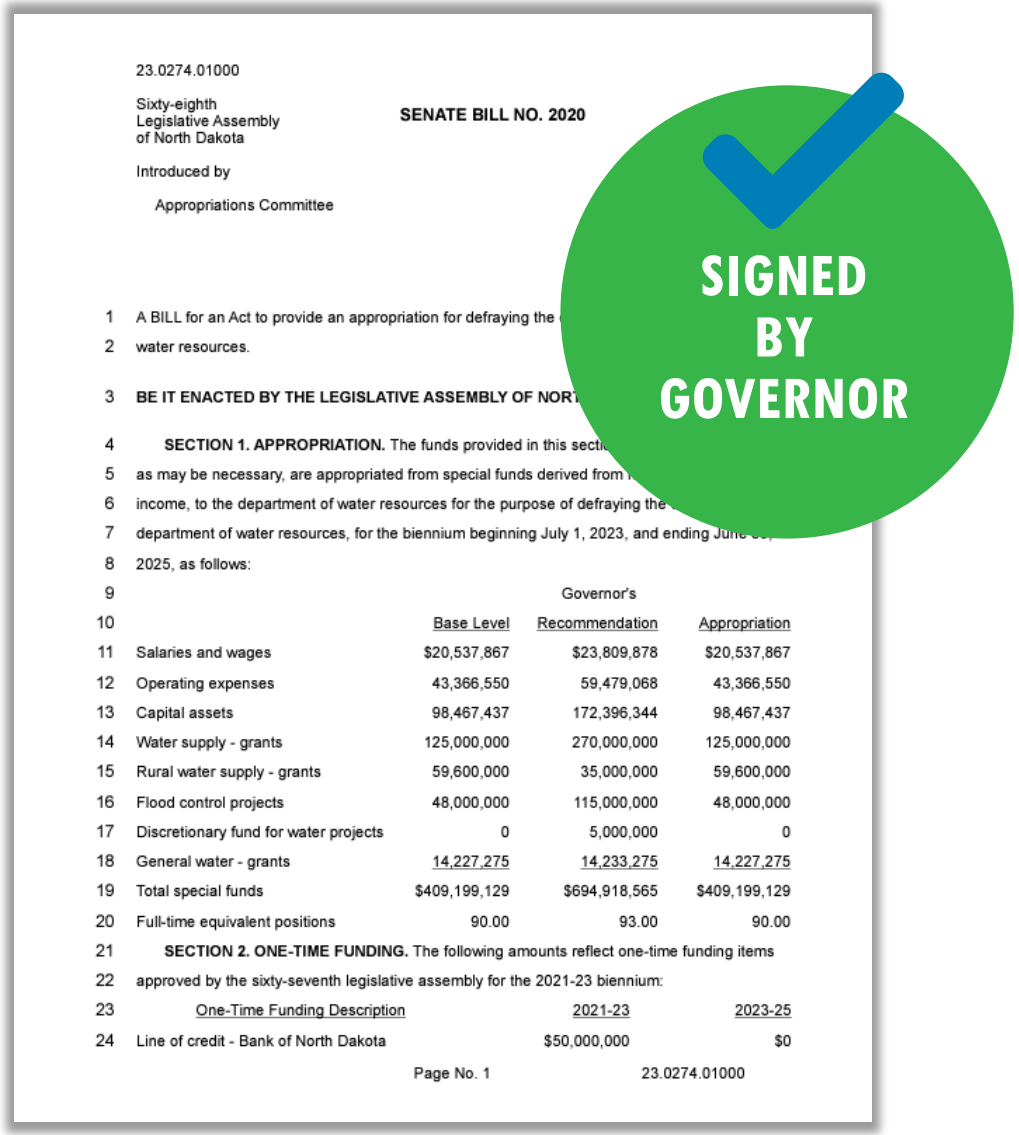


REMAINING NON-COMMITTED USERS REPRESENT 12.7 CFS TO 38.5 CFS

ASSURANCE POLICY HIGHLIGHTS

- Participant eligible to have nominations and financial commitment assumed by LAWA or LAWA member entity
- Limited to 10 years from Project start-up
- Reimbursement of principal contributions to point of assumption
- Fargo and Grand Forks committed to policy proportionally
  - Potential assignment to other Participants

SENATE BILL 2020 – 2023 LEGISLATIVE SESSION



23.0274.01000

Sixty-eighth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the
water resources.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NOR

SECTION 1. APPROPRIATION. The funds provided in this secti
as may be necessary, are appropriated from special funds derived from
income, to the department of water resources for the purpose of defraying the
department of water resources, for the biennium beginning July 1, 2023, and ending
2025, as follows:

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

SECTION 2. ONE-TIME FUNDING. The following amounts reflect one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium:

One-Time Funding Description	2021-23	2023-25
Line of credit - Bank of North Dakota	$50,000,000	$0

Page No. 1 23.0274.01000

SIGNED BY GOVERNOR

SECTION 10. RRVWSP

- **$180M** for 23-25 Biennium
- **$953M** Total State Commitment @ 75% Cost-Share
- Capitalized Water Infrastructure Revolving Loan Fund (WIRLF) **$60M** for 40 Years at 2%
- Commitment Based on **10-Year Build** Utilizing ENDAWS

2023-2025 BIENNIUM FUNDING

Garrison Diversion and Lake Agassiz have obligated all $240M in 2023-2025 dollars to move the project forward.



INVESTMENT SCHEDULE
LEGISLATIVE INTENT

LEGISLATIVE FUNDING INTENT (MILLIONS)		23-25	25-27	27-29	29-31	31-33	TOTAL
Current $953M (Completion 2032)	State	$180.00	$221.10	$236.85	$253.74	$61.35	$953.00
	Local	$60.00	$73.70	$78.95	$84.58	$20.45	$317.70
	TOTAL	$240.00	$294.80	$315.80	$338.32	$81.80	$1,270.70

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Annual Inflation Assumptions*		6.0%	5.0%	5.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	

2025-2027 FUNDING REQUEST

75% STATE COST SHARE

$221M

CONTINUE TO FUND THE RRVWSP AT A LEVEL TO COMPLETE WITHIN THE 10-YEAR BUILD SCHEDULE



KEYS TO IMPROVING AFFORDABILITY

- NUMBER OF USERS
- COST EFFICIENT BUILD SCHEDULE
    - STATE BONDING
- FEDERAL MONEY

2025-2027 FUNDING REQUEST

25% LOCAL COST SHARE

$73.7M

WATER INFRASTRUCTURE REVOLVING LOAN FUND

Capitalize: working closely with BND

40-year, 2%



DRAFT 2025-2027 WORK PLAN



$280M – Install 31 Miles of Pipeline



$15M – Final Design of Facilities

- Biota Water Treatment Plant
- McClusky Canal Pump Station
- Main Pump Station
- Ground Storage Reservoirs

THANK YOU!

www.rrvwsp.com

@RRVWSP

facebook.com/RRVWSP

RED RIVER VALLEY
WATER SUPPLY PROJECT

Lake Agassiz
Water Authority

GARRISON
DIVERSION

WESTERN AREA
WATER SUPPLY AUTHORITY

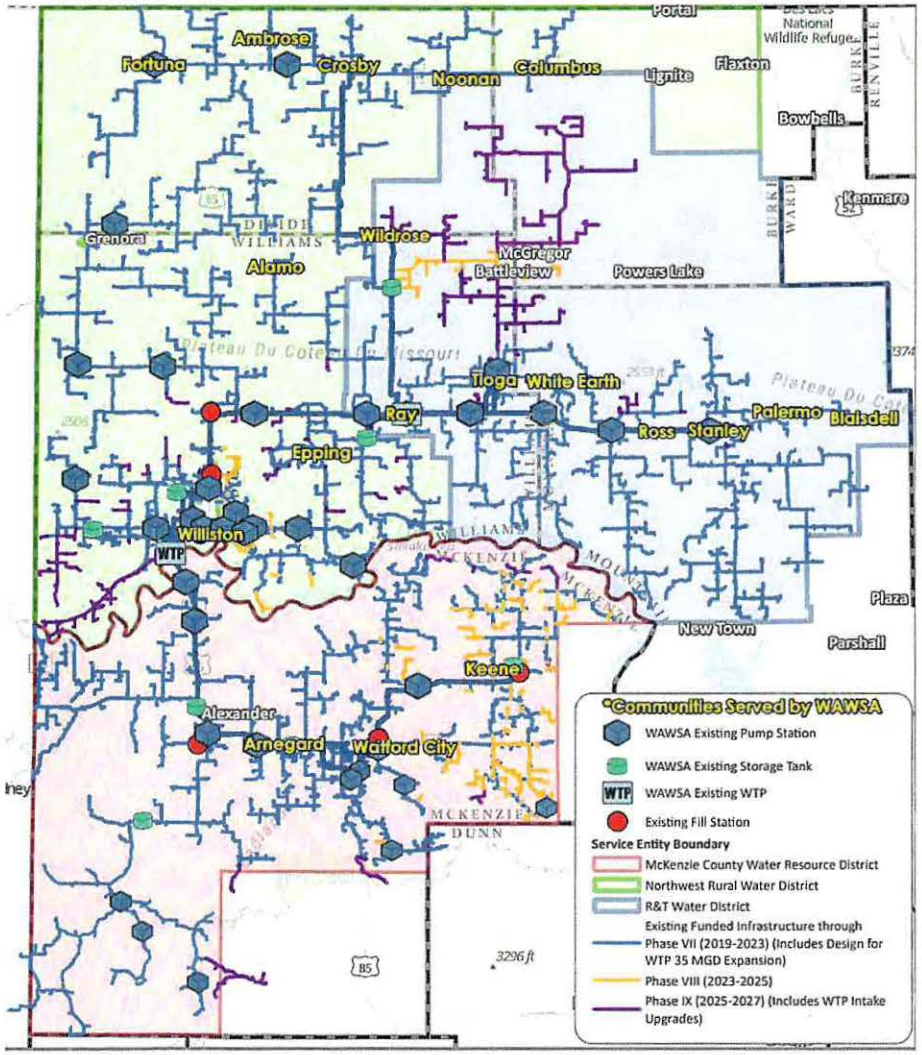


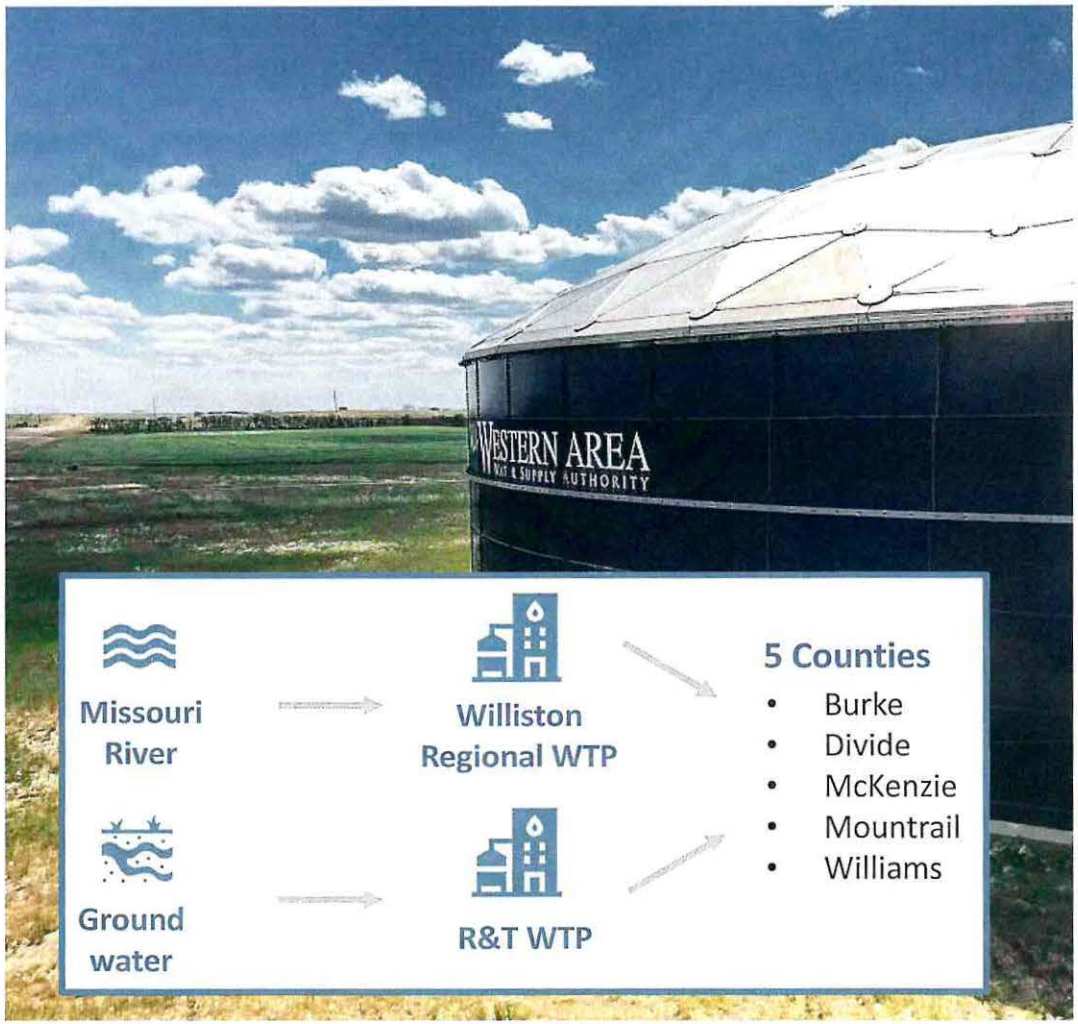
HB 1020

Chris Barke, Interim Executive Director

January 28, 2025

AE2S NEXUS
The Financial Link


Portal
Ambrose
Fortuna
Crosby
Noonan
Columbus
Lignite
Flaxton
Bowbells
Kenmare
Grenora
Wildrose
McGregor
Alamo
Battleview
Powers Lake
Tioga
White Earth
Ray
Palermo
Ross
Stanley
Blaisdell
Epping
Williston
WTP
Plaza
New Town
Parshall
Keene
Alexander
Arnegard
Watford City
MCKENZIE
DUNN
85
3296 ft
*Communities Served by WAWSA
WAWSA Existing Pump Station
WAWSA Existing Storage Tank
WTP WAWSA Existing WTP
Existing Fill Station
Service Entity Boundary
McKenzie County Water Resource District
Northwest Rural Water District
R&T Water District
Existing Funded Infrastructure through Phase VII (2019-2023) (Includes Design for WTP 35 MGD Expansion)
Phase VIII (2023-2025)
Phase IX (2025-2027) (Includes WTP Intake Upgrades)


WESTERN AREA
WATER SUPPLY AUTHORITY
Missouri River
Ground water
Williston Regional WTP
R&T WTP
5 Counties
• Burke
• Divide
• McKenzie
• Mountrail
• Williams

3,147+ Miles Installed of Rural Distribution & Transmission Pipeline

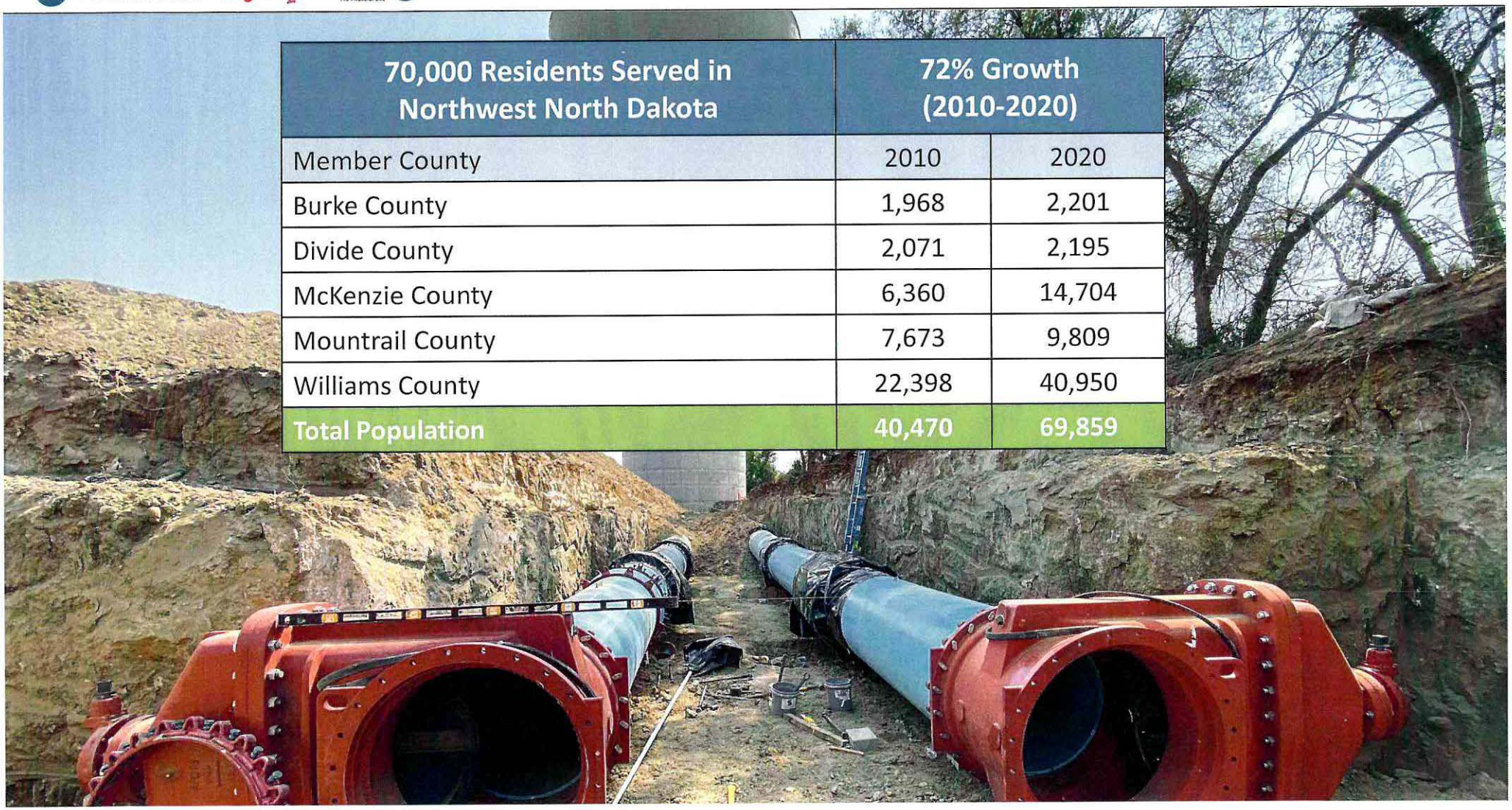


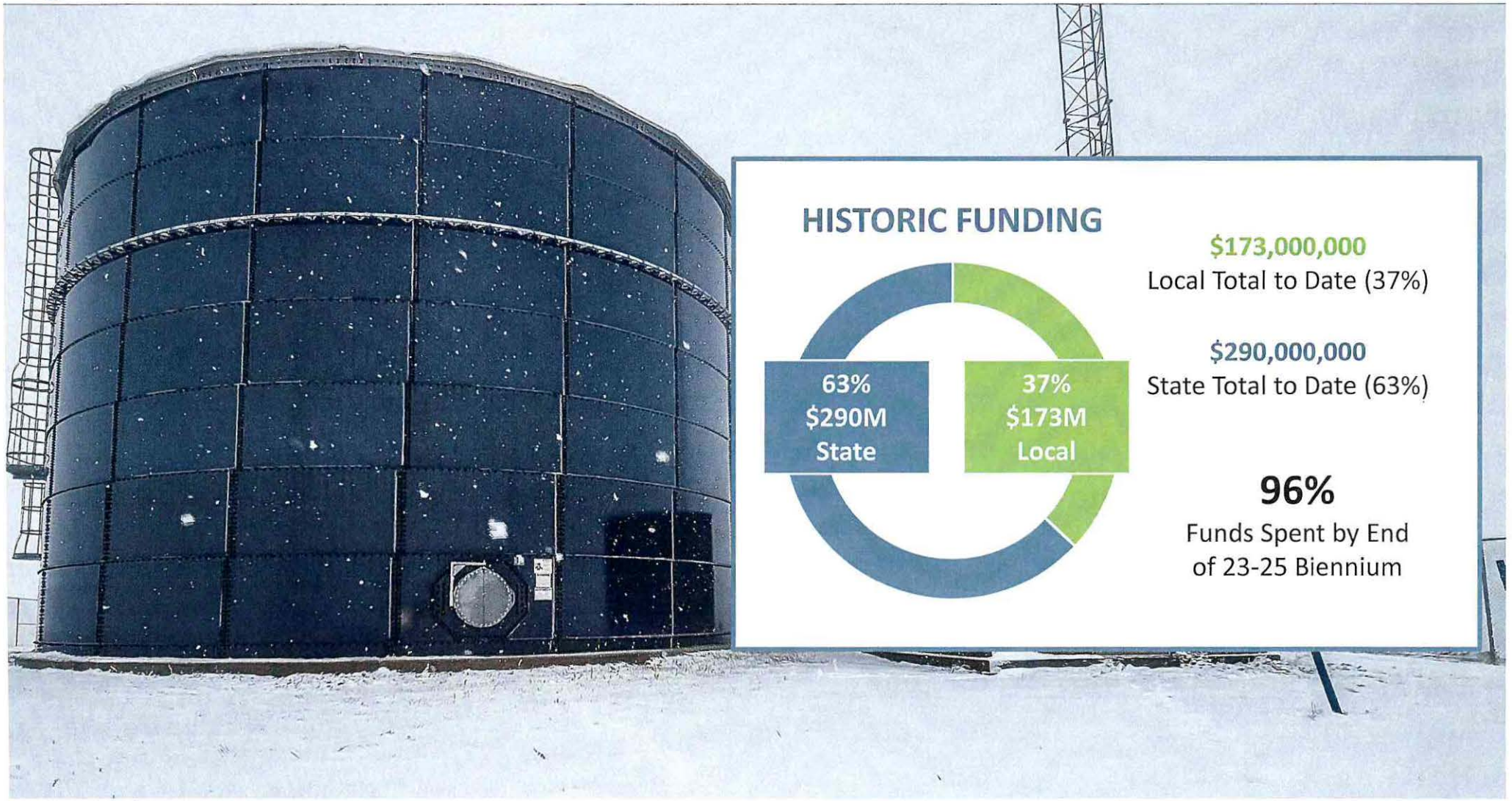
26 Ground Storage Reservoirs

39 Pump Stations

5 Water Towers

70,000 Residents Served in Northwest North Dakota	72% Growth (2010-2020)	
Member County	2010	2020
Burke County	1,968	2,201
Divide County	2,071	2,195
McKenzie County	6,360	14,704
Mountrail County	7,673	9,809
Williams County	22,398	40,950
Total Population	**40,470**	**69,859**




HISTORIC FUNDING
63%
$290M
State
37%
$173M
Local
$173,000,000
Local Total to Date (37%)
$290,000,000
State Total to Date (63%)
96%
Funds Spent by End
of 23-25 Biennium

Impacts of SB 2233 (2023)

	2022	2023	2024
Gross Industrial Revenue	$11.40 M	$12.55 M	$10.91 M
Water Expense	$3.80 M	$4.25 M	$3.34 M
Member Debt Payment	$2.80 M	$2.90 M	$2.67 M
State Loan Payment	$3.60 M	$2.19 M	$1.46 M
State Interest Payment	$2.10 M	$1.48 M	$0.82 M
Net Income	**-$0.9 M**	**$1.73 M**	**$2.61 M**
Total State P&I Payment	**$5.70M**	**$3.67M**	**$2.28M**
Balance of State Industrial Loan			**$40.5M**
Total State Industrial P&I Payments			**$75.9M**

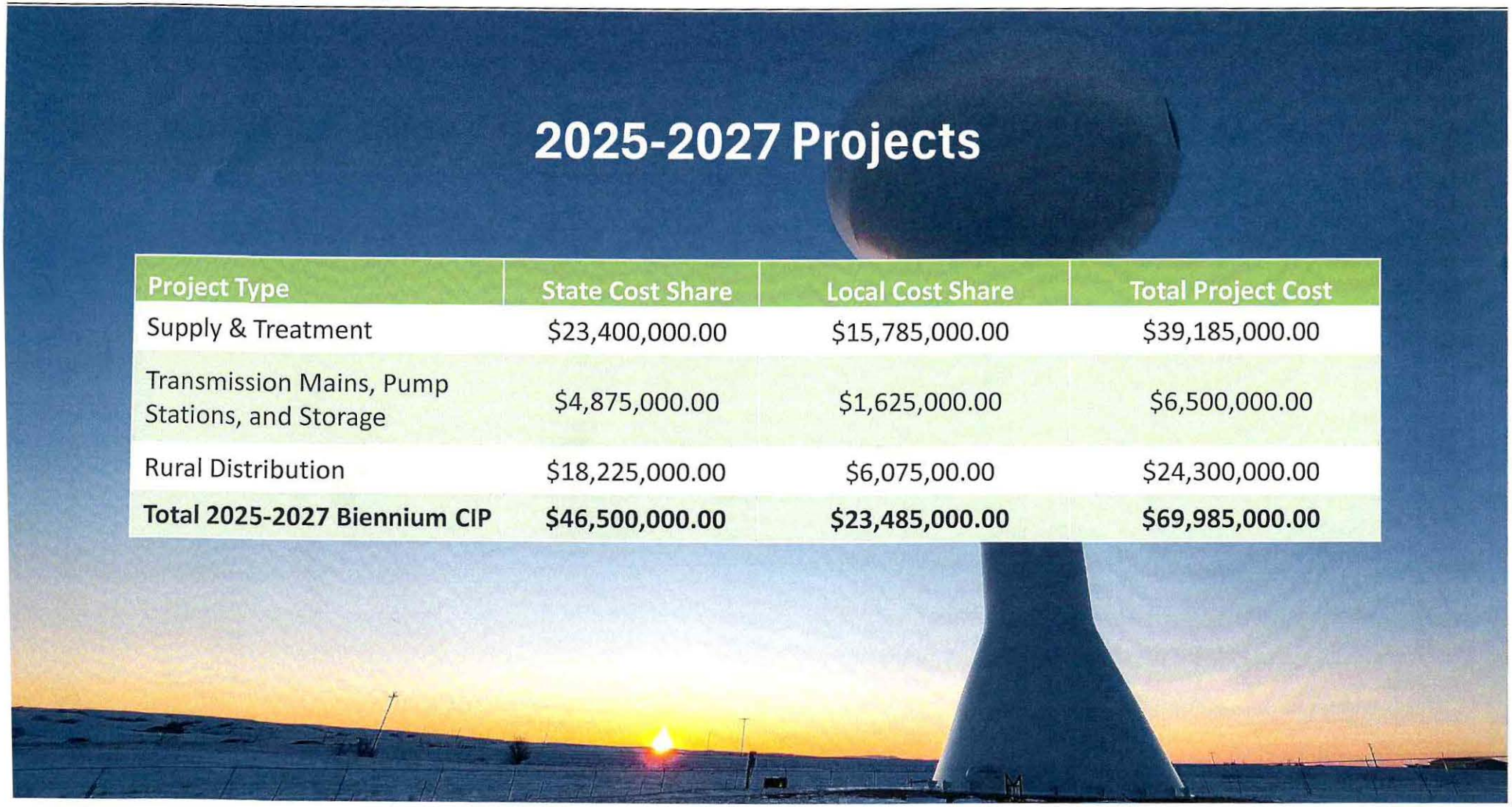
2023-2025 Projects

Project Type	State Cost Share	Local Cost Share	Total Project Cost
Supply & Treatment	$1,593,750.00	$1,721,250.00	$3,315,000.00
Transmission Mains, Pump Stations, and Storage	$3,419,000.00	$3,369,000.00	$6,788,000.00
Rural Distribution	$32,021,000.00	$10,517,500.00	$42,538,500.00
Total 2023-2025 Biennium CIP	**$37,033,750.00**	**$15,607,750.00**	**$52,641,500.00**



2025-2027 Projects

Project Type	State Cost Share	Local Cost Share	Total Project Cost
Supply & Treatment	$23,400,000.00	$15,785,000.00	$39,185,000.00
Transmission Mains, Pump Stations, and Storage	$4,875,000.00	$1,625,000.00	$6,500,000.00
Rural Distribution	$18,225,000.00	$6,075,00.00	$24,300,000.00
Total 2025-2027 Biennium CIP	**$46,500,000.00**	**$23,485,000.00**	**$69,985,000.00**



2025 & Beyond

Planning, Engineering & Construction of:

525+ Miles
of Transmission & Distribution Pipelines

550+
New Rural Connections

Million Gallons Per Day (MGD) of Drinking Water

21 MGD	+	14 MGD	+	2 MGD
Williston Regional WTP		Williston Regional WTP Expansion		R&T WTP

Plan Increased to 37 MGD

THANK YOU

Chris Barke, Interim Executive Director
Western Area Water Supply Authority
701-774-6605 | chris.barke@wawsp.com

January 28, 2025

RED RIVER VALLEY WATER SUPPLY PROJECT

Serving the Water Supply Needs of Central North Dakota and the Red River Valley



RELIABLE WATER. RESILIENT COMMUNITIES.

The Red River Valley Water Supply Project (RRVWSP) is a drought resiliency project and economic development initiative that will deliver Missouri River water to central and eastern North Dakota. The project is expected to serve nearly half of North Dakota's population. Participating communities and rural water systems will have access to an emergency and supplemental water supply during moderate to severe droughts.

Time is of the essence when it comes to drawing water from the Missouri River. Western Water Law in the U.S. can be summarized as "first in time, first in right" and "use it or lose it." Under the doctrine, the first individual or entity to use the water for a beneficial use has a superior legal right to the water.

Currently, there are at least four Missouri River projects in the works in other states. North Dakota must protect our share of the water by prioritizing the completion of the RRVWSP. Put North Dakota first for future generations.



CREWS HAVE INSTALLED 18 MILES OF PIPELINE IN FOSTER & WELLS COUNTIES TO DATE.

2025-2027 WORK PLAN & FUNDING REQUEST

GOAL
COMPLETE CONSTRUCTION BY 2032

$15 MILLION
FINAL FACILITIES DESIGN

$280 MILLION
CORE PIPELINE CONSTRUCTION

CONTINUED STATE COMMITMENT IS CRUCIAL

- **Legislative intent approved in 2023, totaling $953M in future funding.**
- **$221M requested in 2025-2027 Department of Water Resources Budget.**
- **$73.7M requested in 2025-2027 from Water Infrastructure Revolving Loan Fund**
- **All contracts for 2023-2025 biennium bid and awarded - $180M in State funding will be completely expended.**
- **Construction of core transmission pipeline is top priority.**
- **Cost-efficient build schedule will get project into service sooner, reducing risks and inflationary impacts.**

Lake Agassiz Water Authority

RRVWSP BENEFITS

Drought Resiliency | **Economic Development** | **Industrial Growth**

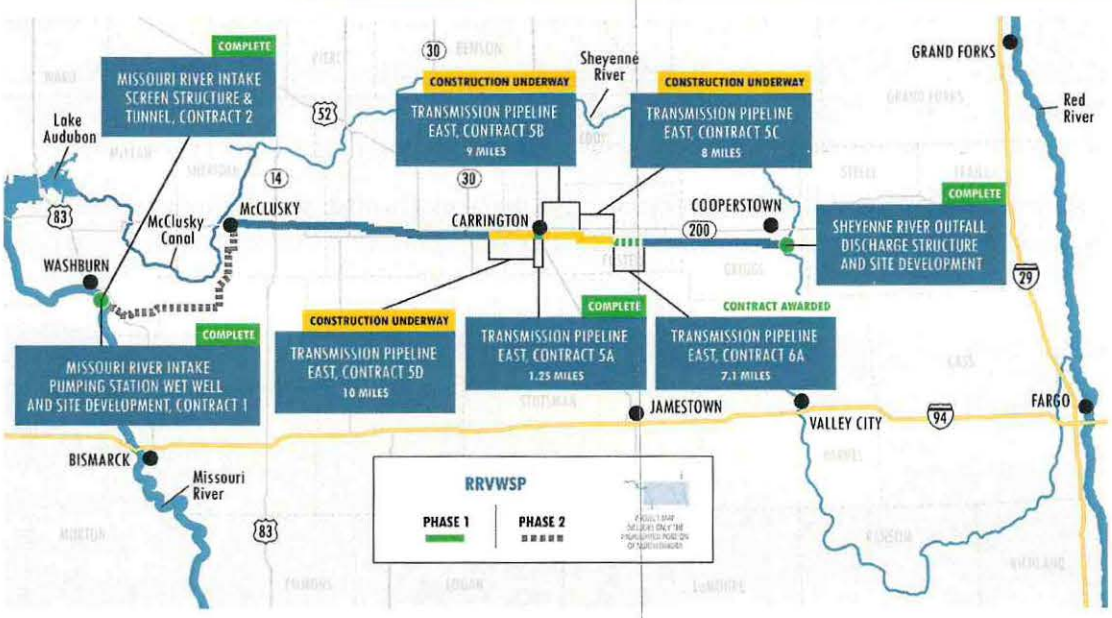
SEVERE DROUGHT

A 1930s-style drought would cause extreme water supply shortages and devastating impacts.

MODERATE DROUGHT

Models indicate the Project will operate to meet future projected water demands more than anticipated during moderate droughts such as those in the 1950s, 1960s, 1970s, 1980s, 1990s, and 2000s.

PROGRESS TO DATE



Water will be conveyed from the McClusky Canal via buried pipeline along Highway 200 to the discharge structure, which empties into the Sheyenne River. The water will be treated before crossing the Continental Divide.

2023-2025 ACCOMPLISHMENTS

- **Pipeline design 100% complete by mid-2025**
- **15.4 miles of pipeline installed so far**
- **Preliminary designs of McClusky Canal intake, McClusky Canal pumping station, biota water treatment plant & hydraulic break tanks in process - will be complete by June 30**
- **82% of easements secured**
- **Financial planning support continues**
- **User outreach: 11 participants signed Memorandums of Commitment for a total of 126.95 cfs, with 4 additional Council/Board approvals as of January 2025**

RRVWSP ASSURANCE POLICY

SAFETY NET FOR SMALL CITIES & RURAL WATER SYSTEMS

Lake Agassiz Water Authority (LAWA) adopted an Assurance Policy for participants of the RRVWSP in late 2024. The goal of the Assurance Policy is to reduce financial risk for participants when the project is built and initially operated.

A city or rural water system that decides to no longer be served by the RRVWSP within the first 10 years of operation will be eligible to be reimbursed for the principal payments for their nomination.

Allowing water nominations to be relinquished will provide opportunities for other RRVWSP participants wanting to increase their water nominations.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
1/30/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of resources.

10:26 a.m. Chairman Nathe called the meeting to order

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Martinson, Richter, Sanford and Hanson

Discussion Topics:

- Southwest Water Authority, SWPP
- Northwest Area Water Supply, NAWS
- ND Irrigation Association, NDIA

10:27 a.m. Jen Murray, Manager/CEO. Southwest Water Authority, testified in favor and entered testimony # 32682

10:44 a.m. Justin Froseth, PE-SWPP Manager, Department of Water Resources, presented in favor and entered testimony #32474

11:07 a.m. Sindhuja S. Pillai-Grinolds, P.E. Water Development Division Director, presented in favor and submitted testimony #32473 and 32474.

11:25 a.m. Steve Hanson, Chairman, ND Irrigation Association, presented in favor and submitted testimony #32738 and 32739.

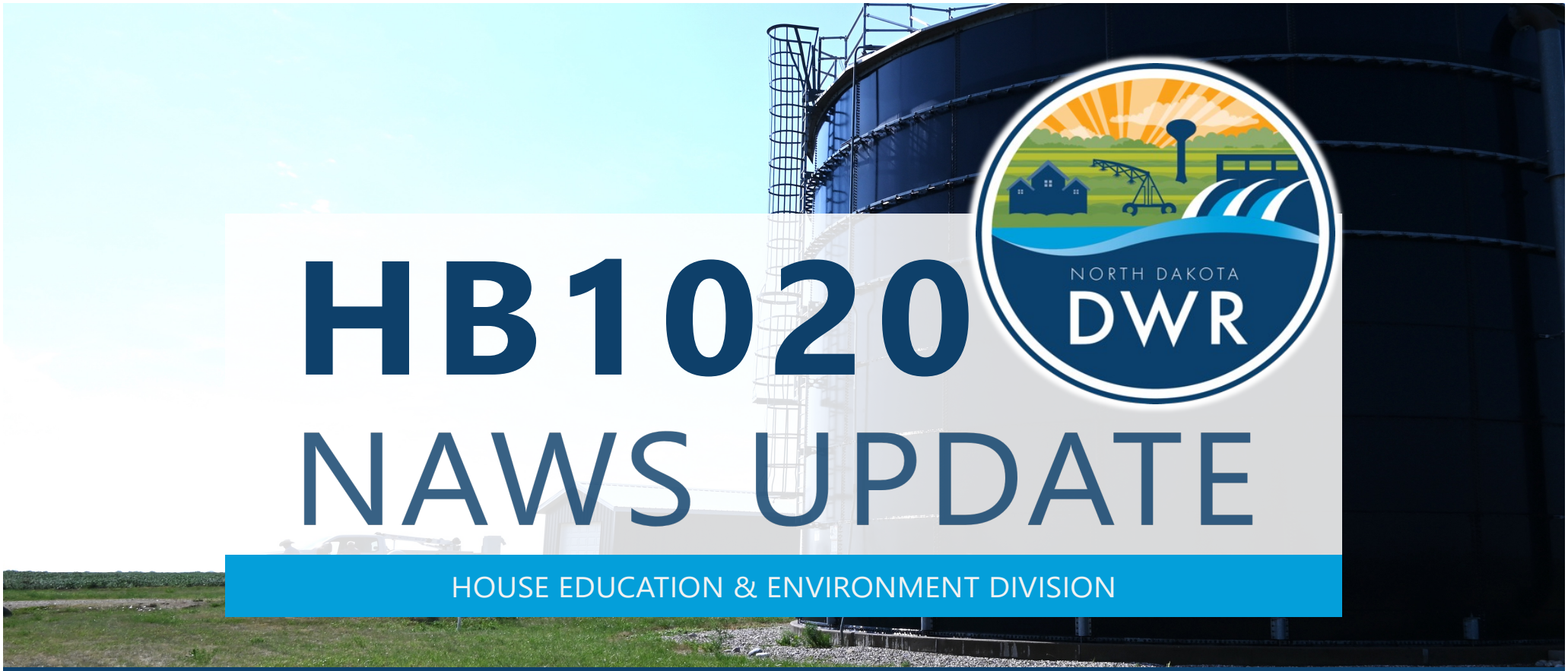
11:32 a.m. Dennis Reep, Board Member, ND Water Resource Districts Association testified in favor and submitted testimony #32846

11:36 a.m. Dan Wogsland, ND Grain Users Association testified in favor of and discussed previous testimony #29183.

Additional written testimony:
Jacob Tatro, Southwest Water Authority, submitted testimony in favor #32606.
Jodi Johnson, Red Trail Energy LLC, CEO, submitted testimony in favor #32684.
Duane Dekrey, Garrison Diversion Conservancy District, General Manager, submitted testimony in favor #32815 and #32886.

11:38 a.m. Chairman Nathe closed hearing on HB 1020

Steven Riehl, Committee Clerk



HB1020 NAWS UPDATE

HOUSE EDUCATION & ENVIRONMENT DIVISION

Sindhuja S.Pillai-Grinolds, P.E. - Water Development Division Director

JANUARY 30, 2025

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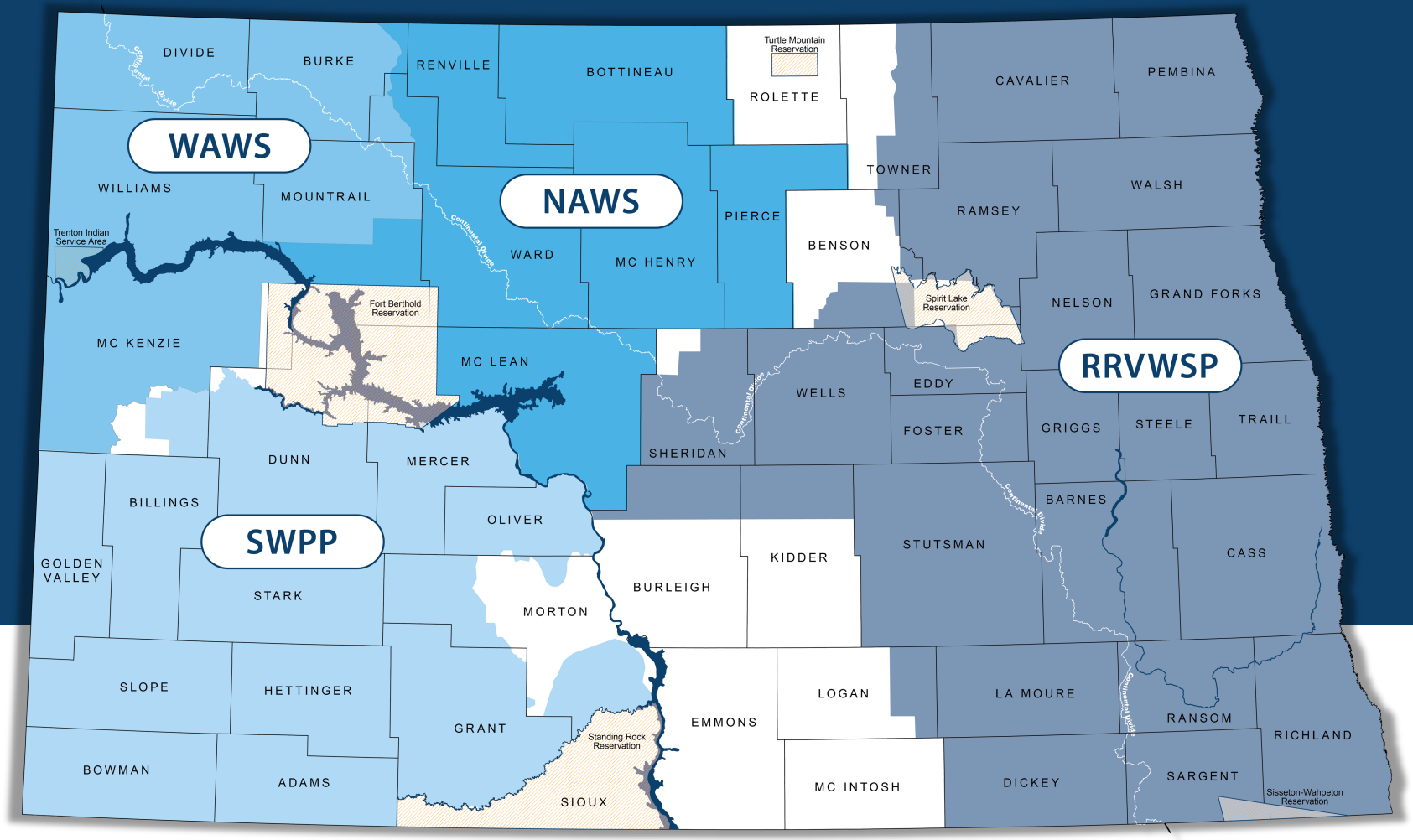
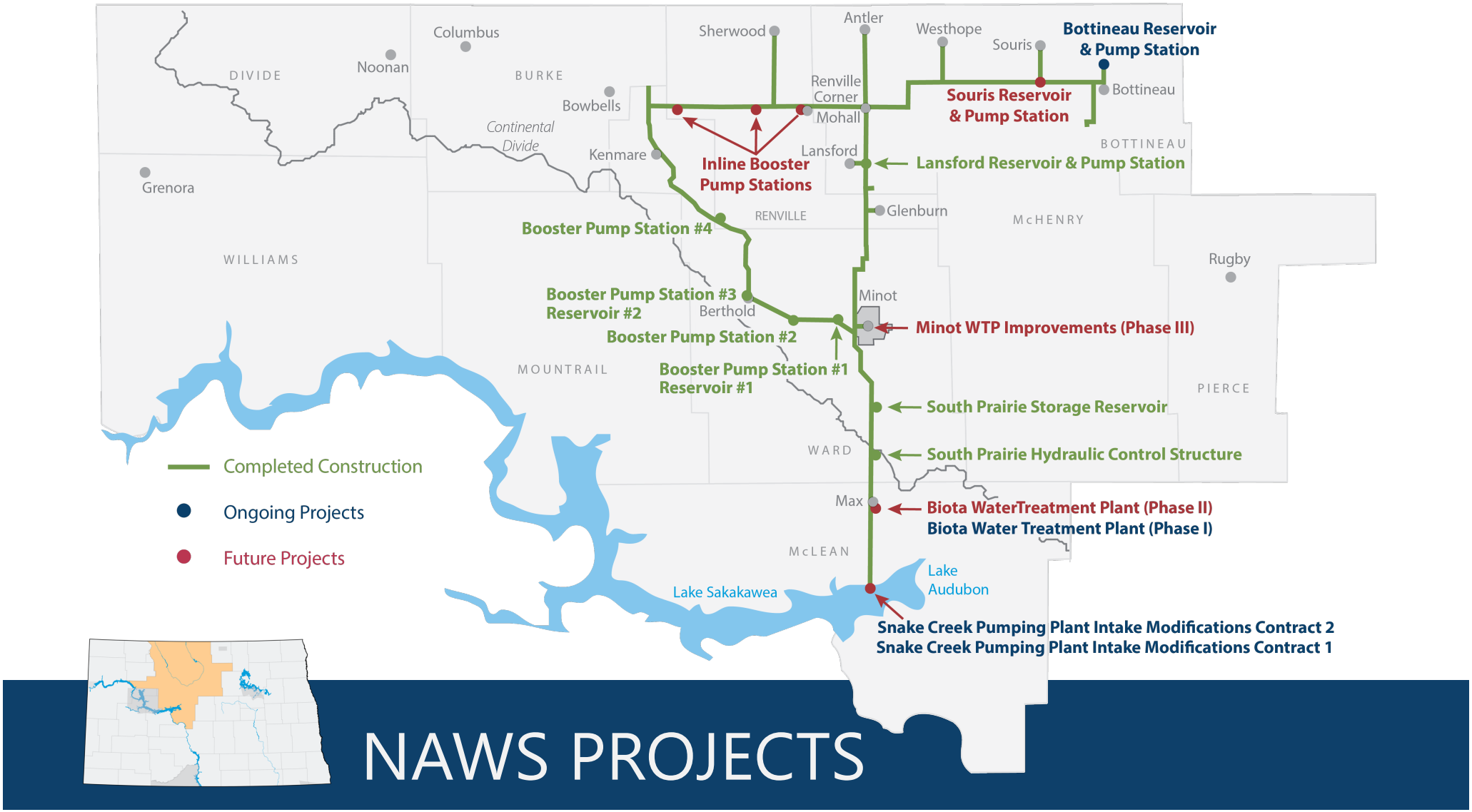
NORTH DAKOTA'S 4 LARGE REGIONAL SYSTEMS





NORTHWEST AREA WATER SUPPLY (NAWS)

- **1 Of 2** State-Owned Regional Water Systems In ND
- Construction **Began In 2002**
- **Construction** Involving Missouri River Supply **Resumed** After **Years** Of Litigation
- Designed To Serve A Project Area Of **81,000 People**
- NAWS Is Owned By The State Water Commission (SWC) & Administered By The Department Of Water Resources (DWR)
- Local Share For NAWS Is Provided By City Of Minot Through The **1% Sales Tax**
- Except For The Biota Water Treatment Plant, Which Is A Federal Responsibility, City Of Minot's Sales Tax Provides **35% In Cost-Share** For NAWS
- SWC & City of Minot **Updated & Finalized** The Financing Agreement in **2024**



NAWS PROJECTS



Snake Creek

2023-2025 PROGRESS

SCPP - Intake Modifications

ONGOING

South Prairie Reservoir &
Hydraulic Control Structure

COMPLETE

Discharge Pipeline

ONGOING


Biota Water Treatment Plant

2023-2025 PROGRESS

Pressure Reducing Station &
Isolation Vault Improvements

ONGOING

Biota WTP Phase I

ONGOING

Minot Phase II Expansion

COMPLETE



2023-2025 PROGRESS

Bottineau Reservoir

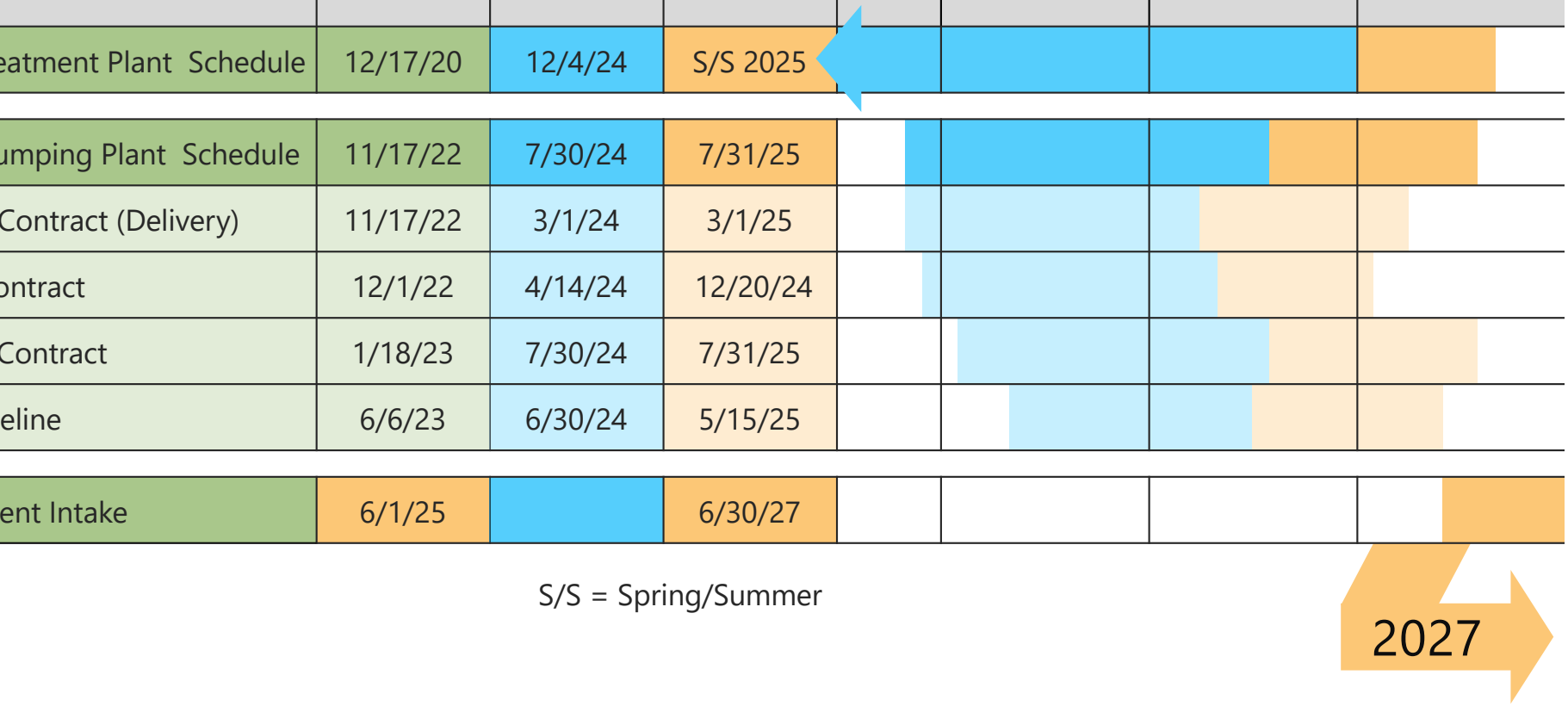
COMPLETE

Pump Station

ONGOING

LAKE WATER DELIVERY TIMELINE

	Start Date	Completion Date On Contract	Expected Completion Date
Biota Water Treatment Plant Schedule	12/17/20	12/4/24	S/S 2025
Snake Creek Pumping Plant Schedule	11/17/22	7/30/24	7/31/25
Procurement Contract (Delivery)	11/17/22	3/1/24	3/1/25
Demolition Contract	12/1/22	4/14/24	12/20/24
Construction Contract	1/18/23	7/30/24	7/31/25
Discharge Pipeline	6/6/23	6/30/24	5/15/25
NAWS Permanent Intake	6/1/25		6/30/27



S/S = Spring/Summer

2023-2025 REMAINING PROJECT

Permanent Intake Pipeline & Intake Screen Structure

USACE Permit Application
Submitted October 2024

Permit Timeline
May 2025 (Expected)

Bidding Timeline
June 2025 (Expected)




Biota Water Treatment Plant

REMAINING PROJECTS

Minot Water Phase III

Inline Booster Pump Stations

Souris Reservoir & Pump Station

Biota WTP Phase II

PROJECT FUNDING NEEDS

2025-2027 BIENNIUM EXECUTIVE BUDGET



Total New Authority Request For 2025-2027

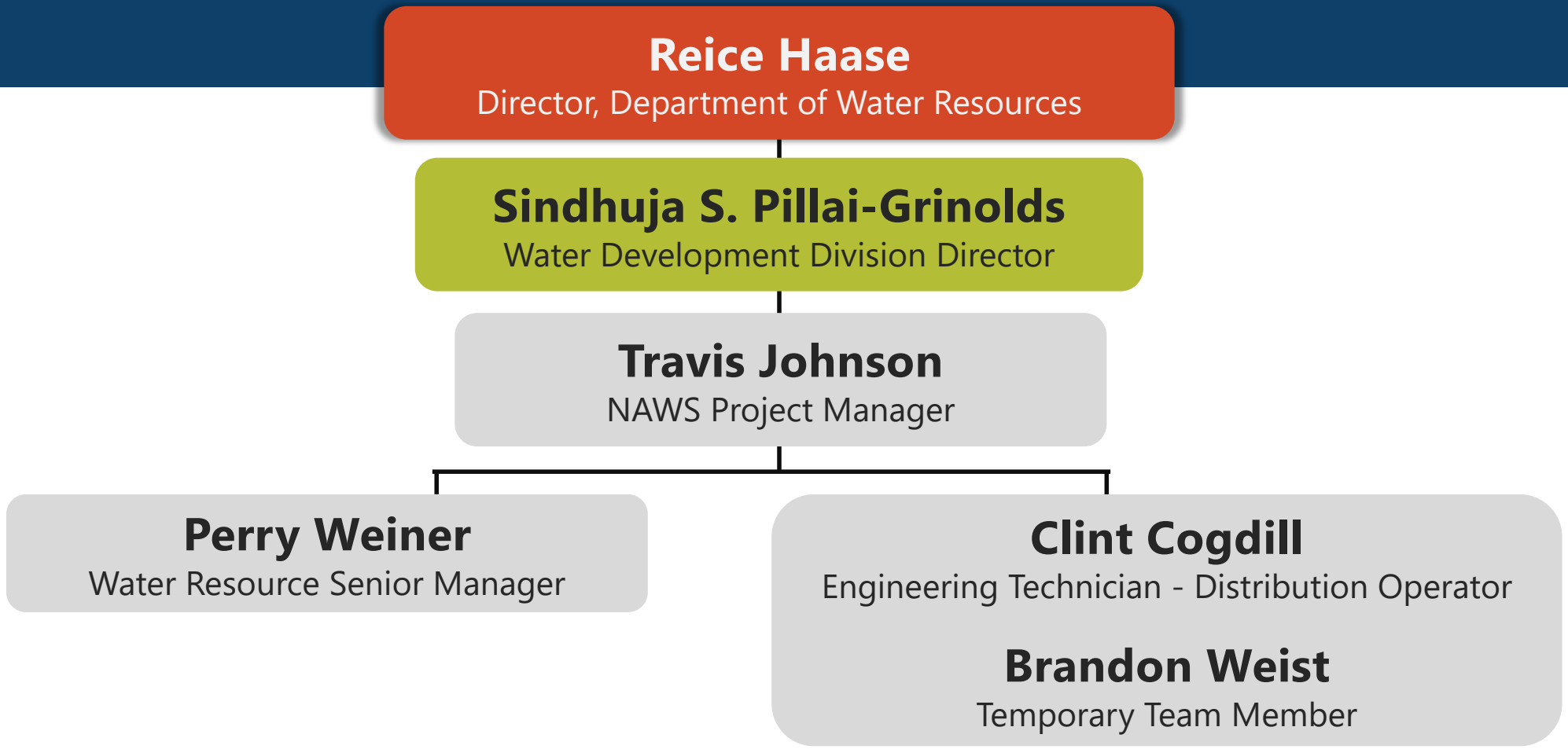
$107 Million

$12.7 Million - Resources Trust Fund

$52.1 Million - City Of Minot, Sales Tax Fund

$42.2 Million - Federal

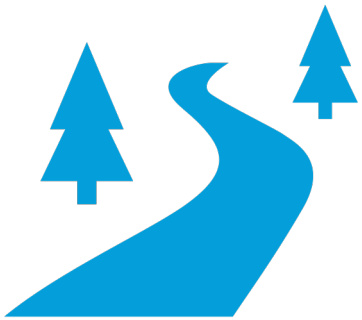
NAWS RESOURCES



PROJECT FEATURES

242 Miles

Treated Water Distribution



5.5 Hours

Travel Time To Cover Full Distribution



38

Facilities



~500

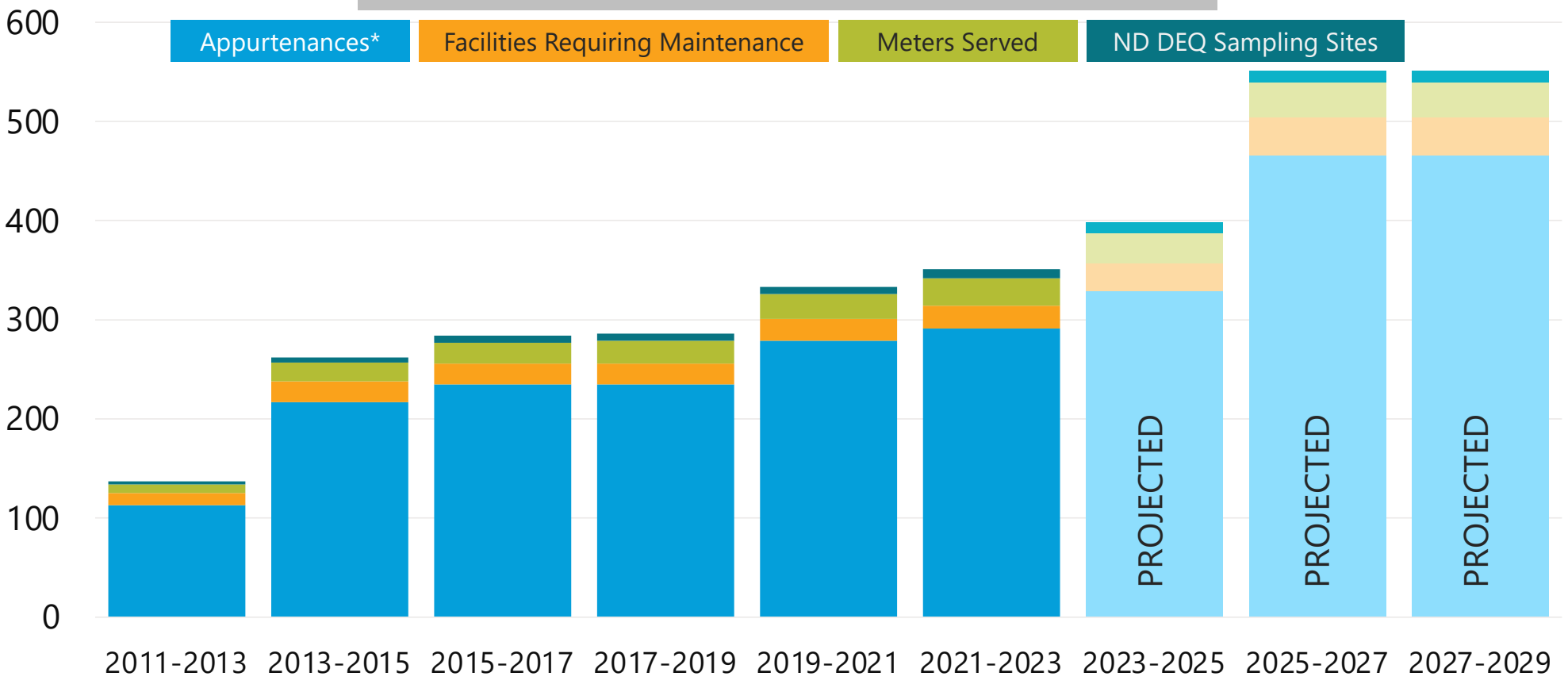
Appurtenances



FTE REQUEST -NAWS OPERATOR

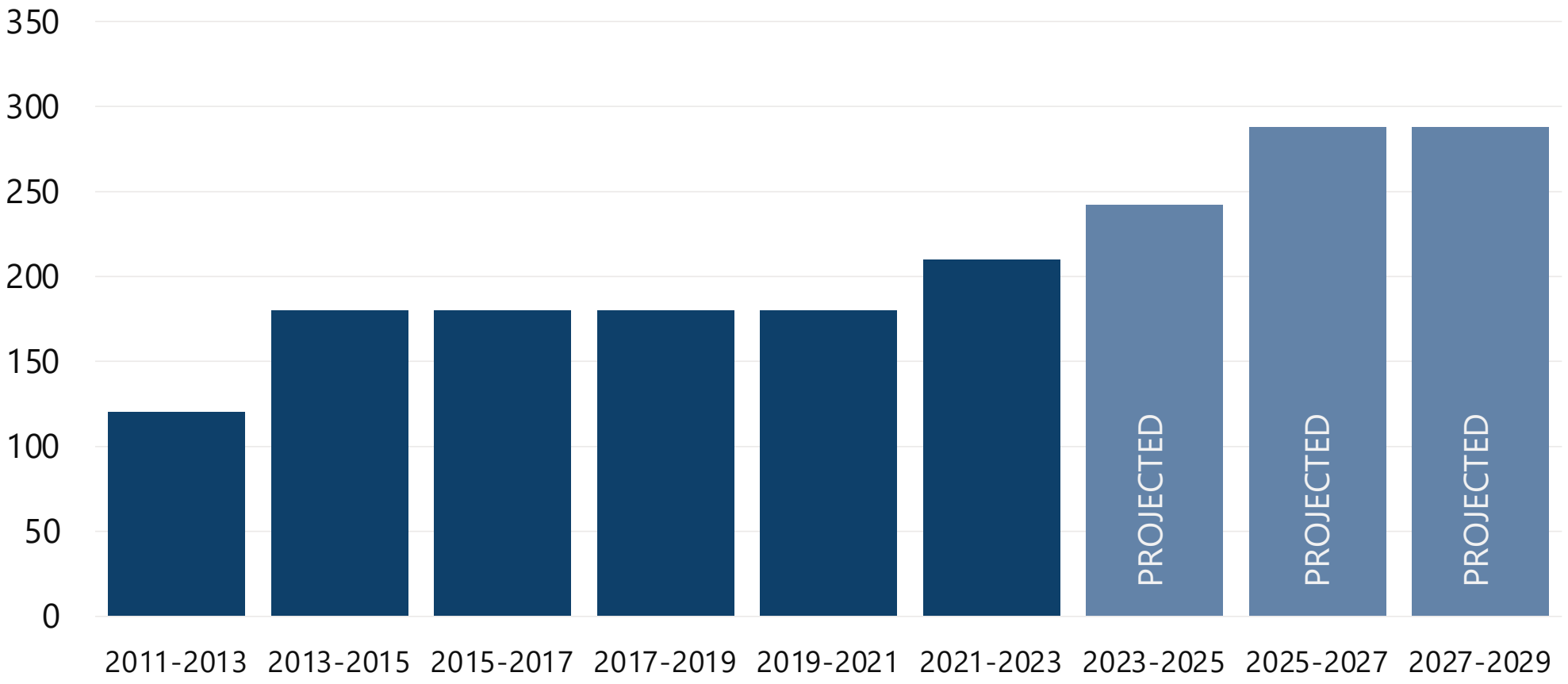
Paid By Water Rates

LOCATIONS WITH OPERATOR RESPONSIBILITIES



* Supply line from Lake Sakakawea to Minot will likely begin operations near the end of the 23-25 biennium which will add 46 miles of pipeline and numerous additional facilities.

MILES OF PIPELINE IN SERVICE



* Supply line from Lake Sakakawea to Minot will likely begin operations near the end of the 23-25 biennium which will add 46 miles of pipeline and numerous additional facilities.

NAWS RESOURCES

Current FTES At DWR

NAWS Project Manager

Engineering Technician

Water Resource Senior Manager

HB 1020

Includes 1 Additional FTE Request For NAWS Operator



THANK YOU

701.328.2750

dwr@nd.gov

dwr.nd.gov

/NDWaterResources

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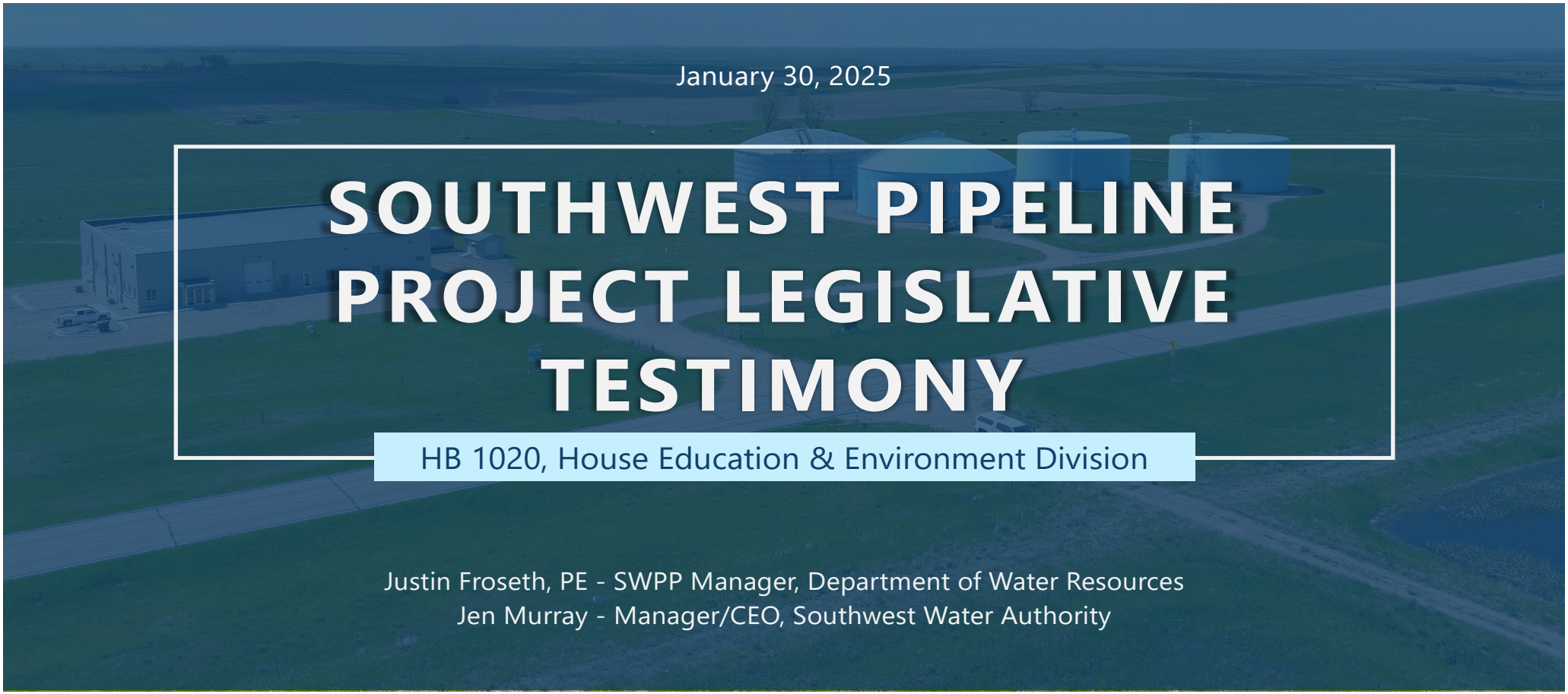

January 30, 2025

SOUTHWEST PIPELINE PROJECT LEGISLATIVE TESTIMONY

HB 1020, House Education & Environment Division

Justin Froseth, PE - SWPP Manager, Department of Water Resources
Jen Murray - Manager/CEO, Southwest Water Authority

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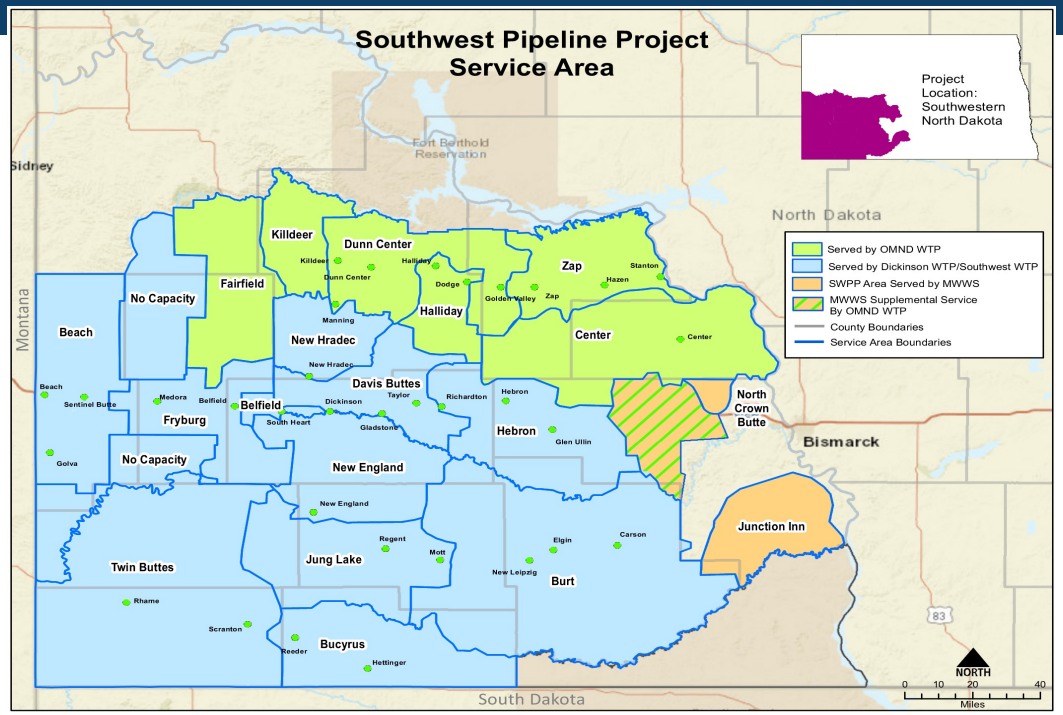
SOUTHWEST PIPELINE PROJECT

SOUTHWEST WATER AUTHORITY

NORTH DAKOTA DWR

NORTH Dakota Be Legendary. | Water Resources

SOUTHWEST PIPELINE PROJECT





- Population Served Is ~ 58,000
- Over 7,750 Rural Customers
- 5,262 Miles Of Pipeline
- 33 Communities
- 13 Counties
- 34 Million Gallons Of Storage
- 35 Booster Pump Stations
- 32 Water Storage Tanks & Reservoirs
- 3 Water Treatment Plants
- 2 Additional Rural Water Systems

SOUTHWEST PIPELINE PROJECT

- Authorized By The ND Legislature In 1981
- Multi-County, Fully Integrated Regional Water Supply System - Domestic, Rural, Municipal, Livestock, Light Industrial
- Capital Asset Of The State Of North Dakota

NORTH Dakota | Water Commission
Be Legendary.™

- Owner Of The Southwest Pipeline Project (SWPP)
- Governance Of The SWPP

NORTH Dakota | Water Resources
Be Legendary.

- Construction Administration, Design & Oversight Of The SWPP

Southwest Water Authority

- Political Subdivision Authorized By The ND Legislature In 1991
- Management, Operations & Maintenance Of The SWPP
- Governed By A 15-Member Publicly Elected Board Of Directors

MISSION

Quality Water For
Southwest North Dakota

SOUTHWEST WATER AUTHORITY BOARD OF DIRECTORS

Southwest Water Authority

VISION

People And Business Succeeding
With Quality Water



Jonathon Eaton
Adam County
jonathoneaton@swwater.com



James Odermann, Chairperson
Billings County
jamesodermann@swwater.com



Rick Seifert
Bowman County
rickseifert@swwater.com



Bob Ingold
Dunn County
bobingold@swwater.com



Mark Begger
Golden Valley County
markbegger@swwater.com



Harold Gaugler
Grant County
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Don Schaible
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Kaylene Berg
Mercer County
kayleneberg@swwater.com



Bruce Engelhardt
Morton County
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Mike Tietz, Secretary/Treasurer
Oliver County
miketietz@swwater.com



Dave Burke
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Curtis Glasoe
Stark County
curtisglasoe@swwater.com



George Nodland, Vice
Chairperson
City of Dickinson
georgenodland@swwater.com



Scott Tschetter
City of Dickinson
scotttschetter@swwater.com



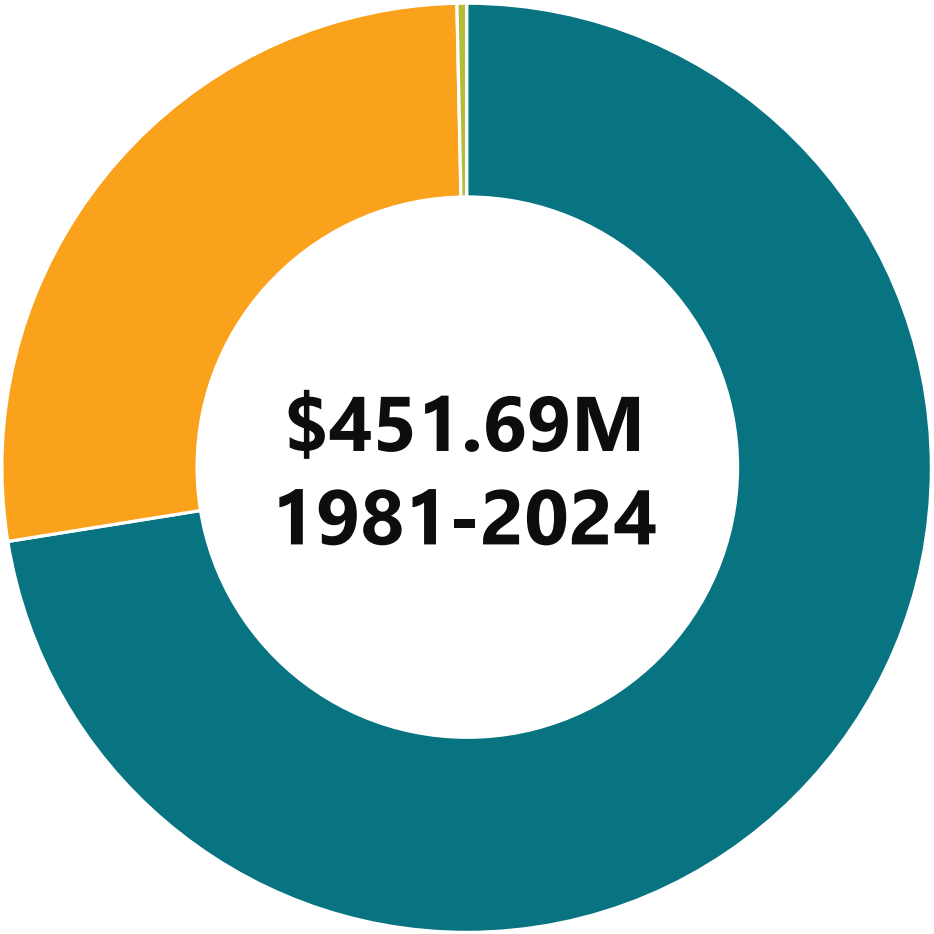
Bob Leingang
City of Mandan
bobleingang@swwater.com

SOUTHWEST PIPELINE PROJECT FUNDING

State Funding
$327.63 Million

Federal Funding
$121.92 Million

REM Fund
$2.14 Million



SWPP FUNDING MODEL



- Funded 100% By The State Water Commission
- **Every Customer Pays Capital Repayment**
- Capital Repayment Is A Component Of SWPP's Water Rate
- Capital Repayment Rate Adjusted Annually By The Consumer Price Index (CPI)

2025 Capital Repayment Rate:
Contract Customers $1.51/1,000 Gallons Sold

- Capital Repayment Rate For SWPP's Rural Customers Is Included In The Monthly Minimum/Base Rate

2025 Capital Repayment Rate:
Rural Customers $46.16/Month

- SWPP's Customer **Growth** Will Result In More Capital Repayment Back To The State

SOUTHWEST WATER AUTHORITY

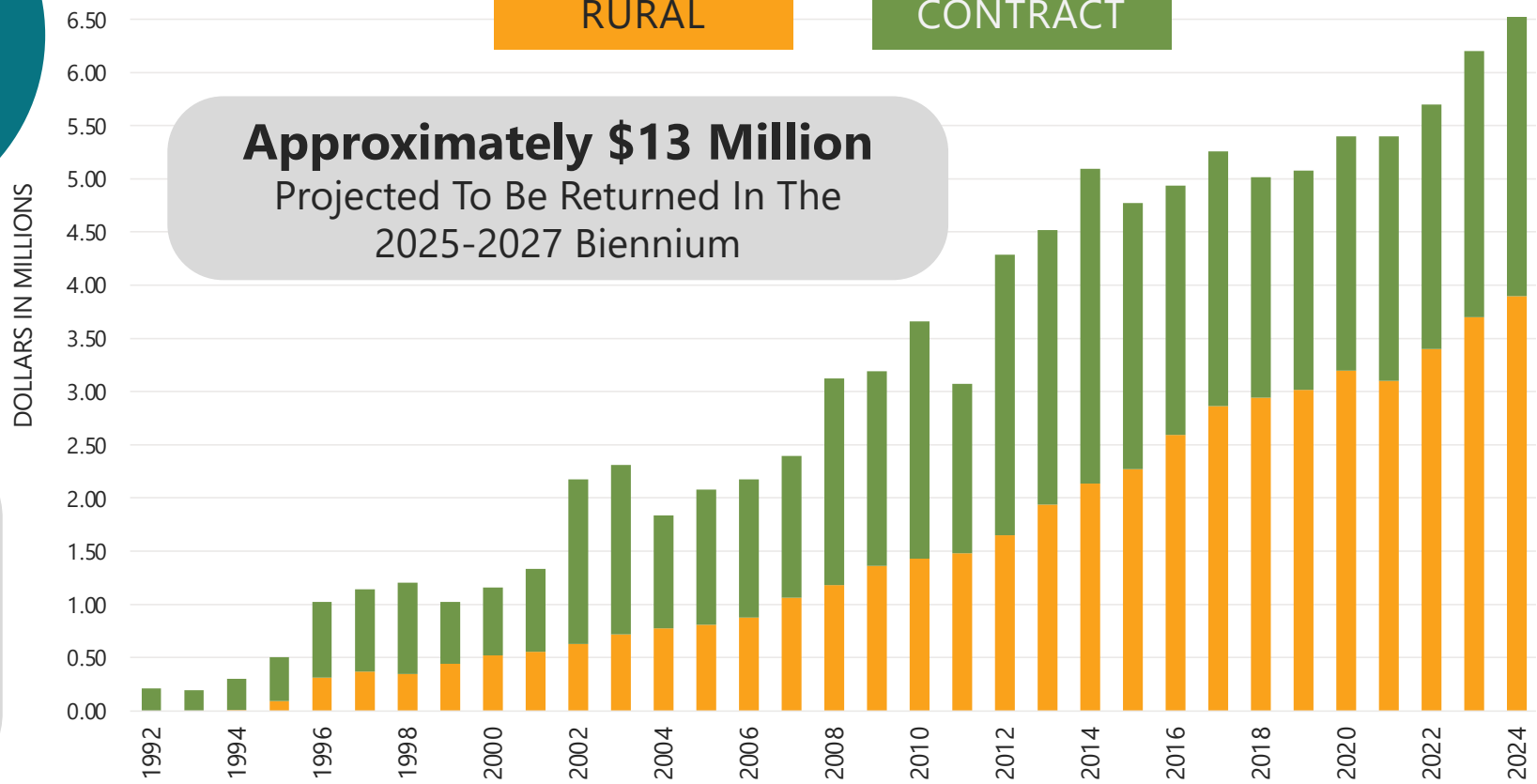
CAPITAL REPAYMENT BY YEAR

$102.8 Million*
Through December 2024

RURAL

CONTRACT

Approximately $13 Million
Projected To Be Returned In The 2025-2027 Biennium



*23%
Of Total Funding Returned

$100 MILLION CAPITAL REPAYMENT CELEBRATION









FOCUS AREAS



Transmission Facility Improvements
Main Transmission Lines - Raw & Potable
Pump Station Upgrades

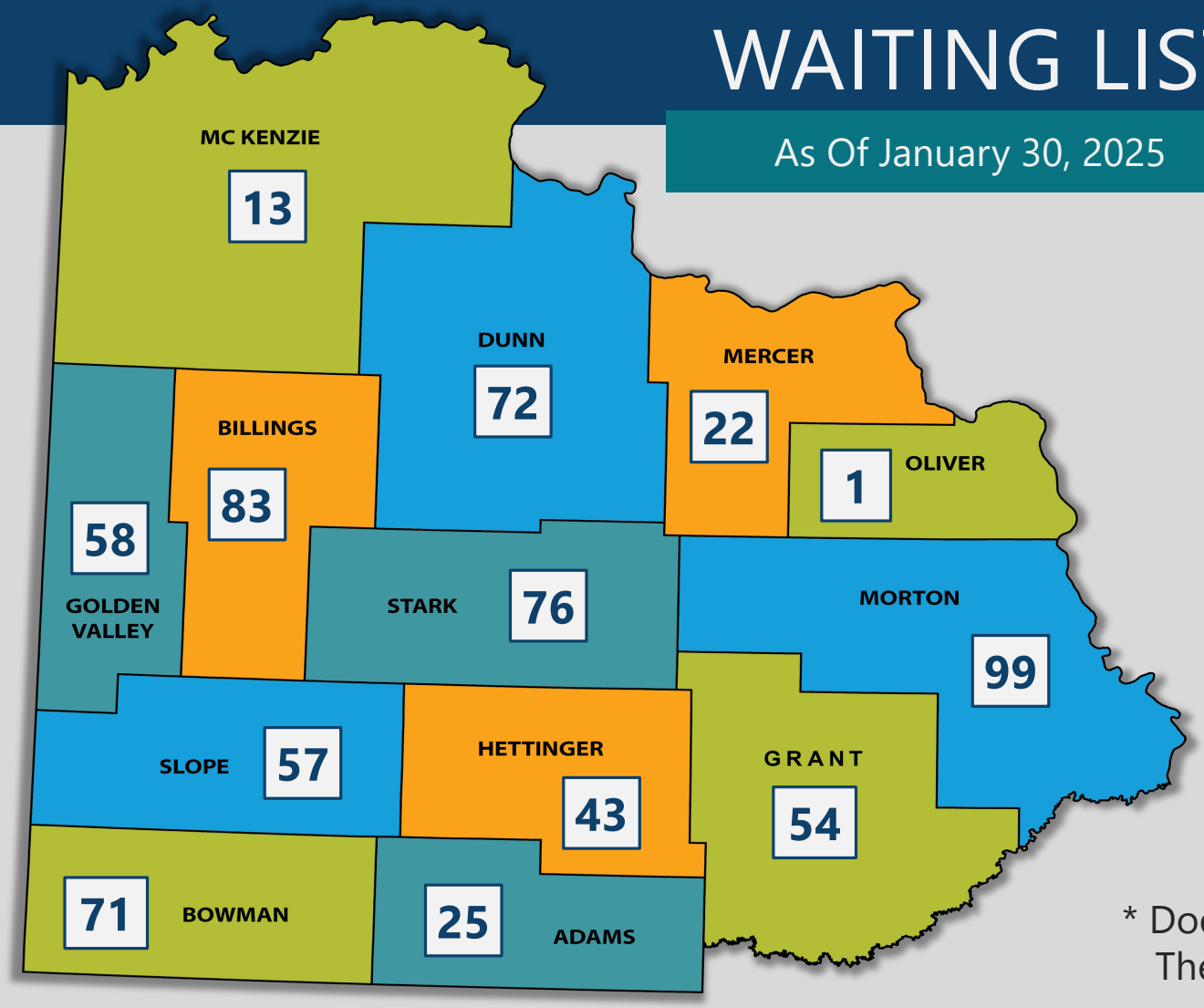
Strategic Hydraulic Improvements
Prioritized Improvements Based On Known Needs

Rural Service Area Expansion
Underserved Areas

Replacement Of Critical Infrastructure
Microbiologically Induced Corrosion

WAITING LIST

As Of January 30, 2025



675*

Locations In SWA Service Area By County

* Does Not Include 825 Signups In The Burt -Hebron Service Area

MICROBIOLOGICALLY INDUCED CORROSION







WEST ZONE TRANSMISSION IMPROVEMENTS





2023 - 2025 PROGRESS

Will Increase West Zone Transmission Capacity Through Main Transmission Parallel Pipe, Booster Stations & Storage Reservoirs From Dickinson To Beach

Preliminary Designs Completed

SWC Decision - October 2024

Buffalo Gap Storage Reservoir - West Of Medora

Bidding Expected In Early 2025

SUPPLEMENTARY RAW WATER INTAKE



2023 - 2025 PROGRESS

Mediation Progressing

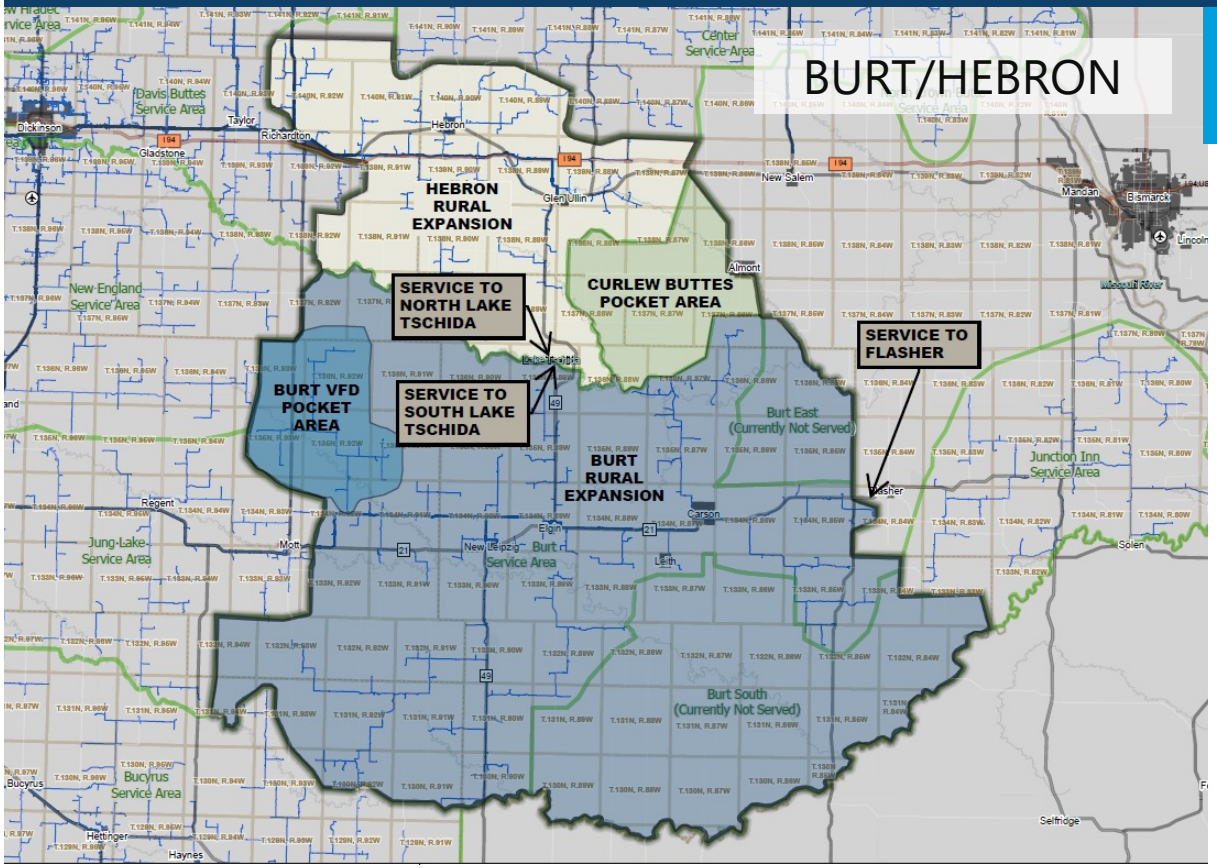
Amendment To Water Supply Agreement With Basin Electric Power Cooperative Was Approved

Will Allow Additional Capacity From Existing Shared Intake

Design Will Begin Soon

Supplementary Raw Water Intake Still Needed

RURAL SERVICE AREA EXPANSION



Water Lines | Signup Area | Service Area

2023 - 2025 PROGRESS

Preliminary Design & Cost Estimate For The Entire Expansion Approximately $76 Million

Phase One - Hebron Rural Service Area Expansion

Final Design & Bidding Expected In 2025

Feasibility Criteria & Capital Repayment Was Adjusted In 2024 To Move The Project Forward

HYDRAULIC IMPROVEMENTS







2023 - 2025 PROGRESS

Increase Capacity Primarily Through Parallel Pipelines & Booster Stations

Allows For New Users To Connect Where Demand Well Exceeds Capacity

North New England Service Area Under Design

Benefit To Around 90 Waitlist Users

METALLIC PIPELINE REPLACEMENT



2023 - 2025 PROGRESS

Have Replaced About 4,500 Lineal Feet Over The Past Two Years

Study & Exploration Ongoing To Determine Vulnerable Locations

Most Of The Replacement Needed Is On The Raw Water Pipeline But Some Is On Larger Potable Transmission Pipeline

Discussion Ongoing Regarding Management Entity

PROJECTS PROPOSED FOR 2025-2027

INCLUDED IN EXECUTIVE BUDGET RECOMMENDATION - **$131.7 MILLION**



Southwest Water Treatment Plant 12 MGD Expansion - Construction Starting Soon

West Zone Transmission Expansion
Main Transmission Parallel
Piping & Pump Station Upgrades

Supplementary Raw Water Intake Construction Post Mediation

PROJECTS PROPOSED FOR 2025-2027

INCLUDED IN EXECUTIVE BUDGET RECOMMENDATION - **$131.7 MILLION**



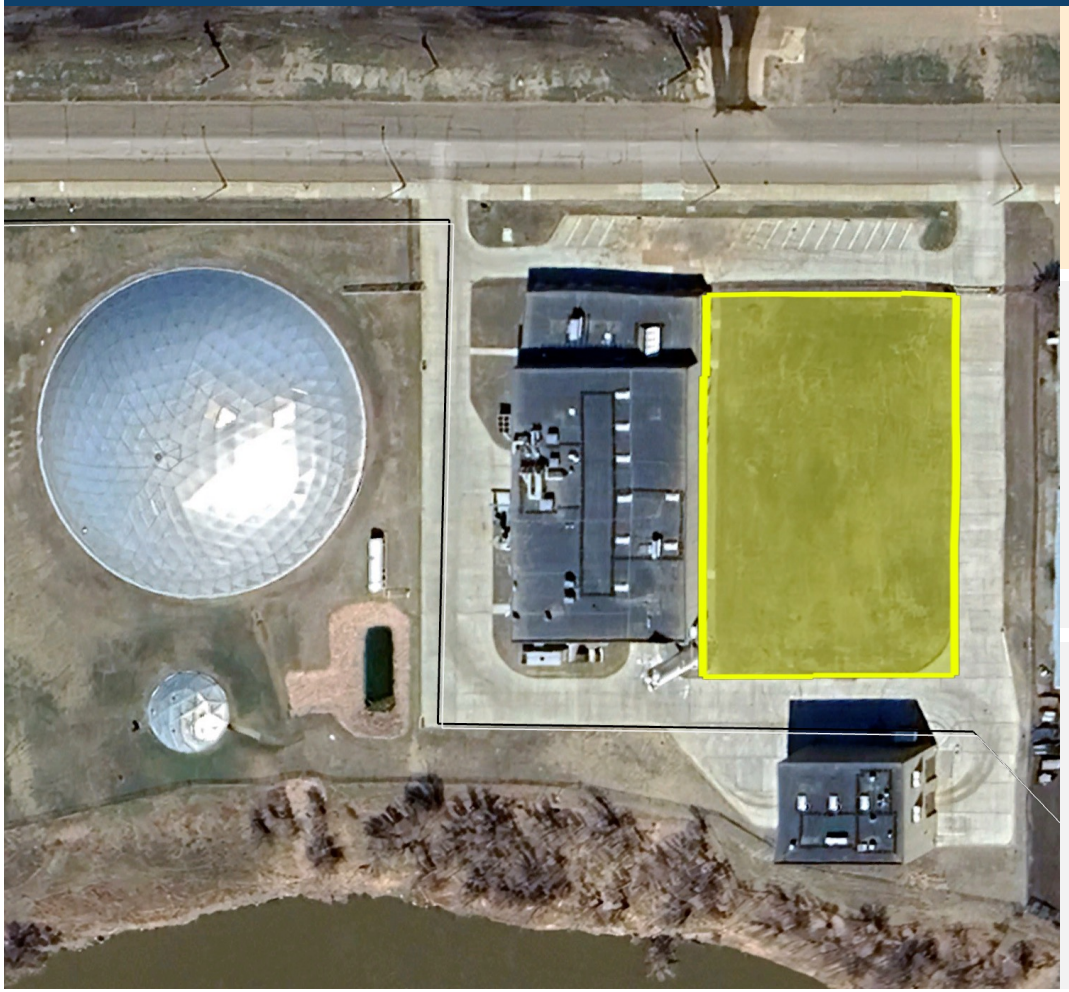
Burt-Hebron Expansion
Phase 2 To North Side Of Lake Tschida

Strategic Hydraulic Improvements
One Project Planned Per Biennium

Ray Christensen Pump Station Upgrades
Needed For West Zone Expansion

Metallic Pipeline Replacement
2,400 Lineal Feet Identified For Replacement

SOUTHWEST WATER TREATMENT PLANT EXPANSION



Total Estimated Project Cost
$106M

Necessitates $106M - $40M (2023-2025 Funding) =
$66M In 2025-2027 Budget

Construction Beginning In
Early 2025
Three Year Construction Project

RAY CHRISTENSEN PUMP STATION UPGRADES



- The Ray Christensen Pump Station Delivers Water To All Three Main Transmission Line Zones
  - West Zone
  - South Zone
  - North & East Zone
- Upgrades Needed To Realize The Full Hydraulic Benefit Of West Zone Project Improvements
- Beyond West Zone, Upgrades Would Increase Capacity For Other Two Zones

THANK YOU

Justin Froseth P.E., SWPP Manager
Department Of Water Resources

701.328.4948

dwr@nd.gov

dwr.nd.gov

/NDWaterResources

Jen Murray, Manager/CEO
Southwest Water Authority

701.225.0241

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www.swwater.com

NORTH DAKOTA DWR

NORTH Dakota | Water Resources
Be Legendary.

SOUTHWEST PIPELINE PROJECT

SOUTHWEST WATER AUTHORITY

Testimony on Behalf of Southwest Water Authority Regarding the Benefits to Southwest North Dakota

From:
Jacob Tatro
5186 90th St. SW
Carson, ND 58529
jacobtatro05@gmail.com
701-207-0521

Chairman Vigesaa and member of the House Appropriations committee, I am writing today in support of House Bill 1020 and specifically in support of the Southwest Water Authority (SWA) Pipeline Project.

My wife and I farm and ranch 25 miles south of Carson. Because of our location, we are not served by rural water and must instead rely on well water. Five years ago, we moved to a farmyard that we primarily used for cattle work, but has now grown to be the headquarters of our ranch. Our yard has a singular well that serves our home, our corrals, and a water line that goes two miles north and over two miles south. Soon after we moved in our manufactured home, we had our well water tested through the state laboratory. The results showed that our well water is not fit for human consumption. Since then, we have had to either buy water or haul water from town to use in our home, which is both costly and time-consuming. Furthermore, our well cannot meet the water demands of both our house and ranch at the same time. When we are watering our cows, household chores like dishes and laundry are put on hold for several hours until the cows are finished drinking. Having access to rural water in our home would take pressure off of our well and provide us with peace of mind that we have access to safe drinking water even during power outages.

Since I am a farmer and rancher, I know the costs of drilling wells and updating waterlines firsthand. In 2024, I spent around $5000 maintaining my aging well, hydrants, and water lines. In 2022, I received an NRCS cost-share contract to add a well to crop ground for fall grazing. The well-drilling company drilled two holes, each over 400 feet deep, and found no water. I was left with a $6000 bill and no well to show for it. If the SWA pipeline was extended, I could add pasture taps and know that water would be readily available. Instead, I am stuck waiting for approval of another cost-share contract to drill a pasture well to take pressure off of my current well, as paying out of pocket would be over $20,000. My situation is not unique. Many farming/ranching families in rural North Dakota have decades-old wells and are in need of access to healthy and reliable water provided by entities such as SWA.

For the last two years, we have been hopeful that the SWA pipeline would soon be extended to our area. Currently, the pipeline stops near Carson, but there is significant interest in southern Grant County to extend the pipeline. Many families have paid a deposit of $1500 to SWA to secure a place on the pipeline. I understand that this funding session doesn't extend the pipeline to southern Grant County, but it is a start to expanding water access in our county. As the president of the Grant County Soil Conservation Board, I understand the importance of advocating for our entire county, and not just the projects that directly benefit me. I strongly believe that fresh, healthy water would not only benefit Grant County economically but would contribute to the long-term sustainability of our rural communities.

For these reasons, I strongly support funding related to the SWA pipeline expansion project and other state water projects provided by HB 1020.

Sincerely,
Jacob Tatro

Testimony by Jenifer Murray, Manager/CEO
Southwest Water Authority
to the
Education and Environment Committee
Hearing on House Bill 1020
January 30, 2025

Mr. Chairman and members of the committee, my name is Jenifer Murray. I am the Manager/CEO of Southwest Water Authority (SWA) and live in Dickinson.

The Southwest Pipeline Project (SWPP) was authorized by this legislature in 1981, and construction began in 1986. SWA was then authorized by the legislature in 1991 as a political subdivision to take on the task of the newly integrated rural water system. Since 1996, SWA has had the responsibility of the management, operations, and maintenance of the state-owned Southwest Pipeline Project. I am here today to ask for your continued funding support of the Project which is crucial not only for the quality of life in southwest North Dakota, but for the economics of the entire state.

From the beginning, funding for the construction of the Project was unique. It is funded with the requirement that all of its water customers would repay the state for the Project's construction costs. To that effort, SWA's customers have return over $100 million back to the state through capital repayment. The financial commitment the state has made to the Project has benefited southwest North Dakota, and through capital repayment the State is now benefitting from that return.

The strategy SWA has taken to build for the future takes into consideration all aspects of the fully integrated system. The first step is ensuring capacity and transmission do not become a limiting factor to future growth. This includes increasing capacity at the intake, expanding raw water, treatment and transmission capacity. Secondly, strategic hydraulic improvements will allow the system to connect users from SWA's waiting lists to be added as subsequent customers. Thirdly is the expansion of the system into underserved rural areas. And always at the forefront is our aging infrastructure and the need for replacement and extraordinary maintenance.

Projects planned for the 2025-2027 biennium include the 12 million gallon per day expansion of the Southwest Water Treatment Plant. The SWPP was able to commit to this contract in the 2023-2025 biennium due to the foresight of the 68th Legislative Assembly to include a Line of Credit for the SWPP. The SWTP was awarded in December 2024 and continued funding for the expansion is being requested. Expanding the Southwest Water Treatment Plant will allow SWA to meet the water supply needs of the region now and for generations to come.

Increasing transmission capacity and upgrading transmission facilities is essential to continuing to provide our communities and customers with an adequate supply of quality water both now and in the future. Construction funding for the intake and improvements to the intake pump station are needed to meet demand and mediation is ongoing. We anticipate a path forward in the upcoming biennium, which will require improvements to the existing pump station.

Over the past two years, SWA has worked closely with our contract customers, communities, and stakeholders to identify the needs in our West Zone. The ability to get water to those far reaches of the system such as Beach, Golva, and Medora are the first step in then distributing it to rural customers. The State Water Commission's leadership provided direction to develop a design that ensures water capacity for identified needs and future growth. To meet those future demands, the West Zone Transmission Facility Improvements are conceptualized for upgrades to three separate pump stations and nearly 28 miles of parallel main transmission line.

Increasing service to underserved areas and connecting rural customers remains a priority for the SWPP. Canvassing of the Burt, Hebron Service Area, including Lake Tschida, proved successful and final design has begun for the Hebron Rural Service area. Once complete, Phase 2 will then bring water to a former no capacity area of the SWPP and allows rural and recreational users around Lake Tschida to receive water. To date 823 customers have financially committed to connecting to the SWPP once construction is complete. This area is vast and sparsely populated, creating challenges.

Above and beyond the 823 customers signed up in the Burt, Hebron Service Area, including Lake Tschida, 675 locations system-wide have been placed on a waiting list. When the project was originally constructed additional capacity was built-in. Over time the need and interest in rural water has grown and the additional capacity has been allocated. Strategic Hydraulic Improvements are being prioritized to allow additional customers to connect.

Throughout the years, SWA's reliable, quality water has become an integral part of what makes southwest North Dakota a great place to live, work and recreate. Today, SWA serves more than 7,750 rural customers, and 33 communities, and yet there are water needs still to be met and hundreds of people waiting for their chance to receive quality water. I am here today on behalf of SWA to respectfully request your consideration of $132 million for the SWPP. For it is only with your financial support that the Southwest Water Authority can continue our mission of quality water for southwest North Dakota.

Thank you.
Jenifer Murray,
Manager/CEO
Southwest Water Authority
jmurray@swwater.com



SWPP 2025-2027 PROPOSED PROJECTS & FUNDING NEEDS

SWTP Expansion

Southwest Water Treatment Plant 12 MGD Expansion Remaining Construction and Equipment Installation

Intake

Supplementary Intake Construction Completion
Does not include Pump Station.

West Zone Expansion

Main Transmission Parallel and Improvements from Dickinson to Beach

Booster Station Upgrades

Rural Expansion

Phased Approach to Burt, Hebron Rural Service Area

North Lake Tschida Rural Service Expansion
10" Main Transmission Line and Rural Distribution

Ray Christensen Pump Station Upgrades

Pump and Facility Upgrades to Increase Pumping Capacity

Raw Water Implementation and Replacement

Capital Replacement of Microbiologically Induced Corrosion Ductile Iron Pipe Near Dodge

Hydraulic Improvements

Prioritized Distribution System Improvements to Serve Subsequent Customers from Waiting Lists

TOTAL 2025-2027 BIENNIUM FUNDING NEEDS

$132,000,000

Southwest Water Authority

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Dickinson, ND 58601-7231

swwater.com
swa@swwater.com

Phone: 701-225-0241
Toll Free: 888-425-0241
Fax: 701-225-4058

Southwest Pipeline Project & Southwest Water Authority



BACKGROUND

The southwestern region of North Dakota has consistently faced issues concerning its water supply, encompassing challenges related to both the quality water and quantity. As a result, in 1981, the State Legislature authorized the State Water Commission (SWC) to construct and administer the Southwest Pipeline Project (SWPP). This project was created to provide a supplemental source of water for most of the area of North Dakota south and west of the Missouri River with water supplies from the Missouri River for multiple beneficial purposes. Construction began on the first contract in the spring of 1986.

In 1991, rural water distribution was integrated into the construction of SWPP, and that same year the Legislative Assembly created the Southwest Water Authority (SWA). SWA was created for the tasks of collecting and coordinating rural signups and easements, providing customer service for rural water customers, and collecting user fees, as these are all difficult for a state agency to perform. In January 1996, the SWC assigned all management, operation and maintenance functions of the state-owned SWPP to SWA.

OUR MISSION

Quality water for southwest North Dakota

OUR VISION

People and business succeeding with quality water

PROJECT FEATURES

5.2K+
Miles of Pipeline

3 Water Treatment Plants

35 Booster Pumping Stations

32 Water Storage Tanks & Reservoirs

58K People Served

Shared Lake Sakakawea Intake with Basin Electric

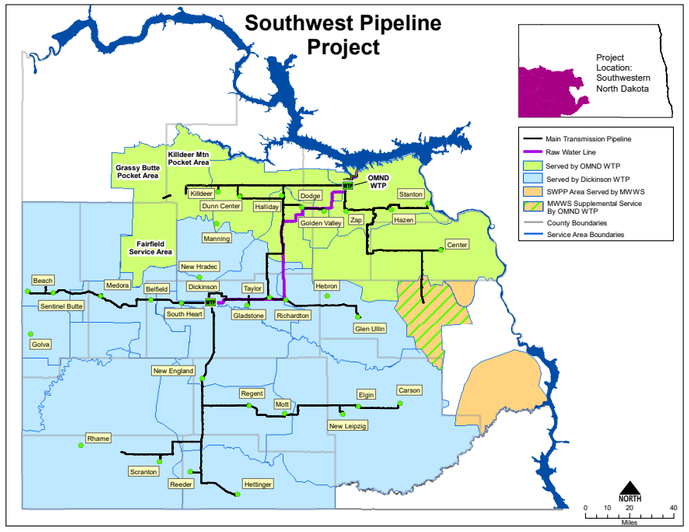
SOUTHWEST PIPELINE PROJECT

Southwest Water Authority

MULTI-COUNTY REGIONALIZATION

SWPP covers 21% of the state of North Dakota by area and transports raw water from Lake Sakakawea to the Oliver, Mercer, North Dunn (OMND) Water Treatment Plant (WTP) and two water treatment plants located at the city of Dickinson, which include the Dickinson WTP and the Southwest WTP. The treated water is then distributed to water users throughout the region.

SWPP annually provides over two billion gallons of treated water to over 58,000 people in 33 communities and 7,600 rural service locations. In addition, 25 raw water customers and 25 contract customers are also served. SWPP also provides potable water to two rural water systems: Missouri West Water System in Morton County and Perkins County Rural Water System in South Dakota. As the population of both urban and rural areas expand, this state-owned project will continue to supply a vital resource to those who depend on it.



SOUTHWEST WATER AUTHORITY

SWA is governed by a 15-member, publicly elected board of directors, representing the following counties: Adams, Billings, Bowman, Dunn, Golden Valley, Grant, Hettinger, Mercer, Morton, Oliver, Slope, and Stark, as well as the cities of Dickinson and Mandan.

SOUTHWEST WATER AUTHORITY BOARD MEMBERS



PROJECT FUNDING AND CAPITAL REPAYMENT

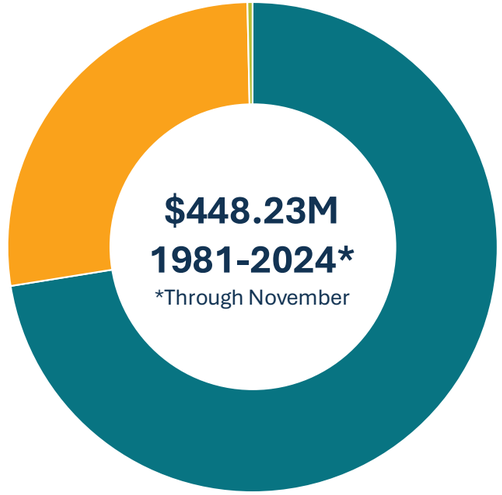
Thanks to the smart planning, funding and management of the SWPP, clean, affordable and dependable water is available for many thousands of people living in the driest region of our state. But the project isn't just paying off; it's paying back as well. As owner, the State of North Dakota funds construction of the project. The local share is paid through perpetual capital repayment.

SOUTHWEST PIPELINE PROJECT FUNDING

State Funding
$324.81 Million

Federal Funding
$121.92 Million

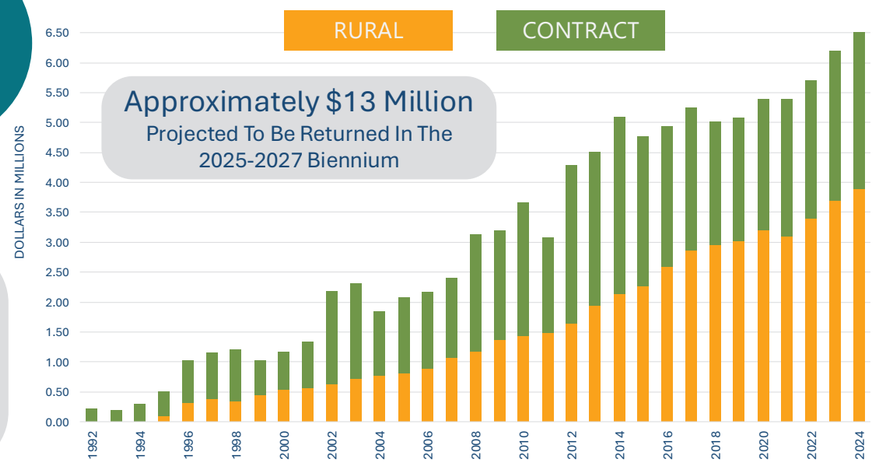
REM Fund
$1.50 Million



SOUTHWEST WATER AUTHORITY

$102.8 Million*
Through December 2024

CAPITAL REPAYMENT BY YEAR



Approximately $13 Million
Projected To Be Returned In The 2025-2027 Biennium

*23%
Of Total Funding Returned

Testimony of Jodi Johnson, CEO, Red Trail Energy
To the 69th Legislative Assembly of North Dakota
In Support of HB 1020 and the $132 Million Allocation for the Southwest Pipeline Project

January 2025

Chairperson and Members of the Committee,

Thank you for the opportunity to testify today by writing. My name is Jodi Johnson, and I serve as the CEO of Red Trail Energy, a locally owned and operated ethanol production facility located in Richardton, North Dakota. Red Trail Energy is a cornerstone of the regional economy, utilizing locally grown corn to produce renewable energy and providing jobs that support families in our community.

I am here today to express my strong support for HB 1020 and to advocate for the inclusion of $132 million in funding for the Southwest Pipeline Project (SWPP). Access to a reliable and high-quality water supply is essential for the success of businesses like ours and the continued economic growth and sustainability of southwest North Dakota.

The Economic and Community Benefits of the Southwest Pipeline Project
Red Trail Energy operates as one of the largest water users in the district, and our ability to produce ethanol and co-products like dried distillers grains (DDGS) depends on an uninterrupted supply of quality water. The Southwest Pipeline Project plays a critical role in ensuring that businesses like ours can continue to operate effectively and contribute to the local economy.

Our facility purchases a significant amount of corn—primarily from family-owned farms within a 100-mile radius—injecting vital revenue into the agricultural sector. The SWPP ensures that the region can sustain this level of agricultural and industrial activity by providing reliable water to farms, businesses, and households. Without the necessary infrastructure upgrades and expansions, economic growth in our area could stall, jeopardizing the livelihoods of thousands of North Dakotans.

Ensuring Future Growth and Sustainability
The funding request of $132 million for the 2025–2027 biennium addresses several critical infrastructure needs, including:

- The expansion of the Southwest Water Treatment Plant, ensuring a long-term solution to the aging Dickinson facility.
- Improvements to the West Zone Transmission Facilities, which are vital for addressing transmission capacity challenges.
- Additional intake infrastructure, ensuring resiliency and sustainability of the water supply.

These projects will not only meet the needs of current users but also pave the way for future economic development, allowing businesses like ours to grow, innovate, and prosper.

Supporting the Broader Community
As the largest regionalized water system in North Dakota, the SWPP serves 33 communities, 13 counties, and more than 58,000 residents. Its impact extends beyond business, supporting rural households, schools, and emergency services. As an active member of this community, Red Trail Energy collaborates regularly with local emergency personnel, further emphasizing the interconnectedness of our industries and public services.

Conclusion
In closing, I urge you to approve HB 1020 and the $132 million allocation for the Southwest Pipeline Project. By doing so, you will not only safeguard existing industries and communities but also enable future growth and development in southwest North Dakota.

Thank you for your consideration. I am happy to answer any questions you may have.

Sincerely,
Jodi Johnson
CEO, Red Trail Energy
jodi@redtrailenergy.com

North Dakota Irrigation Association

P.O. Box 2254
Bismarck, ND 58502
701-223-4615
701-223-4645 (fax)

Dedicated to strengthening and expanding irrigation to build and diversify our economy

House Appropriations – Education and Environment Division
Hearing for HB 1020
January 30, 2025
Testimony of Steve Hansen, Chairman, ND Irrigation Association

Chairman Nathe and Members of the Committee, my name is Steve Hansen, and I serve as Chairman of the North Dakota Irrigation Association (NDIA) in addition to being a farmer and irrigator from Ludden, ND, in Dickey County. Thank you for the opportunity to offer testimony in support of House Bill 1020 and state funding for irrigation projects.

As you know, North Dakota producers often face devasting drought. Irrigation can be a valuable resource for producers because it has the potential to produce high value crops even in dry or drought periods. Irrigation also allows our farmers to maximize their soil's potential, increasing the productivity and profitability of the land.

In 2024, the NDIA, in partnership with the ND Department of Water Resources, Garrison Diversion Conservancy District, and North Dakota State University, undertook a study to identify areas for potential irrigation development. Attached to this testimony is a handout summarizing this study. The study showed that while less than one percent of cropland in North Dakota was irrigated in 2022, there are two million acres ripe for development, meaning that they have amenable soil types and land use in addition to access to water. In fact, 37 counties have more than 10,000 acres of cropland potential for future irrigation development.

To realize this development will likely require state support. Today, the state supports irrigation development in two ways. First, irrigation districts can apply for cost share through the State Water Commission for planning and construction of shared works, such as intakes, main transmission lines, and power lines, that benefit multiple irrigators in a district. While there are a limited number of districts in the state, and many of these are not very active, there is renewed interest in setting up and revitalizing districts. We would ask that adequate funding be included in the General Water bucket to support this effort. A recent request before the State Water Commission for one project was $150,000. There could be a few requests in the next biennium, so $300,00-$500,000 would support a handful of projects.

The Irrigation Association also supports the request of the Garrison Diversion Conservancy District (GDCD) for $5 million for irrigation development. The GDCD works closely with irrigators and potential irrigators in its district to further develop irrigation along the McClusky Canal.

The state, in a shared program with the State Water Commission and the Bank of North Dakota, also provides interest rate buydown for individual irrigators establishing new irrigation systems. The State Water Commission recently increased their contribution to this program and the Bank is looking to do the same in the near future. Together, this increased funding would increase the maximum buydown for an irrigator to 4% or $90,000. Historically, this program has been undersubscribed. With this increase, we're hopeful there will be greater interest in using it. The State Water Commission has dedicated approximately $300,000 to the Ag Pace program for the current biennium. We would ask that the same amount ($300,000) be contemplated for inclusion in the General Water bucket for the next biennium.

Just as important as funding for irrigation development is ensuring the Department of Water Resources (DWR) has the staff and resources needed to process water permit applications. Every irrigator must receive a water permit from the DWR. It is the DWR's responsibility to ensure that new permit applications do not adversely affect those who are already using the water, known as prior appropriators. In order for the DWR to make timely and responsible decisions on these important permits, it needs staff with the skills and tools needed to analyze the data and process permits. The agency had a request for an additional FTE for a data analyzer, who we believe could be of use to existing staff in the appropriations division. The DWR currently collects a lot of data regarding water use, aquifer levels, and more. Without the right personnel to analyze such data, the data can't be used to make timely and responsible decisions on permits. While this FTE request wasn't included in the Governor's budget, we believe this position is worth consideration.

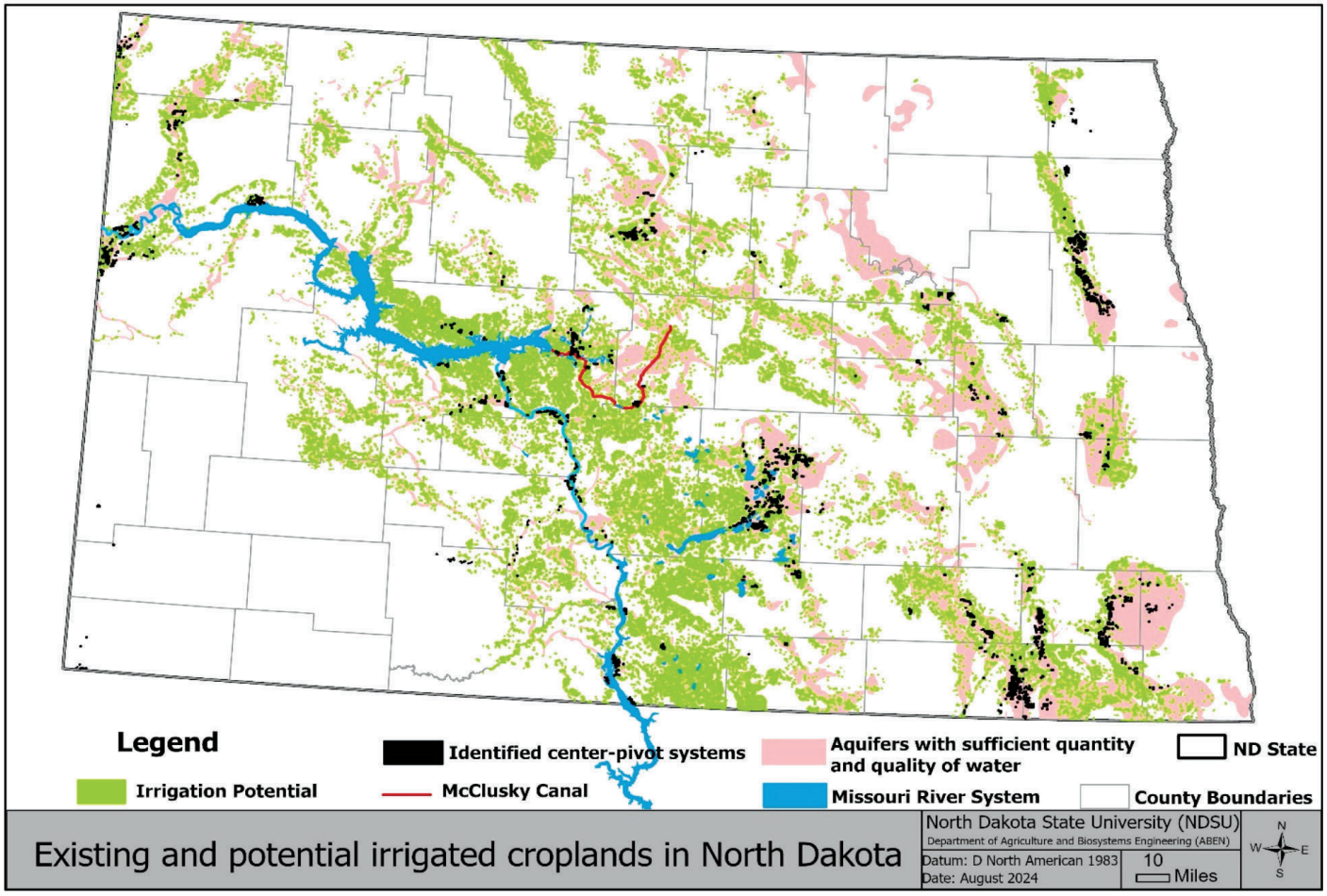
Thank you for the opportunity to provide this testimony, Mr. Chairman. I'd be happy to stand for any questions you may have.

Irrigation Potential in North Dakota

The **North Dakota Irrigation Association**, in partnership with the North Dakota Department of Water Resources, Garrison Diversion Conservancy District and North Dakota State University, undertook a study in 2024 to identify areas for potential irrigation development.

HIGHLIGHTS OF THE STUDY:

- According to the USDA National Agricultural Statistics Service's Census of Agriculture, less than one percent of cropland in North Dakota was irrigated in 2022. It was the least among the ten states that are entirely or partially covered by the Missouri River Basin and below the US average irrigated cropland. To identify the locations and areas of the North Dakota croplands that have potential for future irrigation development, we conducted a statewide irrigation feasibility study.
- In summary, about 2.2 million acres of cropland in North Dakota have suitable soils and available water for irrigation. Among these croplands, approximately one-quarter (0.25) of a million acres have already been developed for irrigation, leaving approximately two million acres of cropland statewide for future irrigation development. About one million acres of such cropland are located around the Missouri River corridor and the other one million acres are spread across the state where good-quality groundwater is available.



Statewide, 37 counties have more than ten thousand acres of cropland potential for future irrigation development.

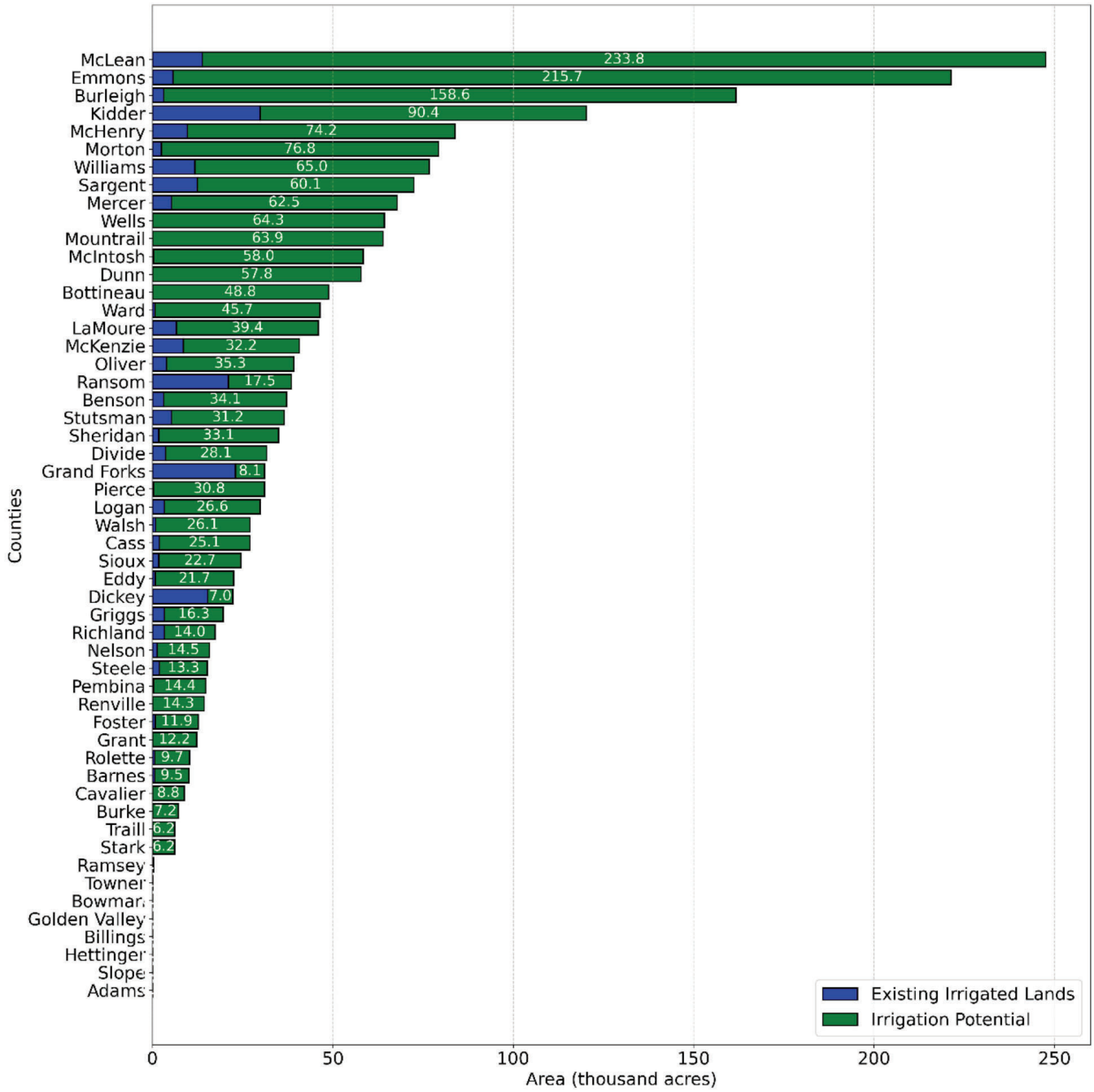


***Figure ES.2**. Areas of the existing irrigated and potentially irrigable croplands in North Dakota counties (The numbers in the green bars are thousands of acres of croplands with irrigation potential in each county).*

NEXT STEPS

- NDSU is continuing to refine this data and create an online dashboard so individuals can more easily access data on a statewide level and in specific counties.

To view the full study scan the QR code

Testimony of Duane DeKrey, General Manager
Garrison Diversion Conservancy District
HB 1020
House Appropriations Committee – Education & Environment Division
Bismarck, North Dakota – January 30, 2025

Representative Nathe and members of the House Education and Environment Division, thank you for the opportunity to support House Bill 1020, the ND Department of Water Resources budget. I am Duane DeKrey, General Manager for the Garrison Diversion Conservancy District (Garrison Diversion).

Because we recognize the value irrigation development brings to North Dakota through increased land values, decreased risk, an increase in crop production, and a positive economic impact, irrigation development is a high priority for Garrison Diversion.

The McClusky Canal was constructed as part of the Garrison Diversion Unit authorized in 1965 and was designed to irrigate up to 250,000 acres. The original project scope was revised through the Garrison Diversion Reformulation Act of 1986 and the Dakota Water Resources Act of 2000, and, as a result, irrigation acres were decreased. Currently, 23,700 acres of irrigation are authorized along the McClusky Canal through the Dakota Water Resources Act.

In an effort to utilize the authorized acres along the McClusky Canal, Garrison Diversion has been working with producers since 2010 to expand irrigation development through the McClusky Canal Irrigation Project, successfully utilizing Missouri River water from the McClusky Canal. Multiple projects have been completed, and to date, there are approximately 8,000 developed irrigated acres in the McClusky Canal Irrigation Project, with an additional 6,500 acres in the planning phases of development.

Funding from the Department of Water Resources is essential to further irrigation development. Without it, these irrigation projects are not feasible, as irrigator costs would be

too high to be considered profitable. A study completed by North Dakota State University in 2014 determined that for every $1 invested in irrigation by the state, $7 is returned.

Irrigation benefits to North Dakota are widespread, and the State's investment is important in realizing the irrigation potential of the McClusky Canal. Please help us keep future irrigation projects affordable by providing $5.0M in the Department of Water Resources budget for irrigation development.

Thank you for your consideration.

North Dakota
Water Resource
Districts Association

JACK P. DWYER, EXECUTIVE SECRETARY
701-730-5469 (c) • jack@ndwaterlaw.com
P.O. Box 2254 • Bismarck, North Dakota 58502
701-223-4615 (o) • staff@ndwater.net

HB 1020
Testimony of Dennis Reep, WRDA Board Member
House Appropriation's Education and Environment Division
January 30, 2025

Mr. Chairman and Members of the Education and Environment Division:

My name is Dennis Reep and I serve on the Board of Directors for the ND Water Resource Districts Association and on the Burleigh County Water Resource District.

Water resource districts have a long history of providing valuable services in North Dakota to the local constituents in their respective counties and regions. Enabling legislation for the establishment of water resource districts was first passed in 1935. The responsibility of water resource districts includes water management from a local and regional perspective for beneficial uses of water, as well as for protection against flooding, erosion, and other detrimental effects of too much water.

The beneficial uses of water and protection against damage caused by flooding is critical to the agricultural and other local economies, as well as the social well-being of our citizens. Rural flood control provides crucial drainage relief not only for North Dakota farms and ranches, it also reduces flood damage to township, county, and state infrastructure. An important piece of providing these vital services has been state funding provided by the State Water Commission. Without this funding, many important flood control, water supply, erosion protection, water management, and beneficial use projects would not have been completed.

Water resource districts often serve as the local sponsor for projects that utilize funding from the "General Water" bucket and from the "Flood Control" bucket. Water resource districts in the eastern and north central parts of the state serve as the local project sponsor for conveyance projects, which obtain funding from the "Other" sub bucket of the "Flood Control" bucket.

Based on the Department of Water Resources' Water Development Plan for General Water, there exists approximately $8.6M of High Priority Project Needs, $40.1M of Moderate Priority Project Needs, and $3.1M of Low Priority Project Needs for total of $51.8M for the 2025-2027 biennium. We therefore support the Executive Recommendation of $15.2M allocated to the "General Water" bucket. While this would not provide enough to finish all projects identified it would fill needs for many projects over the next two years.

Based on the Water Development Plan for Flood Control, there exists approximately $190.2M of High Priority Project Needs, $54.5M of Moderate Priority Project Needs, and $63.2M of Low Priority Project Needs for total of $307.9M. We therefore support the Executive

Recommendation of $129.1M allocated to the “Flood Control” bucket. We specifically support $76.1M for “Mouse River”, unless an alternative funding source can be identified for them, and $17M for “Other Flood Control”.

Lastly, a critical part of any water project is applying for and securing appropriate federal, state, and local permits. Permit reviews and approvals are often the bottle neck of the critical path to maintaining project schedules and efficient use of state and local tax dollars. As the need for projects and funding for projects has increased, the capacity to process and approve those permits at the state level has remained the same. We support additional FTE specifically for positions that can streamline the permit review and approval processes, which in turn will assist our constituents in maintaining project momentum and facilitate the efficient use of state and local tax dollars.

Thank you for your service to the State of North Dakota and the hard work that goes with it. I would be happy to answer any questions the committee may have regarding this testimony.

Testimony of Duane DeKrey, General Manager
Garrison Diversion Conservancy District
HB 1020
House Appropriations Committee – Education & Environment Division
Bismarck, North Dakota – January 30, 2025

Chairman Nathe and Members of the Education & Environment Division, my name is **Duane DeKrey** and I am representing the **Garrison Diversion Conservancy District**, which oversees the Red River Valley Water Supply Project and works to provide a reliable, high quality and affordable water supply for the people of North Dakota. We strongly support the inclusion of a **General Counsel for the North Dakota Department of Water Resources** to safeguard our state's water interests and infrastructure investments.

1. Protecting North Dakota's Water Infrastructure Investments

North Dakota has made **significant investments** in water infrastructure projects, including the Red River Valley Water Supply Project, to ensure long-term water security for approximately **50% of the state's population**. As the state continues to invest in water infrastructure projects, it is critical that the Department of Water Resources has **dedicated legal expertise** to defend and protect these projects from legal and regulatory challenges. Without a General Counsel, the state risks costly delays and litigation that could undermine these vital water initiatives.

2. Defending Against External Competition for North Dakota's Water Resources

North Dakota's water resources, particularly the **Missouri River**, have increasingly become the target of **out-of-state interests** seeking access to our water supplies. Proposals from Colorado, Kansas, and even the Southwest have explored diverting Missouri River water to supplement their own diminishing supplies. Without a **dedicated legal advocate**, North Dakota will face regulatory and legal pressure compromising our ability to retain and utilize our own water. A General Counsel would play a **pivotal role in defending North Dakota's water rights** and ensuring our communities, industries, and agriculture have **secure and uninterrupted access** to these essential resources.

3. Upholding North Dakota's Sovereignty Over Its Water Resources

Water is one of North Dakota's most valuable natural resources, and the state must retain full control over how it is managed and distributed. **Federal intervention and external legal challenges** threaten our ability to make decisions in the best interests of North Dakotans. By adding a General Counsel to the Department of Water Resources, we can ensure the necessary legal expertise to **navigate complex regulatory frameworks, defend against external claims, and protect our state's autonomy in water governance.**

4. Ensuring Proactive Legal Strategy and Cost Savings

Legal challenges to water projects are becoming more frequent and complex. A dedicated General Counsel within the Department of Water Resources will allow the state to **proactively**

address legal threats, develop long-term strategies, and respond swiftly to legal disputes—ultimately saving taxpayer dollars and reducing project delays.

Conclusion

The inclusion of a **General Counsel for the ND Department of Water Resources** is an essential step in protecting North Dakota's **water sovereignty, infrastructure investments, and long-term economic growth**. Without dedicated legal expertise, the state is at risk of losing control over its water resources to out-of-state interests and facing costly legal battles that could delay or derail critical water projects.

For these reasons, we respectfully urge the inclusion of the General Counsel position in HB 1020.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
2/20/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources.

8:37 a.m. Chairman Nathe called the meeting to order

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Martinson, Richter, Sanford, and Hanson

Discussion Topics:

- Water infrastructure and timelines
- Committee Action

8:42 a.m. Reice Haase, Director, Department of Water Resources, testified in favor and submitted testimony #38179.

8:54 a.m. Kelvin Hullet, Bank of North Dakota, testified in favor and continued with #38179.

9:00 a.m. Kylee Merkel, Business Banker, Bank of North Dakota, testified in favor and continued with testimony #38179.

9:06 a.m. Representative Swiontek reviewed proposed amendment #LC.0164.01010.

9:34 a.m. Representative Swiontek moved to adopt proposed amendment #LC 25.0164.0101. #38187

9:35 a.m. Representative Martinson seconded the motion.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Motion carried 7-0-0.

9:35 a.m. Representative Swiontek moved a Do Pass as amended

9:35 a.m. Representative Martinson seconded the motion.

Representatives	Vote

Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Motioned carried 7-0-0.

Representative Swiontek will carry the bill.

9:37 a.m. Chairman Nathe closed the meeting.

Additional written testimony:

Alex Cronquist, Fiscal Analyst, Legislative Council, submitted neutral testimony #38170.

Steven Riehl, Committee Clerk

Legislative Council

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	Armstrong Executive Budget				Representative Swiontek Proposal				House Compared to Executive Budget Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes			$416,661	$416,661			$416,661	$416,661				$0
Salary increase			979,370	979,370			962,884	962,884			($16,486)	(16,486)
Health insurance increase			618,544	618,544			612,539	612,539			(6,005)	(6,005)
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398			703,398	703,398				0
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231			912,231	912,231				0
Transfers funding for 2025-27 new and vacant FTE pool				0			(633,423)	(633,423)			(633,423)	(633,423)
Adds accountant position	1.00		289,442	289,442	1.00		289,442	289,442				0
Adds deputy director position	1.00		427,980	427,980	1.00		452,162	452,162			24,182	24,182
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154	1.00		349,154	349,154				0
Adds general counsel position	1.00		452,162	452,162				0	(1.00)		(452,162)	(452,162)
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624	1.00		312,624	312,624				0
Adds RiskMAP program specialist position	1.00		350,706	350,706	1.00		350,706	350,706				0
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0	1.00			0				0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960			138,960	138,960				0
Adds funding for overtime and temporary salaries			60,000	60,000			60,000	60,000				0
Adds funding for NAWS on-call pay			106,954	106,954			106,954	106,954				0
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023			66,023	66,023				0
Adds funding for internship program			100,000	100,000			100,000	100,000				0
Adds funding for NAWS Biota water treatment plant operations			6,900,000	6,900,000				0			(6,900,000)	(6,900,000)
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788			2,051,788	2,051,788				0
Adjusts funding for operating expenses, including professional fees and services			1,509,270	1,509,270			(1,264,821)	(1,264,821)			(2,774,091)	(2,774,091)
Decreases funding for capital assets			(9,467,114)	(9,467,114)			(330,000)	(330,000)			9,137,114	9,137,114
Reduces funding for water supply grants			(127,467,199)	(127,467,199)				0			127,467,199	127,467,199
Reduces funding for rural water supply grants			(6,200,000)	(6,200,000)				0			6,200,000	6,200,000
Increases funding for flood control grants			13,400,000	13,400,000				0			(13,400,000)	(13,400,000)
Adds funding for discretionary funding			5,000,000	5,000,000			10,000,000	10,000,000			5,000,000	5,000,000
Increases funding for general water grants			4,972,500	4,972,500				0			(4,972,500)	(4,972,500)
Adjusts funding for the Southwest Pipeline Project				0			51,681,936	51,681,936			51,681,936	51,681,936
Adjusts funding for the Northwest Area Water Supply project				0			40,817,004	40,817,004			40,817,004	40,817,004

Adjusts funding among water projects and grants line items				0			113,100,000	113,100,000			113,100,000	113,100,000
Identifies line of credit funding as one-time funding				0			(200,000,000)	(200,000,000)			(200,000,000)	(200,000,000)
Total ongoing funding changes	**7.00**	**$0**	**($103,016,546)**	**($103,016,546)**	**6.00**	**$0**	**$21,256,222**	**$21,256,222**	**(1.00)**	**$0**	**$124,272,768**	**$124,272,768**
One-Time Funding Items												
Adds new FTE one-time funding			$49,000	$49,000			$42,500	$42,500			($6,500)	($6,500)
Adds funding for emergency pumps replacement			480,000	480,000			480,000	480,000				0
Adds funding for an excavator replacement			400,000	400,000			400,000	400,000				0
Adds funding for a data logger replacement			60,000	60,000			60,000	60,000				0
Adds funding for a Missouri River intake sites field investigation			600,000	600,000			600,000	600,000				0
Adds funding for the Southwest Pipeline Project, including $50 million from a Bank of North Dakota (BND) line of credit			58,650,000	58,650,000				0			(58,650,000)	(58,650,000)
Adds funding for the NAWS project			40,211,963	40,211,963				0			(40,211,963)	(40,211,963)
Adds funding for the Red River Valley Water Supply Project from a BND line of credit			50,000,000	50,000,000				0			(50,000,000)	(50,000,000)
Adds funding from a Bank of North Dakota line of credit				0			200,000,000	200,000,000			200,000,000	200,000,000
Total one-time funding changes	**0.00**	**$0**	**$150,450,963**	**$150,450,963**	**0.00**	**$0**	**$201,582,500**	**$201,582,500**	**0.00**	**$0**	**$51,131,537**	**$51,131,537**
Total Changes to Base Level Funding	**7.00**	**$0**	**$47,434,417**	**$47,434,417**	**6.00**	**$0**	**$222,838,722**	**$222,838,722**	**(1.00)**	**$0**	**$175,404,305**	**$175,404,305**
2025-27 Total Funding	**100.00**	**$0**	**$747,095,200**	**$747,095,200**	**99.00**	**$0**	**$922,499,505**	**$922,499,505**	**(1.00)**	**$0**	**$175,404,305**	**$175,404,305**
Federal funds included in other funds			*$62,910,358*				*$55,935,119*				*($6,975,239)*	
Total ongoing changes - Percentage of base level	*7.5%*	*N/A*	*(14.7%)*	*(14.7%)*	*6.5%*	*N/A*	*3.0%*	*3.0%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*7.5%*	*N/A*	*6.8%*	*6.8%*	*6.5%*	*N/A*	*31.8%*	*31.8%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	Armstrong Executive Budget	Representative Swiontek Proposal	
New and vacant FTE pool		Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	
Additional income - Appropriation		Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	
Sovereign lands		Sections 5 and 6 provide $2.5 million to the Parks and Recreation Department to develop recreation opportunities on sovereign lands.	
Water projects stabilization fund		Section 7 would identify $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	
Discretionary funding		Section 8 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 22 may be used as necessary, except for salaries and wages.	
Bond issuance - Southwest Pipeline Project		Section 9 provides for the issuance of up to $100 million of revenue bonds for the Southwest Pipeline Project.	
Transfer - Water infrastructure revolving loan fund		Section 10 provides for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.	

Other Sections in Department of Water Resources - Budget No. 770

Section Description	Armstrong Executive Budget	Representative Swiontek Proposal	
Line of credit - Water infrastructure revolving loan fund		Section 11 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	
Bank of North Dakota line of credit		Section 12 amends Section 61-02-79 to provide a line of credit of up to $200 million for water projects.	
Northwest Area Water Supply - Biota water treatment plant operating fund - Continuing appropriation		Section 13 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	
Legislative intent - Red River valley water supply project		Section 14 provides legislative intent for $260 million for the Red River valley water supply project for the 2025-27 biennium.	
Legislative intent - Mouse River flood control project		Section 15 provides legislative intent for $125 million for the Mouse River flood control project for the 2025-27 biennium.	
Legislative intent - South Bismarck storm water and flood control project		Section 16 provides legislative intent for $20 million for a south Bismarck storm water and flood control project for the 2025-27 biennium.	
Legislative intent - Grants and water projects		Section 17 provides additional detail regarding allocations within line items for water projects.	
Legislative intent - Missouri River system		Section 18 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	
State Water Commission study - Regional water systems governance and finance		Section 19 provides for a State Water Commission study of regional water systems governance and finance.	
State Water Commission study - Cost-share policy		Section 20 provides for a State Water Commission study of its cost-share policy.	
Line item transfers		Section 21 provides authority for the Director of the Department of Water Resources to transfer up to $10 million between line items, excluding the salaries and wages line item and the new and vacant FTE pool line item.	
Exemption - Water-related projects		Section 22 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $522.5 million, may be continued and expended during the 2025-27 biennium.	
Emergency		Section 23 would declare the bill to be an emergency measure.	

February 20, 2025

ENHANCED WATER RESOURCE MANAGEMENT FRAMEWORK

HB 1020

House Appropriations Committee | House Bill 1020 | 69th Legislative Assembly

NORTH DAKOTA DWR

NORTH Dakota | Water Resources

Be Legendary.

MISSION AND PURPOSE



Mission of DWR

To responsibly manage North Dakota's water needs and risks for the people's benefit.



Water Development Priorities

Protection of citizens/businesses from flood-related impacts, new water supply connections, & low-head dam mitigation efforts.



Purpose of Resources Trust Fund

Fund construction of water-related projects, including rural water systems (Article X, § 22, ND Const.)

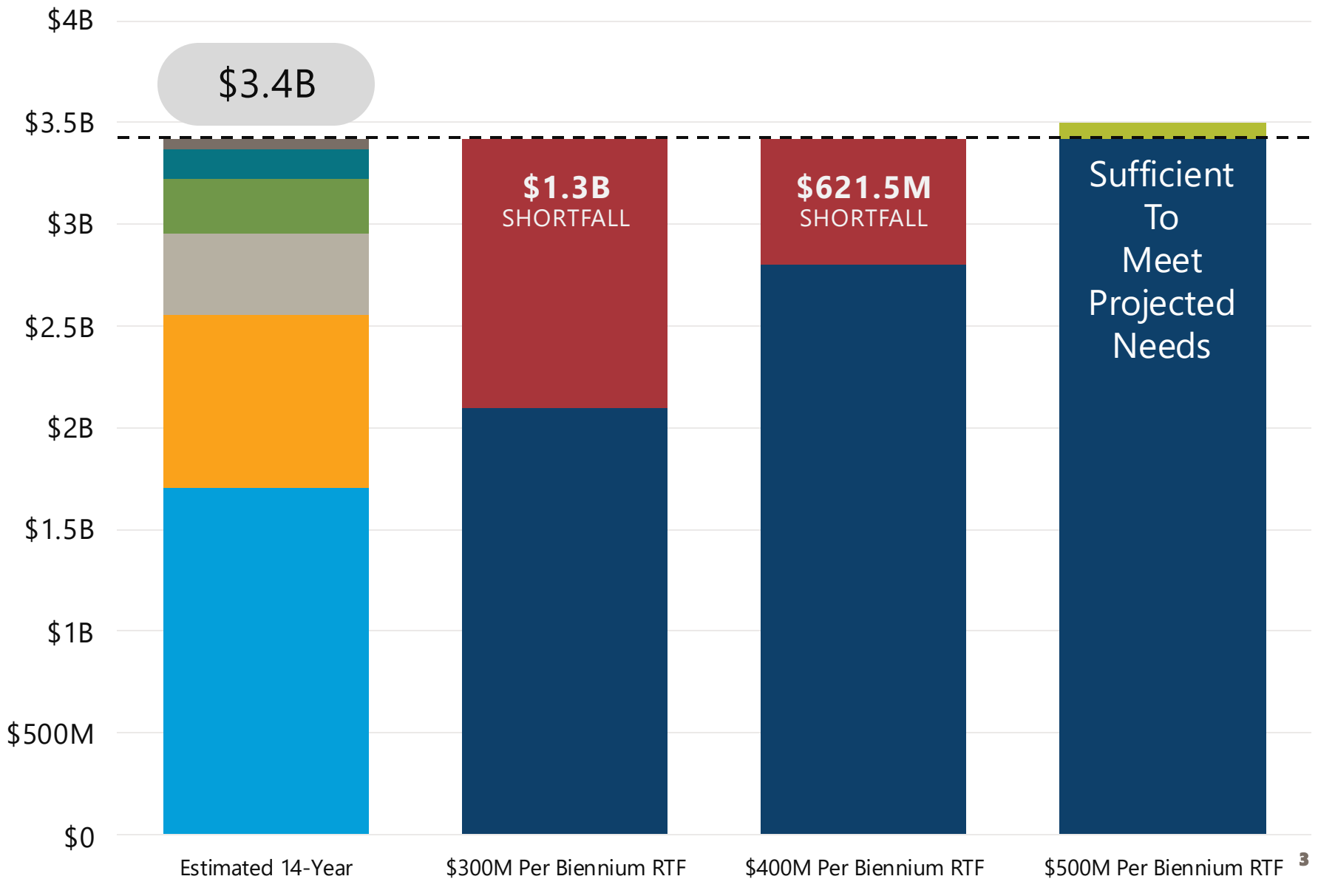


Source of Funding

20.5% of Oil Extraction Tax collections, interest income (NDCC 57-51.1-07)

14-YEAR PLAN: $500M/BIENNIUM MEETS NEEDS

- Water Supply
- Flood Control
- Agency Operations
- Rural Water
- Other Flood Control & Conveyance
- General Water Management
- Resources Trust Fund (RTF)
- State Shortfall
- Surplus



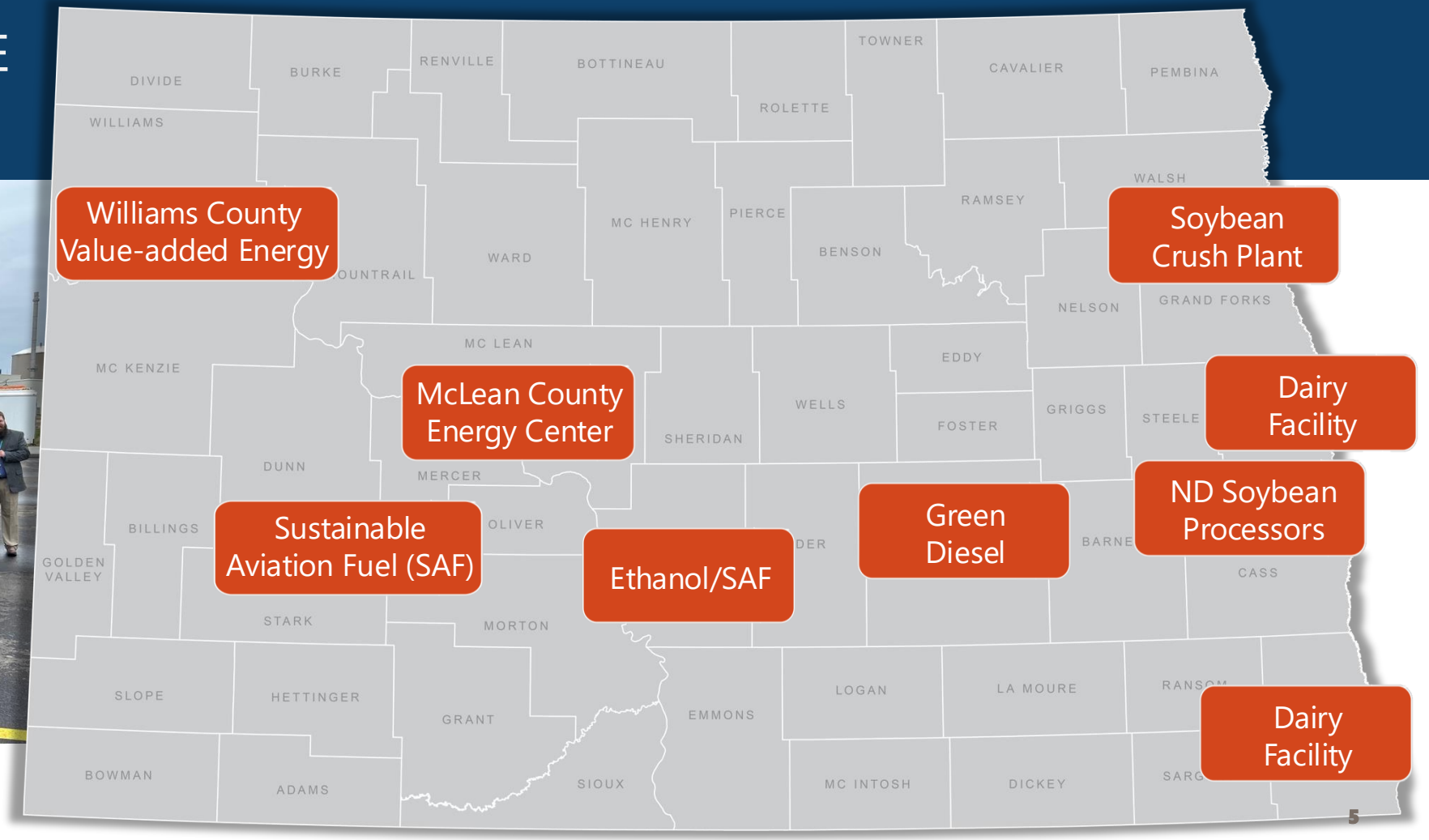
14-YEAR WATER PROJECT FUNDING NEEDS

Project	State	Local	Federal	Total
Water Supply	**1,703,666,767**	**615,797,941**	**33,701,866**	**2,353,166,574**
Red River Valley Water Supply Project (RRVWS)	773,000,000	257,000,000	0	1,030,000,000
Southwest Pipeline Project (SWPP)	313,000,000	0	0	313,000,000
Western Area Water Supply (WAWS)	177,700,000	60,000,000	0	237,700,000
Northwest Area Water Supply (NAWS)	71,700,000	52,100,000	0	123,800,000
Municipal Water	368,266,767	246,697,941	33,701,866	648,666,574
Flood Control	**854,000,000**	**441,000,000**	**120,000,000**	**1,415,000,000**
Mouse River Enhanced Flood Protection	733,000,000	380,000,000	70,000,000	1,183,000,000
Valley City Permanent Flood Protection	48,000,000	12,000,000	0	60,000,000
Bismarck South Flood Protection	73,000,000	49,000,000	50,000,000	172,000,000
Rural Water	**267,866,781**	**91,904,300**	**73,395,550**	**433,166,631**
Other Flood Control and Conveyance	**144,300,000**	**167,500,000**	**93,200,000**	**405,000,000**
General Water	**51,728,927**	**38,483,898**	**59,412,700**	**149,625,525**
Agency Operations	400,000,000	0	0	400,000,000
Total	3,421,562,475	1,354,686,139	379,710,116	5,155,958,730

FUTURE GROWTH INCREASES DEMAND FOR WATER

WATER INFRASTRUCTURE IS A KEY FACTOR





RRVWS AND MOUSE RIVER: OUR TWO LARGEST REMAINING PROJECTS

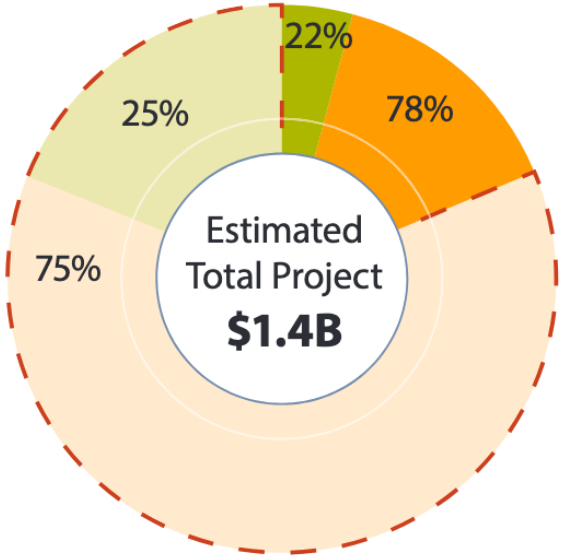
RRVWS

HISTORIC FUNDING

Local	$86M
State	$297M

FUTURE FUNDING

Main Transmission Est. Remaining Funds	$1.03B
Local	$257M
State	$773M



- Future Funding Represents Remaining Intent Of $773M From State – SB 2020 (2023 Session).

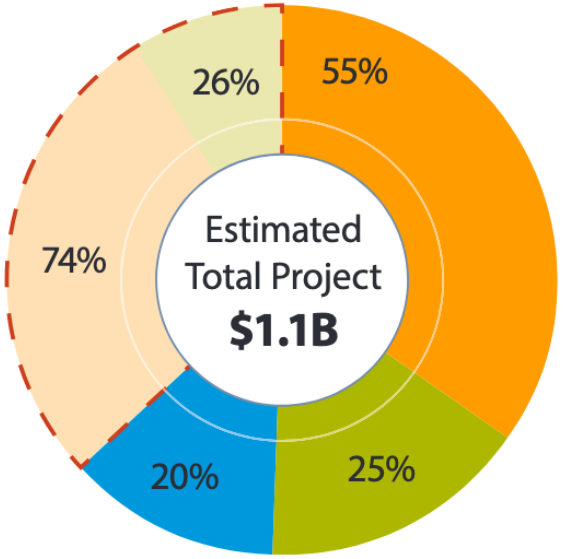
Mouse River

HISTORIC FUNDING

Local	$176M
State	$389M
Federal	$141M

FUTURE FUNDING

Est. Remaining Funds	$409.4M
Local	$150M
State	$304M



- Future Funding Represents Remaining Intent Of $304M From State – SB 2020 (2023 Session).
- Additional Funding Of Approx. $429M or $733M Total Needed From The State (Scenario 4).
- New Estimated Total Cost = $1.8B

WATER INFRASTRUCTURE MARATHON: PROJECTS DO NOT FOLLOW BIENNIAL SCHEDULES

Pre-Construction



Permitting



Planning and Design



Bidding Phase



Funding Certainty Required To Continue

Rights-of-Way and Land



Construction



RTF Dollars Re-imburse Project for Actual Expenses

Project Types (Recently Completed Project Examples: DWR Cost-Share Database)	Average Construction Timeframe (Months)
Municipal Water Distribution Lines	16
Rural Water Distribution Lines	19
Storage Tanks	24
Rural Water Conveyance (Drains)	18
Dam Safety Improvements	21
Bank Stabilizations	16
Snagging and Clearing	6

- Pre-construction (permitting, studies, & design) timelines can vary greatly from project to project depending on location & other unique circumstances.
- Large-scale projects are multi-biennial in nature, with several large projects ongoing.
    - NAWS Biota Water Treatment Plant: Ongoing since 2021 (Completion Est. 2025)
    - Mouse River Flood Protection: Ongoing since 2015 (Completion Est. 2039*)
    - FM Diversion/Flood Protection: Ongoing since 2016 (Completion Est. 2027)
    - Valley City Flood Protection: Ongoing since 2014 (Completion Est. 2035)
    - Red River Valley Water Supply: Ongoing since 2020 (Completion Est. 2032*)

WATER PROJECT TIMELINES

**Accelerated Timing*

RESOURCES TRUST FUND HISTORICAL SPENDING VS APPROPRIATIONS

	Cash Balance	Oil Tax Transferred	Appropriated	*Spent	(%) Appropriation Spent
2007-09	32,655,609	73,481,417	69,352,698	25,100,000	36%
2009-11	87,378,167	148,886,433	135,806,609	86,000,000	63%
2011-13	148,088,456	390,342,356	332,400,000	261,500,000	79%
2013-15	292,961,846	564,521,002	754,806,094	284,750,000	38%
2015-17	587,754,568	240,564,950	755,817,897	528,482,609	69%
2017-19	314,851,501	357,504,569	584,215,358	359,653,467	62%
2019-21	326,742,618	305,522,369	778,482,206	361,962,182	46%
2021-23	287,678,660	505,222,761	752,548,989	317,315,350	42%
2023-25*	422,486,470	453,572,223	952,577,685	376,738,786	40%

2015-17 Spending Was Primarily Completing WAWSA, Average Spending % Is **53% Biennially**

*Current Biennium Estimate

STRATEGIC USE OF LINES-OF-CREDIT & PROJECT SPECIFIC BONDING IN 2025-2027 WILL ACCELERATE PROJECTS & DECREASE INFLATIONARY COSTS

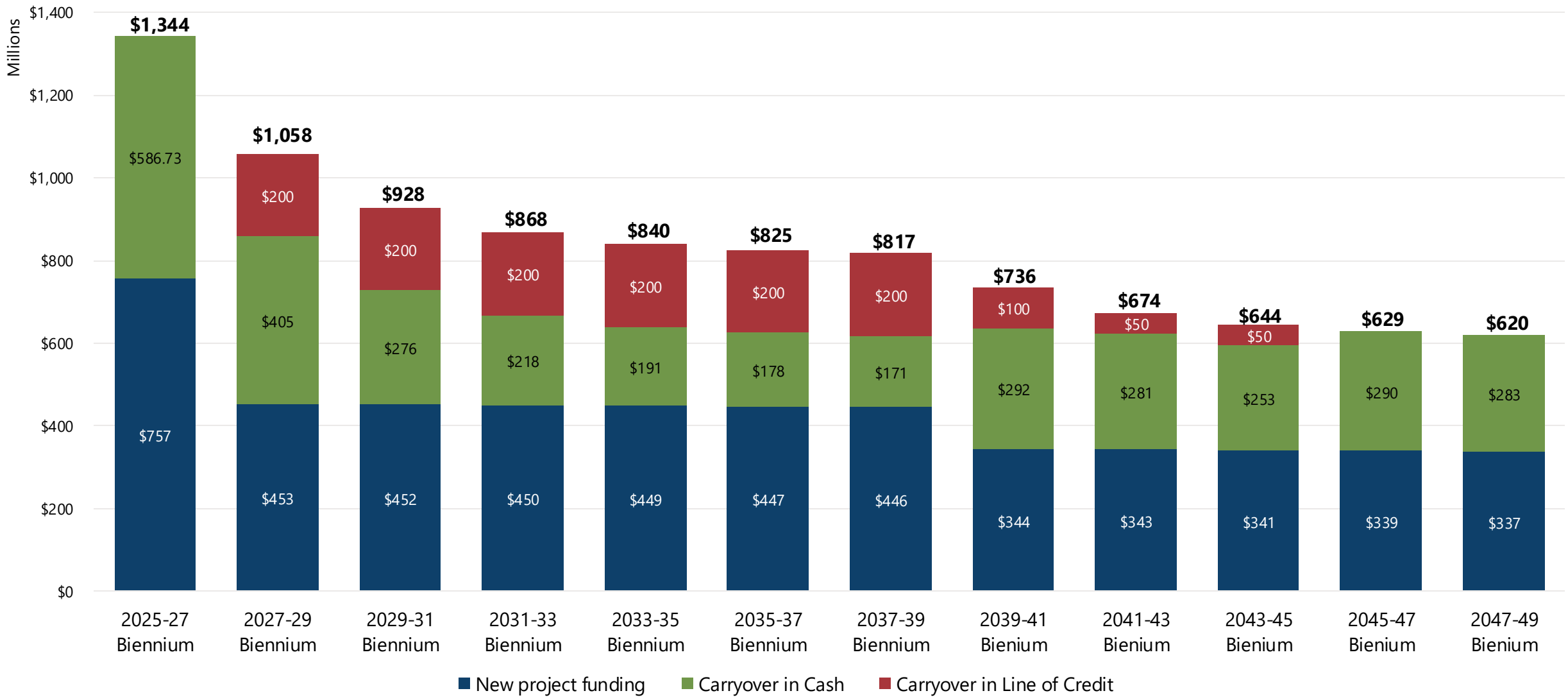
The 2025-2027 Proposal For Funding For Water Projects Includes Providing Additional Funding Through A $200 Million Line Of Credit and $100 Million From Bond Proceeds To Help Accelerate Water Projects.

$200M Line Of Credit For Cash Management

A $200 Million Line Of Credit Provides Authority For The SWC To Approve Water Projects And Provides A Source Of Cash If The Current Cash Balance and Revenues Are Insufficient To Cover Reimbursements.

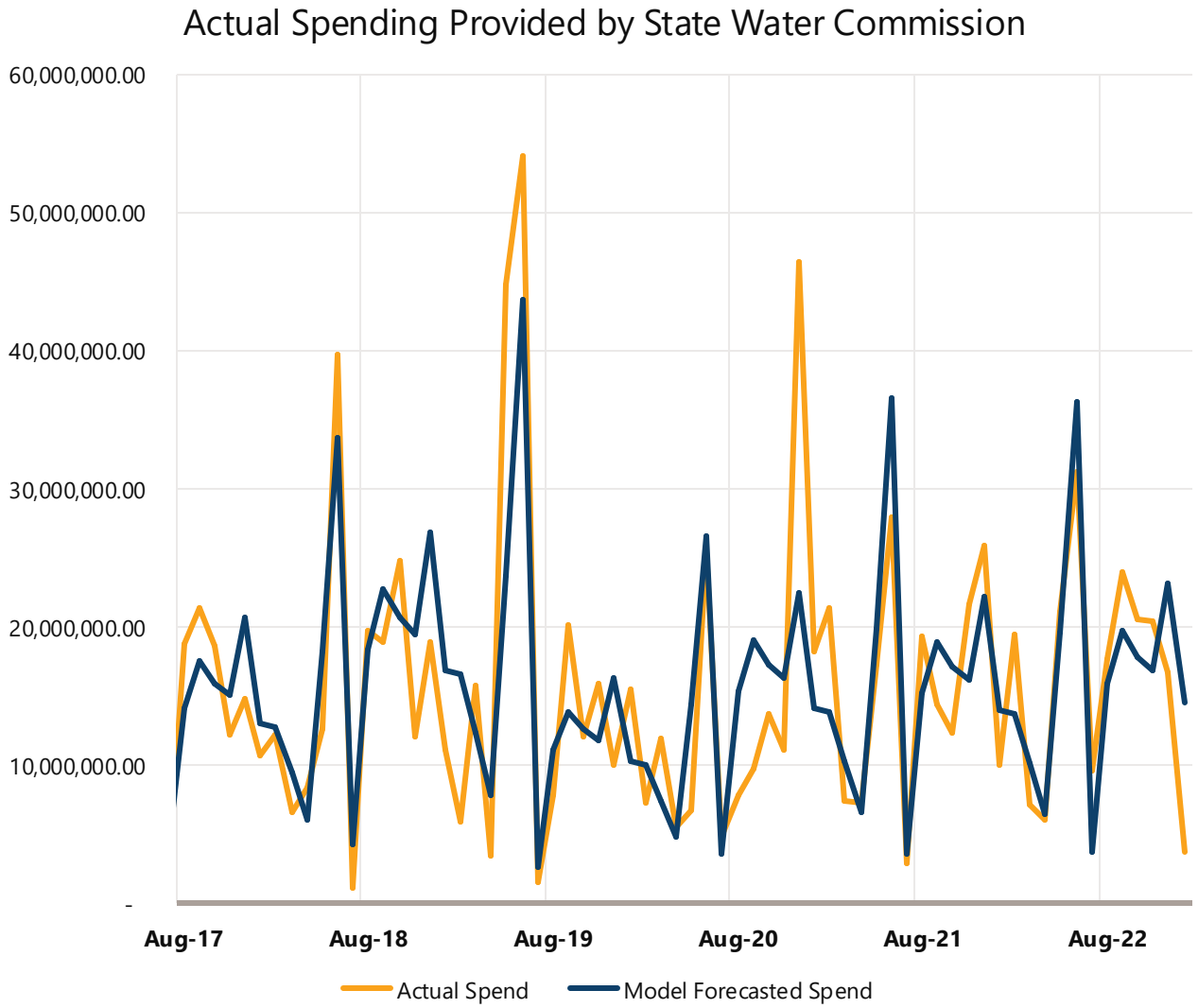
$100M Bonding Package For SWPP

Utilizing SWPP Capital Repayments To Bond Up To $100 Million For SWPP Project Construction Allows For Additional Funds To Be Utilized On Other Water Projects And To Provide A $40 Million Transfer To The Water Infrastructure Revolving Loan Fund.



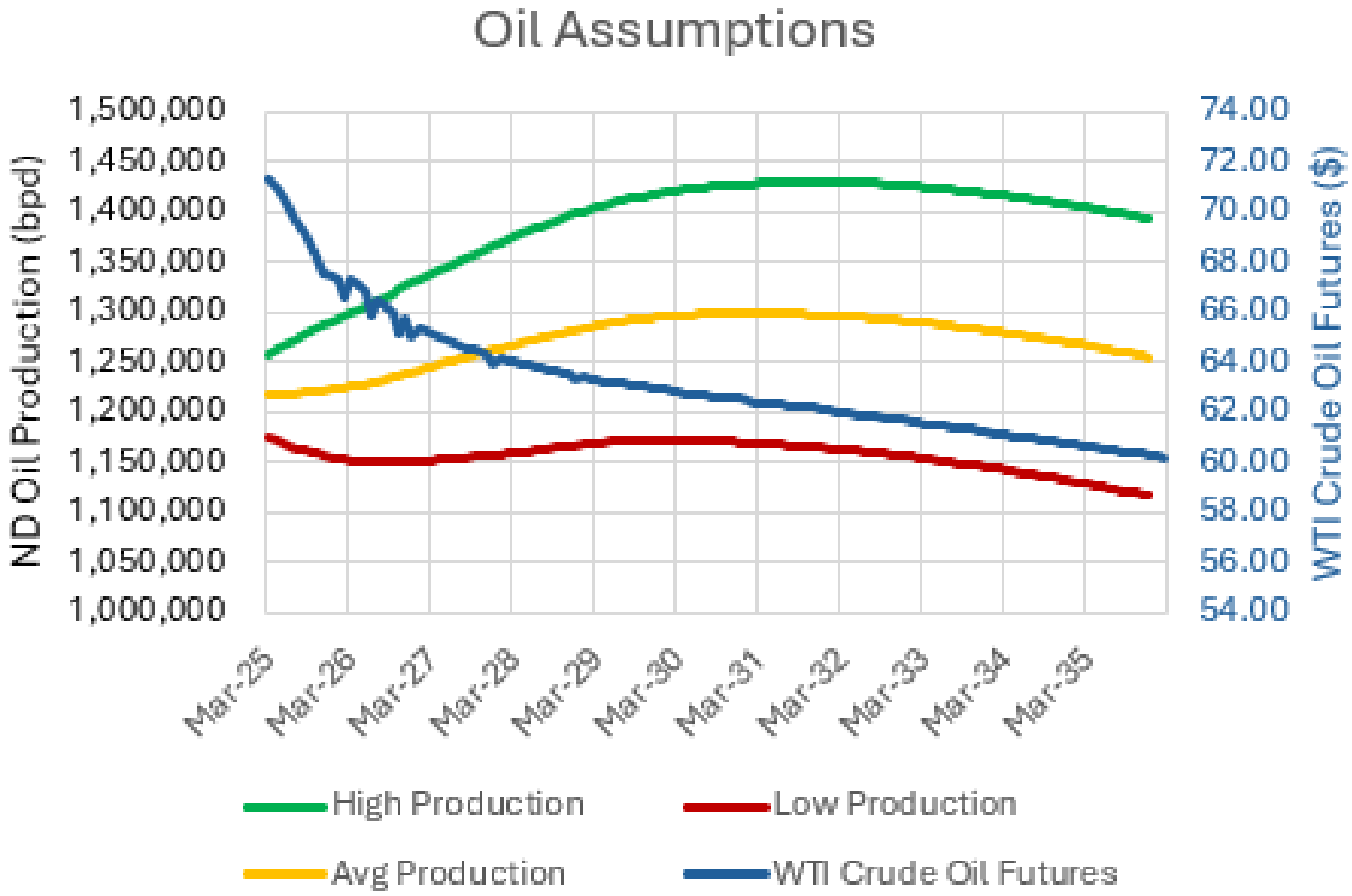
USING THIS APPROACH ACCELERATES PROJECTS WHILE REDUCING CARRIED-OVER CASH

DEVELOPED WATER COMMISSION CASH FLOW MODEL, WAS TESTED VS. KNOWN PAST SPEND



- BND Developed A Model To Project Water's Spending By Analyzing Historical Spending Data
- Model Results Were Back Tested Relative To Actual Spending
- High Correlation Between The Model Prediction Vs Actual Spending Patterns
- Model Output Used To Project Future Water Net Cash Flows & Balances

MODEL RE-CALIBRATED USING PIPELINE AUTHORITY OIL PRODUCTION CURVE

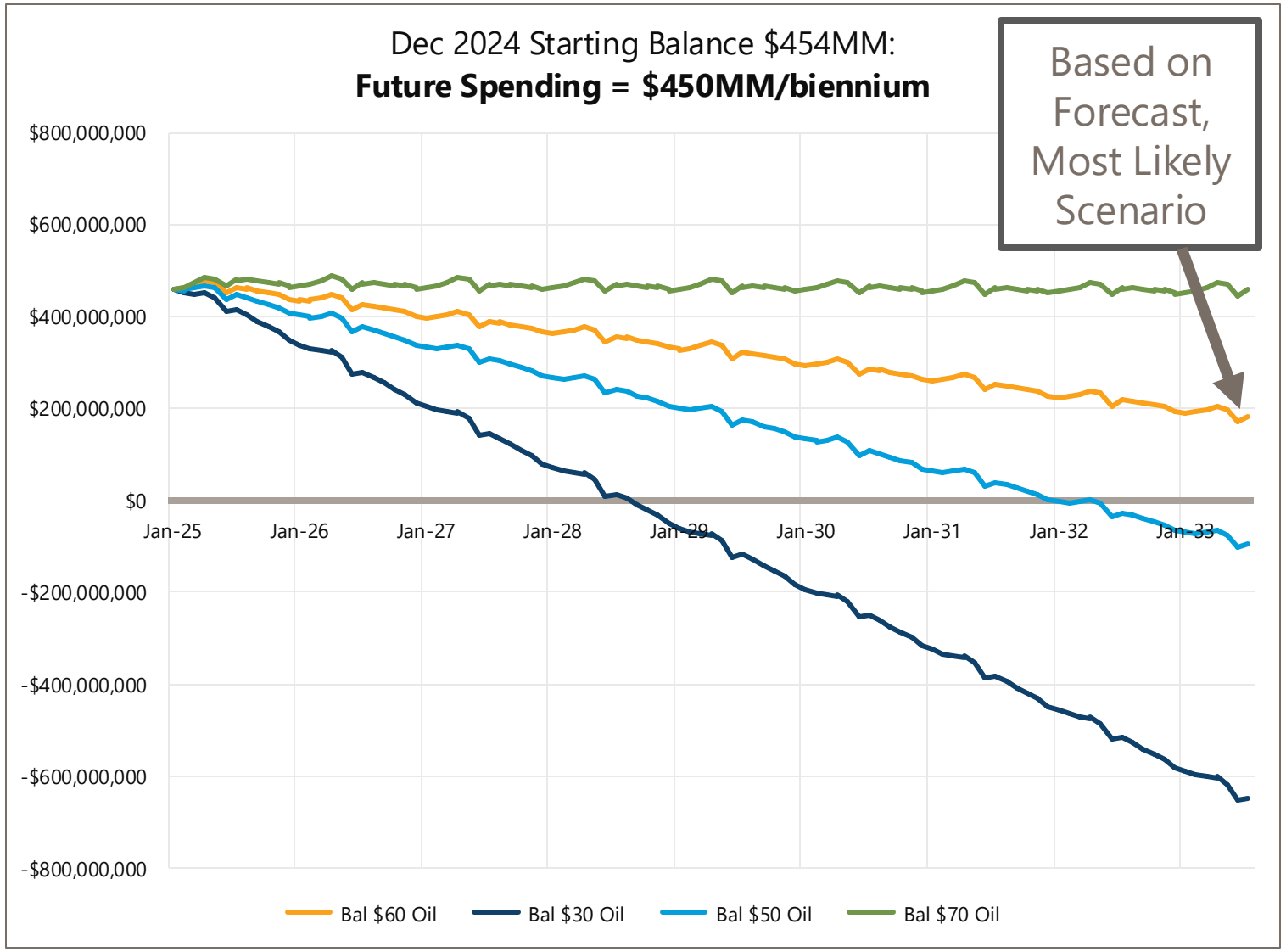


ND Oil Production Assumption: Uses ND Pipeline Authority Forecast

Oil Price Assumption: Current WTIF Crude Futures, -$5/BRL Bakken Discount Forecast Range: $66-$55/BRL

RTF Revenues: 20.5% Of Extraction Tax, Minus Other Fund Allocation In Waterfall

MOST LIKELY OIL PRODUCTION SCENARIO: ALLOWS FOR ACCELERATION OF BIENNIAL SPEND



This Graph Represents The Estimated Ending Balances Of The Fund Under Various Oil Price Scenarios, With Spending At **$450MM/Biennium**

Assumes Oil Average Of $60/BRL, Maintains A Balance Of $200MM After 10-Years, With A $450MM Biennial Projected Spend

It Would Take 3.5-Years To Spend The Current $454MM Balance To $0 With Oil Prices At $30/BRL, With Spending At $450MM/Biennium

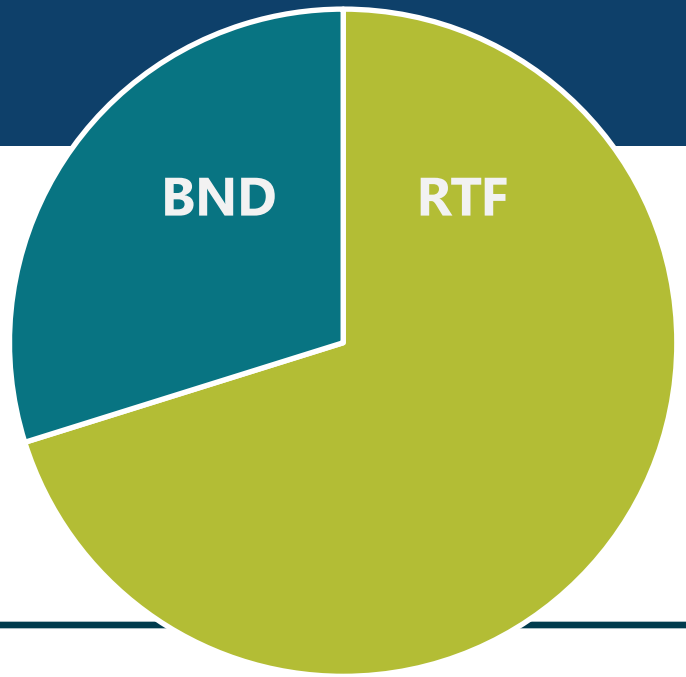
THIS STRATEGY ALLOWS FOR ENHANCED INVESTMENTS OF RTF DOLLARS

Resources Trust Fund CDs
$500MM Laddered
4.00% Yield

Bank Of North Dakota

BND Loans 3-7 Year
6.50% Yield
$19.5MM Income

BND Investments 3-7 Year
4.50% Yield
$9MM Income



TOTAL STATE RETURN:
$28.5MM = 5.70% YIELD
RTF = $20MM
BND = $8.5MM

ENHANCED INVESTMENTS YIELD HIGHER ROI FOR STATE

1yr = 3.25%

2yr = 3.50%

3yr = 3.75%

4yr = 4.00%

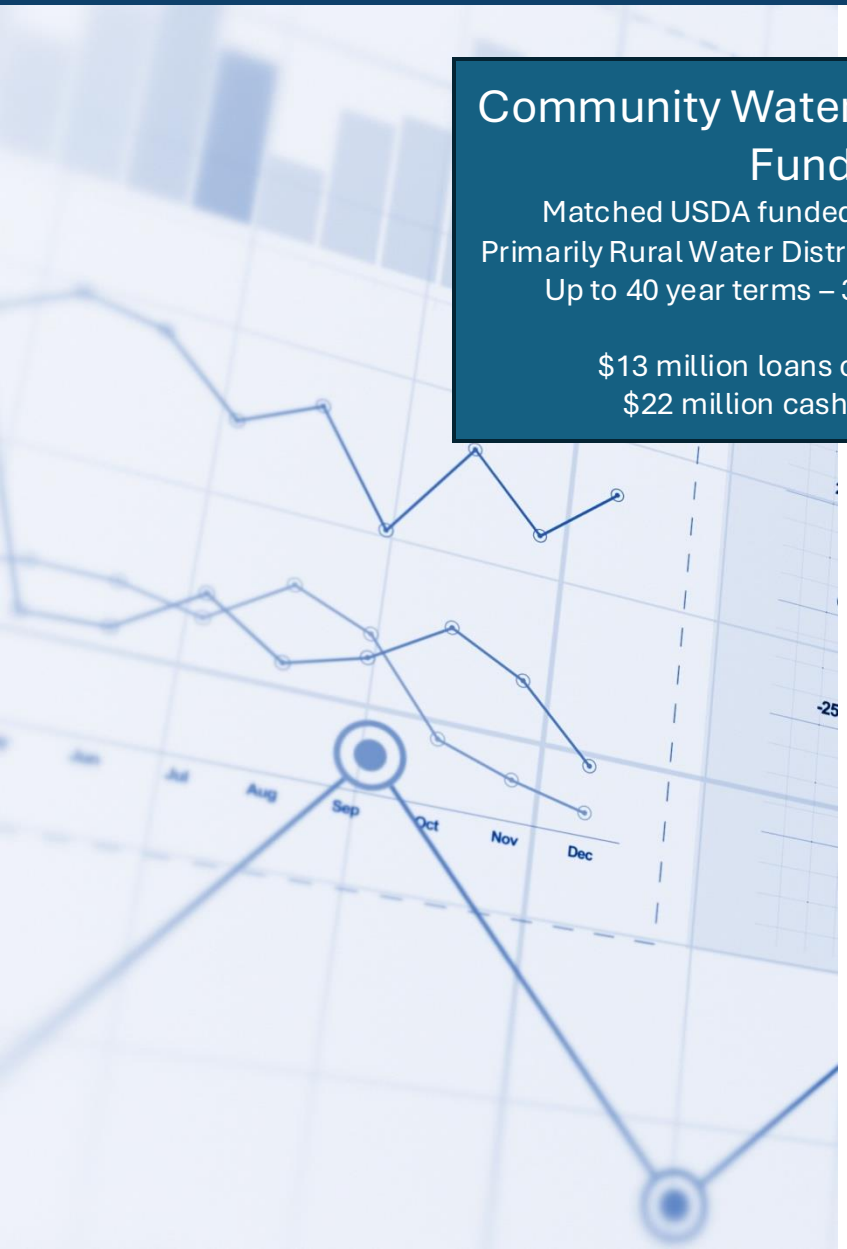
5yr = 4.25%

6yr = 4.50%

7yr = 4.75%

- A Laddered CD Maturity Approach, 1-7 Year
- CDs Price Relative To US Treasuries
  - 4.00% Average Yield
- A Better Understanding Of Future Net Cash Flows Allows RTF To Take More Duration
- Provide Consistent & Higher Returns
- BND Can Match Off Pools Of Loans (5-7 Year) With Longer Term CDs
- Average Biennial Interest in RTF: **>$44 Million**
- Average Biennial Return for State: **>$61 Million**

LEVERAGING WATER INFRASTRUCTURE REVOLVING LOAN FUND FOR LOCAL COST-SHARE



Community Water Facility Loan Fund

Matched USDA funded water projects
Primarily Rural Water Districts and Rural Cities
Up to 40 year terms – 3% interest rate

$13 million loans outstanding
$22 million cash available

Resources Trust Fund Infrastructure Loan Fund

Local share of SWC cost-share projects
Primarily flood control projects
Up to 30 year terms – 2% interest rate

$22 million loans outstanding
$4 million cash available

HB 1431 Water Infrastructure Revolving Loan Fund

Combined the Community Water and RTF Infrastructure Loan Funds
NDCC is silent on term – 2% interest rate

PAYING DOWN $45M YIELDS OVER $73M AVAILABILITY FOR NEW LOANS

Water Infrastructure Revolving Loan Fund	
Cash Balance	1,557,508.13
BND Line of Credit Available	100,000,000.00
Available Funds	101,557,508.13
In Construction Commitments	47,764,202.72
Approved Commitments	1,500,000.00
Pending Applications	-
Minot Flood Control	40,000,000.00
Current Available	**12,293,305.41**
2025 - 2027 Repayments	6,605,020.94
HB 1024 Deficiency Appropriation	10,000,000.00
HB 1020 Appropriation to WIRLF	45,000,000.00
Available for new loans 2025 - 2027	**73,898,326.35**
Potential 2025 - 2027 Loan Requests	
RRVWSP 2025-2027 Local Share	80,000,000.00
Mouse River 2025-2027 Local Share	40,000,000.00
Lower Heart River WRD Local Share	11,000,000.00

Water Infrastructure Revolving Loan Fund - By Term

Term	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
10 Years	$575,000.00	$408,540.11	2	0.44%
15 Years	$1,898,000.00	$412,645.52	5	1.46%
20 Years	$4,241,501.00	$2,171,564.36	8	3.27%
25 Years	$0.00	$0.00	-	0.00%
30 Years	$7,316,190.00	$4,441,840.71	14	5.64%
40 Years	$115,611,909.00	$57,777,063.10	27	89.18%
	$129,642,600.00	**$65,211,653.80**	**56**	

Water Infrastructure Revolving Loan Fund - By Population

Population	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
Under 1,000	$6,714,501.00	$2,992,749.99	15	5.18%
1,001 to 5,000	$19,666,985.00	$13,556,145.66	28	15.17%
5,001 to 10,000	$15,046,114.00	$9,524,826.40	9	11.61%
10,001 to 25,000	$0.00	$0.00	-	0.00%
Over 25,000	$88,215,000.00	$39,137,931.75	4	68.04%
	$129,642,600.00	**$65,211,653.80**	**56**	

TOTAL = $806.5M

Includes A $200M Line Of Credit (LOC)



LARGE REGIONAL

- RRVWSP $260M
- WAWS $46.5M
- NAWS $12.6M
- SWPP* $131.7M

**Includes $100M from bonding*

FLOOD CONTROL

- SOUTH BISMARCK $20M
- MOUSE RIVER $125M
- VALLEY CITY $16M
- DEVILS LAKE $1.7M
- OTHER $7.5M

WATER SUPPLY

- RURAL $80M
- MUNICIPAL $25M

GENERAL WATER

- CONVEYANCE $15M
- OTHER $8M
- PARKS AND REC GRANT $2.5M

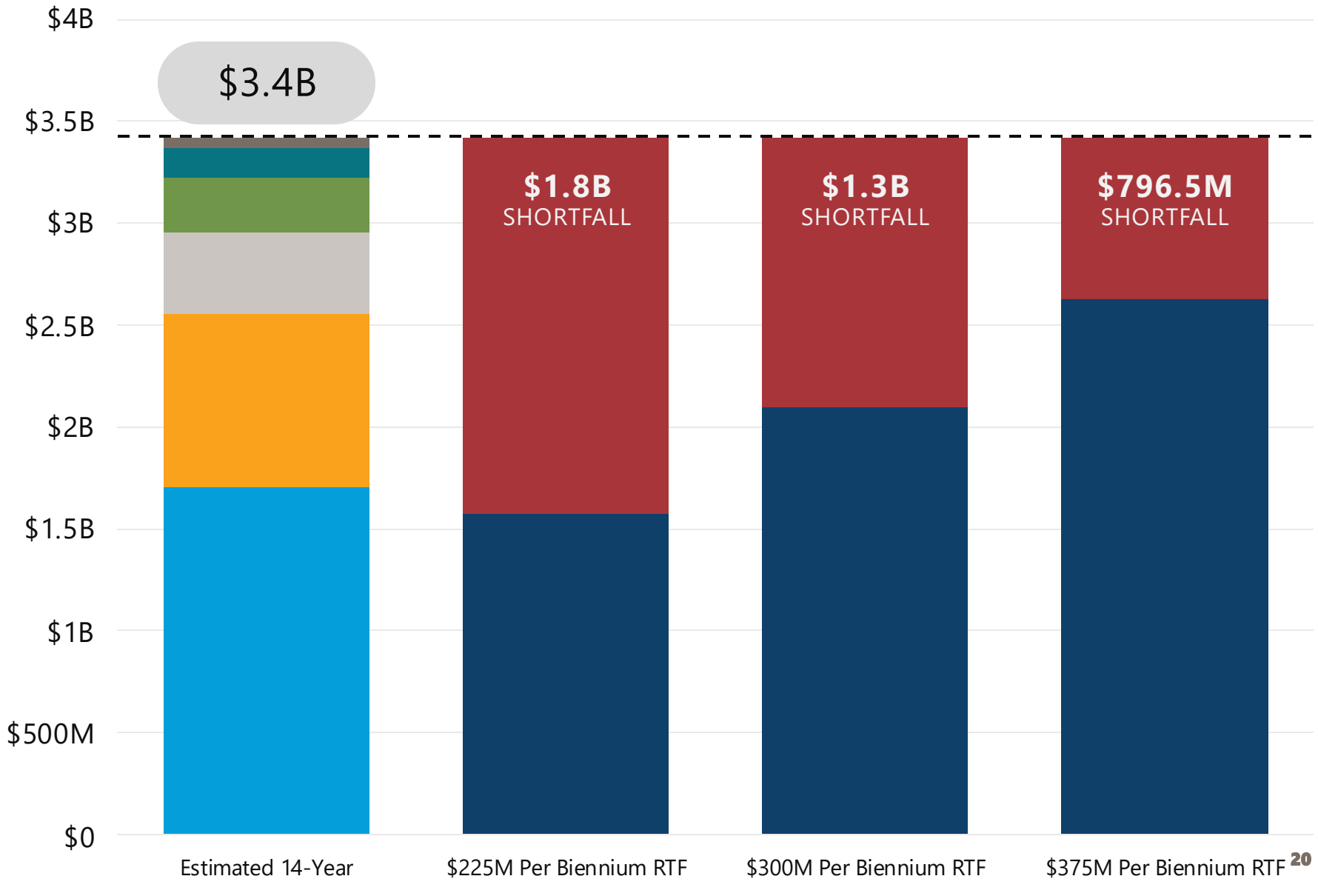
DISCRETIONARY

$45M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC

2025-2027 RESOURCES TRUST FUND (RTF) BUCKETS

IMPACT OF RTF REVENUE FROM 20.5% TO 15.5% (EXTRACTION TAX)

- Water Supply
- Flood Control
- Agency Operations
- Rural Water
- Other Flood Control & Conveyance
- General Water Management
- Resources Trust Fund (RTF)
- State Shortfall



DWR 2025-2027 BUDGET: OPTIONAL REQUESTS

*Includes Operating Expenses
**Federal Funding

6 Full Time Equivalents (FTE)

OPTIONAL REQUESTS

HOUSE VERSION - HB 1020

FTE Positions: Accountant, Deputy Director, NAWS Operator, Assistant NFIP Coordinator, RiskMap Specialist, Silver Jacket Conversion	$1,796,588*
(One-Time) Emergency Pumps Replacement	$480,000
(One Time) Excavator Replacement	$400,000
(One Time) Data Logger Replacement	$60,000
(One Time) Missouri River Intake Sites Field Investigation	$600,000
Cost to Continue SWC Expenditure, Temp Salary, & Overtime Adjustments	$305,914
Board of Water Well Contractors	$66,023
Federal Spending Authority	$2,051,788**
NAWS Biota Water Treatment Plant Operations**	
TOTAL OPTIONAL REQUESTS	**$5,760,313**

POLICY & OTHER LANGUAGE SECTIONS OF THE BILL

- Additional Income Appropriation;
- Funding Continued From Previous Biennia For Grants Or Water-Related Projects;
- Estimated Income Of $42.5 Million From The Water Projects Stabilization Fund;
- Direct the SWC To Bond Up To $100 Million For SWPP;
- Discretionary Funding Uses;
- Authorization To Transfer $10 Million Between Line Items Except Salaries & Wages;
- Authorization Of A $200 Million Line Of Credit From The Bank Of North Dakota;
- Project Funding Designations; and
- Continuing Appropriation For NAWS Biota WTP Operations.
- Appropriation to Parks & Recreation of $2.5 Million for Sovereign Lands Grants

POLICY & OTHER LANGUAGE SECTIONS OF THE BILL

- Transfer $45 Million to the Water Infrastructure Revolving Loan Fund;
- Legislative Intent For:
  - Funding For Red River Water Supply Project;
  - Funding For Mouse River Flood Control Project;
  - Funding For South Bismarck Stormwater Project;
  - The DWR To Continue To Support Efforts To Protect & Develop Beneficial Use Of The Missouri River System;
- Legislative Directive to Study:
  - The SWC To Study Its Cost-Share Policy;
  - The SWC To Study Regional Water Systems Governance & Finance; and
- Emergency Clause.



NORTH Dakota | Water Resources
Be Legendary.

THANK YOU

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/NDWaterResources

25.0164.01010
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for Representative Swiontek

February 19, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the ~~biennium beginning July 1, 2025~~period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$0~~	~~$22,998,148~~
~~Operating expenses~~	~~56,625,923~~	~~0~~	~~56,625,923~~
~~Capital assets~~	~~124,136,712~~	~~0~~	~~124,136,712~~
~~Water supply - grants~~	~~316,200,000~~	~~0~~	~~316,200,000~~

~~Rural water supply - grants~~	~~52,000,000~~	~~0~~	~~52,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~0~~	~~115,700,000~~
~~General water - grants~~	~~12,000,000~~	~~0~~	~~12,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$0~~	~~$699,660,783~~
~~Full-time equivalent positions~~	~~93.00~~	~~0.00~~	~~93.00~~
Salaries and wages	$22,998,148	$2,358,350	$25,356,498
New and vacant FTE pool	0	2,428,615	2,428,615
Operating expenses	56,625,923	(22,686,142)	33,939,781
Capital assets	124,136,712	(120,932,762)	3,203,950
Southwest pipeline project	0	131,713,336	131,713,336
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	105,000,000	105,000,000
Regional water supply	0	306,500,000	306,500,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	29,000,000	29,000,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	168,500,000	168,500,000
Discretionary funding	0	10,000,000	10,000,000
Total other funds	$699,660,783	$222,838,722	$922,499,505
Full-time equivalent positions	93.00	6.00	99.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
New FTE costs	$42,500
Emergency pumps replacement	480,000
Excavator replacement	400,000

Data logger replacement	60,000
Missouri River intake sites field investigation	600,000
Bank of North Dakota line of credit	200,000,000
Total other funds	$201,582,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of providing funding for water projects and grants, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the resources trust fund must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

SECTION 5. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING. There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.

SECTION 6. SOVEREIGN LANDS RECREATION USE GRANT. The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state

water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 7. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section 22 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 9. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT. The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 10. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer $45,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 11. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The Bank of North Dakota shall extend a line of credit not to exceed $100,000,000 to the department of water resources to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 12. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The Bank of North Dakota shall extend a line of credit not to exceed ~~one hundred million~~two hundred million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project~~two hundred million dollars for water projects during the biennium beginning July 1, ~~2023~~2025, and ending June 30, ~~2025~~2027.

SECTION 13. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 14. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, $260,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 15. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, $125,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

SECTION 16. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

SECTION 17. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. $105,000,000 for water supply, including:
   a. $25,000,000 for municipal water supply; and
   b. $80,000,000 for rural water supply.
2. $306,500,000 for regional water supply, including:
   a. $260,000,000 for Red River valley water supply project; and
   b. $46,500,000 for western area water supply project.
3. $168,500,000 for flood control, including:
   a. $125,000,000 for Mouse River flood control;
   b. $16,000,000 for Valley City flood control;
   c. $20,000,000 for south Bismarck storm water and flood control; and
   d. $7,500,000 for other flood control projects.

4. $29,000,000 for general water, including:
    a. $15,000,000 for water conveyance;
    b. $2,500,000 for sovereign lands; and
    c. $11,500,000 for other general water projects.

SECTION 18. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 19. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from the regional water systems governance and finance study.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY - REPORT TO LEGISLATIVE MANAGEMENT. During the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the state's financial roll in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the

appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall report annually to the legislative management during the 2025-26 interim regarding the status of and any recommendations from the cost-share policy study.

SECTION 21. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to $10,000,000 between the line items, excluding the salaries and wages line item and the new and vacant FTE pool line item, in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 22. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be $522,500,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

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

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of House Action

	Base Budget	House Changes	House Version
Department of Water Resources			
Total all funds	$699,660,783	$222,838,722	$922,499,505
Less estimated income	699,660,783	222,838,722	922,499,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00
Parks and Recreation Department			
Total all funds	$0	$2,500,000	$2,500,000
Less estimated income	0	2,500,000	2,500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$699,660,783	$225,338,722	$924,999,505
Less estimated income	699,660,783	225,338,722	924,999,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00

House Bill No. 1020 - Parks and Recreation Department - House Action

	Base Budget	House Changes	House Version
Sovereign lands recreation use grants		$2,500,000	$2,500,000
Total all funds	$0	$2,500,000	$2,500,000
Less estimated income	0	2,500,000	2,500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of House Changes

	Adds Funding for Sovereign Lands Grants[1]	Total House Changes
Sovereign lands recreation use grants	$2,500,000	$2,500,000
Total all funds	$2,500,000	$2,500,000
Less estimated income	2,500,000	2,500,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $2.5 million from a resources trust fund grant is appropriated to the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state.

House Bill No. 1020 - Department of Water Resources - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$22,998,148	$2,358,350	$25,356,498
New and vacant FTE pool		2,428,615	2,428,615
Operating expenses	56,625,923	(22,686,142)	33,939,781
Capital assets	124,136,712	(120,932,762)	3,203,950
Southwest pipeline project		131,713,336	131,713,336
Northwest area water supply		106,857,325	106,857,325
Water supply - Grants	316,200,000	(316,200,000)	
Rural water supply - Grants	52,000,000	(52,000,000)	
Water supply		105,000,000	105,000,000
Regional water supply		306,500,000	306,500,000
General water - Grants	12,000,000	(12,000,000)	
General water		29,000,000	29,000,000
Flood control - Grants	115,700,000	(115,700,000)	
Flood control		168,500,000	168,500,000
Discretionary funding		10,000,000	10,000,000
Total all funds	$699,660,783	$222,838,722	$922,499,505
Less estimated income	699,660,783	222,838,722	922,499,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00

Department 770 - Department of Water Resources - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding to Replace 2023-25 New and Vacant FTE Pool[3]	Transfers Funding for 2025-27 New and Vacant FTE Pool[4]	Adds FTE Positions[5]	Adds Funding for Other Salaries and Wages[6]
Salaries and wages	$416,661	$1,575,423	$1,615,629	($3,062,038)	$1,425,938	$386,737
New and vacant FTE pool				2,428,615		
Operating expenses						
Capital assets						
Southwest pipeline project						
Northwest area water supply						
Water supply - Grants						
Rural water supply - Grants						
Water supply						
Regional water supply						
General water - Grants						
General water						
Flood control - Grants						
Flood control						
Discretionary funding						
Total all funds	$416,661	$1,575,423	$1,615,629	($633,423)	$1,425,938	$386,737
Less estimated income	416,661	1,575,423	1,615,629	(633,423)	1,425,938	386,737
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	6.00	0.00

	Adjusts Funding for Ongoing Operating Expenses[7]	Reduces Funding for Capital Assets[8]	Adjusts Funding for Water Projects and Grants[9]	Adds One-Time Funding[10]	Total House Changes
Salaries and wages					$2,358,350
New and vacant FTE pool					2,428,615
Operating expenses	$1,200,317		($24,518,959)	$632,500	(22,686,142)
Capital assets		($330,000)	(121,552,762)	950,000	(120,932,762)
Southwest pipeline project			131,713,336		131,713,336
Northwest area water supply			106,857,325		106,857,325
Water supply - Grants			(316,200,000)		(316,200,000)
Rural water supply - Grants			(52,000,000)		(52,000,000)
Water supply			105,000,000		105,000,000
Regional water supply			306,500,000		306,500,000
General water - Grants			(12,000,000)		(12,000,000)
General water			29,000,000		29,000,000
Flood control - Grants			(115,700,000)		(115,700,000)
Flood control			168,500,000		168,500,000
Discretionary funding			10,000,000		10,000,000
Total all funds	$1,200,317	($330,000)	$215,598,940	$1,582,500	$222,838,722
Less estimated income	1,200,317	(330,000)	215,598,940	1,582,500	222,838,722
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	6.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from $1,643 to $1,893 per month:

	Federal Funds	Special Funds	Total Other Funds
Salary increase	$36,791	$926,093	$962,884
Health insurance increase	24,922	587,617	612,539
Total	$61,713	$1,513,710	$1,575,423

[3] Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	Federal Funds	Special Funds	Total Other Funds
Vacant FTE positions	$20,552	$891,679	$912,231
New FTE positions	0	703,398	703,398
Total	$20,552	$1,595,077	$1,615,629

[4] Funding of $3,062,038 for new FTE positions and estimated savings from vacant FTE positions is removed and funding of $2,428,615 is added for a 2025-27 new and vacant FTE pool line item as follows:

	Federal Funds	Special Funds	Total Other Funds
New FTE positions	($399,084)	($1,026,854)	($1,425,938)
Vacant FTE positions	(62,176)	(1,573,924)	(1,636,100)
Total	($461,260)	($2,600,778)	($3,062,038)
Funding pool line item	402,699	2,025,916	2,428,615
Net savings	($58,561)	($574,862)	($633,423)

[5] The following FTE positions and related funding are added:

	FTE Positions	Federal Funds	Other Funds	Total
Accountant	1.00	$0	$277,962	$277,962
Deputy director or other position	1.00	0	426,682	426,682
Northwest area water supply operator	1.00	0	266,924	266,924
National flood insurance program coordinator	1.00	165,856	55,288	221,144
RiskMAP program specialist	1.00	233,226	0	233,226
Convert Silver Jacket flood risk temporary position	1.00	0	0	0
Total	6.00	$399,082	$1,026,854	$1,425,938

[6] Funding is added for other salaries and wages as follows:

	Other Funds
State water commissioner salaries	$53,760
Overtime and temporary salaries	60,000
Northwest area water supply temporary salaries	106,954
Board of Water Well Contractors administrative services	66,023
Internship program	100,000
Total	$386,737

[7] Adds funding for ongoing operating expenses as follows:

	Federal Funds	Special Funds	Total Other Funds
State water commissioner operating expenses	$0	$85,200	$85,200
New FTE operating expenses	186,090	142,060	328,150
Travel and professional services	2,051,788	0	2,051,788
Other operating expenses	0	(1,264,821)	(1,264,821)
Total	$2,237,878	($1,037,561)	$1,200,317

[8] Funding for capital assets is reduced by $330,000 from special funds.

[9] Base funding is adjusted for water projects, grants, and discretionary funding as follows:

	Other Funds
Operating expenses, including for state-owned water projects	($24,518,959)
Capital assets, including for state-owned water projects	(121,552,762)
Southwest pipeline project, including $100 million from revenue bond proceeds	131,713,336
Northwest area water supply	106,857,325
Water supply - grants	(316,200,000)
Rural water supply - grants	(52,000,000)
Water supply	105,000,000
Regional water supply	306,500,000
Flood control - grants	(115,700,000)
Flood control	168,500,000
General water - grants	(12,000,000)
General water	29,000,000
Discretionary funding	10,000,000
Total, including $200 million from a Bank of North Dakota line of credit	$215,598,940

[10] One-time funding is added as follows:

	Federal Funds	Special Funds	Total Other Funds
New FTE one-time costs	$11,375	$31,125	$42,500
Emergency pumps replacement	0	480,000	480,000
Excavator replacement	0	400,000	400,000
Data logger replacement	0	60,000	60,000
Missouri River intake sites field investigation	0	600,000	600,000
Total	$11,375	$1,571,125	$1,582,500

This amendment also adds sections to:

- Provide language regarding the use of funding in the new and vacant FTE pool line item.
- Appropriate any additional funds available in the resources trust fund to the Department of Water Resources for municipal water supply grants and rural water supply grants.
- Identify $2.5 million of the amount appropriated from the resources trust fund in the general water line item for a grant to the Parks and Recreation Department for sovereign lands recreation use grants.
- Identify $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
- Provide that funding in the discretionary funding line item may be used as necessary, except for salaries and wages.
- Provide revenue bond authorization of $100 million for the Southwest Pipeline Project.
- Provide for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.
- Provide for a Bank of North Dakota line of credit of $100 million to be transferred to the water infrastructure revolving loan fund as necessary.
- Provide for a Bank of North Dakota line of credit of $200 million for water projects.
- Provide continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.
- Provide legislative intent regarding funding to be granted for the Red River Valley Water Supply Project during the 2025-27 biennium.
- Provide legislative intent regarding funding to be granted for the Mouse River flood control project during the 2025-27 biennium.
- Provide legislative intent regarding funding to be granted for the south Bismarck storm water and flood control project during the 2025-27 biennium.
- Provide legislative intent regarding allocations within line items for water projects.
- Provide legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.
- Provide for a State Water Commission study of regional water systems governance and finance.
- Provide for a State Water Commission study of its cost-share policy.
- Provide authority for the Department of Water Resources to transfer up to $10 million between line items.
- Provide for unexpended appropriation authority for grants and water projects to be continued to the 2025-27 biennium, estimated to be $522.5 million, including $123.4 million from the water projects stabilization fund and $399.1 million from the resources trust fund.
- Declare the bill to be an emergency measure.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1020
2/21/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

10:43 a.m. Chairman Vigesaa opened the meeting.

Members Present: Vice Chair Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- Committee Action
- Water Infrastructure Revolving Loan Fund

10:43 a.m. Representative Swiontek explained the amendment and the statement of purpose LC #25.0164.01011, testimony #38317 and additional testimony #38318.

10:53 a.m. Reice Haase, Director, Department of Water Resources, further explained testimony.

10:59 a.m. Kelvin Hullet, Chief Business Development Officer, Bank of North Dakota continued with testimony #38318 and answered questions for the committee.

11:06 a.m. Kylee Merkel, Bank of North Dakota, continued with testimony #38318.

11:20 a.m. John Paczkowski, State Engineer, Department of Water Resources, testified in favor.

11:33 a.m. Chris Kadrmas, Director of Administration, Department of Water Resources, testified in favor.

11:36 a.m. Representative Swiontek moved to adopt amendment LC #25.0164.01011.

11:36 a.m. Representative Nathe seconded the motion.

11:37 a.m. Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	AB
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

11:37 a.m. Motion to adopt amendment passed 22-0-1.

11:38 a.m. Representative Swiontek moved a Do Pass as amended.

11:38 a.m. Representative Fischer seconded the motion.

11:39 a.m. Representative Bosch moved Representative Berg be excused from voting.

11:39 a.m. Representative Fischer seconded the motion.

11:39 a.m. Voice vote on Representative Berg excusal. Motion Passed.

11:40 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	AB
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y

Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

11:40 a.m. Motion passed 22-0-1.

11:40 a.m. Representative Swiontek will carry.

11:41 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle for Risa Berube, Committee Clerk

25.0164.01011
Title.02000
Fiscal No. 3

Prepared by the Legislative Council staff for Representative Swiontek

February 20, 2025

2-21-25
pgno 1 of 13

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the ~~biennium beginning July 1, 2025~~period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$0~~	~~$22,998,148~~
~~Operating expenses~~	~~56,625,923~~	~~0~~	~~56,625,923~~
~~Capital assets~~	~~124,136,712~~	~~0~~	~~124,136,712~~
~~Water supply - grants~~	~~316,200,000~~	~~0~~	~~316,200,000~~

~~Rural water supply - grants~~	~~52,000,000~~	~~0~~	~~52,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~0~~	~~115,700,000~~
~~General water - grants~~	~~12,000,000~~	~~0~~	~~12,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$0~~	~~$699,660,783~~
~~Full-time equivalent positions~~	~~93.00~~	~~0.00~~	~~93.00~~
Salaries and wages	$22,998,148	$2,358,350	$25,356,498
New and vacant FTE pool	0	2,428,615	2,428,615
Operating expenses	56,625,923	(22,686,142)	33,939,781
Capital assets	124,136,712	(120,932,762)	3,203,950
Southwest pipeline project	0	131,713,336	131,713,336
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	105,000,000	105,000,000
Regional water supply	0	306,500,000	306,500,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	29,000,000	29,000,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	168,500,000	168,500,000
Discretionary funding	0	10,000,000	10,000,000
Total other funds	$699,660,783	$222,838,722	$922,499,505
Full-time equivalent positions	93.00	6.00	99.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
New FTE costs	$42,500
Emergency pumps replacement	480,000
Excavator replacement	400,000

Data logger replacement	60,000
Missouri River intake sites field investigation	600,000
Bank of North Dakota line of credit	200,000,000
Total other funds	$201,582,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of providing funding for water projects and grants, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the resources trust fund must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - DEPARTMENT OF WATER RESOURCES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repaying a Bank of North Dakota line of credit for the water infrastructure revolving loan fund, for the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 6. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING. There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to

the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.

SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT. The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 9. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section 22 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 10. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT. The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 11. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer $45,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 12. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The Bank of North Dakota shall extend a line of credit not to exceed $100,000,000 to the department of water resources to be

transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 13. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The Bank of North Dakota shall extend a line of credit not to exceed ~~one hundred million~~two hundred million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project~~two hundred million dollars for water projects during the biennium beginning July 1, ~~2023~~2025, and ending June 30, ~~2025~~2027.

SECTION 14. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 15. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not

approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, $260,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 16. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, $125,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

SECTION 17. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

SECTION 18. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. $105,000,000 for water supply, including:
   a. $25,000,000 for municipal water supply; and
   b. $80,000,000 for rural water supply.
2. $306,500,000 for regional water supply, including:
   a. $260,000,000 for Red River valley water supply project; and
   b. $46,500,000 for western area water supply project.

3. $168,500,000 for flood control, including:
   a. $125,000,000 for Mouse River flood control;
   b. $16,000,000 for Valley City flood control;
   c. $20,000,000 for south Bismarck storm water and flood control; and
   d. $7,500,000 for other flood control projects.
4. $29,000,000 for general water, including:
   a. $15,000,000 for water conveyance;
   b. $2,500,000 for sovereign lands; and
   c. $11,500,000 for other general water projects.

SECTION 19. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from the regional water systems governance and finance study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY - REPORT TO LEGISLATIVE MANAGEMENT. During the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also

evaluate the state's financial roll in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall report annually to the legislative management during the 2025-26 interim regarding the status of and any recommendations from the cost-share policy study.

SECTION 22. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to $10,000,000 between the line items, excluding the salaries and wages line item and the new and vacant FTE pool line item, in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 23. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be $522,500,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 24. EMERGENCY. This Act is declared to be an emergency measure.

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STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of House Action

	Base Budget	House Changes	House Version
Department of Water Resources			
Total all funds	$699,660,783	$222,838,722	$922,499,505
Less estimated income	699,660,783	222,838,722	922,499,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00
Parks and Recreation Department			
Total all funds	$0	$2,500,000	$2,500,000
Less estimated income	0	2,500,000	2,500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$699,660,783	$225,338,722	$924,999,505
Less estimated income	699,660,783	225,338,722	924,999,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00

House Bill No. 1020 - Parks and Recreation Department - House Action

	Base Budget	House Changes	House Version
Sovereign lands recreation use grants		$2,500,000	$2,500,000
Total all funds	$0	$2,500,000	$2,500,000
Less estimated income	0	2,500,000	2,500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of House Changes

	Adds Funding for Sovereign Lands Grants[1]	Total House Changes
Sovereign lands recreation use grants	$2,500,000	$2,500,000
Total all funds	$2,500,000	$2,500,000
Less estimated income	2,500,000	2,500,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $2.5 million from a resources trust fund grant is appropriated to the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state.

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House Bill No. 1020 - Department of Water Resources - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$22,998,148	$2,358,350	$25,356,498
New and vacant FTE pool		2,428,615	2,428,615
Operating expenses	56,625,923	(22,686,142)	33,939,781
Capital assets	124,136,712	(120,932,762)	3,203,950
Southwest pipeline project		131,713,336	131,713,336
Northwest area water supply		106,857,325	106,857,325
Water supply - Grants	316,200,000	(316,200,000)	
Rural water supply - Grants	52,000,000	(52,000,000)	
Water supply		105,000,000	105,000,000
Regional water supply		306,500,000	306,500,000
General water - Grants	12,000,000	(12,000,000)	
General water		29,000,000	29,000,000
Flood control - Grants	115,700,000	(115,700,000)	
Flood control		168,500,000	168,500,000
Discretionary funding		10,000,000	10,000,000
Total all funds	$699,660,783	$222,838,722	$922,499,505
Less estimated income	699,660,783	222,838,722	922,499,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00

Department 770 - Department of Water Resources - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding to Replace 2023-25 New and Vacant FTE Pool[3]	Transfers Funding for 2025-27 New and Vacant FTE Pool[4]	Adds FTE Positions[5]	Adds Funding for Other Salaries and Wages[6]
Salaries and wages	$416,661	$1,575,423	$1,615,629	($3,062,038)	$1,425,938	$386,737
New and vacant FTE pool				2,428,615		
Operating expenses						
Capital assets						
Southwest pipeline project						
Northwest area water supply						
Water supply - Grants						
Rural water supply - Grants						
Water supply						
Regional water supply						
General water - Grants						
General water						
Flood control - Grants						
Flood control						
Discretionary funding						
Total all funds	$416,661	$1,575,423	$1,615,629	($633,423)	$1,425,938	$386,737
Less estimated income	416,661	1,575,423	1,615,629	(633,423)	1,425,938	386,737
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	6.00	0.00

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	Adjusts Funding for Ongoing Operating Expenses[7]	Reduces Funding for Capital Assets[8]	Adjusts Funding for Water Projects and Grants[9]	Adds One-Time Funding[10]	Total House Changes
Salaries and wages					$2,358,350
New and vacant FTE pool					2,428,615
Operating expenses	$1,200,317		($24,518,959)	$632,500	(22,686,142)
Capital assets		($330,000)	(121,552,762)	950,000	(120,932,762)
Southwest pipeline project			131,713,336		131,713,336
Northwest area water supply			106,857,325		106,857,325
Water supply - Grants			(316,200,000)		(316,200,000)
Rural water supply - Grants			(52,000,000)		(52,000,000)
Water supply			105,000,000		105,000,000
Regional water supply			306,500,000		306,500,000
General water - Grants			(12,000,000)		(12,000,000)
General water			29,000,000		29,000,000
Flood control - Grants			(115,700,000)		(115,700,000)
Flood control			168,500,000		168,500,000
Discretionary funding			10,000,000		10,000,000
Total all funds	$1,200,317	($330,000)	$215,598,940	$1,582,500	$222,838,722
Less estimated income	1,200,317	(330,000)	215,598,940	1,582,500	222,838,722
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	6.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from $1,643 to $1,893 per month:

	Federal Funds	Special Funds	Total Other Funds
Salary increase	$36,791	$926,093	$962,884
Health insurance increase	24,922	587,617	612,539
Total	$61,713	$1,513,710	$1,575,423

[3] Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	Federal Funds	Special Funds	Total Other Funds
Vacant FTE positions	$20,552	$891,679	$912,231
New FTE positions	0	703,398	703,398
Total	$20,552	$1,595,077	$1,615,629

[4] Funding of $3,062,038 for new FTE positions and estimated savings from vacant FTE positions is removed and funding of $2,428,615 is added for a 2025-27 new and vacant FTE pool line item as follows:

	Federal Funds	Special Funds	Total Other Funds
New FTE positions	($399,084)	($1,026,854)	($1,425,938)
Vacant FTE positions	(62,176)	(1,573,924)	(1,636,100)
Total	($461,260)	($2,600,778)	($3,062,038)
Funding pool line item	402,699	2,025,916	2,428,615
Net savings	($58,561)	($574,862)	($633,423)

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[5] The following FTE positions and related funding are added:

	FTE Positions	Federal Funds	Other Funds	Total
Accountant	1.00	$0	$277,962	$277,962
Deputy director or other position	1.00	0	426,682	426,682
Northwest Area Water Supply (NAWS) operator	1.00	0	266,924	266,924
National flood insurance program coordinator	1.00	165,856	55,288	221,144
RiskMAP program specialist	1.00	233,226	0	233,226
Convert Silver Jacket flood risk temporary position	1.00	0	0	0
Total	6.00	$399,082	$1,026,854	$1,425,938

[6] Funding is added for other salaries and wages as follows:

	Other Funds
State water commissioner salaries	$53,760
Overtime and temporary salaries	60,000
NAWS temporary salaries	106,954
Board of Water Well Contractors administrative services	66,023
Internship program	100,000
Total	$386,737

[7] Adds funding for ongoing operating expenses as follows:

	Federal Funds	Special Funds	Total Other Funds
State water commissioner operating expenses	$0	$85,200	$85,200
New FTE operating expenses	186,090	142,060	328,150
Travel and professional services	2,051,788	0	2,051,788
Other operating expenses	0	(1,264,821)	(1,264,821)
Total	$2,237,878	($1,037,561)	$1,200,317

[8] Funding for capital assets is reduced by $330,000 from special funds.

[9] Base funding is adjusted for water projects, grants, and discretionary funding as follows:

	Other Funds
Operating expenses, including for state-owned water projects	($24,518,959)
Capital assets, including for state-owned water projects	(121,552,762)
Southwest pipeline project, including $100 million from revenue bond proceeds	131,713,336
NAWS	106,857,325
Water supply - grants	(316,200,000)
Rural water supply - grants	(52,000,000)
Water supply	105,000,000
Regional water supply	306,500,000
Flood control - grants	(115,700,000)
Flood control	168,500,000
General water - grants	(12,000,000)
General water	29,000,000
Discretionary funding	10,000,000
Total, including $200 million from a Bank of North Dakota line of credit	$215,598,940

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[10] One-time funding is added as follows:

	Federal Funds	Special Funds	Total Other Funds
New FTE one-time costs	$11,375	$31,125	$42,500
Emergency pumps replacement	0	480,000	480,000
Excavator replacement	0	400,000	400,000
Data logger replacement	0	60,000	60,000
Missouri River intake sites field investigation	0	600,000	600,000
Total	$11,375	$1,571,125	$1,582,500

This amendment also adds sections to:

- Provide language regarding the use of funding in the new and vacant FTE pool line item.
- Appropriate any additional funds available in the resources trust fund to the Department of Water Resources for municipal water supply grants and rural water supply grants.
- Provide a deficiency appropriation from the strategic investment and improvements fund to the Department of Water Resources to repay a line of credit associated with the water infrastructure revolving loan fund.
- Identify $2.5 million of the amount appropriated from the resources trust fund in the general water line item for a grant to the Parks and Recreation Department for sovereign lands recreation use grants.
- Identify $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
- Provide that funding in the discretionary funding line item may be used as necessary, except for salaries and wages.
- Provide revenue bond authorization of $100 million for the Southwest Pipeline Project.
- Provide for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.
- Provide for a Bank of North Dakota line of credit of $100 million to be transferred to the water infrastructure revolving loan fund as necessary.
- Provide for a Bank of North Dakota line of credit of $200 million for water projects.
- Provide continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.
- Provide legislative intent regarding funding to be granted for the Red River Valley Water Supply Project during the 2025-27 biennium.
- Provide legislative intent regarding funding to be granted for the Mouse River flood control project during the 2025-27 biennium.
- Provide legislative intent regarding funding to be granted for the south Bismarck storm water and flood control project during the 2025-27 biennium.
- Provide legislative intent regarding allocations within line items for water projects.
- Provide legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.
- Provide for a State Water Commission study of regional water systems governance and finance.
- Provide for a State Water Commission study of its cost-share policy.
- Provide authority for the Department of Water Resources to transfer up to $10 million between line items.
- Provide for unexpended appropriation authority for grants and water projects to be continued to the 2025-27 biennium, estimated to be $522.5 million, including $123.4 million from the water projects stabilization fund and $399.1 million from the resources trust fund.
- Declare the bill to be an emergency measure.

REPORT OF STANDING COMMITTEE
HB 1020

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS (25.0164.01011)** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). HB 1020 was placed on the Sixth order on the calendar.

25.0164.01011
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for Representative Swiontek

February 20, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the ~~biennium beginning July 1, 2025~~period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$0~~	~~$22,998,148~~
~~Operating expenses~~	~~56,625,923~~	~~0~~	~~56,625,923~~
~~Capital assets~~	~~124,136,712~~	~~0~~	~~124,136,712~~
~~Water supply - grants~~	~~316,200,000~~	~~0~~	~~316,200,000~~

~~Rural water supply - grants~~	~~52,000,000~~	~~0~~	~~52,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~0~~	~~115,700,000~~
~~General water - grants~~	~~12,000,000~~	~~0~~	~~12,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$0~~	~~$699,660,783~~
~~Full-time equivalent positions~~	~~93.00~~	~~0.00~~	~~93.00~~
Salaries and wages	$22,998,148	$2,358,350	$25,356,498
New and vacant FTE pool	0	2,428,615	2,428,615
Operating expenses	56,625,923	(22,686,142)	33,939,781
Capital assets	124,136,712	(120,932,762)	3,203,950
Southwest pipeline project	0	131,713,336	131,713,336
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	105,000,000	105,000,000
Regional water supply	0	306,500,000	306,500,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	29,000,000	29,000,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	168,500,000	168,500,000
Discretionary funding	0	10,000,000	10,000,000
Total other funds	$699,660,783	$222,838,722	$922,499,505
Full-time equivalent positions	93.00	6.00	99.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
New FTE costs	$42,500
Emergency pumps replacement	480,000
Excavator replacement	400,000

Data logger replacement	60,000
Missouri River intake sites field investigation	600,000
Bank of North Dakota line of credit	200,000,000
Total other funds	$201,582,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of providing funding for water projects and grants, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the resources trust fund must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - DEPARTMENT OF WATER RESOURCES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repaying a Bank of North Dakota line of credit for the water infrastructure revolving loan fund, for the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 6. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING. There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to

the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.

SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT. The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 9. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section 22 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 10. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT. The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 11. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer $45,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 12. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The Bank of North Dakota shall extend a line of credit not to exceed $100,000,000 to the department of water resources to be

transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 13. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The Bank of North Dakota shall extend a line of credit not to exceed ~~one hundred million~~two hundred million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project~~two hundred million dollars for water projects during the biennium beginning July 1, ~~2023~~2025, and ending June 30, ~~2025~~2027.

SECTION 14. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 15. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not

approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, $260,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 16. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, $125,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

SECTION 17. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

SECTION 18. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. $105,000,000 for water supply, including:
   a. $25,000,000 for municipal water supply; and
   b. $80,000,000 for rural water supply.
2. $306,500,000 for regional water supply, including:
   a. $260,000,000 for Red River valley water supply project; and
   b. $46,500,000 for western area water supply project.

3. $168,500,000 for flood control, including:
   a. $125,000,000 for Mouse River flood control;
   b. $16,000,000 for Valley City flood control;
   c. $20,000,000 for south Bismarck storm water and flood control; and
   d. $7,500,000 for other flood control projects.
4. $29,000,000 for general water, including:
   a. $15,000,000 for water conveyance;
   b. $2,500,000 for sovereign lands; and
   c. $11,500,000 for other general water projects.

SECTION 19. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from the regional water systems governance and finance study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY - REPORT TO LEGISLATIVE MANAGEMENT. During the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also

evaluate the state's financial roll in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall report annually to the legislative management during the 2025-26 interim regarding the status of and any recommendations from the cost-share policy study.

SECTION 22. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to $10,000,000 between the line items, excluding the salaries and wages line item and the new and vacant FTE pool line item, in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 23. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be $522,500,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 24. EMERGENCY. This Act is declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of House Action

	Base Budget	House Changes	House Version
Department of Water Resources			
Total all funds	$699,660,783	$222,838,722	$922,499,505
Less estimated income	699,660,783	222,838,722	922,499,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00
Parks and Recreation Department			
Total all funds	$0	$2,500,000	$2,500,000
Less estimated income	0	2,500,000	2,500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$699,660,783	$225,338,722	$924,999,505
Less estimated income	699,660,783	225,338,722	924,999,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00

House Bill No. 1020 - Parks and Recreation Department - House Action

	Base Budget	House Changes	House Version
Sovereign lands recreation use grants		$2,500,000	$2,500,000
Total all funds	$0	$2,500,000	$2,500,000
Less estimated income	0	2,500,000	2,500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of House Changes

	Adds Funding for Sovereign Lands Grants[1]	Total House Changes
Sovereign lands recreation use grants	$2,500,000	$2,500,000
Total all funds	$2,500,000	$2,500,000
Less estimated income	2,500,000	2,500,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $2.5 million from a resources trust fund grant is appropriated to the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state.

House Bill No. 1020 - Department of Water Resources - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$22,998,148	$2,358,350	$25,356,498
New and vacant FTE pool		2,428,615	2,428,615
Operating expenses	56,625,923	(22,686,142)	33,939,781
Capital assets	124,136,712	(120,932,762)	3,203,950
Southwest pipeline project		131,713,336	131,713,336
Northwest area water supply		106,857,325	106,857,325
Water supply - Grants	316,200,000	(316,200,000)	
Rural water supply - Grants	52,000,000	(52,000,000)	
Water supply		105,000,000	105,000,000
Regional water supply		306,500,000	306,500,000
General water - Grants	12,000,000	(12,000,000)	
General water		29,000,000	29,000,000
Flood control - Grants	115,700,000	(115,700,000)	
Flood control		168,500,000	168,500,000
Discretionary funding		10,000,000	10,000,000
Total all funds	$699,660,783	$222,838,722	$922,499,505
Less estimated income	699,660,783	222,838,722	922,499,505
General fund	$0	$0	$0
FTE	93.00	6.00	99.00

Department 770 - Department of Water Resources - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding to Replace 2023-25 New and Vacant FTE Pool[3]	Transfers Funding for 2025-27 New and Vacant FTE Pool[4]	Adds FTE Positions[5]	Adds Funding for Other Salaries and Wages[6]
Salaries and wages	$416,661	$1,575,423	$1,615,629	($3,062,038)	$1,425,938	$386,737
New and vacant FTE pool				2,428,615		
Operating expenses						
Capital assets						
Southwest pipeline project						
Northwest area water supply						
Water supply - Grants						
Rural water supply - Grants						
Water supply						
Regional water supply						
General water - Grants						
General water						
Flood control - Grants						
Flood control						
Discretionary funding						
Total all funds	$416,661	$1,575,423	$1,615,629	($633,423)	$1,425,938	$386,737
Less estimated income	416,661	1,575,423	1,615,629	(633,423)	1,425,938	386,737
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	6.00	0.00

	Adjusts Funding for Ongoing Operating Expenses[7]	Reduces Funding for Capital Assets[8]	Adjusts Funding for Water Projects and Grants[9]	Adds One-Time Funding[10]	Total House Changes
Salaries and wages					$2,358,350
New and vacant FTE pool					2,428,615
Operating expenses	$1,200,317		($24,518,959)	$632,500	(22,686,142)
Capital assets		($330,000)	(121,552,762)	950,000	(120,932,762)
Southwest pipeline project			131,713,336		131,713,336
Northwest area water supply			106,857,325		106,857,325
Water supply - Grants			(316,200,000)		(316,200,000)
Rural water supply - Grants			(52,000,000)		(52,000,000)
Water supply			105,000,000		105,000,000
Regional water supply			306,500,000		306,500,000
General water - Grants			(12,000,000)		(12,000,000)
General water			29,000,000		29,000,000
Flood control - Grants			(115,700,000)		(115,700,000)
Flood control			168,500,000		168,500,000
Discretionary funding			10,000,000		10,000,000
Total all funds	$1,200,317	($330,000)	$215,598,940	$1,582,500	$222,838,722
Less estimated income	1,200,317	(330,000)	215,598,940	1,582,500	222,838,722
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	6.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from $1,643 to $1,893 per month:

	Federal Funds	Special Funds	Total Other Funds
Salary increase	$36,791	$926,093	$962,884
Health insurance increase	24,922	587,617	612,539
Total	$61,713	$1,513,710	$1,575,423

[3] Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	Federal Funds	Special Funds	Total Other Funds
Vacant FTE positions	$20,552	$891,679	$912,231
New FTE positions	0	703,398	703,398
Total	$20,552	$1,595,077	$1,615,629

[4] Funding of $3,062,038 for new FTE positions and estimated savings from vacant FTE positions is removed and funding of $2,428,615 is added for a 2025-27 new and vacant FTE pool line item as follows:

	Federal Funds	Special Funds	Total Other Funds
New FTE positions	($399,084)	($1,026,854)	($1,425,938)
Vacant FTE positions	(62,176)	(1,573,924)	(1,636,100)
Total	($461,260)	($2,600,778)	($3,062,038)
Funding pool line item	402,699	2,025,916	2,428,615
Net savings	($58,561)	($574,862)	($633,423)

[5] The following FTE positions and related funding are added:

	FTE Positions	Federal Funds	Other Funds	Total
Accountant	1.00	$0	$277,962	$277,962
Deputy director or other position	1.00	0	426,682	426,682
Northwest Area Water Supply (NAWS) operator	1.00	0	266,924	266,924
National flood insurance program coordinator	1.00	165,856	55,288	221,144
RiskMAP program specialist	1.00	233,226	0	233,226
Convert Silver Jacket flood risk temporary position	1.00	0	0	0
Total	6.00	$399,082	$1,026,854	$1,425,938

[6] Funding is added for other salaries and wages as follows:

	Other Funds
State water commissioner salaries	$53,760
Overtime and temporary salaries	60,000
NAWS temporary salaries	106,954
Board of Water Well Contractors administrative services	66,023
Internship program	100,000
Total	$386,737

[7] Adds funding for ongoing operating expenses as follows:

	Federal Funds	Special Funds	Total Other Funds
State water commissioner operating expenses	$0	$85,200	$85,200
New FTE operating expenses	186,090	142,060	328,150
Travel and professional services	2,051,788	0	2,051,788
Other operating expenses	0	(1,264,821)	(1,264,821)
Total	$2,237,878	($1,037,561)	$1,200,317

[8] Funding for capital assets is reduced by $330,000 from special funds.

[9] Base funding is adjusted for water projects, grants, and discretionary funding as follows:

	Other Funds
Operating expenses, including for state-owned water projects	($24,518,959)
Capital assets, including for state-owned water projects	(121,552,762)
Southwest pipeline project, including $100 million from revenue bond proceeds	131,713,336
NAWS	106,857,325
Water supply - grants	(316,200,000)
Rural water supply - grants	(52,000,000)
Water supply	105,000,000
Regional water supply	306,500,000
Flood control - grants	(115,700,000)
Flood control	168,500,000
General water - grants	(12,000,000)
General water	29,000,000
Discretionary funding	10,000,000
Total, including $200 million from a Bank of North Dakota line of credit	$215,598,940

[10] One-time funding is added as follows:

	Federal Funds	Special Funds	Total Other Funds
New FTE one-time costs	$11,375	$31,125	$42,500
Emergency pumps replacement	0	480,000	480,000
Excavator replacement	0	400,000	400,000
Data logger replacement	0	60,000	60,000
Missouri River intake sites field investigation	0	600,000	600,000
Total	$11,375	$1,571,125	$1,582,500

This amendment also adds sections to:

- Provide language regarding the use of funding in the new and vacant FTE pool line item.
- Appropriate any additional funds available in the resources trust fund to the Department of Water Resources for municipal water supply grants and rural water supply grants.
- Provide a deficiency appropriation from the strategic investment and improvements fund to the Department of Water Resources to repay a line of credit associated with the water infrastructure revolving loan fund.
- Identify $2.5 million of the amount appropriated from the resources trust fund in the general water line item for a grant to the Parks and Recreation Department for sovereign lands recreation use grants.
- Identify $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
- Provide that funding in the discretionary funding line item may be used as necessary, except for salaries and wages.
- Provide revenue bond authorization of $100 million for the Southwest Pipeline Project.
- Provide for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.
- Provide for a Bank of North Dakota line of credit of $100 million to be transferred to the water infrastructure revolving loan fund as necessary.
- Provide for a Bank of North Dakota line of credit of $200 million for water projects.
- Provide continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.
- Provide legislative intent regarding funding to be granted for the Red River Valley Water Supply Project during the 2025-27 biennium.
- Provide legislative intent regarding funding to be granted for the Mouse River flood control project during the 2025-27 biennium.
- Provide legislative intent regarding funding to be granted for the south Bismarck storm water and flood control project during the 2025-27 biennium.
- Provide legislative intent regarding allocations within line items for water projects.
- Provide legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.
- Provide for a State Water Commission study of regional water systems governance and finance.
- Provide for a State Water Commission study of its cost-share policy.
- Provide authority for the Department of Water Resources to transfer up to $10 million between line items.
- Provide for unexpended appropriation authority for grants and water projects to be continued to the 2025-27 biennium, estimated to be $522.5 million, including $123.4 million from the water projects stabilization fund and $399.1 million from the resources trust fund.
- Declare the bill to be an emergency measure.

February 20, 2025

ENHANCED WATER RESOURCE MANAGEMENT FRAMEWORK

HB 1020

House Appropriations Committee | House Bill 1020 | 69th Legislative Assembly

NORTH DAKOTA DWR

NORTH Dakota | Water Resources

Be Legendary.

MISSION AND PURPOSE



Mission of DWR

To responsibly manage North Dakota's water needs and risks for the people's benefit.



Water Development Priorities

Protection of citizens/businesses from flood-related impacts, new water supply connections, & low-head dam mitigation efforts.



Purpose of Resources Trust Fund

Fund construction of water-related projects, including rural water systems (Article X, § 22, ND Const.)

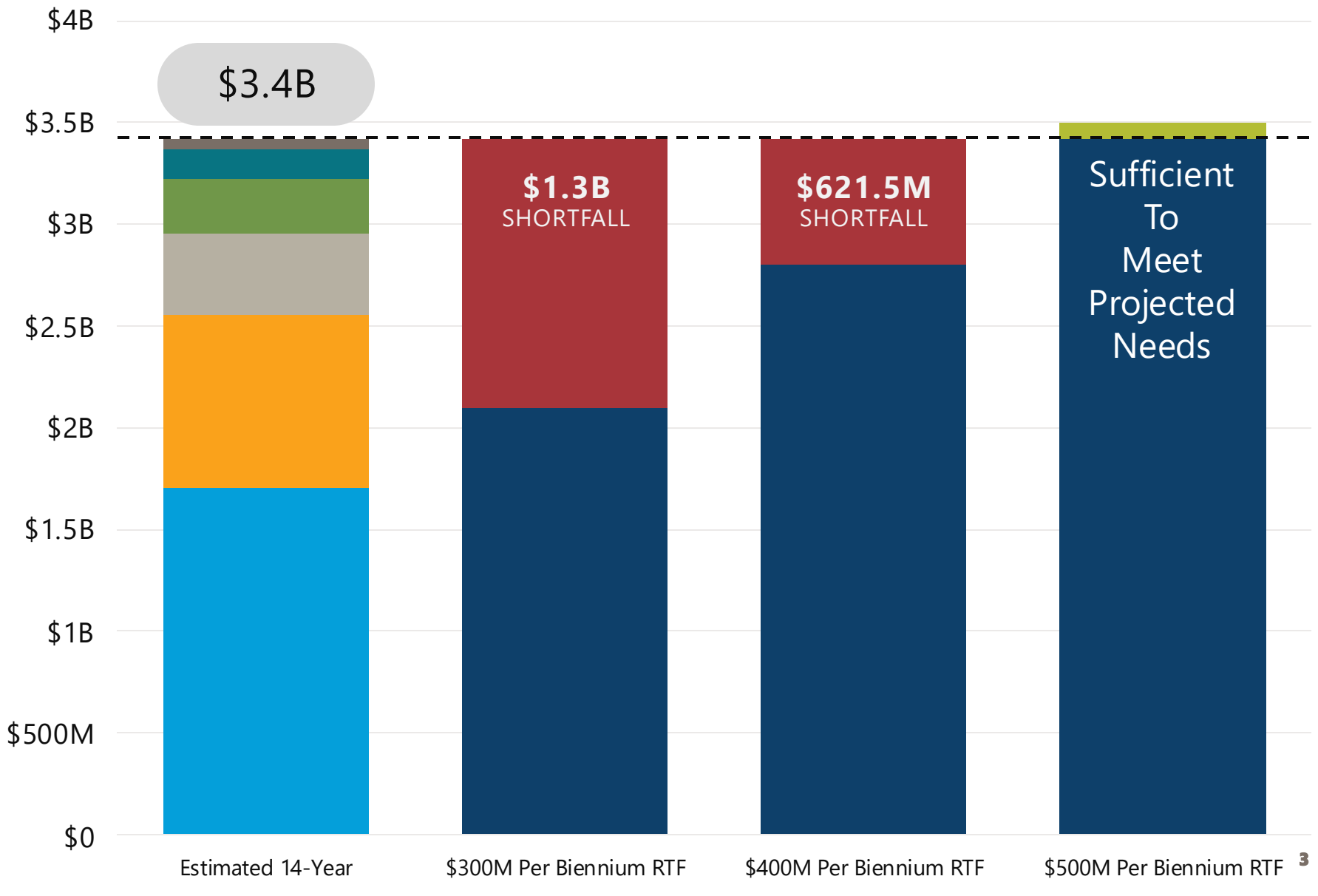


Source of Funding

20.5% of Oil Extraction Tax collections, interest income (NDCC 57-51.1-07)

14-YEAR PLAN: $500M/BIENNIUM MEETS NEEDS

- Water Supply
- Flood Control
- Agency Operations
- Rural Water
- Other Flood Control & Conveyance
- General Water Management
- Resources Trust Fund (RTF)
- State Shortfall
- Surplus



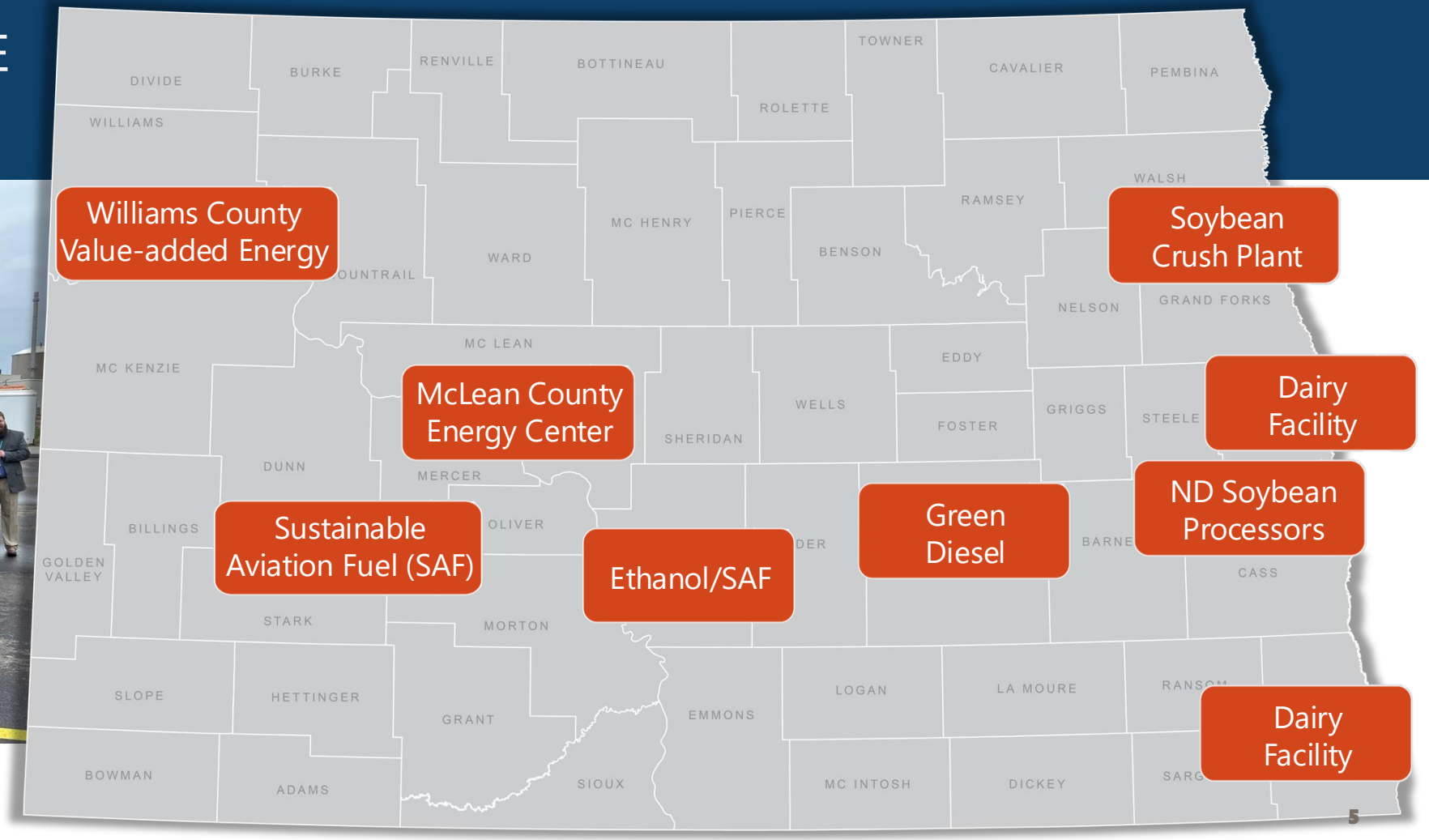
14-YEAR WATER PROJECT FUNDING NEEDS

Project	State	Local	Federal	Total
Water Supply	**1,703,666,767**	**615,797,941**	**33,701,866**	**2,353,166,574**
Red River Valley Water Supply Project (RRVWS)	773,000,000	257,000,000	0	1,030,000,000
Southwest Pipeline Project (SWPP)	313,000,000	0	0	313,000,000
Western Area Water Supply (WAWS)	177,700,000	60,000,000	0	237,700,000
Northwest Area Water Supply (NAWS)	71,700,000	52,100,000	0	123,800,000
Municipal Water	368,266,767	246,697,941	33,701,866	648,666,574
Flood Control	**854,000,000**	**441,000,000**	**120,000,000**	**1,415,000,000**
Mouse River Enhanced Flood Protection	733,000,000	380,000,000	70,000,000	1,183,000,000
Valley City Permanent Flood Protection	48,000,000	12,000,000	0	60,000,000
Bismarck South Flood Protection	73,000,000	49,000,000	50,000,000	172,000,000
Rural Water	**267,866,781**	**91,904,300**	**73,395,550**	**433,166,631**
Other Flood Control and Conveyance	**144,300,000**	**167,500,000**	**93,200,000**	**405,000,000**
General Water	**51,728,927**	**38,483,898**	**59,412,700**	**149,625,525**
Agency Operations	400,000,000	0	0	400,000,000
Total	3,421,562,475	1,354,686,139	379,710,116	5,155,958,730

FUTURE GROWTH INCREASES DEMAND FOR WATER

WATER INFRASTRUCTURE IS A KEY FACTOR





RRVWS AND MOUSE RIVER: OUR TWO LARGEST REMAINING PROJECTS

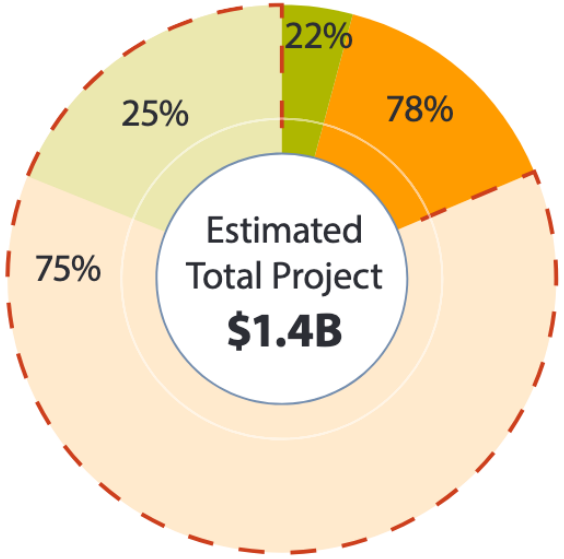
RRVWS

HISTORIC FUNDING

Local	$86M
State	$297M

FUTURE FUNDING

Main Transmission Est. Remaining Funds	$1.03B
Local	$257M
State	$773M



- Future Funding Represents Remaining Intent Of $773M From State – SB 2020 (2023 Session).

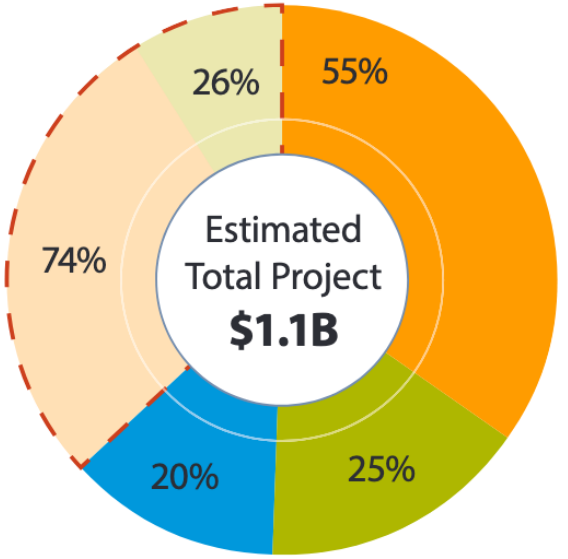
Mouse River

HISTORIC FUNDING

Local	$176M
State	$389M
Federal	$141M

FUTURE FUNDING

Est. Remaining Funds	$409.4M
Local	$150M
State	$304M



- Future Funding Represents Remaining Intent Of $304M From State – SB 2020 (2023 Session).
- Additional Funding Of Approx. $429M or $733M Total Needed From The State (Scenario 4).
- New Estimated Total Cost = $1.8B

WATER INFRASTRUCTURE MARATHON: PROJECTS DO NOT FOLLOW BIENNIAL SCHEDULES

Pre-Construction



Permitting



Planning and Design



Bidding Phase



Funding Certainty Required To Continue

Rights-of-Way and Land



Construction



RTF Dollars Re-imburse Project for Actual Expenses

Project Types (Recently Completed Project Examples: DWR Cost-Share Database)	Average Construction Timeframe (Months)
Municipal Water Distribution Lines	16
Rural Water Distribution Lines	19
Storage Tanks	24
Rural Water Conveyance (Drains)	18
Dam Safety Improvements	21
Bank Stabilizations	16
Snagging and Clearing	6

- Pre-construction (permitting, studies, & design) timelines can vary greatly from project to project depending on location & other unique circumstances.
- Large-scale projects are multi-biennial in nature, with several large projects ongoing.
    - NAWS Biota Water Treatment Plant: Ongoing since 2021 (Completion Est. 2025)
    - Mouse River Flood Protection: Ongoing since 2015 (Completion Est. 2039*)
    - FM Diversion/Flood Protection: Ongoing since 2016 (Completion Est. 2027)
    - Valley City Flood Protection: Ongoing since 2014 (Completion Est. 2035)
    - Red River Valley Water Supply: Ongoing since 2020 (Completion Est. 2032*)

WATER PROJECT TIMELINES

**Accelerated Timing*

RESOURCES TRUST FUND HISTORICAL SPENDING VS APPROPRIATIONS

	Cash Balance	Oil Tax Transferred	Appropriated	*Spent	(%) Appropriation Spent
2007-09	32,655,609	73,481,417	69,352,698	25,100,000	36%
2009-11	87,378,167	148,886,433	135,806,609	86,000,000	63%
2011-13	148,088,456	390,342,356	332,400,000	261,500,000	79%
2013-15	292,961,846	564,521,002	754,806,094	284,750,000	38%
2015-17	587,754,568	240,564,950	755,817,897	528,482,609	69%
2017-19	314,851,501	357,504,569	584,215,358	359,653,467	62%
2019-21	326,742,618	305,522,369	778,482,206	361,962,182	46%
2021-23	287,678,660	505,222,761	752,548,989	317,315,350	42%
2023-25*	422,486,470	453,572,223	952,577,685	376,738,786	40%

2015-17 Spending Was Primarily Completing WAWSA, Average Spending % Is **53% Biennially**

*Current Biennium Estimate

STRATEGIC USE OF LINES-OF-CREDIT & PROJECT SPECIFIC BONDING IN 2025-2027 WILL ACCELERATE PROJECTS & DECREASE INFLATIONARY COSTS

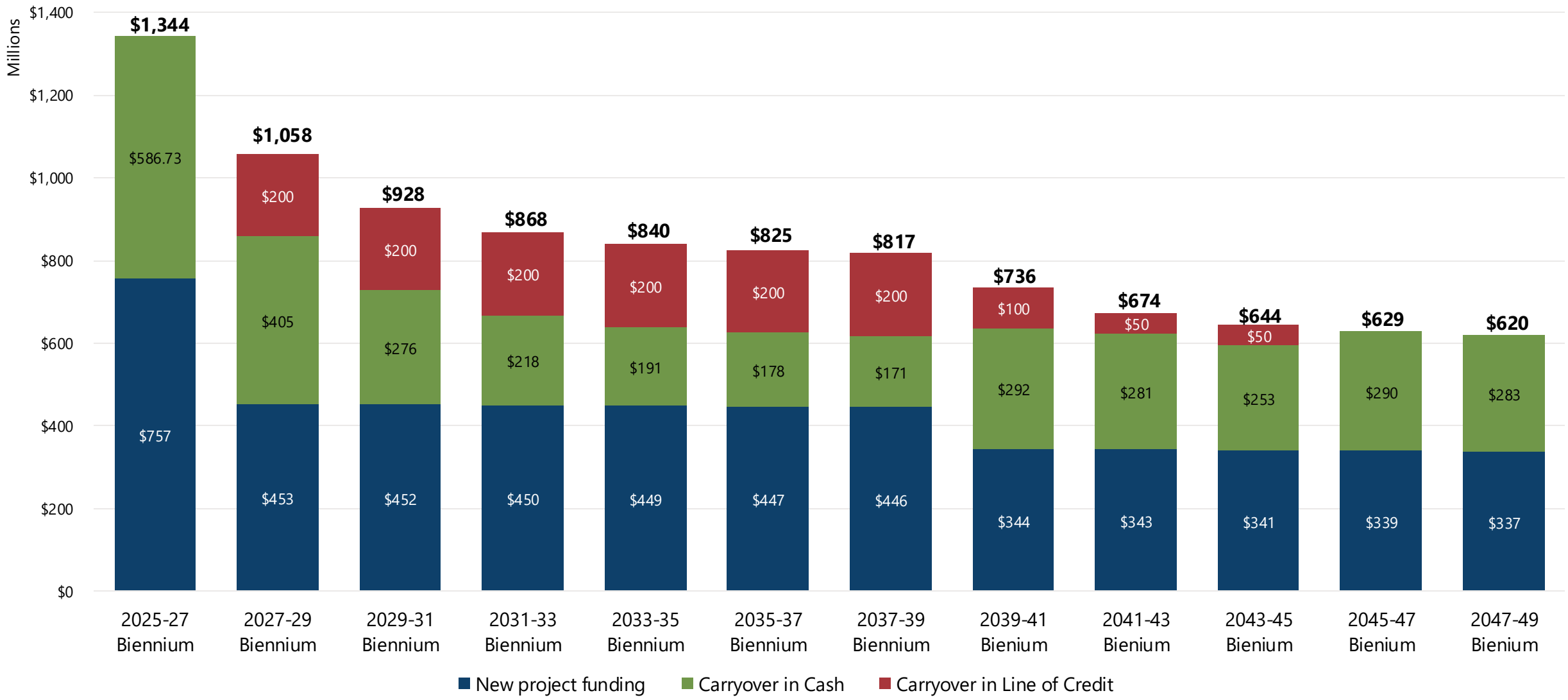
The 2025-2027 Proposal For Funding For Water Projects Includes Providing Additional Funding Through A $200 Million Line Of Credit and $100 Million From Bond Proceeds To Help Accelerate Water Projects.

$200M Line Of Credit For Cash Management

A $200 Million Line Of Credit Provides Authority For The SWC To Approve Water Projects And Provides A Source Of Cash If The Current Cash Balance and Revenues Are Insufficient To Cover Reimbursements.

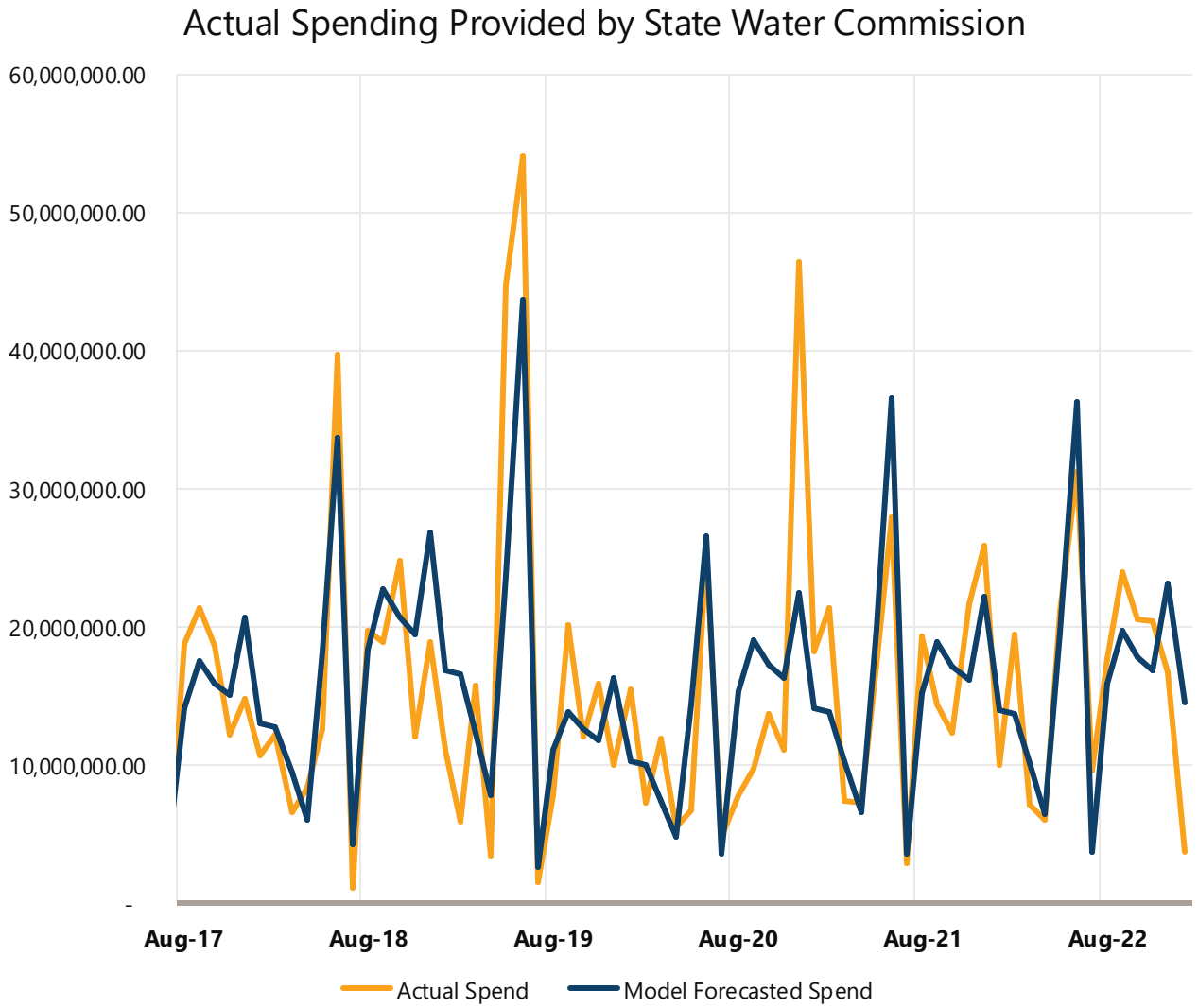
$100M Bonding Package For SWPP

Utilizing SWPP Capital Repayments To Bond Up To $100 Million For SWPP Project Construction Allows For Additional Funds To Be Utilized On Other Water Projects And To Provide A $40 Million Transfer To The Water Infrastructure Revolving Loan Fund.



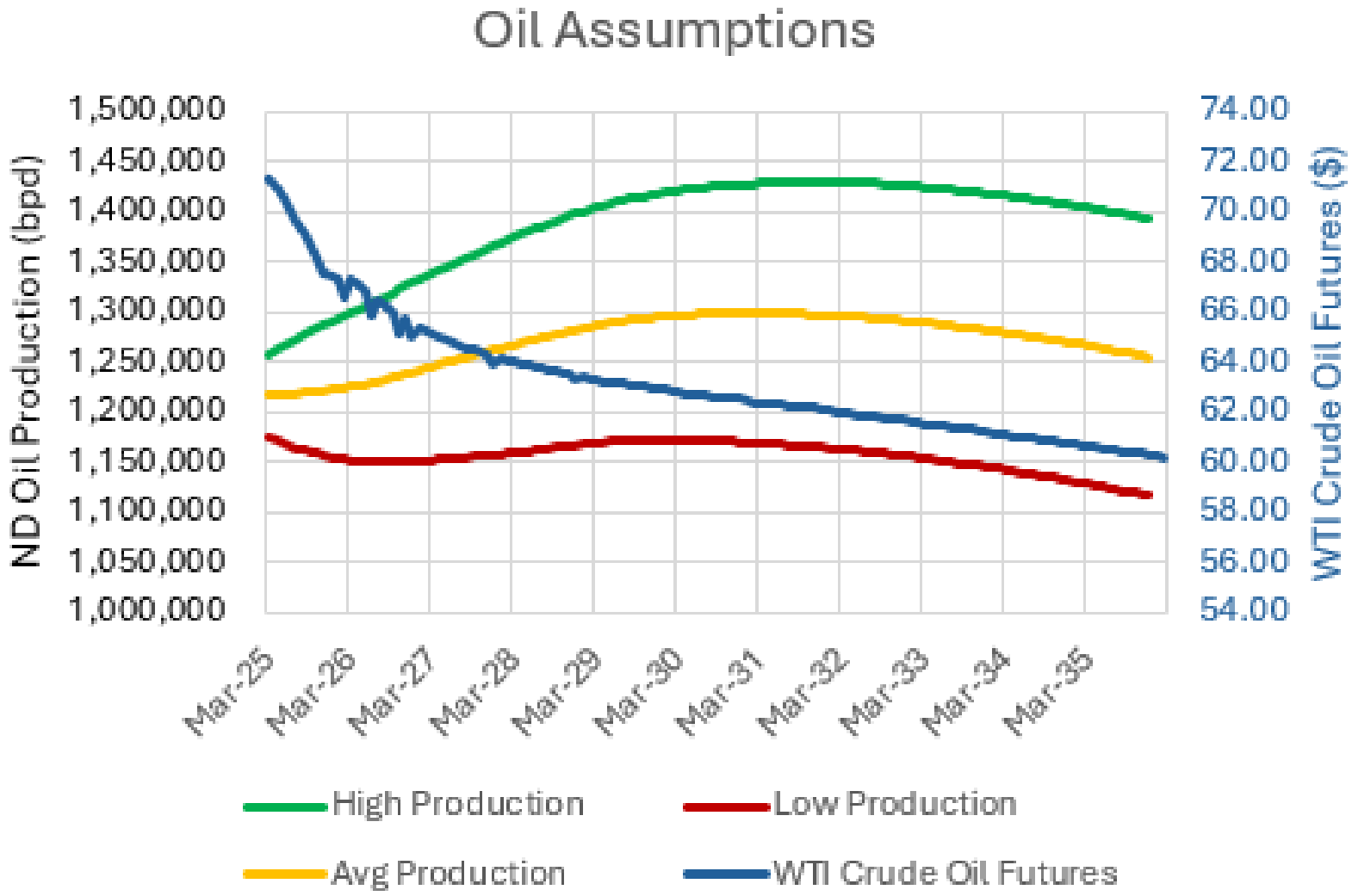
USING THIS APPROACH ACCELERATES PROJECTS WHILE REDUCING CARRIED-OVER CASH

DEVELOPED WATER COMMISSION CASH FLOW MODEL, WAS TESTED VS. KNOWN PAST SPEND



- BND Developed A Model To Project Water's Spending By Analyzing Historical Spending Data
- Model Results Were Back Tested Relative To Actual Spending
- High Correlation Between The Model Prediction Vs Actual Spending Patterns
- Model Output Used To Project Future Water Net Cash Flows & Balances

MODEL RE-CALIBRATED USING PIPELINE AUTHORITY OIL PRODUCTION CURVE

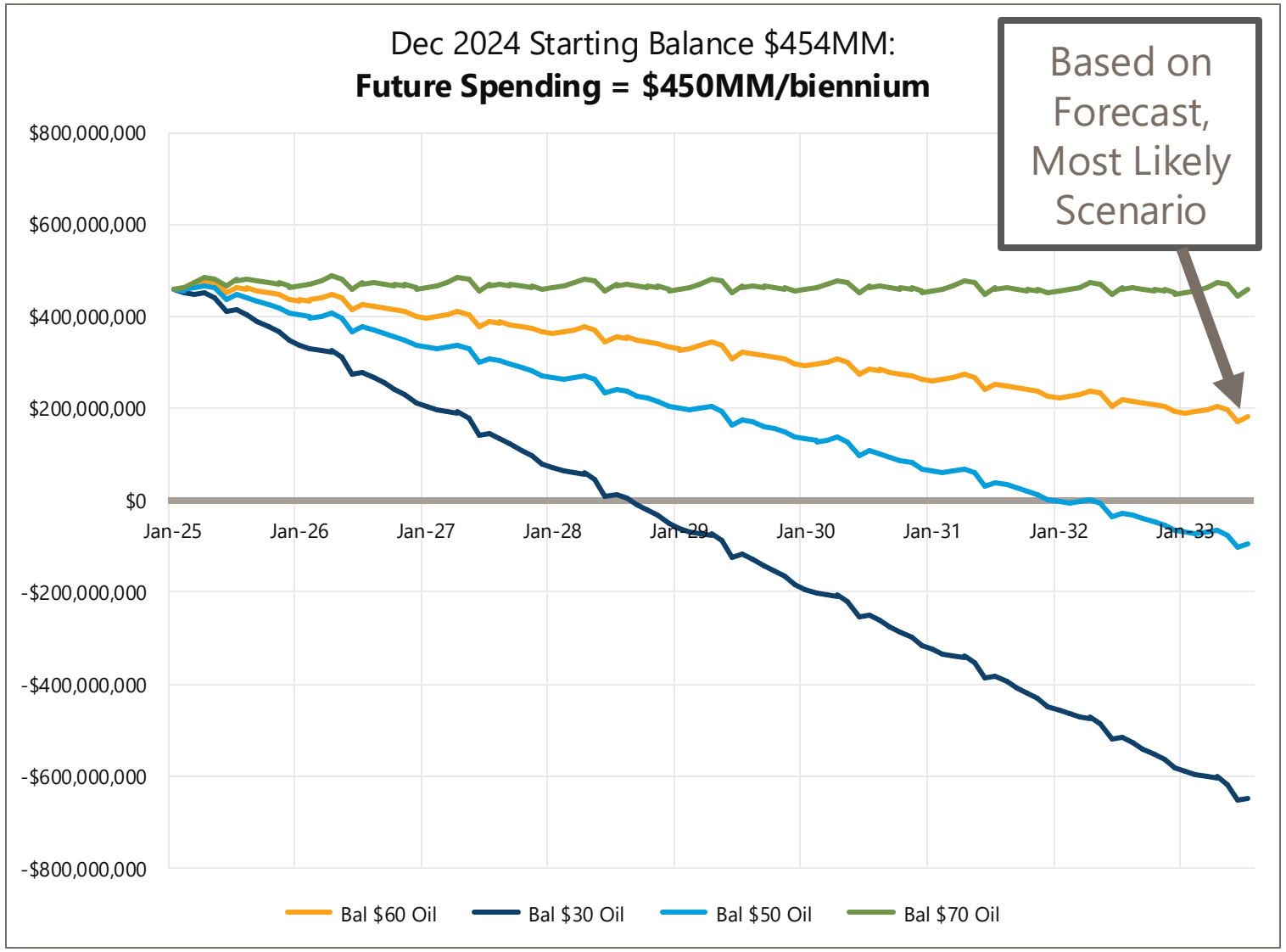


ND Oil Production Assumption: Uses ND Pipeline Authority Forecast

Oil Price Assumption: Current WTIF Crude Futures, -$5/BRL Bakken Discount Forecast Range: $66-$55/BRL

RTF Revenues: 20.5% Of Extraction Tax, Minus Other Fund Allocation In Waterfall

MOST LIKELY OIL PRODUCTION SCENARIO: ALLOWS FOR ACCELERATION OF BIENNIAL SPEND



This Graph Represents The Estimated Ending Balances Of The Fund Under Various Oil Price Scenarios, With Spending At **$450MM/Biennium**

Assumes Oil Average Of $60/BRL, Maintains A Balance Of $200MM After 10-Years, With A $450MM Biennial Projected Spend

It Would Take 3.5-Years To Spend The Current $454MM Balance To $0 With Oil Prices At $30/BRL, With Spending At $450MM/Biennium

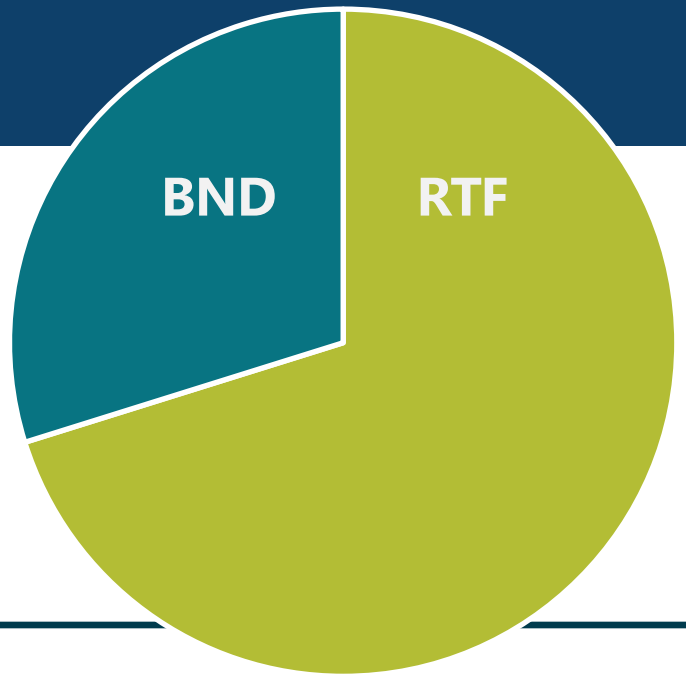
THIS STRATEGY ALLOWS FOR ENHANCED INVESTMENTS OF RTF DOLLARS

Resources Trust Fund CDs
$500MM Laddered
4.00% Yield

Bank Of North Dakota

BND Loans 3-7 Year
6.50% Yield
$19.5MM Income

BND Investments 3-7 Year
4.50% Yield
$9MM Income



TOTAL STATE RETURN:
$28.5MM = 5.70% YIELD
RTF = $20MM
BND = $8.5MM

ENHANCED INVESTMENTS YIELD HIGHER ROI FOR STATE

1yr = 3.25%

2yr = 3.50%

3yr = 3.75%

4yr = 4.00%

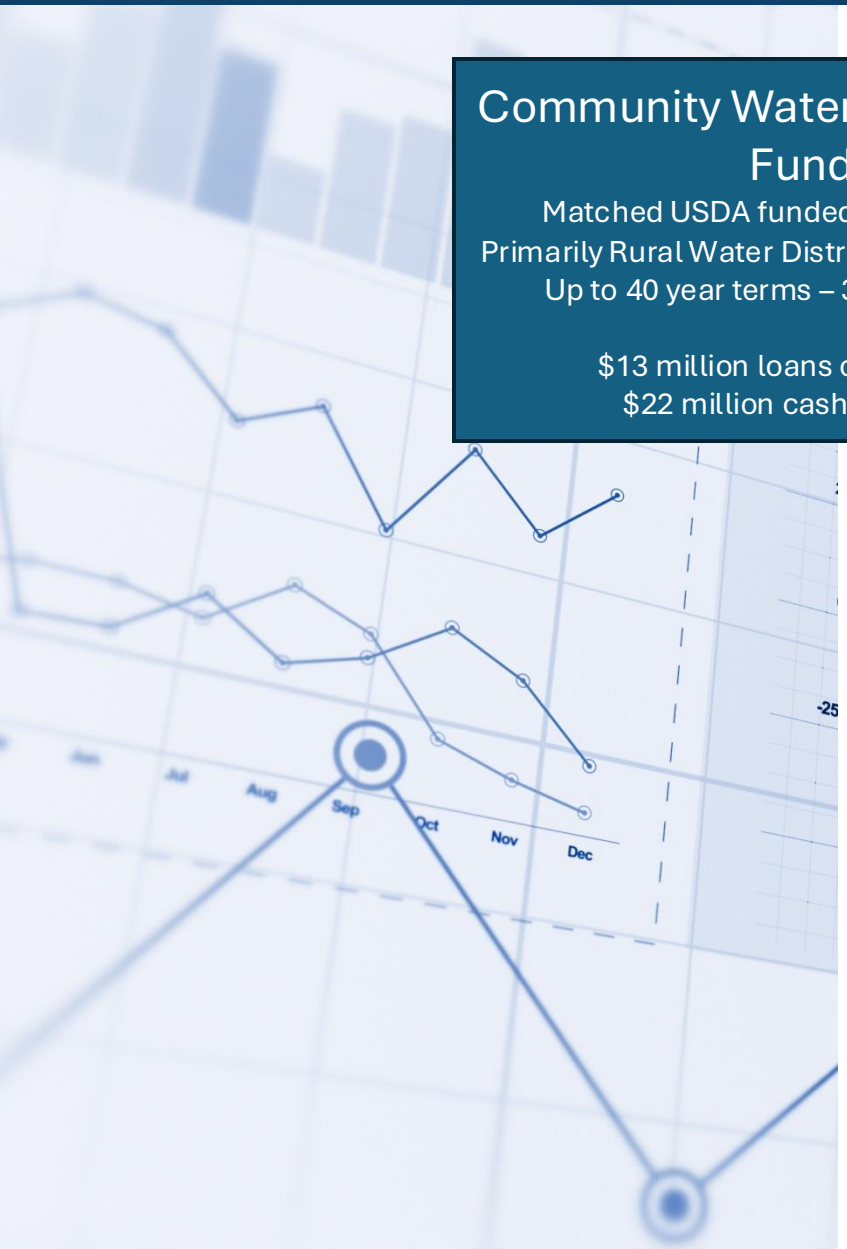
5yr = 4.25%

6yr = 4.50%

7yr = 4.75%

- A Laddered CD Maturity Approach, 1-7 Year
- CDs Price Relative To US Treasuries
  - 4.00% Average Yield
- A Better Understanding Of Future Net Cash Flows Allows RTF To Take More Duration
- Provide Consistent & Higher Returns
- BND Can Match Off Pools Of Loans (5-7 Year) With Longer Term CDs
- Average Biennial Interest in RTF: **>$44 Million**
- Average Biennial Return for State: **>$61 Million**

LEVERAGING WATER INFRASTRUCTURE REVOLVING LOAN FUND FOR LOCAL COST-SHARE



Community Water Facility Loan Fund

Matched USDA funded water projects
Primarily Rural Water Districts and Rural Cities
Up to 40 year terms – 3% interest rate

$13 million loans outstanding
$22 million cash available

Resources Trust Fund Infrastructure Loan Fund

Local share of SWC cost-share projects
Primarily flood control projects
Up to 30 year terms – 2% interest rate

$22 million loans outstanding
$4 million cash available

HB 1431 Water Infrastructure Revolving Loan Fund

Combined the Community Water and RTF Infrastructure Loan Funds
NDCC is silent on term – 2% interest rate

PAYING DOWN $45M YIELDS OVER $73M AVAILABILITY FOR NEW LOANS

Water Infrastructure Revolving Loan Fund	
Cash Balance	1,557,508.13
BND Line of Credit Available	100,000,000.00
Available Funds	101,557,508.13
In Construction Commitments	47,764,202.72
Approved Commitments	1,500,000.00
Pending Applications	-
Minot Flood Control	40,000,000.00
Current Available	**12,293,305.41**
2025 - 2027 Repayments	6,605,020.94
HB 1024 Deficiency Appropriation	10,000,000.00
HB 1020 Appropriation to WIRLF	45,000,000.00
Available for new loans 2025 - 2027	**73,898,326.35**
Potential 2025 - 2027 Loan Requests	
RRVWSP 2025-2027 Local Share	80,000,000.00
Mouse River 2025-2027 Local Share	40,000,000.00
Lower Heart River WRD Local Share	11,000,000.00

Water Infrastructure Revolving Loan Fund - By Term

Term	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
10 Years	$575,000.00	$408,540.11	2	0.44%
15 Years	$1,898,000.00	$412,645.52	5	1.46%
20 Years	$4,241,501.00	$2,171,564.36	8	3.27%
25 Years	$0.00	$0.00	-	0.00%
30 Years	$7,316,190.00	$4,441,840.71	14	5.64%
40 Years	$115,611,909.00	$57,777,063.10	27	89.18%
	$129,642,600.00	**$65,211,653.80**	**56**	

Water Infrastructure Revolving Loan Fund - By Population

Population	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
Under 1,000	$6,714,501.00	$2,992,749.99	15	5.18%
1,001 to 5,000	$19,666,985.00	$13,556,145.66	28	15.17%
5,001 to 10,000	$15,046,114.00	$9,524,826.40	9	11.61%
10,001 to 25,000	$0.00	$0.00	-	0.00%
Over 25,000	$88,215,000.00	$39,137,931.75	4	68.04%
	$129,642,600.00	**$65,211,653.80**	**56**	

TOTAL = $806.5M

Includes A $200M Line Of Credit (LOC)



LARGE REGIONAL

- RRVWSP $260M
- WAWS $46.5M
- NAWS $12.6M
- SWPP* $131.7M

**Includes $100M from bonding*

FLOOD CONTROL

- SOUTH BISMARCK $20M
- MOUSE RIVER $125M
- VALLEY CITY $16M
- DEVILS LAKE $1.7M
- OTHER $7.5M

WATER SUPPLY

- RURAL $80M
- MUNICIPAL $25M

GENERAL WATER

- CONVEYANCE $15M
- OTHER $8M
- PARKS AND REC GRANT $2.5M

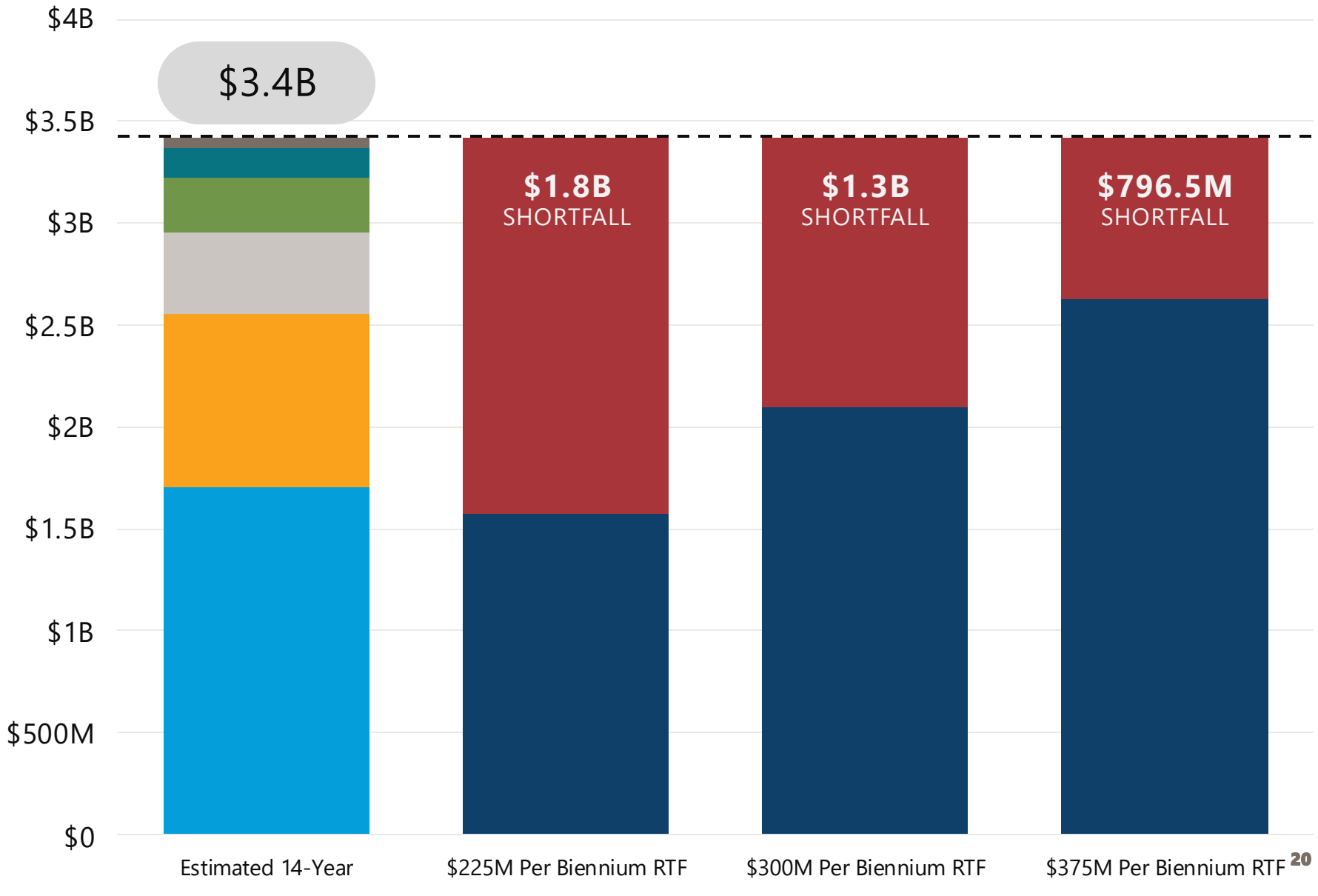
DISCRETIONARY

$45M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC

2025-2027 RESOURCES TRUST FUND (RTF) BUCKETS

IMPACT OF RTF REVENUE FROM 20.5% TO 15.5% (EXTRACTION TAX)

- Water Supply
- Flood Control
- Agency Operations
- Rural Water
- Other Flood Control & Conveyance
- General Water Management
- Resources Trust Fund (RTF)
- State Shortfall



DWR 2025-2027 BUDGET: OPTIONAL REQUESTS

*Includes Operating Expenses
**Federal Funding

6 Full Time Equivalents (FTE)

OPTIONAL REQUESTS

HOUSE VERSION - HB 1020

FTE Positions: Accountant, Deputy Director, NAWS Operator, Assistant NFIP Coordinator, RiskMap Specialist, Silver Jacket Conversion	$1,796,588*
(One-Time) Emergency Pumps Replacement	$480,000
(One Time) Excavator Replacement	$400,000
(One Time) Data Logger Replacement	$60,000
(One Time) Missouri River Intake Sites Field Investigation	$600,000
Cost to Continue SWC Expenditure, Temp Salary, & Overtime Adjustments	$305,914
Board of Water Well Contractors	$66,023
Federal Spending Authority	$2,051,788**
NAWS Biota Water Treatment Plant Operations**	
TOTAL OPTIONAL REQUESTS	**$5,760,313**

POLICY & OTHER LANGUAGE SECTIONS OF THE BILL

- Additional Income Appropriation;
- Funding Continued From Previous Biennia For Grants Or Water-Related Projects;
- Estimated Income Of $42.5 Million From The Water Projects Stabilization Fund;
- Direct the SWC To Bond Up To $100 Million For SWPP;
- Discretionary Funding Uses;
- Authorization To Transfer $10 Million Between Line Items Except Salaries & Wages;
- Authorization Of A $200 Million Line Of Credit From The Bank Of North Dakota;
- Project Funding Designations; and
- Continuing Appropriation For NAWS Biota WTP Operations.
- Appropriation to Parks & Recreation of $2.5 Million for Sovereign Lands Grants

POLICY & OTHER LANGUAGE SECTIONS OF THE BILL

- Transfer $45 Million to the Water Infrastructure Revolving Loan Fund;
- Legislative Intent For:
  - Funding For Red River Water Supply Project;
  - Funding For Mouse River Flood Control Project;
  - Funding For South Bismarck Stormwater Project;
  - The DWR To Continue To Support Efforts To Protect & Develop Beneficial Use Of The Missouri River System;
- Legislative Directive to Study:
  - The SWC To Study Its Cost-Share Policy;
  - The SWC To Study Regional Water Systems Governance & Finance; and
- Emergency Clause.



NORTH Dakota | Water Resources
Be Legendary.

THANK YOU

701.328.2750

dwr@nd.gov

dwr.nd.gov

/NDWaterResources

2025 SENATE APPROPRIATIONS

HB 1020

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1020
3/5/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; relating to the northwest area water supply biota water treatment plant operating fund, a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

10:35 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Dever, Magrum, Mathern, Meyer, Schaible, Sorvaag, Thomas.
Members Absent: Senators Davison, Dwyer, Wanzek.

Discussion Topics:

- DWR Mission, Purpose, and Staff Overview
- DWR Functions and Responsibilities
- State-Owned Water Projects
- ND's Water Resources Management
- Data Point Collections
- Federal Assets in Water
- ND Water Studies
- DWR Budget and Water Development Planning
- Strategic Uses of Line of Credit
- Local Cost-Shares
- Water Infrastructure Revolving Loan Fund

10:35 a.m. Reice Haase, ND Dept. of Water Resources Director, testified in favor and submitted testimony #38891, #38892, #38893, #38894, #38895, #38896, #38897, #38898.

10:55 a.m. Chris Kadrmas, DWR Administrative Services Division Director, testified in favor.

11:37 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

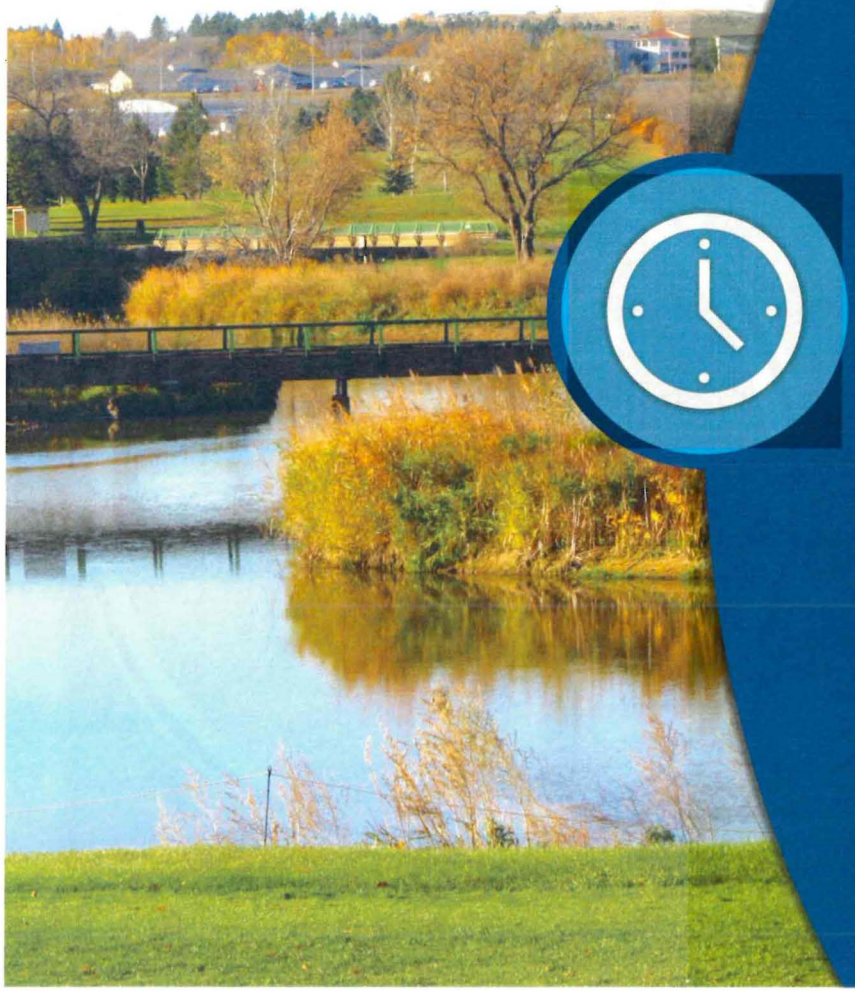
March 5, 2025

NORTH DAKOTA
DWR

DWR OVERVIEW
AGENCY & BUDGET

Senate Appropriations | Engrossed House Bill 1020 | 69th Legislative Assembly

NORTH Dakota | Water Resources
Be Legendary.



ABOUT
DEPARTMENT OF WATER RESOURCES & STATE WATER COMMISSION



ND CENTURY CODE TITLE 61

DEPARTMENT OF WATER RESOURCES

2021 LEGISLATIVE SESSION - HB 1353 RESTRUCTURED THE AGENCY AS THE DWR, APPOINTED A DIRECTOR, & MADE THE AGENCY A MEMBER OF THE GOVERNOR'S CABINET

Divisions Within DWR Remained The Same Including:

- Administrative Services
- Atmospheric Resources
- Planning & Education
- Regulatory
- Water Appropriation
- Water Development

MISSION & PURPOSE

Mission Of DWR

To Responsibly Manage North Dakota's Water Needs & Risks For The People's Benefit.

Water Development Priorities

Protection Of Citizens/Businesses From Flood-Related Impacts, New Water Supply Connections, & Low-Head Dam Mitigation Efforts.

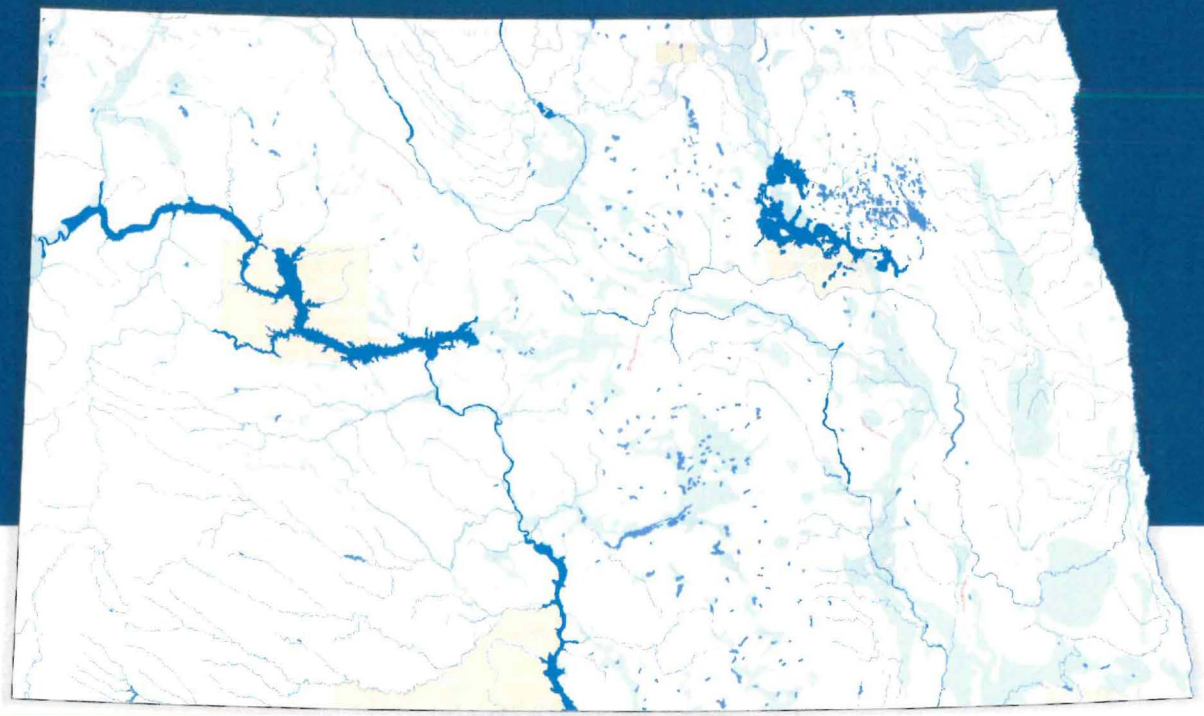
Purpose Of Resources Trust Fund

Fund Construction Of Water-Related Projects, Including Rural Water Systems (Article X, § 22, ND Const.)

Source Of Funding

20.5% Of Oil Extraction Tax Collections, Interest Income (NDCC 57-51.1-07)

MANAGING NORTH DAKOTA'S WATER RESOURCES

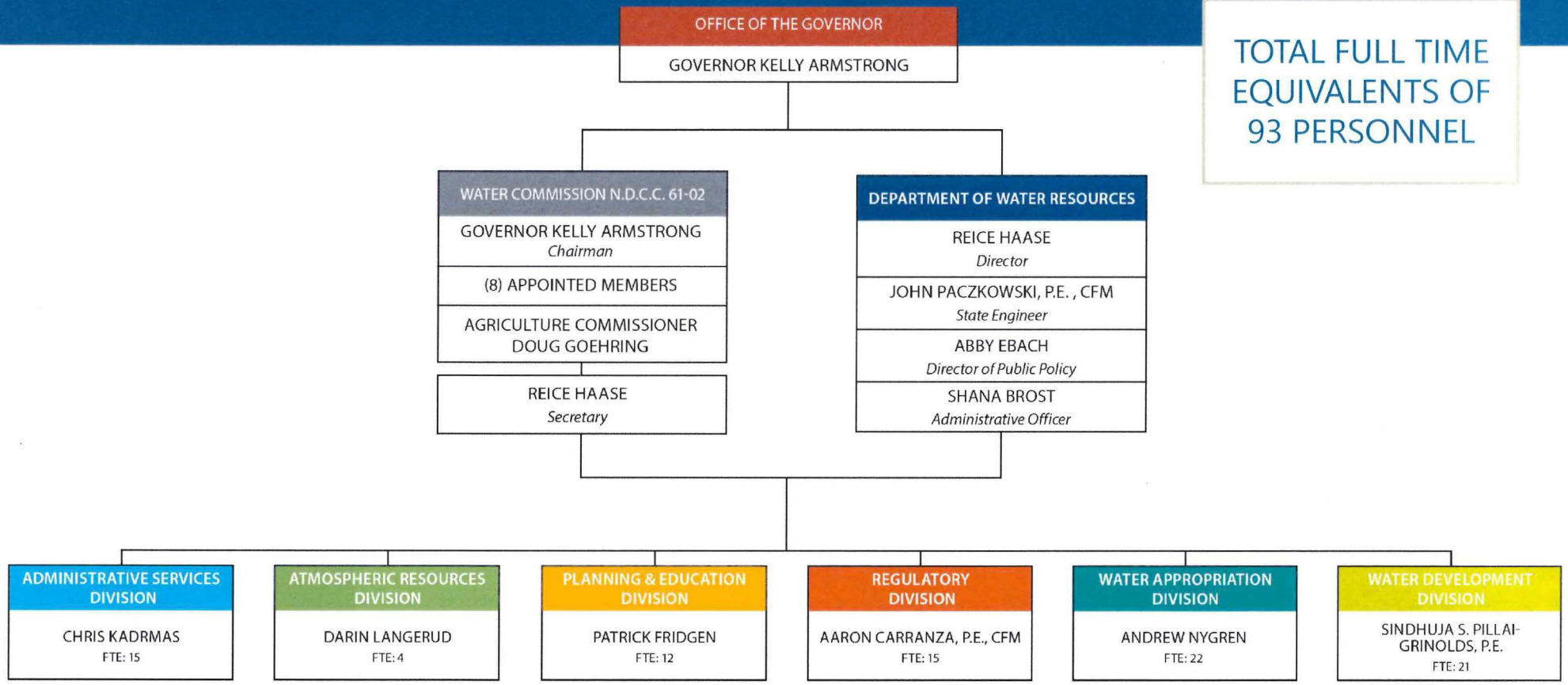


60 Million Acre-Feet Of Water Is Stored In Major Aquifers In ND

~17,000 River Miles Are In The State, Including Major Rivers & Tributaries

Seven Of ND's Largest Lakes & Reservoirs Cover **863,000** Acres

DWR ORGANIZATIONAL CHART



TOTAL FULL TIME EQUIVALENTS OF 93 PERSONNEL

WATER COMMISSION



SWC Chair
Governor Armstrong



Ag. Comm.
Goehring



Secretary
Reice Haase



Gene Veeder
Upper Missouri River Basin



Jason Zimmerman
Mouse River Basin
Reappointed



Jeff Frith
Devils Lake Basin



Michael Anderson
Lower Red River Basin



James Odermann
Little Missouri, Upper Heart,
& Upper Cannonball River
Basins



Jay Volk
Lower Missouri River Basin



Connie Ova
James River Basin



April Walker
Upper Red River Basin
Reappointed

DWR DIRECTOR & STATE ENGINEER



DWR DIRECTOR

Reice Haase, Director
rehaase@nd.gov | 701-328-4940

The Director is appointed by the Governor, serves as a Cabinet member, provides overall leadership and decision-making, oversees the State Engineer and DWR team members, and serves as Secretary to the State Water Commission.



STATE ENGINEER

John Paczkowski, P.E., State Engineer
jpaczkowski@nd.gov | 701-328-4940

ND's State Engineer is responsible for several regulatory functions and responsibilities, including allocation of the state's waters, dam safety, and drainage.

DWR DIVISIONS



ADMINISTRATIVE SERVICES

Chris Kadrmas, Director
ckadrmas@nd.gov | 701-328-1956

Accounting, general support, budget development, records management, human resources, State Water Commission meeting preparation, data/technology, and PRESENS.



ATMOSPHERIC RESOURCES

Darin Langerud, Director
dlangerud@nd.gov | 701-328-4751

Cloud Modification Program, atmospheric research, data collection, pilot intern program, licenses and permits, and radar operations.

DWR DIVISIONS



PLANNING & EDUCATION

Patrick Fridgen, Director
pfridgen@nd.gov | 701-328-4964

Water Development Plan, media relations, public outreach and education, Drought Livestock Water Supply Program, Environmental Reviews, Cost-Share Program, and MR&I Program.

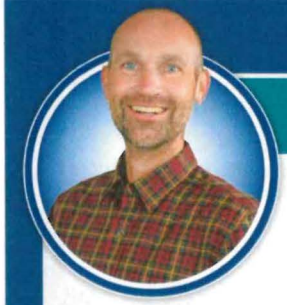


REGULATORY

Aaron Carranza, P.E., Director
acarranza@nd.gov | 701-328-4813

Construction and drainage permits, sovereign lands, dam safety, floodplain management, water resource district support, and Silver Jackets Program.

DWR DIVISIONS



WATER APPROPRIATION

Andrew Nygren, Director
anygren@nd.gov | 701-328-1069

Water rights permitting, ground and surface water management, subsurface exploration, data management, and water resource investigations.



WATER DEVELOPMENT

Sindhuja S.Pillai-Grinolds, Director
spillai@nd.gov | 701-328-4954

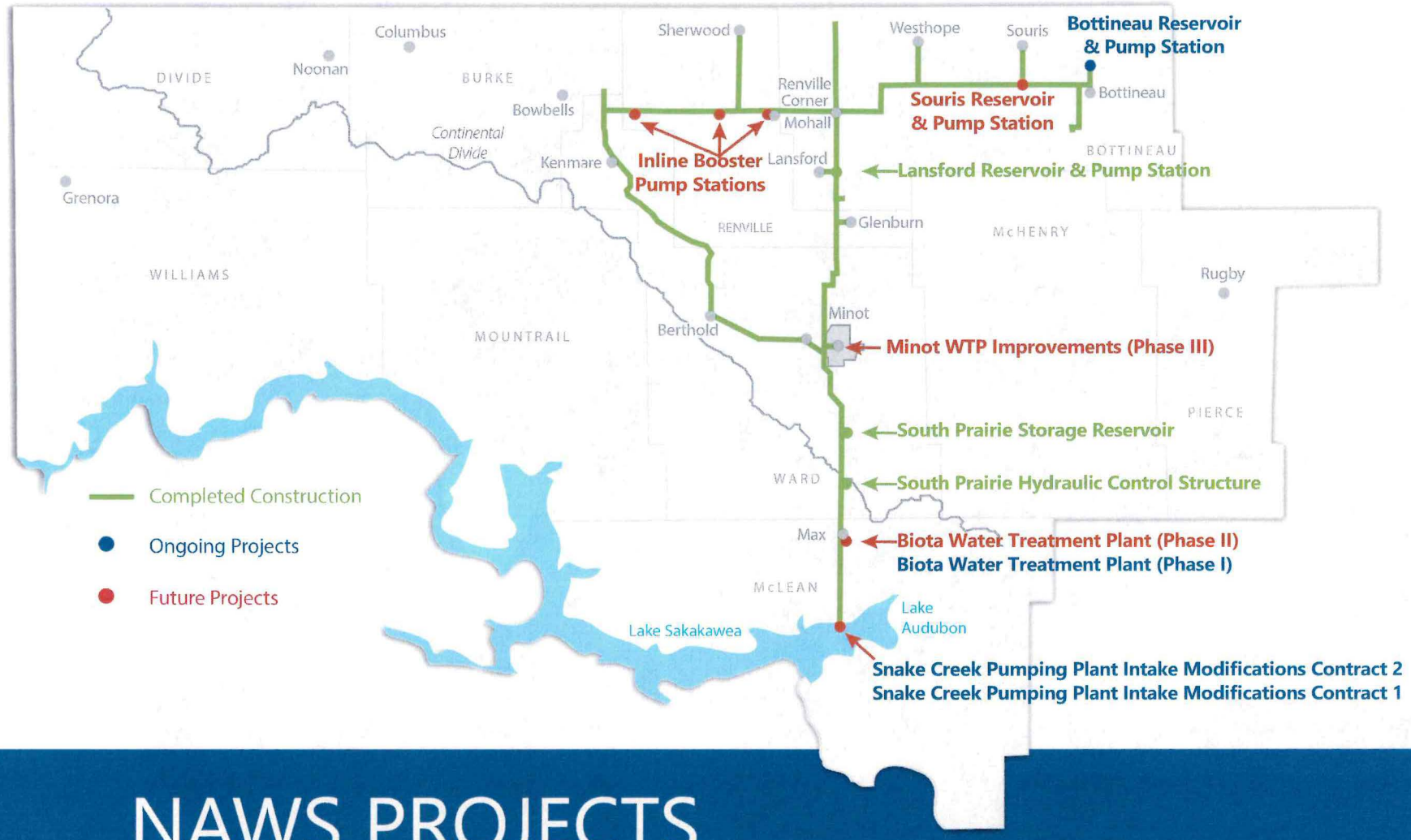
Investigations and surveying, construction operations, flood response and recovery, Southwest Pipeline, Northwest Area Water Supply, Red River office, and Devils Lake outlet operations.

DWR FUNCTIONS & RESPONSIBILITIES

- Allocation Of The State's Waters
- Cost-Share Funding
- Dam Safety
- Drainage & Construction Permits
- Drone Initiatives
- Drought Livestock Program
- Floodplain Management
- Investigations & Surveys
- LiDAR Collections
- Map Services
- North Dakota Cloud Modification Project
- PRESENS
- Sovereign Land Management
- Water Project Development



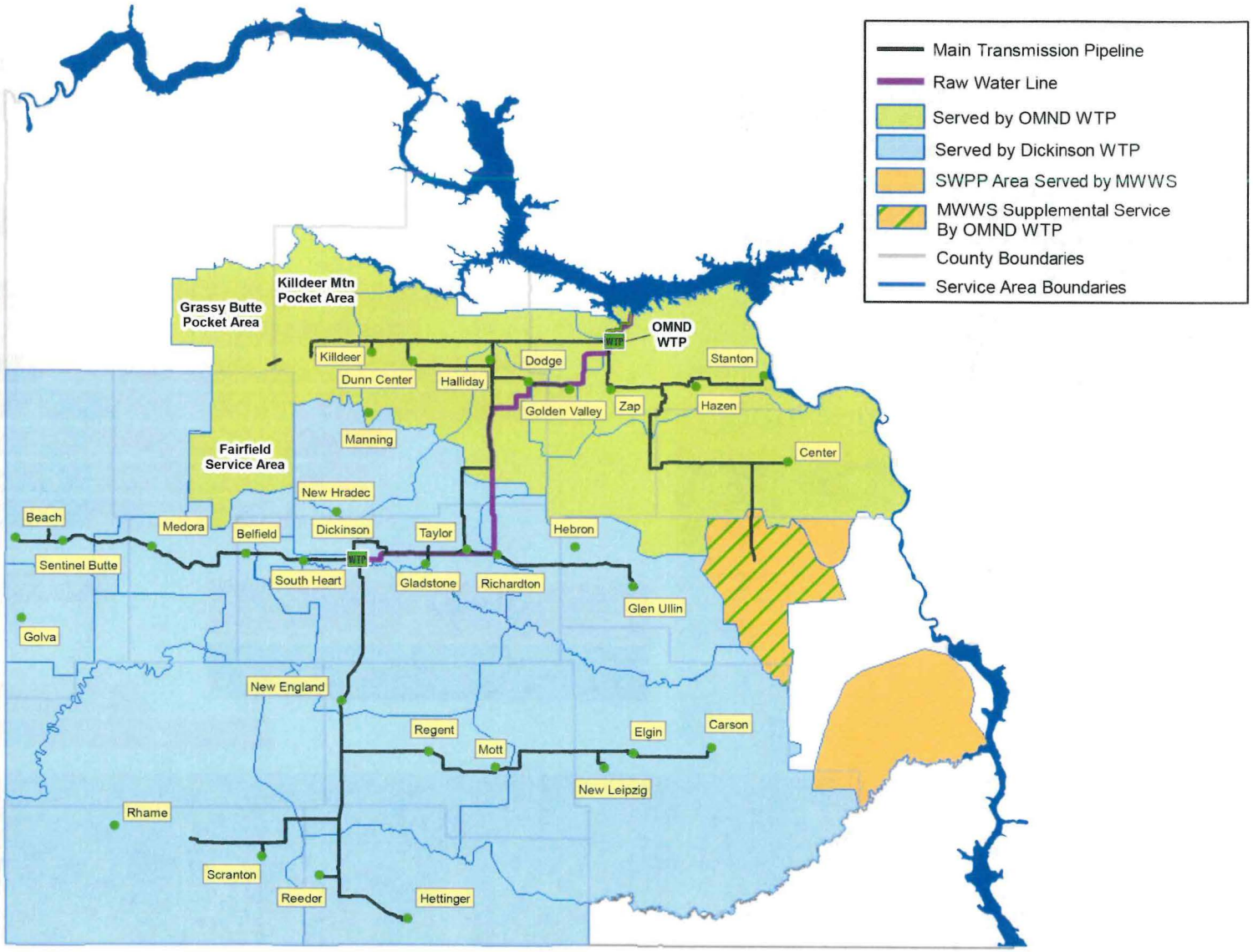
STATE-OWNED **PROJECTS**



NAWS PROJECTS

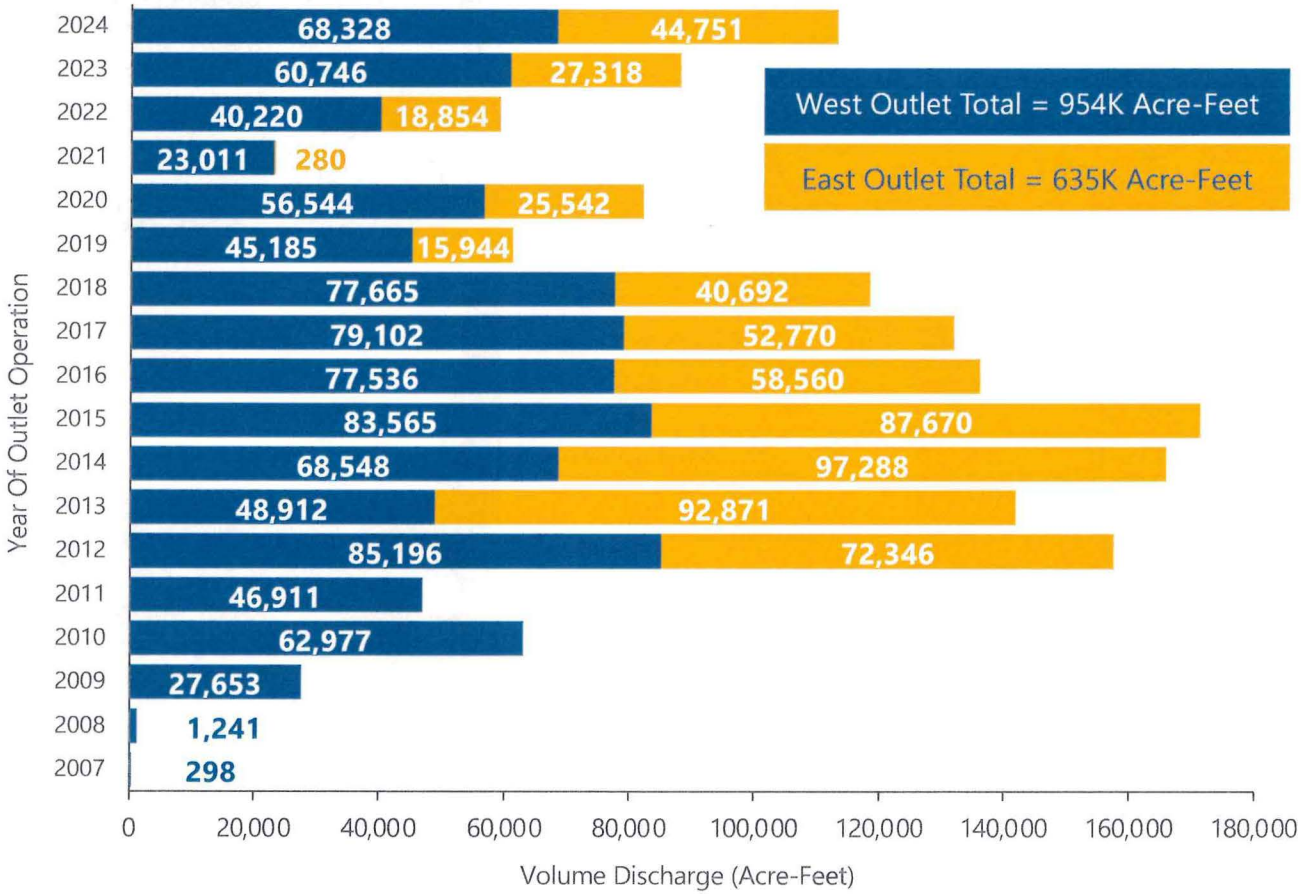
SOUTHWEST PIPELINE PROJECT UPDATES





DEVILS LAKE

2024 DISCHARGE - 113,100 ACRE FEET



East Outlet

350 cfs



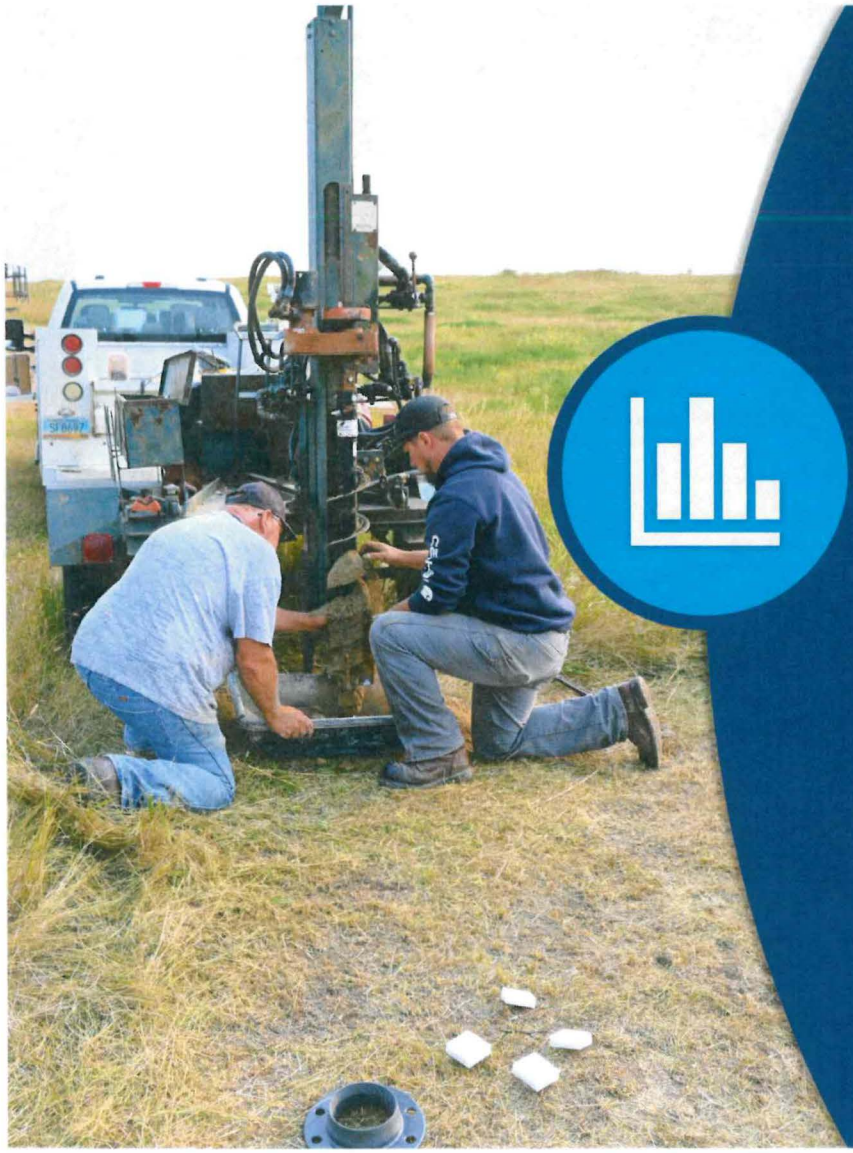
Operations Ended **October 18**

West Outlet

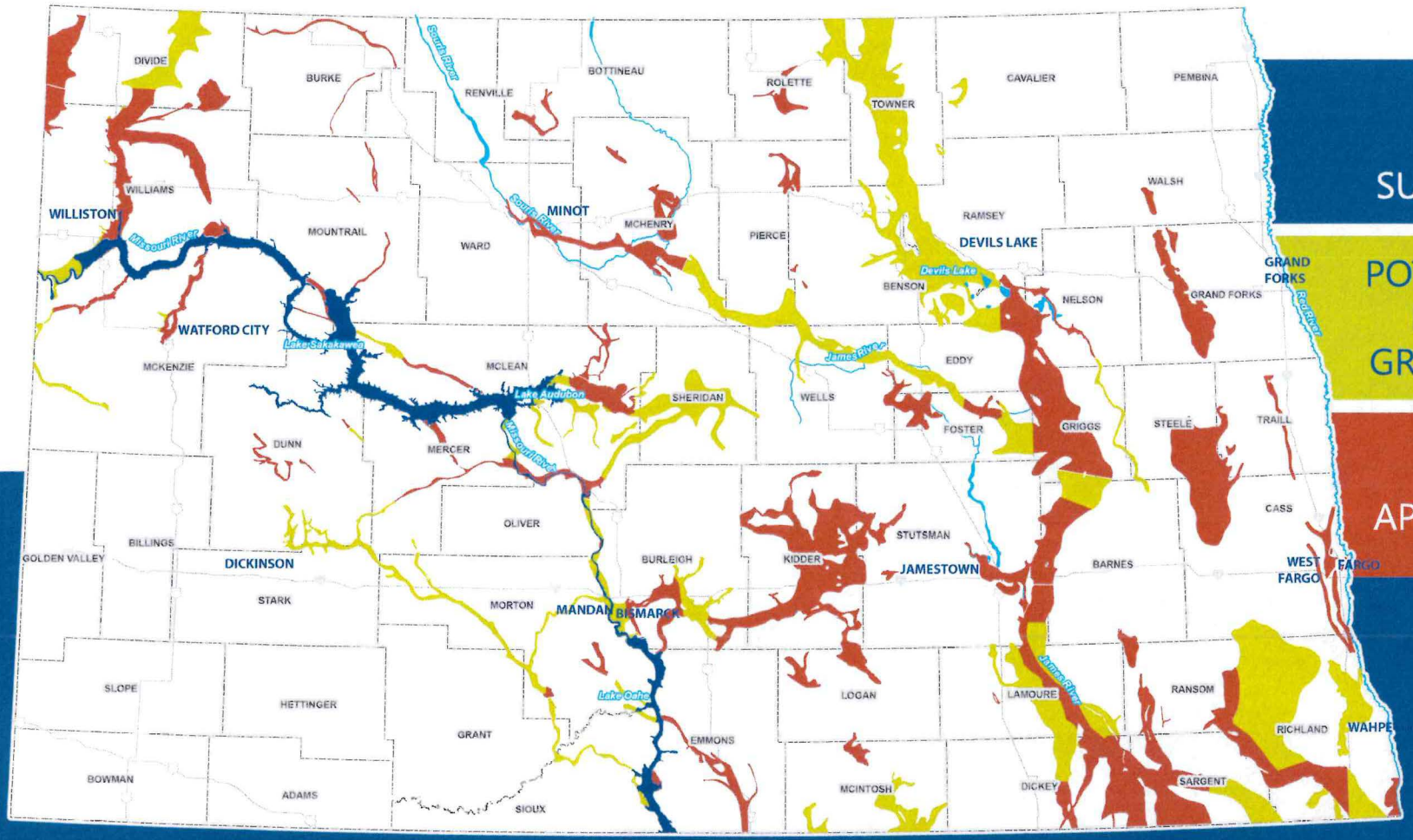
250 cfs



Operations Ended **October 22**



MANAGING ND'S **WATER RESOURCES**



GOOD WITH LIMITATIONS / SURFACE WATER

POTENTIAL WITH LIMITATIONS / GROUND WATER

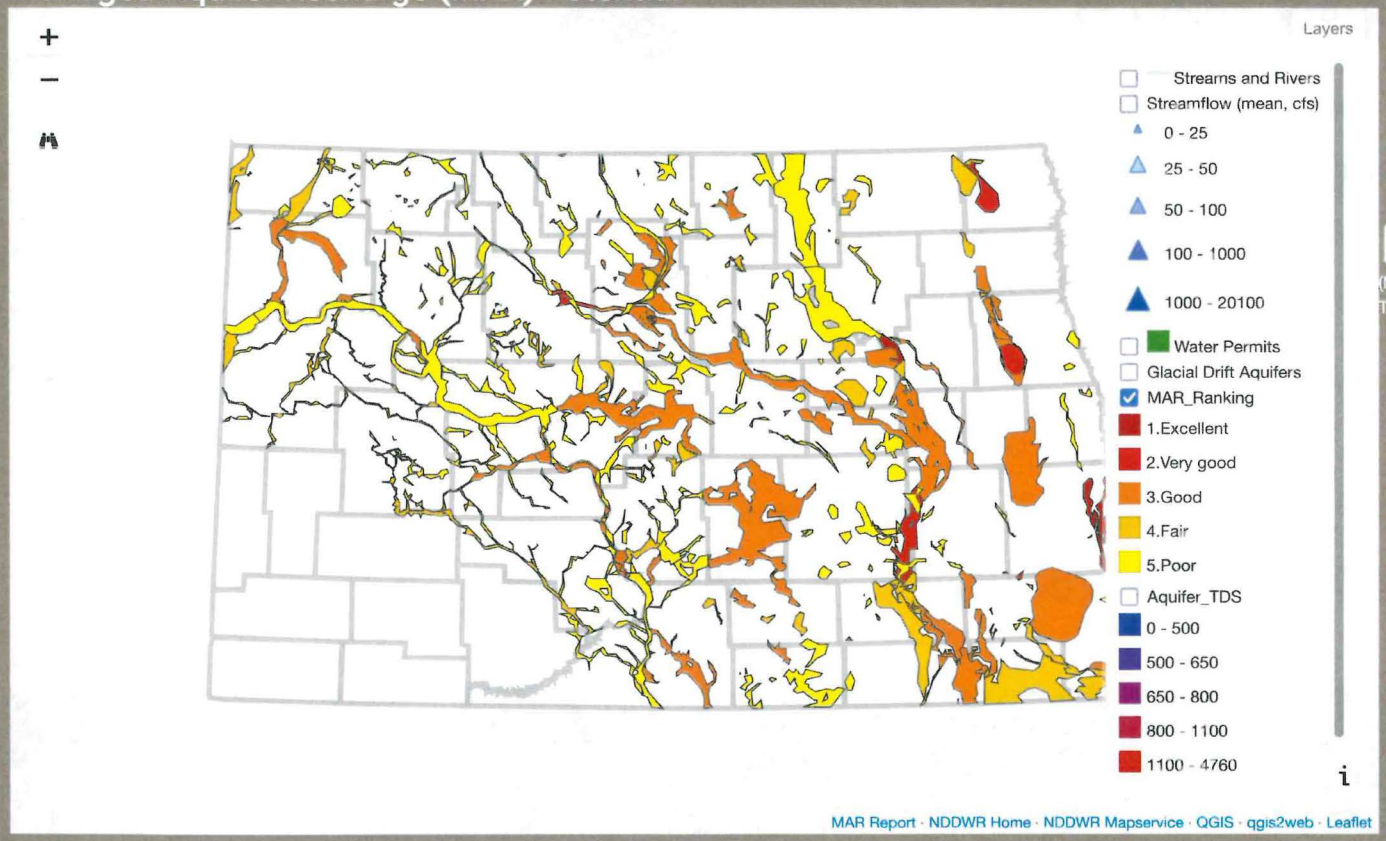
NEAR FULL APPROPRIATION

WATER AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT

MAR STATEWIDE ASSESSMENT

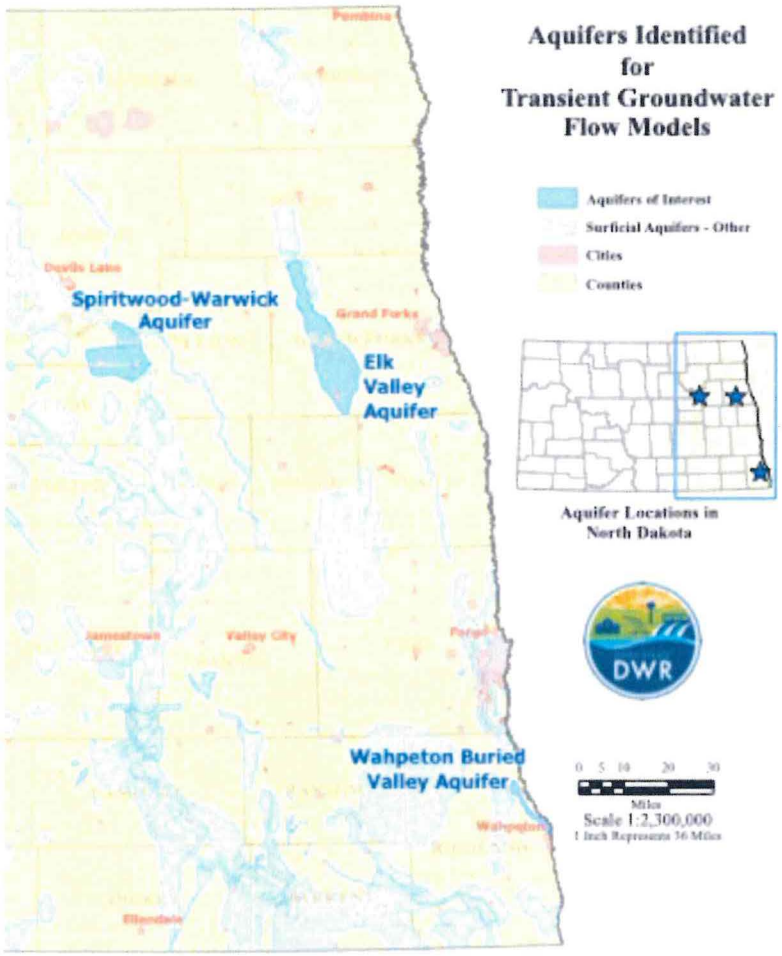
North Dakota Glacial Drift Aquifers

Managed Aquifer Recharge (MAR) Potential

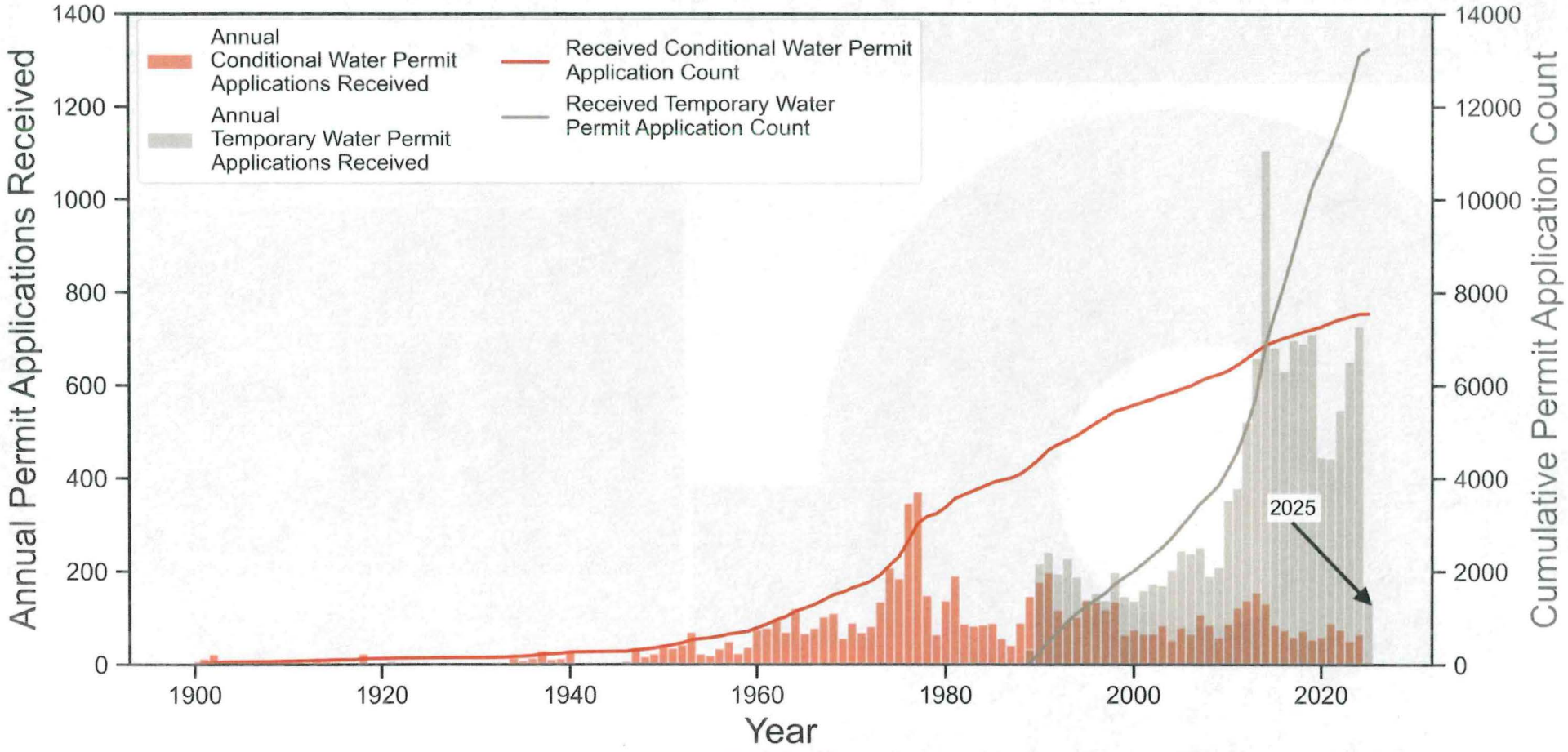


Interactive MapServices
Check it out!

TARGETED 3 LOCATIONS



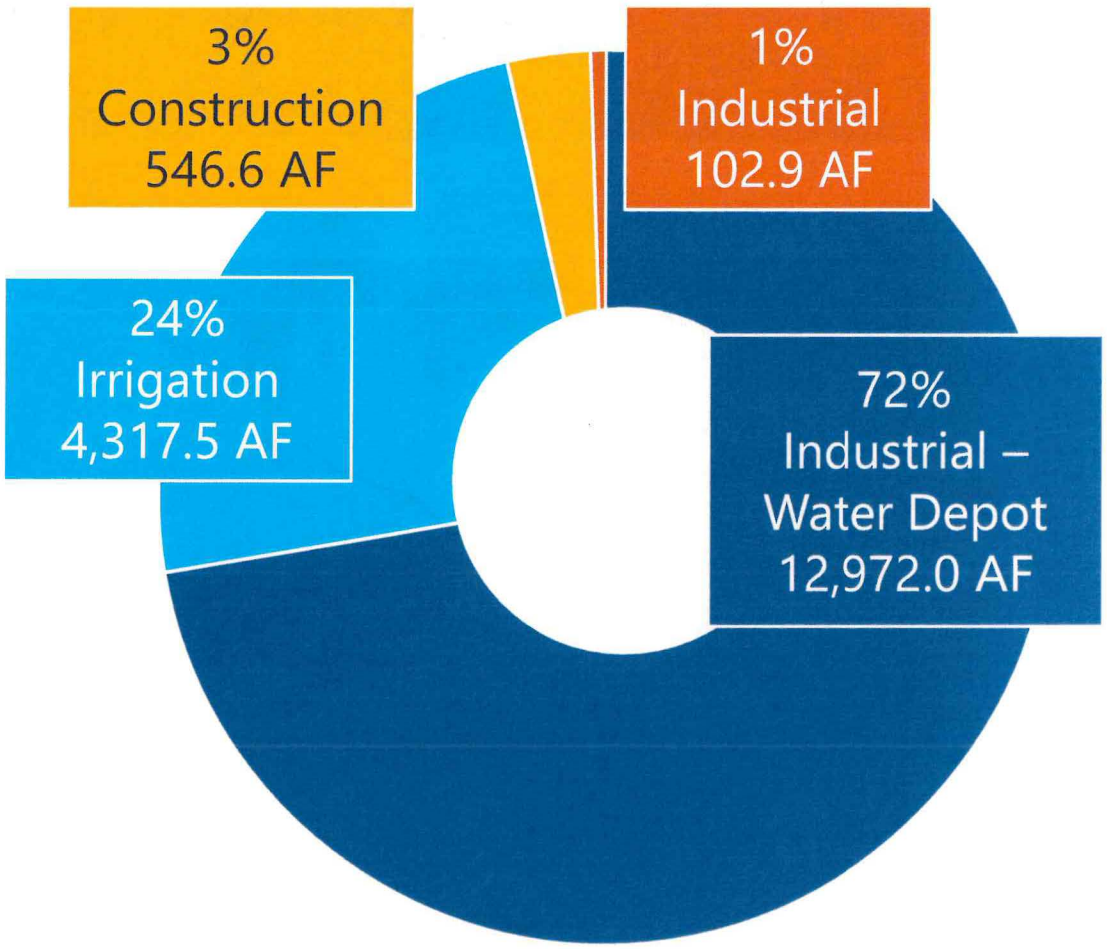
- DWR Selected Three Aquifers With Excellent MAR Potential For Further Study
- Contracted With INTERA
- Models Will Simulate Various Scenarios, Such As Drought Conditions Or Increased Water Withdrawals To Predict Their Effects On Water Levels & Availability
- Aim To Strike A Balance Between Current & Potential Additional Water Usage & Long-Term Sustainability



WATER APPROPRIATION PERMIT APPLICATIONS RECEIVED

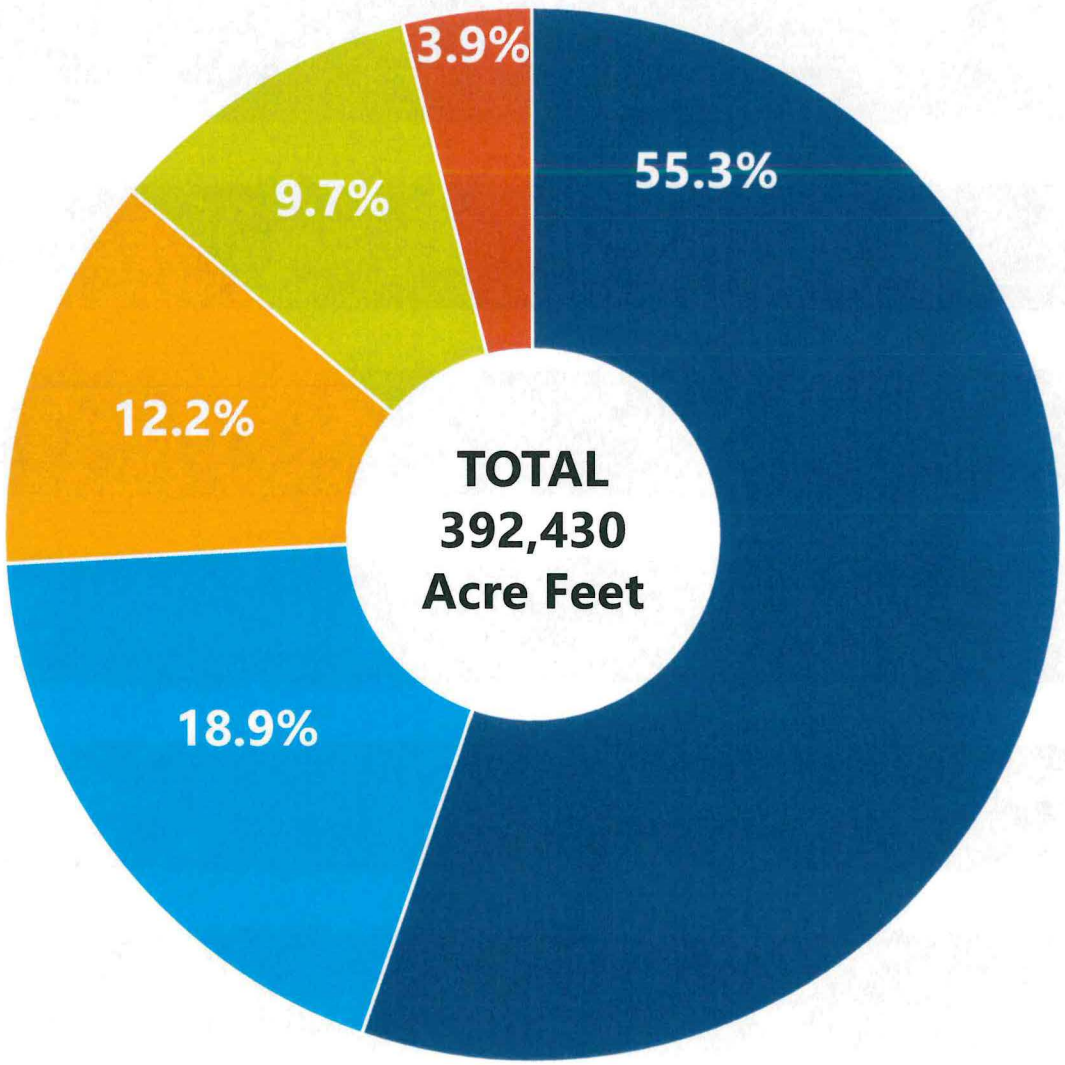
TEMPORARY WATER PERMIT SUMMARY

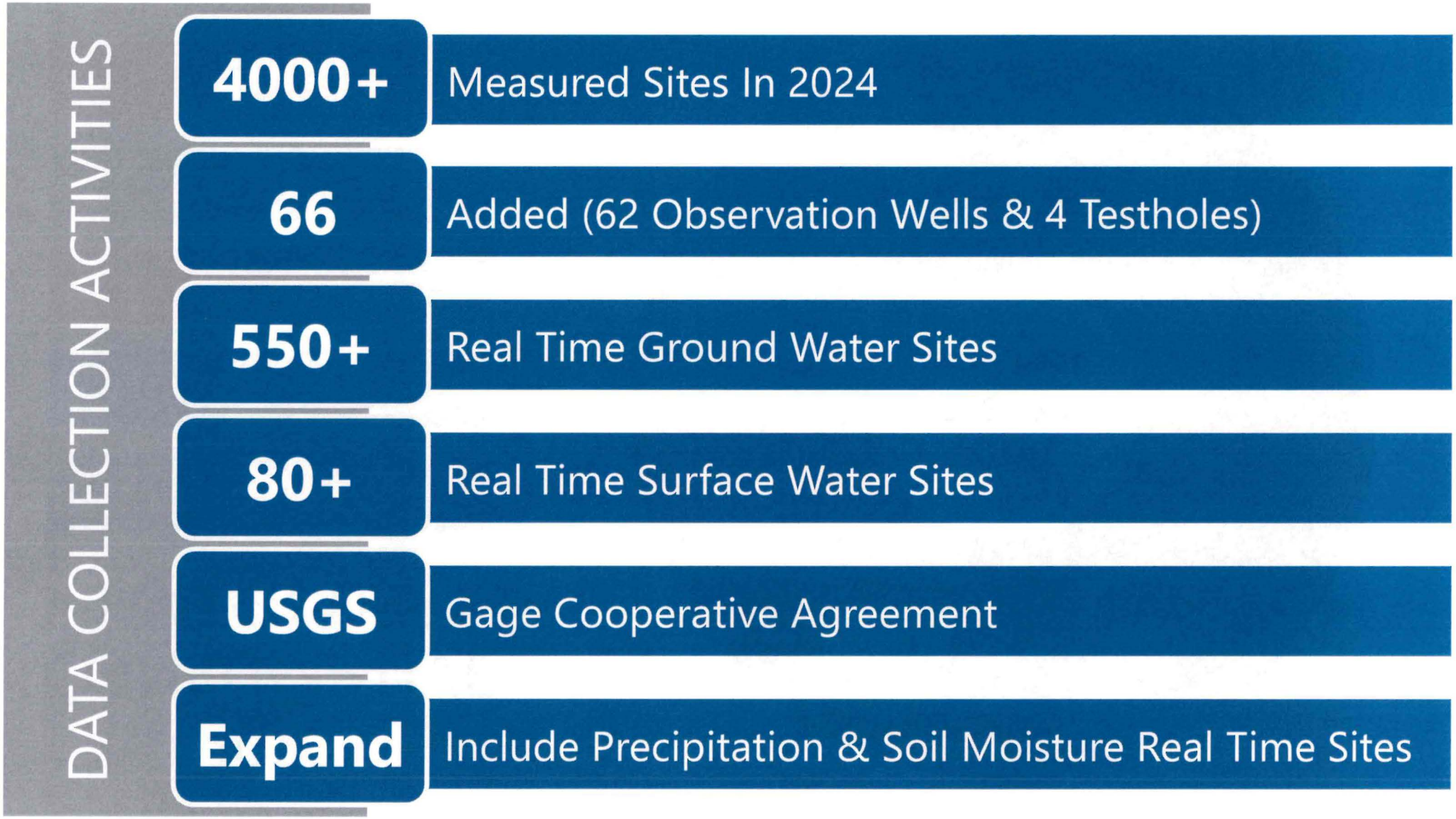
Nature of Use	2023 Reported Use (acre-feet)
Construction	546.6
Industrial	102.9
Industrial - Water Depot	12,972.0
Irrigation	4,317.5
Total	**17,939**



2023 CONSUMPTIVE WATER USE

- Irrigation
- Municipal
- Industrial (Non-Water Depot), Power Generation, Multi-Use
- Industrial (Water Depot)
- Rural Water




DATA COLLECTION ACTIVITIES
4000+
Measured Sites In 2024
66
Added (62 Observation Wells & 4 Testholes)
550+
Real Time Ground Water Sites
80+
Real Time Surface Water Sites
USGS
Gage Cooperative Agreement
Expand
Include Precipitation & Soil Moisture Real Time Sites

PUSHING REMOTE SENSORS (PRESENS)

- **Collecting Real-Time Valuable Water Resource Data** - Publicly Accessible On Agency's Map Services
- **Collect** Water Levels, Precipitation, Soil Moisture, Soil Temperature, Barometric Pressure, Air Temperature
- **600+ Units** Operated In 2024
  - Surface Water Units Are Removed In Winter To Prevent Damage
- **53 Units** Have Rain Gage & Soil Moisture Sensors
- **Over 28 Million Data Points** Collected In 2024



Goal - Continue Expanding The PRESENS Network

ONGOING FEDERAL ISSUES OF INTEREST

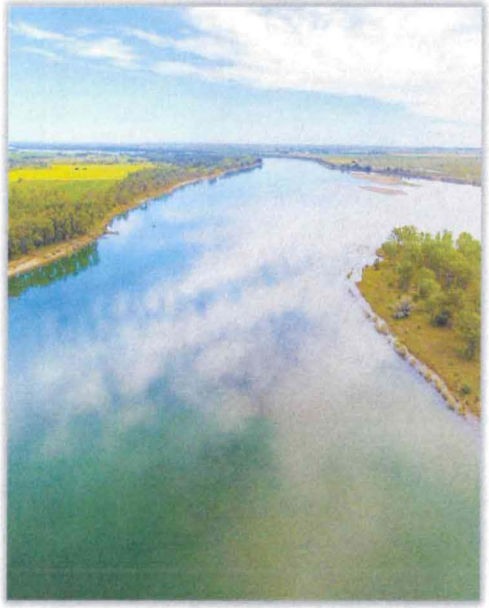


- USFS Dakota Grasslands Travel Management Plan
- BLM Resource Management Plan
- USACE Water Resources Development Act
- Baldhill Dam Operation Plan
- Snake Creek Embankment
- Federal Funding Freezes


OTHER
ONGOING
EFFORTS

STUDIES









Missouri River Intakes

RRVWSP Missouri River Intake Options Report

Statewide Irrigation Feasibility

Western States Water Collection Survey

Multi-State Survey Of Surface Water Management Practices

Communication Campaign Topics

SIGN UP TODAY!

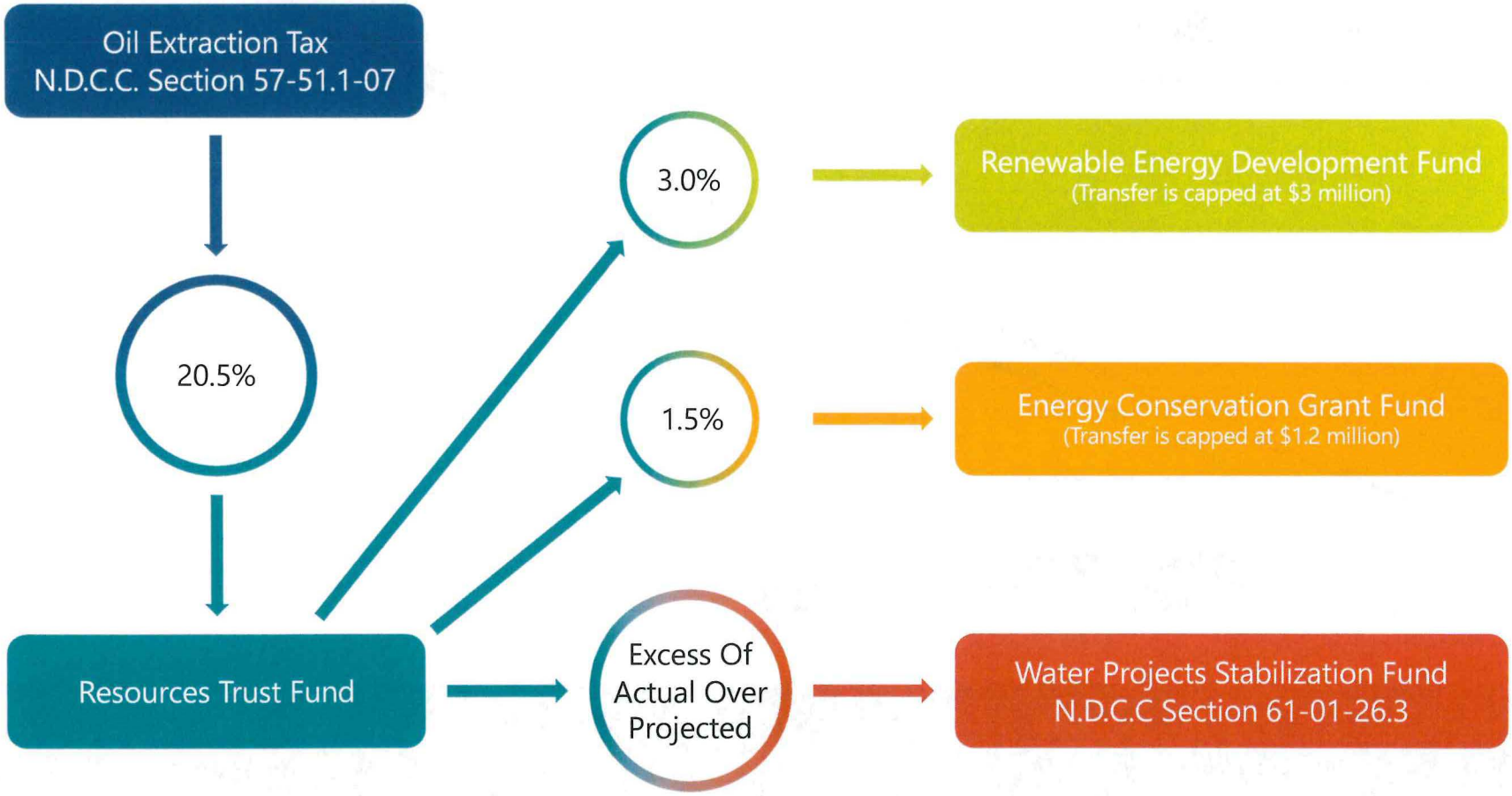
- Know Your Aquifer
- In The Clouds
- Watershed Thread

EDUCATIONAL CAMPAIGNS

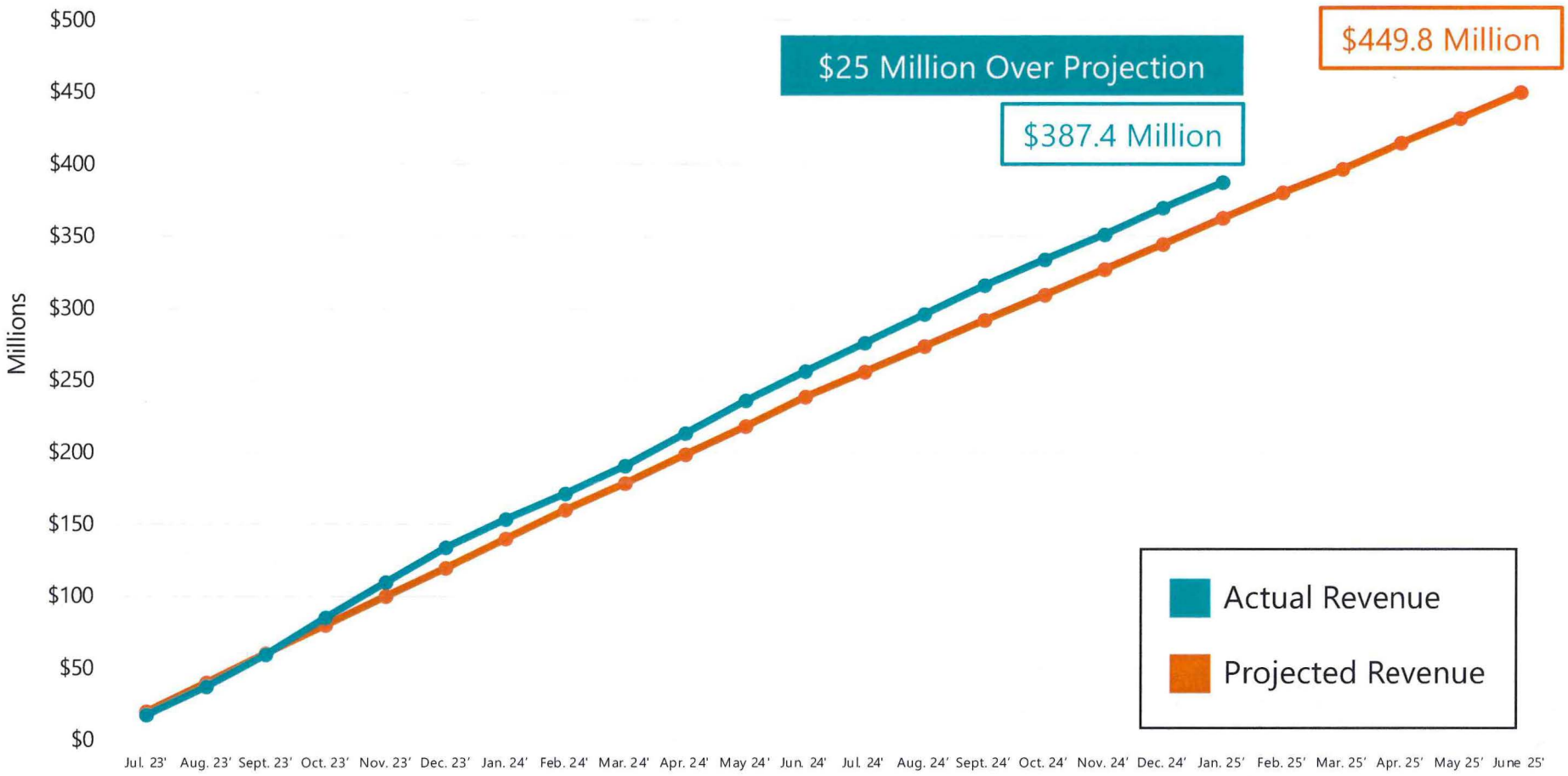


DWR BUDGET & WATER DEVELOPMENT PLANNING

RESOURCES TRUST FUND REVENUE

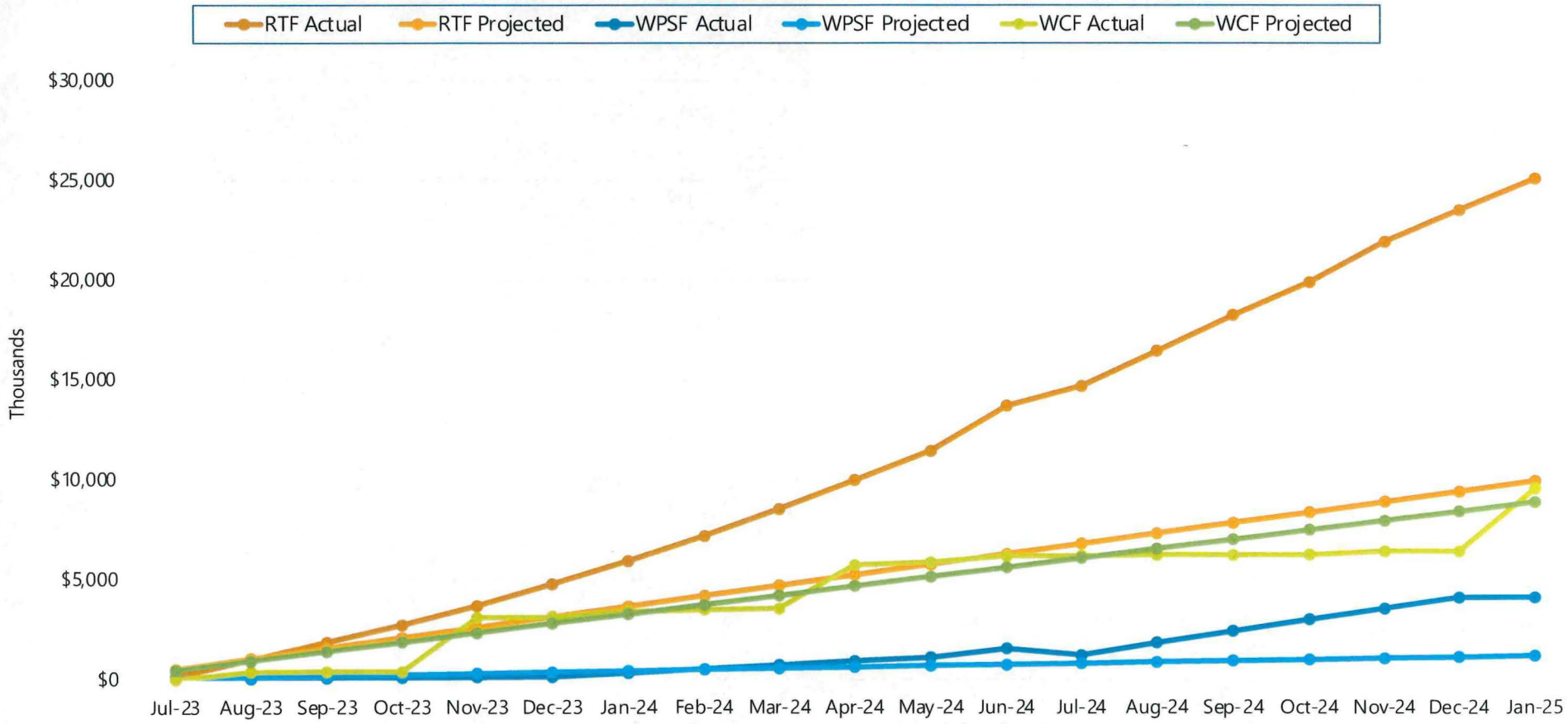


RESOURCES TRUST FUND REVENUE

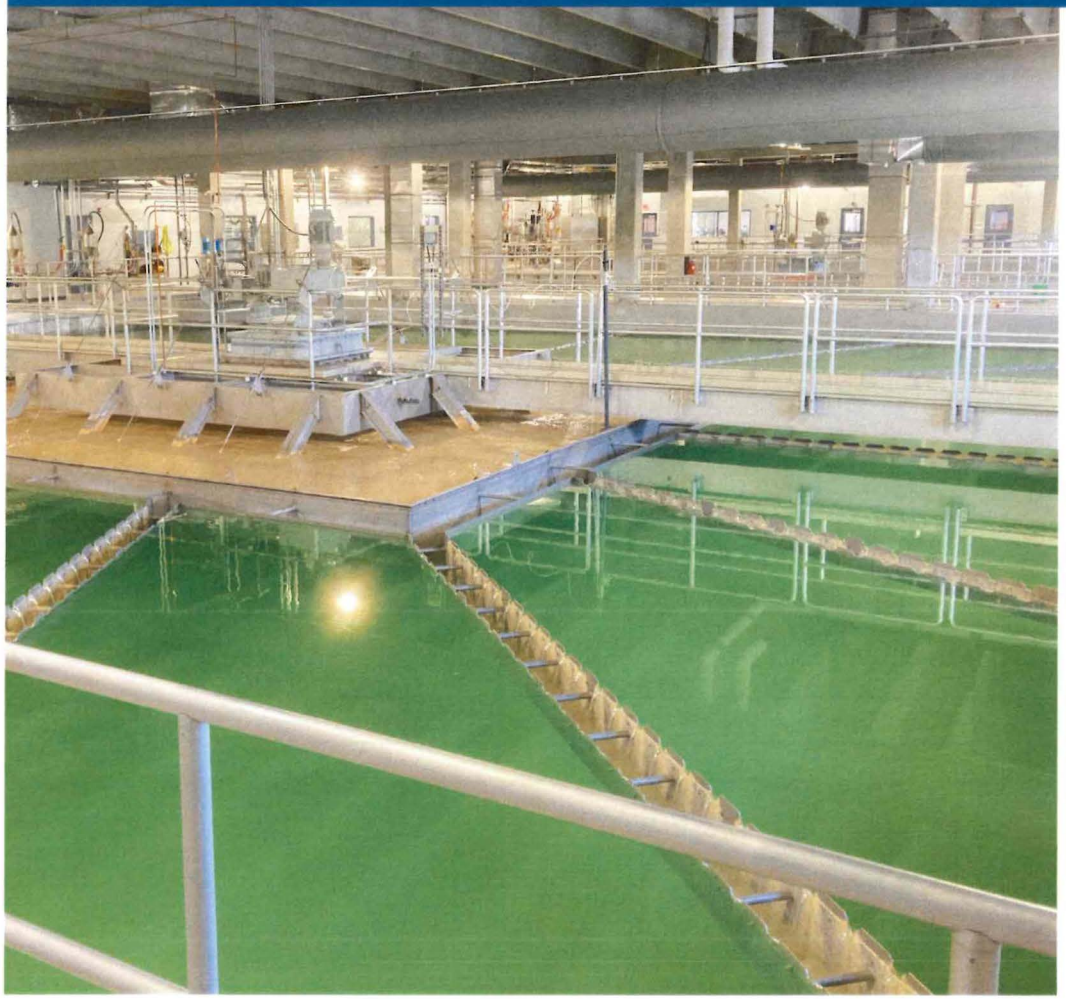


OTHER REVENUES

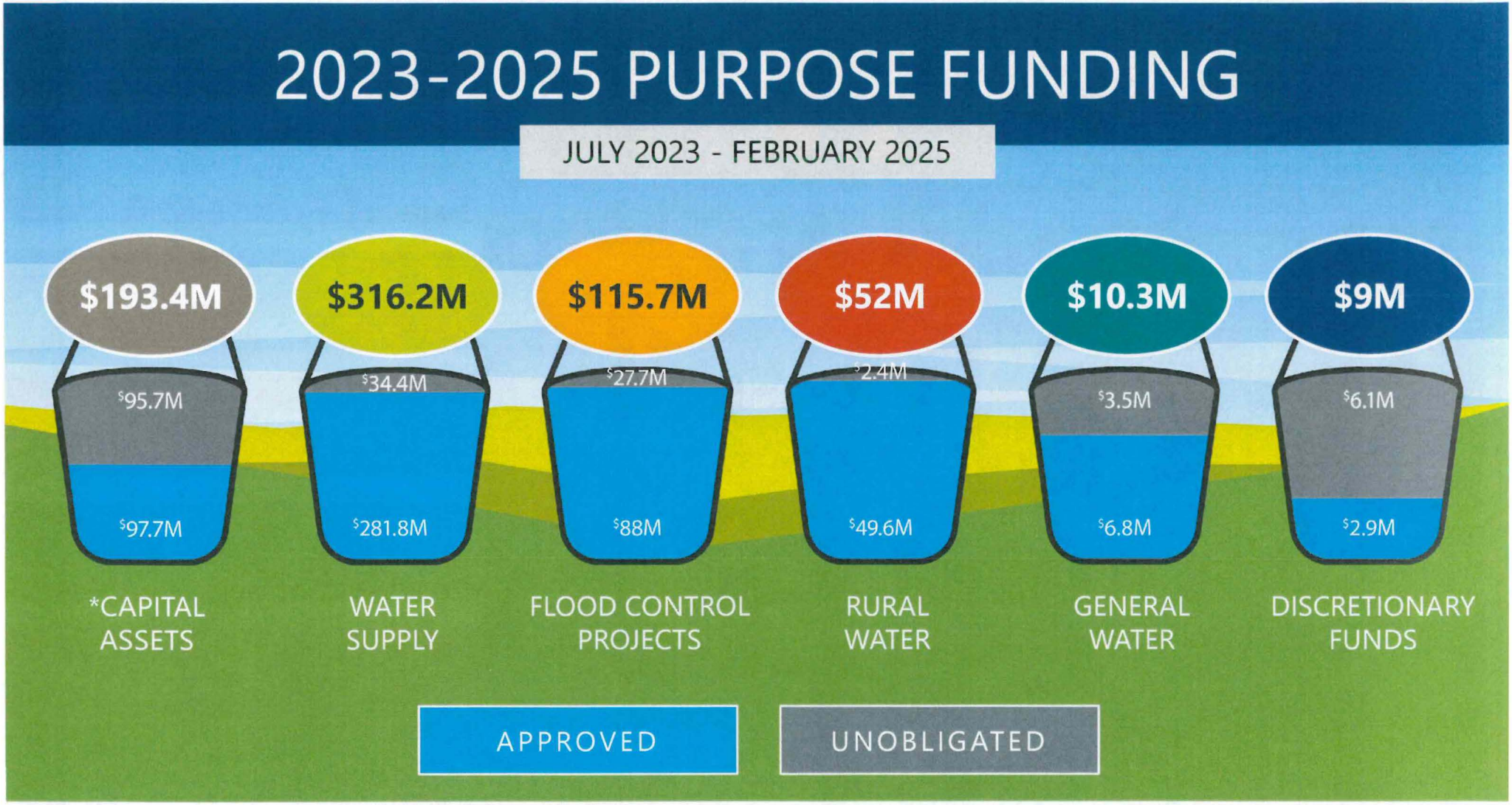
2023-2025 (CUMULATIVE) JANUARY 2025



WATER PROJECTS STABILIZATION FUND



- Created By SB 2345 During 2021 Special Session
- SB 2020 (2023) Included **$150M**
  - **$120M** Red River Valley Water Supply Project
  - **$30M** Western Area Water Supply Project (Loan Payoff)
- SB 2020 (2023) Provided For Transfers Of Revenues In Excess Of The March 2023 Legislative Revenue Forecast Be Deposited In The WPSF
- $25M Estimated To Be Transferred To The WPSF Through February 2025



*Capital Assets bucket includes $100M line of credit.

2023-2025 COST-SHARE APPROVALS

REGIONAL WATER SUPPLY

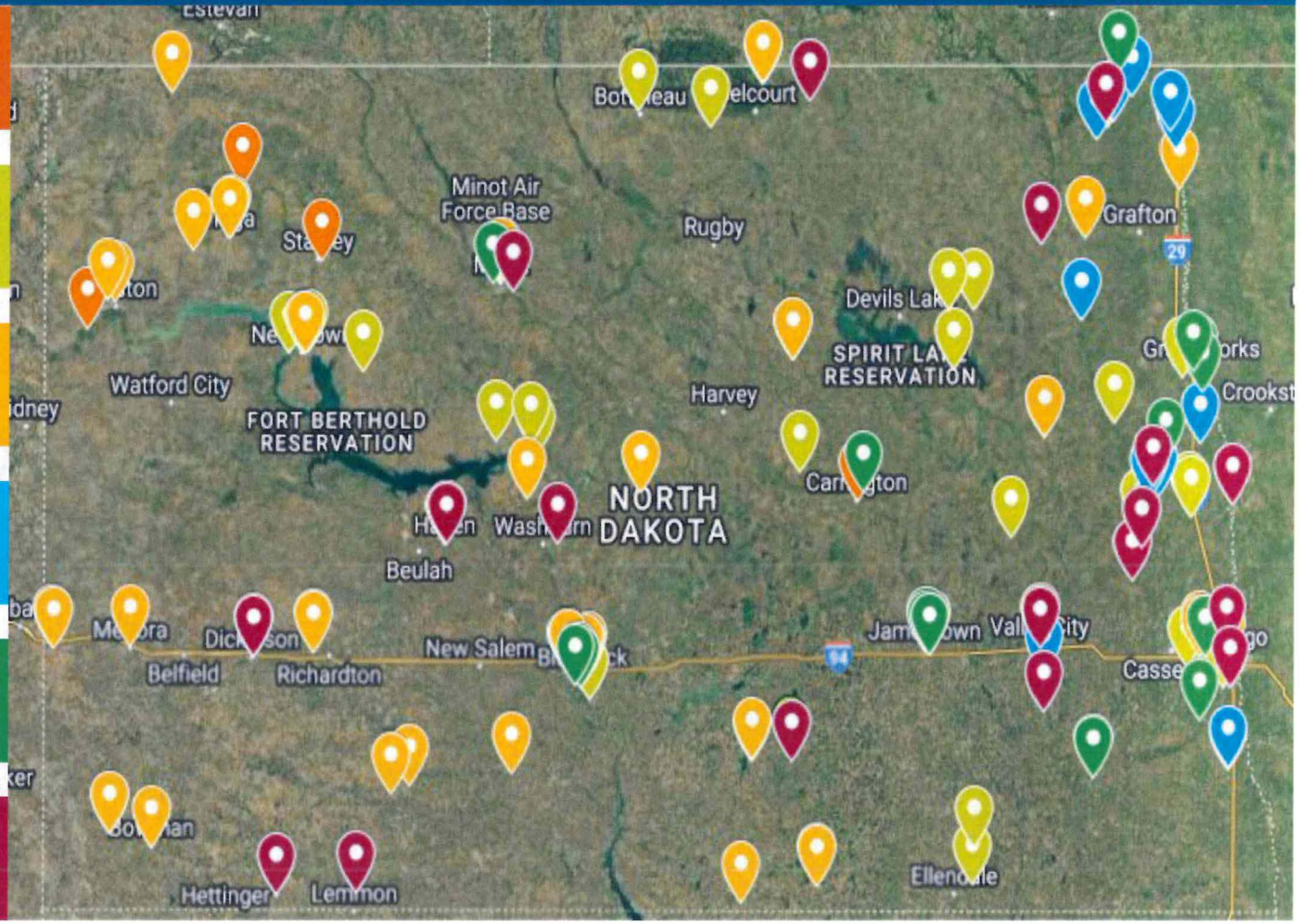
RURAL WATER SUPPLY

MUNICIPAL WATER SUPPLY

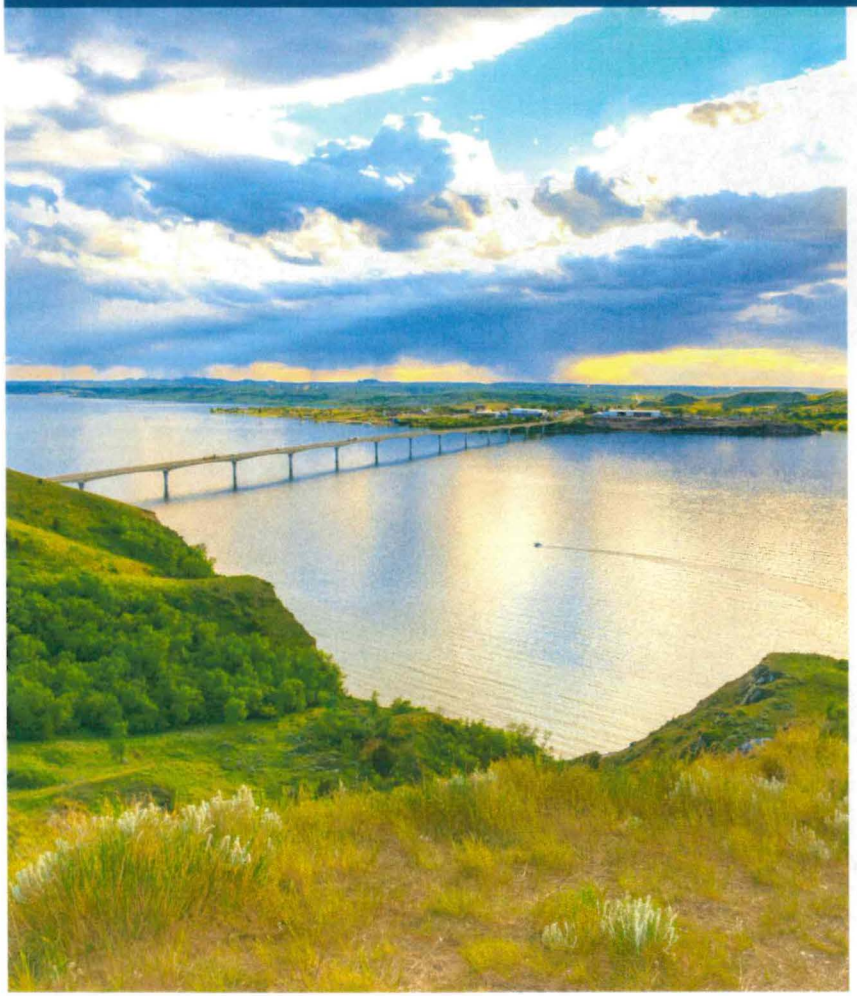
CONVEYANCE

FLOOD CONTROL

GENERAL WATER MANAGEMENT



TRIBAL NATIONS COST-SHARE PARTNERING



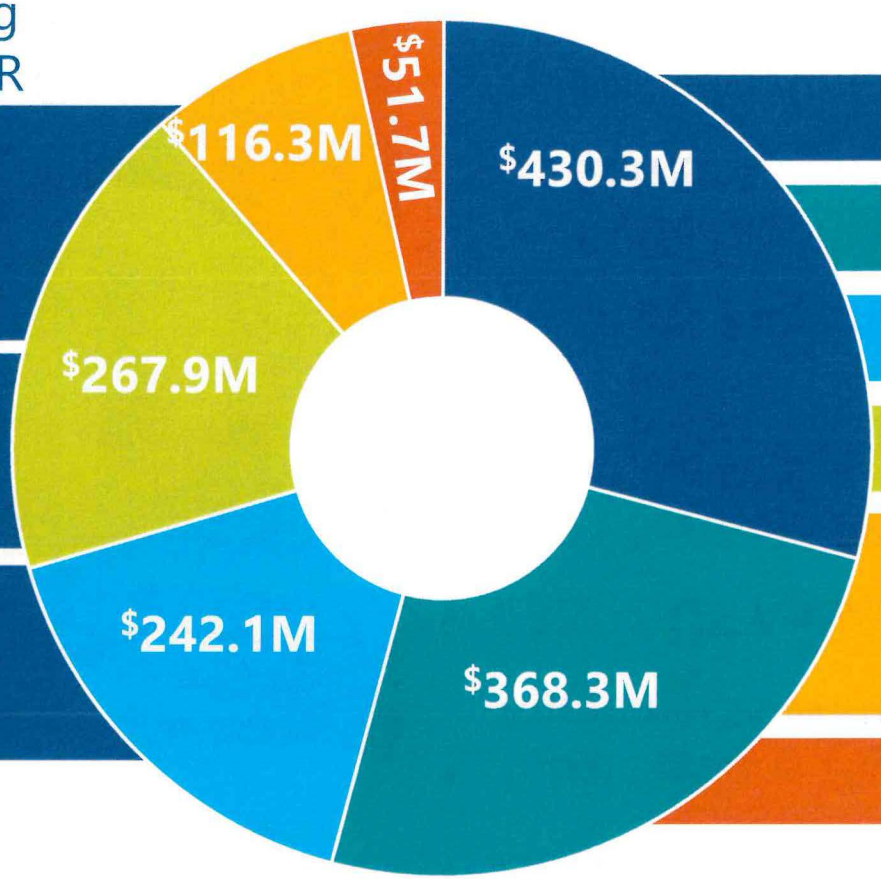
- 2023 Legislature Passed HB 1385
- Tribal Nations Eligible To Enter Into Cost-Share Agreements With SWC
- 2023-2025 Approvals
  - Ft Berthold Rural Water, Four Bears WTP, Intake & Raw Water (2 Approvals) = **$4M**
  - Ft Berthold Rural Water, Parshall To White Shield Regionalization Precon. = **$341K**
  - Turtle Mountain Band Of Chippewa, Hwy 43 Corridor Construction = **$4M**
  - Turtle Mountain Band Of Chippewa, Hwy 3 Area = **$3.1M**

Potential Funding Needs From DWR

2025-2027
$1.48B

2023-2025
$1.05B

2021-2023
$0.64B



REGIONAL WATER SUPPLY

MUNICIPAL WATER SUPPLY

FLOOD CONTROL

RURAL WATER SUPPLY

CONVEYANCE
(Bank Stabilization,
Snag & Clear, & Drains)

GENERAL WATER

2025 WATER DEVELOPMENT PLAN INVENTORY

2025-2027 PROJECT & PURPOSE FINANCIAL NEEDS SUMMARY

ESTIMATED DWR SHARE BY PRIORITY

Project Purposes	Water Development Plan Inventory Project Needs		
	High Priority	Moderate Priority	Low Priority
Flood Control (Total = $358.4)	**$240.70**	**$54.50**	**$63.20**
Heart River - Mandan	$8.60	-	-
Mouse River Enhanced Flood Protection	$125.00	-	-
Other Flood Control	$18.10	$0.90	$0.50
South Bismarck	$73.00		
Valley City Permanent Flood Protection	$16.00	-	-
Water Conveyance	-	$53.60	$62.70
General Water (Total = $51.8M)	**$8.60**	**$40.10**	**$3.10**
Rural Water Supply (Total = $267.9M)	**$5.30**	**$61.30**	**$201.30**
Water Supply (Total = $635.7M)	**$267.50**	**$16.90**	**$351.30**
Municipal	-	$16.90	$351.30
Red River Valley Water Supply	$221.00	-	-
Western Area Water Supply	$46.50	-	-
State Owned Projects (Total = $164.4M)	**$164.40**	**$0.00**	**$0.00**
Devils Lake Outlets	$1.70	-	-
Northwest Area Water Supply	$12.70	-	-
Southwest Pipeline Project	$150.00	-	-
TOTAL IDENTIFIED NEEDS ($1.48B)	**$686.4**	**$172.8**	**$618.9**

WATER DEVELOPMENT PLAN & DASHBOARD



Web-Based Version

Launched & Operational

Dashboard Includes

Interactive Charts

Changing Conditions

Information Can Be Updated By Staff

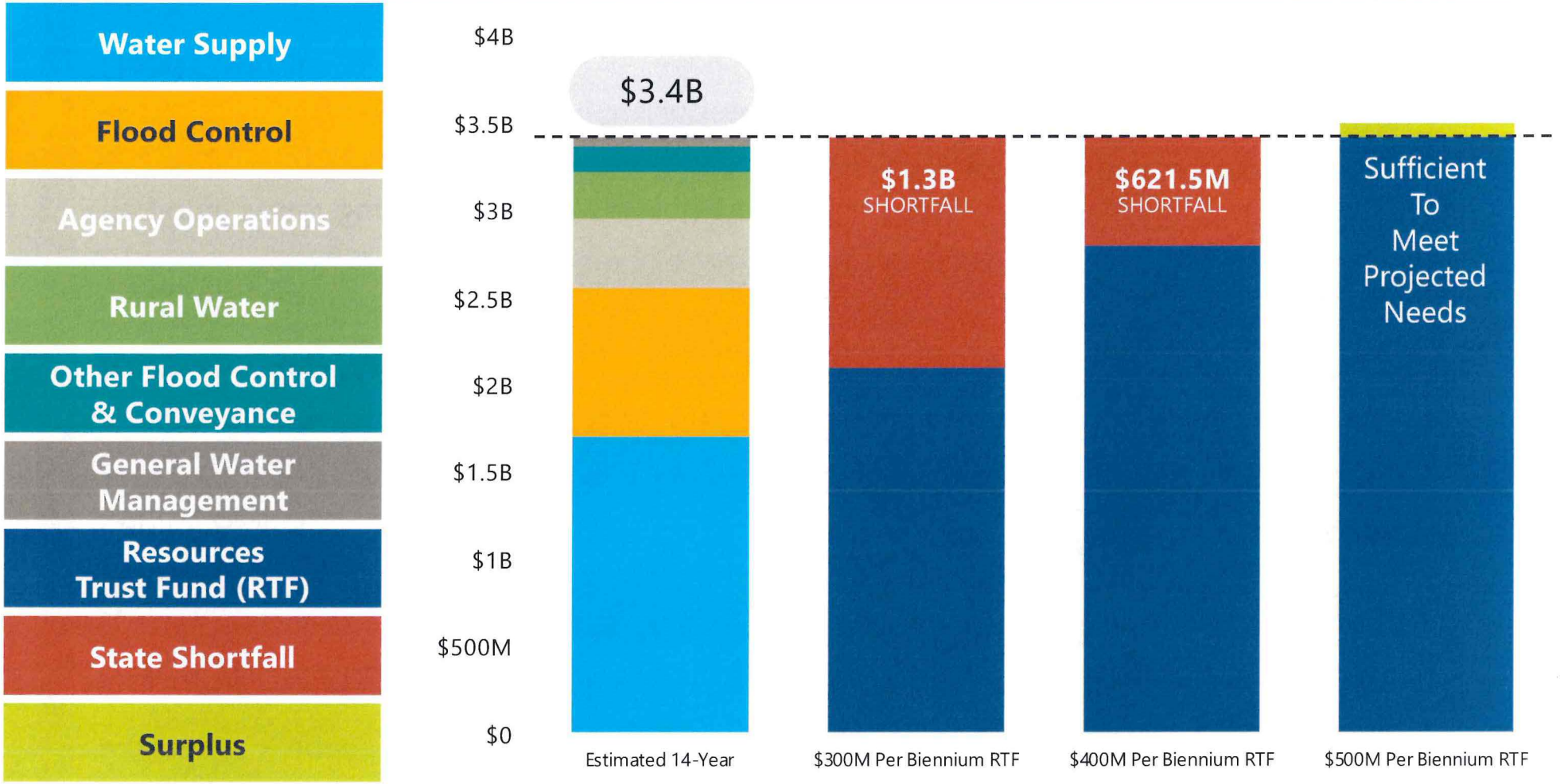
Access Any Time

Phones & Computers

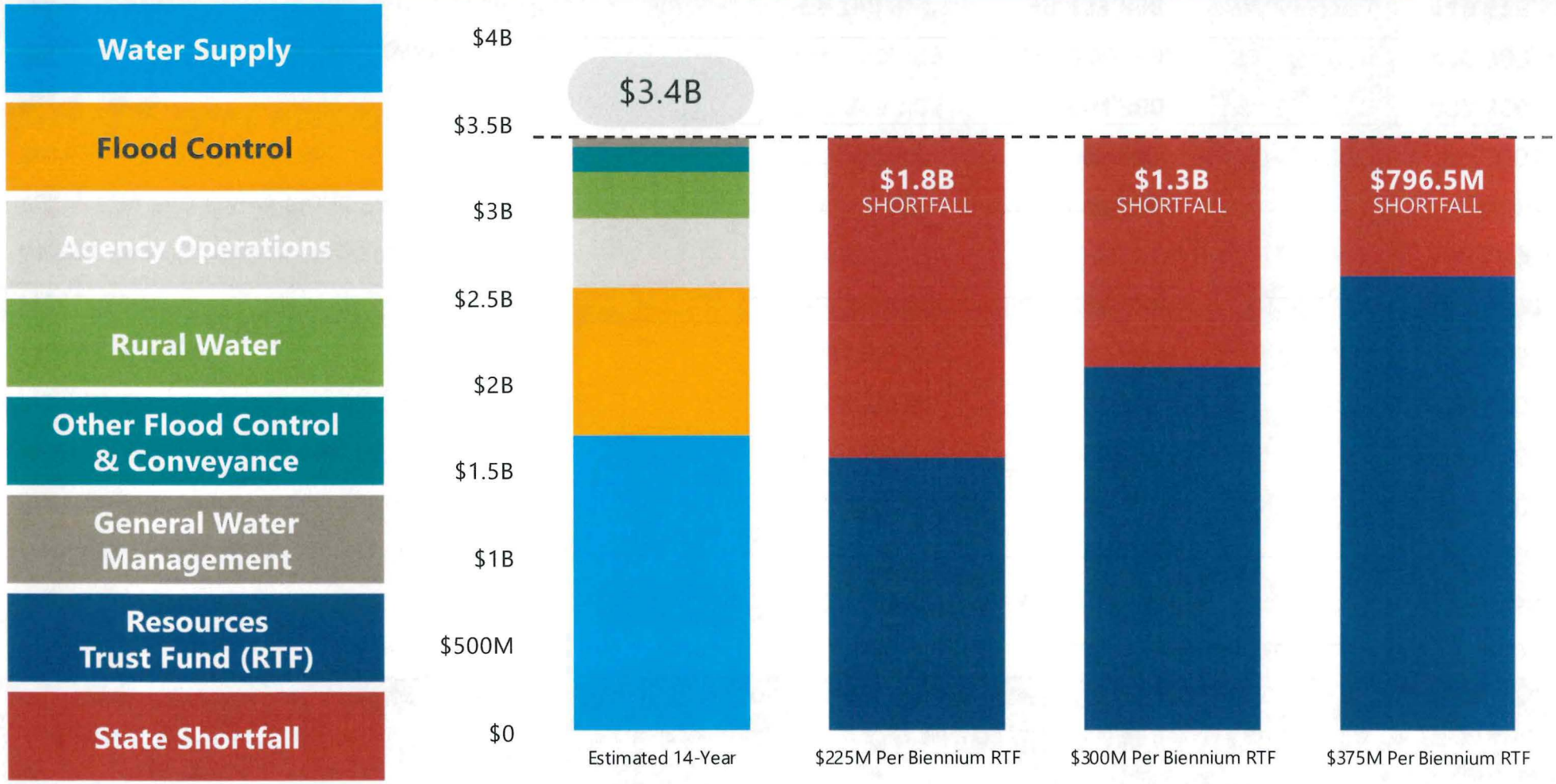
WWW.DWR.ND.GOV

ENGROSSED HB 1020 - LINE ITEMS	APPROPRIATION
Salaries & Wages	$25,356,498
New & Vacant FTE Pool	$2,428,615
Operating Expenses	$33,939,781
Capital Assets	$3,203,950
Southwest Pipeline Project	$131,713,336
Northwest Area Water Supply	$106,857,325
Water Supply	$105,000,000
Regional Water Supply	$306,500,000
General Water	$29,000,000
Flood Control	$168,500,000
Discretionary Funding	$10,000,000
TOTAL APPROPRIATED (99.00 FTE AUTHORIZED)	**$922,499,505**

14-YEAR PLAN: $500M/BIENNIUM MEETS NEEDS



IMPACT OF RTF REVENUE FROM 20.5% TO 15.5% (EXTRACTION TAX)



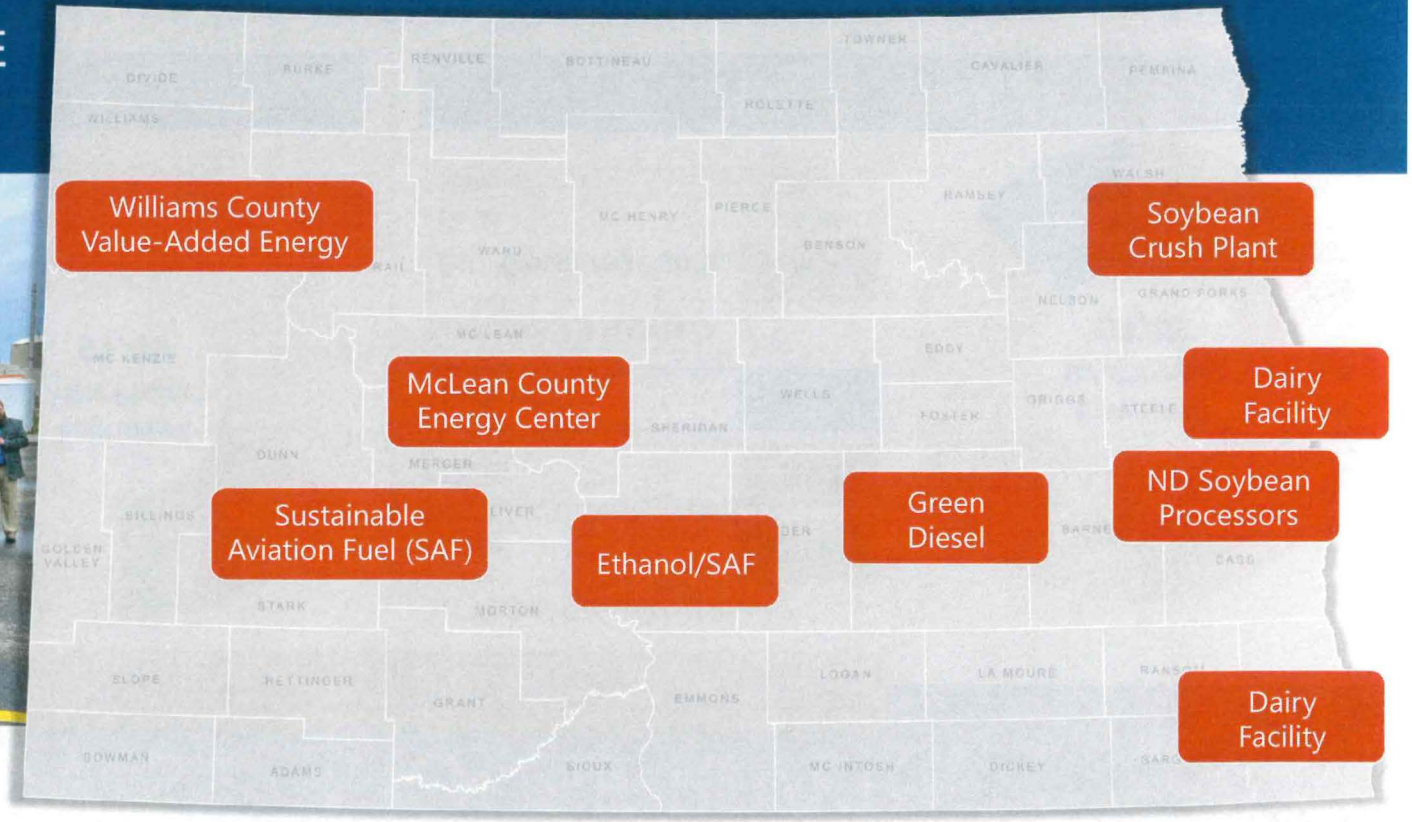
14-YEAR WATER PROJECT FUNDING NEEDS

Project	State	Local	Federal	Total
Water Supply	**1,703,666,767**	**615,797,941**	**33,701,866**	**2,353,166,574**
Red River Valley Water Supply Project (RRVWS)	773,000,000	257,000,000	0	1,030,000,000
Southwest Pipeline Project (SWPP)	313,000,000	0	0	313,000,000
Western Area Water Supply (WAWS)	177,700,000	60,000,000	0	237,700,000
Northwest Area Water Supply (NAWS)	71,700,000	52,100,000	0	123,800,000
Municipal Water	368,266,767	246,697,941	33,701,866	648,666,574
Flood Control	**854,000,000**	**441,000,000**	**120,000,000**	**1,415,000,000**
Mouse River Enhanced Flood Protection	733,000,000	380,000,000	70,000,000	1,183,000,000
Valley City Permanent Flood Protection	48,000,000	12,000,000	0	60,000,000
Bismarck South Flood Protection	73,000,000	49,000,000	50,000,000	172,000,000
Rural Water	**267,866,781**	**91,904,300**	**73,395,550**	**433,166,631**
Other Flood Control & Conveyance	**144,300,000**	**167,500,000**	**93,200,000**	**405,000,000**
General Water	**51,728,927**	**38,483,898**	**59,412,700**	**149,625,525**
Agency Operations	**400,000,000**	**0**	**0**	**400,000,000**
TOTAL	**3,421,562,475**	**1,354,686,139**	**379,710,116**	**5,155,958,730**

FUTURE GROWTH INCREASES DEMAND FOR WATER

WATER INFRASTRUCTURE IS A KEY FACTOR





RRVWS & MOUSE RIVER

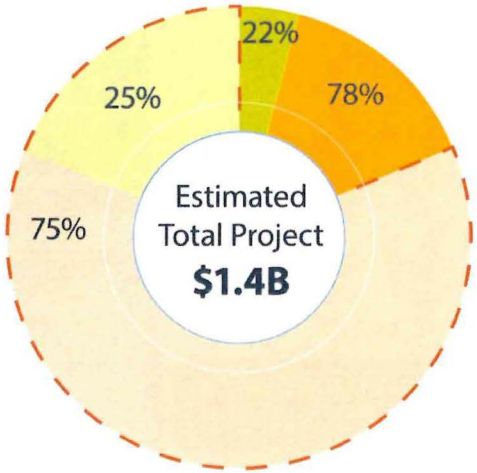
OUR TWO LARGEST REMAINING PROJECTS

HISTORIC FUNDING

Local	$86M
State	$297M

FUTURE FUNDING

Main Transmission Est. Remaining Funds	$1.03B
Local	$257M
State	$773M



Red River Valley Water Supply

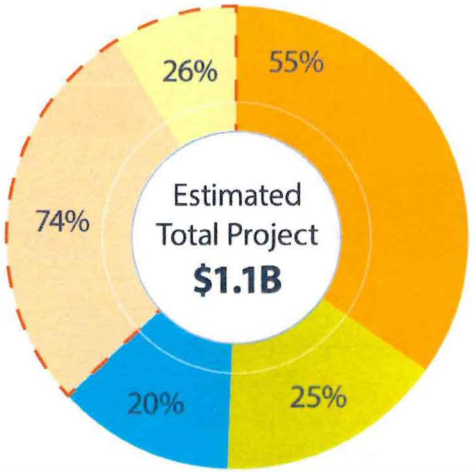
Future Funding Represents Remaining Intent
Of $773M From State - SB 2020 (2023 Session)

HISTORIC FUNDING

Local	$176M
State	$389M
Federal	$141M

FUTURE FUNDING

Est. Remaining Funds	$409.4M
Local	$150M
State	$304M



Mouse River

Future Funding Represents Remaining Intent
Of $304M From State - SB 2020 (2023 Session)

Additional Funding Of Approx. $429M Or $733M
Total Needed From The State (Scenario 4)

New Estimated Total Cost = $1.8B

WATER INFRASTRUCTURE MARATHON

PROJECTS DO NOT FOLLOW BIENNIAL SCHEDULES



Pre-Construction



Permitting



Planning & Design



Bidding Phase



Right-Of-Way & Land



Construction

Funding Certainty Required To Continue

RTF Dollars Reimburse Sponsors For Actual Expenses

Project Types (Recently Completed Project Examples: DWR Cost-Share Database)	Average Construction Timeframe (Months)
Municipal Water Distribution Lines	16
Rural Water Distribution Lines	19
Storage Tanks	24
Rural Water Conveyance (Drains)	18
Dam Safety Improvements	21
Bank Stabilizations	16
Snagging & Clearing	6

Pre-Construction (Permitting, Studies, & Design) Timelines Can Vary Greatly From Project To Project Depending On Location & Other Unique Circumstances

Large-Scale Projects Are Multi-Biennial In Nature, With Several Large Projects Ongoing

Naws Biota Water Treatment Plant
Ongoing Since 2021 (Completion Est. 2025)

Mouse River Flood Protection
Ongoing Since 2015 (Completion Est. 2039*)

FM Diversion/Flood Protection
Ongoing Since 2016 (Completion Est. 2027)

Valley City Flood Protection
Ongoing Since 2014 (Completion Est. 2035)

Red River Valley Water Supply
Ongoing Since 2020 (Completion Est. 2032*)

WATER PROJECT TIMELINES (**ACCELERATED TIMING*)

RESOURCES TRUST FUND HISTORICAL SPENDING VS APPROPRIATIONS

	Cash Balance	Oil Tax Transferred	Appropriated	*Spent	(%) Appropriation Spent
2007-09	32,655,609	73,481,417	69,352,698	25,100,000	36%
2009-11	87,378,167	148,886,433	135,806,609	86,000,000	63%
2011-13	148,088,456	390,342,356	332,400,000	261,500,000	79%
2013-15	292,961,846	564,521,002	754,806,094	284,750,000	38%
2015-17	587,754,568	240,564,950	755,817,897	528,482,609	69%
2017-19	314,851,501	357,504,569	584,215,358	359,653,467	62%
2019-21	326,742,618	305,522,369	778,482,206	361,962,182	46%
2021-23	287,678,660	505,222,761	752,548,989	317,315,350	42%
2023-25*	422,486,470	453,572,223	952,577,685	376,738,786	40%

2015-17 Spending Was Primarily Completing WAWSA, Average Spending % Is **53% Biennially**

*Current Biennium Estimate

STRATEGIC USE OF LINES-OF-CREDIT & PROJECT SPECIFIC BONDING IN 2025-2027

WILL ACCELERATE PROJECTS & DECREASE INFLATIONARY COSTS

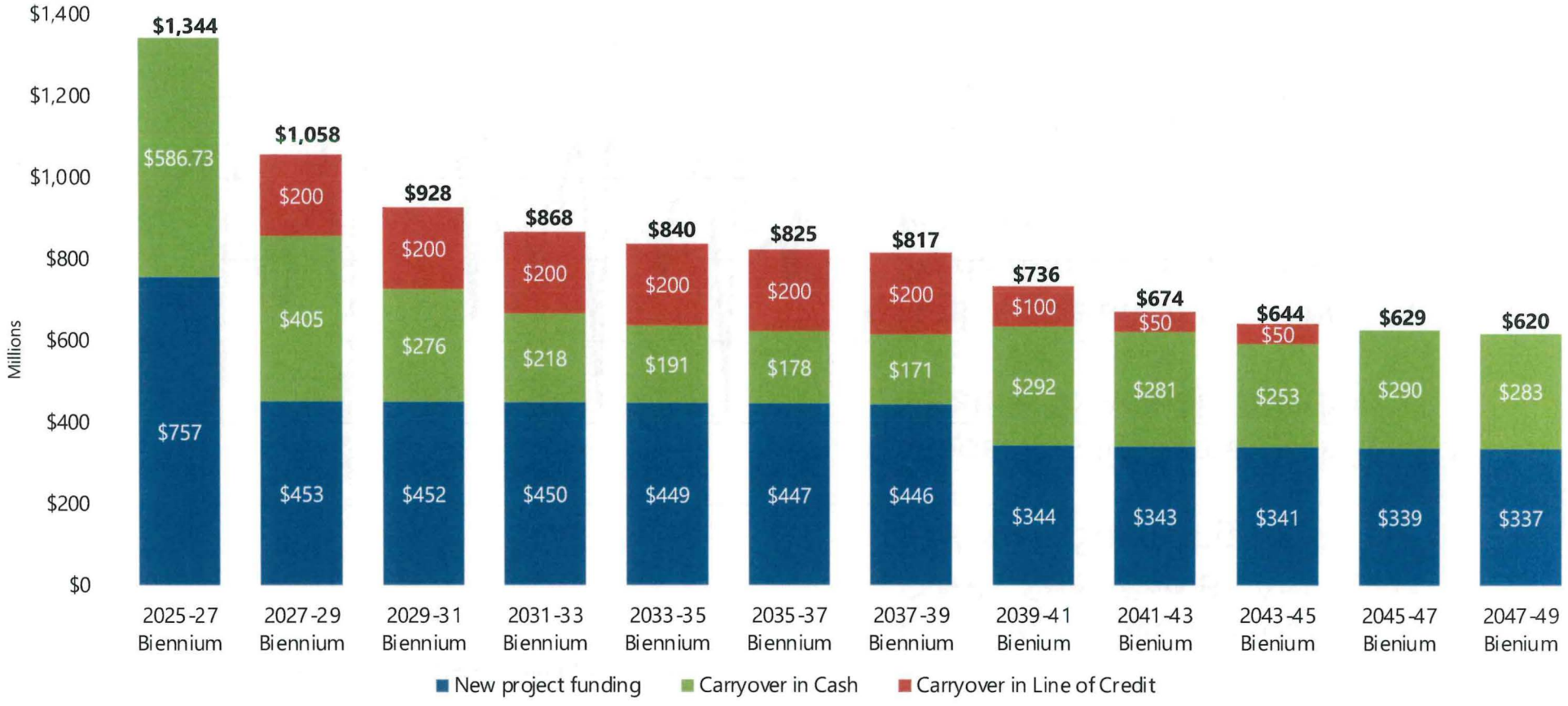
The 2025-2027 Proposal For Funding For Water Projects Includes Providing Additional Funding Through A $200 Million Line Of Credit and $100 Million From Bond Proceeds To Help Accelerate Water Projects.

$200M Line Of Credit For Cash Management

A $200 Million Line Of Credit Provides Authority For The SWC To Approve Water Projects And Provides A Source Of Cash If The Current Cash Balance and Revenues Are Insufficient To Cover Reimbursements.

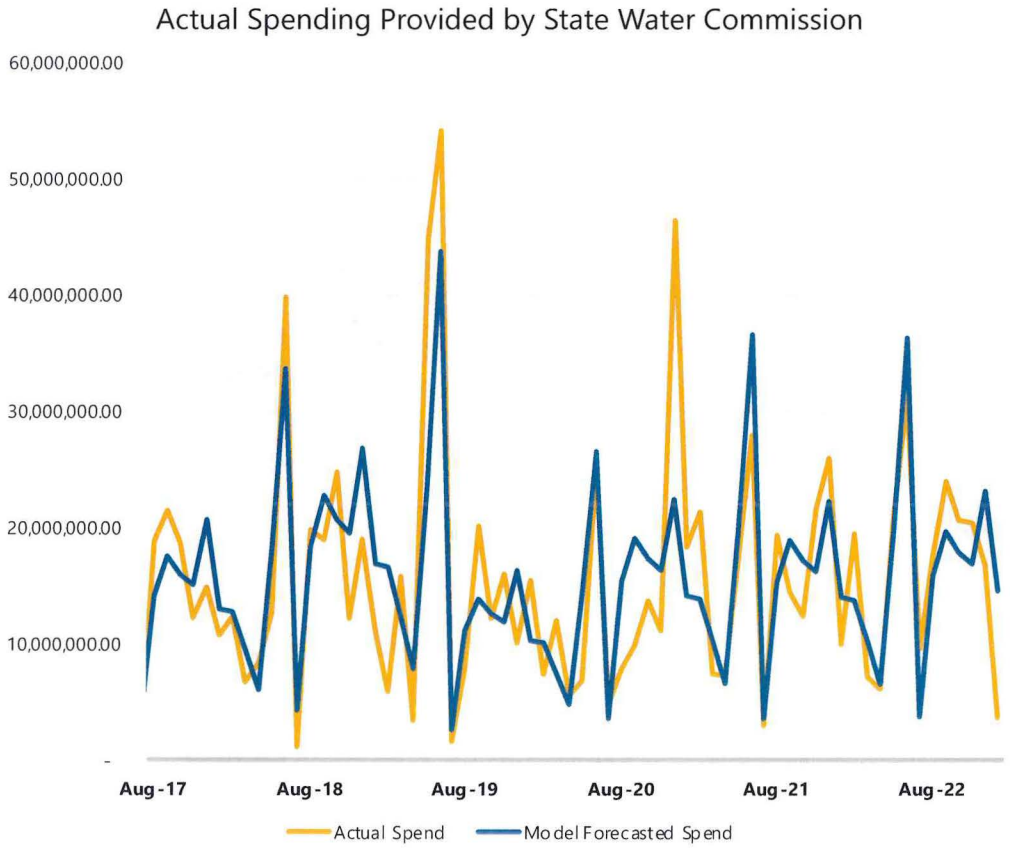
$100M Bonding Package For SWPP

Utilizing SWPP Capital Repayments To Bond Up To $100 Million For SWPP Construction Allows For Additional Funds To Be Utilized On Other Water Projects And To Provide A $40 Million Transfer To The Water Infrastructure Revolving Loan Fund.



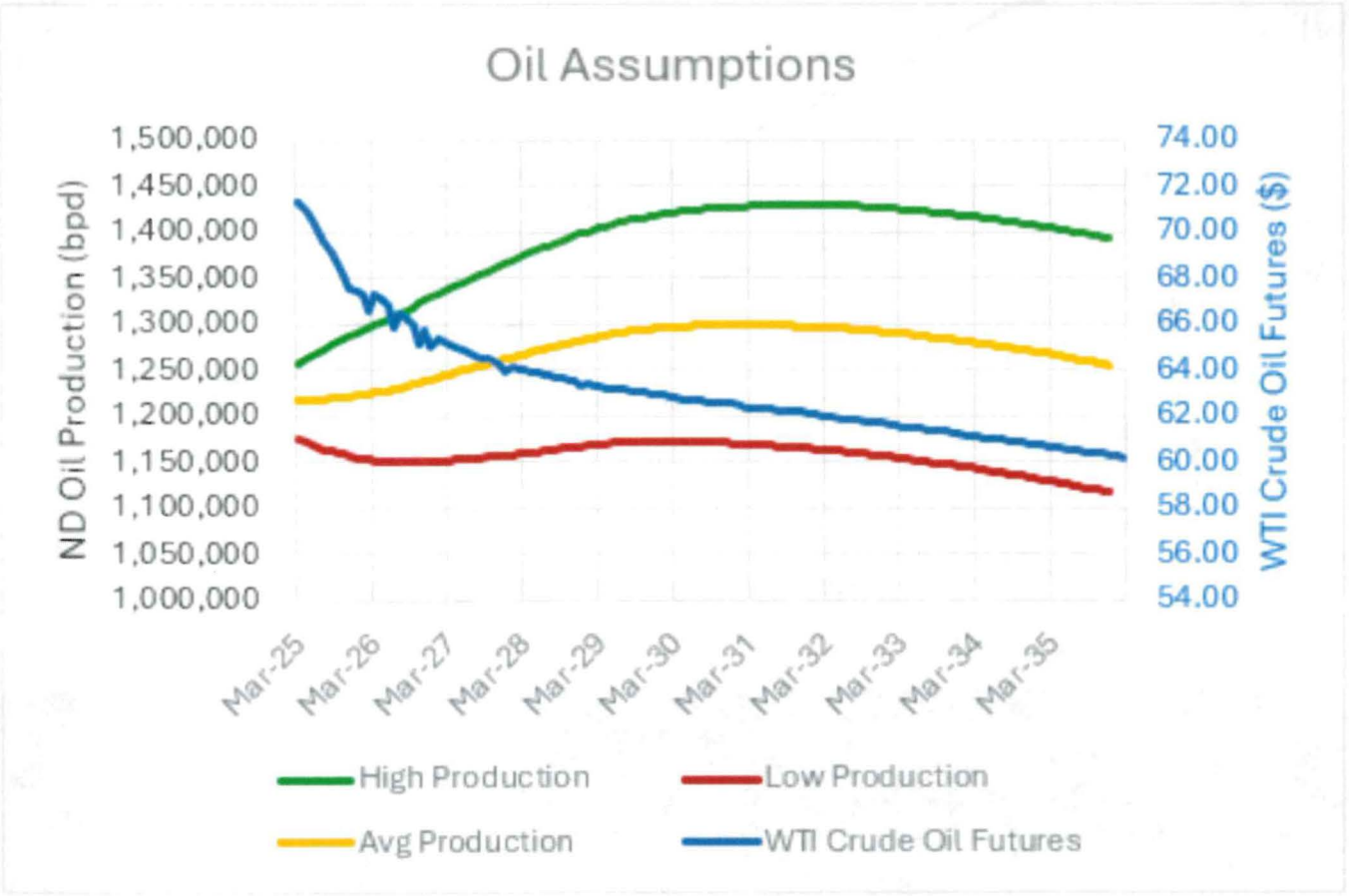
USING THIS APPROACH ACCELERATES PROJECTS WHILE REDUCING CARRIED-OVER CASH

DEVELOPED WATER COMMISSION CASH FLOW MODEL, WAS TESTED VS. KNOWN PAST SPEND



- BND Developed A Model To Project DWR's Spending By Analyzing Historical Spending Data
- Model Results Were Back Tested Relative To Actual Spending
- High Correlation Between The Model Prediction Vs Actual Spending Patterns
- Model Output Used To Project Future DWR Net Cash Flows & Balances

MODEL RE-CALIBRATED USING PIPELINE AUTHORITY OIL PRODUCTION CURVE

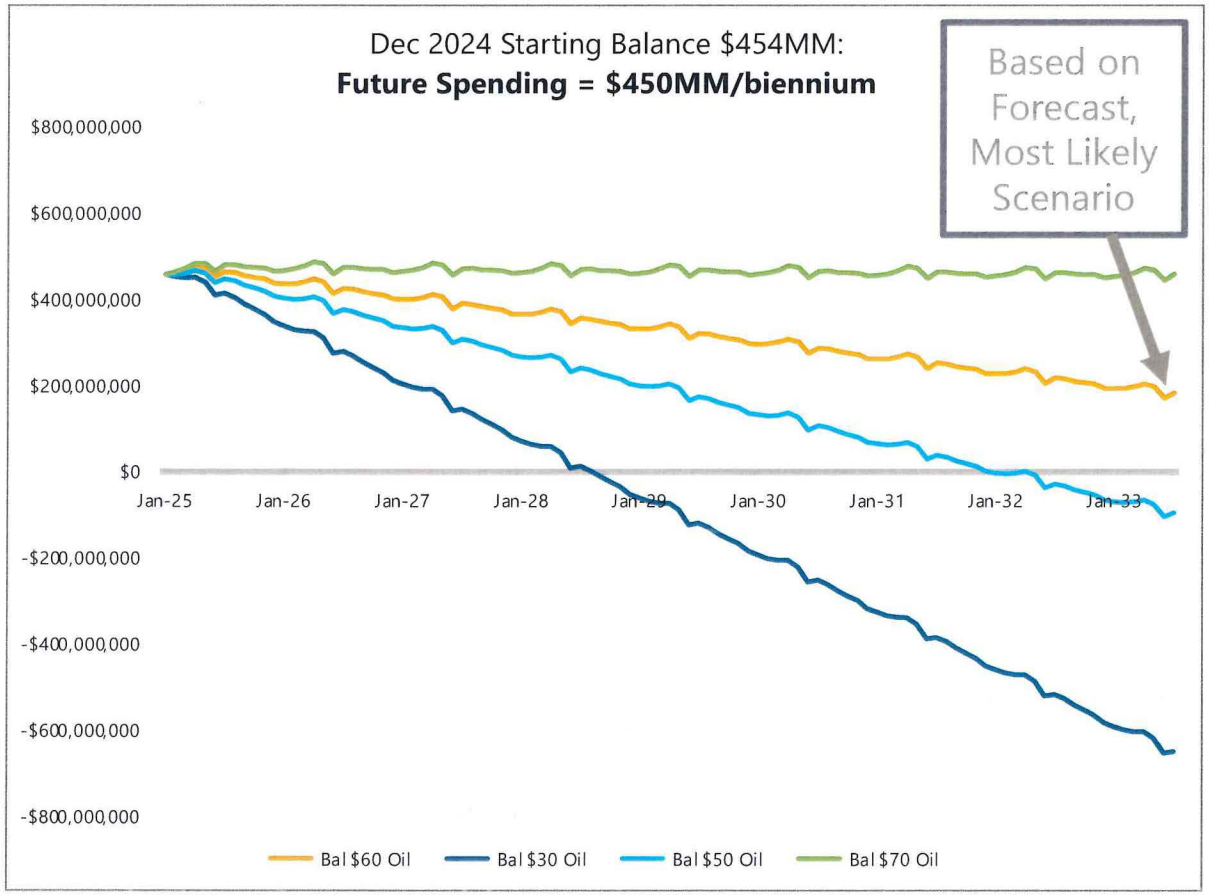


ND Oil Production Assumption: Uses ND Pipeline Authority Forecast

Oil Price Assumption: Current WTIF Crude Futures, -$5/BRL Bakken Discount Forecast Range: $66-$55/BRL

RTF Revenues: 20.5% Of Extraction Tax, Minus Other Fund Allocation In Waterfall

MOST LIKELY OIL PRODUCTION SCENARIO: ALLOWS FOR ACCELERATION OF BIENNIAL SPEND



This Graph Represents The Estimated Ending Balances Of The Fund Under Various Oil Price Scenarios, With Spending At **$450MM/Biennium**

Assumes Oil Average Of $60/BRL, Maintains A Balance Of $200MM After 10-Years, With A $450MM Biennial Projected Spend

It Would Take 3.5-Years To Spend The Current $454MM Balance To $0 With Oil Prices At $30/BRL, With Spending At $450MM/Biennium

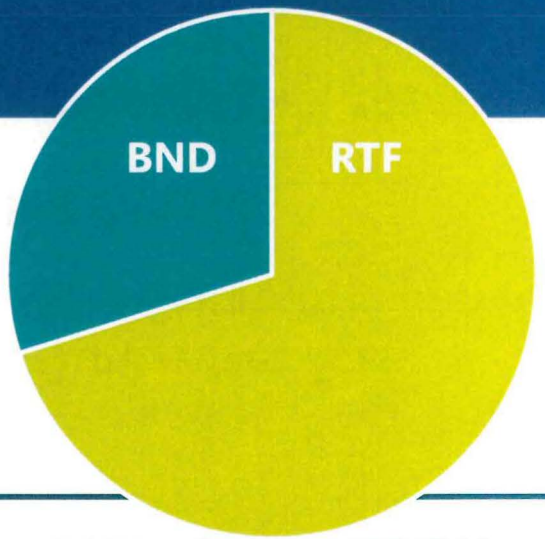
THIS STRATEGY ALLOWS FOR ENHANCED INVESTMENTS OF RTF DOLLARS

Resources Trust Fund CDs
$500MM Laddered
4.00% Yield

Bank Of North Dakota

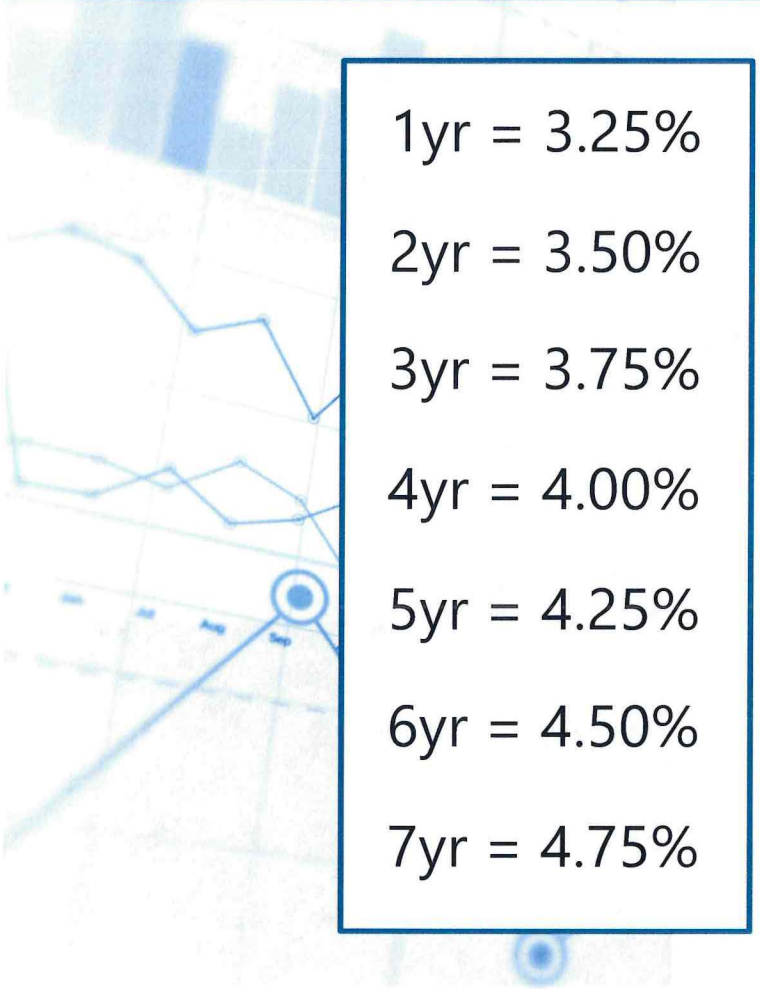
BND Loans 3-7 Year
6.50% Yield
$19.5MM Income

BND Investments 3-7 Year
4.50% Yield
$9MM Income



TOTAL STATE RETURN:
$28.5MM = 5.70% YIELD
RTF = $20MM
BND = $8.5MM

ENHANCED INVESTMENTS YIELD HIGHER ROI FOR STATE



1yr = 3.25%

2yr = 3.50%

3yr = 3.75%

4yr = 4.00%

5yr = 4.25%

6yr = 4.50%

7yr = 4.75%

- A Laddered CD Maturity Approach, 1-7 Year
- CDs Price Relative To US Treasuries
  - 4.00% Average Yield
- A Better Understanding Of Future Net Cash Flows Allows RTF To Take More Duration
- Provide Consistent & Higher Returns
- BND Can Match Off Pools Of Loans (5-7 Year) With Longer Term CDs
- Average Biennial Interest in RTF: **>$44 Million**
- Average Biennial Return for State: **>$61 Million**

LEVERAGING WATER INFRASTRUCTURE REVOLVING LOAN FUND FOR LOCAL COST-SHARE

Community Water Facility Loan Fund

Matched USDA Funded Water Projects
Primarily Rural Water Districts & Rural Cities
Up To 40 Year Terms - 3% Interest Rate

$13 Million Loans Outstanding
$22 Million Cash Available

Resources Trust Fund Infrastructure Loan Fund

Local Share Of SWC Cost-Share Projects
Primarily Flood Control Projects
Up To 30 Year Terms - 2% Interest Rate

$22 Million Loans Outstanding
$4 Million Cash Available

HB 1431

Water Infrastructure Revolving Loan Fund
Combined The Community Water & RTF Infrastructure Loan Funds
NDCC Is Silent On Term - 2% Interest Rate

PAYING DOWN $45M YIELDS OVER $73M AVAILABILITY FOR NEW LOANS

Water Infrastructure Revolving Loan Fund	
Cash Balance	1,557,508.13
BND Line of Credit Available	100,000,000.00
Available Funds	101,557,508.13
In Construction Commitments	47,764,202.72
Approved Commitments	1,500,000.00
Pending Applications	-
Minot Flood Control	40,000,000.00
Current Available	**12,293,305.41**
2025 - 2027 Repayments	6,605,020.94
HB 1024 Deficiency Appropriation	10,000,000.00
HB 1020 Appropriation to WIRLF	45,000,000.00
Available for new loans 2025 - 2027	**73,898,326.35**

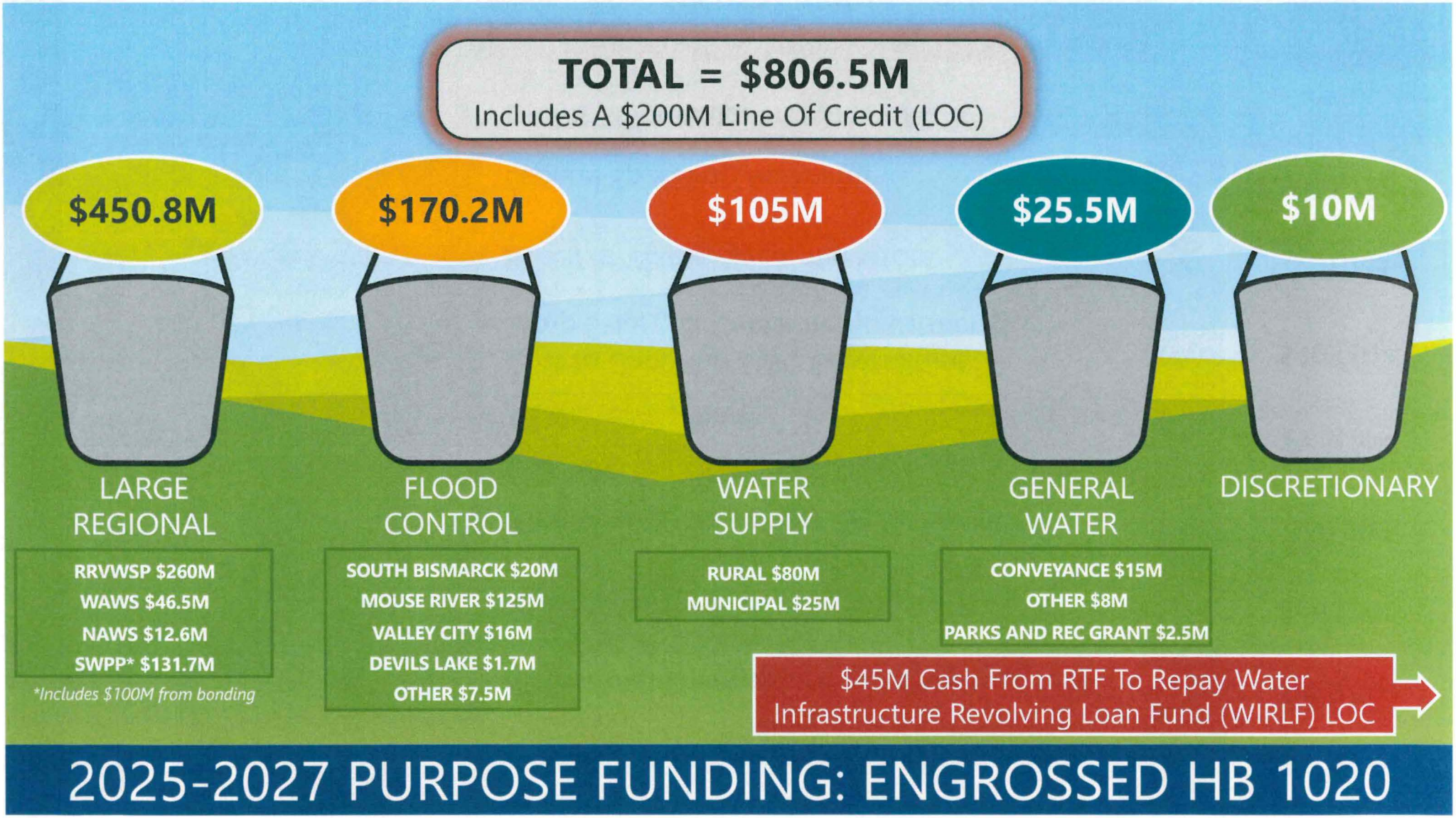
Potential 2025 - 2027 Loan Requests	
RRVWSP 2025-2027 Local Share	80,000,000.00
Mouse River 2025-2027 Local Share	40,000,000.00
Lower Heart River WRD Local Share	11,000,000.00

Water Infrastructure Revolving Loan Fund - By Term

Term	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
10 Years	$575,000.00	$408,540.11	2	0.44%
15 Years	$1,898,000.00	$412,645.52	5	1.46%
20 Years	$4,241,501.00	$2,171,564.36	8	3.27%
25 Years	$0.00	$0.00	-	0.00%
30 Years	$7,316,190.00	$4,441,840.71	14	5.64%
40 Years	$115,611,909.00	$57,777,063.10	27	89.18%
	$129,642,600.00	**$65,211,653.80**	**56**	

Water Infrastructure Revolving Loan Fund - By Population

Population	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
Under 1,000	$6,714,501.00	$2,992,749.99	15	5.18%
1,001 to 5,000	$19,666,985.00	$13,556,145.66	28	15.17%
5,001 to 10,000	$15,046,114.00	$9,524,826.40	9	11.61%
10,001 to 25,000	$0.00	$0.00	-	0.00%
Over 25,000	$88,215,000.00	$39,137,931.75	4	68.04%
	$129,642,600.00	**$65,211,653.80**	**56**	


TOTAL = $806.5M
Includes A $200M Line Of Credit (LOC)
$450.8M
$170.2M
$105M
$25.5M
$10M
LARGE REGIONAL
RRVWSP $260M
WAWS $46.5M
NAWS $12.6M
SWPP* $131.7M
*Includes $100M from bonding
FLOOD CONTROL
SOUTH BISMARCK $20M
MOUSE RIVER $125M
VALLEY CITY $16M
DEVILS LAKE $1.7M
OTHER $7.5M
WATER SUPPLY
RURAL $80M
MUNICIPAL $25M
GENERAL WATER
CONVEYANCE $15M
OTHER $8M
PARKS AND REC GRANT $2.5M
DISCRETIONARY
$45M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC
2025-2027 PURPOSE FUNDING: ENGROSSED HB 1020

DWR 2025-2027 BUDGET: OPTIONAL REQUESTS

*Includes Operating Expenses
**Federal Funding

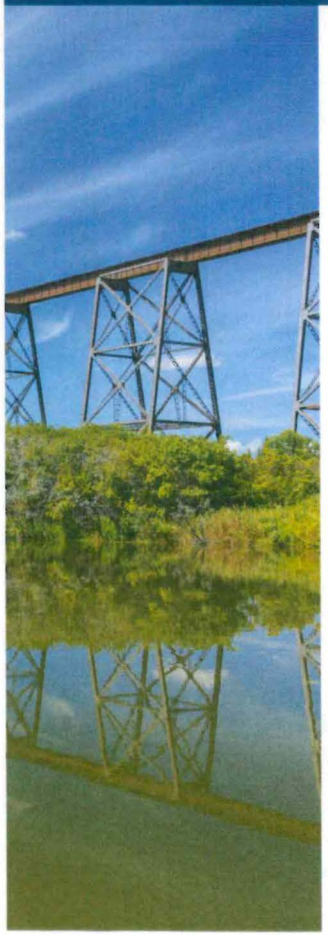
6 Full Time Equivalents (FTE)

OPTIONAL REQUESTS

HOUSE VERSION - HB 1020

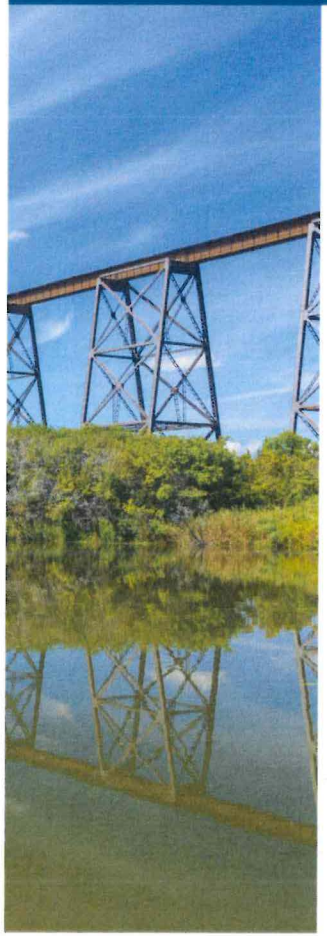
FTE Positions Accountant, Deputy Director, NAWS Operator, Assistant NFIP Coordinator, RiskMap Specialist, Silver Jacket Conversion	$1,796,588*
(One-Time) Emergency Pumps Replacement	$480,000
(One Time) Excavator Replacement	$400,000
(One Time) Data Logger Replacement	$60,000
(One Time) Missouri River Intake Sites Field Investigation	$600,000
Cost to Continue SWC Expenditure, Temp Salary, & Overtime Adjustments	$305,914
Board of Water Well Contractors	$66,023
Federal Spending Authority	$2,051,788**
NAWS Biota Water Treatment Plant Operations**	
TOTAL OPTIONAL REQUESTS	**$5,760,313**

POLICY & OTHER LANGUAGE SECTIONS OF THE BILL



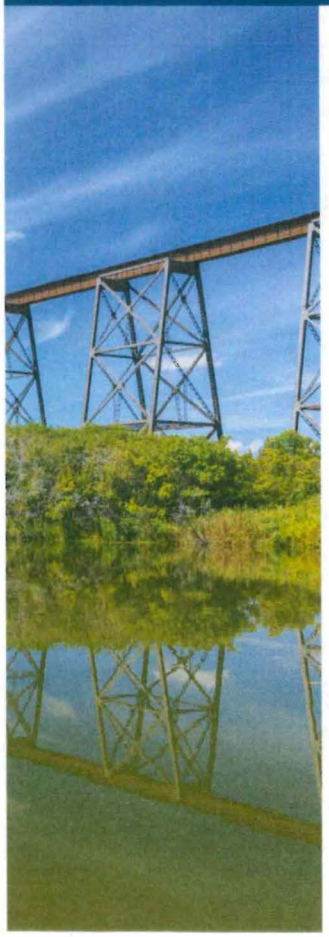
- New & Vacant FTE Pool
- Additional Income Appropriation
- $10 Million Deficiency Appropriation From SIIF To Pay Balance On LOC
- $2.5 Million Appropriation To Parks & Recreation For Sovereign Lands & Directive For SWC To Provide A Grant To Parks & Recreation For That Purpose
- Estimated Income Of $42.5 Million Is From The Water Projects Stabilization Fund
- Discretionary Funding Uses
- Direct The SWC To Bond Up To $100 Million For SWPP
- Funding Continued From Previous Biennia For Grants Or Water-Related Projects

POLICY & OTHER LANGUAGE SECTIONS OF THE BILL



- Transfer $45 Million To The Water Infrastructure Revolving Loan Fund
- Authorization Of A $100 Million Line Of Credit From The Bank Of North Dakota For The Water Infrastructure Revolving Loan Fund
- Authorization Of A $200 Million Line Of Credit From The Bank Of North Dakota For Water Projects
- Continuing Appropriation For NAWS Biota WTP Operations
- Legislative Intent For:
  - Funding For Red River Water Supply Project
  - Funding For Mouse River Flood Control Project
  - Funding For South Bismarck Stormwater & Flood Control Project
  - The DWR To Continue To Support Efforts To Protect & Develop Beneficial Use Of The Missouri River System

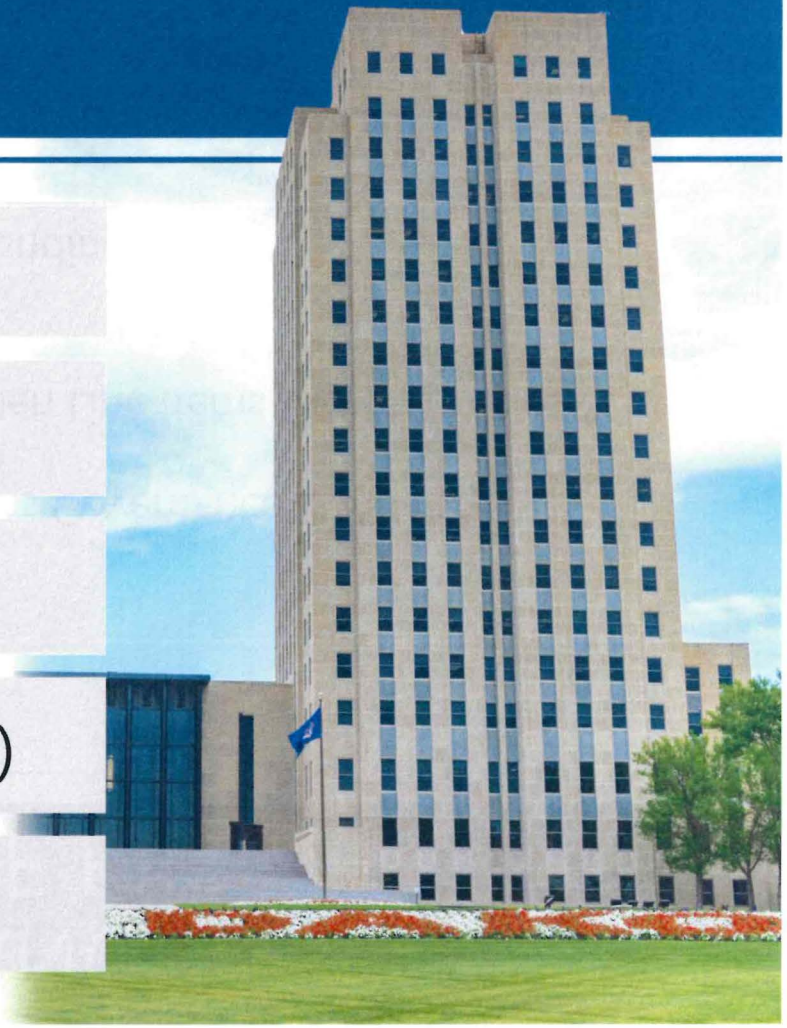
POLICY & OTHER LANGUAGE SECTIONS OF THE BILL



- Project Funding Designation;
- Legislative Directive To Study:
  - The SWC To Study Its Cost-Share Policy
  - The SWC To Study Regional Water Systems Governance & Finance
- Authorization To Transfer $10 Million Between Line Items Except Salaries & Wages
- Authorization To Carryover Water Project Funding
- Emergency Clause.

2025 LEGISLATION

- 10 Agency-Sponsored Bills
  - Red Tape Reduction
  - Clean Up & Clarification
- NFIP Township Study (SB 2365 (2023))
- HB 1024: Deficiency Appropriations





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THANK YOU

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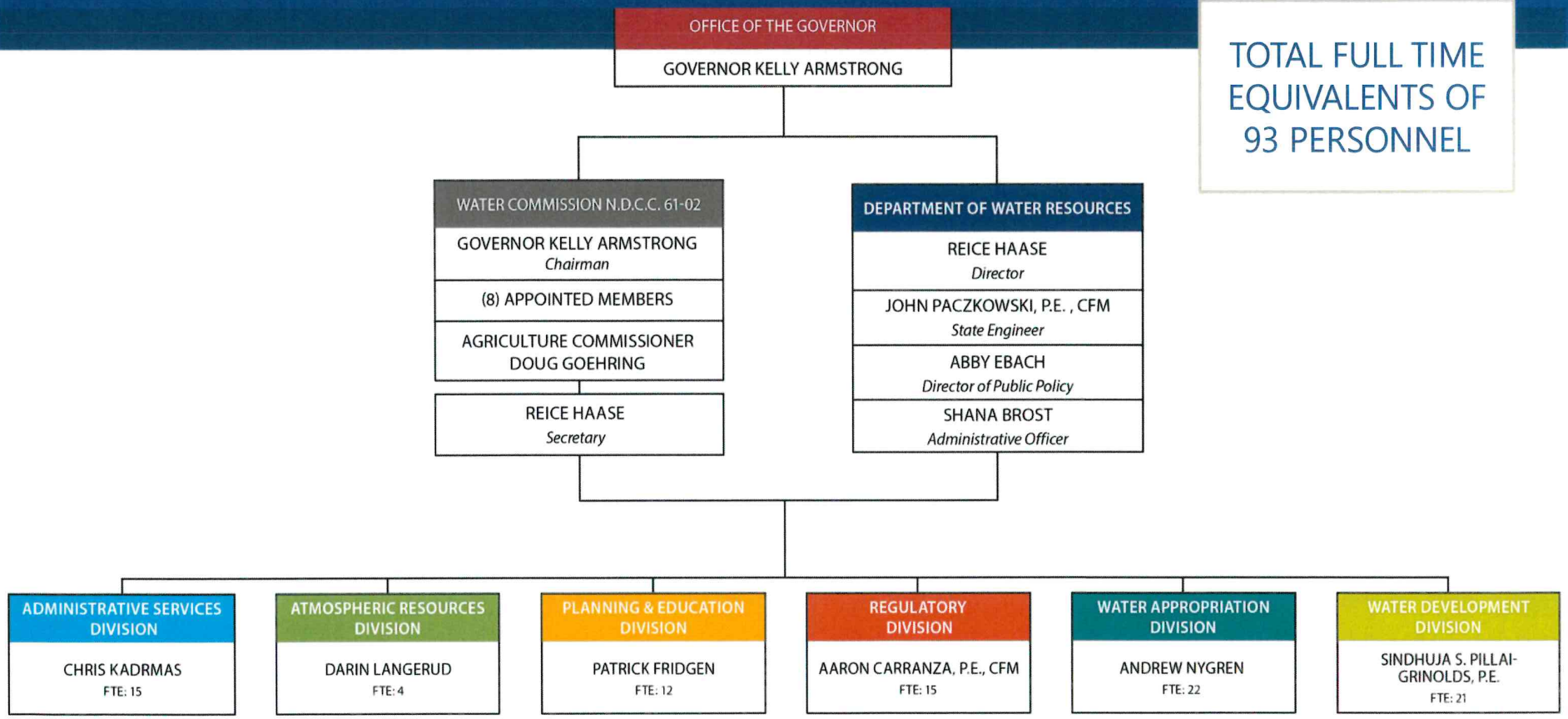
DWR ORGANIZATIONAL CHART



TOTAL FULL TIME EQUIVALENTS OF 93 PERSONNEL

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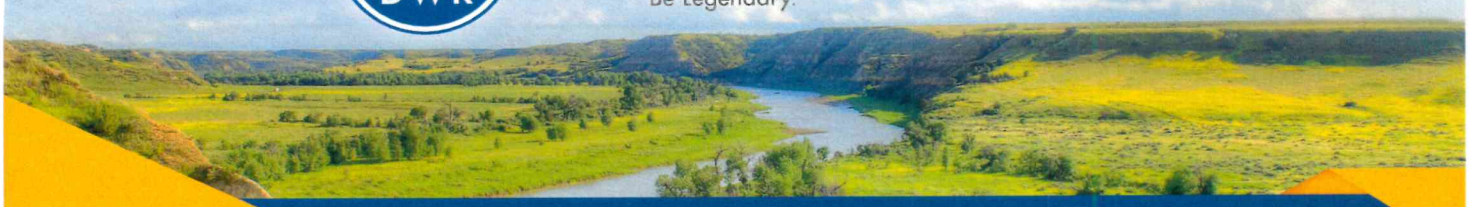

DEPARTMENT OF WATER RESOURCES & WATER COMMISSION

MISSION

To responsibly manage North Dakota's water needs and risks for the people's benefit.

DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) has several responsibilities on behalf of the people of North Dakota. DWR serves as the primary funding entity for critical water infrastructure; appropriates the state's water resources; and is responsible for other water-related regulatory and management functions that ensure public safety and support the long-term sustainability and beneficial use of North Dakota's water resources.

DWR FACTS

- Department of Water Resources Full Time Equivalents (FTE): **93**
- Groundwater Monitoring Wells: **7,500+**
- PRESENS (Pushing REmote SENSors) Real-Time Environmental Data Loggers Have Collected Measurements: **~600**
- Senate Bill (SB) 2020 was the DWR budget bill for the 2023-2025 Biennium: **SB 2020**
- Available For Water Supply, Flood Protection & Other Water Projects (23-25 Biennium): **$621M**
- Average Increase In Temporary Water Permit Applications Annually - Last 10 Years: **250%**

WHO WE SERVE



Water Users
Citizens, businesses, and public water systems who require permits to put ND's water resources to beneficial use.



Agricultural Producers
Livestock producers and farmers who are mitigating impacts from drought, are irrigators, or benefit from hail suppression and rainfall enhancement.



Water Project Sponsors
Cities, rural and regional water systems, water boards, irrigation districts, or other political subdivisions that cost-share with DWR to develop water projects, or require permits.



General Public/Students/Teachers
Anyone interested in learning more about ND's water resources, permitting through DWR, or floodplain management.



Water-Related Data Users
Water managers, consultants, water resource professionals, surveyors, and the general public who are seeking water, land, survey, elevation, and weather-related data.



Government Officials
Federal, state, and local government agencies; Congressionals; Legislators; Tribes; and Governor's Office - who cooperate to improve water management and development.

WATER COMMISSION

Scan to view Water Commission Members

The Water Commission consists of the Governor as chairman, the Commissioner of Agriculture, and eight members representing major drainage basins who are appointed by the Governor to serve terms of six years each. The primary function of the Water Commission is to review and consider cost-share requests from project sponsors seeking financial assistance from the Department of Water Resources. Water Commission members meet on a monthly basis. The Director serves as Secretary to the Water Commission.

WHAT WE DO | DWR DIVISIONS

CONTACT US



DWR DIRECTOR

Reice Haase, Director
rehaase@nd.gov | 701-328-4940

The Director is appointed by the governor, serves as a Cabinet member, provides overall leadership and decision-making, and oversees the State Engineer and DWR team members.



STATE ENGINEER

John Paczkowski, P.E., State Engineer
jpaczkowski@nd.gov | 701-328-4940

ND's State Engineer is responsible for several regulatory functions and responsibilities, including allocation of the state's waters, dam safety, and drainage.



ADMINISTRATIVE SERVICES

Chris Kadrmas, Director
ckadrmas@nd.gov | 701-328-1956

Accounting, general support, budget development, records management, human resources, State Water Commission meeting preparation, data/technology, and PRESENS.



ATMOSPHERIC RESOURCES

Darin Langerud, Director
dlangerud@nd.gov | 701-328-4751

Cloud Modification Program, weather research, data collection, licenses and permits, and radar operations.



PLANNING & EDUCATION

Patrick Fridgen, Director
pfridgen@nd.gov | 701-328-4964

Water Development Plan, media relations, public outreach and education, Livestock Water Supply Program, Cost-Share Program, and MR&I Program.



REGULATORY

Aaron Carranza, P.E., Director
acarranza@nd.gov | 701-328-4813

Construction and drainage permits, sovereign lands, dam safety, floodplain management, and Silver Jackets.



WATER APPROPRIATION

Andrew Nygren, Director
anygren@nd.gov | 701-328-1069

Water rights permitting, ground and surface water management, subsurface exploration, data management, and water resource investigations.



WATER DEVELOPMENT

Sindhuja S.Pillai-Grinolds, Director
spillai@nd.gov | 701-328-4954

Investigations and surveying, construction operations, Southwest Pipeline, Northwest Area Water Supply, Red River office, and Devils Lake outlet operations.

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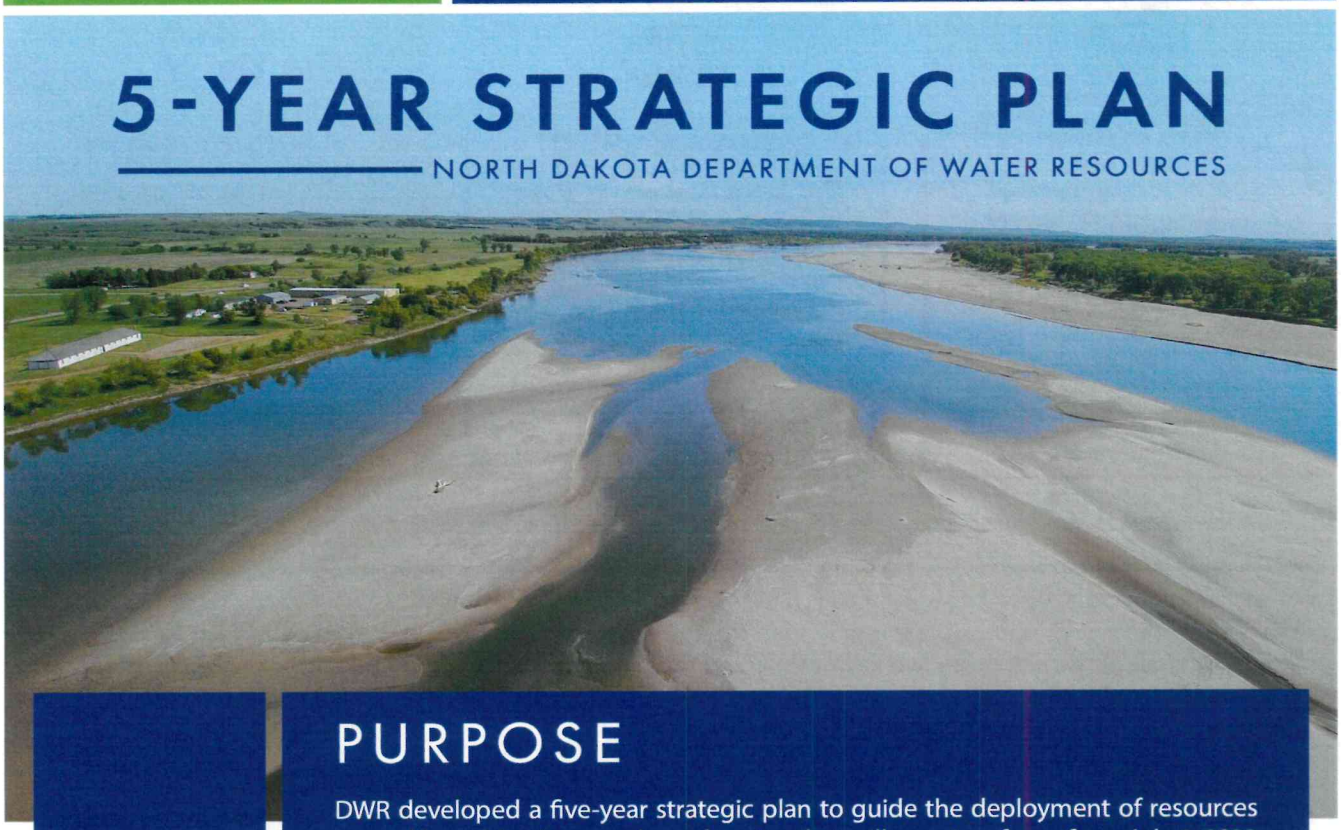
EXECUTIVE SUMMARY | July 1, 2022 Through June 30, 2027 | www.dwr.nd.gov

5-YEAR STRATEGIC PLAN

NORTH DAKOTA DEPARTMENT OF WATER RESOURCES



PURPOSE

DWR developed a five-year strategic plan to guide the deployment of resources toward key objectives, goals, and tactics that will remain a focus from July 1, 2022 through June 30, 2027. This plan is also intended to help create awareness among the public and stakeholders about DWR priorities.

BACKGROUND

116 Surveys Completed

77 Personal Interviews

2 Focus Groups

The North Dakota Department of Water Resources (DWR) was created in 2021 by legislative action through House Bill 1353. DWR was previously called the State Water Commission, which itself was created by legislative action in 1937 for the specific purpose of fostering and promoting water resources development throughout the state. The 2021 legislation also moved functions of the Office of the State Engineer (OSE) within the DWR, and allows the Governor to appoint a DWR Director subject to approval by the State Water Commission.

DWR has the authority to investigate, plan, construct, regulate, provide water appropriations, develop water-related projects, and serves as a mechanism to financially support those efforts throughout North Dakota. There are currently six divisions that make up the DWR: Administration, Atmospheric Resources, Planning and Education, Regulatory, Water Appropriation, and Water Development.

In developing this plan, DWR commissioned a third-party vendor, Odney Inc., to engage DWR team members and stakeholders to gather input for the development of objectives, goals, tactics, and metrics.

MISSION STATEMENT

To responsibly manage North Dakota's water needs and risks for the people's benefit.

VISION STATEMENT

The Department of Water Resources will sustainably manage and develop North Dakota's water resources for the health, safety, and prosperity of its people, businesses, agriculture, energy, industry, recreation, and natural resources.

VALUES STATEMENT

The Department of Water Resources values fairness, objectivity, accountability, responsiveness, engagement, and credibility. We pledge to use professional and scientific methods to maintain the highest of standards in our delivery of services.

OBJECTIVES

The DWR Strategic Plan outlines five key overarching objectives to be accomplished with establishment of goals and tactics for each objective.



1. Effectively communicate with the public and stakeholders with a primary focus on collaboration and building partnerships.
2. Develop world-class, sustainable, and resilient water development and management practices.
3. Support beneficial use of Missouri River system water and other available water supply sources.
4. Implement innovative ideas, technology, and grow analytic capabilities to improve efficiencies in water management and development.
5. Improve the department's internal resilience and promote a positive culture.

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NORTH DAKOTA DWR

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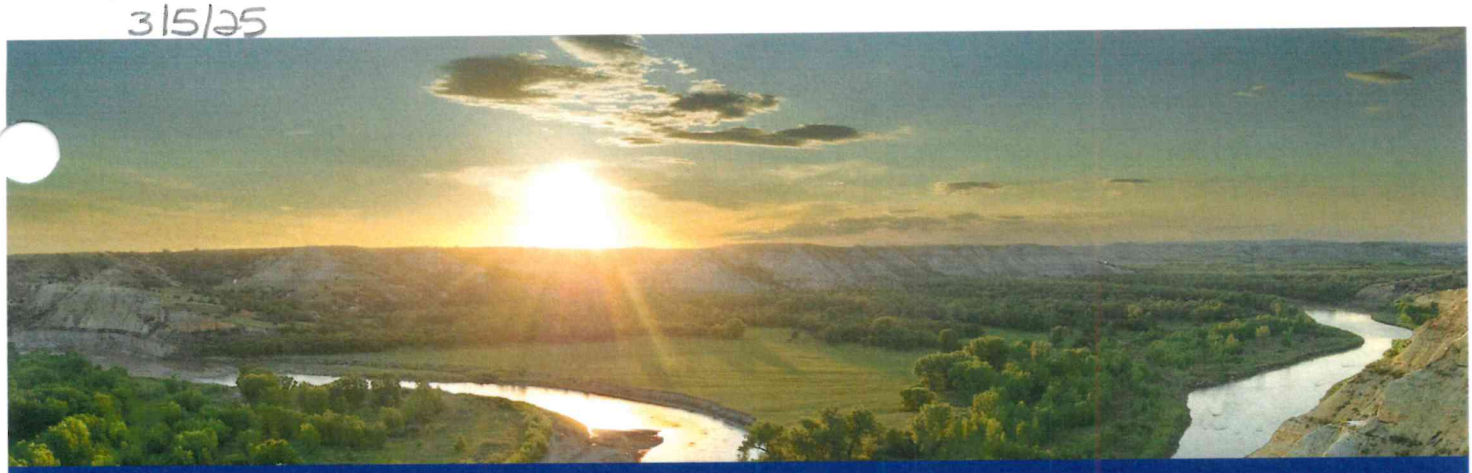


DWR FTE REQUEST SUMMARY

The following includes a summary of FTE positions being requested as part of DWR's 2025- 2027 budget proposal. Specific details and metrics are available in detailed one-page summaries (attached).

NEW FTE Requests			
Position	Division	FTE Request	Funding Source
Accountant	Administration	1 FTE	State
Deputy Director	Administration	1 FTE	State
NAWS Operator	Development	1 FTE	NAWS Users
General Counsel	Administration	1 FTE	State
Assistant NFIP Coordinator	Regulatory	1 FTE	+75% Federal +25% State
RiskMAP Program Specialist	Regulatory	1 FTE	+100% Federal
Silver Jackets Coordinator	Regulatory	Convert	No Change

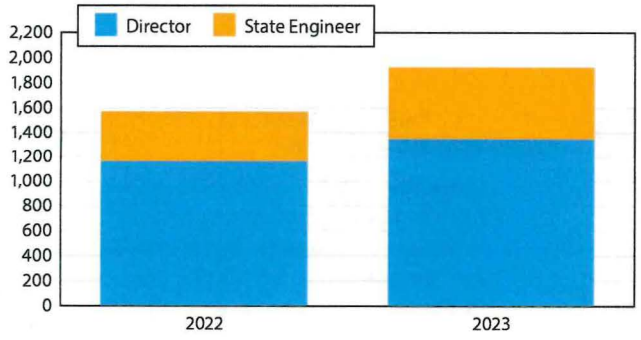


DEPARTMENT OF WATER RESOURCES

Deputy Director (1 FTE)

House Bill 1353, passed in the 2021 legislative session, established the Department of Water Resources (DWR), replacing the State Water Commission and the Office of the State Engineer. The DWR Director, appointed by the governor, serves as a Cabinet member, serves as the Secretary to the State Water Commission (Commission), and advocates for sound water management at the local, regional, tribal, national, and international levels. Collaborative approaches and high-level engagement continues to increase as heightened awareness of shared and competing water needs evolves, along with growing competition for state cost-share for water development projects. In response to the Director's expanding responsibilities in safeguarding state interests in water-water related matters, a Deputy Director becomes crucial to represent both the state and DWR under the Director's oversight.

Historical Meeting Comparison



Metrics (2023)

7.6 Meetings per workday.

1,348 DWR Director attended meetings.

576 State Engineer attended meetings on behalf of the Director.

~45* Boards, Commissions, Councils, and Associations the DWR is tasked to monitor or represent the state.

*Various DWR team members represent DWR at joint water boards, watershed boards, and other similar entities, that neither the Director or State Engineer can attend due to other demands. The ability for high-level leadership to interact at more board and association meetings would improve the state's collaboration and partnerships.

Why An FTE Is Necessary

- The State Engineer has been acting in a dual role as an Deputy Director, pulling the main focus of the position from crucial regulatory responsibilities.
- The Deputy Director would ensure a broader and more effective representation for the state in water-related issues by engaging with various entities concurrently, which also include tribal, national, and international responsibilities.
- The Deputy Director would assist in conversations related to increasing demand for water related to economic development.
- By distributing responsibilities between the Director and Deputy Director, the Department could address evolving demands more strategically, optimizing their efforts and resources for a more targeted approach.
- The Deputy Director's specialized expertise could enhance the Department's ability to navigate complex challenges, providing a deeper understanding of technical, legal, and policy intricacies for informed decision-making.
- The presence of a Deputy Director would create a resilient leadership structure, ensuring the Department can maintain consistent operations in the Director's absence.
- The Deputy Director would understand the whole of the Department and be able to step in as Acting Secretary at Commission meetings, represent the Department at national and international meetings and legislative committee commitments.
- Nearly every department across ND state government has at least one Deputy Director.

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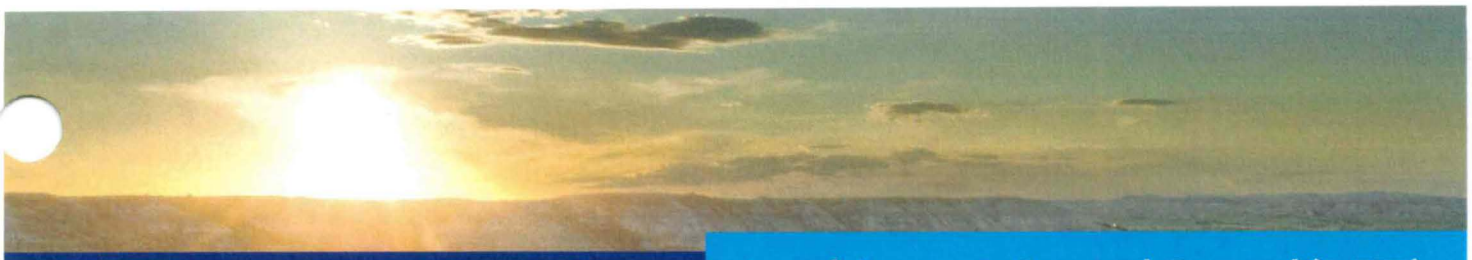

ADMINISTRATION DIVISION

Legal Support: General Counsel (1 FTE)

The Department of Water Resources (DWR) has a long history of requiring legal services to sustainably manage and develop North Dakota's water resources. DWR's responsibilities include project development; appropriation of surface and ground water rights; and regulating drainage, dams, floodplain management, and ND's sovereign lands - all of which require a significant amount of legal support and knowledge of water law.

The gained efficiency of having in-house legal support would mean the legal staff would be consistently aware of all agency actions, and both internal and external decisions.

Why General Counsel (1 FTE) is Necessary:

The Assistant Attorney General currently supporting DWR through the Attorney General's (AG) Office is often requested to consult on water issues for other agencies and boards such as the Dept. of Environmental Quality, ND Game and Fish, ND Parks and Recreation, Dept. of Agriculture, Dept. of Trust Lands, and the Public Service Commission.

In addition to continued services from the AG's Office, the DWR is proposing an in-house General Counsel to support the DWR's needs. With the increasing complexity of construction contracts, development of MOUs with Tribal Nations regarding water rights, growing federal overreach, and general water disputes, DWR finds itself in need of specialized legal services and a FTE dedicated solely to supporting these important initiatives.

Other Considerations

- The DWR has committed to developing policy and guidelines transparently to ensure public awareness and understanding. As these policies are developed, legal counsel support in-house would optimize the direction and review considerations.
- Until 2018, DWR had a paralegal FTE. During the 2017 Reduction-in-Force, this position was reallocated, and the duties were absorbed by technical staff or in-house directed to the AG's Office. The reduction in legal support has been difficult to overcome with some of the duties remaining subpar and detracting from the technical responsibilities of the larger team.

Agency In-House Legal Services Comparison

Agency	Attorneys	Other Legal Support	Total Legal Support In-House
Transportation	2	8 (hearing officers) (3 FTE, 5 Temp)	10
Trust Lands	1	1	2
Public Service Commission	2	0.5	2.5
Agriculture	1	0	1
Environmental Quality	0	1	1
Water Resources	0	0	0

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REGULATORY DIVISION

RiskMAP Program Specialist (1 FTE; 100% Federal)

The Department of Water Resources (DWR) supports the research and identification of flood risk in North Dakota through the Federal Emergency Management Agency's (FEMA) Cooperating Technical Partner (CTP), Risk Mapping, Assessment, and Planning (RiskMAP) program. As North Dakota communities continue to prioritize flood risk resilience, assessing and disseminating defensible areas of flood risk is an important step in allowing communities to ideate and deploy resilience measures.

Since 2009, the RiskMAP program has been fully supported through 1 federally-funded FTE within the DWR. Recently, the RiskMAP program oversight has had increasingly complex responsibilities tied to program management through GIS metrics, tracking, and deliverables; while at the same time, RiskMAP funding potential is increasing.

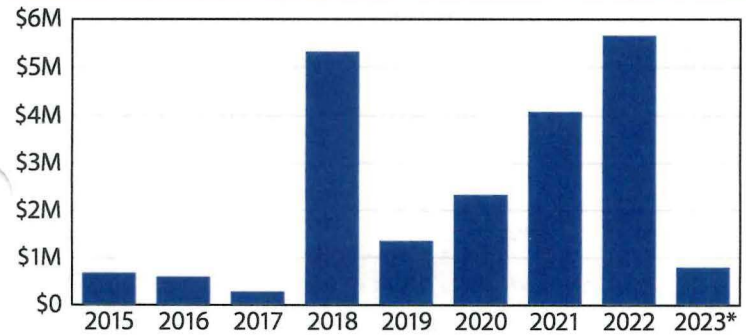
No additional FTE have been provided in support of this program even as demands related to project and grant management have increased. North Dakota is the only FEMA Region VIII Cooperative Technical Partner who services the needs of the Risk MAP program with only one dedicated staff member.

The RiskMAP Program Specialist position would be financed 100% by FEMA funds to support the program and are tied to the continued FEMA funding support.

Why An FTE Is Necessary

- Available grant funding is not being used as DWR does not have the staff to support the use of the funds. With an additional FTE, ND and the DWR would be able to apply for, and leverage, these funds that would enhance state flood risk resilience.
- This FTE would assist with additional tracking metrics and grant reporting required by FEMA on a monthly, quarterly, and annual basis.
- This position will increase outreach and communication with communities statewide to identify areas of need to match or develop resources efficiently, such as Base Level Engineering (a non-regulatory flood risk identification product).
- The FTE would allow increased collaboration with DES to identify projects and opportunities that would be eligible to accelerate statewide flood risk resilience efforts.

RiskMAP Grant Awards Per Year



*Requested amount lower due to current FTE workload capacity.

FEMA Region 8 Cooperative Technical Partner States FTE Support Of The RiskMAP Program

Program	FTE
Montana	4
Colorado	3
Utah	3
North Dakota	1

Reporting Requirements

The RiskMAP program requires monthly, quarterly, and annual reporting which takes a significant amount of time. Metrics vary from grant cycle to grant cycle. State priorities, phase funding, project manager grant cycle, and business plans all contribute to what is submitted in a given year.

166 Monthly tasks reported to FEMA. Of the 166 metrics, 91 of the tasks are actively managed by the DWR.

5 FEMA grant management platforms that requiring quarterly reporting.

2 Weeks How long it takes to develop the quarterly reports. Currently, the report requires 108 metrics.

27 Active grants as of February 2024.

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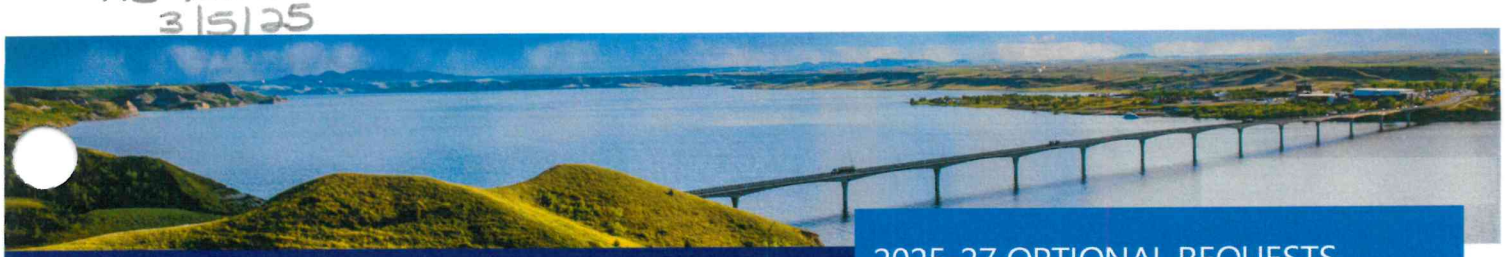


DEPARTMENT OF WATER RESOURCES

2025-27 OPTIONAL REQUESTS

ONGOING REQUESTS

OTHER COST TO CONTINUE ADJUSTMENTS

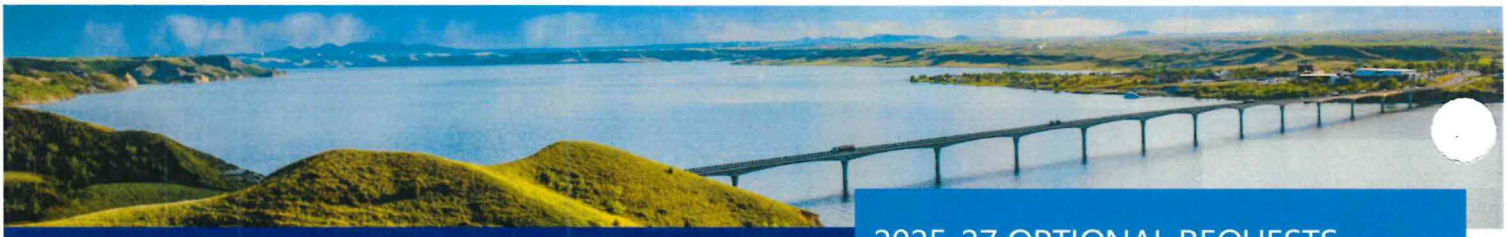
- **State Water Commissioners (SWC) Budget** – As a result of the significant increase in funding available for water projects, the SWC has implemented pre-commission meetings the month prior to regular SWC meetings where funding is approved for projects. This process allows Commissioners to be briefed by Department of Water Resources (DWR) team members, as well as project sponsors, regarding the details about projects seeking cost-share assistance. By being more informed about projects, Commissioners can more effectively and efficiently allocate public tax dollars. Furthermore, the number, extent, and complexity of water development and management issues across the state necessitates that Commissioners remain engaged with the water community and local constituents. This includes attendance at local government meetings, conferences, or workshops to stay informed.

  In addition to expanding responsibilities, an increase in funding for increased commissioner pay is necessary as they are paid the same rate as Legislators and funding had not been adjusted to reflect the change over several biennia. The DWR is also looking to establish a biennial budget for each SWC member to better facilitate their awareness of what financial resources are available to them to complete their duties. The request is for an increase of $53,760 in temporary salaries and $85,200 in operating expenses.
- **Overtime Pay** – As a result of the equity adjustments and legislative increases that have occurred during the 2023-25 biennium, it is necessary to increase funding for overtime to accommodate those adjustments. The request is for an increase of $36,000 in overtime and $24,000 in temporary salaries.

Northwest Area Water Supply (NAWS) On-call Pay – Northwest Area Water Supply (NAWS) On-call Pay – The DWR is responsible for the construction and operations of the critical water supply project. To maintain 24/7 operations NAWS team members are expected to be on call to cover evenings and weekends. To ensure team members are being properly compensated for their time, the DWR has implemented an on-call policy, which is like the North Dakota Department of Transportations on-call policy. In implementing this policy, the DWR is requesting an increase of funding in the overtime line item to accommodate this operational change. These increased costs are paid through revenues generated by the users of the water system. The request is for an increase of overtime expense which is necessary to ensure 24/7 coverage of operational on-call duties.

BOARD OF WATER WELL CONTRACTORS

The Board of Water Well Contractors (BWWC) is responsible for registering, licensing, and overseeing well contractors across the state. Since its establishment in 1971, the BWWC has partnered with the Department of Water Resources (DWR) to manage certain operational aspects, as the data collected from well contractors has been valuable to the State. Historically, a DWR team member has provided accounting and administrative services to the BWWC during their personal time. However, increasing demands have made it challenging to maintain a clear distinction between the team member's roles. To ensure transparency and simplify the working relationship between the BWWC and DWR, the DWR is requesting additional funding for salaries and wages, to be covered by revenues generated through a contract with the BWWC for accounting and administrative services. This will allow the team member currently serving the BWWC part-time to continue fulfilling these responsibilities without needing to balance duties between the DWR and BWWC. The request is for an increase of $46,954 in salaries and wages.



DEPARTMENT OF WATER RESOURCES

2025-27 OPTIONAL REQUESTS

ONGOING REQUESTS CONTINUED

INTERNSHIP PROGRAM

It has been challenging to recruit qualified and experienced individuals for Hydrologist, Hydrogeologist, and Engineering positions at the DWR. The technical demands of these positions, combined with the limited candidate pool with the necessary expertise, make it increasingly difficult to fill these essential roles. To address this issue, the DWR plans to establish an internship program to engage potential candidates before graduation and provide training opportunities and experience thereby bridging the gap between academic learning and the practical skills needed in these fields. Funding for the internship program, in addition to the FTE request for a Team Development Coordinator, will help the DWR build a robust program to attract and retain talented team members, and develop a pipeline of skilled professionals to address the State's future water resource management challenges. The request is for a $100,000 increase in temporary salaries.

FEDERAL SPENDING AUTHORITY

FEMA's Cooperating Technical Partner grant program is anticipated to have increased grant funding levels than previously assumed for the 2025-27 biennium. This increase would enable the DWR to access this additional federal funding to advance projects that benefit all North Dakotans. These additional FEMA grant funds require no state matching funds. An example of such project would be the update of the North Dakota base level engineering data currently housed in the North Dakota Risk Assessment Map service. The request is for an increase in federal spending authority of $2,051,788.

ONE-TIME REQUESTS - TECHNOLOGY & EQUIPMENT

Emergency Water Pumps – Development Division

The DWR needs to replace four inefficient and inoperable water pumps purchased in the early 2000s. These pumps are essential for the Construction Section's operations, including dewatering during construction; dewatering Devils Lake Outlets at the end of the operation season; stormwater management; and are also used during flood-fighting efforts. Due to their age, the pumps have become unreliable, prone to breakdowns, and inefficient, leading to increased downtime and repair costs. Replacing them with modern 6-inch pumps, capable of handling 500-600 gallons per minute, will improve operational efficiency, reduce maintenance costs, and ensure reliable performance. This would allow for the agency to responsive to critical water resource management needs. The cost of the proposed replacement pumps is $120,000 each.

Excavator – Development Division

The current Volvo excavator, purchased in 2015, has incurred increased repair costs due to its age and service requirements. With regards to the service requirements, the local Volvo dealership is no longer available. Service must now be performed in either Fargo or Williston or service calls must come from those locations. This creates an additional expense of $1,000 to $1,500 for each service call, even for minor repairs. Moreover, parts are becoming harder to source and more expensive, further driving up maintenance costs. To ensure efficiency and reduce downtime, the DWR is requesting one-time funding to replace the excavator with a more cost-effective solution. The budgetary cost for the replacement of the excavator is $400,000.

Data Logger – Water Appropriation Division

The geophysical logging system, purchased and installed in early 2008, is essential for collecting subsurface data critical to hydrogeologic investigations. It provides detailed information about the geological formations encountered in boreholes, aiding in the identification of the most productive zones within an aquifer for well placement. Additionally, this data supports the calibration of Airborne Electromagnetic Survey equipment. Given that the current system is over 15 years old and has been operating beyond the typical 7-to-15-year life cycle for geophysical and surveying equipment, we are requesting funding for its replacement. The original system was acquired for approximately $30,000, and based on a June 10, 2024, quote, the cost for a replacement is $60,000.

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2025 EXECUTIVE SUMMARY WATER DEVELOPMENT PLAN

CHECK OUT The Dashboard!
www.dwr.nd.gov

FEBRUARY 2025



Those involved in water project development know that existing projects evolve, and new projects are continuously being considered by local water managers. For that reason, it is necessary for the state to assemble updated water project information on a biennial basis to coincide with the state's budget cycles. In the past, the Department of Water Resources (DWR) has produced and printed that information in a detailed Water Development Plan. Today, DWR and the State Water Commission are providing that same information electronically through a Water Development Plan Dashboard (Dashboard) - along with highlights included in this printed Executive Summary.

The following information outlines funding available for critical water supply, flood protection, and other general water management projects; a prioritized summary of water development financial needs that were collected directly from project sponsors; and summaries of revenue streams that support projects. In addition to the aforementioned information, the Dashboard includes large project overviews, long-term funding needs, aging water supply infrastructure survey results, current purpose funding tracking, and more!

WATER DEVELOPMENT GOALS & PRIORITIES

GOAL 1

Improve resiliency and protect North Dakota's citizens and economy from negative water-related impacts.

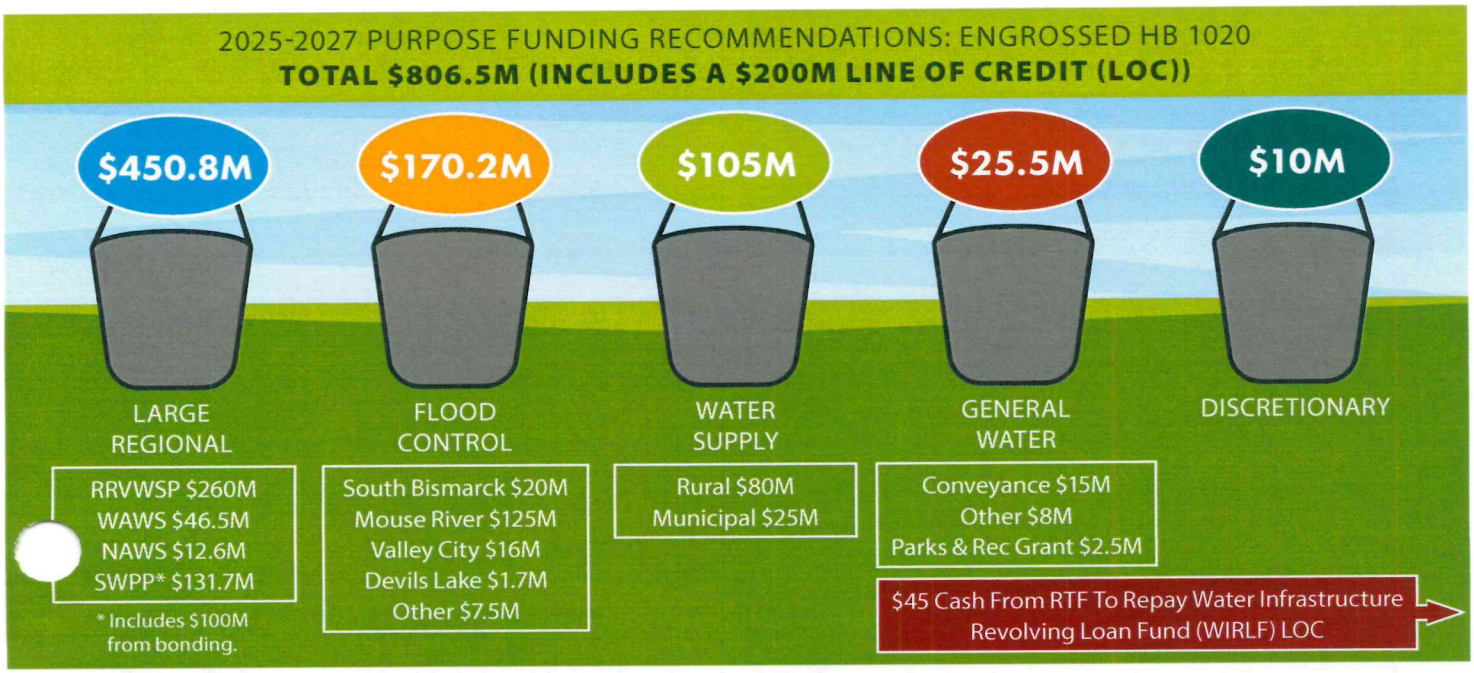
GOAL 2

Improve resiliency and provide safe and reliable water supplies for the health and prosperity of North Dakota's citizens and economy.

Each Goal has associated high priority initiatives that can be viewed on the Dashboard.

2025-2027 PURPOSE FUNDING RECOMMENDATIONS: ENGROSSED HB 1020

TOTAL $806.5M (INCLUDES A $200M LINE OF CREDIT (LOC))



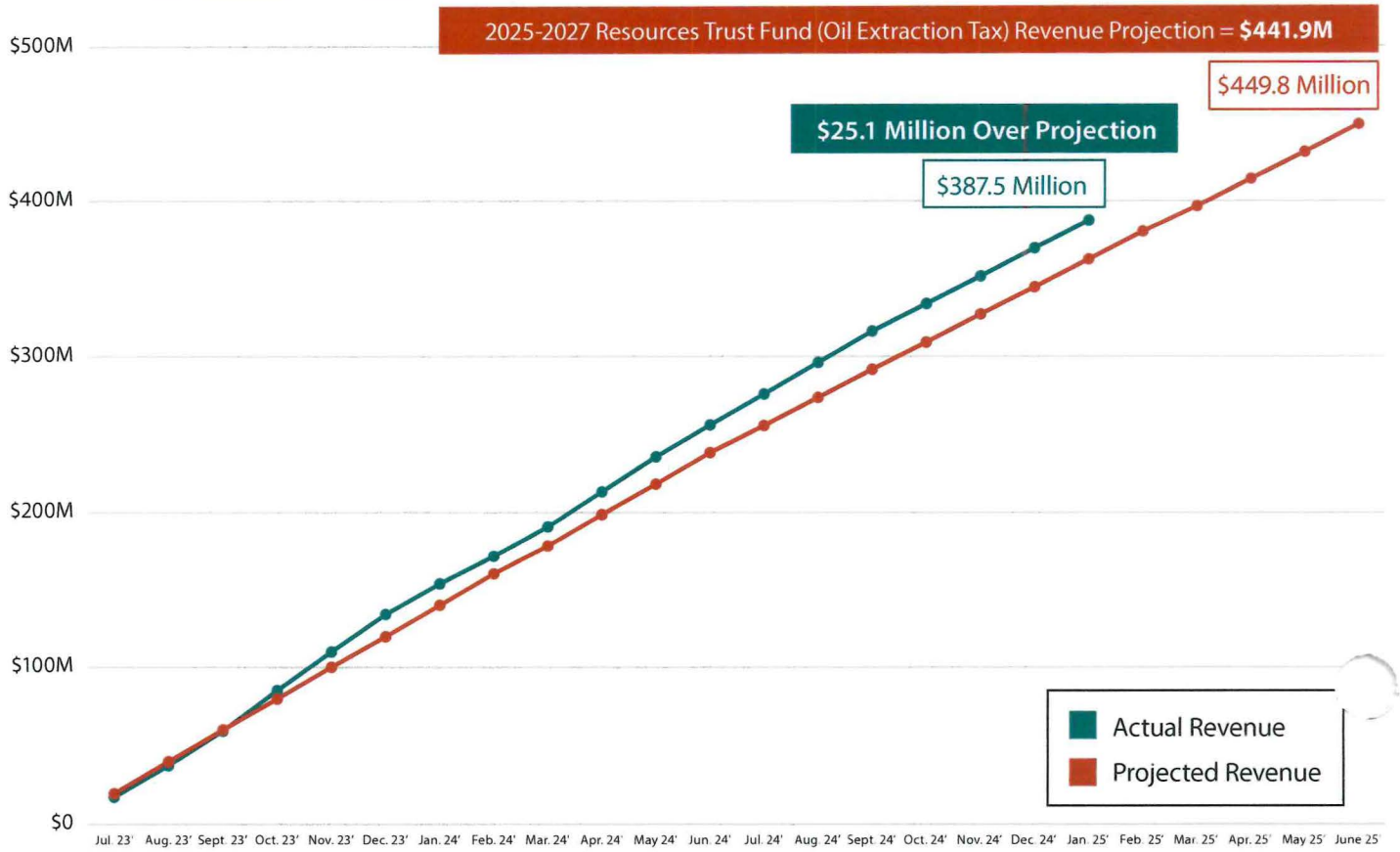
Northwest Area Water Supply (NAWS) | Southwest Pipeline Project (SWPP) | Red River Valley Water Supply Project (RRVWSP) | Western Area Water Supply (WAWS)

2025-2027 BIENNIUM PROJECT FUNDING NEEDS FROM DWR
(MILLIONS $)

PROJECT PURPOSES	WATER DEVELOPMENT PLAN INVENTORY PROJECT NEEDS		
	High Priority	Moderate Priority	Low Priority
Flood Control (Total = $358.4M)	**$240.7**	**$54.5**	**$63.2**
Heart River - Mandan	$8.6	-	-
Mouse River Enhanced Flood Protection	$125.0	-	-
Other Flood Control	$18.1	$0.9	$0.5
South Bismarck	$73.0		
Valley City Permanent Flood Protection	$16.0	-	-
Water Conveyance	-	$53.6	$62.7
General Water (Total = $51.8M)	**$8.6**	**$40.1**	**$3.1**
Rural Water Supply (Total = $267.9M)	**$5.3**	**$61.3**	**$201.3**
Water Supply (Total = $635.7M)	**$267.5**	**$16.9**	**$351.3**
Municipal	-	$16.9	$351.3
Red River Valley Water Supply	$221.0	-	-
Western Area Water Supply	$46.5	-	-
State Owned Projects (Total = $164.4M)	**$164.4**	**$0.0**	**$0.0**
Devils Lake Outlets	$1.7	-	-
Northwest Area Water Supply	$12.7	-	-
Southwest Pipeline Project	$150.0	-	-
TOTAL IDENTIFIED NEEDS ($1.48B)	**$686.4**	**$172.8**	**$618.9**

RESOURCES TRUST FUND - State funding provided through DWR for water development has historically come from several sources including the General Fund, Resources Trust Fund (RTF), and Water Development Trust Fund. Today, the primary source of funding is the RTF. The RTF is currently funded with 20.5 percent of revenues from the oil extraction tax.

2023-2025 RESOURCES TRUST FUND (OIL EXTRACTION TAX) REVENUE TRACKING



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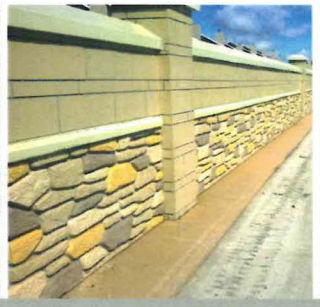
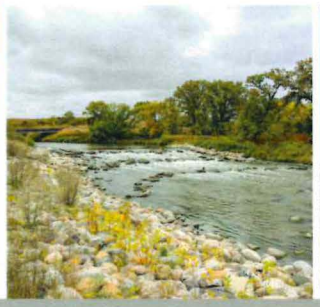




DESCRIPTION OF FINANCIAL NEED: 2025-2027

Heart River Flood Control (Mandan), Mouse River Enhanced Flood Protection, Other Flood Control, South Bismarck, Valley City Permanent Flood Protection, and Water Conveyance.

Lower Heart Levee System improvements to meet FEMA compliance. Funding included as part of 2023-2025 budget.

Property acquisitions in Minot and rural areas, additional levee design, and construction on the Maple Diversion and in-town levees.

Community flood protection projects, levee certifications, flood reduction studies, and rural ring dikes.

Pump station, gate stucture, and conveyance improvements for FEMA compliance.

Phase 6 - Permanent concrete flood walls, removable flood walls, clay levees, storm water pump stations, and bioengineered stream bank restorations.

drainage, drainage improvements, bank stabilizations, and snagging and clearing.

Dam remediations, repurposing, rehabilitations, and repairs; irrigation; watershed plans; and water retention and detention.

Community regionalizations, system expansions, storage improvements, transmission line installations, and WTP improvements.

Municipal water supply projects, Red River Valley Water Supply, and Western Area Water Supply.

Water distribution and storage expansions, improvements, and replacements.

Main transmission pipeline construction, Eastern North Dakota Alternative Water Supply design, McClusky Canal Intake preliminary design, and Biota WTP and Main Pump Station design.

Rural water service expansions, and improvements of pretreament system, intake and control system.

Devils Lake Outlets, Northwest Area Water Supply (NAWS), Southwest Pipeline Project (SWPP).

Capital Improvements

Permanent intake, Minot Phase III expansion, Souris Pump Station and Reservoir, and inline booster pump station.

er treatment plant replacement, west zone capacity improvement, intake, and Burt-Hebron rural expansion.

HB1020
3-16-25

FARGO-MOORHEAD AREA DIVERSION PROJECT



LOOKING AHEAD
2025-2027

$0 MILLION

FULLY FUNDED

State funding of $414.5M was provided through the 2019-2021 biennium. During the 2021 Legislative Session HB 1431 provided an additional $435.5M for a total state commitment of $850M.

QUICK FACTS

100 YEAR
FLOOD PROTECTION

IN-TOWN PROTECTION

DIVERSION CHANNEL
(30 Miles Long, 1,500 Feet Wide)

2027
ESTIMATED OPERATIONAL

11
LEGISLATIVE DISTRICTS
(10, 11, 13, 16, 21, 22, 27, 41, 44, 45, 46)

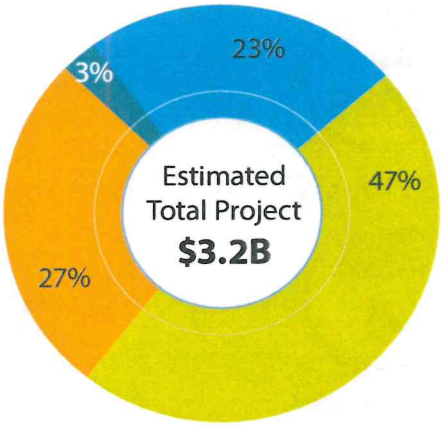
BACKGROUND AND PURPOSE

The Fargo-Moorhead Area Diversion Project (FMADP) was developed in response to the 1997 flood to reduce flood risk for the Fargo-Moorhead metropolitan area. It protects against flooding from the Red River and North Dakota tributaries, including the Wild Rice, Sheyenne, Maple, Rush, and Lower Rush Rivers. The project consists of four major elements: an in-town levee system, a diversion channel, a southern embankment, and mitigation projects. Once complete, it will protect approximately 260,000 people.

HISTORIC FUNDING

Local	$1.5B
State ND	$850M*
State MN	$86M
Federal	$750M

*Approx. 35% of non-federal funding



LOCAL SPONSOR

The communities of Fargo, Moorhead, Cass County, Clay County, and the Cass County Joint Water Resource District established the Metro Flood Diversion Authority (MFDA) through a joint powers agreement to work with the US Army Corps of Engineers (USACE) in building, financing, operating, and maintaining a project that provides permanent flood protection for the Fargo-Moorhead metro area. Funded by a local financial model, the project is supported by three half-cent sales taxes extended through 2084, as approved by voters. The MFDA partnered with the Red River Valley Alliance, a consortium of three international companies, through a public-private partnership (P3), the first P3 overseen by the USACE, with the MFDA ensuring construction meets its standards.

NORTH DAKOTA DWR

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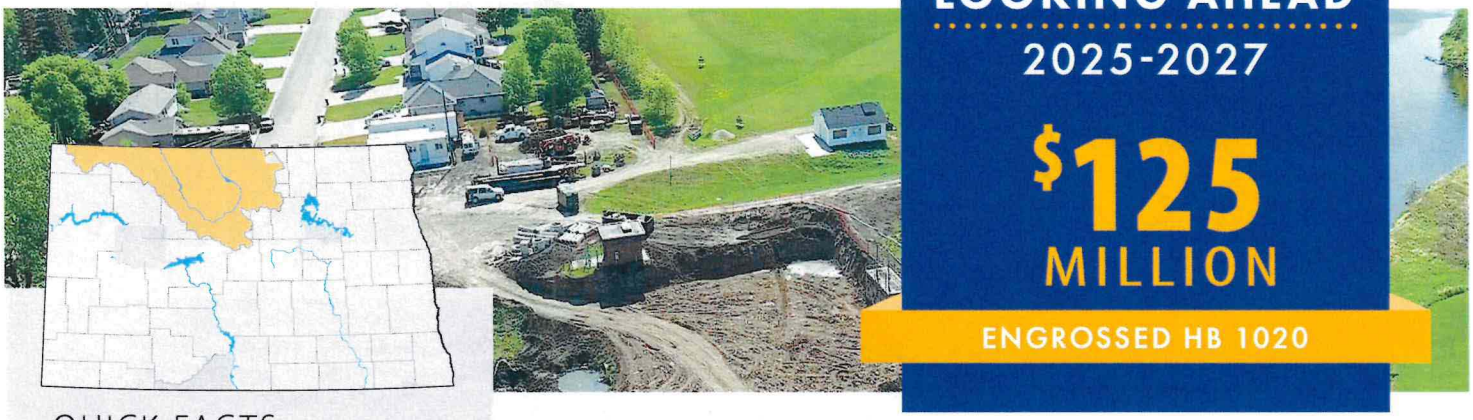
DECEMBER 2024

MOUSE RIVER ENHANCED
FLOOD PROTECTION PROJECT



LOOKING AHEAD
2025-2027

$125 MILLION

ENGROSSED HB 1020

QUICK FACTS

26
COMBINED PROJECTS
(Levees, Floodwalls, Diversion, Bridges, Etc.)

2035
ESTIMATED OPERATIONAL

4
COUNTIES
(Renville, Ward, McHenry, & Bottineau)

6
LEGISLATIVE DISTRICTS
(3, 5, 6, 4B, 38, 40)

BACKGROUND AND PURPOSE

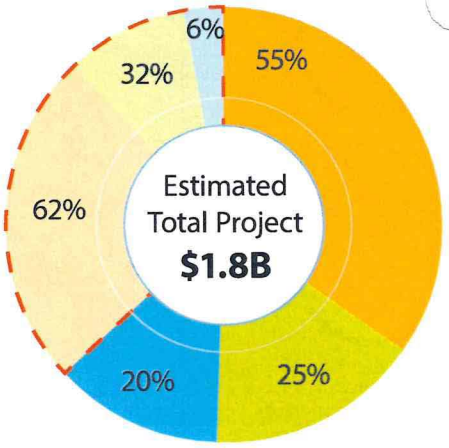
The Mouse River Enhanced Flood Protection Project (MREFPP) is designed to provide flood relief to Mouse River Valley residents - both urban and rural. The project was originally initiated by the State Water Commission in response to a request from the Souris River Joint Water Resource Board (SRJB) following the record-setting Mouse River flood of June 2011. That event brought a record flow of 27,400 cubic feet per second in Minot - impacting 4,700 residential, commercial, and public structures throughout the entire Mouse River loop. Ongoing phases of the MREFPP involve developing flood risk solutions in the urbanized and rural portions of the basin.

HISTORIC FUNDING

Local	$176M
State	$389M
Federal	$141M

FUTURE FUNDING

Est. Remaining Funds	$1.18B
Local	$380M
State	$733M
Federal	$70M



LOCAL SPONSOR

The City of Minot remains the primary source for the local funding share with the SRJB also serving as a local sponsor. Presently, Minot is collecting a 0.7 percent sales tax for flood control, which is generating approximately $7 million per year. Discussions are ongoing to examine the possibilities associated with increasing revenues through additional sales taxes, property taxes, or other fees. The city also received Disaster Recovery Assistance from the U.S. Department of Housing and Urban Development (HUD), and elected to utilize those funds for flood control acquisitions, as HUD funds may not be used for the construction of flood control features.

CURRENT DWR COST-SHARE

65%	75%
Engineering & Construction	Property Acquisitions

NORTH DAKOTA DWR

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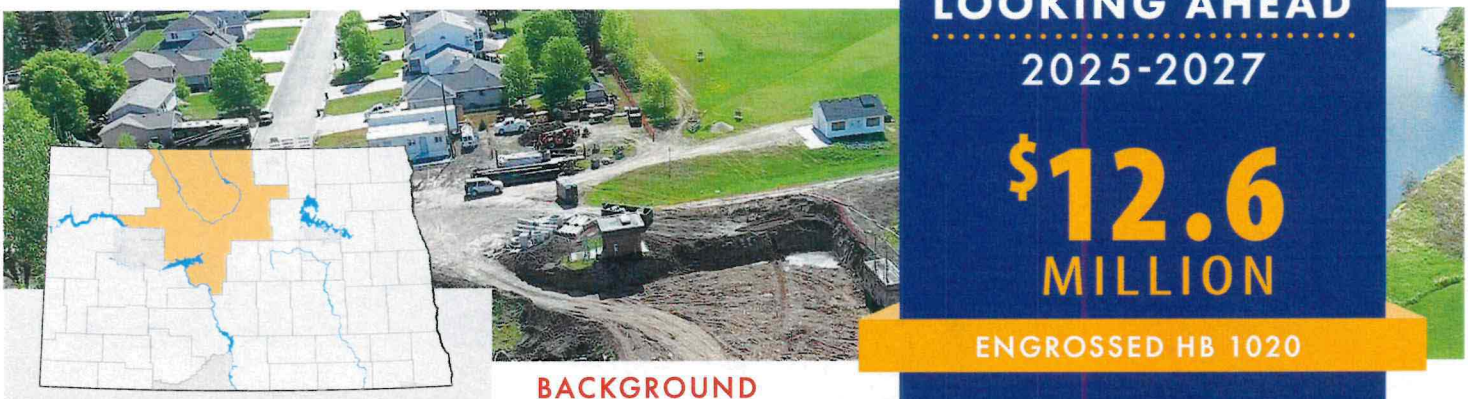
FEBRUARY 2025

NORTHWEST AREA
WATER SUPPLY PROJECT



LOOKING AHEAD
2025-2027

$12.6 MILLION

ENGROSSED HB 1020

QUICK FACTS

81K
FUTURE WATER USERS
(10% OF ND POPULATION)

16
SYSTEMS SERVED

267
MILES OF PIPE

7
LEGISLATIVE DISTRICTS
(2, 3, 4B, 5, 6, 38, 40)

CURRENT DWR SHARE
65%*
*Biota Water Treatment Plant - 100% Federal Funds

BACKGROUND AND PURPOSE

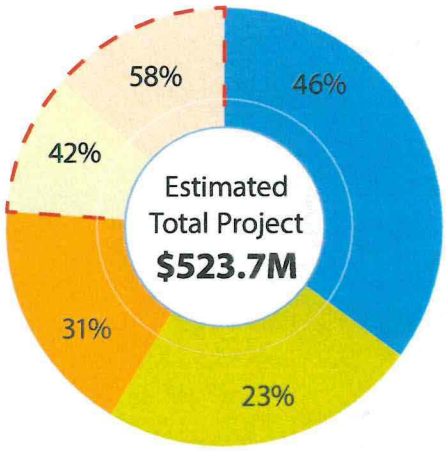
The purpose of the Northwest Area Water Supply (NAWS) project is to address long-standing water supply and poor water quality problems in northern North Dakota by delivering high quality Missouri River water to the region. NAWS was authorized by the Garrison Diversion Reformulation Act of 1986 and the Dakota Water Resources Act of 2000 under the Municipal, Rural, and Industrial (MR&I) Water Supply Program. Construction of NAWS began in April 2002, with a main line and associated features being built between the City of Minot and Lake Sakakawea. Later in 2002, lawsuits were initiated, delaying the project for 17 years. Today, construction on the NAWS project is back underway, with interim water supplies provided by the City of Minot. Utilization of Missouri River water is expected to begin in 2025, with overall expected completion in 2029.

HISTORIC FUNDING

Local	$92.8M
State	$123.1M
Federal	$184M

FUTURE FUNDING

Est. Remaining Funds	$123.8M
Local	$52.1M
State	$71.7M



LOCAL SPONSOR

The city of Minot has been covering the entire local share of the project through a one percent city sales tax. In addition, the 68th North Dakota Legislative Assembly passed House Bill 1218, replacing the Northwest Area Water Supply (NAWS) Project's Advisory Committee, created in 1991, with the NAWS Authority, which was signed into law on April 12, 2023. HB 1218 elevates the NAWS advisory committee to an authority and aligns it with other regional systems in the state.

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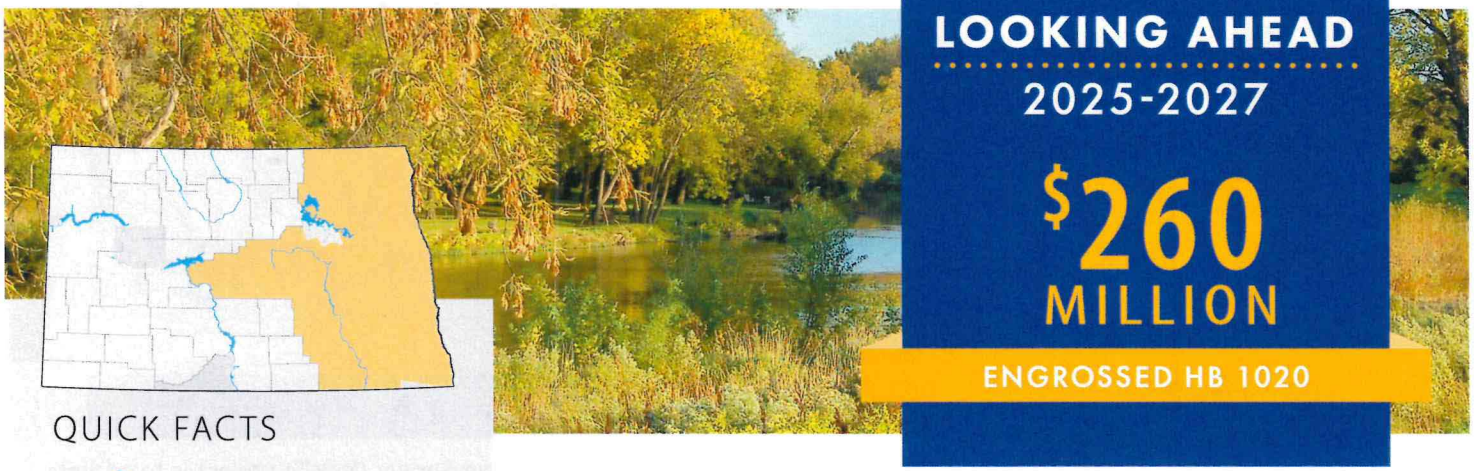
FEBRUARY 2025

RED RIVER VALLEY
WATER SUPPLY PROJECT



LOOKING AHEAD
2025-2027

$260 MILLION

ENGROSSED HB 1020

QUICK FACTS

125 MILES
TRANSMISSION PIPELINE

165 CFS
MAX FLOW

30+
CITIES/RURAL SYSTEMS
(50% Of ND Population)

23
LEGISLATIVE DISTRICTS
(6, 10, 11, 13, 14, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 29, 33, 41, 42, 43, 44, 45, 46)

CURRENT DWR COST-SHARE
75%

BACKGROUND AND PURPOSE

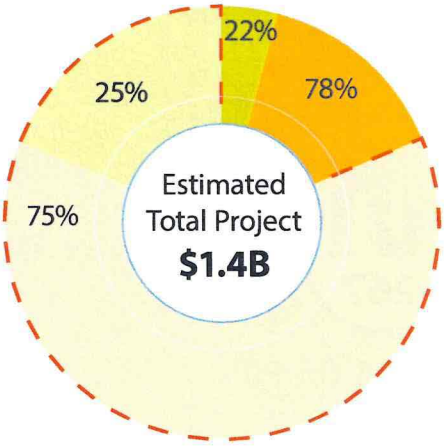
The Red River Valley Water Supply Project (RRVWSP) will use a buried pipeline to transport up to 165 cubic feet of water per second from the McClusky Canal in central North Dakota, along Highway 200, to the Sheyenne River north of Lake Ashtabula. The water will be treated before crossing the continental divide, providing supplemental and emergency water to central and eastern North Dakota. The Main Transmission Pipeline (MTP) will serve communities along its route, with additional users supplied via the Sheyenne and Red Rivers. Those not on the MTP or rivers may require branch pipelines in the future.

HISTORIC FUNDING

Local	$86M
State	$297M

FUTURE FUNDING

Main Transmission Est. Remaining Funds	$1.03B
Local	$257M
State	$773M



LOCAL SPONSORS

The Garrison Diversion Conservancy District comprises 28 member counties, each with an elected board representative. Its mission is to provide a reliable, high-quality, and affordable water supply to benefit the people of North Dakota. In 2003, the North Dakota Legislature created the Lake Agassiz Water Authority (LAWA) to address future water needs in the Red River Valley and secure a reliable drinking water supply for central and eastern North Dakota. LAWA represents RRVWSP water users and cooperates with the Garrison Diversion Conservancy District.

NORTH DAKOTA DWR

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FEBRUARY 2025

SOUTHWEST PIPELINE PROJECT



LOOKING AHEAD
2025-2027

$131.7 MILLION

ENGROSSED HB 1020

Includes $100M from bonding.

QUICK FACTS

58K
WATER USERS
(7.4% OF ND POPULATION)

33
COMMUNITIES SERVED

7.6K
RURAL CUSTOMERS

6
LEGISLATIVE DISTRICTS
(26, 31, 33, 36, 37, 39)

DWR COST-SHARE

100%

Funded by State of ND with local share paid through user fees, including capital repayment ($100M), and replacement and extraordinary maintenance funds ($2.1M).

BACKGROUND AND PURPOSE

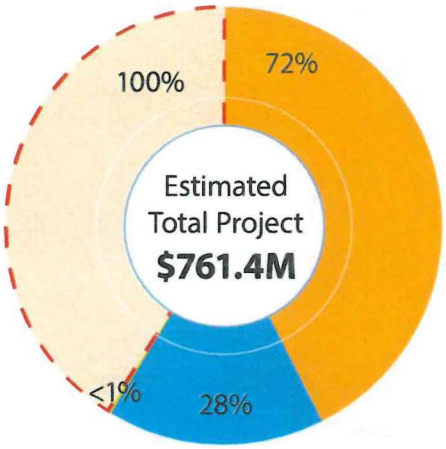
The purpose of the Southwest Pipeline Project (SWPP) is to address water quality and quantity issues in southwest North Dakota by delivering high quality Missouri River water to the region. Authorized by the North Dakota Legislature in 1981, the SWPP transports raw water from Lake Sakakawea to water treatment plants located at Dickinson and north of Zap where it is treated and delivered to the Project's customers in southwest North Dakota and Perkins County, South Dakota. Since construction began in 1986, the Project now includes three water treatment plants, 35 pumping stations, 32 water storage reservoirs, and over 5,000 miles of pipe. Future construction efforts will address ongoing growth in the region and connection of rural customers waiting for SWPP water.

HISTORIC FUNDING

Local	$2.1M
State*	$324.4M
Federal**	$121.9M

*Includes bonds ($6.1M), bond payoff ($18.3M), and State Fiscal Recovery Funds

** Municipal, Rural and Industrial (MR&I) Program; and USDA Rural Development



FUTURE FUNDING

Foreseeable Funding Needs	$313M
State	$313M

LOCAL SPONSOR

The SWPP is funded and owned by the state of North Dakota and administered through the Department of Water Resources. In 1996, the operation and maintenance of the SWPP was transferred to the Southwest Water Authority (SWA), a political subdivision established by the Legislature. Capital repayment occurs through user fees.

NORTH DAKOTA DWR

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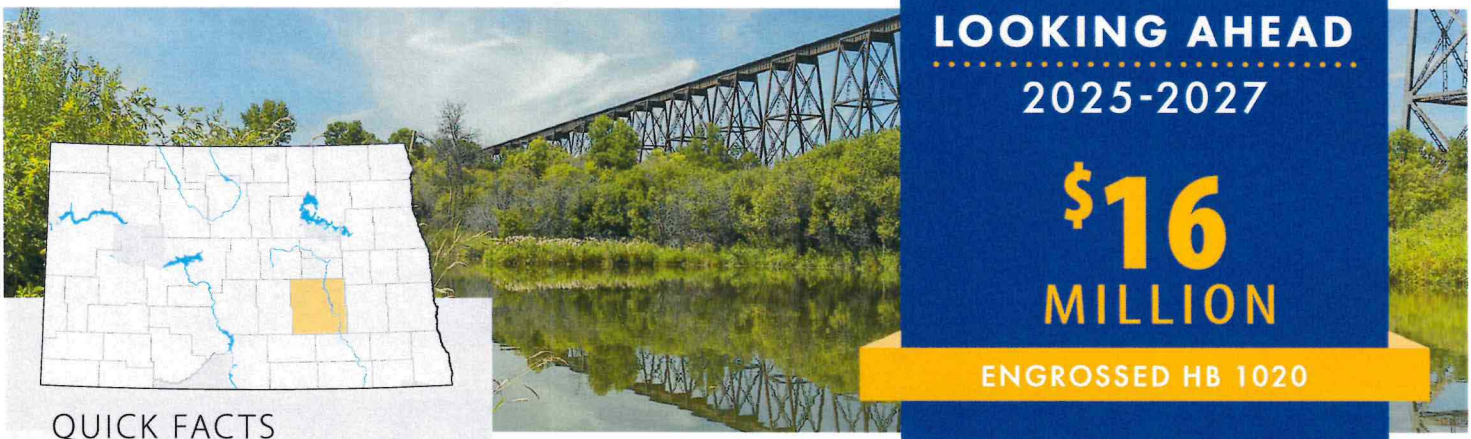
FEBRUARY 2025

VALLEY CITY PERMANENT
FLOOD PROTECTION



LOOKING AHEAD
2025-2027

$16 MILLION

ENGROSSED HB 1020

QUICK FACTS

8
PROJECT PHASES

COMBINED PROTECTION
(Flood Walls, Earthen Levees, Pump Stations and Stream Bank Restoration)

2023
CLOMR COMPLETION
(Conditional Letter Of Map Revision)

1
LEGISLATIVE DISTRICT
(24)

CURRENT DWR COST-SHARE

80%	85%
Construction	Engineering

BACKGROUND AND PURPOSE

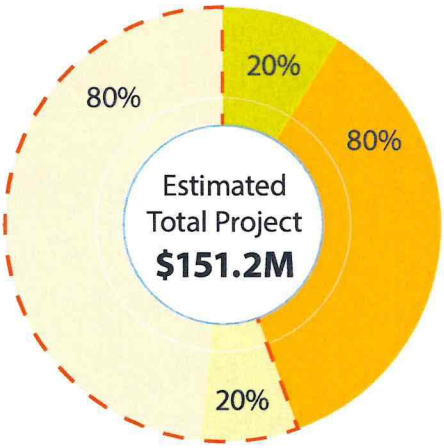
The Sheyenne River flows roughly 591 miles from central North Dakota, eventually meandering its way east to the Red River near Fargo. Valley City sits along the Sheyenne River, downstream of Baldhill Dam, which forms Lake Ashtabula. During a typical spring each year, the river swells from snow melt with water levels peaking around March and April, often creating flood conditions. After experiencing major flooding in 2009, 2010, and 2011, the cities of Valley City and Lisbon each decided to pursue permanent flood protection. Collectively known as the Sheyenne River Valley Flood Protection project the City of Lisbon completed its flood protection in 2018. Valley City has complete phases I-III, with phase IV scheduled for 2025, and an estimated overall completion date of 2035.

HISTORIC FUNDING

Local	$12.4M
State	$49.5M

FUTURE FUNDING

Est. Remaining Funds	$76.5M
Local	$15.3M
State	$61.2M



LOCAL SPONSOR

Through the State Water Commission's Cost-Share Program, Valley City is receiving an elevated cost-share percentage due to past and potential future impacts caused by water releases from the Devils Lake outlets, which empty into the Sheyenne River.

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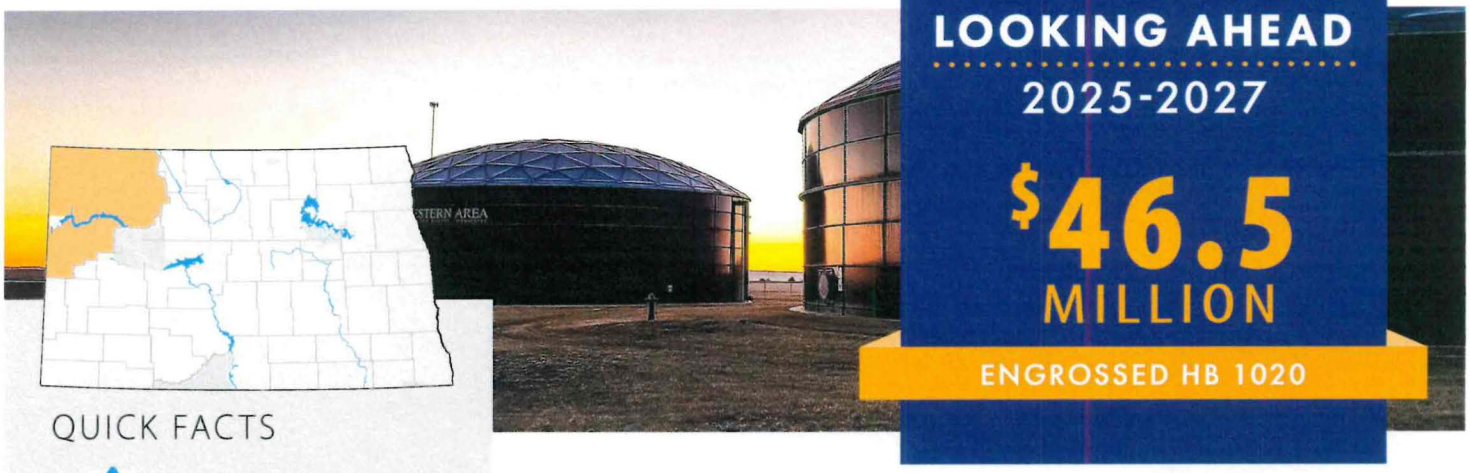
FEBRUARY 2025

WESTERN AREA
WATER SUPPLY



QUICK FACTS

70K
WATER USERS
(9% OF ND POPULATION)

13
COMMUNITIES SERVED

4K
RURAL CONNECTIONS

5
LEGISLATIVE DISTRICTS
(1, 2, 4B, 23, 26)

CURRENT DWR COST-SHARE
50%-75%

BACKGROUND AND PURPOSE

The Western Area Water Supply (WAWS) project goal is to utilize Missouri River water, along with supplemental ground water, to meet the municipal, rural, and industrial water needs of counties in northwest North Dakota. Currently, the system supplies water to 70,000 water users in five counties: Burke, Divide, Mountrail, McKenzie and Williams. The system is expected to expand to 100,000 users by 2038.

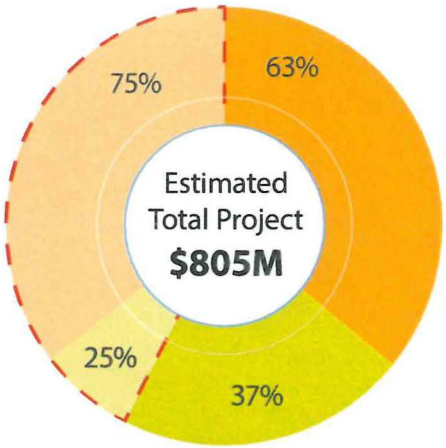
As originally planned during the 2011 Legislative Assembly, the financial model for WAWS was to take advantage of the extensive regional growth that was taking place as a result of oil production and to fund the majority of the project with loans that were to be paid by selling excess water to the energy industry. Since that time, the funding model has been modified, with the Legislature allowing restructuring of WAWS debt, and loan forgiveness of $74.5 million in 2021 and $30 million in 2023.

HISTORIC FUNDING

Local	$173M
State	$290M

FUTURE FUNDING

Foreseeable Funding Needs	$342.1M
Local	$85.5M
State	$256.6M



LOCAL SPONSOR

In 2011, the North Dakota Legislature created the Western Area Water Supply Authority, (WAWSA) with the intent to develop the WAWS project to treat, store, and distribute water to northwestern North Dakota. WAWSA includes Williams Rural Water District, McKenzie County Water Resource District, the City of Williston, Burke-Divide-Williams Water System Association, and R&T Water Supply Association.

NORTH DAKOTA DWR

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FEBRUARY 2025

The following testimony was uploaded for a meeting on March 07, 2025, prior to the meeting's cancellation: #39038, #39039, and #39498.

North Dakota Irrigation Association
P.O. Box 2254
Bismarck, ND 58502
701-223-4615
701-223-4645 (fax)
Dedicated to strengthening and expanding irrigation to build and diversify our economy

Senate Appropriations – Education and Environment Division
Hearing for HB 1020
March 7, 2025
Testimony of Scott Mund, Vice Chairman, ND Irrigation Association

Chairman Sorvaag and Members of the Committee, my name is Scott Mund, and I serve as Vice Chairman of the North Dakota Irrigation Association (NDIA) in addition to being a farmer and irrigator from Milnor, ND. Thank you for the opportunity to offer testimony in support of House Bill 1020 and state funding for irrigation projects.

As you know, North Dakota producers often face devasting drought. Irrigation can be a valuable resource for producers because it has the potential to produce high value crops even in dry or drought periods. Irrigation also allows our farmers to maximize their soil's potential, increasing the productivity and profitability of the land.

In 2024, the NDIA, in partnership with the ND Department of Water Resources, Garrison Diversion Conservancy District, and North Dakota State University, undertook a study to identify areas for potential irrigation development. Attached to this testimony is a handout summarizing this study. The study showed that while less than one percent of cropland in North Dakota was irrigated in 2022, there are two million acres ripe for development, meaning that they have amenable soil types and land use in addition to access to water. In fact, 37 counties have more than 10,000 acres of cropland potential for future irrigation development.

To realize this development will likely require state support. Today, the state supports irrigation development in two ways. First, irrigation districts can apply for cost share through the State Water Commission for planning and construction of shared works, such as intakes, main transmission lines, and power lines, that benefit multiple irrigators in a district. While there are a limited number of districts in the state, and many of these are not very active, there is renewed interest in setting up and revitalizing districts. We would ask that adequate funding be included in the General Water bucket to support this effort. A recent request before the State Water Commission for one project was $150,000. There could be a few requests in the next biennium, so $300,00-$500,000 would support a handful of projects.

The Irrigation Association also supports the request of the Garrison Diversion Conservancy District (GDCD) for $5 million for irrigation development. The GDCD works closely with irrigators and potential irrigators in its district to further develop irrigation along the McClusky Canal.

The state, in a shared program with the State Water Commission and the Bank of North Dakota, also provides interest rate buydown for individual irrigators establishing new irrigation systems. The State Water Commission recently increased their contribution to this program and the Bank is looking to do the same in the near future. Together, this increased funding would increase the maximum buydown for an irrigator to 4% or $90,000. Historically, this program has been undersubscribed. With this increase, we're hopeful there will be greater interest in using it. The State Water Commission has dedicated approximately $300,000 to the Ag Pace program for the current biennium. We would ask that the same amount ($300,000) be contemplated for inclusion in the General Water bucket for the next biennium.

HB 1020, in its current form, allocates $25.5 million in the General Water bucket. Of that, approximately $8 million is allocated for projects other than conveyance and the parks and rec grants. It is out of this $8 million that funding for irrigation would come. We ask to maintain that amount in the General Water bucket for irrigation projects in the 2025-2027 biennium.

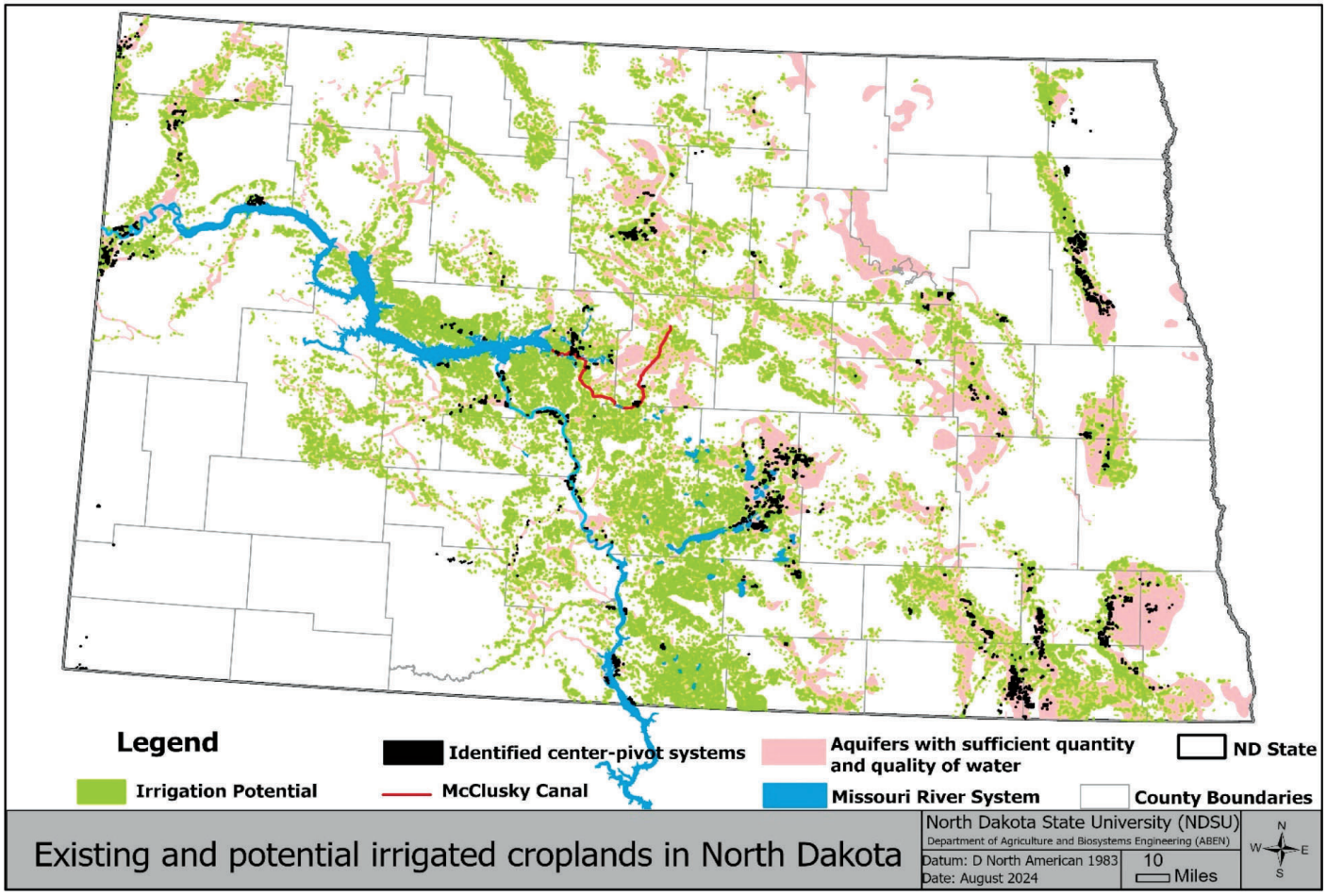
Thank you for the opportunity to provide this testimony, Mr. Chairman. I'd be happy to stand for any questions you may have.

Irrigation Potential in North Dakota

The **North Dakota Irrigation Association**, in partnership with the North Dakota Department of Water Resources, Garrison Diversion Conservancy District and North Dakota State University, undertook a study in 2024 to identify areas for potential irrigation development.

HIGHLIGHTS OF THE STUDY:

- According to the USDA National Agricultural Statistics Service's Census of Agriculture, less than one percent of cropland in North Dakota was irrigated in 2022. It was the least among the ten states that are entirely or partially covered by the Missouri River Basin and below the US average irrigated cropland. To identify the locations and areas of the North Dakota croplands that have potential for future irrigation development, we conducted a statewide irrigation feasibility study.
- In summary, about 2.2 million acres of cropland in North Dakota have suitable soils and available water for irrigation. Among these croplands, approximately one-quarter (0.25) of a million acres have already been developed for irrigation, leaving approximately two million acres of cropland statewide for future irrigation development. About one million acres of such cropland are located around the Missouri River corridor and the other one million acres are spread across the state where good-quality groundwater is available.



Statewide, 37 counties have more than ten thousand acres of cropland potential for future irrigation development.

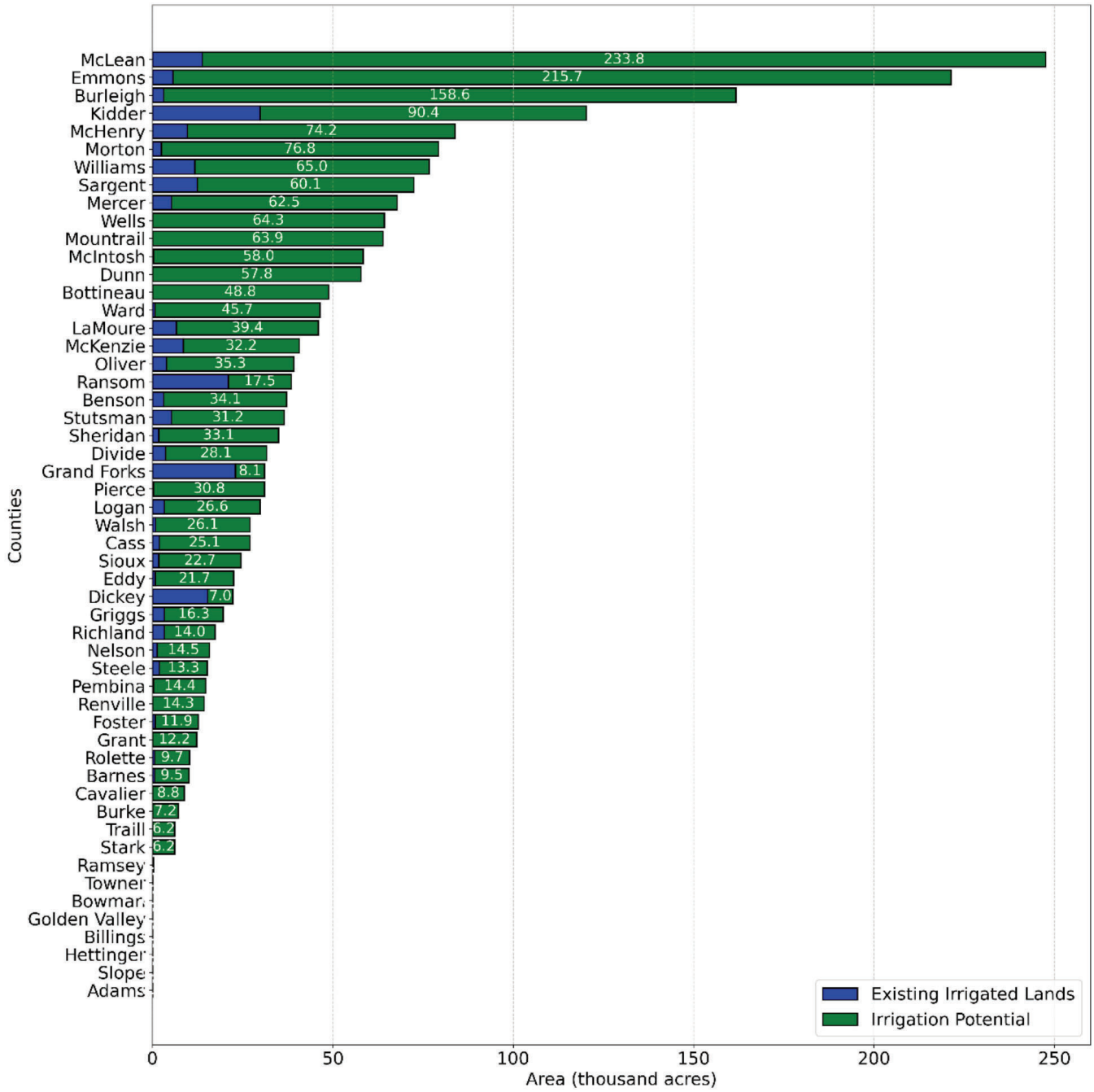


***Figure ES.2**. Areas of the existing irrigated and potentially irrigable croplands in North Dakota counties (The numbers in the green bars are thousands of acres of croplands with irrigation potential in each county).*

NEXT STEPS

- NDSU is continuing to refine this data and create an online dashboard so individuals can more easily access data on a statewide level and in specific counties.

To view the full study scan the QR code

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Letter of Support – HB 1020

Tuesday, March 7, 2025

Chairman Sorvaag and Members of the Senate Appropriations Committee - Education and Environment,lk; Division,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of House Bill 1020, specifically as it relates to the Red River Valley Water Supply Project (RRVWSP).

Our region is extremely grateful for the North Dakota Legislative Assembly's steadfast support and continued investment in critical water infrastructure projects. These projects provide long term protection to our communities, ensuring a future in which we can grow and thrive. This includes past efforts to fund the FM Diversion and continued support of the RRVWSP.

As our state and region continue to grow, so will the demand for water. The RRVWSP will serve as a key asset for many communities across central and eastern North Dakota – providing access to a sustainable supply of water. This project will not only mitigate drought conditions but will foster economic development by meeting growing residential and industrial water demands. We fully support the North Dakota House of Representatives recommendation to allocate $260 million to support the RRVWSP.

As this committee considers House Bill 1020, we encourage funding the RRVWSP at the House's recommended level to provide critical access to water for North Dakota residents and businesses.

Thank you for your attention to this matter and your commitment to North Dakota.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
3/11/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

8:30 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

Discussion Topics:

- Resources Trust Fund (RTF).
- Budget Request.
- Legislative Intent to Fund Water Projects.
- Line of Credit Authorization(s).
- Insurance costs.
- Flood Control.
- FEMA Awarded Funds.
- Municipal Water Stats.

8:31 a.m. Reice Haase, Director, Dept. Water Resources, introduced the bill in favor and submitted/referenced testimony #40186 and #40190 and #40191 and #40192.

9:04 a.m. Chris Kadrmas, Director of Admin, Dept. Water Resources, answered committee questions.

9:09 a.m. Tom Ross, Mayor, Minot, testified in favor and submitted testimony #40302.

9:15 a.m. Ryan Ackerman, Administrator, Souris River Joint Board, submitted testimony in favor #40396.

9:34 a.m. Michael Schmitz, Mayor, Bismarck, testified in in favor.

9:36 a.m. Gabe Schell, City Engineer, Bismarck, testified in favor and submitted testimony #40203.

9:56 a.m. Dave Carlsrud, Mayor, Valley City, testified in favor.

9:58 a.m. Gwen Crawford, City Administrator, Valley City, testified in favor and submitted testimony #40532.

10:02 a.m. Eric Volk, Executive Director, ND Rural Water Systems Assoc., testified in favor and submitted testimony #40332.

10:23 a.m. Chairman Sorvaag recessed the meeting.

10:31 a.m. Chairman Sorvaag reconvened the meeting.

10:31 a.m. Harold Gaugler, President, ND Water Resource Districts Assoc., testified in favor and submitted testimony #40409.

10:39 a.m. Loren Dewitz, Chairman, ND Water Coalition, testified in favor and submitted testimony #40177.

10:45 a.m. Matt Gardner, Executive Director, ND League of Cities, testified in favor and submitted testimony #40122.

10:56 a.m. Sindhuja S.Pillai-Grinolds, Director, Water Development Division, testified in favor and continued testimony #40192.

Additional written testimony:

Alex Cronquist, Fiscal Analyst, Legislative Council, submitted testimony in neutral #40681 and #40684.

Brandon Bochenski, Mayor, Grand Forks, submitted testimony in favor #40331.

Tim Mahoney, LAWA Chairman, City of Fargo, submitted testimony in favor #40115.

Linda Price, SW Water Authority, submitted testimony in favor #39960.

11:10 a.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

Testimony on Behalf of Southwest Water Authority Regarding the Benefits to Southwest North Dakota

From:
Linda Price
4390 14th ST SW
Stanton, ND 58571
701-870-4078

Chairman Vigesaa and member of the House Appropriations committee, I am writing today in support of House Bill 1020 and specifically in support of the Southwest Water Authority Pipeline Project.

We have Southwest Water for our house, and I am very satisfied with the quality of the water that is provided. It's clear and it's good tasting. The water we had before getting Southwest Water was the color of tea or light coffee. Visitors had a hard time drinking the discolored water. Many people would not drink our well water.

If you had white clothes, they were only white until you had to wash them. After that, the clothes had a dingy look, never to be white again. The appliances, shower, and tub would stain from our well water and was very hard to keep looking nice.

We had to give easements for the pipeline installation which I would do again. Southwest Water was good about coming back when asked to fix problems. We had some areas where the pipe was laid that settled and needed to be filled and repacked.

Southwest Water monitors the meter readings carefully. One month they caught an abnormal meter reading and noticed an inconsistency with our water usage. They notified us and proceeded to check it out. It was discovered we had a leak in the pipe that they proceeded to fix.

I hear some people talking about the price of the water bill being too high. I don't feel that the price is out of line because everything has seemed to increase in price. We use well water for our cattle. A well isn’t cheap to drill either.

The Southwest Water project took some time from the start (when they signed people up for the project) to its completion. I feel it was worth the wait. I urge all legislative officials to vote for bills regarding Southwest Water Authority and other state water projects provided by HB 1020.

Sincerely,

Linda Price
Customer of Southwest Water
Farmer/rancher in Oliver County, North Dakota

THE CITY OF Fargo FAR MORE

OFFICE OF THE MAYOR
DR. TIM MAHONEY
Fargo City Hall
225 4th Street North
Fargo, ND 58102-4817
Phone: 701.241.1310 | Fax: 701.476.4136
www.FargoND.gov

Testimony of Dr. Tim Mahoney
Lake Agassiz Water Authority (LAWA) Chairman & Fargo Mayor
House Bill 1020
Senate Appropriations Committee – Education and Environment Division
Bismarck, North Dakota – March 11, 2025

Honorable Members of the Senate Appropriations Committee,

Please accept this testimony in my absence in strong support of funding for the Red River Valley Water Supply Project. As Mayor of the City of Fargo and Chairman of the Lake Agassiz Water Authority (LAWA), I have the privilege and responsibility of representing our city in Washington D.C., where I am advocating for infrastructure projects that will benefit not only Fargo but the entire State of North Dakota.

Thanks to previous legislative support, we have made significant progress on the Red River Valley Water Supply Project by successfully awarding eight construction contracts and completing 17 miles of pipe utilizing authorized funds from past legislative sessions. With $260 million appropriated in HB 1020, we can maintain the project's cost-effective timeline and move closer to securing a long-term, emergency water supply for nearly half of North Dakota's population—while also fostering economic development for both small and large communities

Although the cities of Fargo and Grand Forks are the largest users, we are pleased to report that an additional 15 communities, counties, and rural water users have signed Memorandums of Commitment (MOCs) to participate in the Project. These MOCs equate to approximately 92% of the total project capacity of 165 cfs (cubic feet per second of water flow).

Ensuring local affordability is key to widespread participation, which is why LAWA is requesting the State continue the Capitalized Water Infrastructure Revolving Loan Fund (WIRLF) with $85 million in funding for 40 Years at 2% interest rate and fund additional flexible financing options that allows the Project's end users to grow into their repayments.

The requested $260 million in HB 1020, combined with $85 million in local funding, is critical to advancing this project. I respectfully ask the Committee to approve this funding and provide access to flexible financing mechanisms that will help ensure a fiscally responsible path forward for all stakeholders.

Thank you,

- Dr. Timothy Mahoney, Mayor of the City of Fargo

NORTH DAKOTA LEAGUE OF CITIES

Senate Appropriations

HB 1020

Present by : Matt Gardner

WWW.NDLC.ORG



Empowering North Dakota Communities

Through a culture of innovation, we will serve as the trusted voice for North Dakota communities to EMPOWER them to be healthy, safe, dynamic, and prosperous.

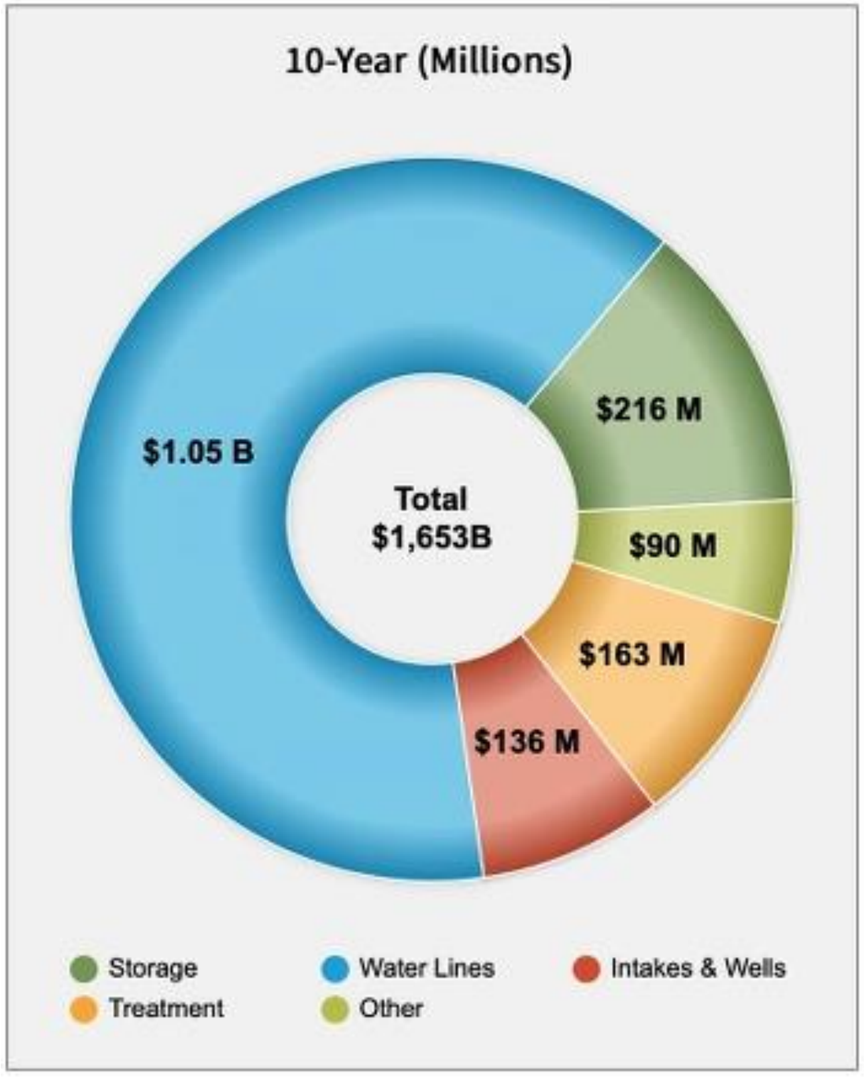


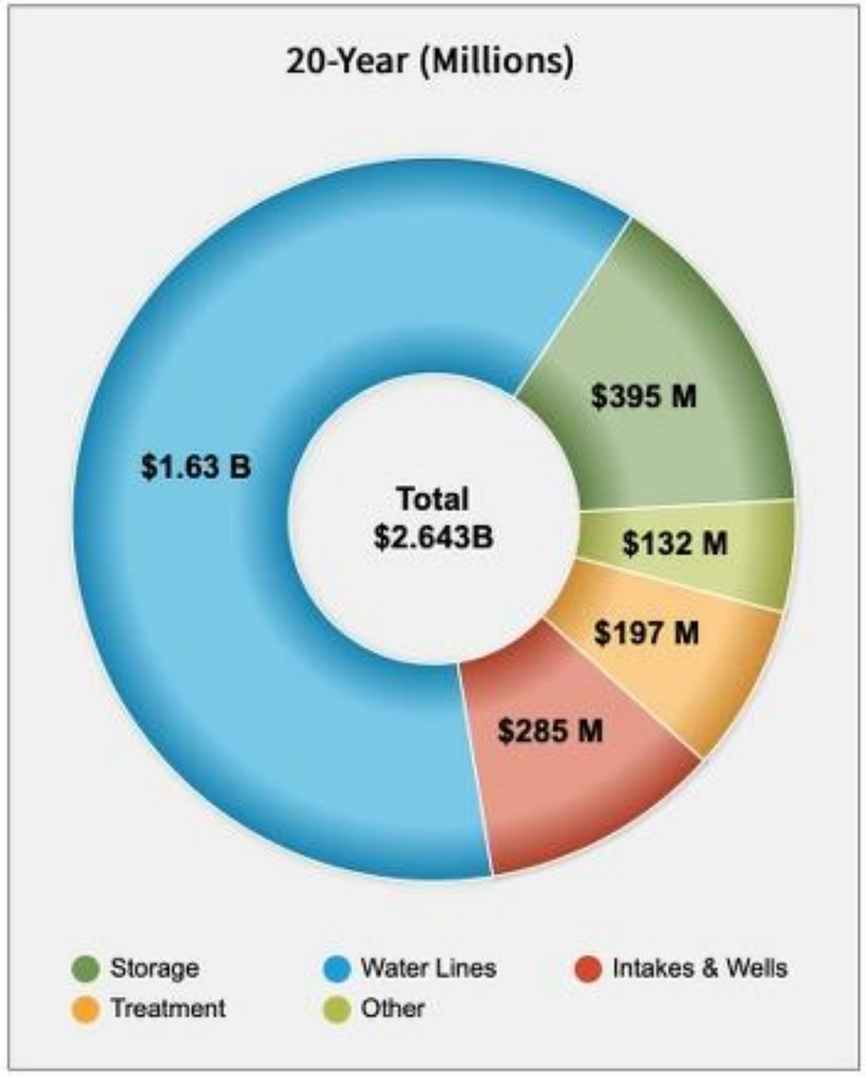
Municipal Water Stats

- 86 - Cities have their own water system, co-op with another city, or individual wells.
- 269 – Cities are connected to a rural or regional water system.
- 16 - Cities provide water for a rural or regional system.

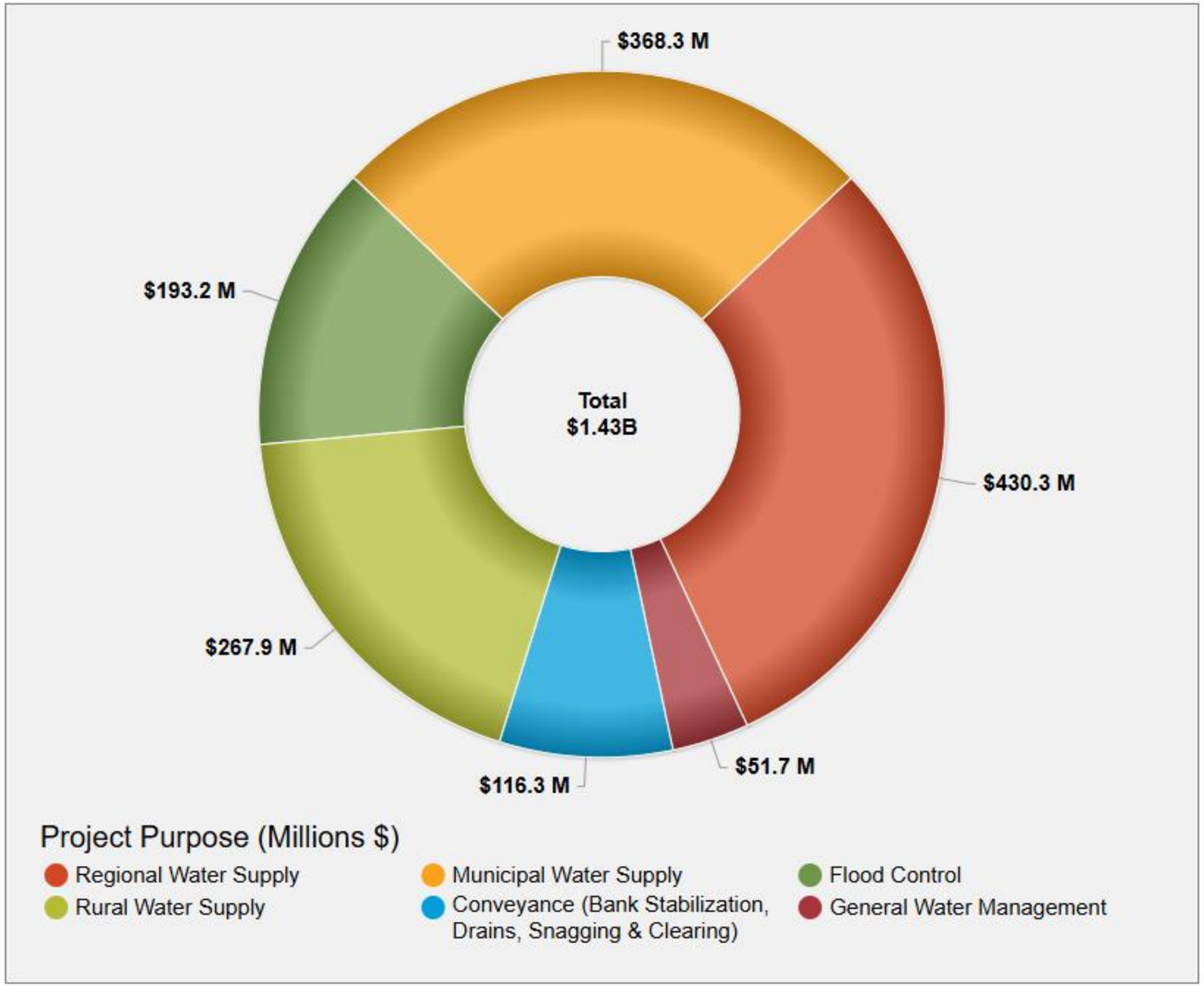
Aging Municipal Water Supply Infrastructure

Survey Results – Dept. Water Resources - 2022





25 – 27 State Cost-Share Funding Needs





Cost Share Funding Needs Break Down

- $368.3m total
- 200+ total projects
- 95 different communities

TOTAL = $806.5M

Includes A $200M Line Of Credit (LOC)



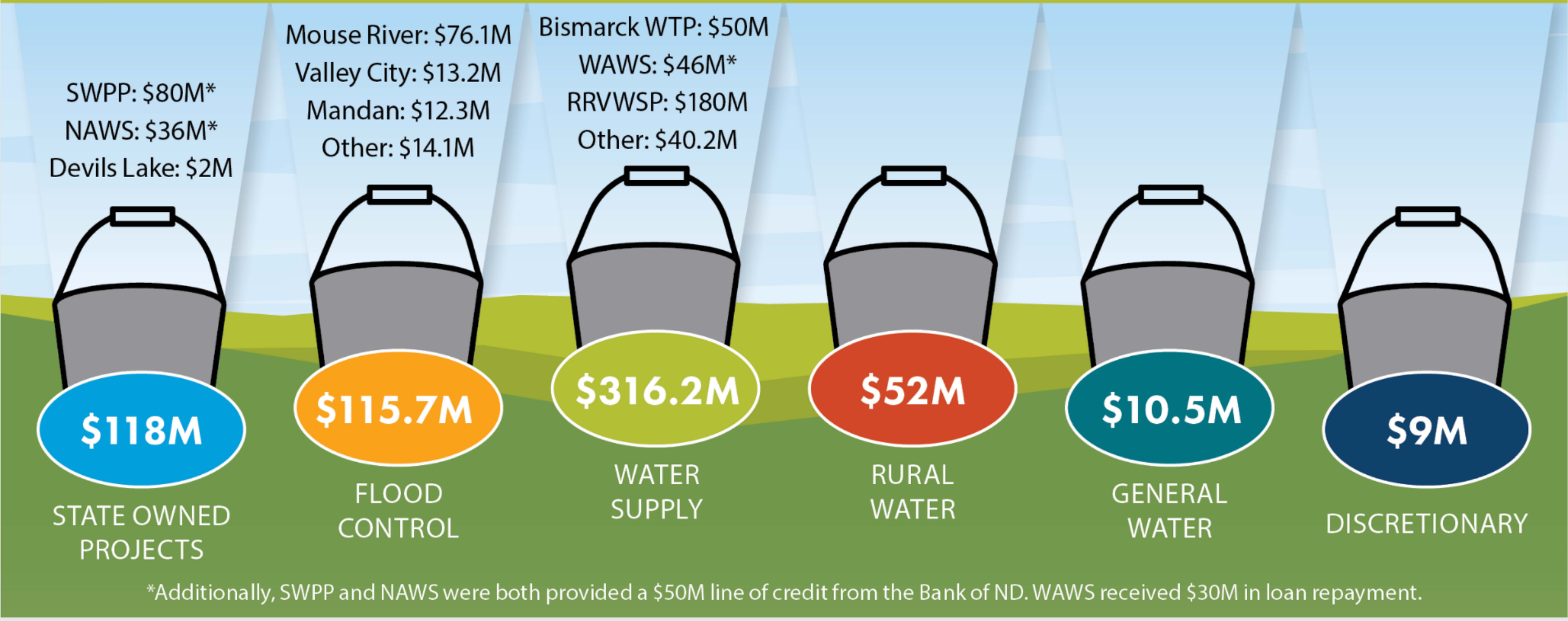
LARGE REGIONAL	FLOOD CONTROL	WATER SUPPLY	GENERAL WATER	DISCRETIONARY
RRVWSP $260M	SOUTH BISMARCK $20M	RURAL $80M	CONVEYANCE $15M	
WAWS $46.5M	MOUSE RIVER $125M	MUNICIPAL $25M	OTHER $8M	
NAWS $12.6M	VALLEY CITY $16M		PARKS AND REC GRANT $2.5M	
SWPP* $131.7M	DEVILS LAKE $1.7M			
	OTHER $7.5M			

Includes $100M from bonding

$45M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC

2025-2027 RESOURCES TRUST FUND (RTF) BUCKETS

SENATE BILL 2020: 2023-2025 DWR PROJECT & PURPOSE FUNDING APPROPRIATION



*Additionally, SWPP and NAWS were both provided a $50M line of credit from the Bank of ND. WAWS received $30M in loan repayment.

Northwest Area Water Supply (NAWS) | Southwest Pipeline Project (SWPP) | Red River Valley Water Supply Project (RRVWSP) | Western Area Water Supply (WAWS)

Other Challenges Facing Municipal Water Systems

- Estimated 22,000 lead service lines in the state.
  - 10 yr replacement requirement - EPA
  - 25 – 27 DWR plan 39 project requests
  - DEQ Priority List 135 projects
- Co2 needs for Ph Balance
- Project Costs
- Workforce – water operators







NORTH DAKOTA LEAGUE OF CITIES


NORTH
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LEAGUE
OF CITIES
thank you

North Dakota
WATER
COALITION

PO Box 2254
Bismarck, ND 58502
(701) 223-4330
FAX (701) 223-4645

Barnes Rural Water District
Cass County Government
Cass County Joint Board
City of Bismarck
City of Devils Lake
City of Fargo
City of Grafton
City of Grand Forks
City of Lisbon
City of Mandan
City of Minot
City of Valley City
City of West Fargo
City of Williston
Department of Environmental Quality
Department of Water Resources
Devils Lake Basin Joint Board
East Central Regional Water District
Fort Berthold Rural Water
Garrison Diversion Conservancy District
Lake Agassiz Water Authority
McLean-Sheridan Rural Water
Mercer County Water Resource District
Missouri River Joint Water Board
Morton County Water Resource District
North Dakota Association of Counties
North Dakota Irrigation Association
North Dakota League of Cities
North Dakota Public Finance Authority
North Dakota Rural Water Systems Association
North Dakota Water Resource Districts Association
North Dakota Water Users Association
North Dakota Weather Modification Association
North Prairie Regional Water District
Northwest Area Water Supply
Red River Joint Water Board
Souris River Joint Board
South Central Regional Water District
Southwest Water Authority
Stutsman Rural Water District
Western Area Water Supply

Senate Appropriations – Education and Environment Division

Hearing for HB 1020

March 11, 2025

Testimony of Loren DeWitz, Chairman, ND Water Coalition

Chairman Sorvaag and Members of the Committee,

My name is Loren DeWitz, and I serve as Chairman of the North Dakota Water Coalition. Thank you for the opportunity to offer testimony in support of House Bill 1020 and state funding for water projects.

The Water Coalition is an organization of organizations. This means that rather than individual members, the Water Coalition is a collection of organized groups, including water districts, regional water systems, rural water systems, joint water boards, and various state water groups. Included in our membership are the cities of Bismarck, Mandan, Williston, Minot, Grand Forks, Fargo, West Fargo, Devils Lake, Grafton, Lisbon, and Valley City.

Water Coalition members all have a common interest and a common goal – to work in a collaborative manner toward the identification and construction of water development projects and to provide a collective and unified position on the need for water funding for all the critical projects across the state. It is imperative that the State Water Commission and the Legislature understand and appreciate how important these projects are to the state and its citizens.

In today's hearing you will hear specific project details and funding needs for a wide variety of projects. These projects will include major water management projects and large water supply projects. You will hear testimony on behalf of all the rural water systems of our state, municipal water needs, irrigation development, and from our state's water resource districts.

You will quickly note that the projects you will hear about touch every corner of our state and every citizen of our state. These projects, individually and collectively, provide health, safety, economic, and social benefits which make our state a better place to live.

North Dakota's legislature took visionary action in 1991 to establish the Resources Trust Fund to invest in North Dakota's water resources. Water infrastructure projects are developed thanks to 20.5% of the oil extraction tax that funnels into the Resources Trust Fund. Since 1991, this fund has contributed to a more than $3 billion impact in the state.

Thanks to the Resources Trust Fund:

- There are 42,000 miles of rural water pipeline in North Dakota.

North Dakota
WATER
COALITION

PO Box 2254
Bismarck, ND 58502
(701) 223-4330
FAX (701) 223-4645

Barnes Rural Water District
Cass County Government
Cass County Joint Board
City of Bismarck
City of Devils Lake
City of Fargo
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City of Grand Forks
City of Lisbon
City of Mandan
City of Minot
City of Valley City
City of West Fargo
City of Williston
Department of Environmental Quality
Department of Water Resources
Devils Lake Basin Joint Board
East Central Regional Water District
Fort Berthold Rural Water
Garrison Diversion Conservancy District
Lake Agassiz Water Authority
McLean-Sheridan Rural Water
Mercer County Water Resource District
Missouri River Joint Water Board
Morton County Water Resource District
North Dakota Association of Counties
North Dakota Irrigation Association
North Dakota League of Cities
North Dakota Public Finance Authority
North Dakota Rural Water Systems Association
North Dakota Water Resource Districts Association
North Dakota Water Users Association
North Dakota Weather Modification Association
North Prairie Regional Water District
Northwest Area Water Supply
Red River Joint Water Board
Souris River Joint Board
South Central Regional Water District
Southwest Water Authority
Stutsman Rural Water District
Western Area Water Supply

- 298,000 people in North Dakota are on rural and regional systems and benefitting from safe, reliable, drinking water.
- 268 of 355 incorporated cities in the state are on rural and regional water systems.
- The Mouse River Enhanced Flood Protection Project will protect residents in four counties.
- 70,000 people are receiving water from the Western Area Water Supply Project.
- The Red River Valley Water Supply Project is being planned to provide supplemental and emergency water for central and eastern North Dakota, serving 50% of the state's population, and mitigate drought effects that would cause costly water shortages.
- The Fargo-Moorhead Area Diversion Project will provide 100-year flood protection for North Dakota's largest community.
- The Northwest Area Water Supply Project will service a project area of 81,000 people.
- The Southwest Pipeline Project serves 58,000 people, including 38 communities and 7,600 rural customers.
- When complete, the four major regional systems in the state will provide Missouri River water to all four corners of North Dakota and 80% of the population.

Water infrastructure is crucial to the future development of the state. More than three decades ago, our legislative leaders took action to establish the Resources Trust Fund and ensure the state was proactive to foster future growth and development. North Dakota has been a leader in water infrastructure development, and other states wish they had been so forward-thinking.

There is more to accomplish. Our work is not done. If we want to continue to foster future economic growth and development and enhance our citizens' quality of life, we must persist in funding water infrastructure projects. Attached to my comments is a critical water needs summary entitled "Meeting the Challenge," which the Water Coalition prepares each biennium to highlight the variety and need of water funding support.

Thank you for this opportunity to offer this testimony. I will respond to any questions.



Meeting the Challenge

2025-27 Critical Water Needs Summary

Water is North Dakota's most valuable natural resource. Every day, our water resources are used for drinking water, agriculture, industry, power production, and recreation. Water also plays a major role in growing the state's economy through its vital use in oilfield development, value-added agriculture, and many more industries. The significant growth in industrial development and population, major flooding events throughout the years, and the need to provide reliable, quality water have presented North Dakota with a unique set of challenges that need to be addressed and met. The way these challenges can be addressed is through sufficient funding of water projects.

HOW WATER IS FUNDED



Water funding is allocated from the Resources Trust Fund, which was established in 1991 by an amendment to the North Dakota Constitution voted on by the people of North Dakota. The amendment, and subsequent legislation, directs 20.5% of the oil extraction tax to the Resources Trust Fund to develop water infrastructure projects. Resources Trust Fund dollars are appropriated by the legislature each biennium into funding "buckets," or categories, such as water supply or flood control. More dollars in the water supply, rural water, and capital projects buckets means more North Dakotans will have access to clean drinking water. More dollars in the flood control bucket means more protection for high flood-risk cities like Fargo, Minot, Valley City, and Mandan.

The establishment of the Resources Trust Fund in 1991 was a visionary move by both the people of North Dakota and the Legislature. It has made possible investment in water resources that makes North Dakota the envy of our neighbors in the Midwest and states across the country. Today, the Resources Trust Fund provides valuable investment in water infrastructure that improves the quality of life for every North Dakotan.

WATER FOR DRINKING AND INDUSTRY



Funding regional and rural water systems helps bring clean, safe and quality water to more than 75% of North Dakota and has helped strengthen economic development. Using regional water systems, which distributes water over large areas of the state partnering with rural and municipal water systems, allows North Dakota to tap into our largest water resource, the Missouri River, and deliver that abundant resource across large reaches of

the state. The Missouri River is the water source for the four regional water systems: the Southwest Pipeline Project (SWPP), Northwest Area Water Supply Project (NAWS), Western Area Water Supply Project (WAWS), and Red River Valley Water Supply Project (RRVWSP). When complete, these regional systems will carry Missouri River water to residents in all four corners of the state and serve approximately 80% of the population. Funding is also provided for municipal water systems, both those tied in with rural or regional systems and those who maintain systems of their own.

PROTECTION FROM FLOOD



North Dakota has many water resources that are used to positively grow the state and serve its residents and businesses. However, sometimes water is destructive, a problem that North Dakota knows too well. Over the 136 years of its existence as a state (and before), the wild and fluctuating levels of its rivers and lakes have resulted in devastating flooding for North Dakota. Without sufficient protection, these floods can displace people, destroy homes, and devastate businesses and productive crop land. Through funding provided by the legislature, North Dakota is diligently working to provide protection for urban and rural residents from devastating flood events. Thanks to bonding provided in 2021, the Fargo-Moorhead Area Diversion project is fully funded. Large projects like the Mouse/Souris River Enhanced Flood Protection Project, Valley City Permanent Flood Protection Project, and the Lower Heart-City of Mandan Flood Risk Reduction Project still lack the funds to be completed. Additionally, there are many projects brought forward by farmers, ranchers and rural residents to provide drainage and rural flood protection seeking funding in this biennium.

IRRIGATION DEVELOPMENT



Along with destructive floods, North Dakota also experiences severe drought and years with water scarcity. Drought is one of the many risks faced by farmers and ranchers across this state. However, with the development of irrigation, droughts cease to cause the catastrophic ruin they can cause in areas without irrigation. In drought years, irrigation can increase the productivity of an acre of cropland six-fold. State support in irrigation can help North Dakota become a leader in irrigation development and grow the overall agriculture economy in the state. In 2023, the State Water Commission increased their cost share for irrigation districts to 75% and increased their investment in interest rate buydown for irrigators through the Bank of North Dakota's (BND) AgPace program. Work is ongoing to increase BND's investment in AgPace as well with the goal of increasing the buydown cap to at least $100,000.

WHY FUND WATER



Investing in water means investing in the sustainable growth of North Dakota. Not only do water projects benefit from this investment, but so do other top industries of North Dakota and every North Dakota citizen. Sufficient funding for water infrastructure allows the state to provide one of the most basic necessities for life—water—to every North Dakotan while at the same time directing this resource to benefit agriculture, energy, tourism and other top industries across the state. We have come a long way since the Resources Trust Fund was established more than 30 years ago, but there is still much work left to do. We look forward to working with you as we develop a plan to meet the challenge of completing vital water infrastructure projects for the benefit of every North Dakotan.

WHO WE ARE

North Dakota WATER COALITION

The North Dakota Water Coalition is a membership organization, under the umbrella of the North Dakota Water Users Association, made up of organizations and individuals interested in funding for water infrastructure. Since 1994, the Water Coalition has worked to identify and lobby for state and federal funding for water projects across North Dakota.

North Dakota WATER COALITION

2025 and Beyond

Water needs are clearly greater than our resources.
We must work hard *to MEET THE CHALLENGE of completing vital water infrastructure projects for the benefit of every North Dakotan.*

(701) 223-4615 • staff@ndwater.net

NORTH Dakota | Water Resources
Be Legendary.

Testimony in Support of
Engrossed HB 1020
Senate Appropriations—
Education & Environment Division
March 11, 2025

TESTIMONY OF
Reice Haase, Director, Department of Water Resources

Good afternoon, Chairman Sorvaag, and members of the Senate Appropriations Education and Environment Division, I am Reice Haase, Director of the North Dakota Department of Water Resources and Secretary to the State Water Commission.

In response to the specific requests included in your email dated February 25, 2025, I offer the following testimony:

1. ***Explain the purpose of the agency and its various divisions/programs. Cite North Dakota Century provisions and attach an organizational chart.***

The statutory authorities of the Department of Water Resources (DWR or Department), and State Water Commission (SWC or Commission) are provided in North Dakota Century Code Title 61. The 67th Legislative Assembly passed HB 1353 which combined the SWC agency and the Office of the State Engineer into the DWR. The DWR is now a Cabinet agency that reports directly to the Governor. The Department serves as the primary funding entity for critical water infrastructure; appropriates the state's water resources; and is responsible for other water-related regulatory and management functions that ensure public safety and support the long-term sustainability and beneficial use of North Dakota's water resources. The overall mission of the Department is to responsibly manage North Dakota's water needs and risks for the people's benefit.

The SWC board consists of the Governor as chairman, the Commissioner of Agriculture, and eight members representing the state's major drainage basins who are appointed by the Governor to serve terms of six years each. The primary function of the SWC is to review and consider cost-share requests from project sponsors seeking financial assistance from DWR.

The Commission promotes water development by providing cost-share assistance for many local projects such as flood control, water conveyance, water supply systems, and other general water management efforts. Development and associated project funding for state-owned projects such as the Southwest Pipeline Project (SWPP), the Northwest Area Water Supply (NAWS), Devils Lake outlets, and Tolna Coulee control structure are a function of the State Water Commission. The DWR has a project management role for the state projects.

Regulatory functions fall under the responsibility of the DWR. Specifically, they include water appropriation or water rights, drainage, floodplain management, sovereign land management, and dam safety.

DWR also has an active role in public information and education regarding the state's water resources. This includes public outreach and education related to Department functions.

As illustrated by our agency overview and organizational chart (see attached), DWR is comprised of 93 Full Time Equivalent (FTE) employees. In terms of structure, the Department is made up of six divisions – Administrative Services, Atmospheric Resources, Planning and Education, Regulatory, Water Appropriation, and Water Development, which I will cover in greater detail.

As the Director, I serve as the head of the Department of Water Resources, providing overall leadership and decision-making responsibilities and oversee the State Engineer and DWR team members. In addition, as mentioned previously, I serve as the Secretary to the State Water Commission.

North Dakota’s State Engineer, John Paczkowski, is responsible for several regulatory functions and responsibilities, including allocation of the state’s waters, dam safety, and drainage.

The Administrative Services Division, directed by Chris Kadrmas, provides agency operational support including accounting, budgeting, human resources, records management, and administrative support for Commission meetings. This Division is also responsible for providing the technology infrastructure required to support the scientific and regulatory functions for the agency; the office and back-office automation functions to address workflow and integration requirements; and the development and maintenance of the data management infrastructure to support agency water resource management initiatives.

The Atmospheric Resources Division, directed by Darin Langerud, conducts atmospheric research, provides student intern training opportunities, performs weather-related data collection and analyses, and is responsible for the administration of cloud seeding activities in the state.

The Planning and Education Division, directed by Patrick Fridgen, maintains and updates the Water Development Plan for the State of North Dakota, and administers the cost-share program in support of that plan. Division staff participate in numerous regional, state, local, and inter-office planning activities; manage the agency's water education programs; coordinate environmental reviews; manage the Drought Disaster Livestock Water Supply Assistance Program (when activated); and oversee public outreach and media relations efforts. This Division also supports implementation of the Department's Five-Year Strategic Plan.

The Regulatory Division, directed by Aaron Carranza, is responsible for the review and permitting of drain, dike, dam, and sovereign land applications; administration of North Dakota's Dam Safety Program; assisting communities with floodplain management through Federal Emergency Management Agency (FEMA)'s National Flood Insurance Program; administration of FEMA's Risk Mapping, Assessment, and Planning program; sovereign land management, including ordinary high water mark delineations; general

water resource district support; and the Silver Jackets Program in partnership with the U.S. Army Corps of Engineers.

The Water Appropriation Division, directed by Andrew Nygren, is responsible for the processing of water permit applications, water rights evaluations, hydrologic data collection, and water supply investigations to support economic development activities.

Finally, the Water Development Division, directed by Sindhuja S.Pillai-Grinolds, is responsible for preliminary engineering studies; technical assistance for flood response and recovery; survey data and drone imagery collection; construction of SWPP; construction, operation, and maintenance of NAWS; and operation and maintenance of the Devils Lake outlets and Tolna Coulee control structure. Division staff also represent the agency nationally and internationally on Missouri River, Red River, and Souris River issues.

As discussed above, the SWC is made up of eight Governor-appointed members representing the state's major river basins. North Dakota's Commission members who represent the eight basins are Michael Anderson (Lower Red River), Connie Ova (James River), Jeff Frith (Devils Lake), Gene Veeder (Upper Missouri River), April Walker (Upper Red River), James Odermann (Little Missouri, Upper Heart, and Upper Cannonball Rivers), Jay Volk (Lower Missouri River), and Jason Zimmerman (Mouse River). Other members of the Commission include Governor Kelly Armstrong as Chairman, and Agriculture Commissioner, Doug Goehring.

2. ***Report any audit findings included in the most recent audit and action taken to address each finding.***

DWR had no findings in the most recent Performance Audit dated June 10, 2024.

3. Discuss current biennium accomplishments and challenges and next biennium goals and plans.

With regard to current biennium accomplishments, DWR:

- Continued to make progress on the NAWS project that is planned to one-day serve up to 81,000 water users in North Dakota. Progress included completion of the 10.5 million-gallon South Prairie Reservoir, flow control structure, and hydraulic control structure; and continued advancements at the Snake Creek Pumping Plant for the project intake, the discharge pipeline connecting the Snake Creek Pumping Plant to the transmission pipeline, the Biota Water Treatment Plant, Minot Water Treatment Plant Phase II, and the Bottineau Reservoir and Pump Station.
- On the SWPP, current and future needs for expanding the west zone main transmission pipeline that serves west from Dickinson to Beach were identified and progress was made in completing the preliminary design. Hydraulic improvements were completed that aided in serving over 100 wait-listed rural customers. Progress was also made towards resolving issues with the Supplementary Raw Water Intake construction contract, and additional intake capacity from Basin Electric Power Cooperative (BEPC)'s intake was negotiated and approved by the SWC and BEPC. Construction contracts for the replacement of the 12 million gallons per day (MGD) water treatment plant located at Dickinson was bid and award of the contract was approved at the December SWC meeting.
- Operated the Devils Lake outlets to provide ongoing flood relief for areas surrounding the greater Devils Lake system. The outlets removed over 201,000 acre-feet of floodwater during the 2023 and 2024 operating seasons. Since outlet operations began 17 years ago in 2007, almost 1.6 million acre-feet of floodwater has been removed from the big lake.
- Completed and began implementation of multiple Cost-Share Program and policy improvements that continue to modernize the Cost-Share Program in response to more contemporary project development needs. As an example, DWR and the SWC began implementation of Basic Asset Inventory Assessment (BAIA) and

Capital Improvement Planning (CIP) requirements for water supply project sponsors applying for construction cost-share funding. In preparation for this requirement, DWR completed a guidance document and fillable electronic workbook. By conducting BAIA and CIP, sponsors are better positioned to raise or save capital to support their infrastructure maintenance and replacement needs for the foreseeable future.

- Over the course of the biennium, provided state funding support of approximately $556 million in Commission project approvals through the Cost-Share Program, including $448.8 million to support water supply efforts in 35 cities and 20 rural/regional systems, and $107.2 million for over 70 different flood protection, water conveyance, and general water projects benefitting citizens across the state.
- Continued to greatly improve North Dakota's ability to manage our state's water resources through innovation, including the monitoring of over 600 locations by PRESENS (Pushing REmote SENSors) loggers across the state. PRESENS was developed in-house by DWR to collect environmental data such as water levels, precipitation, soil moisture, soil temperature, barometric pressure, and air temperature – at a fraction of the cost of more traditional means. The PRESENS system continues to expand and improve and is the envy of other states that are working toward cost-effective means of collecting valuable environmental data.
- North Dakota's Dam Safety Standards were updated in January 2024 after years of work and investment from FEMA's Dam Safety Program State Assistance Grant and DWR's dam safety team. The updates were improvements from the previous 1985 Dam Design Guidelines.
- Completed a water development planning process through extensive public outreach, cooperation, and coordination efforts involving water project sponsors and managers. The 2025 Water Development Plan (WDP) is being presented again through an almost entirely electronic platform and dashboard. The WDP dashboard includes interactive charts, enables staff to make updates in response to changing conditions, and can be accessed at any time via phones and computers.

- DWR's weather radar, which has operated at the Bowman Municipal Airport since 1997, is in the process of being replaced with a new state of the art, dual-polarimetric radar system that is expected to be operational in 2025. The radar is operated year-round with the collaboration of eight regional counties to fill a radar coverage gap in the national radar network.
- Implemented a new public information campaign to inform the public, legislators, and other interested officials about North Dakota's water resources related management challenges, and opportunities. Topic areas covered so far as part of the "Know Your Water Resources" campaign include aquifers, atmospheric resources, watersheds, and more.

With regard to next biennium goals and plans, DWR continues to work toward implementation of the agency's Five-Year Strategic Plan. An Executive Summary of our current Five-Year Strategic Plan was provided during our March 5, 2025, agency overview for your reference. In terms of specific areas of focus for the 2025-2027 biennium, DWR intends to:

- Effectively communicate with the public and stakeholders with a primary focus on collaboration and building partnerships;
- Develop world-class, sustainable, and resilient water development and management practices;
- Support beneficial use of Missouri River system water and other available water supply sources;
- Implement innovative ideas, technology, and grow analytic capabilities to improve efficiencies in water management and development;
- Improve the department's internal resilience and promote a positive culture;
- Improve Department responsiveness and continue to identify efficiencies;
- Advance innovative ideas and technology like PRESENS, managed aquifer recharge, and water reuse opportunities;
- Work toward Tribal Nation engagement, including development of memorandums of understanding;
- Strive for Workforce enhancements, retention of talent, recruiting, and mentoring;

- Continue advancements on NAWS, including progress on permanent intake-related contracts, Minot Water Treatment Plant (WTP) Phase III, Souris Reservoir and Pump Station, and inline booster pump station work.
- Make progress on SWPP water treatment plant replacement, west zone capacity improvements, raw water intake efforts, and the Burt-Hebron rural expansion; and
- Implement results of capital improvement planning efforts related to the West End Devils Lake Outlet.

Though the aforementioned accomplishments and opportunities are many in comparison to challenges, there are a few general areas with that regard that are worth noting. In particular, we anticipate continued challenges related to:

- Competing uses for North Dakota's water both nationally and internationally;
- Addressing growing demands for water within our own state – particularly in support of economic development opportunities;
- Growing needs for real-time data collection and availability, and our ability to analyze that data;
- Implementation of legislatively-required cost-benefit analyses for projects seeking state investment;
- Drainage and water conveyance; and
- General education related to agency efforts and our state's water resources.

4. Compare the agency's request/recommendation totals, including full-time equivalent (FTE) positions, for the next biennium compared to the current biennium.

Description	2023-25 Biennium Appropriation	2025-27 Biennium Governor's Recommendation	Engrossed HB 1020	Variance From 2023-25 Biennium
Salaries and wages	$22,998,148	$28,843,527	$25,356,498	$2,358,350
New and vacant FTE pool	0	0	2,428,615	2,428,615
Operating expenses	56,625,923	76,564,811	33,939,781	(22,686,142)
Capital assets	124,136,712	206,081,561	3,203,950	(120,932,762)
Southwest pipeline project	0	0	131,713,336	131,713,336
Northwest area water supply	0	0	106,857,325	106,857,325
Water supply – grants	316,200,000	238,732,801	0	(316,200,000)
Rural water supply – grants	52,000,000	45,800,000	0	(52,000,000)
Water supply	0	0	105,000,000	105,000,000
Regional water supply	0	0	306,500,000	306,500,000
General water -grants	12,000,000	16,972,500	0	(12,000,000)
General water	0	0	29,000,000	29,000,000
Flood control grants	115,700,000	129,100,000	0	(115,700,000)
Flood control	0	0	168,500,000	168,500,000
Discretionary funding	0	5,000,000	10,000,000	10,000,000
Total	$699,660,783	$747,095,200	$922,499,505	$222,838,722
Full Time Equivalents (FTE)	93.00	100.00	99.00	6.00

The department has 93 FTE in the 2023-2025 biennium, and a request of 100 FTE was included in Governor Armstrong's recommendation for the 2025-2027 biennium. We have included one-page summaries related to the 7 FTE we are requesting with metrics related to why each are necessary.

5. Discuss any new positions approved for your agency for the 2023-25 biennium by the 2023 Legislative Assembly, the timing of filling the positions, amounts transferred from the OMB pool for the filled positions, and funding appropriated and the amount estimated to be spent for each position for the 2023-25 biennium.

During the 2023 session, the DWR received an increase of 3 FTE authorizations (2 natural resources services and 1 engineering and planning services) and funding of $703,398. These positions were filled because of Emergency Commission and Budget Section action in March 2022. In July 2023, the DWR requested $703,398 for the new FTE positions authorized by the 2023 Legislative Assembly. The DWR estimates it will expend the $505,772 provided for 2 natural resources services positions and $197,626 for 1 engineering and planning services position.

6. ***Discuss employee turnover and the number of vacant positions during the 2023-25 biennium to date, the amount of savings relating to the vacant positions and employee turnover to date compared to the vacant position savings removed from your agency's budget by the 2023 Legislative Assembly, the amount of vacant position saving spent for other purposes, and any amounts transferred or anticipated to be transferred from the OMB pool.***

Through December 2024, the DWR has averaged 5 vacant positions per month with salary savings of $782,285, of which $331,7090 has been used for accrued leave payouts, performance and incentive bonuses, temporary salary funding to support the DWR's 4D program, and on-call pay related to NAWS operations paid from special funds received from users of the NAWS system. The net salary savings is $450,576 through December 2024. The DWR has experienced difficulties in recruiting hydrologists, engineers, and field technicians. As of March 7, 2025, the DWR has 3 vacant positions. The DWR requested and received a transfer of $703,398 for the 3 new FTE authorized as they were filled prior to the start of the 2023-2025 biennium and we anticipate requesting $200,000 be transferred from the OMB pool if funds are available.

7. ***Explain the funding included in each program/line item either in total or by division depending on the size of the agency.***

The major components of the DWR budget recommendation consist of:

Description	2023-25 Biennium Base	Base Adjustment	Engrossed HB 1020 Base Adjustments	One-time Adjustment	Engrossed HB 1020
Salaries and wages	$22,998,148	$5,845,379	($3,487,029)		$25,356,498
New and vacant FTE pool	0	0	2,428,615		2,428,615
Operating expenses	56,625,923	19,906,388	(42,625,030)	32,500	33,939,781
Capital assets	124,136,712	80,994,849	(202,877,611)	950,000	3,203,950
Southwest pipeline project	0	0	131,713,336		131,713,336
Northwest area water supply	0	0	106,857,325		106,857,325
Water supply – grants	316,200,000	(77,467,199)	(238,732,801)		0
Rural water supply - grants	52,000,000	(6,200,000)	(45,800,000)		0
Water supply			105,000,000		105,000,000
Regional water supply			306,500,000		306,500,000
General water -grants	12,000,000	4,972,500	(16,972,500)		0
General water	0		29,000,000		29,000,000
Flood control grants	115,700,000	13,400,000	(129,100,000)		
Flood control			168,500,000		168,500,000
Discretionary funding	0	5,000,000	5,000,000		10,000,000
Total	$699,660,783	$46,451,917	$175,404,305	$982,500	$922,499,505
FTE	93.00	7.00	(1.00)		99.00

7a. Amounts included in the base level and their purpose and use.

Salaries and Wages - The 2023-2025 biennium totaled $22,998,148 and included salaries and fringe benefits for all employees, including employees that provide services for NAWS, SWPP, and the Devils Lake outlets. This is $1,615,629 less than actual need to support the 93 FTE authorized because of the new and vacant FTE funding pool.

Operating Expenses - The 2023-2025 biennium totaled $56,625,923 and included operations for NAWS, SWPP, and the Devils Lake outlets. This included funding of $33.6 million for professional services, which are primarily consultant engineering services for the construction of SWPP and NAWS, and $9.7 million for utility costs, primarily to operate the Devils Lake outlets and NAWS project.

Capital Assets - The 2023-2025 biennium totaled $124,136,712 and consisted mostly of projects for NAWS and SWPP, which are both state owned. Specifically, $66.3 million is for SWPP, and $55.1 million is for NAWS.

Grants for Water Projects - For the 2023-2025 biennium, the remaining dollars were in the five purpose funding buckets. They included $316.2 million for Water Supply; $52 million for Rural Water Supply; $115.7 million for Flood Control; $12 million for General Water projects, and $9 million for Discretionary. General Water includes funding for dam repairs and rehabilitations, water related studies, irrigation projects, as well as other general water management efforts.

7b. Amounts included in the request/recommendation/first chamber action and justification for the change from the base level. Discuss changes relating to each line item (salaries and wages, operating expenses, etc.), funding sources (general fund, special funds, federal funds), and FTE positions:

Salaries and Wages – An increase of $2,358,350 from the base budget due to the following:

- Cost to continue adjustment of $416,661.
- Increase funding for legislative salary increase $962,884.
- Increase funding for health insurance increase $612,539.
- Reinstate funding of $1,615,629 for funds removed because of the new and vacant FTE funding pool.
- Reduce funding for 2025-27 new and vacant FTE pool ($3,062,038).
- Increase of $1,425,938 for 6 additional FTE ($399,084 federal funds, $266,924 non-state funds, and $759,930 state funds) to support the operations of the DWR and its responsibilities. Supporting information is provided as an attachment.
- Increase funding for SWC board members, temporary salaries, on-call pay, and overtime of $220,714, to provide sufficient funding for impacts of

legislative increases and adjustments to team member and SWC members' pay.

- Increase funding for temporary salaries of $100,000 to support an internship program for the DWR. It has been challenging to recruit qualified and experienced individuals for Hydrologist, Hydrogeologist, and Engineering positions at the DWR. The technical demands of these positions, combined with the limited candidate pool with the necessary expertise, make it increasingly difficult to fill these essential roles. To address this issue, the DWR plans to establish an internship program to engage potential candidates before graduation and provide training opportunities and experience thereby bridging the gap between academic learning and the practical skills needed in these fields. Funding for the internship program will help the DWR build a robust program to attract and retain talented team members, and develop a pipeline of skilled professionals to address the State's future water resource management challenges.
- Increase funding of $66,023 from revenues received from the Board of Water Well Contractors (BWWC) for administrative support. The BWWC is responsible for registering, licensing, and overseeing well contractors across the state. Since its establishment in 1971, the BWWC has partnered with the DWR to manage certain operational aspects, as the data collected from well contractors has been valuable to the State. Historically, a DWR team member has provided accounting and administrative services to the BWWC during their personal time. However, increasing demands have made it challenging to maintain a clear distinction between the team member's roles. To ensure transparency and simplify the working relationship between the BWWC and DWR, the DWR is requesting additional funding for salaries and wages to be covered by revenues generated through a contract with the BWWC for accounting and administrative services. This will allow the team member currently

serving the BWWC part-time to continue fulfilling these responsibilities without needing to balance duties between the DWR and BWWC.

New and vacant FTE pool – Adds $2,428,615 from salaries and wages for the 2025-27 new and vacant FTE pool.

Operating Expenses – Includes a $13,006,908 increase and transfers of $23,800,450 to SWPP and $11,892,600 to NAWS line items. Major changes are as follows:

- Reduced operating expenses of $1,171,104 to meet the Governor's budget guidelines and shifted $2,680,374 from capital assets to operating primarily for professional services related to state owned water projects. These changes were made based on anticipated needs for planning of projects and operating costs.
- $360,650, of which $32,500 is one-time funding for operating expenses related to 5 of the 6 FTE included in the Engrossed HB 1020.
- $85,200 for operating expenses related to the duties of the SWC members.
- $2,051,788 from federal funds for professional services related to federal programs and other related operating expenses of the Regulatory Division. FEMA's Cooperating Technical Partner grant program is anticipated to have increased grant funding levels than previously assumed for the 2025-2027 biennium. This increase would enable the DWR to access this additional federal funding to advance projects that benefit all North Dakotans. These additional FEMA grant funds require no state matching funds. An example project would be the update of the North Dakota base level engineering data currently housed in the North Dakota Risk Assessment Map Service.
- Increase funding of $8.4 million for professional services related to SWPP.
- One-time funding of $600,000 for a Missouri River Intake Study Phase II.
- Transfer $23,800,450 to the SWPP line item.

- Transfer $11,892,600 to the NAWS line item.

Capital Assets – Includes a $81,944,849 increase and transfers of $107,912,886 to SWPP and $94,964,725 to NAWS line item. Major changes are as follows:

- Base decrease of ($9,467,114), of which ($716,415) is to meet the Governor's budget guidelines, and ($8,750,699) primarily to shift funding from capital assets to professional fees in operating expenses to pay engineering fees related to state owned water projects.
- Increase of $91,411,963 ($100 million from bond proceeds) for state owned water projects, to provide a total of $206.1 million, of which $1.65 million is for Devils Lake outlets, $107.9 million is for SWPP, $95.3 million is for NAWS, $480,000 to replace emergency water pumps, $400,000 to replace an excavator, $60,000 to replace a data logger, and $10,000 for equipment for the NAWS Operator FTE request included in the Executive recommendation.
- Transfer $107,912,886 to the SWPP line item.
- Transfer $94,964,725 to the NAWS line item.

Southwest Pipeline project – Creates new line item from transfers of $23,800,450 from operating expenses and $107,912,886 from capital assets for a total of $131,713,336.

Northwest Area Water Supply - Creates new line item from transfers of $11,892,600 from operating expenses and $94,964,725 from capital assets for a total of $106,857,325.

Grants for Water Projects - Changes are as follows:

- Water supply - grants reduced $316,200,000.
- Rural water supply - grants reduced $52,000,000.
- Water supply added $105,000,000 for municipal and rural water supply projects.

- Regional water supply added $306,500,000.
- General water- grants reduced $12,000,000.
- General water added $29,000,000.
- Flood control grants reduced $115,700,000.
- Flood control added $168,500,000.
- The addition of discretionary funding in the amount of $10,000,000. Discretionary funding is for flexibility to provide additional funding either in the buckets, unaccounted for events such as flooding, and to address any other anticipated issues.

8. Discuss the purpose and use of any one-time funding items for the current biennium.

There were thirteen one-time funding items included in the DWR 2023-2025 appropriation bill.

- Line of Credit, $100,000,000 – This has not been utilized to date. The intent was for this to be used if needed for NAWS and SWPP development efforts.
- Discretionary Funding, $9,000,000 – To support unforeseen project or program needs, such as the Emergency Drought Disaster Livestock Water Supply Program, emergency response efforts, or other unexpected agency costs. To date, $2.9 million has been approved for a Managed Aquifer Recharge analysis, agency equipment, and rural water supply projects, and a Tribal Nation rural water project.
- Equipment For New Employees, $19,320 – The DWR anticipates fully expending these funds by June 30, 2025.
- IT Unification, $1,532,980 - To consolidate and standardize IT services under one umbrella, and to support ongoing costs for services and management to include: file services, computational infrastructure for scientific applications, big data development/production for various data types, big data administrative costs, costs associated with additional FTE for ITD, ITD business analysis, ITD

project management, and ITD project oversight. Through February 2025, $27,670 has been expended.

- Increased Motor Pool Rates, $118,180 - To address inflation impacting current travel expenses and anticipated motor pool rate increases. The DWR has not had to utilize these funds through February 2025, and it is not known if it will be necessary to do so.
- Drilling Supply Inflation, $180,000 - To maintain ongoing drilling operations and to account for increasing costs related to drilling mud, cement, and PVC pipe. The DWR has not had to utilize these funds through February 2025, and it is not known if it will be necessary to do so.
- Navigability Study, $180,000 - To support a study involving navigability determinations for the Red, Missouri, Yellowstone, Bois de Sioux, and Mouse Rivers, and Upper Des Lacs Lake as directed by HB 1202 (66th Legislative Assembly). Due to staff time limitations, little movement had been achieved on this effort since the 2019 directive, which led to the contracted Navigability Study. February 2025, the Department has approved the final preliminary navigability reports of the six subject waters, expending $171,000 of the allocated $180,000.
- Airborne Electromagnetic (AEM) Survey Data Collection, $750,000 - To expand use of AEM technology to better understand the extent and availability of ground water, particularly in glaciated regions - at a fraction of the cost of traditional methods. Through February 2025, $750,000 has been expended and the DWR anticipates expending the remaining $150,000 by June 30, 2025.
- Groundwater Modeling and Hydrologic Analysis Software, $72,665 - To acquire advanced software for purposes of performing many of the scientific analytical functions and related modeling activities in support of DWR's water appropriation responsibilities. Through February 2025, $3,936 had been expended during the 2023-2025 biennium. The DWR expended $24,980 during the 2021-2023 biennium.
- Agency Relocation, $200,000 - DWR was required to evacuate the State Office Building due to environmental hazards. Funding was provided to address office modifications at the agency's current location – the Bank of North Dakota. As a

result of the emergency clause in SB 2020, the DWR expended $116,315 for modifications at the BND during the 2023-2025 biennium and anticipates expending an additional $64,000 to finalize cubical adjustments before June 30, 2025.

- Radar System, $1,800,000 - To replace the original Bowman radar system to provide enhanced surveillance and ensure the capability of continual operations long into the future. The Bowman radar has filled a gap in radar coverage in southwest North Dakota since 1997 - using 1970s equipment. Through February 2025, $39,517 has been expended for engineering services. The procurement for the new radar and radar tower are complete and completion of the project is anticipated to be mid-June 2025, and all funds are anticipated to be expended.
- Drilling Rig Replacement, $1,800,000 - To replace DWR's 15-year-old drill rig with a drilling rig that provides finer control over the drilling operation and improved safety features. Through February 2025, $1,391,800 has been expended to purchase the drill rig and chassis. The DWR anticipates additional expenditures prior to June 30, 2025, for final modification of the new drill rig before putting it into operation.
- Northwest Area Water Supply (NAWS), $47,847,238 - Through February 2025, $12 million has been expended for the NAWS project and additional expenditures are anticipated to occur prior to June 30, 2025.

9. Identify and justify the need for any one-time funding being requested or recommended.

- One-time funding of $42,500 related to equipment for 6 new FTE of which, $32,500 is in operating expenses and $10,000 is in capital assets related to NAWS operations.
- One-time funding of $480,000 for replacement of four inefficient or inoperable water pumps purchased in the early 2000s. The pumps are essential for dewatering during DWR construction projects, dewatering Devils Lake outlets at

the end of operational seasons, stormwater management, and during flood fighting efforts.

- One-time funding of $400,000 for replacement of an excavator that was purchased in 2015 and has incurred increasing repair costs due to its age. The brand of the excavator is also no longer serviced in the Bismarck area.
- One-time funding of $60,000 for data logger replacement originally purchased in 2008. This equipment is essential for collecting subsurface data critical to hydrogeologic investigations.
- One-time funding of $600,000 for Missouri River intake site investigations. Funding is necessary to continue the process for identifying water intake sites along the Missouri River to put the state in a better position to secure its water rights as it relates to use of the Missouri River. This funding would facilitate both phase I and phase II site investigations. Phase I would provide high-level results for the screening of site suitability and to determine sites that might be worth further study. Phase II would provide for a comprehensive fieldwork campaign to verify a site's total suitability. The study includes both surface water and groundwater sites.
- One-time line of credit for water projects of $200,000,000 during the 2025-2027 biennium. This funding is not specifically identified for any project.

10. Discuss any fees the agency charges, the appropriateness of the fee amount, fee collections that are deposited that are deposited in the general fund or special fund, and any anticipated changes from 2023 legislative session estimates during the 2023-25 biennium and estimated changes for the 2025-27 biennium.

DWR has minimal deposits going into the General Fund. They include open records requests, land lease revenue, water use report late fees, and illegal water usage fees. The main Special Fund deposits are from the Resource Trust Fund. This makes up 77% of the agency’s revenue. Other Special Fund deposits include SWPP capital repayments, NAWS payments from the City of Minot, NAWS water rate revenues,

payments from counties for cloud seeding, and CD interest. The DWR 2025-2027 budget includes increased collections and use of special funds received from political subdivisions and a reduction in federal funds.

The DWR has no General Fund dollars in its budget. The last time the Department received a General Fund appropriation was during the 2011-2013 biennium for some operations of the Department.

11. Identify any federal state fiscal relief funds remaining to be spent by your agency by December 2026. Provide the amount, the purpose, and a timeline of anticipated expenditures.

The DWR has $1,155,783 remaining to be expended for NAWS. The DWR anticipates expending these remaining funds prior to June 30, 2025.

12. Discuss the need for any other sections to be added to the appropriation bill.

a. A section directing the use of funds from the new and vacant FTE pool line item.
b. A section providing appropriation of additional income during the 2025-27 biennium.
c. A section providing a deficiency appropriation of $10 million from the Strategic Investment and Improvements to pay against the $100 million line of credit provided for the Water Project Stabilization fund.
d. A section appropriating $2.5 million to the Parks and Recreation Department of sovereign lands recreation use grants. A separate section also directs the SWC to provide a $2.5 million grant to Parks and Recreations Department.
e. A section identifying $42.5 million of the total funds included in the Executive recommendation are from the Water Project Stabilization Fund.
f. A section identifying the allowable use of discretionary funding.

g. A section authorizing the SWC to bond $100 million against the Southwest Pipeline capital repayments to the resources trust fund for the Southwest Water Supply project.
h. A section providing a $100 million line of credit from the Bank of North Dakota to fund the Water Infrastructure Revolving Loan fund.
i. A section providing a $200 million line of credit from the Bank of North Dakota water projects during the 2025-27 biennium.
j. A section creating a section in Chapter 61-24.6 for a continuing appropriation for federal funds received to operate the NAWS Biota Water Treatment Plant. These funds are passed through to the City of Minot for the operations.
k. A section providing legislative intent to provide $953 million for the Red River Valley Water Supply Project. Of the $773 million yet to be provided, $260 million be provided during the 2025-27 biennium.
l. A section providing legislative intent to provide $380.5 million for the Mouse River Flood Control Project. Of the $304.4 million yet to be provided, $125 million be provided during the 2025-27 biennium.
m. A section providing legislative intent to provide $73 million for the South Bismarck Storm Water and Flood Control Project. Of the $73 million yet to be provided, $20 million be provided during the 2025-27 biennium.
n. A section providing legislative intent for the water project funding buckets:
    i. Water supply - $105 million:
        1. Municipal water supply $25 million.
        2. Rural water supply $80 million.
    ii. Regional water supply - $306.5 million:
        1. RRVWSP $260 million.
        2. WAWSP $46.5 million.
    iii. Flood control - $168.5 million:
        1. Mouse River flood control $125 million.
        2. Valley City flood control $16 million.
        3. South Bismarck storm water and flood control $20 million.

4. Other flood control projects $7.5 million.

iv. General water - $29 million:

1. Water conveyance $15 million.
2. Sovereign lands $2.5 million.
3. Other general water projects $11.5 million.

o. A section providing legislative intent that the DWR continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

p. A section directing the SWC to study regional water supply systems governance.

q. A section directing the SWC to study its cost-share policy.

r. A section authorizing the DWR to transfer up to $10 million between line items, except from salaries and wages.

s. A section authorizing the DWR to carryover water project funding.

t. A section declaring HB 1020 to be an emergency measure.

13. Discuss any other bills being considered by the Legislative Assembly and their potential budgetary impact on the agency.

- House Bill 1024 provides a deficiency appropriation of $10 million from the Resources Trust Fund to pay towards any outstanding balance on a line of credit authorized to fund the Water Infrastructure Revolving Loan Fund.
- Senate Bill 2058 eliminates the Board of Water Well Contractors and transfers those duties to the DWR. There is no appropriation or authorization for FTE. The DWR would seek an appropriation for expenditures related to the duties.
- Senate Bill 2325 requires the grantor of an easement on wetlands to request the DWR or appropriate federal agency to determine the ordinary high-water mark of the area subject to the easement. The DWR would require additional staff experienced with determining the ordinary high-water mark to accommodate any request under this bill. The actual number of FTE needed is unknown.

14. Provide a one-page itemized listing of the changes your agency is requesting the committee to make to the executive recommendation.

We are requesting the Senate approve the General Counsel FTE position and its related funding.

15. Provide additional information as necessary.

Each biennium, the DWR completes a Water Development Plan to provide an overview of North Dakota's ongoing and anticipated water development projects across the state. For the 2025-2027 biennium, DWR and the State Water Commission are providing that information electronically through a Water Development Plan Dashboard (Dashboard) - along with highlights in a printed Executive Summary that has been provided for your reference.

The Water Development Plan Executive Summary outlines funding recommendations for critical water supply, flood protection, and other general water management projects; a prioritized summary of water development financial needs that were collected directly from project sponsors; and summaries of revenue streams that support projects. In addition to the aforementioned information, the Dashboard includes large project overviews (that have also been included in your packets), long-term funding needs, aging water supply infrastructure survey results, current purpose funding tracking, and more. To see all the information that's available on the Dashboard, go to our homepage at www.dwr.nd.gov and click on the Water Development Plan Dashboard link.

Overall, the Department continues to work towards improving agency responsiveness and efficiencies; advancing innovative ideas and technology; supporting the development of critical water infrastructure; and prioritizing workforce enhancement, retention of talent, recruiting, and mentoring.

Mr. Chairman, this concludes our agency overview and testimony relative to Engrossed House Bill 1020. If there are any questions from you or other committee members, I will try to answer them at this time.

ATTACHMENTS

1. Department of Water Resources Overview
2. Department of Water Resources Organizational Chart
3. One-Page Overviews of Requested FTE
4. Other Optional Requests
5. 2025 Water Development Plan Executive Summary
6. Large-Scale Project Summaries

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DEPARTMENT OF WATER RESOURCES & WATER COMMISSION

MISSION

To responsibly manage North Dakota's water needs and risks for the people's benefit.

DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) has several responsibilities on behalf of the people of North Dakota. DWR serves as the primary funding entity for critical water infrastructure; appropriates the state's water resources; and is responsible for other water-related regulatory and management functions that ensure public safety and support the long-term sustainability and beneficial use of North Dakota's water resources.

DWR FACTS

- Department of Water Resources Full Time Equivalents (FTE): **93**
- Groundwater Monitoring Wells: **7,500+**
- PRESENS (Pushing REmote SENSors) Real-Time Environmental Data Loggers Have Collected Measurements: **~600**
- Senate Bill (SB) 2020 was the DWR budget bill for the 2023-2025 Biennium: **SB 2020**
- Available For Water Supply, Flood Protection & Other Water Projects (23-25 Biennium): **$621M**
- Average Increase In Temporary Water Permit Applications Annually - Last 10 Years: **250%**

WHO WE SERVE



Water Users
Citizens, businesses, and public water systems who require permits to put ND's water resources to beneficial use.



Agricultural Producers
Livestock producers and farmers who are mitigating impacts from drought, are irrigators, or benefit from hail suppression and rainfall enhancement.



Water Project Sponsors
Cities, rural and regional water systems, water boards, irrigation districts, or other political subdivisions that cost-share with DWR to develop water projects, or require permits.



General Public/Students/Teachers
Anyone interested in learning more about ND's water resources, permitting through DWR, or floodplain management.



Water-Related Data Users
Water managers, consultants, water resource professionals, surveyors, and the general public who are seeking water, land, survey, elevation, and weather-related data.



Government Officials
Federal, state, and local government agencies; Congressionals; Legislators; Tribes; and Governor's Office - who cooperate to improve water management and development.

WATER COMMISSION

Scan to view Water Commission Members

The Water Commission consists of the Governor as chairman, the Commissioner of Agriculture, and eight members representing major drainage basins who are appointed by the Governor to serve terms of six years each. The primary function of the Water Commission is to review and consider cost-share requests from project sponsors seeking financial assistance from the Department of Water Resources. Water Commission members meet on a monthly basis. The Director serves as Secretary to the Water Commission.

WHAT WE DO | DWR DIVISIONS

CONTACT US



DWR DIRECTOR

Reice Haase, Director
rehaase@nd.gov | 701-328-4940

The Director is appointed by the governor, serves as a Cabinet member, provides overall leadership and decision-making, and oversees the State Engineer and DWR team members.



STATE ENGINEER

John Paczkowski, P.E., State Engineer
jpaczkowski@nd.gov | 701-328-4940

ND's State Engineer is responsible for several regulatory functions and responsibilities, including allocation of the state's waters, dam safety, and drainage.



ADMINISTRATIVE SERVICES

Chris Kadrmas, Director
ckadrmas@nd.gov | 701-328-1956

Accounting, general support, budget development, records management, human resources, State Water Commission meeting preparation, data/technology, and PRESENS.



ATMOSPHERIC RESOURCES

Darin Langerud, Director
dlangerud@nd.gov | 701-328-4751

Cloud Modification Program, weather research, data collection, licenses and permits, and radar operations.



PLANNING & EDUCATION

Patrick Fridgen, Director
pfridgen@nd.gov | 701-328-4964

Water Development Plan, media relations, public outreach and education, Livestock Water Supply Program, Cost-Share Program, and MR&I Program.



REGULATORY

Aaron Carranza, P.E., Director
acarranza@nd.gov | 701-328-4813

Construction and drainage permits, sovereign lands, dam safety, floodplain management, and Silver Jackets.



WATER APPROPRIATION

Andrew Nygren, Director
anygren@nd.gov | 701-328-1069

Water rights permitting, ground and surface water management, subsurface exploration, data management, and water resource investigations.

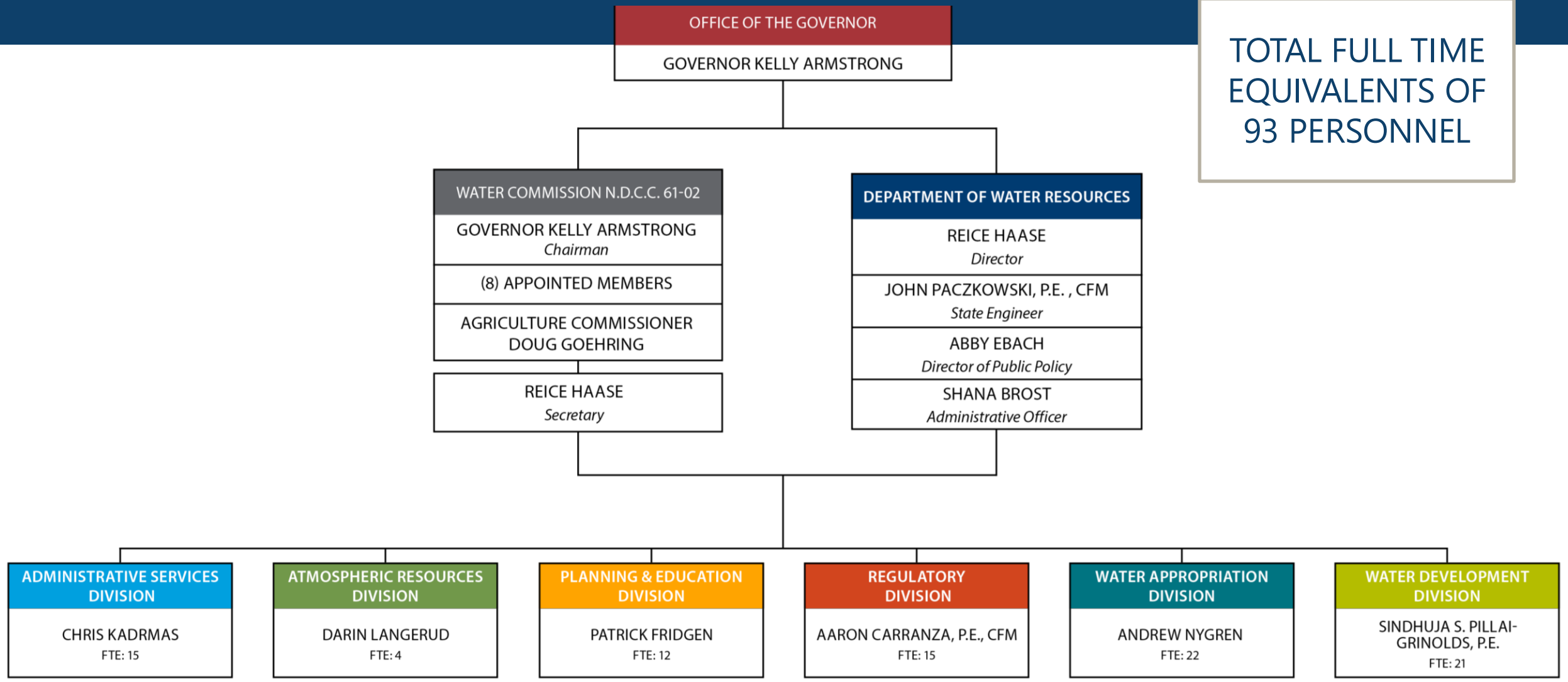


WATER DEVELOPMENT

Sindhuja S.Pillai-Grinolds, Director
spillai@nd.gov | 701-328-4954

Investigations and surveying, construction operations, Southwest Pipeline, Northwest Area Water Supply, Red River office, and Devils Lake outlet operations.

DWR ORGANIZATIONAL CHART



TOTAL FULL TIME EQUIVALENTS OF 93 PERSONNEL



DWR FTE REQUEST SUMMARY

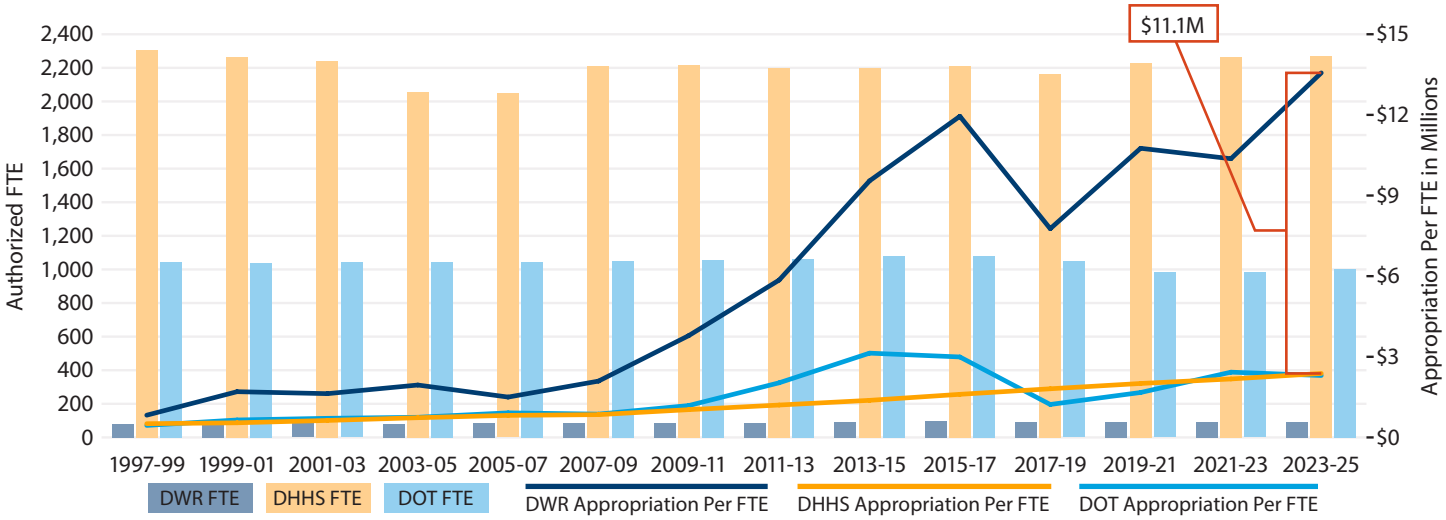
The following includes a summary of FTE positions being requested as part of DWR's 2025- 2027 budget proposal. Specific details and metrics are available in detailed one-page summaries (attached).

NEW FTE Requests			
Position	Division	FTE Request	Funding Source
Accountant	Administration	1 FTE	State
Deputy Director	Administration	1 FTE	State
NAWS Operator	Development	1 FTE	NAWS Users
General Counsel	Administration	1 FTE	State
Assistant NFIP Coordinator	Regulatory	1 FTE	+75% Federal +25% State
RiskMAP Program Specialist	Regulatory	1 FTE	+100% Federal
Silver Jackets Coordinator	Regulatory	Convert	No Change

ADMINISTRATION DIVISION

Accountant/Budget Specialist (1 FTE)

Appropriation To FTE Historical Comparison



DWR's appropriation has surged by **$1.2 billion** or 1,759% since 1997. The DWR's sole Accountant/Budget Specialist occupies a pivotal role in the agency's financial process, having immense responsibility across domains critical for operational integrity and fiscal accountability. Responsibilities include:

- Accuracy and Transparency: Adherence to accounting best practices, fiscal policy, and reconciling financial statements.
- Mitigating Risk: Reviewing and verifying expenditures to safeguard against any misallocation or non-compliance with federal and state regulations.
- Procurement: Oversees agency procurement processes, OMB's vendor maintenance program and year-end reporting.
- Reporting: Managing accounts receivable, optimizing collections, and preparing fiscal and audit reports.
- Verification: Processing, monitoring and reconciling $1.1 billion cost-share program.

The Accountant/Budget Specialists are guardians of the agency's financial integrity, entrusted with the task of ensuring every dollar is accounted for, every regulation meticulously adhered to, and every decision rooted in fiscal prudence.

Metrics

1,759% Increase in DWR appropriation since 1997 Legislative Session and 0 accountants added.

25K Transactions processed biannually.

Why An FTE is Necessary

- Vital accounting tasks are being done by team members not specialized in financial or accounting best practices such as engineers and meteorologists.
- Additional responsibilities to property account for and monitor federal funds passed through to Minot for the operation of the NAWS WTP..
- Increased funding for water projects has resulted in requests for more financial reports along with increased funding source reporting requirements.
- Additional Accountant/Budget Specialist FTEs would be able to provide managers with revenue and expenditure analyses to check for errors, for development of more accurate divisional budgets, and assistance for contracts and procurement.

Metrics

$13.5M Total appropriation per DWR FTE – an increase of $12.7M since the 1997 Legislative Session.

$2.4M Appropriation per FTE of other similar agencies.

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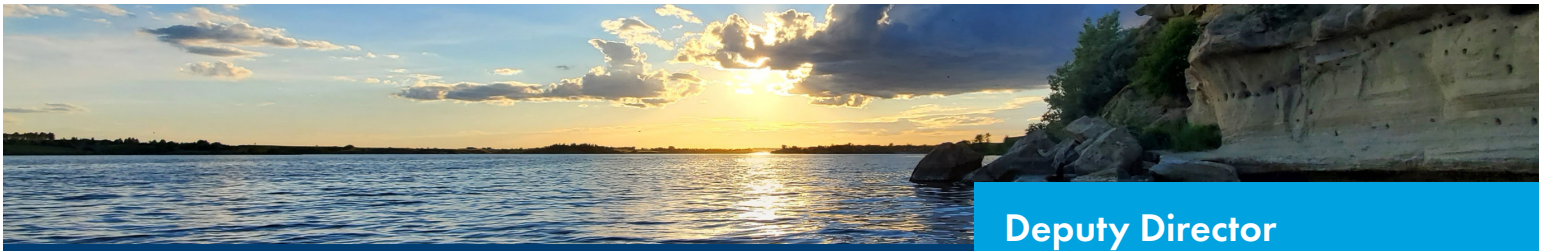
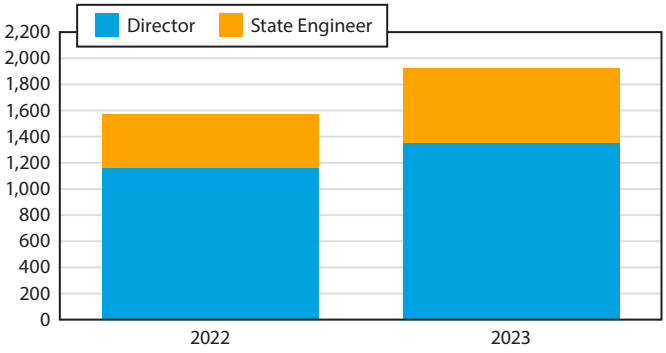


DEPARTMENT OF WATER RESOURCES

Deputy Director (1 FTE)

House Bill 1353, passed in the 2021 legislative session, established the Department of Water Resources (DWR), replacing the State Water Commission and the Office of the State Engineer. The DWR Director, appointed by the governor, serves as a Cabinet member, serves as the Secretary to the State Water Commission (Commission), and advocates for sound water management at the local, regional, tribal, national, and international levels. Collaborative approaches and high-level engagement continues to increase as heightened awareness of shared and competing water needs evolves, along with growing competition for state cost-share for water development projects. In response to the Director's expanding responsibilities in safeguarding state interests in water-water related matters, a Deputy Director becomes crucial to represent both the state and DWR under the Director's oversight.

Historical Meeting Comparison



Metrics (2023)

7.6 Meetings per workday.

1,348 DWR Director attended meetings.

576 State Engineer attended meetings on behalf of the Director.

~45* Boards, Commissions, Councils, and Associations the DWR is tasked to monitor or represent the state.

*Various DWR team members represent DWR at joint water boards, watershed boards, and other similar entities, that neither the Director or State Engineer can attend due to other demands. The ability for high-level leadership to interact at more board and association meetings would improve the state's collaboration and partnerships.

Why An FTE Is Necessary

- The State Engineer has been acting in a dual role as an Deputy Director, pulling the main focus of the position from crucial regulatory responsibilities.
- The Deputy Director would ensure a broader and more effective representation for the state in water-related issues by engaging with various entities concurrently, which also include tribal, national, and international responsibilities.
- The Deputy Director would assist in conversations related to increasing demand for water related to economic development.
- By distributing responsibilities between the Director and Deputy Director, the Department could address evolving demands more strategically, optimizing their efforts and resources for a more targeted approach.
- The Deputy Director's specialized expertise could enhance the Department's ability to navigate complex challenges, providing a deeper understanding of technical, legal, and policy intricacies for informed decision-making.
- The presence of a Deputy Director would create a resilient leadership structure, ensuring the Department can maintain consistent operations in the Director's absence.
- The Deputy Director would understand the whole of the Department and be able to step in as Acting Secretary at Commission meetings, represent the Department at national and international meetings and legislative committee commitments.
- Nearly every department across ND state government has at least one Deputy Director.

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WATER DEVELOPMENT DIVISION

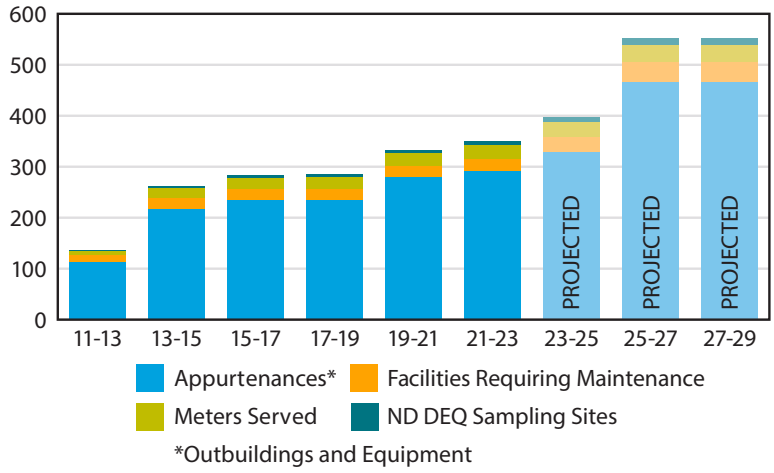
NAWS Operator (1 FTE)

The Northwest Area Water Supply (NAWS) project has been under construction since 2002. Construction has continued, and NAWS has been adding customers and infrastructure as project buildout continues. A full-time operator position was filled in 2010. As NAWS continues to expand, an additional FTE is needed to support the operations and provide 24-hour monitoring and response for one of North Dakota's largest water supply projects.

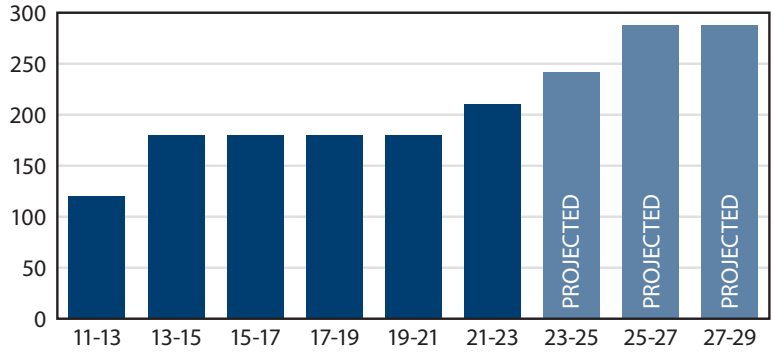
The NAWS Operator will assist with extensive ND Department of Environmental Quality (DEQ) sampling and reporting, reading meters for billing, operations and maintenance of facilities, locating infrastructure in response to one call requests, coordinating repairs and maintenance with contractors, coordination with customer entities, and being responsive to pipe breaks or other emergencies. This position will additionally develop a routine maintenance schedule for the entire NAWS system.

All costs for the NAWS Operator will be funded through the water rate from NAWS project customers. The requested FTE position will have an office located at the Lansford Pump Station and be required to have a Water Distribution System Class II certification as required by DEQ.

Locations With Operator Responsibilities



Miles Of Pipeline In Service



* Supply line from Lake Sakakawea to Minot will likely begin operations near the end of the 23-25 biennium which will add 46 miles of pipeline and numerous additional facilities.

Why An FTE Is Necessary

- Currently, DWR has one FTE and one long-term temporary upkeeping a system that will one day serve **one in ten North Dakotans**. As the build-out of NAWS continues, the operations require the position for ongoing safety, redundancy, and support of the entire NAWS system.
- Continued build-out of NAWS has increased the population served, number of facilities requiring maintenance, miles of pipeline in service, as well as travel time between facilities. The treated water distribution system includes **242 miles of pipeline**, and travel time to cover the full distribution system is over **five and a half hours**.
- The system includes 38 facilities that require regular maintenance, and approximately 500 appurtenances that needs attention at least once a year.

One Call Requests In NAWS Project Area

Year	Requests
2021	236
2022	303
2023	402

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ADMINISTRATION DIVISION

Legal Support: General Counsel (1 FTE)

The Department of Water Resources (DWR) has a long history of requiring legal services to sustainably manage and develop North Dakota's water resources. DWR's responsibilities include project development; appropriation of surface and ground water rights; and regulating drainage, dams, floodplain management, and ND's sovereign lands - all of which require a significant amount of legal support and knowledge of water law.

The gained efficiency of having in-house legal support would mean the legal staff would be consistently aware of all agency actions, and both internal and external decisions.

Why General Counsel (1 FTE) is Necessary:

The Assistant Attorney General currently supporting DWR through the Attorney General's (AG) Office is often requested to consult on water issues for other agencies and boards such as the Dept. of Environmental Quality, ND Game and Fish, ND Parks and Recreation, Dept. of Agriculture, Dept. of Trust Lands, and the Public Service Commission.

In addition to continued services from the AG's Office, the DWR is proposing an in-house General Counsel to support the DWR's needs. With the increasing complexity of construction contracts, development of MOUs with Tribal Nations regarding water rights, growing federal overreach, and general water disputes, DWR finds itself in need of specialized legal services and a FTE dedicated solely to supporting these important initiatives.

Other Considerations

- The DWR has committed to developing policy and guidelines transparently to ensure public awareness and understanding. As these policies are developed, legal counsel support in-house would optimize the direction and review considerations.
- Until 2018, DWR had a paralegal FTE. During the 2017 Reduction-in-Force, this position was reallocated, and the duties were absorbed by technical staff or in-house directed to the AG's Office. The reduction in legal support has been difficult to overcome with some of the duties remaining subpar and detracting from the technical responsibilities of the larger team.

Agency In-House Legal Services Comparison

Agency	Attorneys	Other Legal Support	Total Legal Support In-House
Transportation	2	8 (hearing officers) (3 FTE, 5 Temp)	10
Trust Lands	1	1	2
Public Service Commission	2	0.5	2.5
Agriculture	1	0	1
Environmental Quality	0	1	1
Water Resources	0	0	0

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REGULATORY DIVISION

Assistant NFIP Coordinator (1 FTE; 75% Federal)

The Department of Water Resources (DWR) supports the Federal Emergency Management Agency's (FEMA) Community Assistance Program - State Support Services Element (CAP-SSSE) through 1 grant-funded FTE (known as the National Flood Insurance Program (NFIP) State Coordinator). The CAP-SSSE grant supports city, township, and county floodplain and emergency managers in their understanding, communicating, and managing of identified flood risks within their communities.

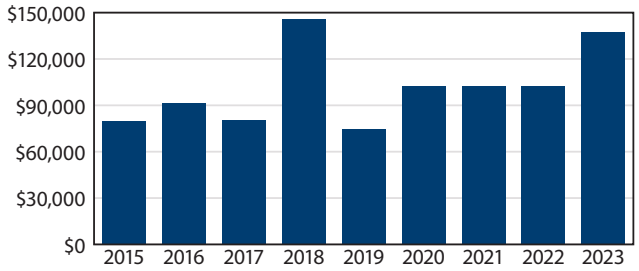
NFIP community support in North Dakota was previously served by 2 FTEs within the DWR, but this was reduced to 1 FTE as a part of the 2017 Reduction-in-Force. However, the complexity of the NFIP program, the available resources, and potential implications for communities and people of North Dakota have all elevated in support needs. There is currently a gap in support for communities that are actively involved or looking to become involved with the NFIP in North Dakota.

The Assistant NFIP Coordinator position is an eligible position to be covered by the CAP-SSSE Grant at a 75% federal cost-share for salary and benefits. The position will enable necessary collaborations and support to communities and enable the state to plan and succeed in managing flood risk for decades to come.

Why An FTE Is Necessary

- The NFIP Township Study (SB 2365; 2023)) and FEMA's Township Study have resulted in an increased number of ND communities joining the program. There are currently 339 communities participating, and DWR is aware of ~50 communities currently considering participation.
- Available grant funding is expected to increase by 28% (to $270,000/year) if ND can meet the local match.
- CAP-SSSE program funding levels are dictated by a secondary level of program tracking called Tiered State Framework (TSF). Tracking two different sets of grant metrics took 160+ hours and 2,200+ pages of evidence in 2022. Grant funding availability is dependent upon these metrics.
- North Dakota is falling behind on community assistance efforts. In 2023, the program was only able to evaluate 2% of participating communities (8) instead of the program's goal of 10% (34).
- With ND's population growth comes additional economic and development growth. Ensuring community decisions are made with a solid understanding of known flood risk is a key mission in the CAP-SSSE program.

CAP-SSSE Grant Awards Per Year



Other FEMA Region 8 States & Number Of Communities Per FTE Of NFIP Coordinating Team

State	Communities	FTE
Wyoming	85	1 (85 comm./FTE)
Montana	136	3 (45 comm./FTE)
Utah	229	2 (115 comm./FTE)
Colorado	256	3 (85 comm./FTE)
North Dakota	338	1 (338 comm./FTE)

Trainings In 2023

- Insurance Agent Training: 136 ND insurance agents
- Floodplain Administrator Training: 41 ND communities
- Elevation Certificate Training: ND Society of Professional Land Surveyors Fall Seminar
- NFIP 101 8-week Virtual Training: Floodplain Administrators, Team ND (Water Resources, Insurance, Transportation, Emergency Services)

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REGULATORY DIVISION

RiskMAP Program Specialist (1 FTE; 100% Federal)

The Department of Water Resources (DWR) supports the research and identification of flood risk in North Dakota through the Federal Emergency Management Agency's (FEMA) Cooperating Technical Partner (CTP), Risk Mapping, Assessment, and Planning (RiskMAP) program. As North Dakota communities continue to prioritize flood risk resilience, assessing and disseminating defensible areas of flood risk is an important step in allowing communities to ideate and deploy resilience measures.

Since 2009, the RiskMAP program has been fully supported through 1 federally-funded FTE within the DWR. Recently, the RiskMAP program oversight has had increasingly complex responsibilities tied to program management through GIS metrics, tracking, and deliverables; while at the same time, RiskMAP funding potential is increasing.

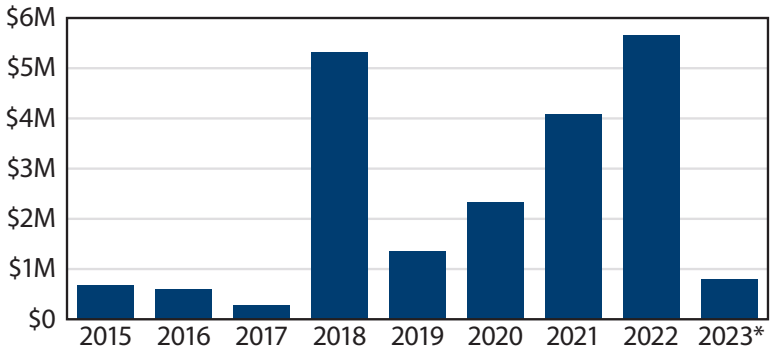
No additional FTE have been provided in support of this program even as demands related to project and grant management have increased. North Dakota is the only FEMA Region VIII Cooperative Technical Partner who services the needs of the Risk MAP program with only one dedicated staff member.

The RiskMAP Program Specialist position would be financed 100% by FEMA funds to support the program and are tied to the continued FEMA funding support.

Why An FTE Is Necessary

- Available grant funding is not being used as DWR does not have the staff to support the use of the funds. With an additional FTE, ND and the DWR would be able to apply for, and leverage, these funds that would enhance state flood risk resilience.
- This FTE would assist with additional tracking metrics and grant reporting required by FEMA on a monthly, quarterly, and annual basis.
- This position will increase outreach and communication with communities statewide to identify areas of need to match or develop resources efficiently, such as Base Level Engineering (a non-regulatory flood risk identification product).
- The FTE would allow increased collaboration with DES to identify projects and opportunities that would be eligible to accelerate statewide flood risk resilience efforts.

RiskMAP Grant Awards Per Year



*Requested amount lower due to current FTE workload capacity.

FEMA Region 8 Cooperative Technical Partner States FTE Support Of The RiskMAP Program

Program	FTE
Montana	4
Colorado	3
Utah	3
North Dakota	1

Reporting Requirements

The RiskMAP program requires monthly, quarterly, and annual reporting which takes a significant amount of time. Metrics vary from grant cycle to grant cycle. State priorities, phase funding, project manager grant cycle, and business plans all contribute to what is submitted in a given year.

166 Monthly tasks reported to FEMA. Of the 166 metrics, 91 of the tasks are actively managed by the DWR.

5 FEMA grant management platforms that requiring quarterly reporting.

2 Weeks How long it takes to develop the quarterly reports. Currently, the report requires 108 metrics.

27 Active grants as of February 2024.

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REGULATORY DIVISION

Silver Jackets Coordinator (Convert Long-Term Temporary to FTE)

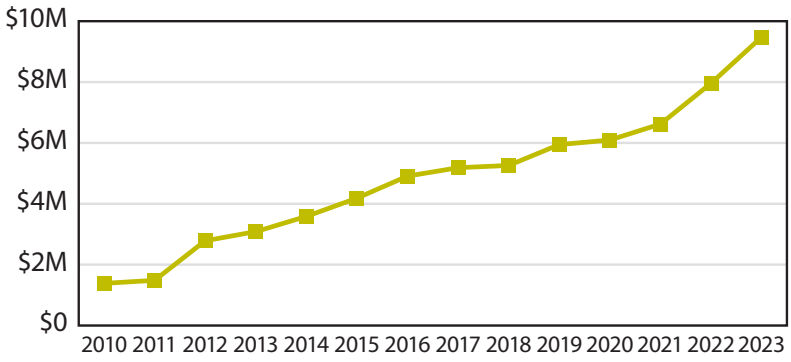
The Department of Water Resources (DWR) supports North Dakota's Silver Jackets team through a single temporary employee (Silver Jackets Coordinator). Silver Jackets teams are interagency (local, state, and federal) teams that facilitate collaborative ideation and solution development to achieve state flood risk resilience priorities. The ND Silver Jackets team has helped secure over $9.4 million in grants to support ND entities for projects such as flood risk reduction feasibility studies, flood forecasting improvements, emergency action planning workshops, and scientific resource updates.

Since 2009, the ND Silver Jackets Coordinator has been classified as a temporary employee, with the state paying wages with no benefits. In the 2023 Legislative Session, the ND Legislature allocated funding to the DWR to provide benefits commensurate with the Silver Jackets Coordinator's wages.

Why An FTE Is Necessary

- The DWR already has the FTE-equivalent funding allocation associated with the Silver Jackets position.
- Transitioning the position from temporary to FTE would enable long-term recruiting and retention benefits.
- An FTE would also enable the DWR to strategically utilize the position to achieve the enhanced pro-resilience objective of the Silver Jackets program, while also dynamically adjusting to ND-specific priorities.
- Long-term support of the Silver Jackets program enhances and advances ND's effort to promote increased disaster resilience across the state.

Accumulation Of All Grants Assisted By Silver Jackets Program



Metrics

Year	Projects
2013	3
2014	1
2015	5
2016	3
2017	2
2018	1

Year	Projects
2019	1
2020	1
2021	3
2022	3
2023	3

2013-2023: Averaged 2.4 projects per year at an annual grant average of over $610,000/year for a total of $6.7 million.

Ongoing Projects

The Silver Jackets Coordinator continues to facilitate and negotiate ND-beneficial projects with local, state, and federal partners:

- Mouse/Souris River Discharge Frequency Curve Updates for Sherwood and Westhope Gages (Funded by St Paul Corps)
- Mouse/Souris River Basin Flood Inundation Mapping Project (Funded by St Paul Corps with select funding provided by Souris River Joint Board)
- Mouse/Souris River Basin Precipitation, Soil Moisture, and Temperature Gage Project (Gages / Installation through DWR Atmospheric Resources Division)
- City of Medora Flood Risk Reduction Study (Funded by Omaha Corps)
- Red River Bathymetry Project (Funded by DWR and St Paul Corps)
- ND Flood History Project (Funded by Omaha Corps)
- United States Geological Survey (USGS) ND Statewide Flood Frequency Analysis Project (Funded by DWR and USGS)
- USGS ND Stream Stats and Regression Equation Update Projects (Funded by DWR and USGS)

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DEPARTMENT OF WATER RESOURCES

2025-27 OPTIONAL REQUESTS

ONGOING REQUESTS

OTHER COST TO CONTINUE ADJUSTMENTS

- **State Water Commissioners (SWC) Budget** – As a result of the significant increase in funding available for water projects, the SWC has implemented pre-commission meetings the month prior to regular SWC meetings where funding is approved for projects. This process allows Commissioners to be briefed by Department of Water Resources (DWR) team members, as well as project sponsors, regarding the details about projects seeking cost-share assistance. By being more informed about projects, Commissioners can more effectively and efficiently allocate public tax dollars. Furthermore, the number, extent, and complexity of water development and management issues across the state necessitates that Commissioners remain engaged with the water community and local constituents. This includes attendance at local government meetings, conferences, or workshops to stay informed.

  In addition to expanding responsibilities, an increase in funding for increased commissioner pay is necessary as they are paid the same rate as Legislators and funding had not been adjusted to reflect the change over several biennia. The DWR is also looking to establish a biennial budget for each SWC member to better facilitate their awareness of what financial resources are available to them to complete their duties. The request is for an increase of $53,760 in temporary salaries and $85,200 in operating expenses.
- **Overtime Pay** – As a result of the equity adjustments and legislative increases that have occurred during the 2023-25 biennium, it is necessary to increase funding for overtime to accommodate those adjustments. The request is for an increase of $36,000 in overtime and $24,000 in temporary salaries.
- **Northwest Area Water Supply (NAWS) On-call Pay** – Northwest Area Water Supply (NAWS) On-call Pay – The DWR is responsible for the construction and operations of the critical water supply project. To maintain 24/7 operations NAWS team members are expected to be on call to cover evenings and weekends. To ensure team members are being properly compensated for their time, the DWR has implemented an on-call policy, which is like the North Dakota Department of Transportations on-call policy. In implementing this policy, the DWR is requesting an increase of funding in the overtime line item to accommodate this operational change. These increased costs are paid through revenues generated by the users of the water system. The request is for an increase of overtime expense which is necessary to ensure 24/7 coverage of operational on-call duties.

BOARD OF WATER WELL CONTRACTORS

The Board of Water Well Contractors (BWWC) is responsible for registering, licensing, and overseeing well contractors across the state. Since its establishment in 1971, the BWWC has partnered with the Department of Water Resources (DWR) to manage certain operational aspects, as the data collected from well contractors has been valuable to the State. Historically, a DWR team member has provided accounting and administrative services to the BWWC during their personal time. However, increasing demands have made it challenging to maintain a clear distinction between the team member's roles. To ensure transparency and simplify the working relationship between the BWWC and DWR, the DWR is requesting additional funding for salaries and wages, to be covered by revenues generated through a contract with the BWWC for accounting and administrative services. This will allow the team member currently serving the BWWC part-time to continue fulfilling these responsibilities without needing to balance duties between the DWR and BWWC. The request is for an increase of $46,954 in salaries and wages.



DEPARTMENT OF WATER RESOURCES

2025-27 OPTIONAL REQUESTS

ONGOING REQUESTS CONTINUED

INTERNSHIP PROGRAM

It has been challenging to recruit qualified and experienced individuals for Hydrologist, Hydrogeologist, and Engineering positions at the DWR. The technical demands of these positions, combined with the limited candidate pool with the necessary expertise, make it increasingly difficult to fill these essential roles. To address this issue, the DWR plans to establish an internship program to engage potential candidates before graduation and provide training opportunities and experience thereby bridging the gap between academic learning and the practical skills needed in these fields. Funding for the internship program, in addition to the FTE request for a Team Development Coordinator, will help the DWR build a robust program to attract and retain talented team members, and develop a pipeline of skilled professionals to address the State's future water resource management challenges. The request is for a $100,000 increase in temporary salaries.

FEDERAL SPENDING AUTHORITY

FEMA's Cooperating Technical Partner grant program is anticipated to have increased grant funding levels than previously assumed for the 2025-27 biennium. This increase would enable the DWR to access this additional federal funding to advance projects that benefit all North Dakotans. These additional FEMA grant funds require no state matching funds. An example of such project would be the update of the North Dakota base level engineering data currently housed in the North Dakota Risk Assessment Map service. The request is for an increase in federal spending authority of $2,051,788.

ONE-TIME REQUESTS - TECHNOLOGY & EQUIPMENT

Emergency Water Pumps – Development Division

The DWR needs to replace four inefficient and inoperable water pumps purchased in the early 2000s. These pumps are essential for the Construction Section's operations, including dewatering during construction; dewatering Devils Lake Outlets at the end of the operation season; stormwater management; and are also used during flood-fighting efforts. Due to their age, the pumps have become unreliable, prone to breakdowns, and inefficient, leading to increased downtime and repair costs. Replacing them with modern 6-inch pumps, capable of handling 500-600 gallons per minute, will improve operational efficiency, reduce maintenance costs, and ensure reliable performance. This would allow for the agency to responsive to critical water resource management needs. The cost of the proposed replacement pumps is $120,000 each.

Excavator – Development Division

The current Volvo excavator, purchased in 2015, has incurred increased repair costs due to its age and service requirements. With regards to the service requirements, the local Volvo dealership is no longer available. Service must now be performed in either Fargo or Williston or service calls must come from those locations. This creates an additional expense of $1,000 to $1,500 for each service call, even for minor repairs. Moreover, parts are becoming harder to source and more expensive, further driving up maintenance costs. To ensure efficiency and reduce downtime, the DWR is requesting one-time funding to replace the excavator with a more cost-effective solution. The budgetary cost for the replacement of the excavator is $400,000.

Data Logger – Water Appropriation Division

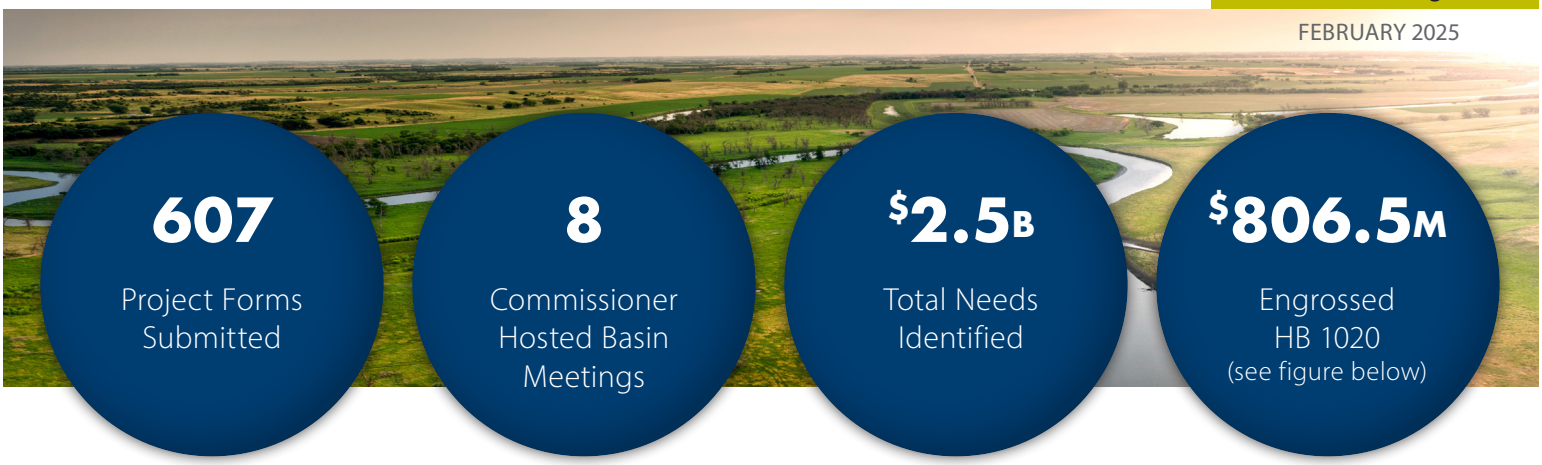
The geophysical logging system, purchased and installed in early 2008, is essential for collecting subsurface data critical to hydrogeologic investigations. It provides detailed information about the geological formations encountered in boreholes, aiding in the identification of the most productive zones within an aquifer for well placement. Additionally, this data supports the calibration of Airborne Electromagnetic Survey equipment. Given that the current system is over 15 years old and has been operating beyond the typical 7-to-15-year life cycle for geophysical and surveying equipment, we are requesting funding for its replacement. The original system was acquired for approximately $30,000, and based on a June 10, 2024, quote, the cost for a replacement is $60,000.

2025 EXECUTIVE SUMMARY WATER DEVELOPMENT PLAN

CHECK OUT The Dashboard!

www.dwr.nd.gov

FEBRUARY 2025



Those involved in water project development know that existing projects evolve, and new projects are continuously being considered by local water managers. For that reason, it is necessary for the state to assemble updated water project information on a biennial basis to coincide with the state's budget cycles. In the past, the Department of Water Resources (DWR) has produced and printed that information in a detailed Water Development Plan. Today, DWR and the State Water Commission are providing that same information electronically through a Water Development Plan Dashboard (Dashboard) - along with highlights included in this printed Executive Summary.

The following information outlines funding available for critical water supply, flood protection, and other general water management projects; a prioritized summary of water development financial needs that were collected directly from project sponsors; and summaries of revenue streams that support projects. In addition to the aforementioned information, the Dashboard includes large project overviews, long-term funding needs, aging water supply infrastructure survey results, current purpose funding tracking, and more!

WATER DEVELOPMENT GOALS & PRIORITIES

GOAL 1

Improve resiliency and protect North Dakota's citizens and economy from negative water-related impacts.

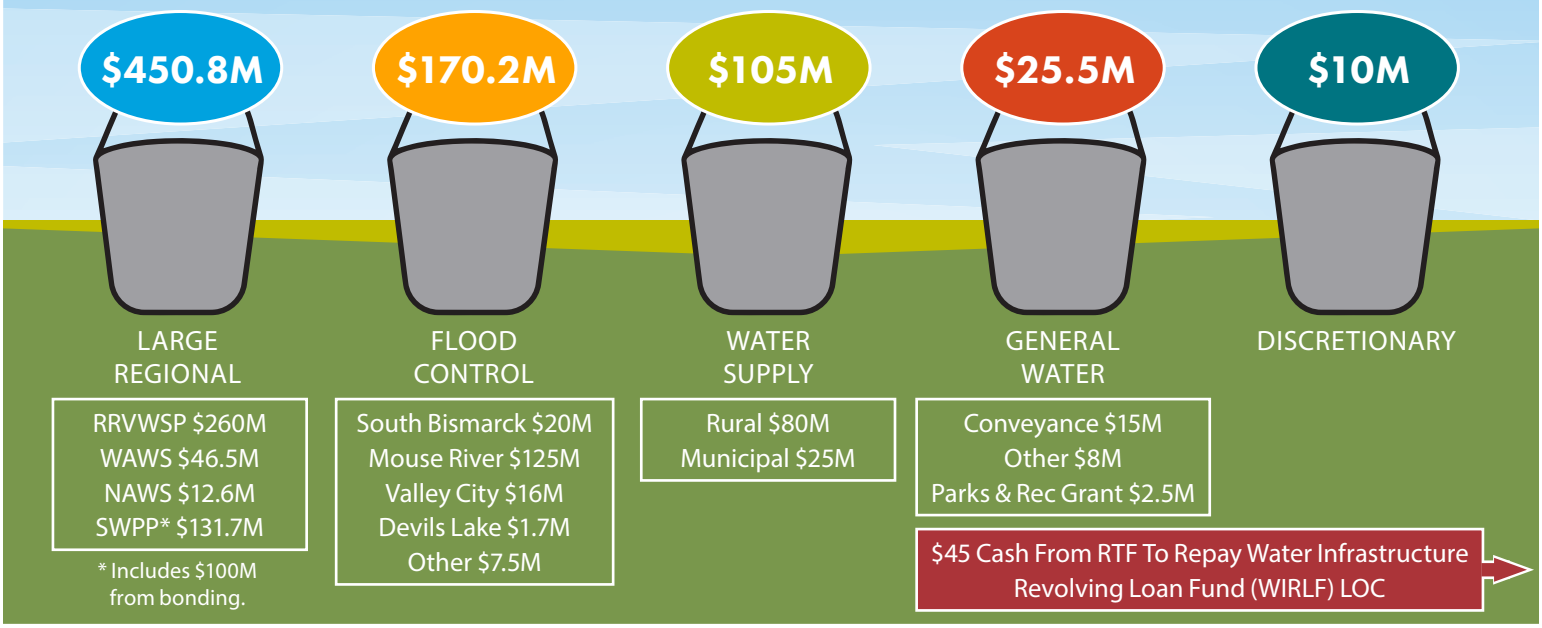
GOAL 2

Improve resiliency and provide safe and reliable water supplies for the health and prosperity of North Dakota's citizens and economy.

Each Goal has associated high priority initiatives that can be viewed on the Dashboard.

2025-2027 PURPOSE FUNDING RECOMMENDATIONS: ENGROSSED HB 1020

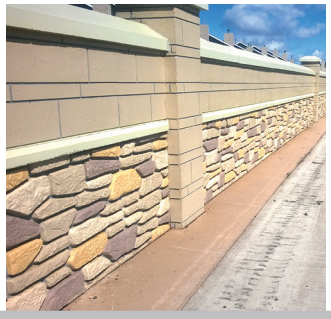
TOTAL $806.5M (INCLUDES A $200M LINE OF CREDIT (LOC))



Northwest Area Water Supply (NAWS) | Southwest Pipeline Project (SWPP) | Red River Valley Water Supply Project (RRVWSP) | Western Area Water Supply (WAWS)

2025-2027 BIENNIUM PROJECT FUNDING NEEDS FROM DWR
(MILLIONS $)

PROJECT PURPOSES	WATER DEVELOPMENT PLAN INVENTORY PROJECT NEEDS		
	High Priority	Moderate Priority	Low Priority
Flood Control (Total = $358.4M)	**$240.7**	**$54.5**	**$63.2**
Heart River - Mandan	$8.6	-	-
Mouse River Enhanced Flood Protection	$125.0	-	-
Other Flood Control	$18.1	$0.9	$0.5
South Bismarck	$73.0		
Valley City Permanent Flood Protection	$16.0	-	-
Water Conveyance	-	$53.6	$62.7
General Water (Total = $51.8M)	**$8.6**	**$40.1**	**$3.1**
Rural Water Supply (Total = $267.9M)	**$5.3**	**$61.3**	**$201.3**
Water Supply (Total = $635.7M)	**$267.5**	**$16.9**	**$351.3**
Municipal	-	$16.9	$351.3
Red River Valley Water Supply	$221.0	-	-
Western Area Water Supply	$46.5	-	-
State Owned Projects (Total = $164.4M)	**$164.4**	**$0.0**	**$0.0**
Devils Lake Outlets	$1.7	-	-
Northwest Area Water Supply	$12.7	-	-
Southwest Pipeline Project	$150.0	-	-
TOTAL IDENTIFIED NEEDS ($1.48B)	**$686.4**	**$172.8**	**$618.9**

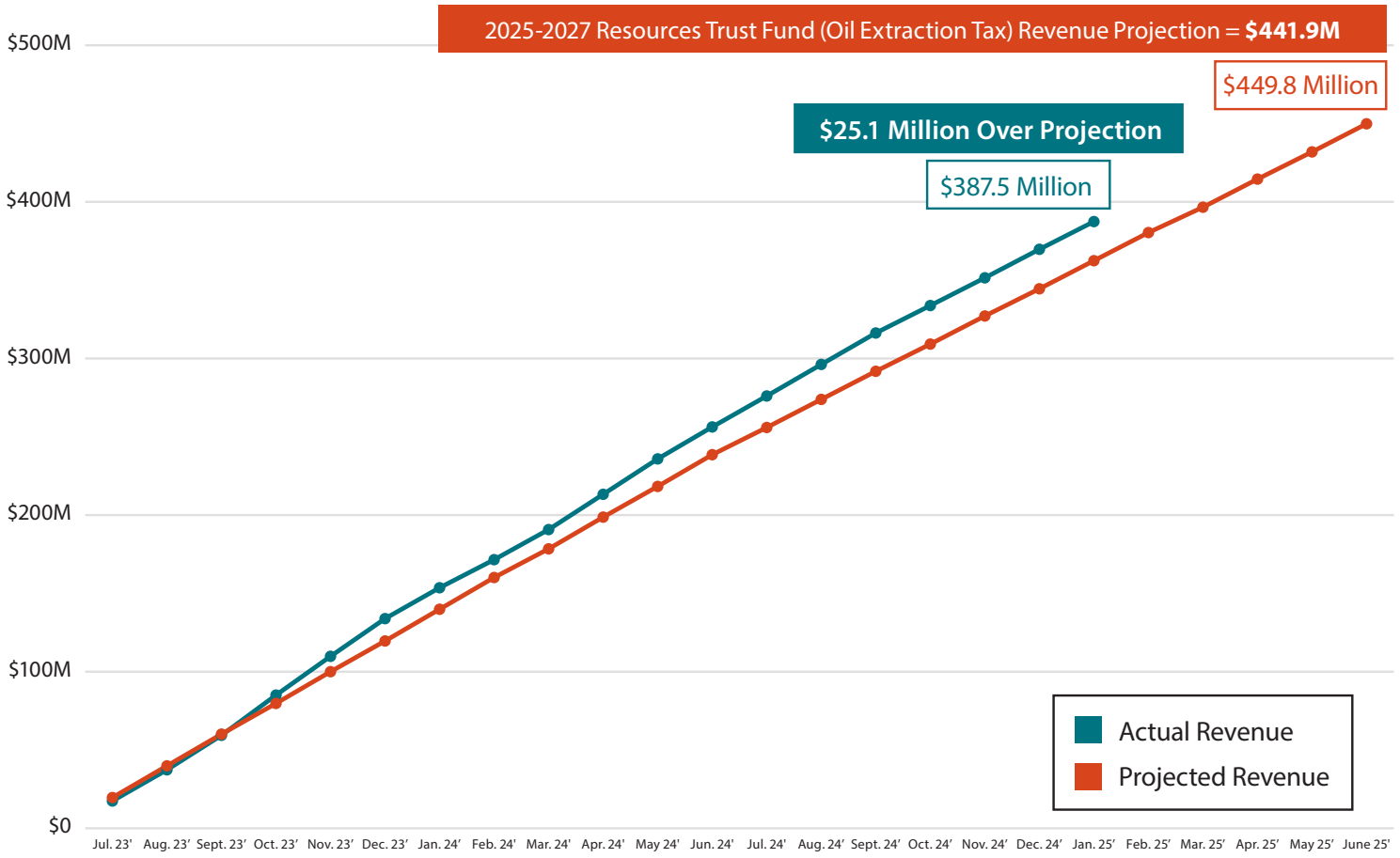





DESCRIPTION OF FINANCIAL NEED: 2025-2027
Heart River Flood Control (Mandan), Mouse River Enhanced Flood Protection, Other Flood Control, South Bismarck, Valley City Permanent Flood Protection, and Water Conveyance.
Lower Heart Levee System improvements to meet FEMA compliance. Funding included as part of 2023-2025 budget.
Property acquisitions in Minot and rural areas, additional levee design, and construction on the Maple Diversion and in-town levees.
Community flood protection projects, levee certifications, flood reduction studies, and rural ring dikes.
Pump station, gate stucture, and conveyance improvements for FEMA compliance.
Phase 6 - Permanent concrete flood walls, removable flood walls, clay levees, storm water pump stations, and bioengineered stream bank restorations.
New drainage, drainage improvements, bank stabilizations, and snagging and clearing.
Dam remediations, repurposing, rehabilitations, and repairs; irrigation; watershed plans; and water retention and detention.
Community regionalizations, system expansions, storage improvements, transmission line installations, and WTP improvements.
Municipal water supply projects, Red River Valley Water Supply, and Western Area Water Supply.
Water distribution and storage expansions, improvements, and replacements.
Main transmission pipeline construction, Eastern North Dakota Alternative Water Supply design, McClusky Canal Intake preliminary design, and Biota WTP and Main Pump Station design.
Rural water service expansions, and improvements of pretreament system, intake and control system.
Devils Lake Outlets, Northwest Area Water Supply (NAWS), Southwest Pipeline Project (SWPP).
Capital Improvements
Permanent intake, Minot Phase III expansion, Souris Pump Station and Reservoir, and inline booster pump station.
Water treatment plant replacement, west zone capacity improvement, intake, and Burt-Hebron rural expansion.

RESOURCES TRUST FUND - State funding provided through DWR for water development has historically come from several sources including the General Fund, Resources Trust Fund (RTF), and Water Development Trust Fund. Today, the primary source of funding is the RTF. The RTF is currently funded with 20.5 percent of revenues from the oil extraction tax.

2023-2025 RESOURCES TRUST FUND (OIL EXTRACTION TAX) REVENUE TRACKING



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Bismarck ND 58504

FARGO-MOORHEAD AREA DIVERSION PROJECT



LOOKING AHEAD
2025-2027

$0 MILLION

FULLY FUNDED

State funding of $414.5M was provided through the 2019-2021 biennium. During the 2021 Legislative Session HB 1431 provided an additional $435.5M for a total state commitment of $850M.

QUICK FACTS

100 YEAR
FLOOD PROTECTION

IN-TOWN PROTECTION

DIVERSION CHANNEL
(30 Miles Long, 1,500 Feet Wide)

2027
ESTIMATED OPERATIONAL

11
LEGISLATIVE DISTRICTS
(10, 11, 13, 16, 21, 22, 27, 41, 44, 45, 46)

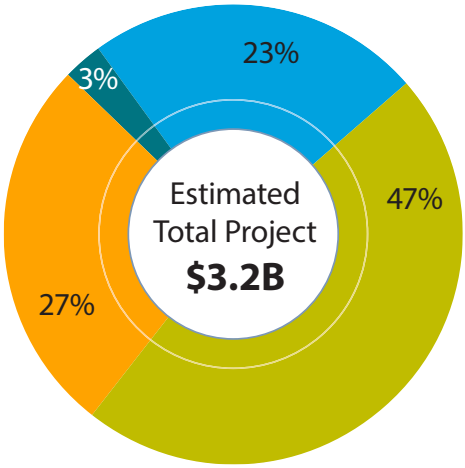
BACKGROUND AND PURPOSE

The Fargo-Moorhead Area Diversion Project (FMADP) was developed in response to the 1997 flood to reduce flood risk for the Fargo-Moorhead metropolitan area. It protects against flooding from the Red River and North Dakota tributaries, including the Wild Rice, Sheyenne, Maple, Rush, and Lower Rush Rivers. The project consists of four major elements: an in-town levee system, a diversion channel, a southern embankment, and mitigation projects. Once complete, it will protect approximately 260,000 people.

HISTORIC FUNDING

Local	$1.5B
State ND	$850M*
State MN	$86M
Federal	$750M

*Approx. 35% of non-federal funding



LOCAL SPONSOR

The communities of Fargo, Moorhead, Cass County, Clay County, and the Cass County Joint Water Resource District established the Metro Flood Diversion Authority (MFDA) through a joint powers agreement to work with the US Army Corps of Engineers (USACE) in building, financing, operating, and maintaining a project that provides permanent flood protection for the Fargo-Moorhead metro area. Funded by a local financial model, the project is supported by three half-cent sales taxes extended through 2084, as approved by voters. The MFDA partnered with the Red River Valley Alliance, a consortium of three international companies, through a public-private partnership (P3), the first P3 overseen by the USACE, with the MFDA ensuring construction meets its standards.

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DECEMBER 2024

MOUSE RIVER ENHANCED **FLOOD PROTECTION PROJECT**



LOOKING AHEAD
2025-2027

$125 MILLION

ENGROSSED HB 1020

QUICK FACTS

26
COMBINED PROJECTS
(Levees, Floodwalls, Diversion, Bridges, Etc.)

2035
ESTIMATED OPERATIONAL

4
COUNTIES
(Renville, Ward, McHenry, & Bottineau)

6
LEGISLATIVE DISTRICTS
(3, 5, 6, 4B, 38, 40)

CURRENT DWR COST-SHARE

65%	75%
Engineering & Construction	Property Acquisitions

BACKGROUND AND PURPOSE

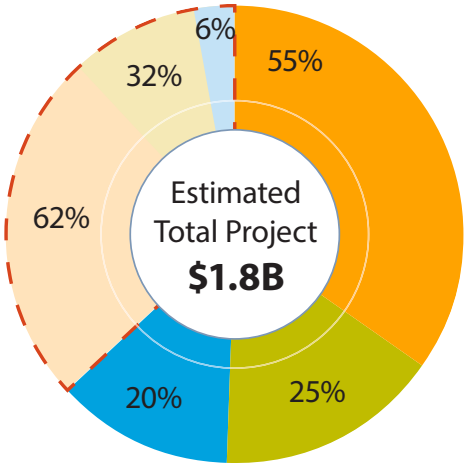
The Mouse River Enhanced Flood Protection Project (MREFPP) is designed to provide flood relief to Mouse River Valley residents - both urban and rural. The project was originally initiated by the State Water Commission in response to a request from the Souris River Joint Water Resource Board (SRJB) following the record-setting Mouse River flood of June 2011. That event brought a record flow of 27,400 cubic feet per second in Minot - impacting 4,700 residential, commercial, and public structures throughout the entire Mouse River loop. Ongoing phases of the MREFPP involve developing flood risk solutions in the urbanized and rural portions of the basin.

HISTORIC FUNDING

Local	$176M
State	$389M
Federal	$141M

FUTURE FUNDING

Est. Remaining Funds	$1.18B
Local	$380M
State	$733M
Federal	$70M



LOCAL SPONSOR

The City of Minot remains the primary source for the local funding share with the SRJB also serving as a local sponsor. Presently, Minot is collecting a 0.7 percent sales tax for flood control, which is generating approximately $7 million per year. Discussions are ongoing to examine the possibilities associated with increasing revenues through additional sales taxes, property taxes, or other fees. The city also received Disaster Recovery Assistance from the U.S. Department of Housing and Urban Development (HUD), and elected to utilize those funds for flood control acquisitions, as HUD funds may not be used for the construction of flood control features.

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FEBRUARY 2025

NORTHWEST AREA
WATER SUPPLY PROJECT



LOOKING AHEAD
2025-2027

$12.6 MILLION

ENGROSSED HB 1020

QUICK FACTS

81K
FUTURE WATER USERS
(10% OF ND POPULATION)

16
SYSTEMS SERVED

267
MILES OF PIPE

7
LEGISLATIVE DISTRICTS
(2, 3, 4B, 5, 6, 38, 40)

BACKGROUND AND PURPOSE

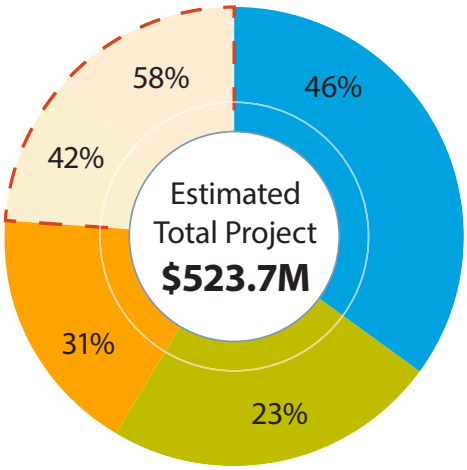
The purpose of the Northwest Area Water Supply (NAWS) project is to address long-standing water supply and poor water quality problems in northern North Dakota by delivering high quality Missouri River water to the region. NAWS was authorized by the Garrison Diversion Reformulation Act of 1986 and the Dakota Water Resources Act of 2000 under the Municipal, Rural, and Industrial (MR&I) Water Supply Program. Construction of NAWS began in April 2002, with a main line and associated features being built between the City of Minot and Lake Sakakawea. Later in 2002, lawsuits were initiated, delaying the project for 17 years. Today, construction on the NAWS project is back underway, with interim water supplies provided by the City of Minot. Utilization of Missouri River water is expected to begin in 2025, with overall expected completion in 2029.

HISTORIC FUNDING

Local	$92.8M
State	$123.1M
Federal	$184M

FUTURE FUNDING

Est. Remaining Funds	$123.8M
Local	$52.1M
State	$71.7M



LOCAL SPONSOR

The city of Minot has been covering the entire local share of the project through a one percent city sales tax. In addition, the 68th North Dakota Legislative Assembly passed House Bill 1218, replacing the Northwest Area Water Supply (NAWS) Project's Advisory Committee, created in 1991, with the NAWS Authority, which was signed into law on April 12, 2023. HB 1218 elevates the NAWS advisory committee to an authority and aligns it with other regional systems in the state.

CURRENT DWR SHARE

65%*

*Biota Water Treatment Plant - 100% Federal Funds

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FEBRUARY 2025

RED RIVER VALLEY
WATER SUPPLY PROJECT



LOOKING AHEAD
2025-2027

$260 MILLION

ENGROSSED HB 1020

QUICK FACTS

125 MILES
TRANSMISSION PIPELINE

165 CFS
MAX FLOW

30+
CITIES/RURAL SYSTEMS
(50% Of ND Population)

23
LEGISLATIVE DISTRICTS
(6, 10, 11, 13, 14, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 29, 33, 41, 42, 43, 44, 45, 46)

CURRENT DWR COST-SHARE
75%

BACKGROUND AND PURPOSE

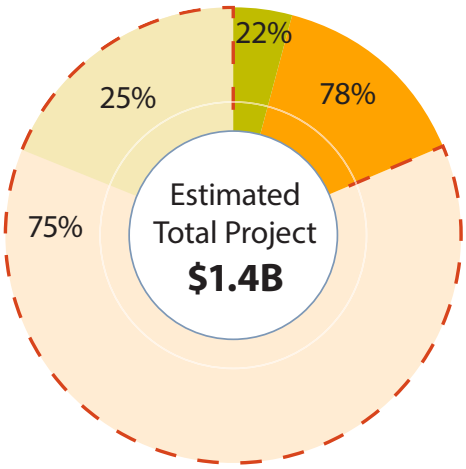
The Red River Valley Water Supply Project (RRVWSP) will use a buried pipeline to transport up to 165 cubic feet of water per second from the McClusky Canal in central North Dakota, along Highway 200, to the Sheyenne River north of Lake Ashtabula. The water will be treated before crossing the continental divide, providing supplemental and emergency water to central and eastern North Dakota. The Main Transmission Pipeline (MTP) will serve communities along its route, with additional users supplied via the Sheyenne and Red Rivers. Those not on the MTP or rivers may require branch pipelines in the future.

HISTORIC FUNDING

Local	$86M
State	$297M

FUTURE FUNDING

Main Transmission Est. Remaining Funds	$1.03B
Local	$257M
State	$773M



LOCAL SPONSORS

The Garrison Diversion Conservancy District comprises 28 member counties, each with an elected board representative. Its mission is to provide a reliable, high-quality, and affordable water supply to benefit the people of North Dakota. In 2003, the North Dakota Legislature created the Lake Agassiz Water Authority (LAWA) to address future water needs in the Red River Valley and secure a reliable drinking water supply for central and eastern North Dakota. LAWA represents RRVWSP water users and cooperates with the Garrison Diversion Conservancy District.

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FEBRUARY 2025

SOUTHWEST PIPELINE PROJECT



LOOKING AHEAD

2025-2027

$131.7 MILLION

ENGROSSED HB 1020

Includes $100M from bonding.

QUICK FACTS

58K

WATER USERS
(7.4% OF ND POPULATION)

33

COMMUNITIES SERVED

7.6K

RURAL CUSTOMERS

6

LEGISLATIVE DISTRICTS
(26, 31, 33, 36, 37, 39)

DWR COST-SHARE

100%

Funded by State of ND with local share paid through user fees, including capital repayment ($100M), and replacement and extraordinary maintenance funds ($2.1M).

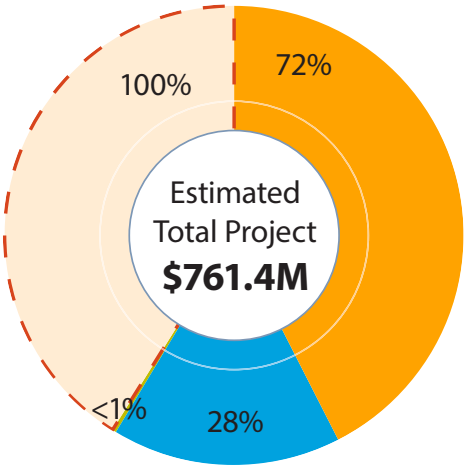
BACKGROUND AND PURPOSE

The purpose of the Southwest Pipeline Project (SWPP) is to address water quality and quantity issues in southwest North Dakota by delivering high quality Missouri River water to the region. Authorized by the North Dakota Legislature in 1981, the SWPP transports raw water from Lake Sakakawea to water treatment plants located at Dickinson and north of Zap where it is treated and delivered to the Project's customers in southwest North Dakota and Perkins County, South Dakota. Since construction began in 1986, the Project now includes three water treatment plants, 35 pumping stations, 32 water storage reservoirs, and over 5,000 miles of pipe. Future construction efforts will address ongoing growth in the region and connection of rural customers waiting for SWPP water.

HISTORIC FUNDING

Local	$2.1M
State*	$324.4M
Federal**	$121.9M

*Includes bonds ($6.1M), bond payoff ($18.3M), and State Fiscal Recovery Funds
** Municipal, Rural and Industrial (MR&I) Program; and USDA Rural Development



FUTURE FUNDING

Foreseeable Funding Needs	$313M
State	$313M

LOCAL SPONSOR

The SWPP is funded and owned by the state of North Dakota and administered through the Department of Water Resources. In 1996, the operation and maintenance of the SWPP was transferred to the Southwest Water Authority (SWA), a political subdivision established by the Legislature. Capital repayment occurs through user fees.

NORTH DAKOTA DWR

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FEBRUARY 2025

VALLEY CITY PERMANENT FLOOD PROTECTION



LOOKING AHEAD
2025-2027

$16 MILLION

ENGROSSED HB 1020

QUICK FACTS

8
PROJECT PHASES

COMBINED PROTECTION
(Flood Walls, Earthen Levees, Pump Stations and Stream Bank Restoration)

2023
CLOMR COMPLETION
(Conditional Letter Of Map Revision)

1
LEGISLATIVE DISTRICT
(24)

CURRENT DWR COST-SHARE

80%	85%
Construction	Engineering

BACKGROUND AND PURPOSE

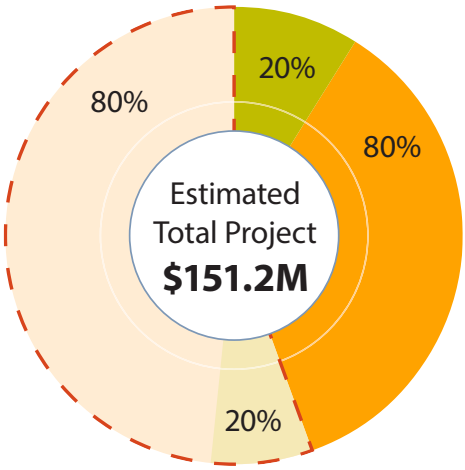
The Sheyenne River flows roughly 591 miles from central North Dakota, eventually meandering its way east to the Red River near Fargo. Valley City sits along the Sheyenne River, downstream of Baldhill Dam, which forms Lake Ashtabula. During a typical spring each year, the river swells from snow melt with water levels peaking around March and April, often creating flood conditions. After experiencing major flooding in 2009, 2010, and 2011, the cities of Valley City and Lisbon each decided to pursue permanent flood protection. Collectively known as the Sheyenne River Valley Flood Protection project, the City of Lisbon completed its flood protection in 2018. Valley City has completed phases I-III, with phase IV scheduled for 2025, and an estimated overall completion date of 2035.

HISTORIC FUNDING

Local	$12.4M
State	$49.5M

FUTURE FUNDING

Est. Remaining Funds	$76.5M
Local	$15.3M
State	$61.2M



LOCAL SPONSOR

Through the State Water Commission's Cost-Share Program, Valley City is receiving an elevated cost-share percentage due to past and potential future impacts caused by water releases from the Devils Lake outlets, which empty into the Sheyenne River.

NORTH DAKOTA DWR

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FEBRUARY 2025

WESTERN AREA WATER SUPPLY



LOOKING AHEAD
2025-2027

$46.5 MILLION

ENGROSSED HB 1020

QUICK FACTS

70K
WATER USERS
(9% OF ND POPULATION)

13
COMMUNITIES SERVED

4K
RURAL CONNECTIONS

5
LEGISLATIVE DISTRICTS
(1, 2, 4B, 23, 26)

CURRENT DWR COST-SHARE
50%-75%

BACKGROUND AND PURPOSE

The Western Area Water Supply (WAWS) project goal is to utilize Missouri River water, along with supplemental ground water, to meet the municipal, rural, and industrial water needs of counties in northwest North Dakota. Currently, the system supplies water to 70,000 water users in five counties: Burke, Divide, Mountrail, McKenzie and Williams. The system is expected to expand to 100,000 users by 2038.

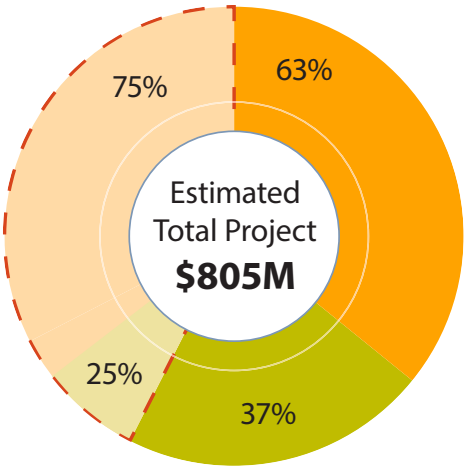
As originally planned during the 2011 Legislative Assembly, the financial model for WAWS was to take advantage of the extensive regional growth that was taking place as a result of oil production and to fund the majority of the project with loans that were to be paid by selling excess water to the energy industry. Since that time, the funding model has been modified, with the Legislature allowing restructuring of WAWS debt, and loan forgiveness of $74.5 million in 2021 and $30 million in 2023.

HISTORIC FUNDING

Local	$173M
State	$290M

FUTURE FUNDING

Foreseeable Funding Needs	$342.1M
Local	$85.5M
State	$256.6M



LOCAL SPONSOR

In 2011, the North Dakota Legislature created the Western Area Water Supply Authority, (WAWSA) with the intent to develop the WAWS project to treat, store, and distribute water to northwestern North Dakota. WAWSA includes Williams Rural Water District, McKenzie County Water Resource District, the City of Williston, Burke-Divide-Williams Water System Association, and R&T Water Supply Association.

NORTH DAKOTA DWR

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FEBRUARY 2025

EFFECTIVE DATE: 6/13/2024

SWC PROJECT PRIORITIZATION GUIDANCE

Projects submitted during the project planning inventory process[1] that meet SWC cost-share eligibility requirements will be considered for prioritization. In the interest of strategically investing in the state's highest water development priorities, the Water Commission will give funding preference to projects designated as high or moderate priorities for the first 6 months of each budget cycle. Sponsors who are able to accept reduced SWC cost-share of 10% or more of the maximum allowable amount can be moved up one priority designation level.

ESSENTIAL PROJECTS *(No Priority Ranking)*

Agency operational expenses.

An imminent water supply loss to an existing multi-user system, an immediate flood or dam related threat to human life or primary residences, or emergency response efforts.

Existing agency debt obligations.

SWC project mitigation.

HIGH PRIORITY PROJECTS

Federally authorized water supply or flood control projects.

Mitigation of low head dam roller effects.

New water supply connections between communities and rural or regional water systems that result in reduced costs through economies of scale.

Corrects a violation of a primary drinking water standard under the Safe Drinking Water Act.

Addresses severe or anticipated water supply shortages for domestic use in a service area or city with rapid population growth.

Protects primary residences or businesses from flooding in population centers or involves flood-related property acquisitions.

MODERATE PRIORITY PROJECTS

Dam safety repairs and emergency action plans.

Expansion of an existing water supply system (including to industrial water users).

Levee system accreditations, or water retention.

Irrigation system construction.

New rural flood control projects.

Bank stabilization.

Snagging and clearing in population centers or specific critical infrastructure locations..

Main Street Initiative related projects.

LOW PRIORITY PROJECTS

Studies, reports, analyses, surveys, models, evaluations, mapping projects, or engineering designs.[11]

Improvement or extraordinary maintenance of a water supply system.

Improvement or extraordinary maintenance of rural flood control projects.

Recreation projects.

Individual rural and farmstead ring dike constructions.

Replacement of existing infrastructure.

Snagging and clearing in sparsely populated areas.

Footnotes

1. All local sponsors are encouraged to submit project financial needs during the budgeting process. Projects not submitted as part of the project information collection effort may be held until action can be taken on those that were included during budgeting, unless determined to be an emergency that directly impacts human health and safety or that are a direct result of a natural disaster.

1l. May be considered as a higher priority if the related project is of higher priority.

Disclaimer

This process is meant to provide guidance for prioritizing water projects during the budgeting process that may be eligible for cost-share assistance through the Department of Water Resources. Interpretation and deviations from the process are within the discretion of the state as authorized by the State Water Commission or Legislature.

March 11, 2025

SOUTHWEST PIPELINE PROJECT LEGISLATIVE TESTIMONY

HB 1020, Senate Education & Environment Division

Justin Froseth, PE - SWPP Manager, Department of Water Resources
Jen Murray - Manager/CEO, Southwest Water Authority

NORTH Dakota Be Legendary.™ | Water Commission

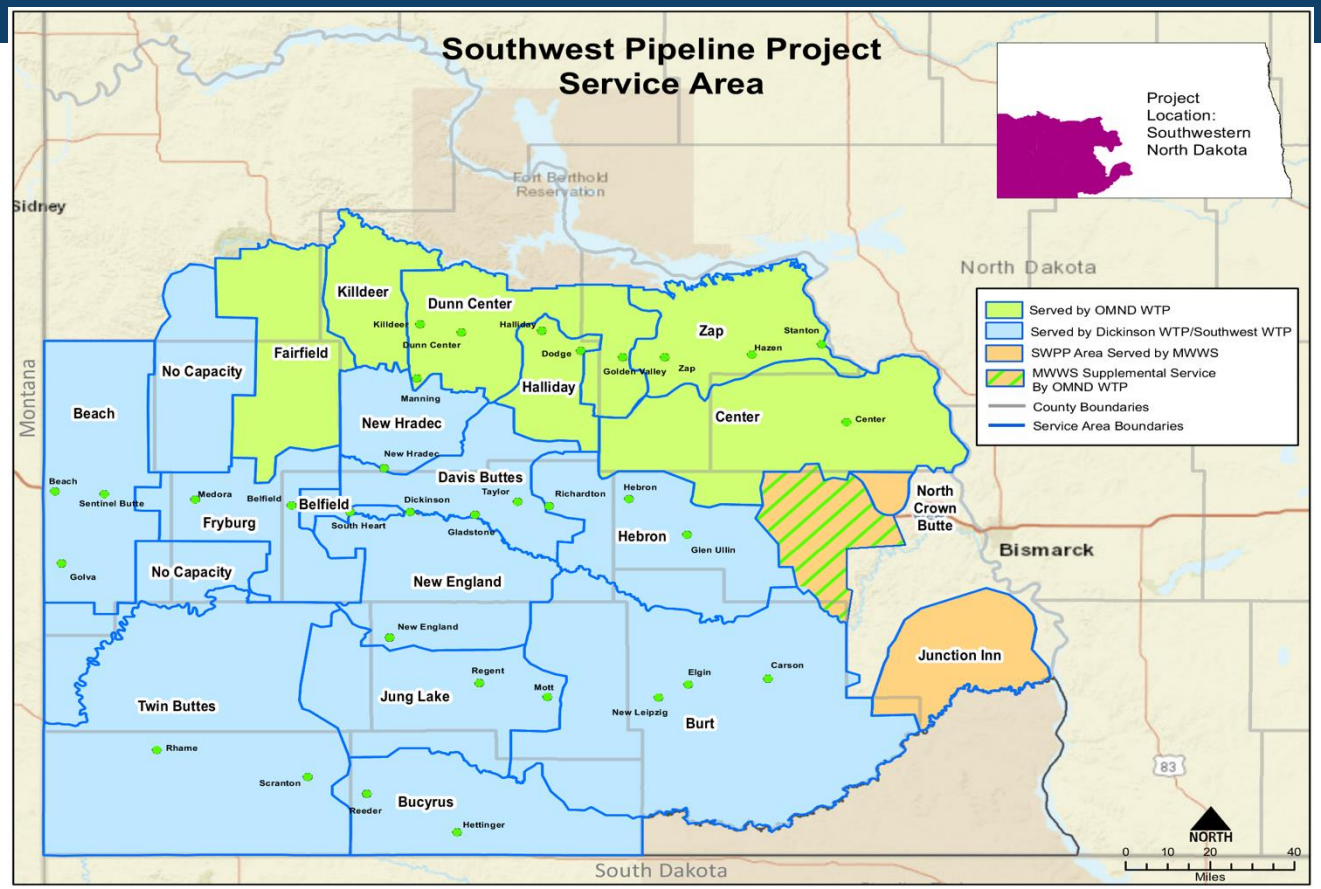
SOUTHWEST PIPELINE PROJECT

SOUTHWEST WATER AUTHORITY

NORTH DAKOTA DWR

NORTH Dakota Be Legendary. | Water Resources

SOUTHWEST PIPELINE PROJECT





- Population Served Is ~ 58,000
- Over 7,750 Rural Customers
- 5,262 Miles Of Pipeline
- 33 Communities
- 13 Counties
- 34 Million Gallons Of Storage
- 35 Booster Pump Stations
- 32 Water Storage Tanks & Reservoirs
- 3 Water Treatment Plants
- 2 Additional Rural Water Systems

SOUTHWEST PIPELINE PROJECT

- Authorized By The ND Legislature In 1981
- Multi-County, Fully Integrated Regional Water Supply System - Domestic, Rural, Municipal, Livestock, Light Industrial
- Capital Asset Of The State Of North Dakota

NORTH Dakota | Water Commission
Be Legendary.™

- Owner Of The Southwest Pipeline Project (SWPP)
- Governance Of The SWPP

NORTH Dakota | Water Resources
Be Legendary.

- Construction Administration, Design & Oversight Of The SWPP

Southwest Water Authority

- Political Subdivision Authorized By The ND Legislature In 1991
- Management, Operations & Maintenance Of The SWPP
- Governed By A 15-Member Publicly Elected Board Of Directors

MISSION

Quality Water For
Southwest North Dakota

SOUTHWEST WATER AUTHORITY BOARD OF DIRECTORS

Southwest Water Authority

VISION

People And Business Succeeding
With Quality Water



Jonathon Eaton
Adam County
jonathoneaton@swwater.com



James Odermann, Chairperson
Billings County
jamesodermann@swwater.com



Rick Seifert
Bowman County
rickseifert@swwater.com



Bob Ingold
Dunn County
bobingold@swwater.com



Mark Begger
Golden Valley County
markbegger@swwater.com



Harold Gaugler
Grant County
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Don Schaible
Hettinger County
donschaible@swwater.com



Kaylene Berg
Mercer County
kayleneberg@swwater.com



Bruce Engelhardt
Morton County
bruceengelhardt@swwater.com



Mike Tietz, Secretary/Treasurer
Oliver County
miketietz@swwater.com



Dave Burke
Slope County
daveburke@swwater.com



Curtis Glasoe
Stark County
curtisglasoe@swwater.com



George Nodland, Vice
Chairperson
City of Dickinson
georgenodland@swwater.com



Scott Tschetter
City of Dickinson
scotttschetter@swwater.com



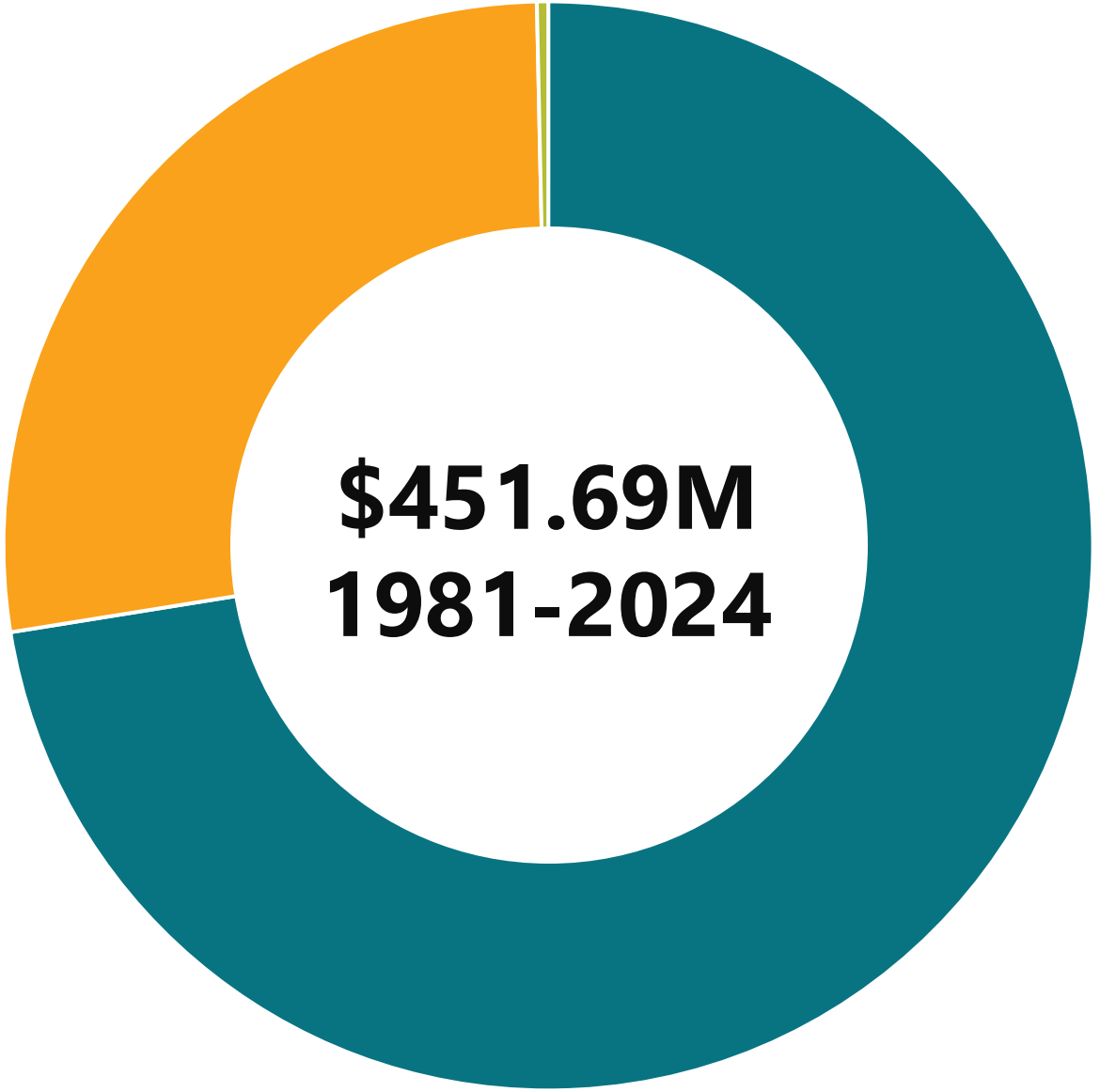
Bob Leingang
City of Mandan
bobleingang@swwater.com

SOUTHWEST PIPELINE PROJECT FUNDING

State Funding
$327.63 Million

Federal Funding
$121.92 Million

REM Fund
$2.14 Million



SWPP FUNDING MODEL



- Funded 100% By The State Water Commission
- **Every Customer Pays Capital Repayment**
- Capital Repayment Is A Component Of SWPP's Water Rate
- Capital Repayment Rate Adjusted Annually By The Consumer Price Index (CPI)

2025 Capital Repayment Rate:
Contract Customers $1.51/1,000 Gallons Sold

- Capital Repayment Rate For SWPP's Rural Customers Is Included In The Monthly Minimum/Base Rate

2025 Capital Repayment Rate:
Rural Customers $46.16/Month

- SWPP's Customer **Growth** Will Result In More Capital Repayment Back To The State

SOUTHWEST WATER AUTHORITY

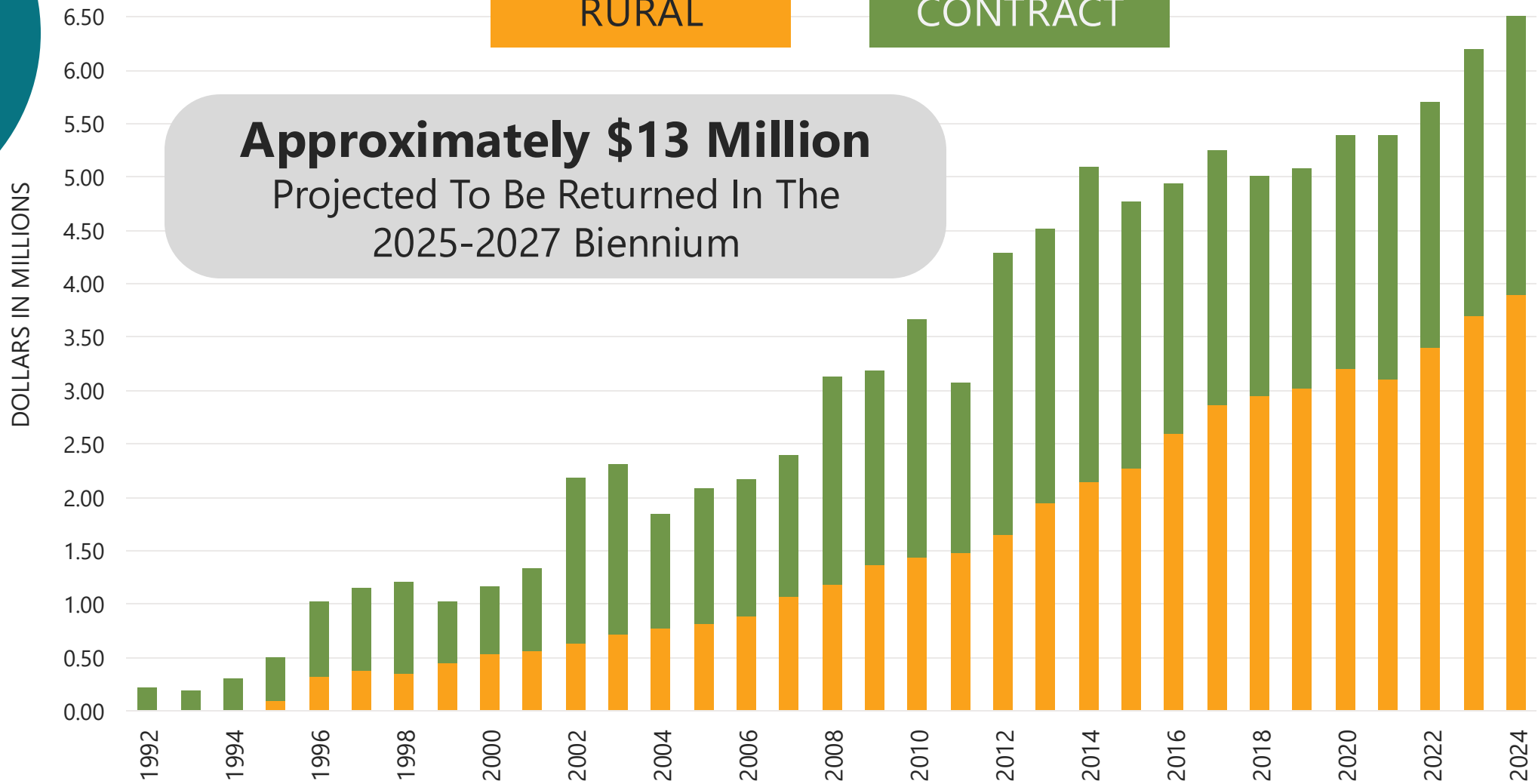
CAPITAL REPAYMENT BY YEAR

$102.8 Million*
Through December 2024

RURAL

CONTRACT

Approximately $13 Million
Projected To Be Returned In The 2025-2027 Biennium



*23%
Of Total Funding Returned

$100 MILLION CAPITAL REPAYMENT CELEBRATION









FOCUS AREAS



Transmission Facility Improvements
Main Transmission Lines - Raw & Potable
Pump Station Upgrades

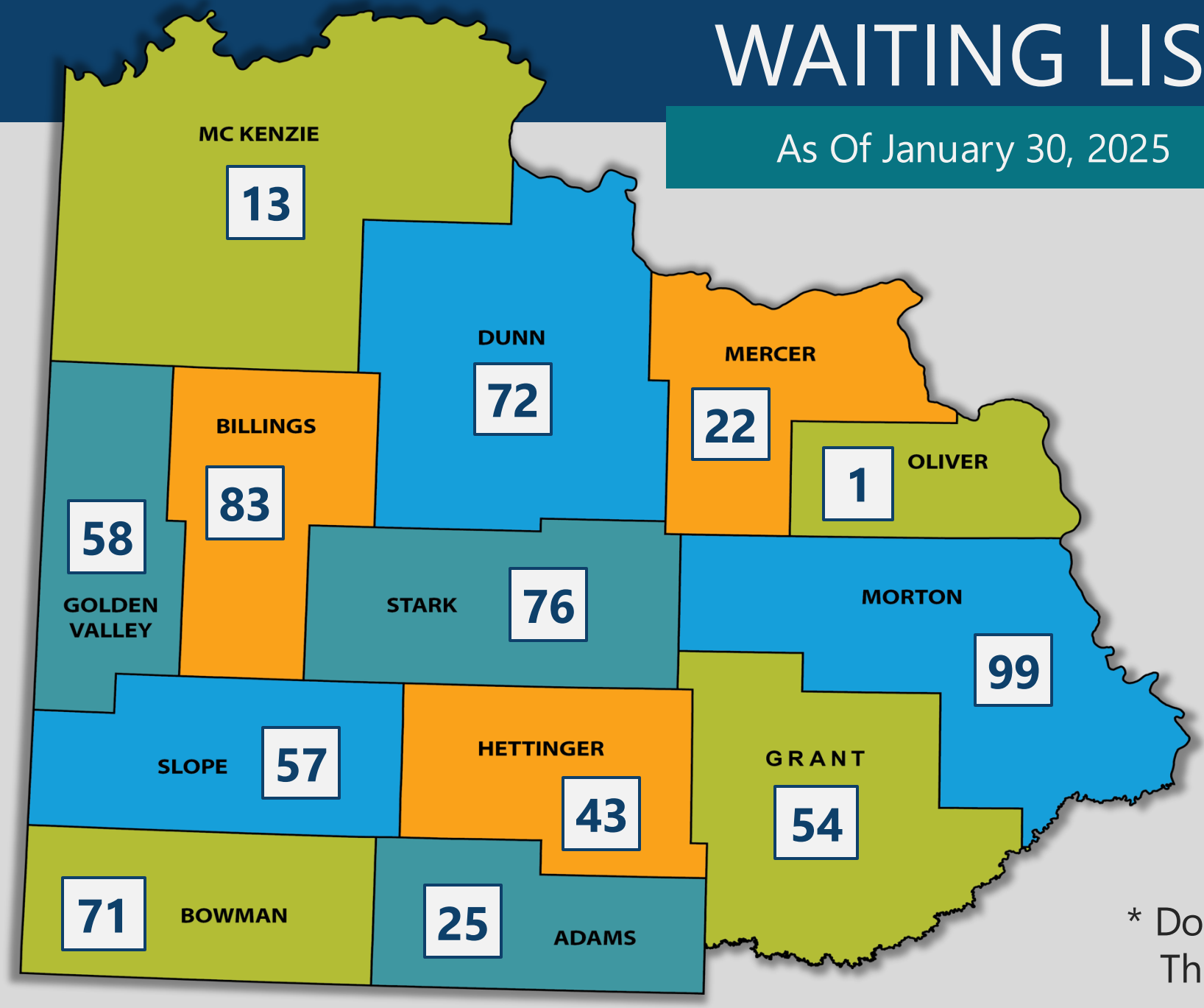
Strategic Hydraulic Improvements
Prioritized Improvements Based On Known Needs

Rural Service Area Expansion
Underserved Areas

Replacement Of Critical Infrastructure
Microbiologically Induced Corrosion

WAITING LIST

As Of January 30, 2025



675*

Locations In SWA Service Area By County

* Does Not Include 825 Signups In The Burt -Hebron Service Area

MICROBIOLOGICALLY INDUCED CORROSION







WEST ZONE TRANSMISSION IMPROVEMENTS





2023 - 2025 PROGRESS

Will Increase West Zone Transmission Capacity Through Main Transmission Parallel Pipe, Booster Stations & Storage Reservoirs From Dickinson To Beach

Preliminary Designs Completed

SWC Decision - October 2024

Buffalo Gap Storage Reservoir - West Of Medora

Currently Advertised For Bids

SUPPLEMENTARY RAW WATER INTAKE



2023 - 2025 PROGRESS

Mediation Progressing

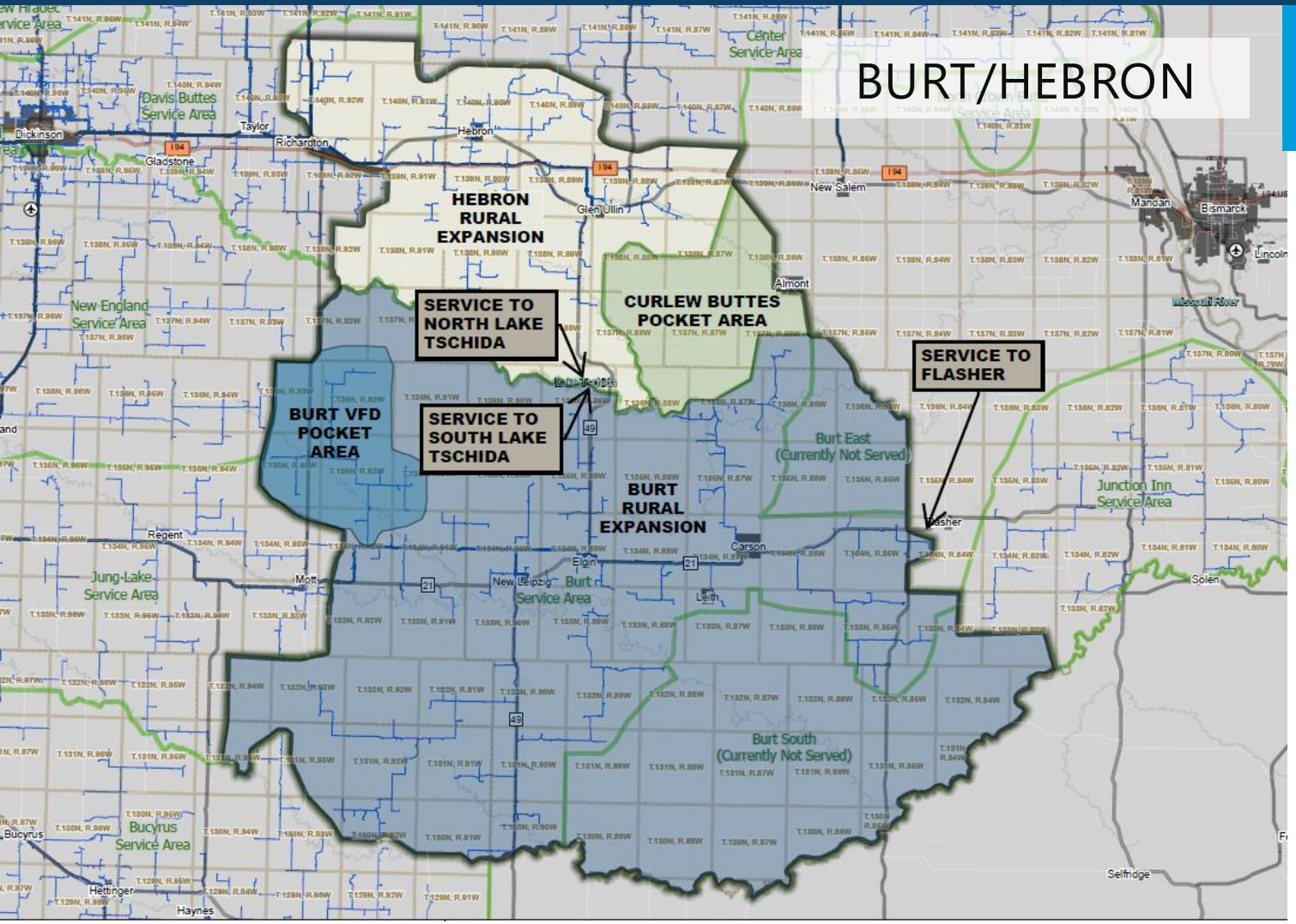
Amendment To Water Supply Agreement With Basin Electric Power Cooperative Was Approved

Will Allow Additional Capacity From Existing Shared Intake

Design Authorization Executed

Supplementary Raw Water Intake Still Needed

RURAL SERVICE AREA EXPANSION



Water Lines | Signup Area | Service Area

2023 - 2025 PROGRESS

Preliminary Design & Cost Estimate For The Entire Expansion Approximately $76 Million

Phase One - Hebron Rural Service Area Expansion

Final Design & Bidding Expected In 2025

Feasibility Criteria & Capital Repayment Was Adjusted In 2024 To Move The Project Forward

HYDRAULIC IMPROVEMENTS







2023 - 2025 PROGRESS

Increase Capacity Primarily Through Parallel Pipelines & Booster Stations

Allows For New Users To Connect Where Demand Well Exceeds Capacity

North New England Service Area Under Design

Benefit To Around 90 Waitlist Users

METALLIC PIPELINE REPLACEMENT



2023 - 2025 PROGRESS

Have Replaced About 4,500 Lineal Feet Over The Past Two Years

Study & Exploration Ongoing To Determine Vulnerable Locations

Most Of The Replacement Needed Is On The Raw Water Pipeline But Some Is On Larger Potable Transmission Pipeline

DWR Will Manage Metallic Pipeline Replacement Project

PROJECTS PROPOSED FOR 2025-2027

INCLUDED IN ENGROSSED HB 1020 - **$131.7 MILLION**



Southwest Water Treatment Plant 12 MGD Expansion - Construction Starting Soon

West Zone Transmission Expansion
Main Transmission Parallel
Piping & Pump Station Upgrades

Supplementary Raw Water Intake Construction Post Mediation

PROJECTS PROPOSED FOR 2025-2027

INCLUDED IN ENGROSSED HB 1020- **$131.7 MILLION**



Burt-Hebron Expansion
Phase 2 To North Side Of Lake Tschida

Strategic Hydraulic Improvements
One Project Planned Per Biennium

Ray Christensen Pump Station Upgrades
Needed For West Zone Expansion

Metallic Pipeline Replacement
2,400 Lineal Feet Identified For Replacement

SOUTHWEST WATER TREATMENT PLANT EXPANSION



Total Estimated Project Cost

$106M

Necessitates $106M - $40M (2023-2025 Funding) =

$66M In 2025-2027 Budget

Construction Beginning In

Early 2025

Three Year Construction Project

RAY CHRISTENSEN PUMP STATION UPGRADES



- The Ray Christensen Pump Station Delivers Water To All Three Main Transmission Line Zones
  - West Zone
  - South Zone
  - North & East Zone
- Upgrades Needed To Realize The Full Hydraulic Benefit Of West Zone Project Improvements
- Beyond West Zone, Upgrades Would Increase Capacity For Other Two Zones

THANK YOU

Justin Froseth P.E., SWPP Manager
Department Of Water Resources

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dwr.nd.gov

/NDWaterResources

Jen Murray, Manager/CEO
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NORTH DAKOTA DWR

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SOUTHWEST PIPELINE PROJECT

SOUTHWEST WATER AUTHORITY

March 11, 2025

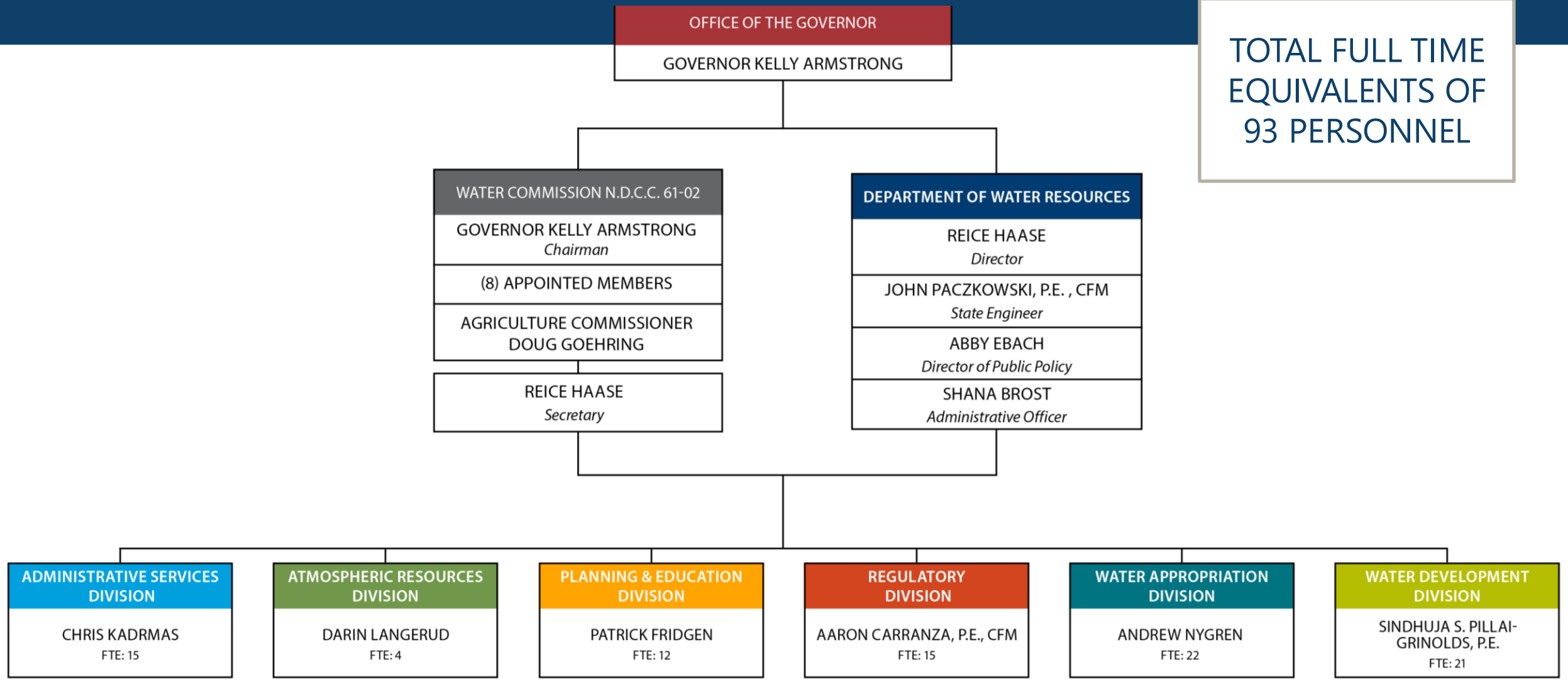
NORTH DAKOTA DWR

NORTH Dakota | Water Resources
Be Legendary.

DWR OVERVIEW
AGENCY & BUDGET

Senate Appropriations, Education & Environment Division
Engrossed House Bill 1020 | 69th Legislative Assembly

DWR ORGANIZATIONAL CHART



TOTAL FULL TIME EQUIVALENTS OF 93 PERSONNEL

WATER COMMISSION



SWC Chair
Governor Armstrong



Ag. Comm.
Goehring



Secretary
Reice Haase



Gene Veeder
Upper Missouri River Basin



Jason Zimmerman
Mouse River Basin
Reappointed



Jeff Frith
Devils Lake Basin



Michael Anderson
Lower Red River Basin



James Odermann
Little Missouri, Upper Heart,
& Upper Cannonball River
Basins



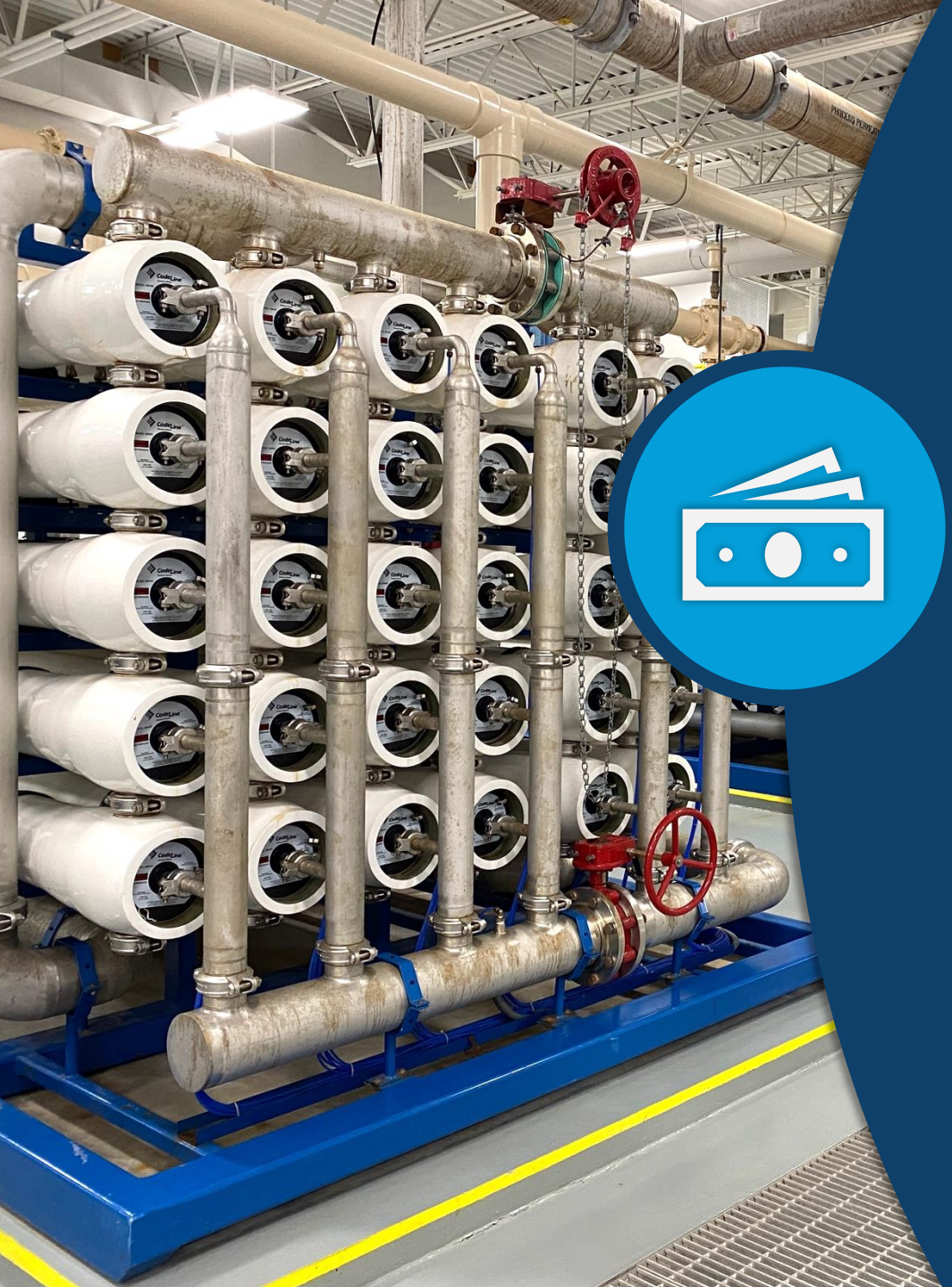
Jay Volk
Lower Missouri River Basin



Connie Ova
James River Basin



April Walker
Upper Red River Basin
Reappointed



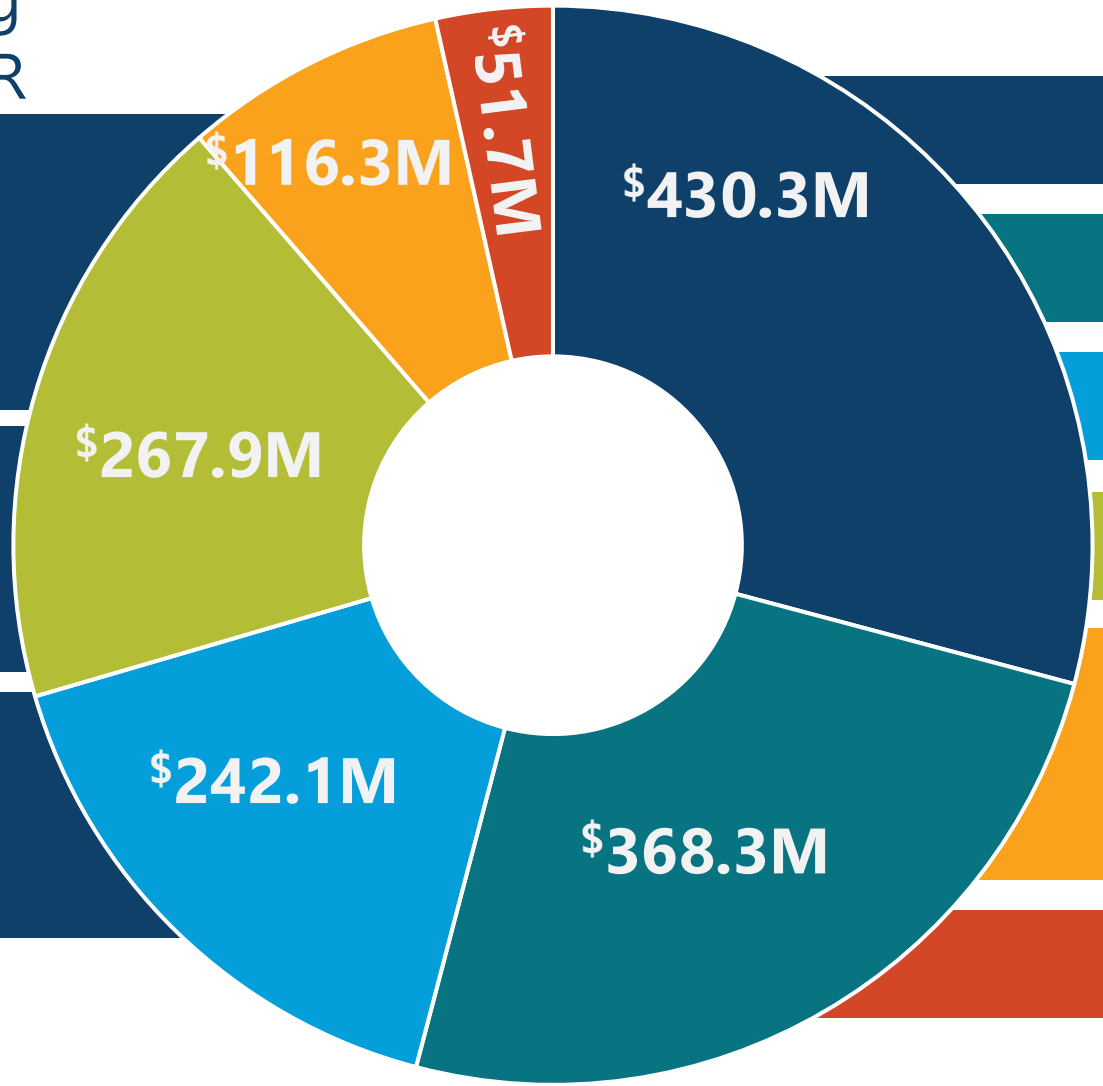
DWR BUDGET & WATER DEVELOPMENT PLANNING

Potential Funding Needs From DWR

2025-2027
$1.48B

2023-2025
$1.05B

2021-2023
$0.64B



REGIONAL WATER SUPPLY

MUNICIPAL WATER SUPPLY

FLOOD CONTROL

RURAL WATER SUPPLY

CONVEYANCE
(Bank Stabilization,
Snag & Clear, & Drains)

GENERAL WATER

2025 WATER DEVELOPMENT PLAN INVENTORY

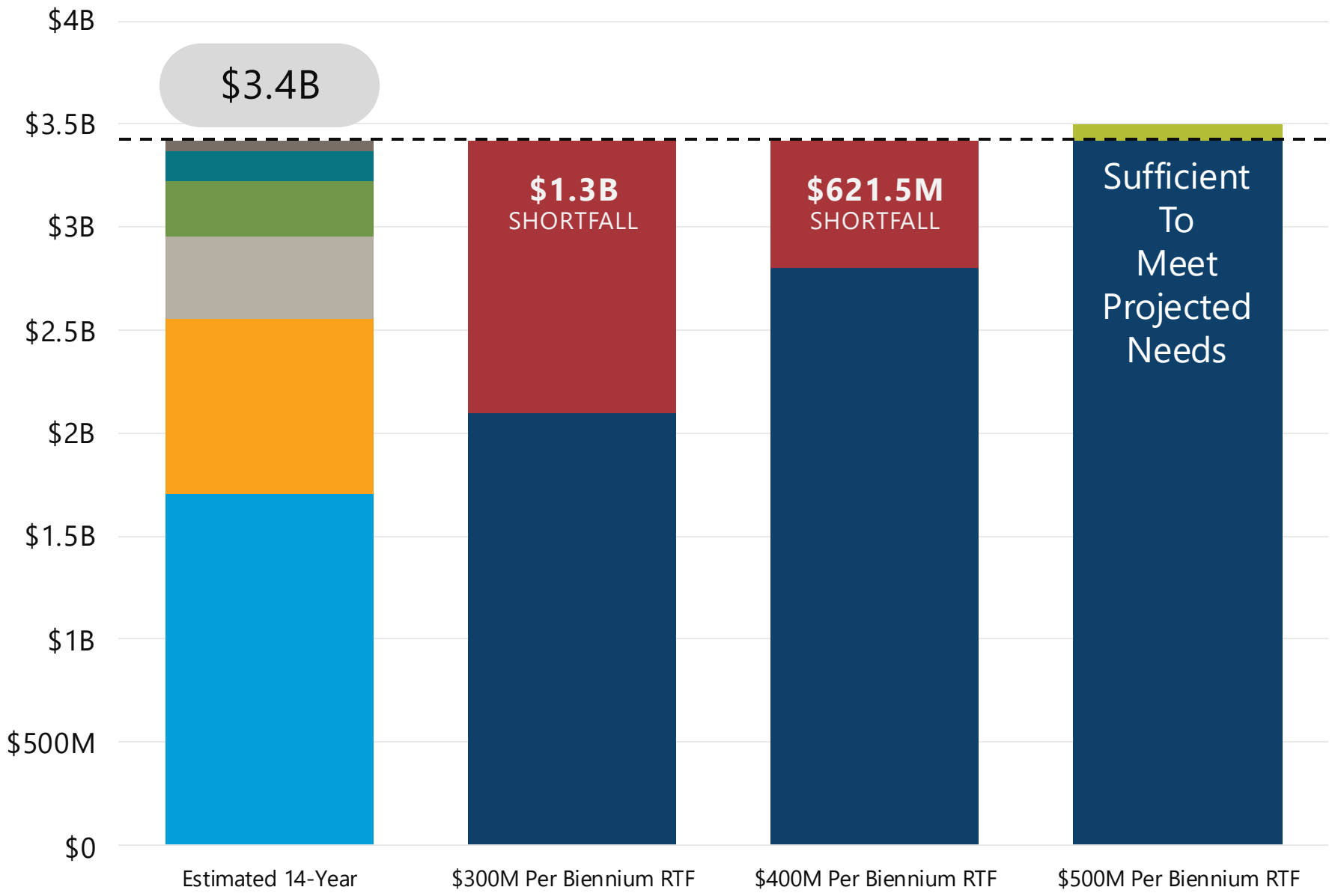
2025-2027 PROJECT & PURPOSE FINANCIAL NEEDS SUMMARY

ESTIMATED DWR SHARE BY PRIORITY

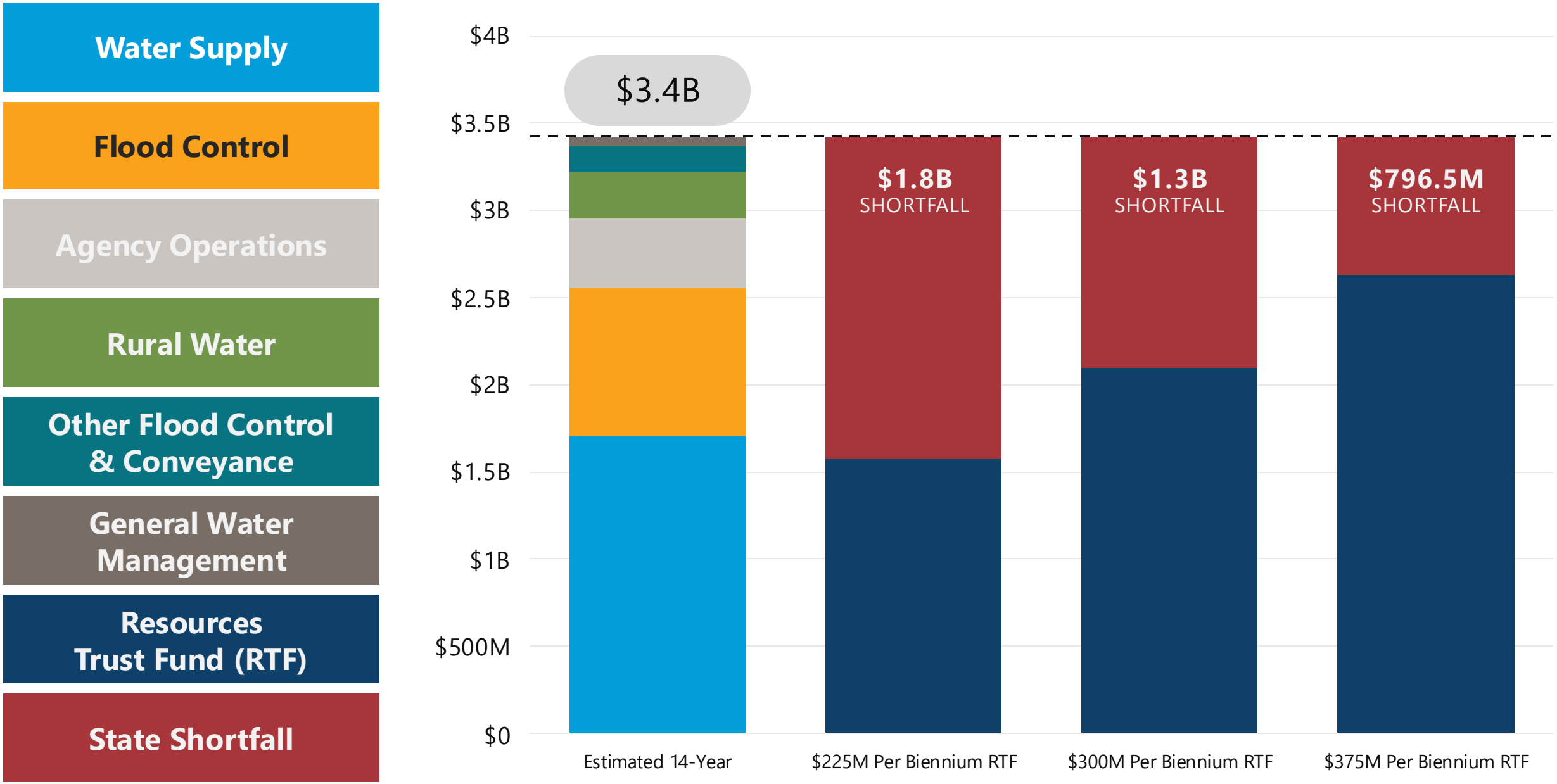
Project Purposes	Water Development Plan Inventory Project Needs		
	High Priority	Moderate Priority	Low Priority
Flood Control (Total = $358.4)	**$240.70**	**$54.50**	**$63.20**
Heart River - Mandan	$8.60	-	-
Mouse River Enhanced Flood Protection	$125.00	-	-
Other Flood Control	$18.10	$0.90	$0.50
South Bismarck	$73.00		
Valley City Permanent Flood Protection	$16.00	-	-
Water Conveyance	-	$53.60	$62.70
General Water (Total = $51.8M)	**$8.60**	**$40.10**	**$3.10**
Rural Water Supply (Total = $267.9M)	**$5.30**	**$61.30**	**$201.30**
Water Supply (Total = $635.7M)	**$267.50**	**$16.90**	**$351.30**
Municipal	-	$16.90	$351.30
Red River Valley Water Supply	$221.00	-	-
Western Area Water Supply	$46.50	-	-
State Owned Projects (Total = $164.4M)	**$164.40**	**$0.00**	**$0.00**
Devils Lake Outlets	$1.70	-	-
Northwest Area Water Supply	$12.70	-	-
Southwest Pipeline Project	$150.00	-	-
TOTAL IDENTIFIED NEEDS ($1.48B)	**$686.4**	**$172.8**	**$618.9**

14-YEAR PLAN: $500M/BIENNIUM MEETS NEEDS

- Water Supply
- Flood Control
- Agency Operations
- Rural Water
- Other Flood Control & Conveyance
- General Water Management
- Resources Trust Fund (RTF)
- State Shortfall
- Surplus



IMPACT OF RTF REVENUE FROM 20.5% TO 15.5% (EXTRACTION TAX)



ENGROSSED HB 1020 - LINE ITEMS	APPROPRIATION
Salaries & Wages	$25,356,498
New & Vacant FTE Pool	$2,428,615
Operating Expenses	$33,939,781
Capital Assets	$3,203,950
Southwest Pipeline Project	$131,713,336
Northwest Area Water Supply	$106,857,325
Water Supply	$105,000,000
Regional Water Supply	$306,500,000
General Water	$29,000,000
Flood Control	$168,500,000
Discretionary Funding	$10,000,000
TOTAL APPROPRIATED (99.00 FTE AUTHORIZED)	**$922,499,505**

HOUSE VERSION OF HB 1020

2023-2025 **SALARIES & WAGES** Base	$22,998,148
Cost To Continue Adjustment & New & Vacant FTE Funding	$2,032,290
New & Vacant FTE Pool (Net Adjustment)	($633,423)
Salary & Health Insurance Increase	$1,575,423
6 FTE (Admin, NAWS, & Regulatory)	$1,425,938
Cost To Continue Adjustment For SWC Members & Temporary/Overtime	$220,714
Board Of Water Well Contractors Administrative Services (See Slide 29)	$66,023
Internship Program	$100,000
2025-2027 SALARIES & WAGES ENGROSSED HB 1020	**$27,785,113**

	Base	House Added	Recommendation
Full Time Equivalents (FTE)	**93**	**6**	**99**

HOUSE VERSION OF HB 1020

2023-2025 **OPERATING EXPENSES** Base	$56,625,923
Base Level Funding Adjustments ($1,171,104 Reduction Governor's Guidance & $11,080,374 Increase State-Owned Projects)	$9,909,270
Operating Expenses Related To 6 FTE ($197,465 Is Federal Funds)	$360,650
Cost To Continue SWC Members (Travel, IT Equipment Replacement Cycle, & Professional Development)	$85,200
Transfers Funding For Professional Services For SWPP To SWPP Line	($23,800,450)
Transfers Funding For Professional Services For NAWS To NAWS Line	($11,892,600)
Missouri River Intake Study Phase II (All One-Time)	$600,000
Increase Federal Spending Authority (Regulatory)	$2,051,788
2025-2027 OPERATING EXPENSES ENGROSSED HB 1020	**$33,939,781**

HOUSE VERSION OF HB 1020

2023-2025 **CAPITAL ASSETS** Base	$124,136,712
Base Level Funding Adjustments ($716,415 Reduction To Meet Governor's Guidance, Reduced $3,600,699 & Shifted $2,680,374 To Operating)	($4,317,114)
Equipment For The New NAWS Operator FTE	$10,000
State Owned Water Project Funding (Before Transfers)	$85,311,963
Emergency Pumps (All One-Time)	$480,000
Excavator Replacement (All One-Time)	$400,000
Data Logger Replacement (All One-Time)	$60,000
Transfers Funding For Capital Assets For SWPP To SWPP Line	($107,912,886)
Transfers Funding For Capital Assets For NAWS To NAWS Line	($94,964,725)
2025-2027 CAPITAL ASSETS ENGROSSED HB 1020	**$3,203,950**

HOUSE VERSION OF HB 1020

2023-2025 **STATE OWNED PROJECTS**

Southwest Area Water Supply Project	
From Operating Expenses	$23,800,450
From Capital Assets	$107,912,886
TOTAL SOUTHWEST AREA WATER SUPPLY ENGROSSED HB 1020	**$131,713,336**

Northwest Area Water Supply Project	
From Operating Expenses	$11,892,600
From Capital Assets	$94,964,725
TOTAL NORTHWEST AREA WATER SUPPLY ENGROSSED HB 1020	**$106,857,325**

TOTAL = $806.5M

Includes A $200M Line Of Credit (LOC)



LARGE REGIONAL

- RRVWSP $260M
- WAWS $46.5M
- NAWS $12.6M
- SWPP* $131.7M

**Includes $100M from bonding*

FLOOD CONTROL

- SOUTH BISMARCK $20M
- MOUSE RIVER $125M
- VALLEY CITY $16M
- DEVILS LAKE $1.7M
- OTHER $7.5M

WATER SUPPLY

- RURAL $80M
- MUNICIPAL $25M

GENERAL WATER

- CONVEYANCE $15M
- OTHER $8M
- PARKS & REC GRANT $2.5M

DISCRETIONARY

$45M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC

2025-2027 PURPOSE FUNDING: ENGROSSED HB 1020

DWR 2025-2027 BUDGET: OPTIONAL REQUESTS INCLUDED BY HOUSE

*Includes Operating Expenses
**Federal Funding

OPTIONAL REQUESTS

HOUSE VERSION - HB 1020

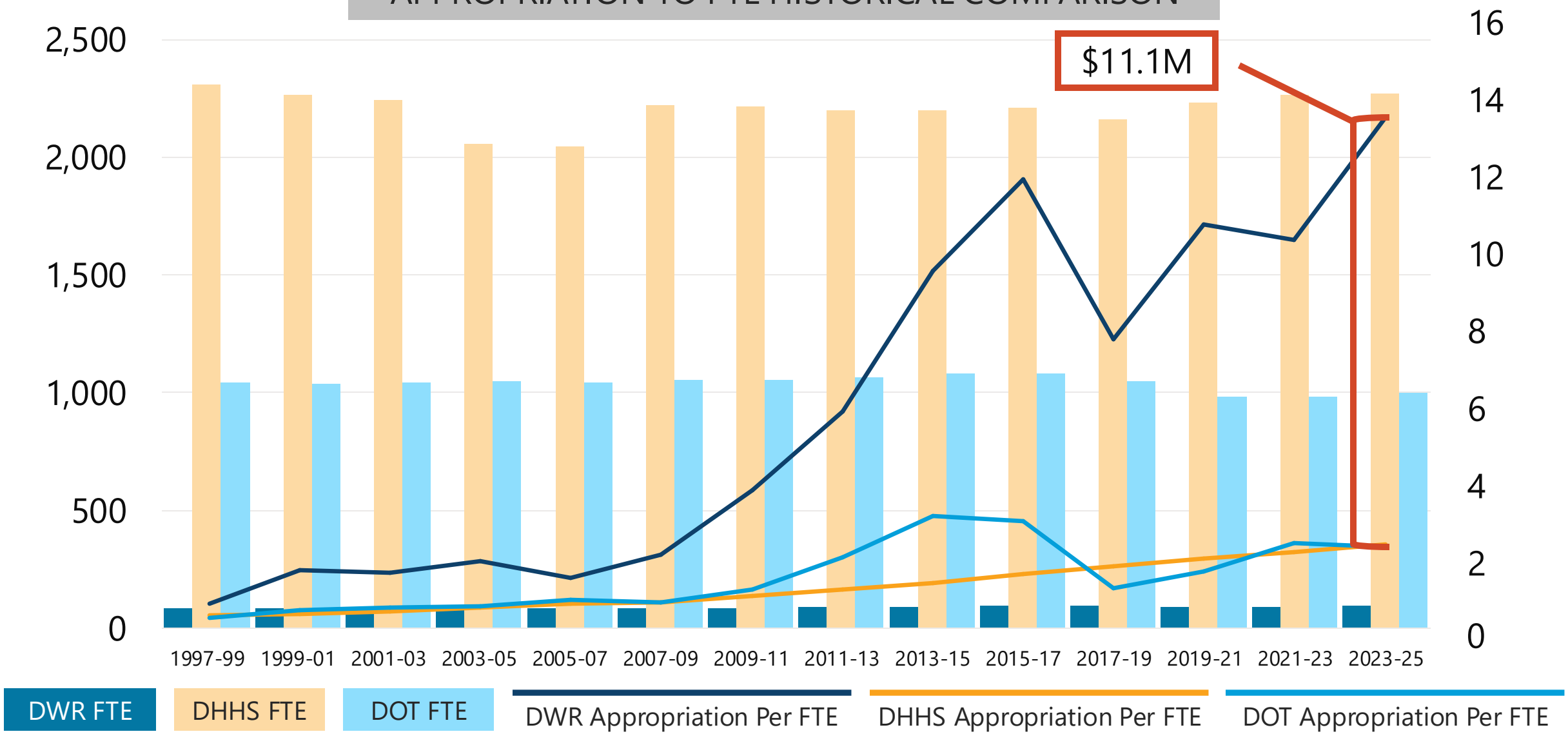
FTE Positions Accountant, Deputy Director, NAWS Operator, Assistant NFIP Coordinator, RiskMap Specialist, Silver Jacket Conversion	$1,796,588*
(One-Time) Emergency Pumps Replacement	$480,000
(One Time) Excavator Replacement	$400,000
(One Time) Data Logger Replacement	$60,000
(One Time) Missouri River Intake Sites Field Investigation	$600,000
Cost to Continue SWC Expenditure, Temp Salary, & Overtime Adjustments	$305,914
Board of Water Well Contractors (See Slide 29)	$66,023
Federal Spending Authority	$2,051,788**
NAWS Biota Water Treatment Plant Operations**	
TOTAL OPTIONAL REQUESTS	**$5,760,313**

2025-2027 FTE REQUESTS

FTE Requests	Executive Recommendation	
	Federal Funds	Special Funds
Accountant/Budget Specialist	-	$312,774
Deputy Director	-	$482,253
NAWS Operator (Water Rate Funded)	-	$380,893
General Counsel	**-**	**$482,253**
Assistant NFIP Coordinator	$250,028	$83,345
RiskMAP Program Specialist	$372,004	$0
Silver Jackets Coordinator	$0	$15,533
TOTAL	**$622,032**	**$1,757,051**
TOTAL ALL FUNDS	**$2,379,083**	
TOTAL FTE	**7**	

ACCOUNTANT & BUDGET SPECIALIST

APPROPRIATION TO FTE HISTORICAL COMPARISON



DEPUTY DIRECTOR

The Presence Of A Deputy Director Would Create A Resilient Leadership Structure, Ensuring The Department Can Maintain Consistent Operations In The Director's Absence

The Deputy Director Would Understand The Whole Of The Department & Be Able To Step In As Acting Secretary At Commission Meetings, Represent The Department At National & International Meetings & Legislative Committee Commitments

Nearly Every Department Across ND State Government Has At Least One Deputy Director

7.6 Meetings Per Workday

1,348 DWR Director Attended Meetings

576 State Engineer Attended Meetings On Behalf Of The Director

~45* Boards, Commissions, Councils, & Associations The DWR Is Tasked To Monitor Or Represent The State

*Various DWR team members represent DWR at joint water boards, watershed boards, and other similar entities, that neither the Director or State Engineer can attend due to other demands. The ability for high-level leadership to interact at more board and association meetings would improve the state's collaboration and partnerships.

GENERAL COUNSEL

AGENCY IN-HOUSE LEGAL SERVICES COMPARISON			
Agency	Attorneys	Other Legal Support	Total Legal Support In-House
Transportation	2	8 (hearing officers) (3 FTE, 5 Temp)	10
Trust Lands	1	1	2
Public Service Commission	2	0.5	2.5
Agriculture	1	0	1
Environmental Quality	0	1	1
Water Resources	**0**	**0**	**0**

KEY STAKEHOLDERS SUPPORT FOR A GENERAL COUNSEL

North Dakota is involved in continual international discussions over water. ***While we participate politically, we've lacked continual, constant legal representation to support DWR attendance.*** *Additionally, North Dakota experiences numerous agricultural land drainage legal issues regarding local government compliance and interpretation of existing state law and Water Commission policy.* ***These are legal issues, not engineering issues, and the Commission/DWR usually gets included in these issues****. Based on my experiences, I support a DWR full time staff lawyer.*

- Former Rep. Jim Schmit

This is not just about protecting a resource; it's about defending North Dakota's sovereignty, securing economic stability, and preserving our ability to grow and innovate. ***Without this investment in legal counsel, we risk losing the ability to effectively counter regulatory and legal challenges that could have far-reaching consequences for our state.***

- Jonathan Fortner, Lignite Energy Council

An in-house general counsel will give the Department of Water Resources the expertise and capacity to protect our water rights. ***We strongly encourage you to make this investment and protect our state's most vital resource.***

- Matt Perdue, North Dakota Farmers Union

North Dakota Grain Growers Association strongly supports the addition of a new attorney position within the Department of Water Resources as proposed in HB 1020. Water is a critical resource for our state's agriculture industry, and ***having adequate legal expertise within the department is essential for addressing the complex water issues that impact our members.***

- Dan Wogsland, North Dakota Grain Growers Association

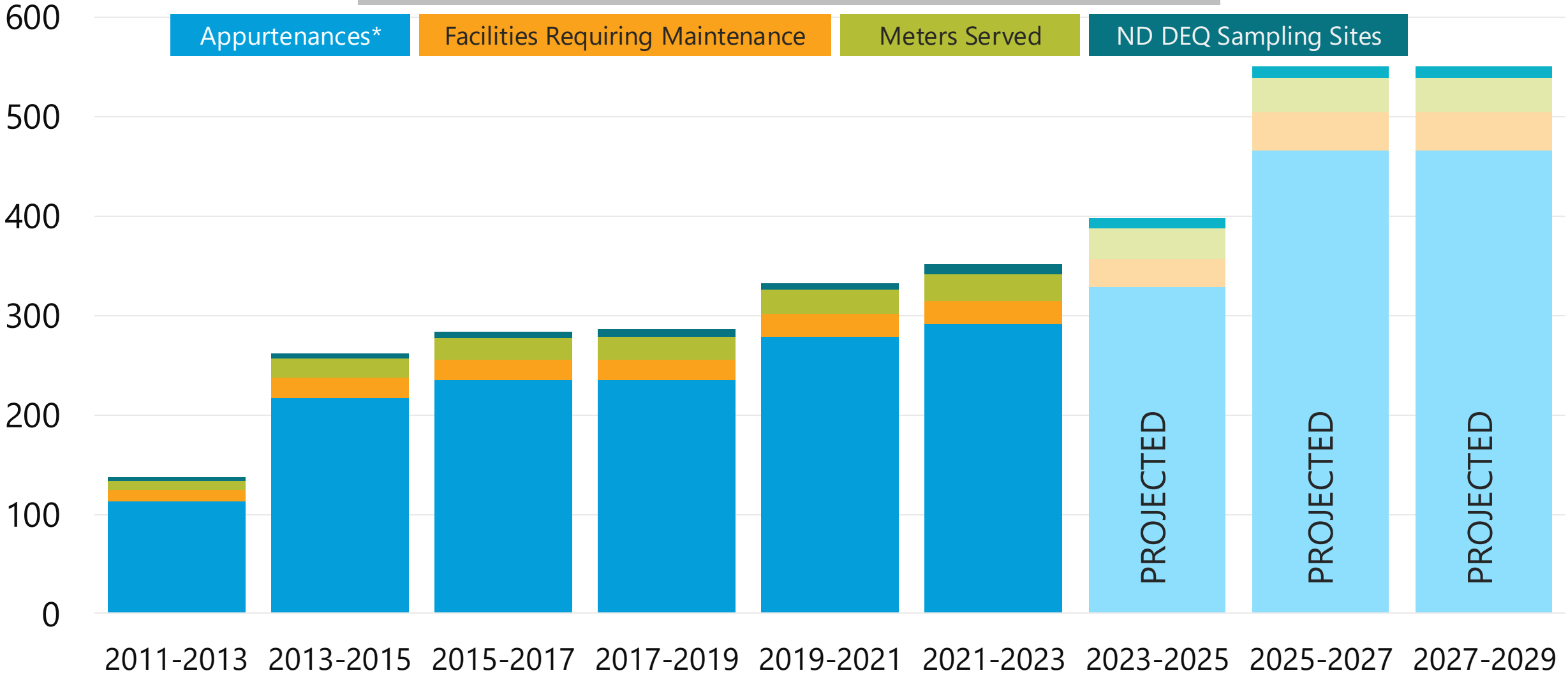
The inclusion of a general counsel for the ND Department of Water Resources is an essential step in protecting North Dakota's water sovereignty, infrastructure investments, and long-term economic growth. *Without dedicated legal expertise, the state is at risk of losing control over its water resources to out-of-state interests and facing costly legal battles that could delay or derail critical water projects.*

- Duane DeKrey, Garrison Diversion Conservancy District

NAWS OPERATOR

Paid By Water Rates

LOCATIONS WITH OPERATOR RESPONSIBILITIES



* Supply line from Lake Sakakawea to Minot will likely begin operations near the end of the 23-25 biennium which will add 46 miles of pipeline and numerous additional facilities.

ASSISTANT NFIP COORDINATOR

75% Federal Funded

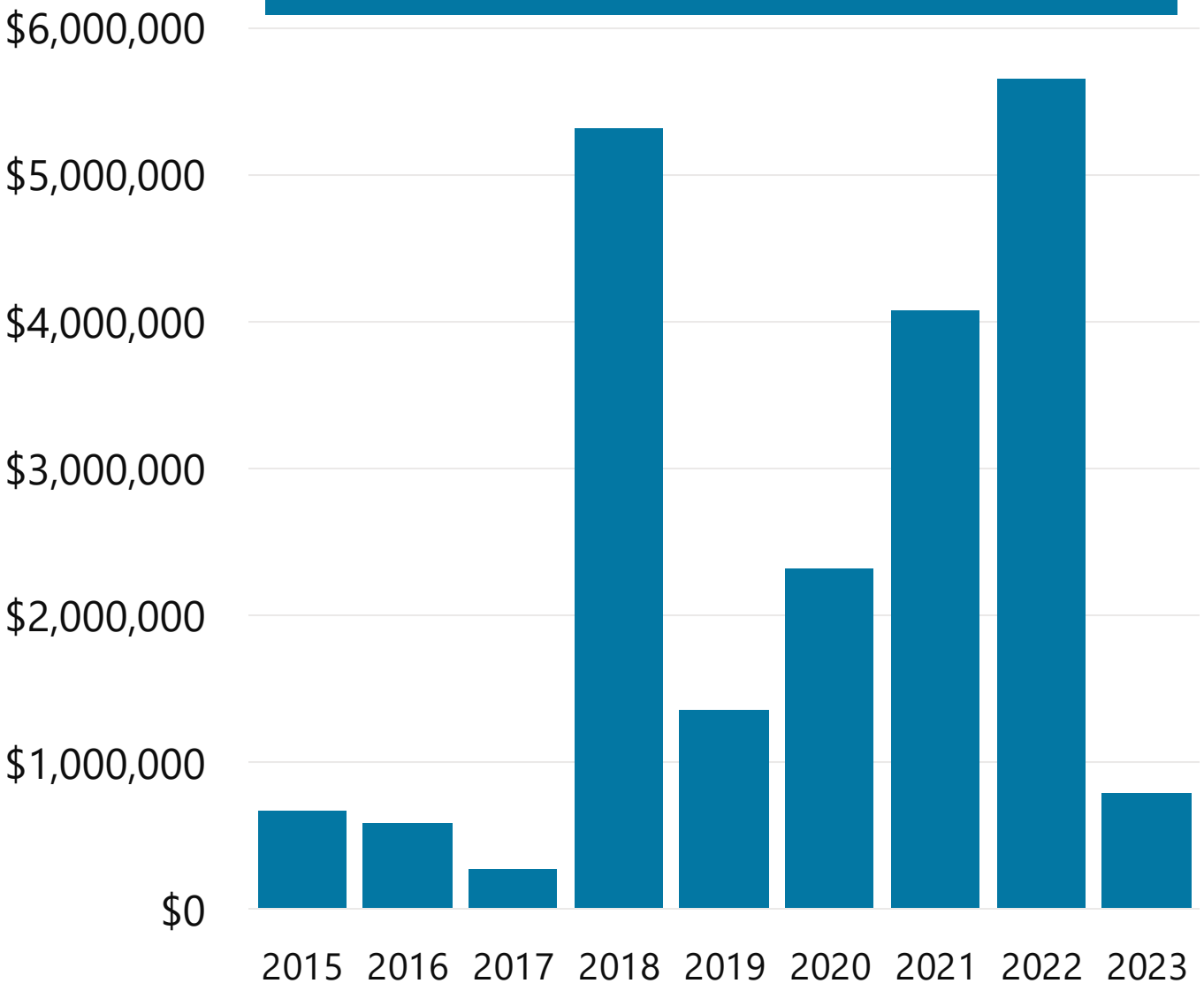
OTHER FEMA REGION 8 STATES & NUMBER OF COMMUNITIES PER FTE OF NFIP COORDINATING TEAM

State	Communities	FTE
Wyoming	85	1 (85 comm./FTE)
Montana	136	3 (45 comm./FTE)
Utah	229	2 (115 comm./FTE)
Colorado	256	3 (85 comm./FTE)
North Dakota	**339**	**1** **(339 comm./FTE)**

RISKMAP PROGRAM SPECIALIST

100% Federal Funded

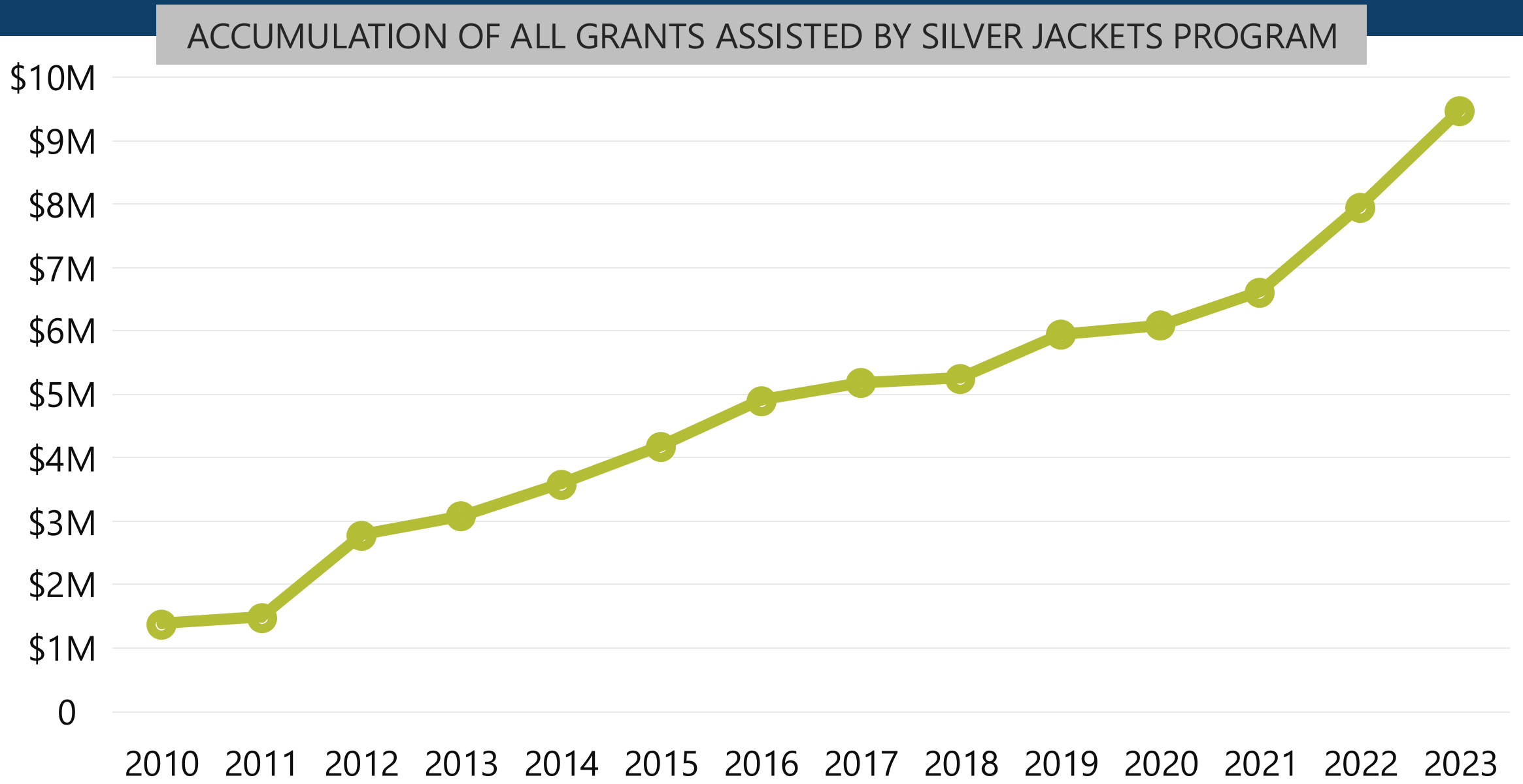
RISKMAP GRANT AWARDS PER YEAR



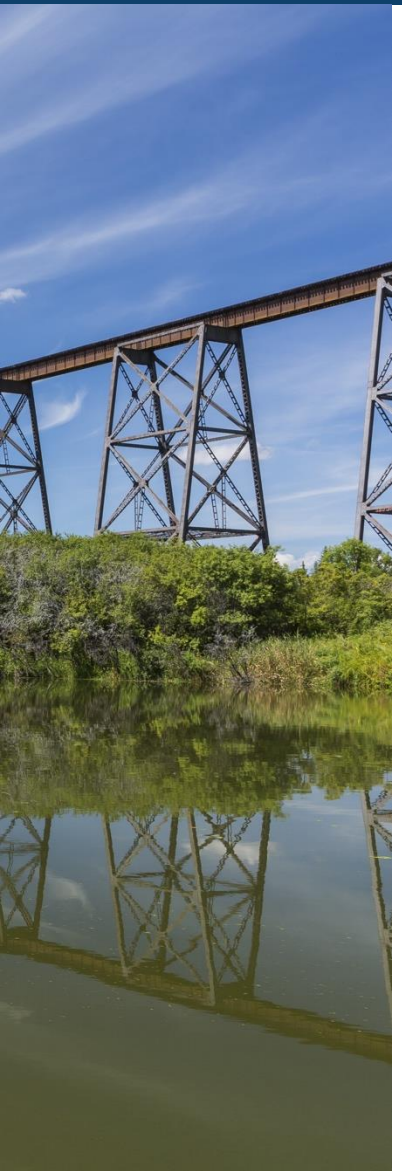
FEMA REGION 8 COOPERATIVE TECHNICAL PARTNER STATES FTE SUPPORT OF THE RISKMAP PROGRAM

Program	FTE
Montana	4
Colorado	3
Utah	3
North Dakota	**1**

SILVER JACKETS COORDINATOR

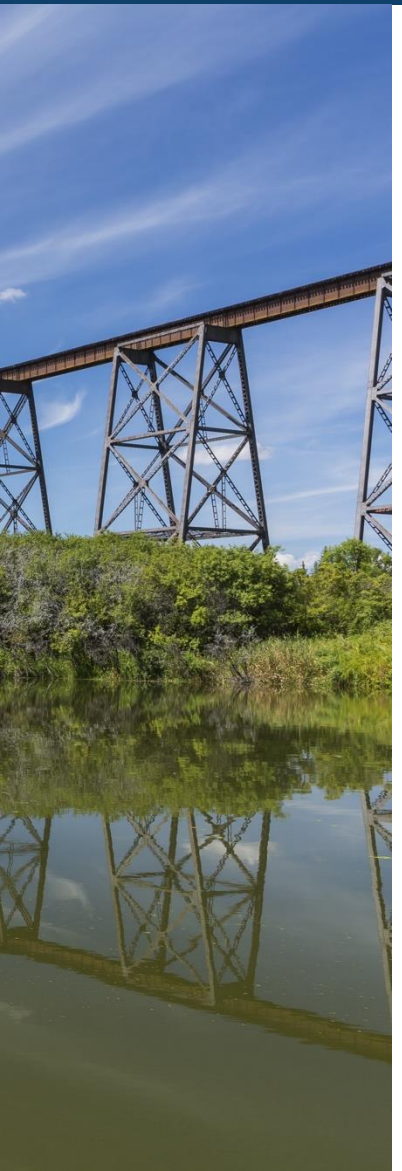


POLICY & OTHER LANGUAGE SECTIONS OF THE BILL



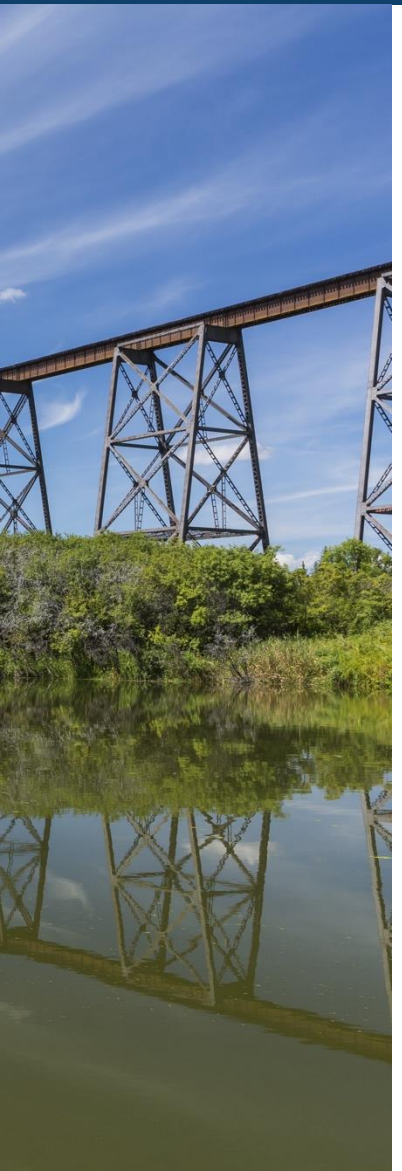
- **Section 3:** New & Vacant FTE Pool
- **Section 4:** Additional Income Appropriation
- **Section 5:** $10 Million Deficiency Appropriation From SIIF To Pay Balance On LOC
- **Sections 6 & 7:** $2.5 Million Appropriation To Parks & Recreation For Sovereign Lands & Directive For SWC To Provide A Grant To Parks & Recreation For That Purpose
- **Section 8:** Estimated Income Of $42.5 Million Is From The Water Projects Stabilization Fund
- **Section 9:** Discretionary Funding Uses
- **Section 10:** Direct The SWC To Bond Up To $100 Million For SWPP

POLICY & OTHER LANGUAGE SECTIONS OF THE BILL



- **Section 11:** Transfer $45 Million To The Water Infrastructure Revolving Loan Fund
- **Section 12:** Authorization Of A $100 Million Line Of Credit From The Bank Of North Dakota For The Water Infrastructure Revolving Loan Fund
- **Section 13:** Authorization Of A $200 Million Line Of Credit From The Bank Of North Dakota For Water Projects
- **Section 14:** Continuing Appropriation For NAWS Biota WTP Operations
- Legislative Intent For:
  - **Section 15:** Funding For Red River Water Supply Project
  - **Section 16:** Funding For Mouse River Flood Control Project
  - **Section 17:** Funding For South Bismarck Stormwater & Flood Control Project
  - **Section 19**: The DWR To Continue To Support Efforts To Protect & Develop Beneficial Use Of The Missouri River System

POLICY & OTHER LANGUAGE SECTIONS OF THE BILL



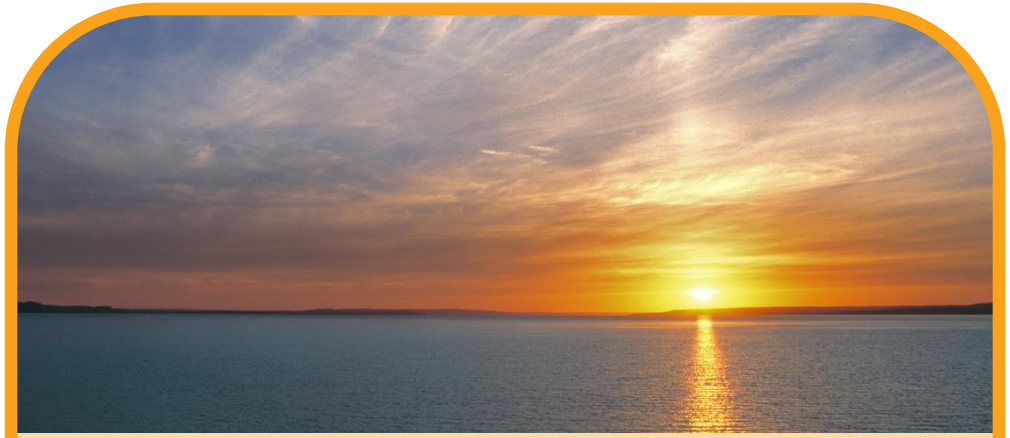
- **Section 18:** Project Funding Designation
- Legislative Directive To Study:
  - **Section 20:** The SWC To Study Regional Water Systems Governance & Finance
  - **Section 21:** The SWC To Study Its Cost-Share Policy
- **Section 22:** Authorization To Transfer $10 Million Between Line Items Except Salaries & Wages
- **Section 23:** Authorization To Carryover Water Project Funding
- **Section 24:** Emergency Clause

2025 LEGISLATION

- 10 Agency-Sponsored Bills
  - Red Tape Reduction
  - Clean Up & Clarification
- SB 2308: Boards & Commissions
- HB 1024: Deficiency Appropriations



BOARD OF WATER WELL CONTRACTORS



TOTAL
Appropriation
If SB 2308
Would Pass Is
$81,123

Adjustments Requested
Contingent On SB 2308 Passing

Salaries & Wages

Already Includes $66,023
(No Change)

Operating Expenses

Increase $15,100 For Travel,
Conference Fees, Legal
Services, Public Notices, Etc.



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THANK YOU

701.328.2750

dwr@nd.gov

dwr.nd.gov

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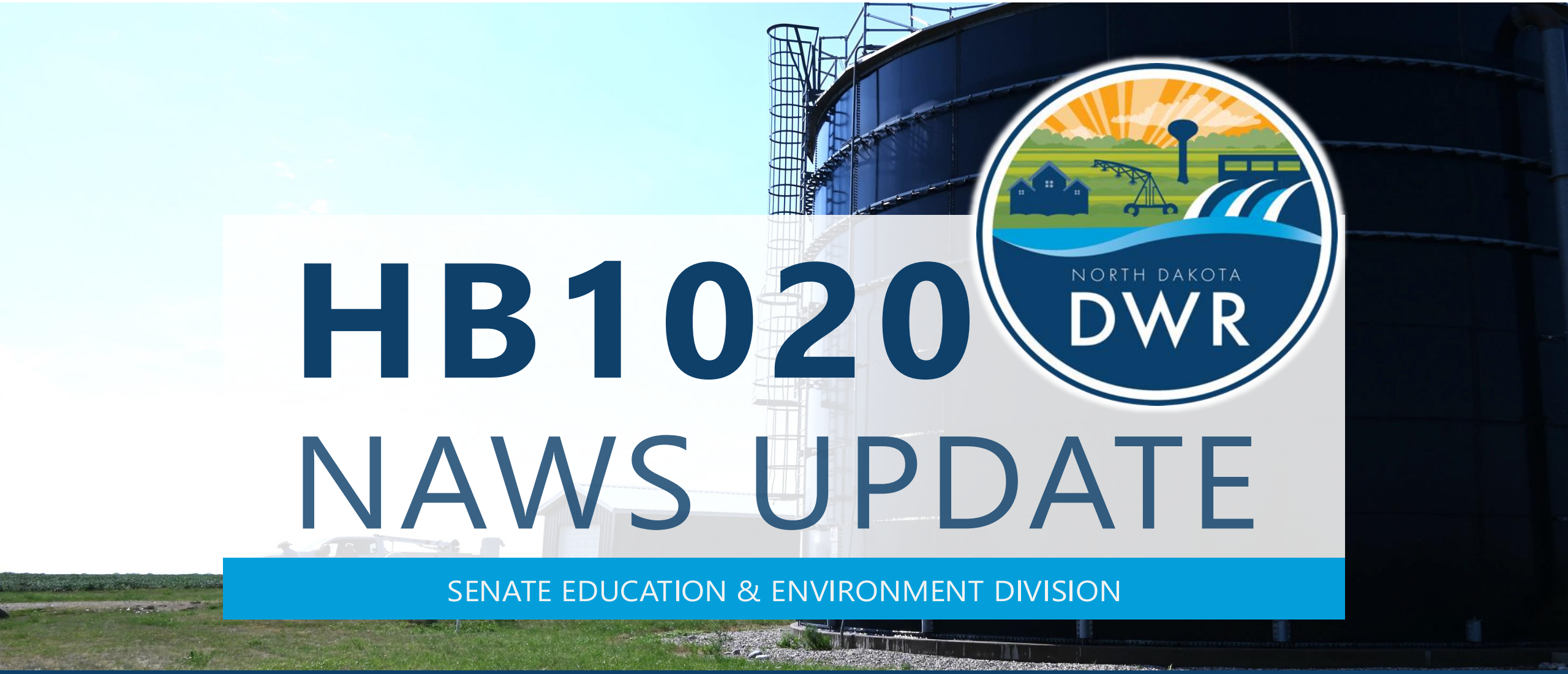


HB1020 NAWS UPDATE

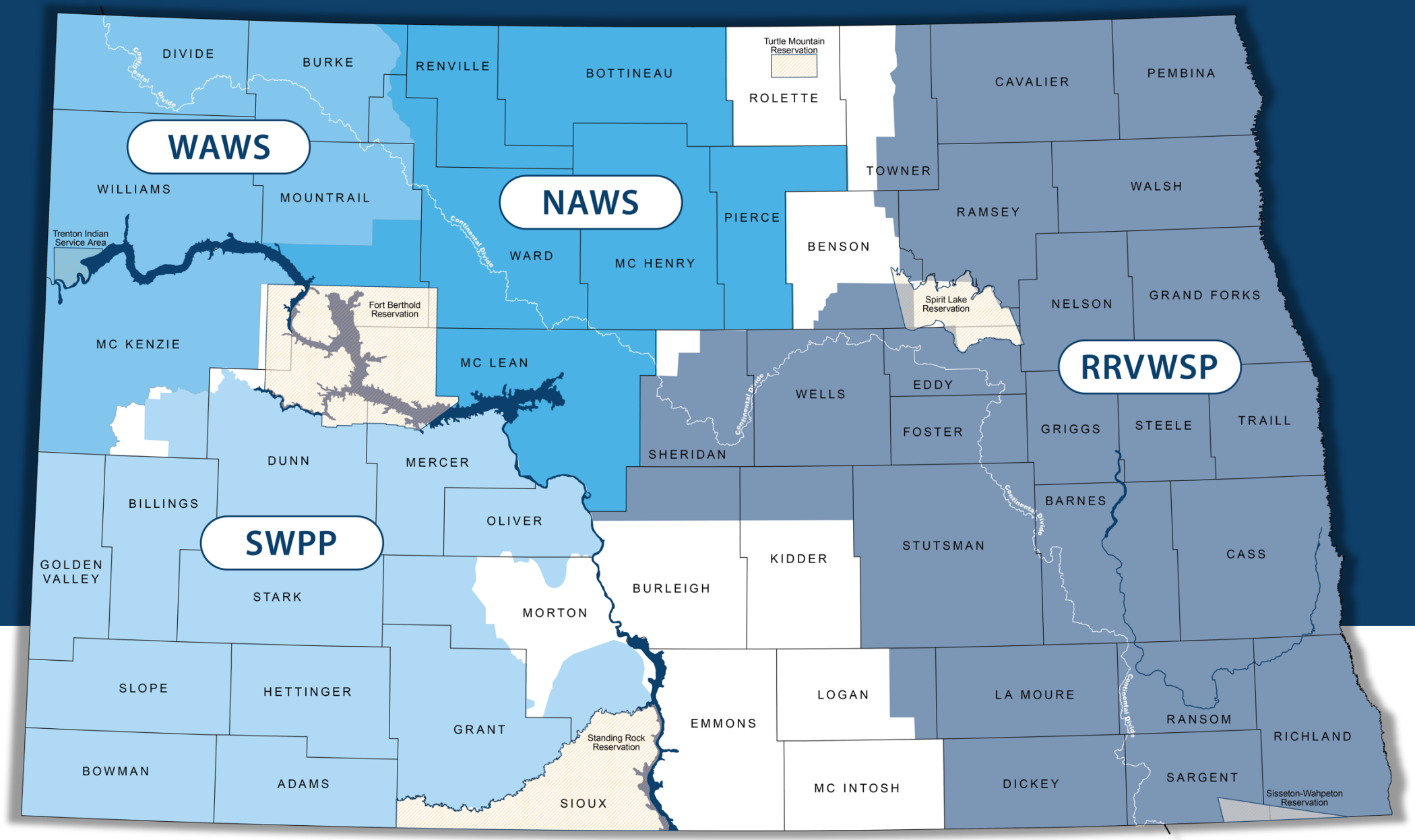
SENATE EDUCATION & ENVIRONMENT DIVISION

Sindhuja S.Pillai-Grinolds, P.E. - Water Development Division Director

March 11, 2025

NORTH Dakota Be Legendary. | Water Resources

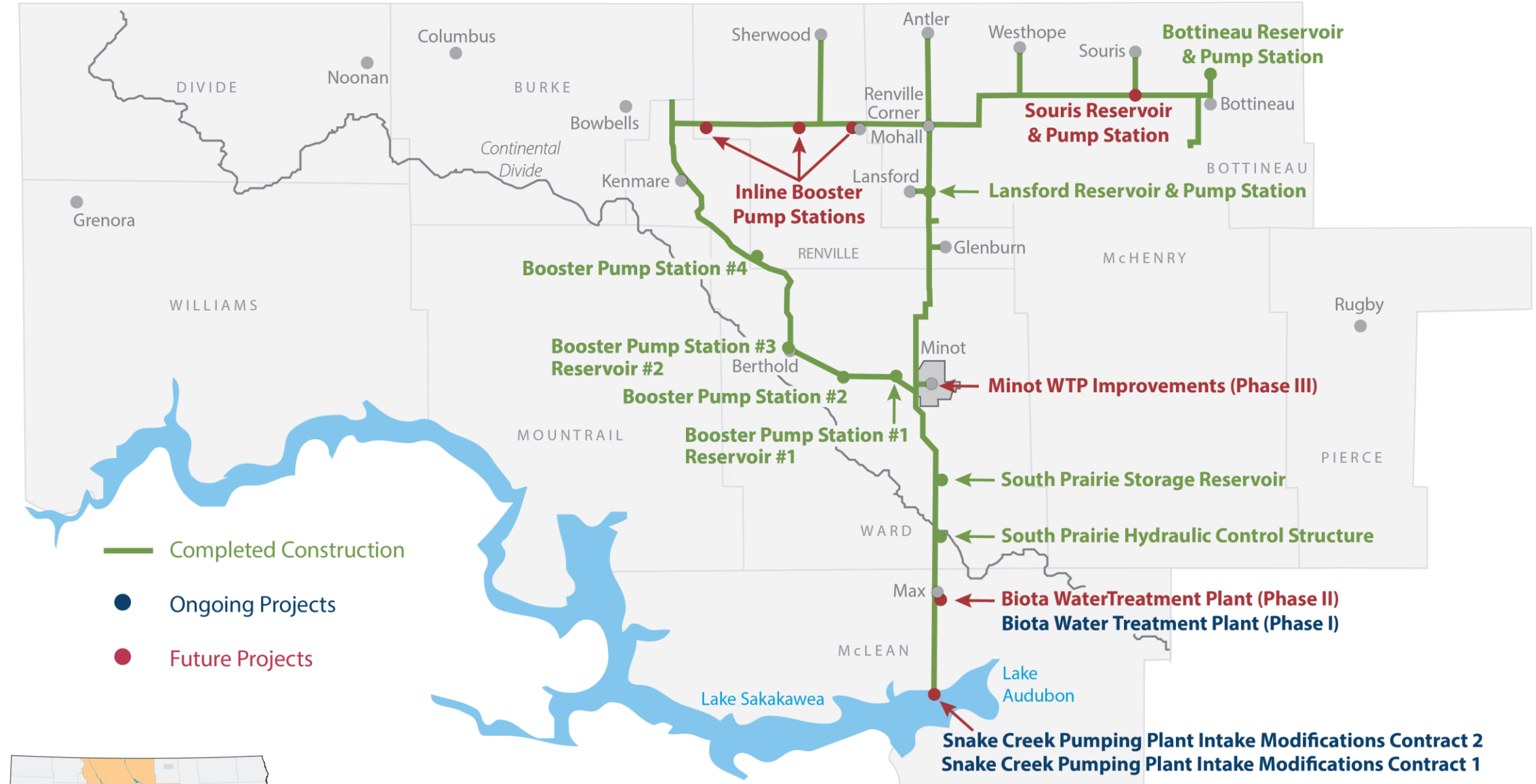
NORTH DAKOTA'S 4 LARGE REGIONAL SYSTEMS





NORTHWEST AREA WATER SUPPLY (NAWS)

- **1 Of 2** State-Owned Regional Water Systems In ND
- Construction **Began In 2002**
- **Construction** Involving Missouri River Supply **Resumed** After **Years** Of Litigation
- Designed To Serve A Project Area Of **81,000 People**
- NAWS Is Owned By The State Water Commission (SWC) & Administered By The Department Of Water Resources (DWR)
- Local Share For NAWS Is Provided By City Of Minot Through The **1% Sales Tax**
- Except For The Biota Water Treatment Plant, Which Is A Federal Responsibility, City Of Minot's Sales Tax Provides **35% In Cost-Share** For NAWS
- SWC & City Of Minot **Updated & Finalized** The Financing Agreement In **2024**



NAWS PROJECTS



Snake Creek

2023-2025 PROGRESS

SCPP - Intake Modifications

ONGOING

South Prairie Reservoir & Hydraulic Control Structure

COMPLETE

Discharge Pipeline

ONGOING


Biota Water Treatment Plant

2023-2025 PROGRESS

Biota WTP Phase I

ONGOING

Pressure Reducing Station & Isolation Vault Improvements

ONGOING

Minot Phase II Expansion

COMPLETE



2023-2025 PROGRESS

Bottineau Reservoir

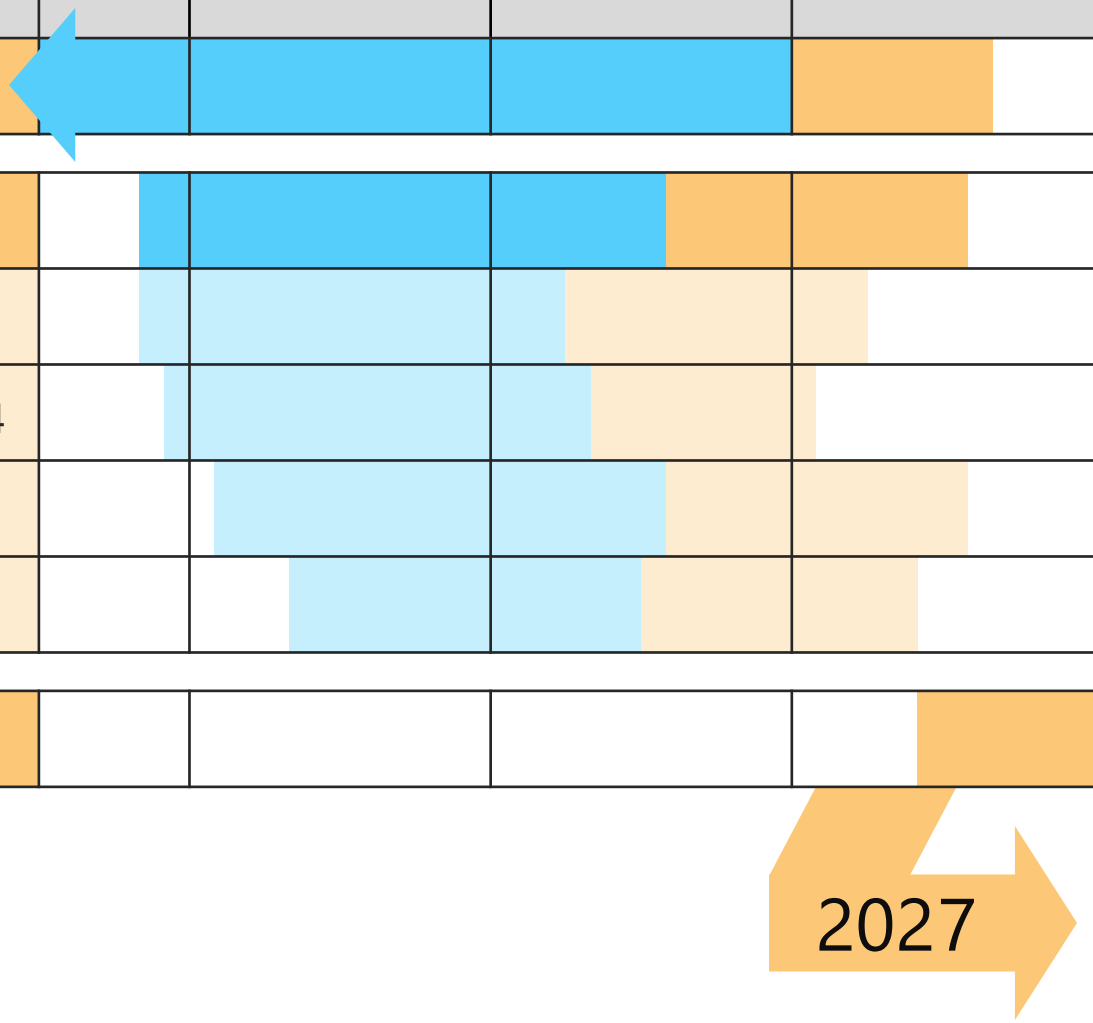
COMPLETE

Pump Station

COMPLETE

LAKE WATER DELIVERY TIMELINE

	Start Date	Completion Date On Contract	Expected Completion Date
Biota Water Treatment Plant Schedule	12/17/20	12/4/24	2025
Snake Creek Pumping Plant Schedule	11/17/22	7/30/24	7/31/25
Procurement Contract (Delivery)	11/17/22	3/1/24	3/1/25
Demolition Contract	12/1/22	4/14/24	12/20/24
Construction Contract	1/18/23	7/30/24	Fall 2025
Discharge Pipeline	6/6/23	6/30/24	5/15/25
NAWS Permanent Intake	6/1/25		6/30/27



2023-2025 REMAINING PROJECT

Permanent Intake Pipeline & Intake Screen Structure

USACE Permit Application
Submitted October 2024

Permit Timeline
May 2025 (Expected)

Bidding Timeline
June 2025 (Expected)




Biota Water Treatment Plant

REMAINING PROJECTS

Minot Water Phase III

Inline Booster Pump Stations

Souris Reservoir & Pump Station

Biota WTP Phase II

PROJECT FUNDING NEEDS

2025-2027 BIENNIUM EXECUTIVE BUDGET



Total New Authority Request For 2025-2027

$107 Million

$12.7 Million - Resources Trust Fund

$52.1 Million - City Of Minot, Sales Tax Fund

$42.2 Million - Federal

NAWS RESOURCES

Reice Haase
Director, Department of Water Resources

Sindhuja S. Pillai-Grinolds
Water Development Division Director

Travis Johnson
NAWS Project Manager

Perry Weiner
Water Resource Senior Manager

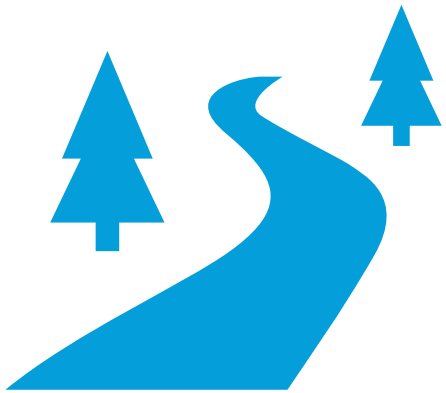
Clint Cogdill
Engineering Technician - Distribution Operator

Brandon Weist
Temporary Team Member

PROJECT FEATURES

242 Miles

Treated Water Distribution



5.5 Hours

Travel Time To Cover Full Distribution



38

Facilities



~500

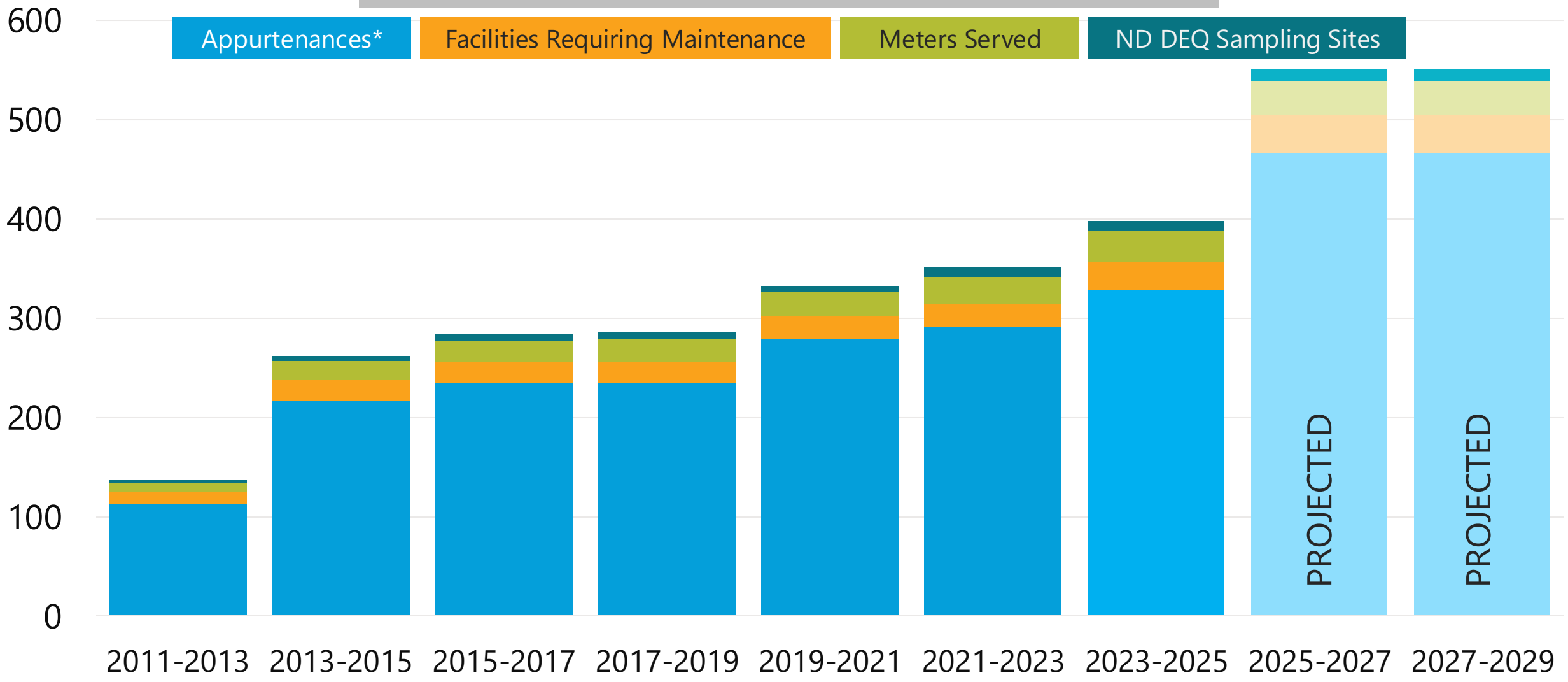
Appurtenances



FTE REQUEST -NAWS OPERATOR

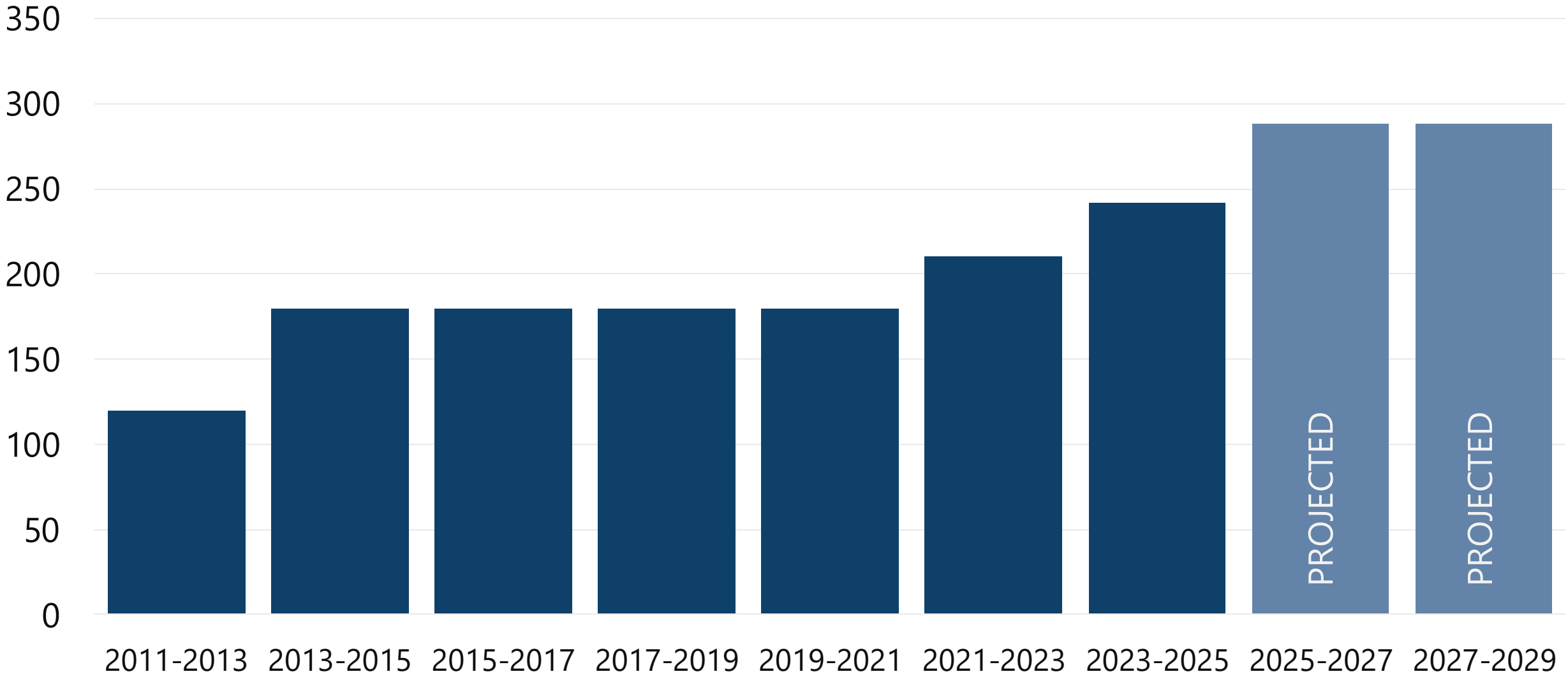
Paid By Water Rates

LOCATIONS WITH OPERATOR RESPONSIBILITIES



* Supply line from Lake Sakakawea to Minot will likely begin operations near the end of the 23-25 biennium which will add 46 miles of pipeline and numerous additional facilities.

MILES OF PIPELINE IN SERVICE



* Supply line from Lake Sakakawea to Minot will likely begin operations near the end of the 23-25 biennium which will add 46 miles of pipeline and numerous additional facilities.

NAWS RESOURCES

Current FTES At DWR

NAWS Project Manager

Engineering Technician

Water Resource Senior Manager

HB 1020

Includes 1 Additional FTE Request For NAWS Operator



THANK YOU

701.328.2750

dwr@nd.gov

dwr.nd.gov

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March 11, 2025

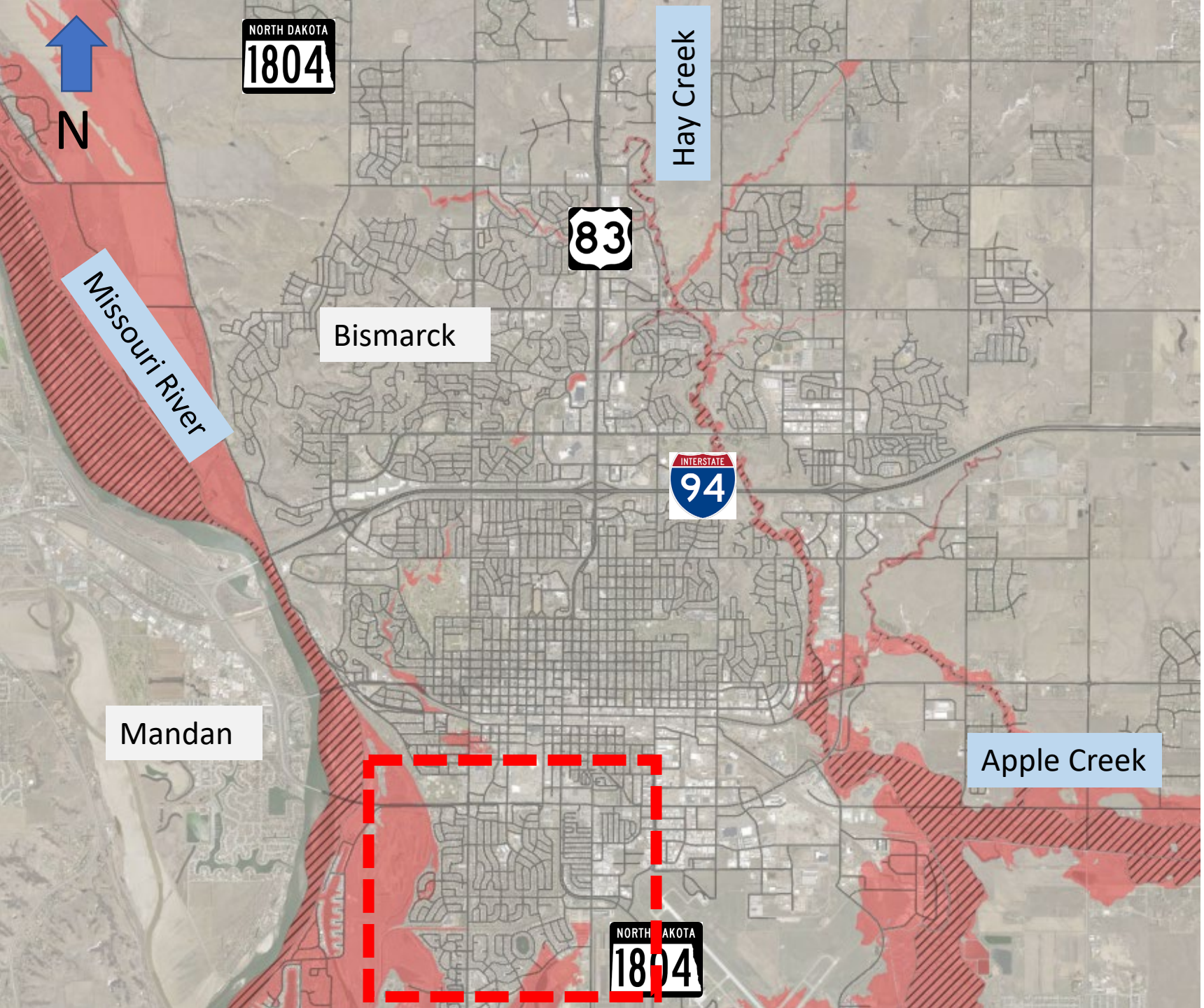
Bismarck

South Bismarck Flood Control Project
Senate Appropriations Subcommittee
Education & Environment Division
HB 1020 Testimony



Outline

- FEMA Risk Map Update and Impacts
- City of Bismarck Response
- Proposed Alternative
- Project Partners
- Funding and Timeline



Bismarck

2013 Effective Floodplain


N
Bismarck Expy
Kirkwood Mall
University Dr
South Bismarck Drainage Ditch
S Washington St
NORTH DAKOTA
1804
Bismarck Airport
2013 Effective Floodplain

S Washington St Closure Structure



View Looking West



View Looking East

S Washington St Closure Structure

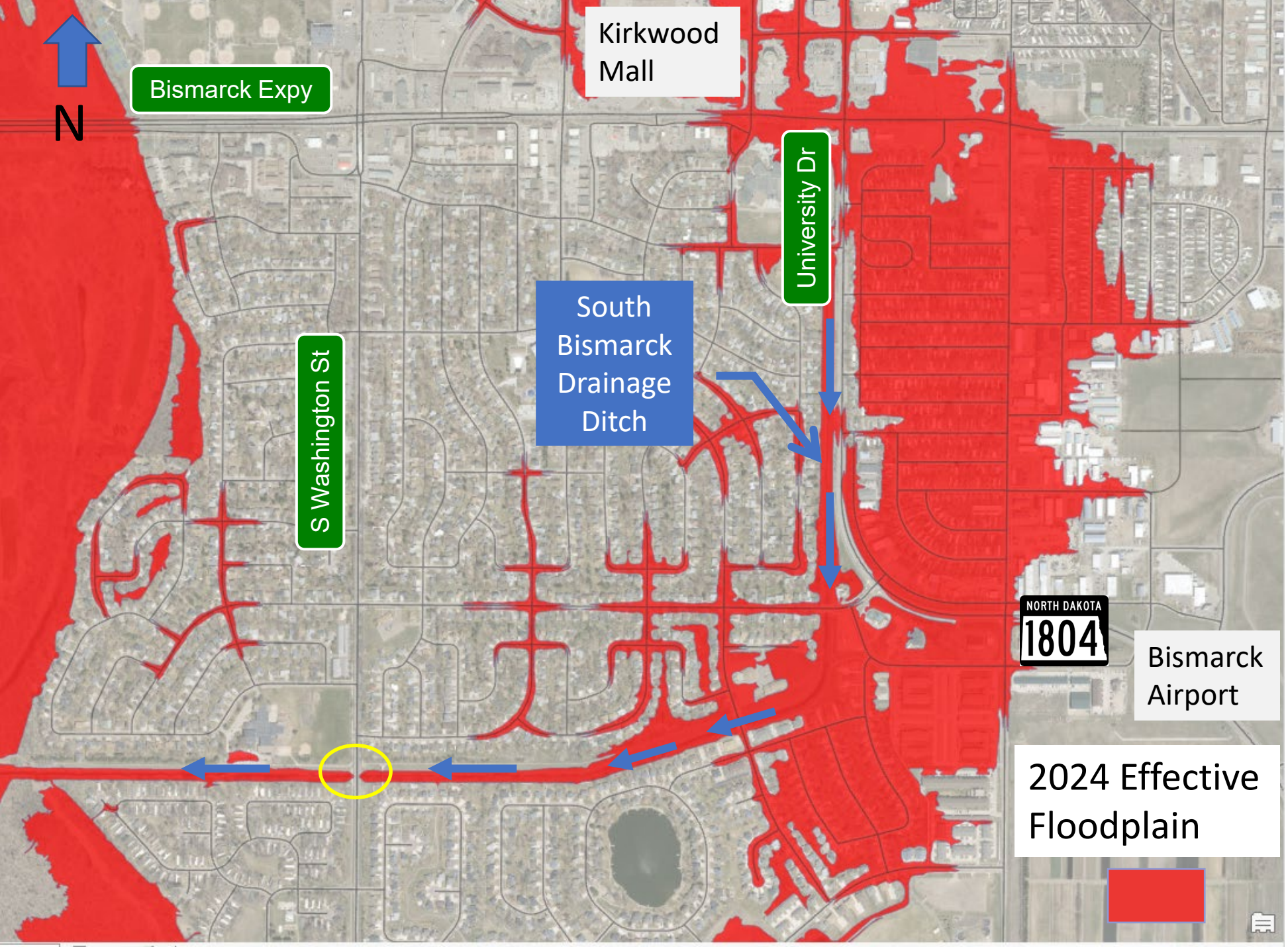






2011 Flood Response

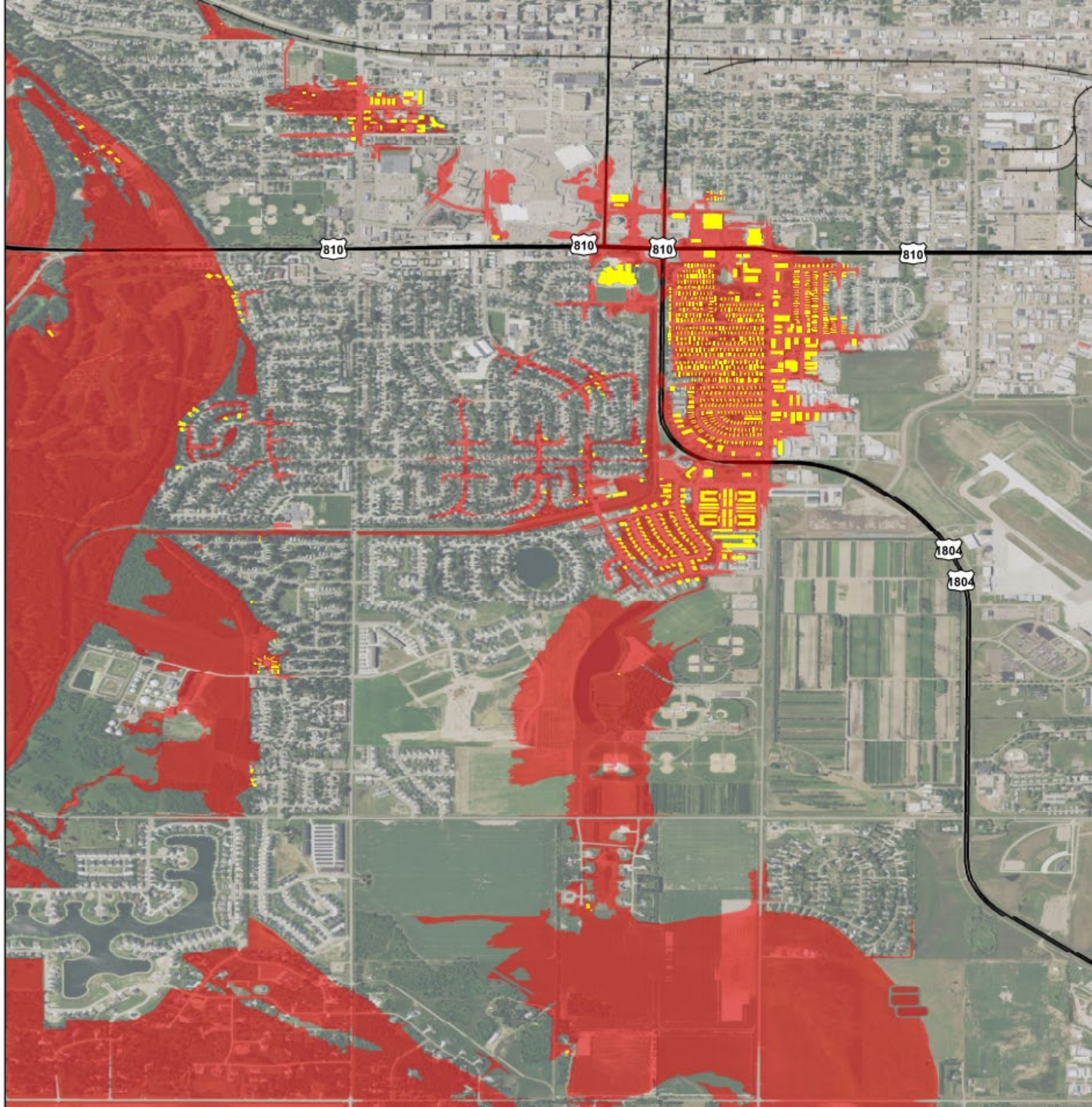

N
Bismarck Expy
Kirkwood Mall
University Dr
South Bismarck Drainage Ditch
S Washington St
NORTH DAKOTA
1804
Bismarck Airport
2013 Effective Floodplain


N
Bismarck Expy
Kirkwood Mall
University Dr
South Bismarck Drainage Ditch
S Washington St
NORTH DAKOTA
1804
Bismarck Airport
2024 Effective Floodplain

Bismarck

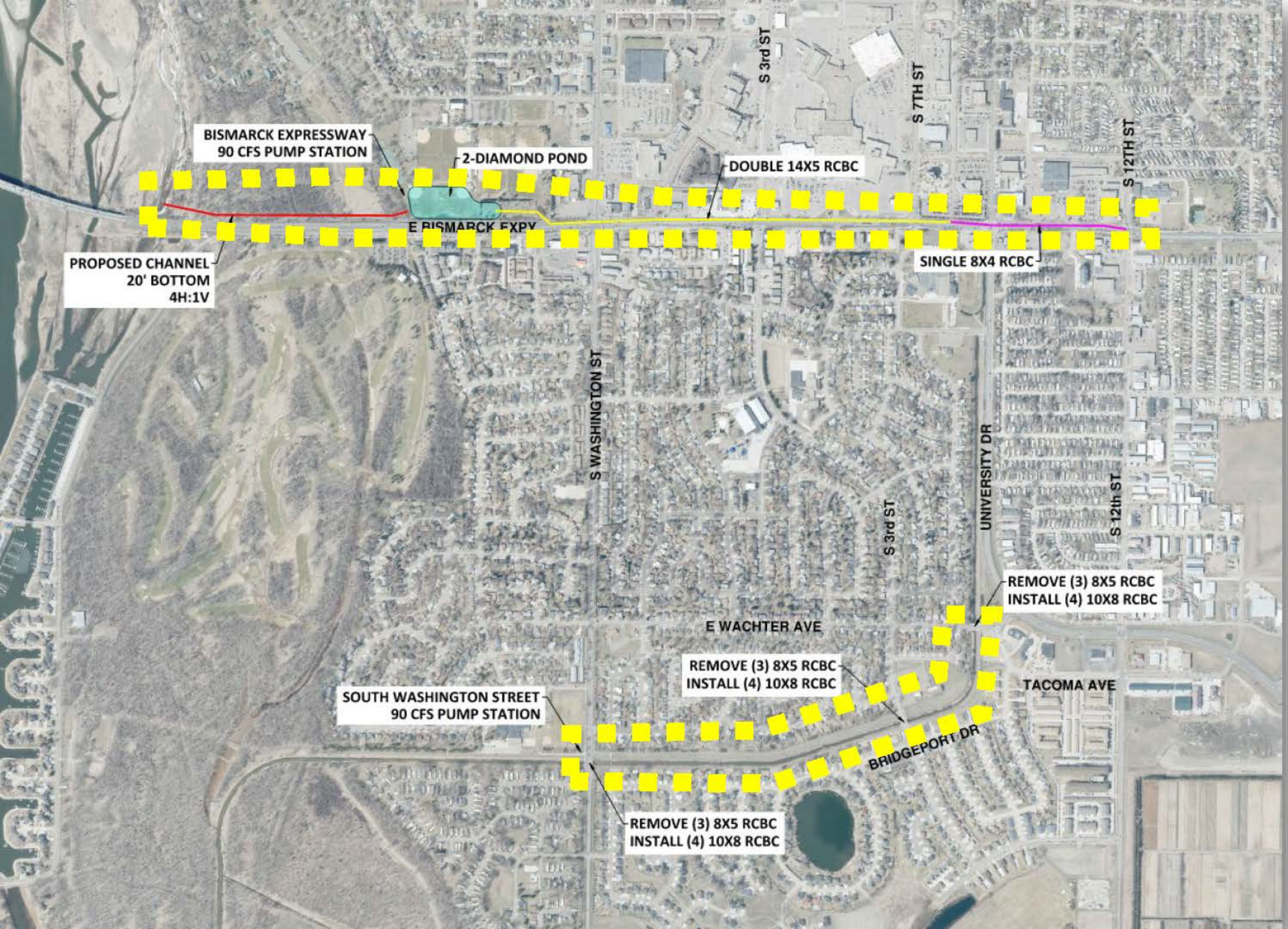
Approximately 950 structures in South Bismarck are at risk of Flooding

- Schools
- Underserved Disadvantaged Communities
- Medical Facilities
- Businesses
- Critical Transportation, Electrical, Water and Waste-Water Infrastructure



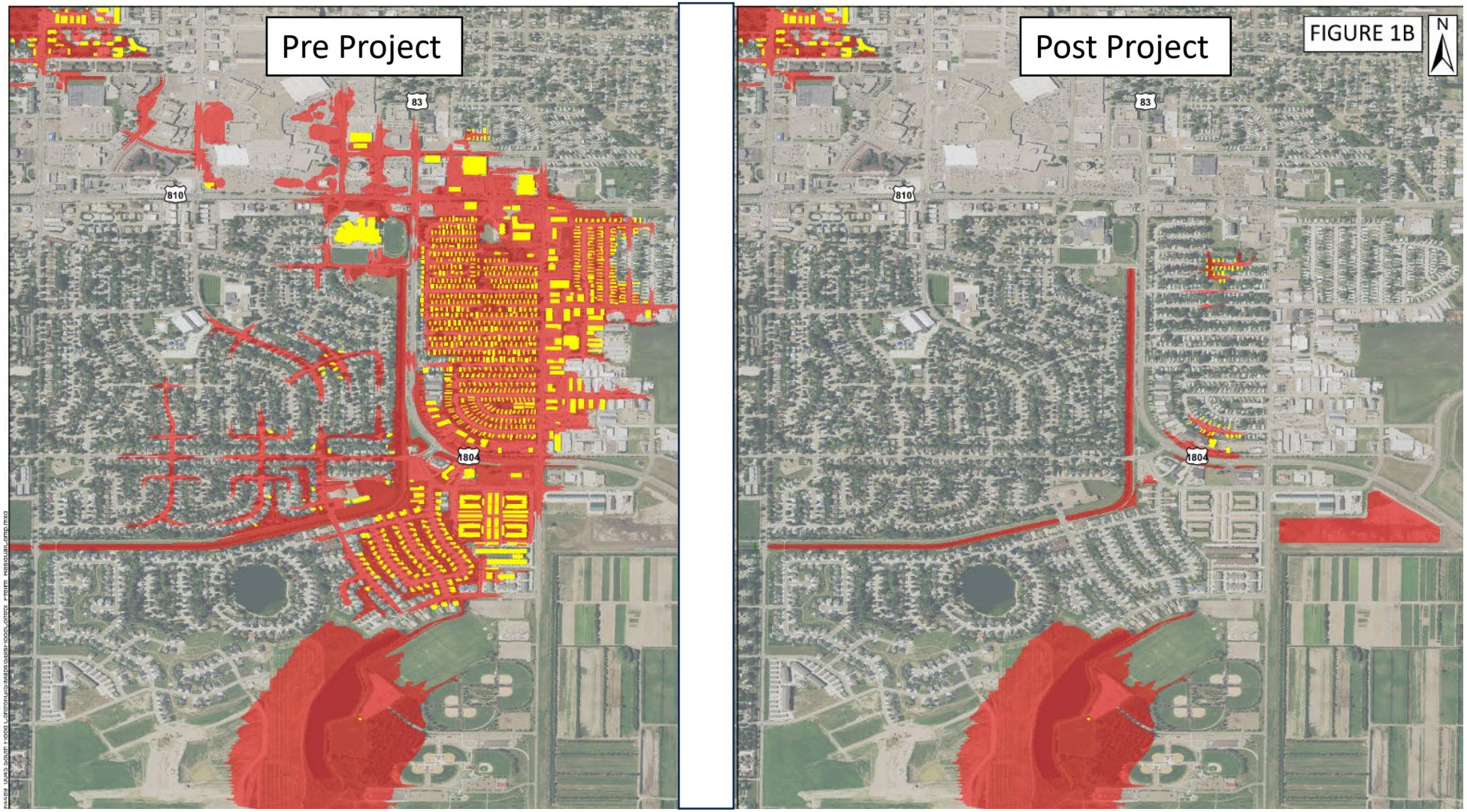
City of Bismarck Response

- Goals
  - Mitigate flood risk
  - Achieve FEMA accredited flood protection
  - Remove buildings from 100-year floodplain
- Alternative Screening Criteria
  - Certify S Washington structure
  - Minimize impacts to private/public property
  - Negligible downstream stage increase


BISMARCK EXPRESSWAY
90 CFS PUMP STATION
2-DIAMOND POND
DOUBLE 14X5 RCBC
E BISMARCK EXPY
PROPOSED CHANNEL
20' BOTTOM
4H:1V
SINGLE 8X4 RCBC
S 3rd ST
S 7TH ST
S 12TH ST
S WASHINGTON ST
S 3rd ST
UNIVERSITY DR
S 12th ST
REMOVE (3) 8X5 RCBC
INSTALL (4) 10X8 RCBC
E WACHTER AVE
REMOVE (3) 8X5 RCBC
INSTALL (4) 10X8 RCBC
TACOMA AVE
SOUTH WASHINGTON STREET
90 CFS PUMP STATION
BRIDGEPORT DR
REMOVE (3) 8X5 RCBC
INSTALL (4) 10X8 RCBC

Bismarck

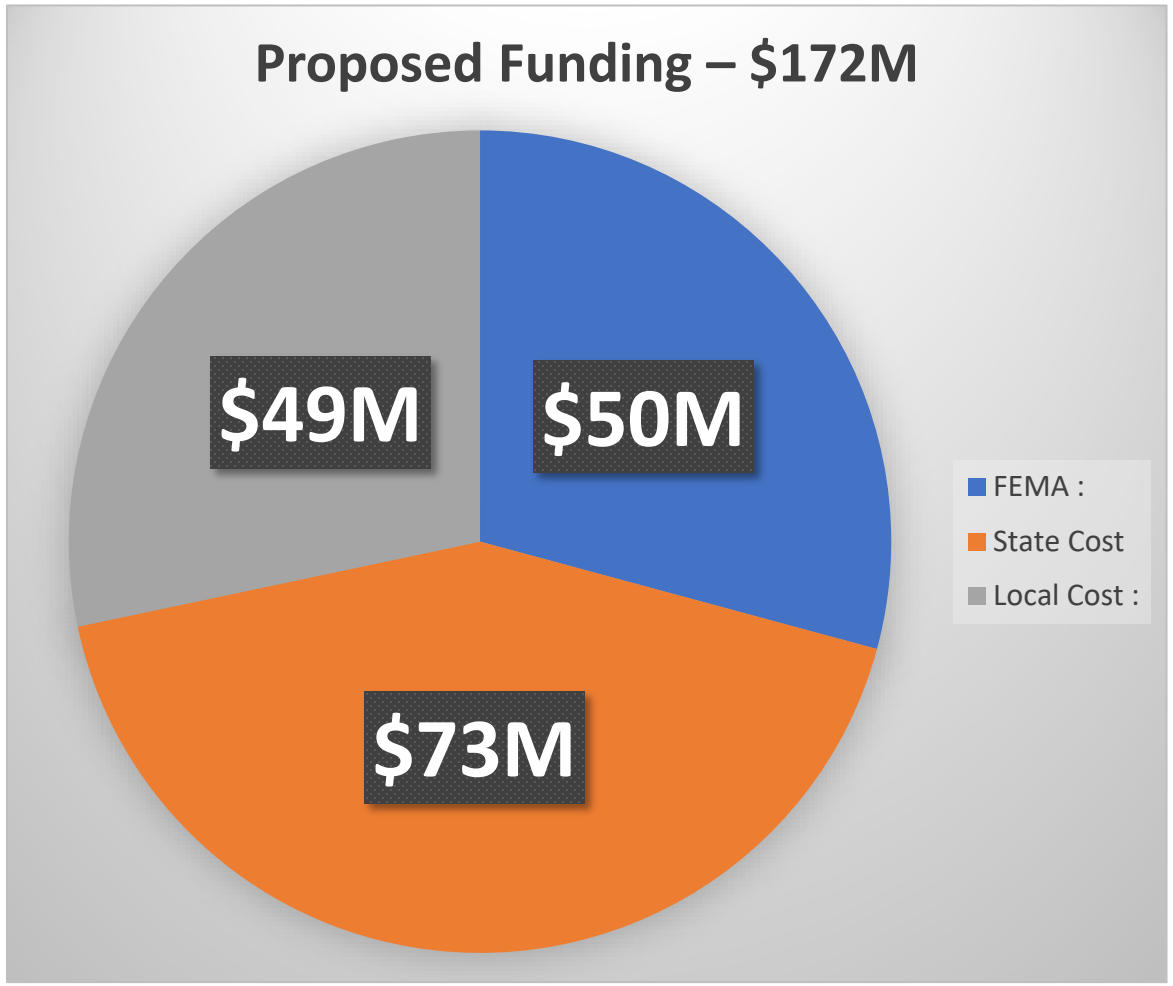
Flood Risk Reduction



Project Partners

- FEMA
  - Flood Mitigation Assistance (FMA) $50 million grant (capped)
  - Achieve FEMA Accredited Flood Protection
  - Reduce Flood Insurance Premiums
  - Maintain a Benefit-Cost Ratio of > 1.0
  - $278M Benefit ($113M Physical + $165M Social)
  - Timeline - 3 years to complete
  - ND Department of Emergency Services pass through
- State Water Commission
  - Phase 1 Pre-Construction cost share
  - 60% cost share of non-federal costs
  - $2,369,000 for design and pre-construction activities

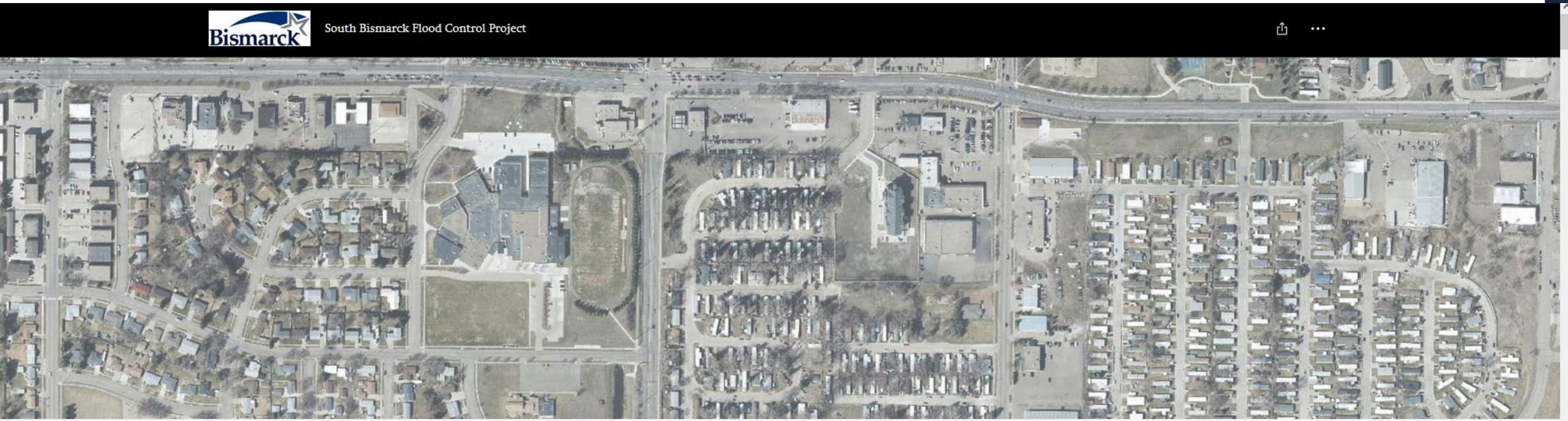
Funding & Timeline



- FY24 FEMA Award
  - Spend down by FY27
- Final Design 2025 and 2026
- Fall 2026 bid and award
- Anticipated Construction 2027 & 2028 & 2029

www.bismarcknd.gov/floodresources

Bismarck



South Bismarck Flood Control Project

City of Bismarck Engineering Dept

December 10, 2024

Thank you

Contact Info:

Gabe Schell, PE

City Engineer, City of Bismarck

701.355.1505

gschell@bismarcknd.gov

Testimony to Senate Appropriations E&E Division
Re: House Bill 1020
Date: Tuesday, March 11, 2025
By: Tom Ross, Mayor of the City of Minot

Chairman Ron Sorvaag and members of the Senate Appropriations E&E Division, thank you for the opportunity to speak with you today about House Bill 1020. It's truly an honor to represent the City of Minot and the broader Souris River basin as we work together to secure our region's future.

As you know, the Souris River basin endured a devastating flood in 2011 that displaced more than 11,000 residents in Minot alone and damaged over 4,000 homes and businesses. It's a memory none of us will ever forget. Thirteen years later, while the scars of that disaster are fading, our community's determination to rebuild stronger and safer has only grown.

Thanks to the incredible support of the Legislature, three Governors, the Department of Water Resources, and our Congressional Delegation, we've made great strides in constructing permanent flood protection. We're proud of the progress we've made, but there's still much to do. The work completed so far has not yet removed properties from the proposed FEMA floodplain, and without further progress, our residents and businesses will continue to face rising flood insurance costs. We remain committed to securing the necessary approvals and ensuring that this project delivers its full benefit to the people of Minot and the Souris River basin.

In Minot, we are committed to doing our part. We've met our local share obligations every step of the way, and we'll continue to meet them—not just in this biennium but in the years to come. This is a shared effort, and the partnership between the state and our community is critical to protecting the lives and livelihoods of everyone in the Souris River basin. Your support for the revolving loan fund in this bill is one critical piece to financing this local share.

At the same time, we recognize that this is about more than just dollars and construction. It's about maintaining momentum—working together to find solutions that ensure the long-term safety and resilience of our region. The $125 million in state support in this bill is possible due to improved cash management strategies by the Department of Water Resources, utilizing a $200 million line of credit and $100 million in bonding for another water project. These financial tools allow the state to allocate funds more efficiently, ensuring that projects can continue without delays.

As mayor, I also want to express my heartfelt gratitude to all of you for the investments you've made in our community—not just for flood control, but also for NAWS and other important water projects in our region. Because of your support, we're not just recovering from a flood; we're building a stronger future for generations to come.

Thank you for your time, your partnership, and your commitment to this vital work. I look forward to continuing this conversation and would be happy to answer any questions you may have.

255 N. 4th St.
PO Box 5200
Grand Forks, ND 58206-5200

CITY OF GRAND FORKS NORTH DAKOTA

City of Grand Forks
(701) 746-4636

TESTIMONY ON HB 1020
Senate Appropriations
Education and Environment
March 11, 2025

Brandon Bochenski, Mayor
City of Grand Forks, ND

Chairman Sorvaag, members of the committee. Please accept my written testimony in support of House Bill 1020 with funding for the Red River Water Supply Project (RRVWSP) and Municipal Water Grants.

The RRVWSP is an important drought mitigation project that serves a large part of the state including major cities and rural water systems alike. Grand Forks and Fargo have been working collaboratively to develop an Assurance Policy that will ease the potential burden on smaller users to ensure the maximum utilization of the project.

I am proud of the work done by the Lake Agassiz Water Authority (LAWA) to represent the end users of the project ensuring. LAWA couldn't be more grateful for the work and partnership with the State of North Dakota, to include a 75% cost share and favorable financing terms from the Bank of North Dakota.

All of the appropriated funds from last biennium have been allocated, proving the project construction is on schedule.

Grand Forks is seeing tremendous growth in value added agriculture processing, which relies heavily on water supply for production. Having water supply even in drought conditions allows the economy a resilience that will allow further investment in large production facilities.

Grand Forks also relies on Municipal Water Grants to help offset the cost of needed water infrastructure. Both for commercial and residential users. Having Municipal Water Grants funded as much as possible helps Grand Forks get our water to the end user at the lowest possible cost to the customers.

With the need to fund both the RRVWSP and Municipal Water Grants we feel it is important to keep the Resources Trust fund at 20%.

Thank you for your time and consideration.

Respectfully,
Brandon Bochenski
Mayor of Grand Forks

Eric Volk, Executive Director

ND Rural Water Systems Association

In Support of House Bill 1020

Senate Appropriations Committee-E&E Div.

March 11, 2025

Chairman Sorvaag and members of the Senate Appropriations - Education and Environment Division, my name is Eric Volk. I am the executive director of the North Dakota Rural Water Systems Association (NDRWSA). Our vision is to ensure all of North Dakota has access to affordable, ample, and quality water. NDRWSA is committed to completing and maintaining North Dakota's water infrastructure for economic growth and quality of life (see attached system map). Today, I am submitting testimony in support of a Department of Water Resources (DWR) budget that allows for adequate funding to meet the critical water needs of Rural North Dakota.

In addition to the Southwest Pipeline Project, Northwest Area Water System, the Red River Valley Water Supply Project and the Western Area Water Supply Project, there are currently many other rural and regional projects in various stages of development across the state. Some examples of these projects are the completion of a new water treatment plant for the South Central Regional Water District, the further development of the East Central Regional Water District, the start of a significant user expansion for All Seasons Water Users District, numerous Tribally Sponsored projects, in addition to several others; many of them located in the energy impacted areas of our state. All of the systems are key players in the state's Agriculture Industry. The total cost of these rural and regional projects for the next biennium is $290 million **($172 million state grant is needed)** (see attached funding map).

These projects are designed to meet similar needs. Those needs include water quality and quantity. On the water quality side, the projects will help communities comply with federal mandates required by the Safe Drinking Water Act, including arsenic levels, nitrates, disinfection by-products, and total coliform bacteria. Quality issues also include water extremely high in sodium, sulfates, iron, and manganese. On the quantity side, many families do not have a potable source of water and even in this day and age must haul water for their families and livestock.

Meeting the demands of repairing & replacing aging infrastructure and complying with rules & regulations is taking its toll on many small and rural water systems. A United States Environmental Protection Agency study revealed that the rates needed to cover future infrastructure repair and replacement for small systems would be four times as high as their larger counterparts. Another major challenge facing rural and small water systems is the ever-increasing rural-to-urban migration, which continues to decrease the population base and adds to the cost to the individual consumer. This does offer a challenge in finding affordable ways to bring quality water to rural areas. Without significant state grant funding, the consumer's cost is too much for the average family to afford.

The money spent on water projects in the past has been an investment in the future of North Dakota – an investment in economic development and quality of life for our citizens (see attached 25-27 project funding). Every rural water system built in our state is still operating. They provide safe, clean water to their customers, reduce their debt, put money in reserve, comply with state and federal regulations, and do so with a prudent rate structure, albeit higher than most municipalities charge (see attached rate schedule). Not only do rural & regional water systems serve over 167,000 rural residents, they also provide water to 268 (75%) of the state's 355 incorporated cities (see attached map of cities not served by RW).

With that said, the NDRWSA supports a Department of Water Resources budget that allows for adequate funding to meet the critical water needs of Rural North Dakota. Thank you for giving me the opportunity to provide testimony on behalf of the members of the NDRWSA. Eric Volk, ericvolk@ndrw.org.

Rural Water System Background

- Statistics
- Maps
- Rates
- Booklet

2023-25 Project Updates

- 2023 Legislative List
- Funding Received through February 25

January 2025 Project Summary List

- Old & Current Projects, Approved Amount, Payments, Balance and Estimated Completion Date (RED)
- $44M is 7.72% of Total Balance
- Completed Projects (BLUE)

2025 Rural Water Funding

- Systems, Number of Projects, Amount of Grant Requests, and Historical Funding from the Resources Trust Fund
- 2025 Funding List & Map

Rural/Regional Water Systems in ND Today

- 20 Rural Water Districts (61.35)
- 4 Tribal Systems
- 2 County Water Resource Districts
- 2 State Owned Regional Systems
- 2 Non-State Owned Regional Systems
- 1 Association
- 1 Coop

Rural/Regional Water on a Statewide Basis in 2025

- Touches Every County in the State
- Provides Water Service to over 167,000 Rural Residents
- Through over 71,000 Connections
- Network of 42,000 Miles of Pipe
- Serves 75% of ND's 355 Inc. Cities
- Water Service to almost 131,000 Residents in Bulk Cities
- No Taxing Authority

ND Water Service Data



355 Inc. Cities



268 on Rural or Regional Water

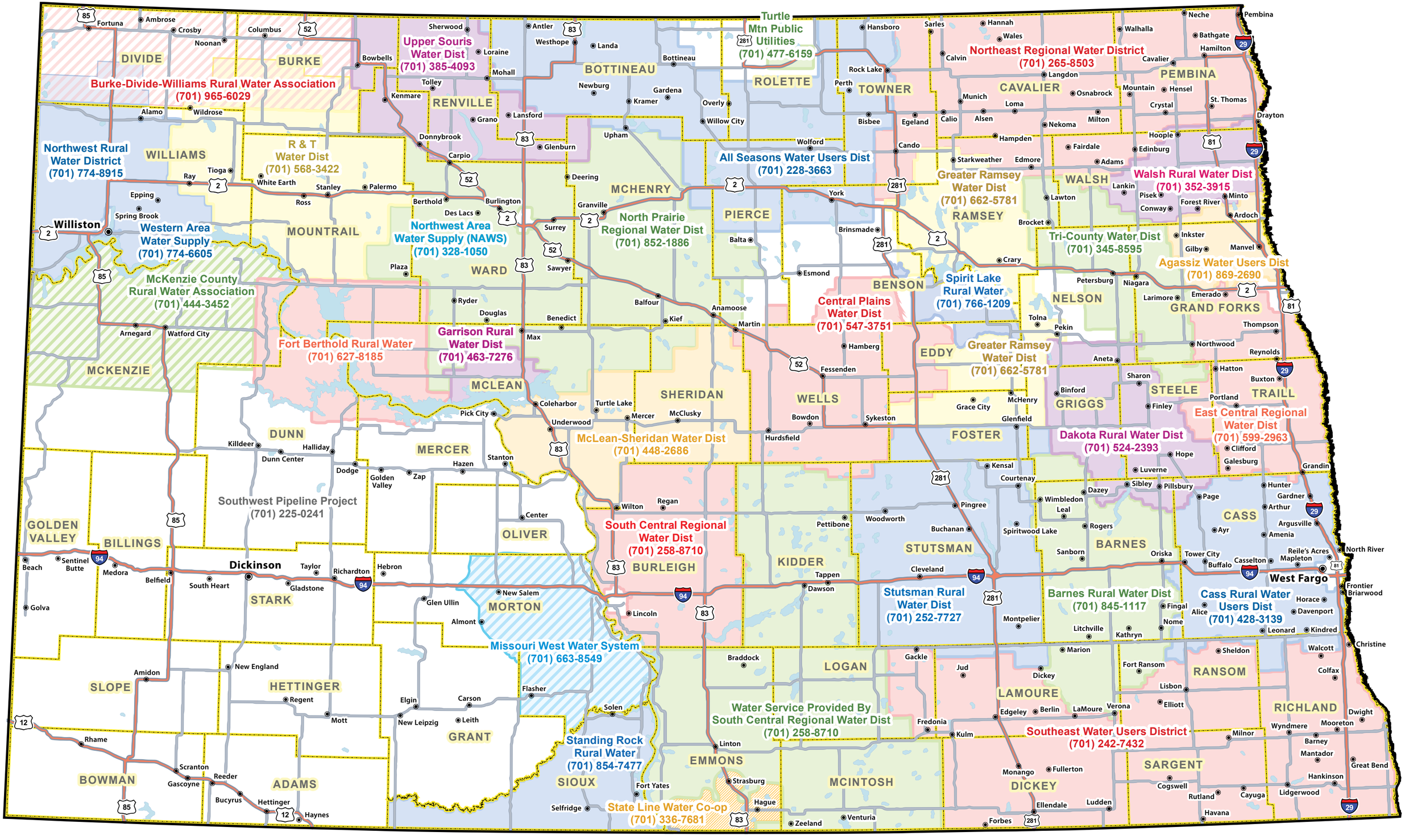
- 110 are Ind. Metered
- 158 are Bulk Users
- 4 from Other Cities



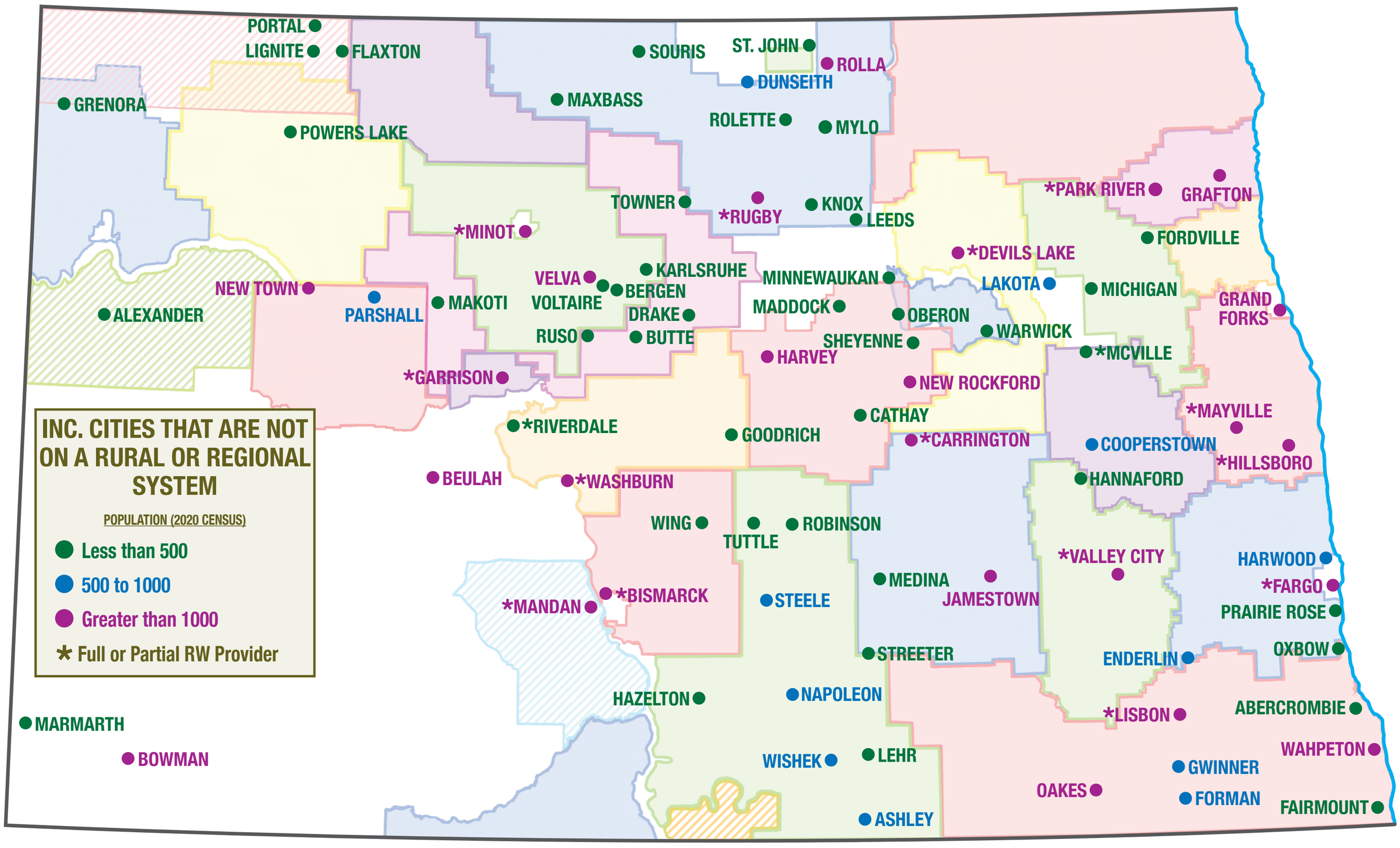
83 Cities have their own Source

- 8 from Ind. Wells
- 75 from Own Source

Incorporated Cities on a Rural or Regional System



January 2025



JANUARY 2025

Rural Water System Rates - March 1, 2025

SYSTEM	# of Users	Minimum Cost	$/1000 Gal.	$/6000 Gal.	Miles of Pipe
Agassiz Water Users District	1,400	$30.00	$8.75	$82.50	425
All Seasons Water Users District System 1-4	908	$40.00	$7.50	$85.00	
All Seasons Water Users District System 4 Phase 1&2	124	$48.00	$7.50	$93.00	
All Seasons Water Users District System 5	538	$48.00	$7.50	$93.00	1,700
Barnes Rural Water District #1	1,415	$52.00	$6.00	$88.00	
Barnes Rural Water District #2	267	$60.00	$6.00	$96.00	
Barnes Rural Water District #3	346	$58.00	$6.00	$94.00	
Barnes Rural Water District #4 VC	9	$60.00	$7.00	$102.00	
Barnes Rural Water District #5 VC	8	$75.00	$7.00	$117.00	2,118
Belcourt Public Utilities	3,500	$20.50	$5.75	$55.00	275
Cass Rural Water District	3,430	$30.00	$5.40	$62.40	1,980
Cass Rural Water District - Leonard Project	50	$40.00	$5.40	$72.40	50
Cass Rural Water District - Fargo	4,810	$30.00	$6.40	$68.40	410
Cass Rural Water District - West Fargo	720	$30.00	$7.40	$74.40	50
Central Plains Water District (Old)	790	$30.00	$6.50	$69.00	
Central Plains Water District (New)	340	$56.00	$7.25	$99.50	1,300
Dakota Rural Water District Expansion	1,090	$60.00	$6.50	$99.00	1,200
East Central Regional Water District	2,305	$42.00	$7.70	$88.20	
East Central Regional Water District	1,335	$63.00	$7.70	$109.20	2,500
Fort Berthold Rural Water	1,850	$25.00	$5.00	$55.00	645
Garrison Rural Water District	892	$62.00	$8.00	$110.00	167
Greater Ramsey Water District	2,233	$40.00	$5.50	$73.00	
Greater Ramsey Water District	394	$45.00	$5.50	$78.00	1,650
McKenzie County Water Resource District	1,661	$45.90	$7.19	$89.04	1,159
McLean-Sheridan Rural Water District #1	696	$65.00	$7.80	$111.80	
McLean-Sheridan Rural Water District #2	174	$65.00	$6.54	$104.24	
McLean-Sheridan Rural Water District #3	162	$76.00	$7.80	$122.80	700
Missouri West Water System	2,005	$40.00	$6.79	$80.74	650
North Prairie Regional Water District (Existing)		$54.00	$10.26	$115.56	
North Prairie Regional Water District (New)	4,835	$65.00	$10.26	$126.56	2,500
Northeast Regional Water District/Langdon Branch	1,320	$63.00	$7.50	$108.00	
Northeast Regional Water District/North Valley Branch	1,373	$50.00	$7.50	$95.00	2,512
Northwest Rural Water District	2,761	$45.00	$8.80	$97.80	1,231
R&T Water District	890	$55.00	$8.00	$103.00	683
South Central Regional Water District (Includes 500 gals)	6,600	$34.00	$7.90	$77.45	2,700
South Central Regional Water District	1,906	$40.00	$6.00	$76.00	1,900
Southeast Water Users District Central	602	$50.00	$6.00	$86.00	547
Southeast Water Users District Central-New	176	$55.00	$6.00	$91.00	147
Southeast Water Users District East	1,812	$31.00	$4.75	$59.50	1,372
Southeast Water Users District East-New	277	$55.00	$4.75	$83.50	201
Southeast Water Users District West	594	$50.00	$3.75	$72.50	743
Southeast Water Users District West-New	140	$55.00	$3.75	$77.50	166
Southwest Water Authority	7,750	$55.32	$6.47	$94.14	5,260
State Line Water Cooperative (includes 1000 gals)	452	$40.00	$8.00	$80.00	200
Stutsman Rural Water District	1,213	$43.00	$5.35	$75.10	1,100
Stutsman Rural Water District Expansion Project	1,402	$48.00	$5.35	$80.10	1,090
Tri-County Water District	1,200	$59.00	$9.00	$113.00	1,200
Upper Souris Water District	650	$35.00	$11.00	$101.00	600
Walsh Rural Water District R1	1,085	$36.00	$8.00	$84.00	
Walsh Rural Water District R3	140	$48.00	$8.00	$96.00	
Walsh Rural Water District R4	159	$55.00	$8.00	$103.00	730
	70,789				41,861
Median		$48.00	$7.00	$89.04	
Average		$48.19	$6.94	$89.58	
Yearly Average				$1,074.90	

Local Sponsor	Project Name	SWC 23-25 Grant	Funding Status
Agassiz Water Users District	Reservoir 1 to 3 Transmission Expansion	$2,150,550	Funded in 23-25
All Seasons Water Users District	System 1 Expansion - Phase 2	$7,125,000	Moved to 25-27
Cass Rural Water District	County Road 17 Improvements	$891,675	Funded in 23-25
Cass Rural Water District	System Wide Improvements	$1,575,000	Funded in 23-25
Central Plains Water District	Connection to the city of Maddock	$3,750,000	Funded in 23-25
East Central Regional Water District	Individual Service to Galesburg	$1,337,737	Funded in 23-25
East Central Regional Water District	Hillsboro WTP Expansion	$2,124,513	Funded in 23-25
East Central Regional Water District	Wellfield, Transmission & User Expansion	$5,954,906	Funded in 23-25
Greater Ramsey Water District	North System Capacity Improvements	$3,216,410	Funded in 23-25
McLean-Sheridan Rural Water District	Phase 2 WTP Construction	$4,800,000	Funded in 23-25
McLean-Sheridan Rural Water District	Phase 3 Expansion	$2,300,000	Funded in 23-25
Northeast Regional Water District	Bulk Cities to Individual Services	$2,698,986	Moved to 25-27
Northeast Regional Water District	WTP and Wellfield Expansion	$4,500,000	Funded in 23-25
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply	$6,255,647	Moved to 25-27
Rolette County - Turtle Mountain	Highway 43 Reservoir & Pump Station Improvements	$3,000,000	Funded in 23-25
Rolette County - Turtle Mountain	Three Mile Road Rural Water Main Replacement	$1,125,000	Funded in 23-25
Rolette County - Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement	$4,822,500	Funded in 23-25
South Central Regional Water District	Service to the city of Ashley	$7,500,000	Funded in 23-25
Southeast Water Users District	West System Water Treatment Plant Improvements	$10,350,000	Partially funded in 23-25
Stutsman Rural Water District	Raw Water Facilities Improvement	$3,203,250	Funded in 23-25
Stutsman Rural Water District	Service to the city of Streeter	$582,000	Project was Postponed
Tri-County Water District	Phase 6 Expansion	$1,350,000	Project was Postponed
Tri-County Water District	Phase 7 Expansion - McVille Area	$2,464,500	Project was Postponed
Upper Souris Rural Water District	Improvements & Expansion - Phase 2	$3,750,000	Moved to 25-27
	Totals:	**$86,827,674**	

2023-25 Funding Received through 2/13/2025

Local Sponsor	Project Name	SWC Actual Through 2/13/25	Funding Need Through 2/13/25
Agassiz Water Users District	User and Transmission Expansion Phase 2 (21-23 Carryover)	$3,289,340	$0
All Seasons Water Users District	System 1 Expansion - Phase 2	$180,000	$0
Cass Rural Water District	County Road 17 Improvements	$0	$0
Cass Rural Water District	System Wide Improvements (Reservoir D)	$2,970,535	$0
Central Plains Water District	Connection to the city of Maddock (Possible SRF Funding)	$7,480,881	$0
East Central Regional Water District	Well Field Expansion Feasibility Study	$94,500	$0
East Central Regional Water District	Hillsboro WTP Expansion	$1,012,500	$0
East Central Regional Water District	Hillsboro Area - Supply, Transmission and Distribution	$1,151,250	$0
East Central Regional Water District	Wellfield, Transmission & User Expansion	$1,002,563	$5,349,159
Fort Berthold Rural Water	Varloe Subdivision	$0	$0
Fort Berthold Rural Water	2nd Mandaree Elevated Reservoir	$0	$0
Fort Berthold Rural Water	Four Bears WTP, Intake, Raw Water Line	$5,104,500	$0
Fort Berthold Rural Water	Parshall to White Shield Regionalization	$341,250	$0
Greater Ramsey Water District	North System Capacity Improvements - Saunder's Booster Station	$3,999,360	$0
McLean-Sheridan Rural Water District	System Improvements Phase 2	$1,288,860	$0
McLean-Sheridan Rural Water District	Phase 3 WTP Construction (Possible SRF Funding)	$902,804	$0
McLean-Sheridan Rural Water District	Phase 4 Expansion	$0	$0
Northeast Regional Water District	Bulk Cities to Individual Services	$0	$2,698,986
Northeast Regional Water District	WTP and Wellfield Expansion (Possible SRF Funding)	$4,159,225	$0
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply	$0	$1,000,000
Turtle Mountain	Highway 43 Corridor Phase V	$4,033,767	$0
Turtle Mountain	Highway 3 Corridor Improvements Phase 1	$3,120,800	$0
Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement	$0	$2,853,473
South Central Regional Water District	U of Mary Service Area Water Storage/Trans Line	$367,500	$4,704,600
South Central Regional Water District	Service to the city of Ashley	$7,018,804	$0
Southeast Water Users District	West System Water Treatment Plant Improvements (Phase 1)	$3,370,257	$10,247,960
Stutsman Rural Water District	Raw Water Facilities Improvement	$2,953,000	$0
Stutsman Rural Water District	Service to the city of Streeter	$0	$0
Tri-County Water District	Phase 6 Expansion	$0	$0
Tri-County Water District	Phase 7 Expansion - McVille Area	$0	$0
Upper Souris Rural Water District	Improvements & Expansion - Phase 1 (21-23 Carryover Project)	$0	$75,000
Dakota Rural Water District	WTP and Service to Hannaford (21-23 Carryover Project)	$415,280	$0
Greater Ramsey Water District	2024 User Expansion	$7,946,252	$0
McLean-Sheridan Rural Water District	Basic Asset Inventory and Analysis	$40,500	$0
East Central Regional Water District	2019 Expansion Phase IV	$86,060	$0
Garrison Rural Water District	4 Inch Water Main Installation	$11,123	$0
Central Plains Water District	Backup Power Generators	$162,063	$0
Walsh Rural Water District	Water Treatment Plant Expansion	$67,500	$0
Greater Ramsey Water District	Basic Asset Inventory and Analysis	$22,500	$0
Southeast Water Users District	Basic Asset Inventory and Analysis	$33,750	$0
Walsh Rural Water District	Basic Asset Inventory and Analysis	$32,250	$0
Agassiz Water Users District	Basic Asset Inventory and Analysis	$26,250	$0
Walsh Rural Water District	Drayton Water Supply	$96,756	$0
East Central Regional Water District	Basic Asset Inventory and Analysis	$45,000	$0
South Central Regional Water District	Service to Napoleon	$289,500	$0
Cass Rural Water District	BAIA Creation	$52,530	$0
Missouri West Water System	Mandan Master Meter	$86,250	$0
Missouri West Water System	Asset Inventory	$15,000	$0
	Totals:	**$63,270,260**	$26,929,178
SB 2020	Remaining Appropriation	-$11,270,260	
$52,000,000	2023-25 Unobligated	$9,943,260	
	2021-23 Unobligated	$303,063	
	Discretionary	$3,750,000	
	Total Funds Available	$2,726,063	
	Funding Needed	$26,929,178	
	Project Funding Shortfall/Surplus	($24,203,115)	

Rural Water DWR Project Summary Jan 2025

System	Approved Biennium	Project	Total Approved Carryover	Total Approved 2023-25 Biennium	Total Payments	Balance	% of Balance	Completion Status/Date
All Seasons	2021-23	System 4 Connection to System 1	$6,929,604	$0	$6,694,398	$235,206	0.53%	Spring 2025
North Central	2017-19	Mountrail Expansion Phase 2	$1,449,542	$0	$511,490	$938,052	2.11%	Completed
North Central	2017-19	Mountrail Expansion Phase 3	$3,346,320	$0	$4,879	$3,341,441	7.53%	Dec 2026
Dakota	2021-23	2019 Expansion	$596,562	$0	$420,001	$176,561	0.40%	June 2025
Walsh	2021-23	Drayton Water Supply Project	$1,025,300	$0	$987,492	$37,808	0.09%	Feb 2025
McLean-Sheridan	2021-23	McClusky Water Tower Replacement	$913,972	$0	$601,860	$312,112	0.70%	Summer 2025
East Central	2021-23	WTP and Transmission Expansion	$1,794,360	$0	$1,103,363	$690,997	1.56%	June 2025
McLean-Sheridan	2021-23	System Improvements Phase 2	$2,725,632	$0	$2,517,217	$208,415	0.47%	Oct 2025
Upper Souris	2021-23	2021 Improvements and Expansion	$423,185	$0	$304,481	$118,704	0.27%	Dec 2026
Agassiz	2021-23	2022 Expansion Phase 2	$0	$3,289,340	$1,222,252	$2,067,088	4.66%	June 2025
Cass	2021-23	2022 System Distribution Project	$2,009,730	$0	$1,610,897	$398,833	0.90%	Completed
Walsh	2021-23	Interconnect with NRWD	$1,733,233	$0	$218,631	$1,514,602	3.41%	Feb 2026
Dakota	2021-23	Service to Hannaford and WTP Expansion	$404,671	$0	$372,746	$31,925	0.07%	June 2025
Greater Ramsey	2021-23	North System Capacity Improvements	$8,193,297	$0	$5,805,975	$2,387,322	5.38%	Dec 2027
Missouri West	2021-23	South Mandan Expansion	$2,813,560	$0	$2,241,603	$571,957	1.29%	Completed
East Central	2021-23	Service to Galesburg	$1,704,450	$0	$1,249,734	$454,716	1.02%	June 2025
South Central	2021-23	Hawktree Tank	$106,971	$0	$12,984	$93,987	0.21%	Fall 2025
Stutsman	2021-23	Well Field Expansion	$3,120,057	$0	$1,986,222	$1,133,835	2.56%	April 2025
All Seasons	2021-23	Rolla Area Booster	$26,000	$0	$0	$26,000	0.06%	Winter 2025
Central Plains	2023-25	Maddock Connection to CPWD	$134,055	$0	$120,077	$13,978	0.03%	June 2026
South Central	2023-25	Service to Ashley	$0	$7,018,804	$4,219,023	$2,799,781	6.31%	Oct 2025
Dakota	2023-25	WTP & Service to Hannaford	$415,280	$0	$330,975	$84,305	0.19%	June 2025
East Central	2023-25	Expansion Phase VI	$641,250	$0	$264,747	$376,503	0.85%	Dec 2025
Southeast	2023-25	West WTP Improvements	$927,270	$0	$576,292	$350,978	0.79%	Fall 2025
McLean-Sheridan	2023-25	Basic Asset Inventory and Analysis	$0	$40,500	$28,518	$11,982	0.03%	March 2025
South Central	2023-25	U of Mary Service Area Water Storage	$0	$367,500	$201,755	$165,745	0.37%	April 2025
East Central	2023-25	Phase 6 Expansion	$0	$361,313	$6,122	$355,191	0.80%	June 2025
Fort Berthold	2023-25	Four Bears WTP, Intake, & Raw Water Line	$0	$1,354,500	$38,332	$1,316,168	2.97%	Dec 2026
Cass	2023-25	Reservoir D Supply Pipeline	$0	$2,700,535	$1,843,228	$857,307	1.93%	Summer 2025
Northeast	2023-25	Wellfield & WTP Expansion	$0	$4,159,225	$1,182,514	$2,976,711	6.71%	May 2026
Turtle Mtn.	2023-25	Highway 43 Corridor Expansion Ph. 5	$0	$4,033,767	$0	$4,033,767	9.09%	Nov 2025
McLean-Sheridan	2023-25	System Improvements Phase 2	$0	$1,062,500	$0	$1,062,500	2.39%	Oct 2025
Walsh	2023-25	Water Treatment Plant Expansion	$0	$67,500	$40,500	$27,000	0.06%	April 2025
Fort Berthold	2023-25	Parshall to White Shield Regionalization	$0	$341,250	$0	$341,250	0.77%	Dec 2026
Central Plains	2023-25	Backup Power Generators	$0	$162,063	$123,774	$38,289	0.09%	Spring 2025
Central Plains	2023-25	Maddock Connection to CPWD	$0	$7,346,826	$1,756,795	$5,590,031	12.60%	June 2026
Greater Ramsey	2023-25	Basic Asset Inventory and Analysis	$0	$22,500	$12,956	$9,544	0.02%	April 2025
McLean-Sheridan	2023-25	Water Treatment Plant Expansion Phase 3	$0	$831,554	$128	$831,426	1.87%	Nov 2026
Greater Ramsey	2023-25	2024 User Expansion	$0	$375,750	$195,848	$179,902	0.41%	April 2025
Walsh	2023-25	Basic Asset Inventory and Analysis	$0	$32,250	$0	$32,250	0.07%	June 2025
Agassiz	2023-25	Basic Asset Inventory and Analysis	$0	$26,250	$0	$26,250	0.06%	Feb 2025
Walsh	2023-25	Drayton Water Supply	$0	$96,756	$0	$96,756	0.22%	Feb 2025
Southeast	2023-25	West WTP Improvements	$0	$2,442,987	$0	$2,442,987	5.51%	Fall 2025
East Central	2023-25	ECRWD BAIA Creation	$0	$45,000	$0	$45,000	0.10%	April 2025
McLean-Sheridan	2023-25	System Improvements Phase 2	$0	$226,360	$0	$226,360	0.51%	Oct 2025
East Central	2023-25	Hillsboro Area Supply, Transmission, and Dis.	$0	$1,057,500	$0	$1,057,500	2.38%	Dec 2025
East Central	2023-25	Hillsboro Water Treatment Plant	$0	$1,012,500	$0	$1,012,500	2.28%	Dec 2025
Turtle Mtn.	2023-25	Highway 3 Corridor Improvements	$0	$3,120,800	$0	$3,120,800	7.03%	Aug 2026
Cass	2023-25	BAIA Creation	$0	$52,350	$0	$52,350	0.12%	Dec 2025
Missouri West	2023-25	Mandan Master Meter	$0	$86,250	$0	$86,250	0.19%	Dec 2025
Missouri West	2023-25	Asset Inventory	$0	$15,000	$0	$15,000	0.03%	Dec 2025
		Total Ongoing Rural Water Supply	**$41,434,301**	**$41,749,430**	**$38,807,809**	**$44,375,922**	**100.00%**	
East Central	2019-21	2019 Expansion Phase IV	$1,177,399	$0	$1,177,399	$0		
East Central	2019-21	2019 Expansion Phase IV	$0	$86,060	$86,060	$0		
North Prairie	2019-21	Minot to Velva Highway 52 Improvement	$107,878	$0	$107,878	$0		
North Prairie	2021-23	Minot to Velva Highway 52 Improvement	$2,328,900		$2,328,900	$0		
Walsh	2019-21	Drayton Water Supply Project	$2,752,696	$0	$2,752,696	$0		
East Central	2021-23	Grandin Water Supply	$485,659	$0	$349,591	$0	$136,068	Turnback
East Central	2021-23	Hatton Water Supply	$229,954	$0	$76,568	$0	$153,386	Turnback
Barnes	2019-21	2021 Storage Expansion	$151,517	$0	$151,517	$0		
Agassiz	2021-23	2022 Expansion Phase 2	$118,491	$0	$118,491	$0		
Turtle Mtn.	2021-23	TMPUC Highway 43 Corridor Expansion	$4,550,333	$0	$4,550,333	$0		
McLean-Sheridan	2021-23	WTP Expansion-Preconstruction	$44,533	$0	$44,533	$0		
South Central	2021-23	Service to Ashley	$338,250	$0	$338,250	$0		
Northeast	2021-23	Wellfield & WTP Expansion	$1,145,000	$0	$1,145,000	$0		
McLean-Sheridan	2023-25	WTP Expansion-Preconstruction	$71,250	$0	$71,250	$0		
East Central	2023-25	Well Field Expansion Feasibility Study	$94,500	$0	$93,769	$0	$731	Turnback
Fort Berthold	2023-25	Varloe Subdivision	$24,000	$0	$0	$0	$24,000	Turnback
Cass	2023-25	Reservoir D Supply Pipeline	$270,000	$0	$270,000	$0		
Greater Ramsey	2023-25	2024 User Expansion	$0	$93,750	$93,750	$0		
Garrison	2023-25	Garrison Rural 4 Inch Water Main Installation	$11,123	$0	$11,123	$0		
Southeast	2023-25	Basic Asset Inventory and Analysis	$0	$33,750	$33,750	$0		
East Central	2023-25	Hillsboro Area Supply, Transmission, and Dis.	$0	$93,750	$93,750	$0		
		Total Completed Projects	**$13,901,483**	**$307,310**	**$13,894,608**	**$0**	**$314,185**	**Turnback**
		Total Ongoing & Completed Projects	**$55,335,784**	**$42,056,740**	**$52,702,417**	**$44,375,922**		

2025-27 Rural Water Bucket Projects

35 Projects

18 Systems

Total Project Cost: $289,831,325

Potential SWC Grant: $172,372,931

Local, Other State and Federal Funding: $117,458,394

7 Tribal Projects from 2 Systems

Potential Tribal SWC Grant: $40,050,000 (Included in the $172M)

Rural Water Bucket Funding History

2011-13: $15M

2013-15: $36M

2015-17: $61M

2017-19: $27M

2019-21: $37.2M

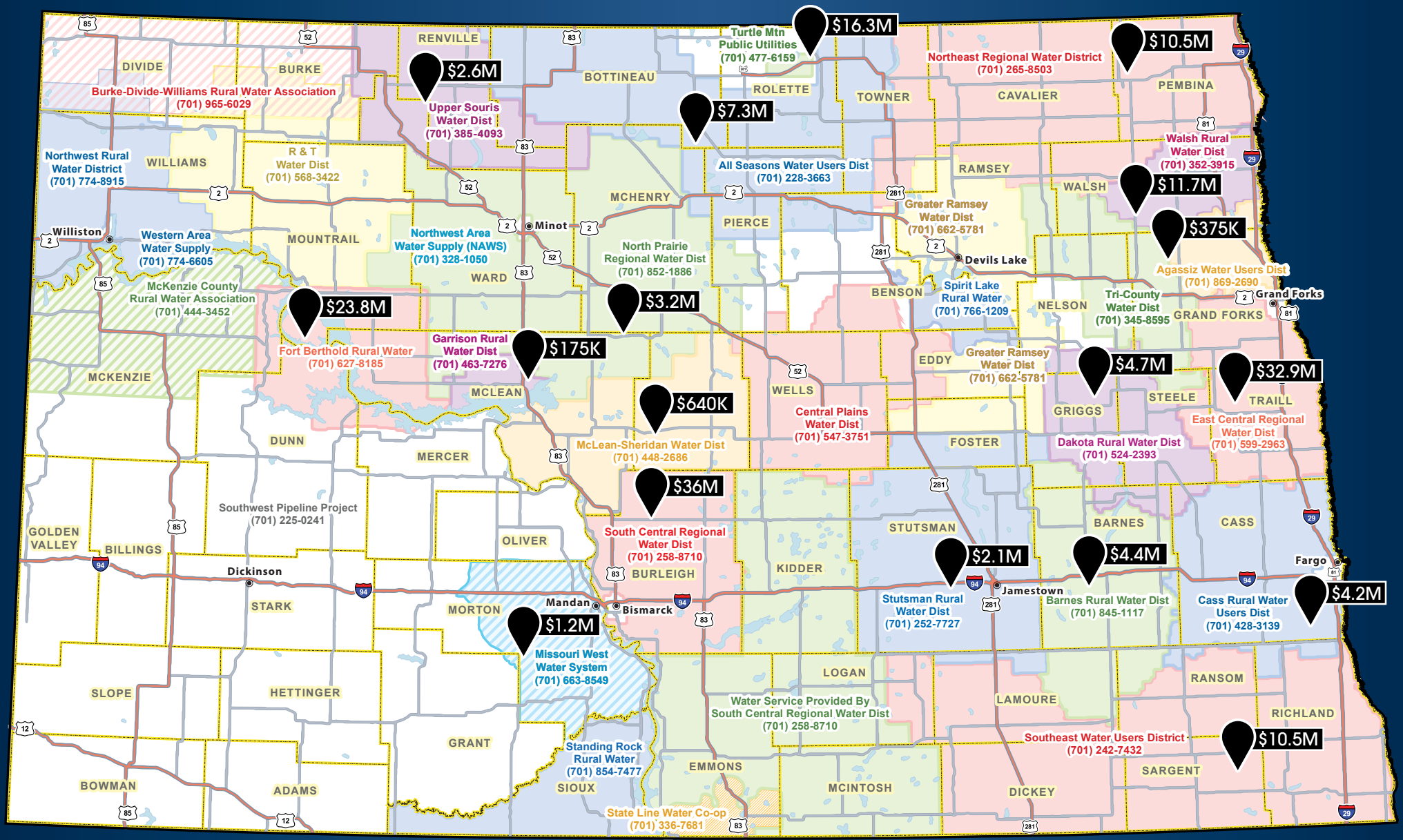
2021-23: $59.6M

2023-25: $52M + $10M State Fiscal Recovery Fund

Total: $297.8M

2025-27 Rural Water Bucket

Local Sponsor	Project Name	Federal Funding 2025-27	Potential SWC Grant 2025-27	Local & Other State Funding 2025-27	Total 2025-27
All Seasons Water Users District	System 1 Expansion Project - Phase 2	$0	$7,125,000	$2,375,000	$9,500,000
All Seasons Water Users District	System 1 Expansion Project - Phase 2 - Feasibility Report	$0	$180,000	$60,000	$240,000
Barnes Rural Water District & City of Dazey	Dazey - Rural Water Supply	$0	$4,355,000	$1,452,000	$5,807,000
Cass Rural Water District	System Wide Distribution Improvements	$0	$4,162,500	$1,387,500	$5,550,000
Dakota Rural Water District	Transmission Pipeline Expansion Project	$0	$4,650,000	$1,550,000	$6,200,000
East Central Regional Water District	Hillsboro Area Supply, Transmission, and Distribution	$1,500,000	$15,263,000	$4,326,000	$21,089,000
East Central Regional Water District	Phase 7 System Expansion	$0	$521,100	$173,700	$694,800
East Central Regional Water District	Hillsboro Water Treatment Project	$11,145,550	$17,140,837	$5,713,613	$34,000,000
ECRWD, NRWD, WRWD, AWUD, TCWD	North East North Dakota Long-Term Water Supply	$0	$375,000	$125,000	$500,000
Fort Berthold Rural Water	Parshall to White Shield Regionalization	$850,000	$3,000,000	$1,300,000	$5,150,000
Fort Berthold Rural Water	Four Bears Intake, Raw Water Line, and Water Treatment Plant	$1,750,000	$20,800,000	$7,400,000	$29,950,000
Garrison Rural Water District	4 Inch Watermain	$0	$175,200	$75,100	$250,300
McLean Sheridan Rural Water District	MSRWD Wellfield Improvements	$0	$639,750	$213,250	$853,000
Missouri West Water System	MWWS - Fort Abraham Lincoln State Park Improvements	$0	$1,176,000	$392,000	$1,568,000
North Prairie Regional Water District	NPRWD - Reservoir 3 to Max Transmission Water Main	$0	$2,637,000	$879,000	$3,516,000
North Prairie Regional Water District	NPRWD - Backup Generators at (7) Existing Reservoir / Booster Stations	$0	$563,000	$187,000	$750,000
Northeast Regional Water District	NRWD - New User and Reservoir Expansion	$0	$3,750,000	$1,250,000	$5,000,000
Northeast Regional Water District	NRWD - Bulk to Individual Service	$0	$6,750,000	$2,250,000	$9,000,000
South Central Regional Water District	Service to Napoleon	$0	$5,259,000	$1,753,000	$7,012,000
South Central Regional Water District	Keever Butte Mainline Improvements to Apple Creek Booster	$0	$4,206,000	$1,402,000	$5,608,000
South Central Regional Water District	North Burleigh Intake	$0	$6,495,500	$2,165,500	$8,661,000
South Central Regional Water District	North Burleigh Water Treatment Plant Expansion	$0	$15,487,000	$5,162,500	$20,649,500
South Central Regional Water District	University of Mary Storage and Line	$0	$4,547,044	$1,515,681	$6,062,725
Southeast Water Users District	West System Water Treatment Plant Improvements Phase I	$0	$10,300,000	$3,433,333	$13,733,333
Southeast Water Users District	System Distribution Improvements	$0	$225,000	$75,000	$300,000
Stutsman Rural Water District	New Water Treatment Plant	$0	$1,500,000	$500,000	$2,000,000
Stutsman Rural Water District	#14 Booster Station	$0	$626,250	$208,750	$835,000
Turtle Mountain Public Utilities Commission	Highway 3 Corridor Phase 3	$4,000,000	$4,000,000	$1,000,000	$9,000,000
Turtle Mountain Public Utilities Commission	Highway 43 Corridor Phase II	$11,000,000	$7,000,000	$2,000,000	$20,000,000
Turtle Mountain Public Utilities Commission	Trenton Water Supply and Water Treatment Plant	$5,000,000	$750,000	$250,000	$6,000,000
Turtle Mountain Public Utilities Commission	Reservoir C West - BIA2, BIA 15, BIA6, 33rd Avenue	$3,500,000	$2,000,000	$750,000	$6,250,000
Turtle Mountain Public Utilities Commission	Reservoir C East - BIA2, BIA4, BIA11, BIA10	$4,750,000	$2,500,000	$500,000	$7,750,000
Upper Souris Water District	2021 Improvements and Expansion	$0	$2,558,750	$852,917	$3,411,667
Walsh Rural Water District	Watermain Replacement Project	$0	$2,955,000	$985,000	$3,940,000
Walsh Rural Water District	Walsh County Water Supply	$0	$8,700,000	$20,300,000	$29,000,000
		$43,495,550	**$172,372,931**	**$73,962,844**	**$289,831,325**



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Senate Appropriations – Education and Environment Division
Chairman – Senator Ron Sorvaag
March 11, 2025

Testimony of:

David Ashley
Chairman, Souris River Joint Board
dashley@mouseriverplan.com
(701) 626-1566

HB 1020

SLIDE 1

Chairman Sorvaag and members of the Senate Appropriations Education and Environment Division, my name is David Ashley. I am chairman of the Souris River Joint Board. I am here today to speak in support of House Bill 1020 and the appropriation needed to continue progress on the Mouse River Enhanced Flood Protection Project.

This summer will mark 14 years since the 2011 flood devastated Minot and the surrounding region. We have come a long way as a community and as a basin, and much of that progress is a result of the support from the North Dakota Legislature. For that, we are very grateful.

I want to offer a little bit of background information regarding the Souris River Joint Board and the project. The Joint Board is a water resource district with representatives from all four counties along the Mouse River in North Dakota – those being Renville, Ward, McHenry and Bottineau counties. In addition, we have a voting member from the City of Minot.

We have been responsible for developing, designing and building the flood control project along with our funding partners, who have included the State of North Dakota, the City of Minot, all four counties along the River, the US Army Corps of Engineers, the Department of Defense, FEMA, HUD and others.

SLIDE 2

I'd like to provide a brief overview of the project funding summary for the current biennium. A total of $76.1 million was appropriated for Mouse River activities during the last legislative session. Of that total, the Souris River Joint Board received $66.35 million for construction and engineering activities throughout the basin and property acquisitions outside the city limits of Minot. The balance of the appropriation, $9.75 million, was granted to the City of Minot for property acquisitions within Minot's city limits.

SLIDE 3

Our original work plan, as we presented to this committee two years ago, is shown on this slide. The program included approximately $14.8 million in total property acquisitions and $100 million in construction of two phases within the city of Minot. All of the funding for the current biennium is contractually committed.

SLIDE 4

Much of our planning focus has been on the Maple Diversion phase of the project in central Minot. We have been engaged in dialogue with the three railroad entities that the project will affect – BNSF Railway, CPKC Railway, and Amtrak – to determine necessary design considerations and mitigation measures for the project.

The original feedback from the railroads would have the project include significant reconstruction of both BNSF and CPKC railroad infrastructure, including a realignment of the intersection of the two railroads and reconstruction of the Amtrak passenger platform.

SLIDE 5

Over time, we have been able to significantly reduce the amount of railroad work, which reduces project cost. The latest design iteration includes limited modifications of both BNSF and Amtrak infrastructure. While beneficial to the project budget, this dialogue takes a long time to occur and gaining concurrence between the three railroad entities has been a lengthy process.

SLIDE 6

There are three different milestones which have been identified within the City of Minot. Minot Milestone 1 will provide flood protection for much of northwest Minot, and we have made significant progress towards that goal. The lines shown in the solid green color indicate segments of the project which are fully funded and nearly complete. The dashed green line represents the Maple Diversion, which is the piece of the project that has a funding commitment of over $60 million from the Corps of Engineers.

SLIDE 7

This slide represents another reason for urgency in implementing this project. The blue shading represents FEMA's proposed regulatory floodplain through Minot. As you can see, there are thousands of homes within their proposed floodplain. The owners of these homes would generally be required to purchase high-risk flood insurance if they have any type of mortgage or debt on their property. This is a major economic hardship, with projected premiums exceeding $10,000 annually for some of the lowest-lying homes.

SLIDE 8

This is how the completion of Minot Milestone 1 will affect that regulatory floodplain. Approximately 60% of the homes within the regulatory floodplain in Minot would be mapped out, once the Maple Diversion is completed. While this is a significant improvement within Minot, it's important to point out that two additional milestones will remain.

SLIDE 9

We have also begun working on Minot Milestone 2 which focuses on providing benefit to the areas of downtown Minot and the Eastwood Park historic residential neighborhood.

SLIDE 10

The areas outlined in orange are fully designed, permitted and partially under construction. The areas outlined in red are currently undergoing final design and construction could begin on those phases in 2026.

SLIDE 11

Minot Milestone 3 focuses on southeast Minot, including the North Dakota State Fair Center and thousands of residents in that area.

SLIDE 12

Ultimately, our vision is for the regulatory floodplain in Minot to resemble the figure shown on this slide. We have not begun detailed design on Minot Milestone 3.

SLIDE 13

We've also been completing work outside of Minot. Levee work in Burlington is substantially complete. If Burlington were to see a flood of similar magnitude to what was experienced in 2011, the community would be safe without much emergency effort. Burlington represents the first community to complete flood protection.

SLIDE 14

We want to share the results of recent bidding for the project that has caused us great concern. We originally bid the phases outlined in orange on this slide in the spring of 2024. Those bids were considerably higher, in some cases nearly double, than we had experienced only two years prior. The first round of bids were ultimately rejected by the Joint Board and the projects were rebid.

Ultimately, the rebid process yielded better results, including a reduction of approximately $12 million as compared to the initial bidding process. The lowest bid amounts were still 40-50 percent higher than comparable bids received in the spring of 2022.

SLIDE 15

We want to share a couple of data points from projects that we have put out for bids since 2017. The low bidder's price for pump station concrete was 209% higher than it was in February of 2022. While not nearly as drastic, the low bidder's price for floodwall concrete saw an increase of 41% over a similar period. These concrete costs include the costs of reinforcing steel and labor.

SLIDE 16

The United States Department of Transportation publishes the National Highway Construction Cost Index, and this chart illustrates the troubling inflation trend of the past several years. Nationally, hyper-inflation seemed to start in the first quarter of 2021. Present day estimates indicate that costs have increased 71% as an average across the nation. We are seeing an even greater impact of hyper-inflation in Minot.

SLIDE 17

We have taken several steps in an attempt to understand and counteract the effects of hyper-inflation. As I indicate previously, we rejected the bids received for Phases MI-6 and MI-7 of the project in the spring of 2024. We subsequently rebid those phases of the project and reduced the costs of those by approximately $12 million.

We also repackaged the project in an attempt to solicit the interest of smaller contractors. We split the project into several sub-phases, which seemed to encourage additional competition and interest. Ultimately, it was the combined bids of the larger contractors that were the most cost-competitive.

SLIDE 18

We reached our contractor base to inquire why there has been such a considerable change in pricing and interest in these projects. Their feedback is clear – they're very busy doing a lot of work in other areas of the state. Relocation of their crews to the Minot area is not ideal because they have ample opportunity to work closer to their home bases. Additionally, contractors cited costs of labor, materials, and carryover work as reasons for lack of interest and high pricing. Historically, much of the contractor workforce has come from Minnesota to build this project. Today, there are many more opportunities for these contractors between their home bases and Minot.

SLIDE 19

The Joint Board also undertook a re-evaluation of the remaining program to identify the anticipated costs to complete the project with the effects of inflation. In addition, the Joint Board has been evaluating alternative delivery methods for the project. Recently, an agency construction manager was selected to facilitate the construction of the required bridge replacement at Mouse River Park in Renville County. That project was originally developed as a design-bid-build project. After four consecutive bid openings with no bids received, the Joint Board is pursuing a different method of project delivery. We also recently bid a required bridge replacement in Velva and received no bids for that project either. The feedback is that bridge contractors are plenty busy doing bridge replacements in other areas of the state closer to their home bases.

SLIDE 20

Our hope is that we can work together to find a solution to finish this project. As we shared with the Water Topics Overview Committee last summer, we have been working to refine the project budget based on best available information. With this updated budget, we have developed a number of scenarios to aid in your deliberations. We have estimated that the remaining cost to complete the project is $1.018 billion, represented in 2025 dollars.

SLIDE 21

In response to questions from your colleagues in the House, we developed a number of funding scenarios based on varying levels of appropriation and varying levels of inflation. In the interest of time, we will cover the funding scenarios which correspond to the $125 million appropriation advanced by your House colleagues.

SLIDE 22

The differences in the funding scenarios I will present is based on assumed inflation rates. Under scenario 4A, the appropriation level is $125 million and inflation is assumed to be 3%. Under this scenario, the final appropriation would be made in the 35-37 biennium and the total future State funding necessary to complete the project is $733 million.

SLIDE 23

With scenario 4B, the inflation rate is assumed to be 4%. This pushes the total future State funding to $781 million with the final appropriation occurring in the 37-39 biennium.

SLIDE 24

With scenario 4C, the inflation rate is assumed to be 5%. This pushes the total future State funding to $839 million with the final appropriation occurring in the 39-41 biennium.

SLIDE 25

Your House colleagues asked us several questions during their deliberations. One question was ‘if $125 million is appropriated, when will that funding actually be spent?’.

SLIDE 26

In response, we developed a projected cash spend model for that $125 million appropriation. It should be noted that the $125 million appropriation is matched with approximately $70 million in federal funding and $65 million in local funding, meaning that the total contracting authority established by the $125 million State appropriation would be $260 million.

SLIDE 27

As illustrated, it is estimated that it will take 6 years to fully expend the funding due to the complex sequencing required to construct the Maple Diversion. For this phase of the project, we are building a diversion channel along and, in some cases, through two Class 1 railroads, while keeping those railroads operational during the full construction period.

SLIDE 28

Another question raised by your colleauges was ‘if you can only spend $51.6 million in FY 26-27, why should we appropriate $125 million?’

SLIDE 29

The spending authority created by the $125 million appropriation allows the multi-year contracts to be awarded. Without the spending authority (i.e. the full appropriation), contracts can’t be signed and the project implementation gets further delayed and subjected to increased inflationary risk.

SLIDE 30

As we consider ways to deliver this project, we are asked about why we are building to the level we experienced in 2011. We have a few perspectives that we would like to share with the committee. First, building to the flood of record has been identified as the optimal investment with the maximum benefit to cost ratio. The US Army Corps of Engineers performed an independent evaluation of the economics of the project and reached this conclusion.

SLIDE 31

Second, the cost savings don’t justify the reduction in project value. Following the development of the original Preliminary Engineering Report, the State Water Commission, led by Governor Dalrymple at the time, studied the costs associated with building to various lower levels of protection. The conclusion of that study was that a 64% reduction in project capacity – building to a 10,000 cubic feet per second level of protection – would produce savings of only around 6%.

SLIDE 32

Building to the flood of record will allow for flexibility and adaptive reservoir management that can be used to benefit both urban and rural portions of the basin. When flow rates are well below the capacity of the urban levee systems, the reservoirs could be operated for the benefit of rural stakeholders. This is the essence of a basin-wide solution.

SLIDE 33

Our historical record is roughly 120 years long, and multiple researchers and agencies have classified the 1900's as a relative drought. We don't know for certain what the next century will bring, but we aren't comfortable expecting a drought to persist for the next one hundred years as part of our strategy.

SLIDE 34

And finally, the 2011 flood actually happened. This design level was not established through the mystics of statistics. It actually happened, and we are committed to preventing damage from a similar threat in the future.

SLIDE 35

On behalf of a grateful community of residents along the Mouse River, I want to thank you once again for your steadfast support.

MOUSE RIVER PLAN

TESTIMONY TO SENATE APPROPRIATIONS

EDUCATION & ENVIRONMENT DIVISION

RE: HOUSE BILL 1020

11 MARCH 2025

NORTH DAKOTA SRJB SOURIS RIVER JOINT BOARD

23-25 Biennium Funding Summary

$76.1 Million Total

The funding amount of $76.1 million represented the first biennium with the same amount to complete the project (Legislative Intent, Section 14, SB 2020)

Uses:

SRJB SOURIS RIVER JOINT BOARD

$66.35 M

City of Minot

$9.75 M

- $66.35 Million to the Souris River Joint Board for Construction and Engineering Throughout the Basin (Including Minot) and Acquisition Activities Outside Minot City Limits
- $9.75 Million to the City of Minot for Acquisition Activities inside City Limits

Contracts between the State Water Commission and SRJB / City of Minot signed in May 2024

Original 23-25 Biennium Work Plan

Fairly significant shift in focus within the last 24-36 months based on delays associated with railroad negotiations and permitting.

Originally, Phase MI-4: Maple Diversion was programmed for the 23-25 biennium, but based on delays associated with the railroads, the SRJB repositioned to advance Phases MI-6 and MI-7 to completion.

			Total Estimated Cost to Complete
2023-2025 WORK PLAN	PROPERTY ACQUISITIONS	Minot	$ 13,000,000
		Outside of Minot	$ 1,800,000
	CONSTRUCTION	Phase MI-6: Downtown Levee / Floodwall	$ 59,000,000
		Phase MI-7: Roosevelt Park Levee / Floodwall	$ 41,000,000
		Total	**$ 114,800,000**
		State Funds	**$ 76,100,000**
		Federal Funds	**$ -**
		Local Funds	**$ 38,700,000**

Significant progress has been made with the three railroad entities affected by the Mouse River Enhanced Flood Protection Project

Early design concepts (at right) included impractical railroad requirements:

- Significant reconstruction of BNSF Railway tracks
- Significant reconstruction of CPKC (formerly Canadian Pacific) Railway tracks
- Construction of a new bridge on the CPKC tracks to cross the diversion channel
- Reconstruction of the Amtrak passenger loading platform adjacent to BNSF Railway tracks



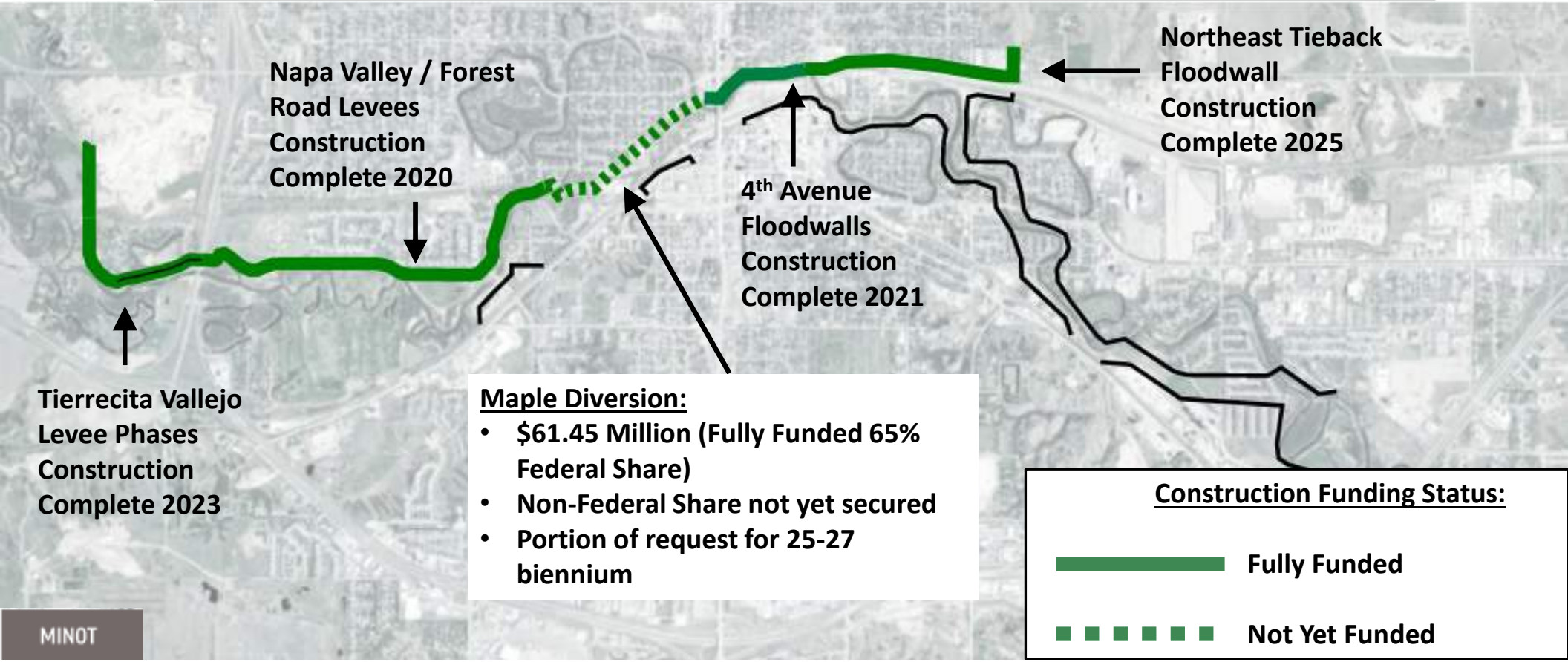
Significant progress has been made with the three railroad entities affected by the Mouse River Enhanced Flood Protection Project

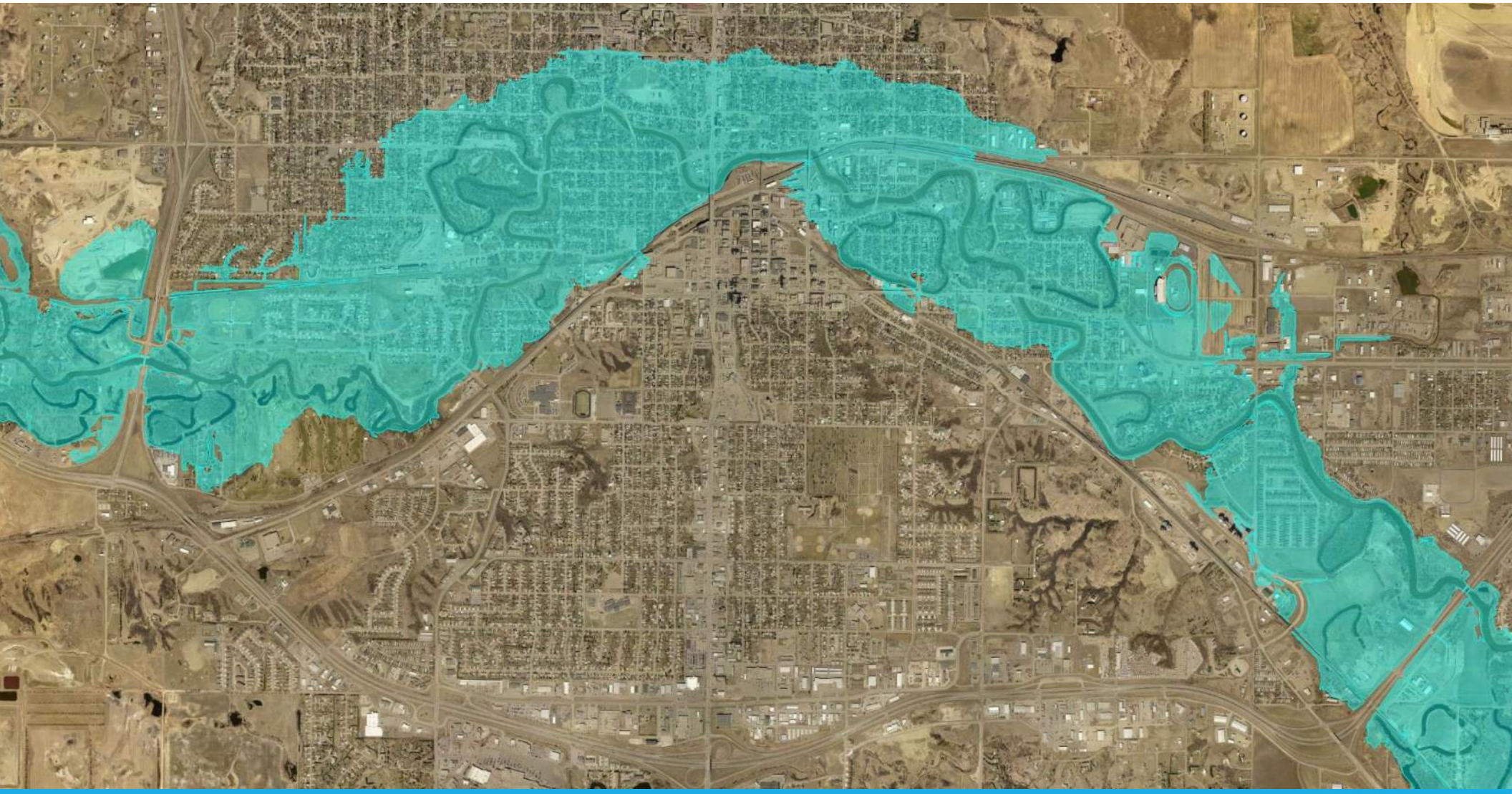
Latest design concepts only include:

- Construction of a new bridge on the CPKC tracks to cross the diversion channel
- Reconstruction of the 6th Street railroad underpass bridge on the CPKC tracks
- Limited coordination with BNSF Railway
- Limited coordination with Amtrak

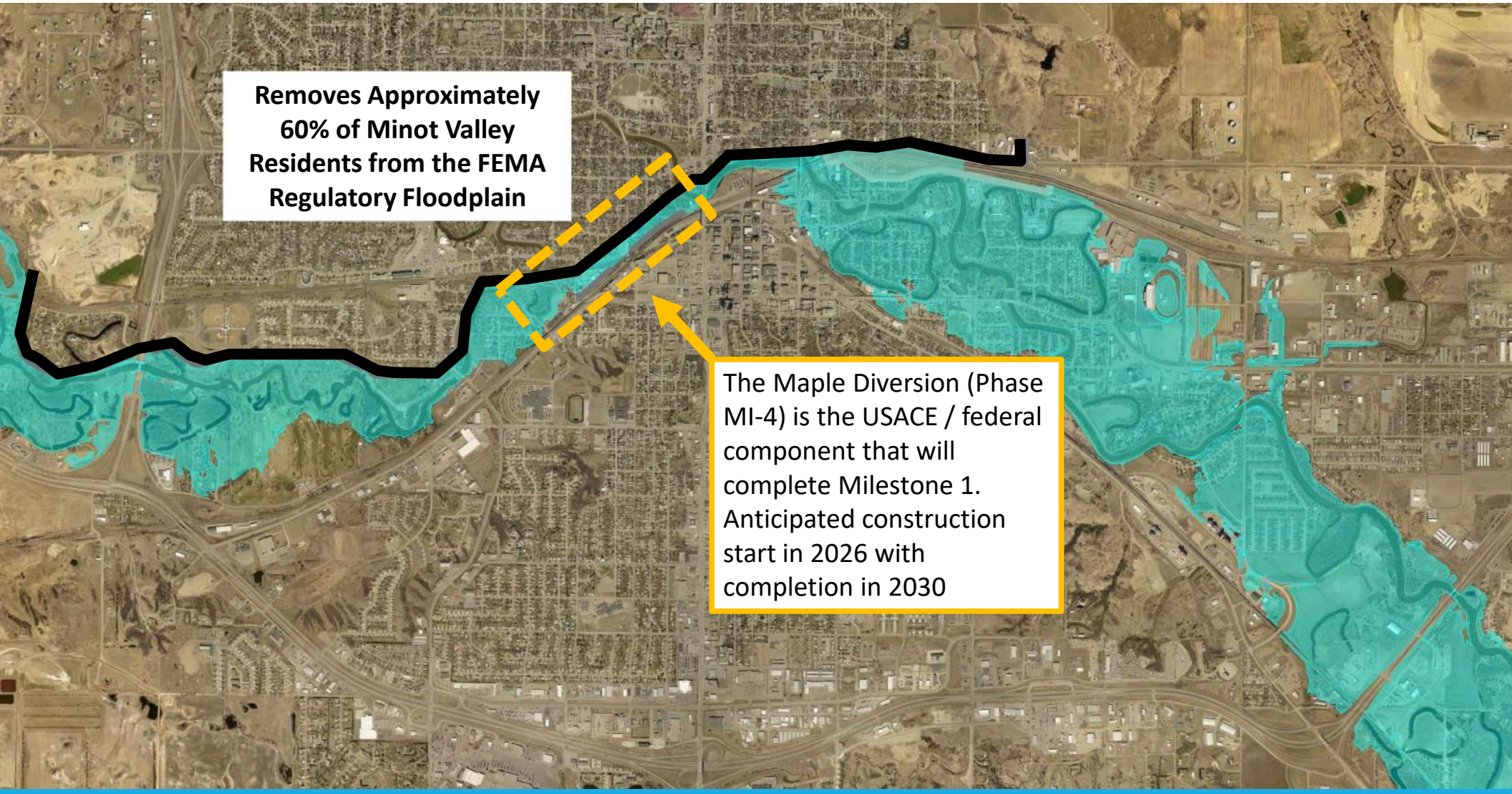


Significant Progress Made Towards Minot Milestone 1

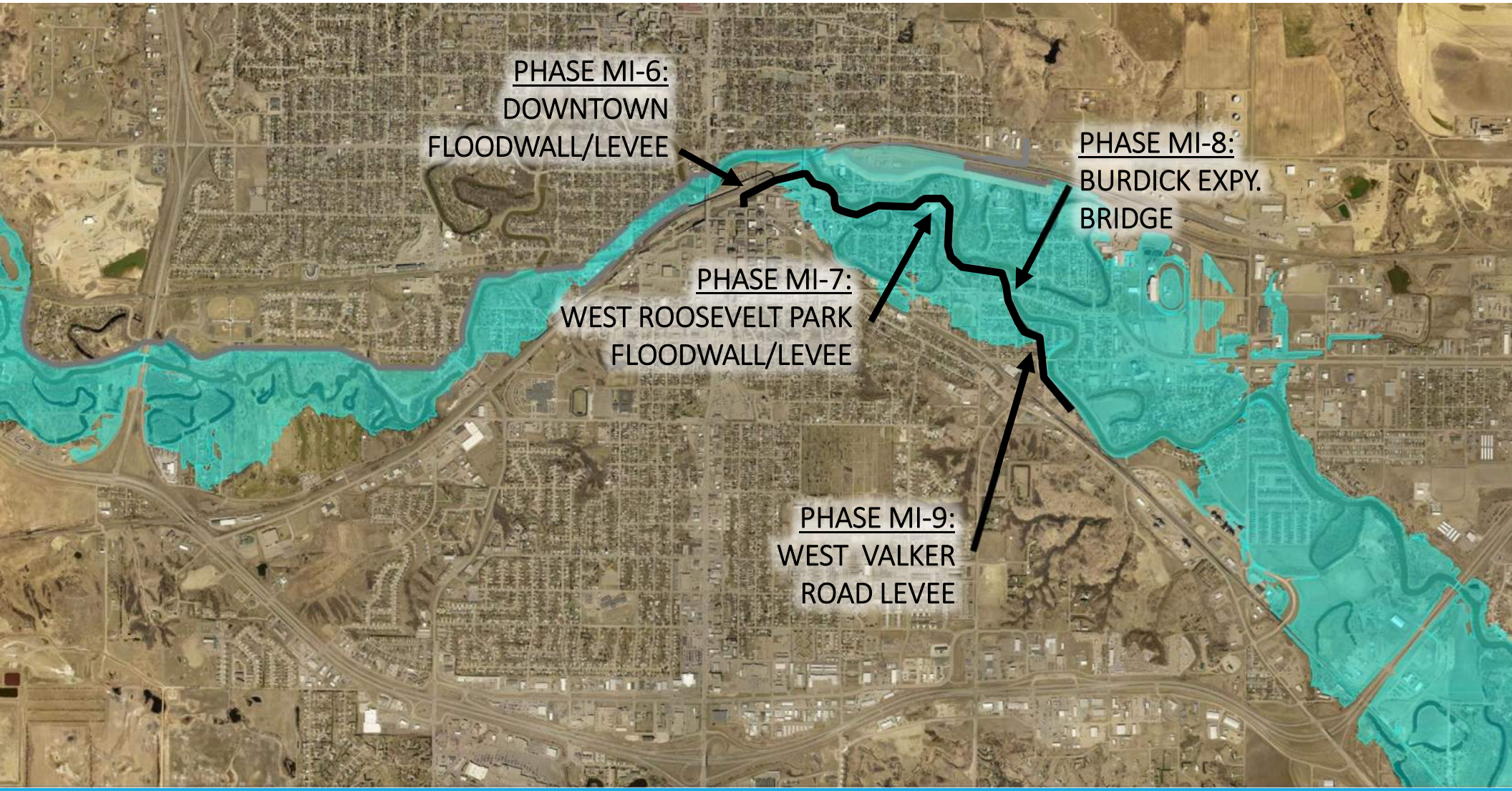




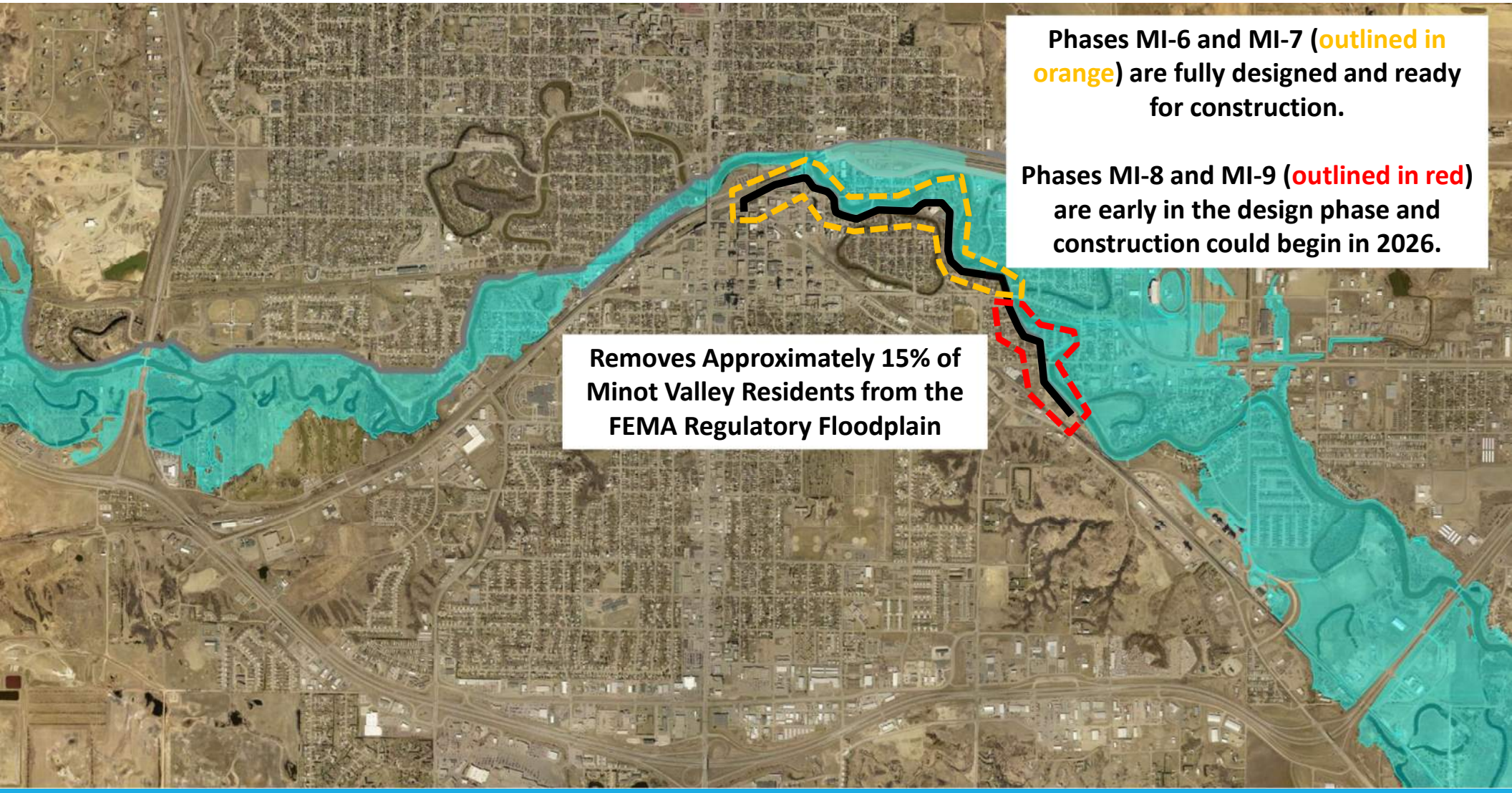
Future FEMA Regulatory Floodplain Prior to Milestone 1



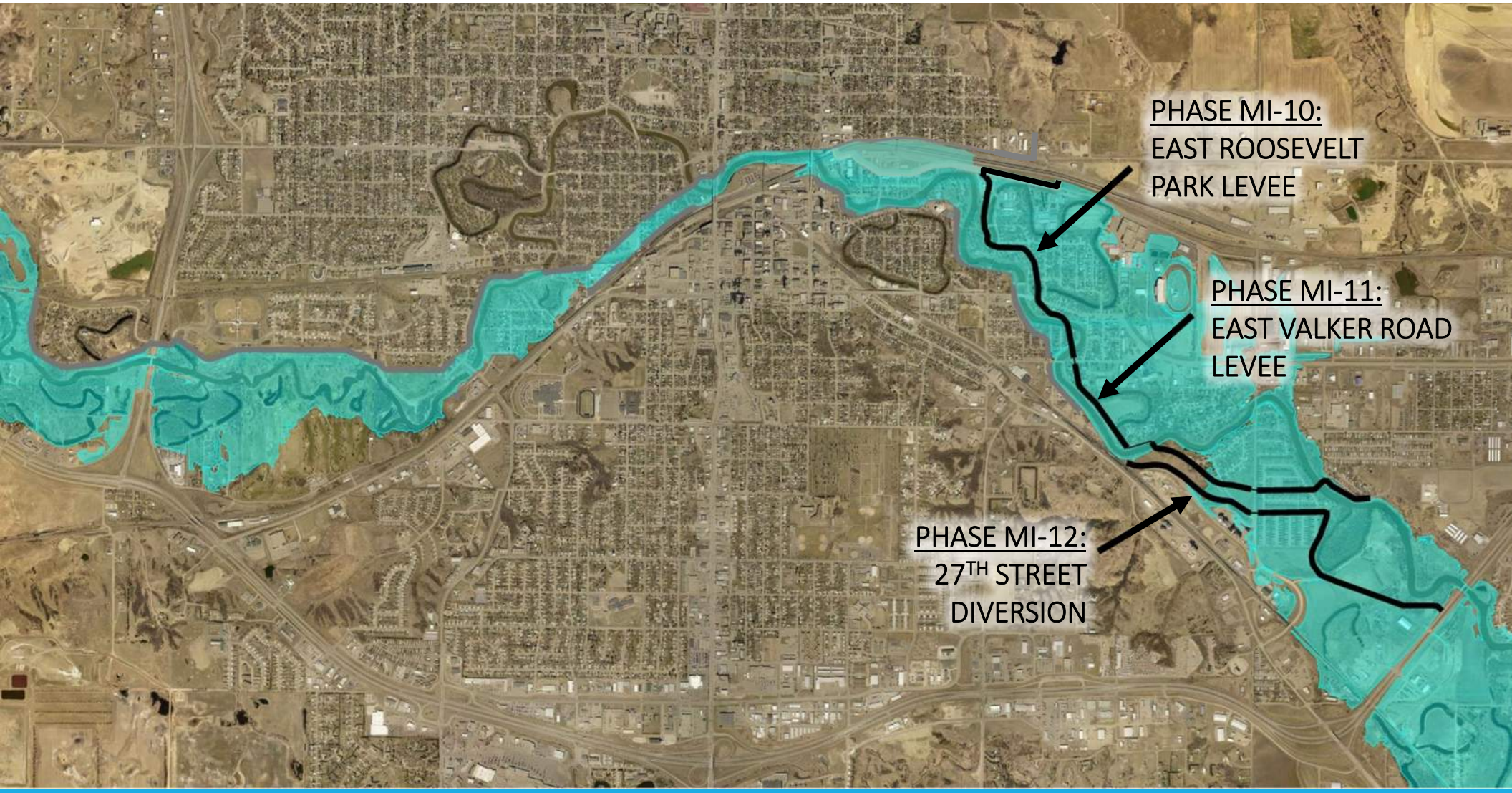
Interim Regulatory Floodplain Following Minot Milestone 1



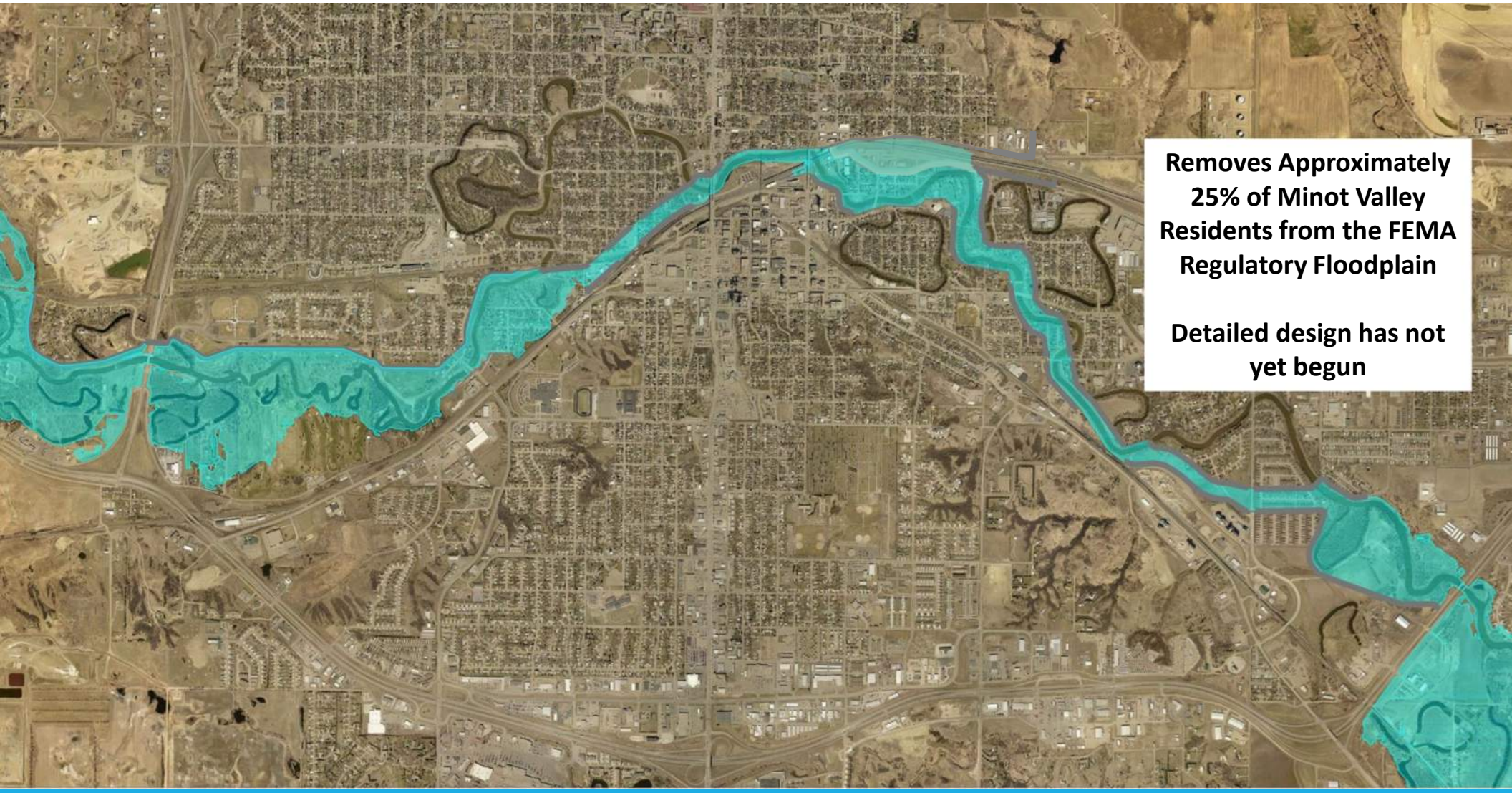
Minot Milestone 2



Interim Regulatory Floodplain Following Milestone 2

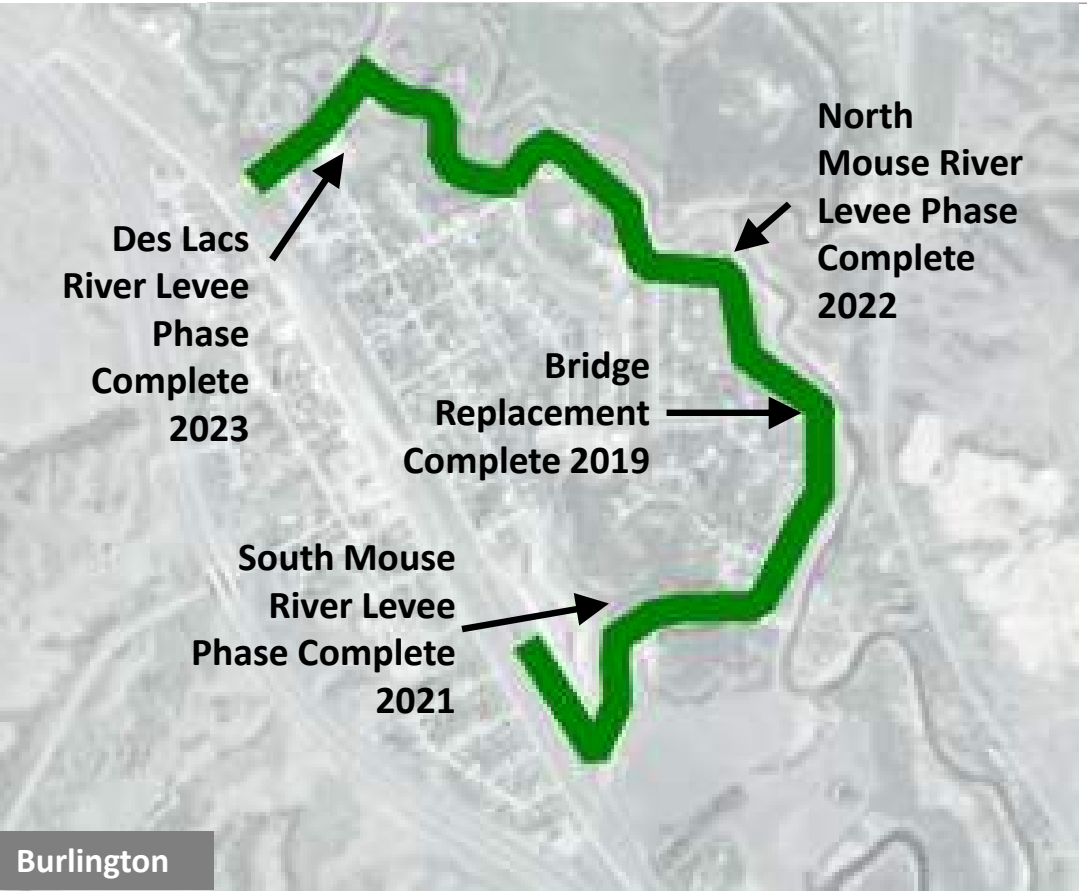


Minot Milestone 3



Regulatory Floodplain Following Milestone 3

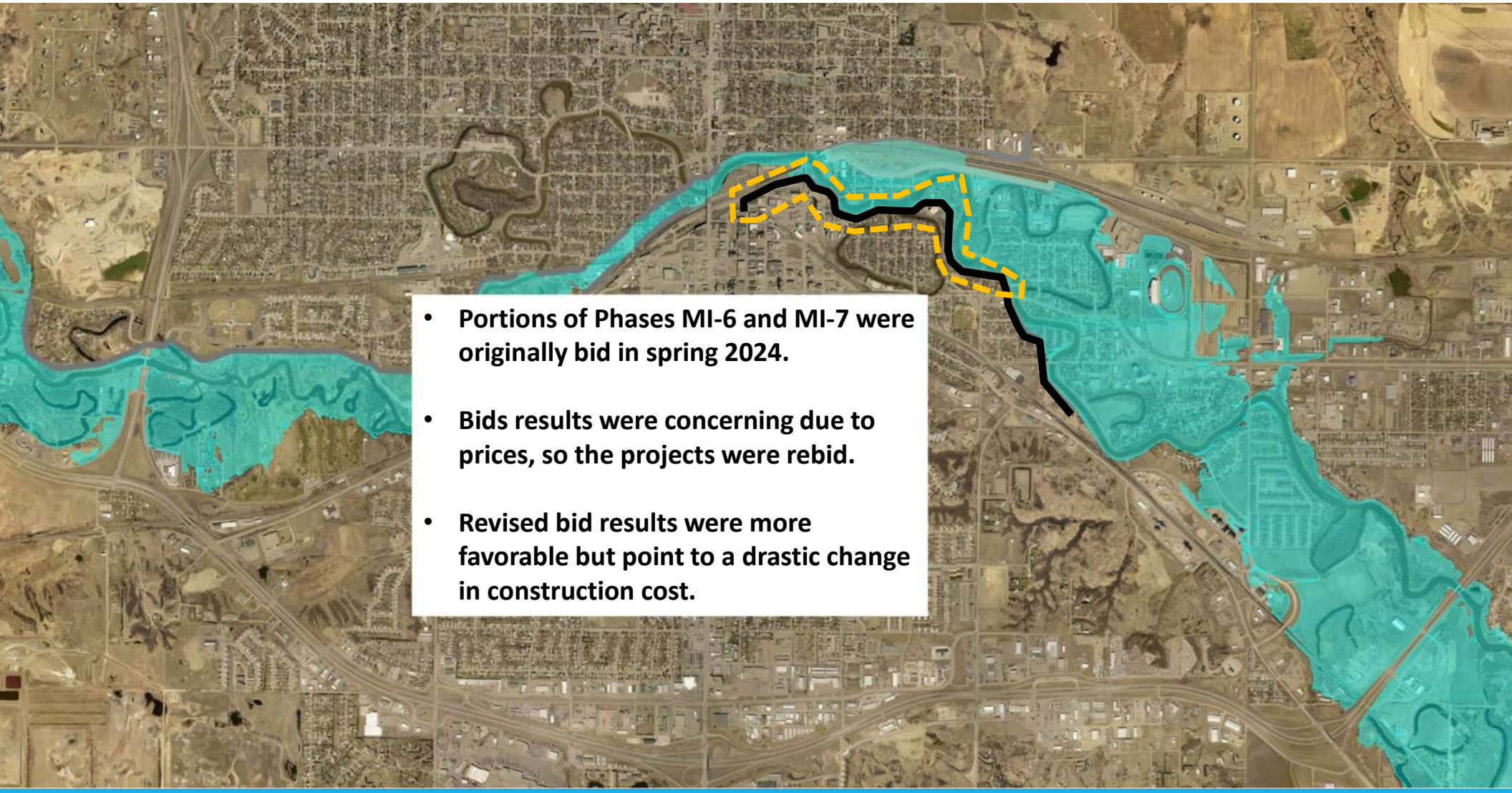
Progress in Rural Portions of the Mouse River Valley



Construction Funding Status:

Fully Funded

Construction of all Burlington phases of the project are substantially complete.



Construction Cost Challenges



Photo: Roadway closure installed near the Minot water treatment plant

Historical Concrete Bid Costs – Price per Cubic Yard (CY)

Pump Station Concrete

- Phase MI-1 (Re-Bid December 2017): $921 / CY *
- Phase MI-5 (Bid February 2022): $1,100 / CY
- **Phase MI-6 (Re-Bid September 2024): $3,400 / CY** *

+209% in 31 months

Floodwall Concrete

- Phase MI-1 (Re-Bid December 2017): $752 / CY *
- Phase MI-5 (Bid February 2022): $1,213 / CY
- **Phase MI-7 (Re-Bid July 2024): $1,710 / CY** *

+41% in 29 months

* Project was re-bid due to high pricing or irregularities



Photo: Installation of steel sheet pile to combat seepage beneath levee west of Minot.

Nationwide Construction Cost Indices Show Similar Trends, Though Not as Excessive

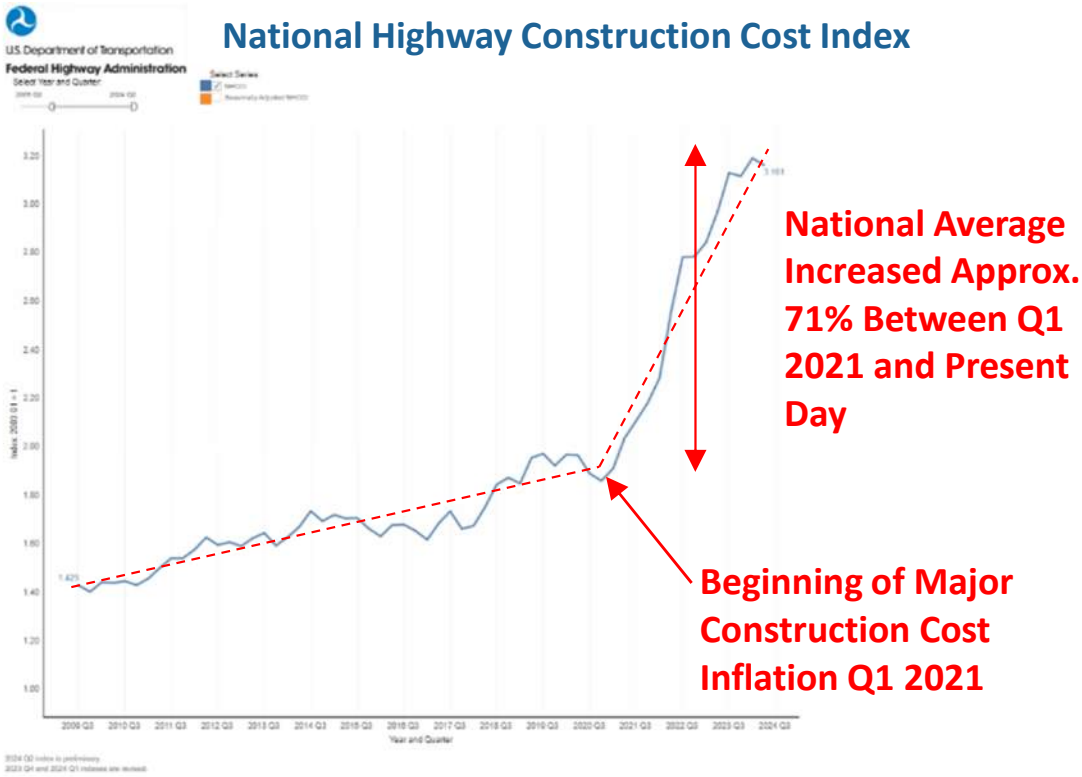




Photo: Levee embankment being constructed at Tierrecita Vallejo subdivision, west of Minot

Our actions thus far include:

Rejecting and rebidding phases of the project.

- Rebidding of Phases MI-6 and MI-7 resulted in the costs being reduced by approximately $12 million. These projects were subsequently awarded.

Repackaging the project to solicit the interest of smaller contractors

- Phases MI-6 and MI-7 were split into smaller scopes of work (approximately $20M each) in an attempt to entice other bidders. This encouraged some additional competition, which lowered pricing of the larger contractors.



Photo: Levee embankment being constructed at Tierrecita Vallejo subdivision, west of Minot

Our actions thus far include:

Evaluating why there has been a considerable change in the degree of competition and the bid amounts for these projects. Contractor feedback indicates:

- Relocation of crews and labor to the Minot region is not ideal due to increased workload across the state and region (state-funded projects, federally funded projects, etc.)
- Cost of labor
- Cost of materials
- Too much carryover work from last year to meet schedule demands of the flood control work



Photo: Levee embankment being constructed at Tierrecita Vallejo subdivision, west of Minot

Our actions thus far include:

Performing a re-evaluation of the entire program to identify

- Projected budgetary impacts of inflation (i.e. construction costs)
- Projected effects of revised alignments due to railroad feedback
- Opportunities for capital cost savings
- Alternate Delivery Methods
  - Bridge replacement at Mouse River Park bid 4 times with no bidders
  - Bridge replacement at Velva bid 1 time with no bidders

We Wish to Secure a Commitment to Finish this Project

Alternate funding scenarios have been developed to illustrate the effects of inflation on the total investment and schedule for completing the project.



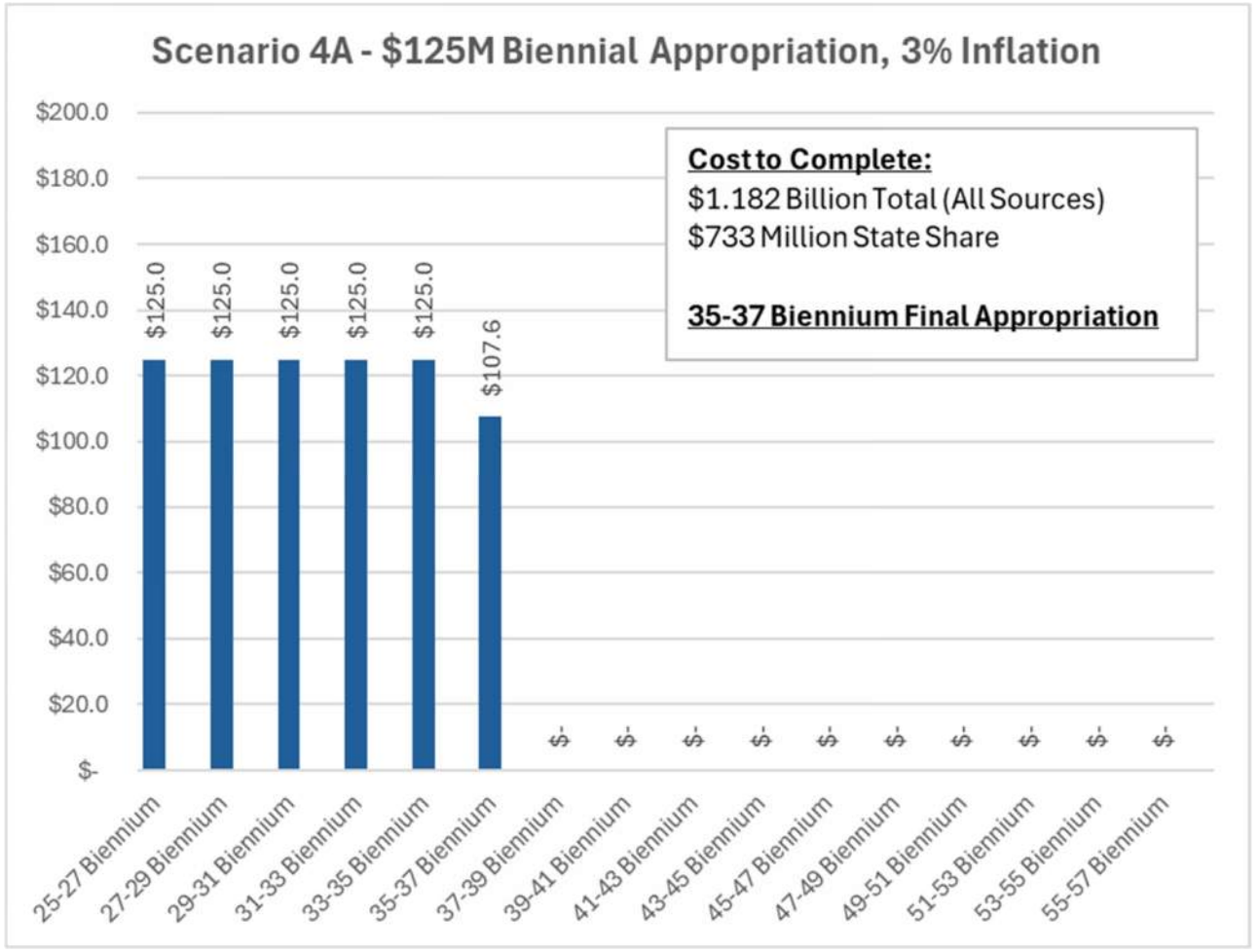
We are limiting the alternatives presented to those which correlate to the previous action of the House ($125M appropriation for 25-27 biennium)

State Funding Scenario 4A

$125M Biennial Appropriation

3% Inflation

Final Appropriation: 35-37 Biennium

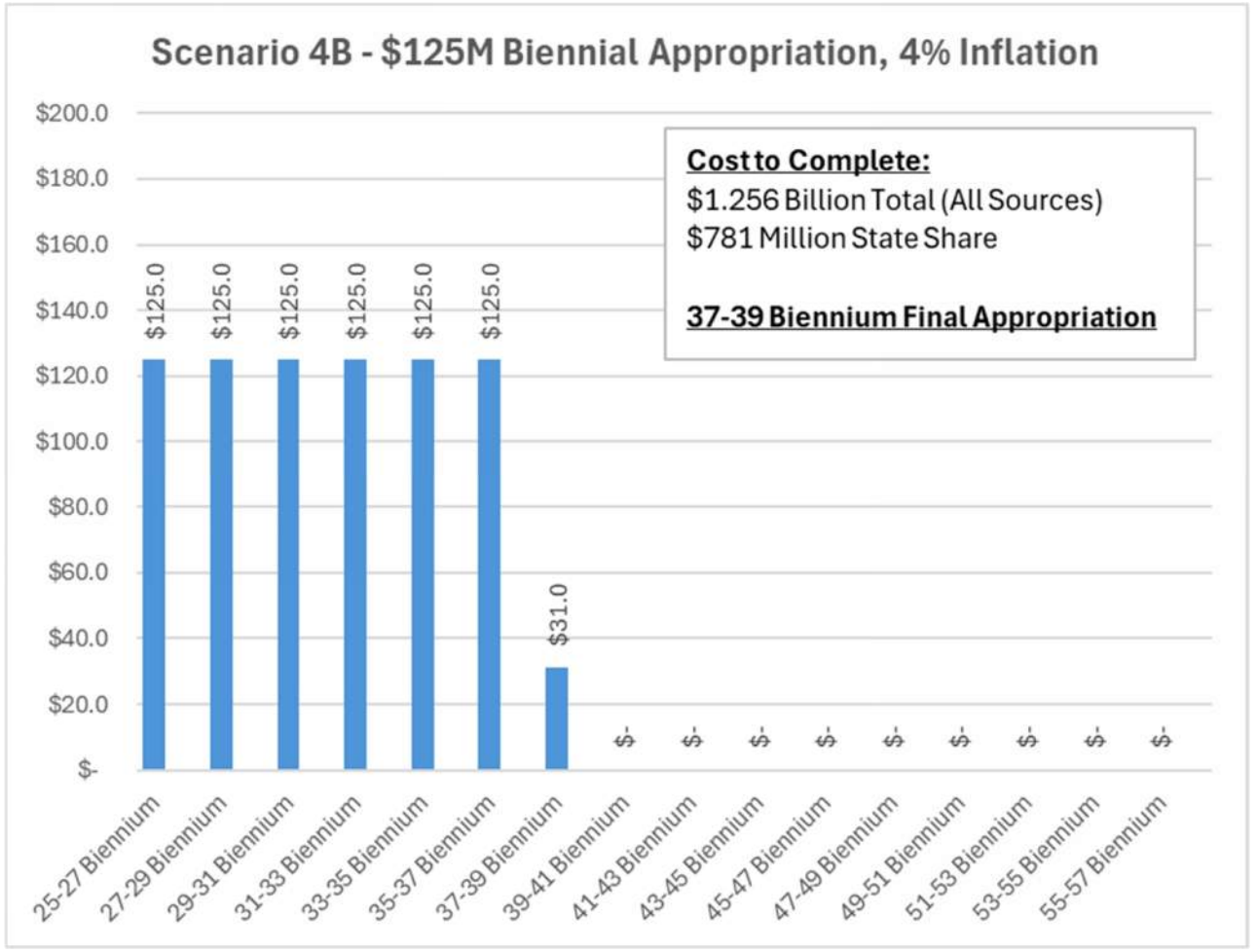


State Funding Scenario 4B

$125M Biennial Appropriation

4% Inflation

Final Appropriation: 37-39 Biennium

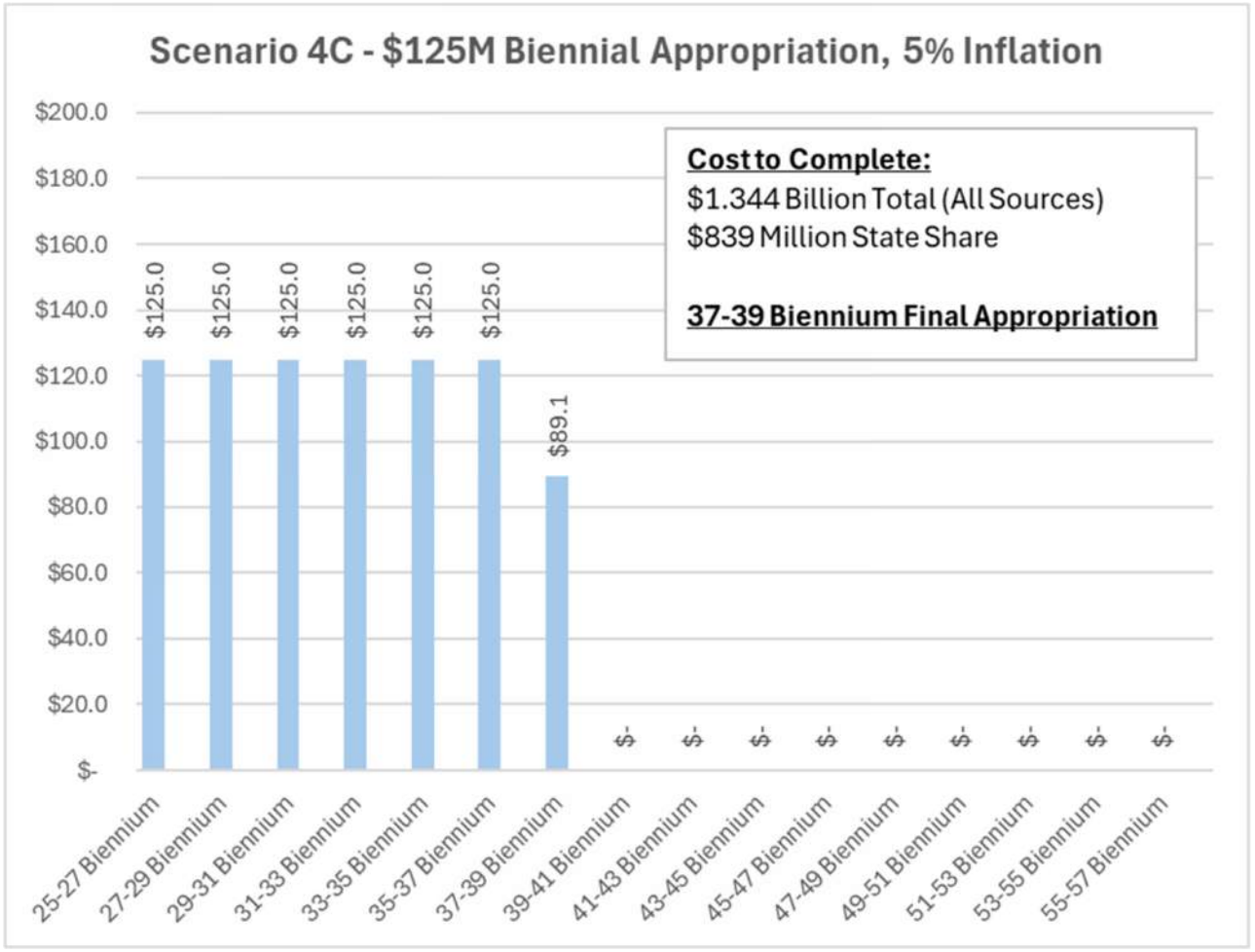


State Funding Scenario 4C

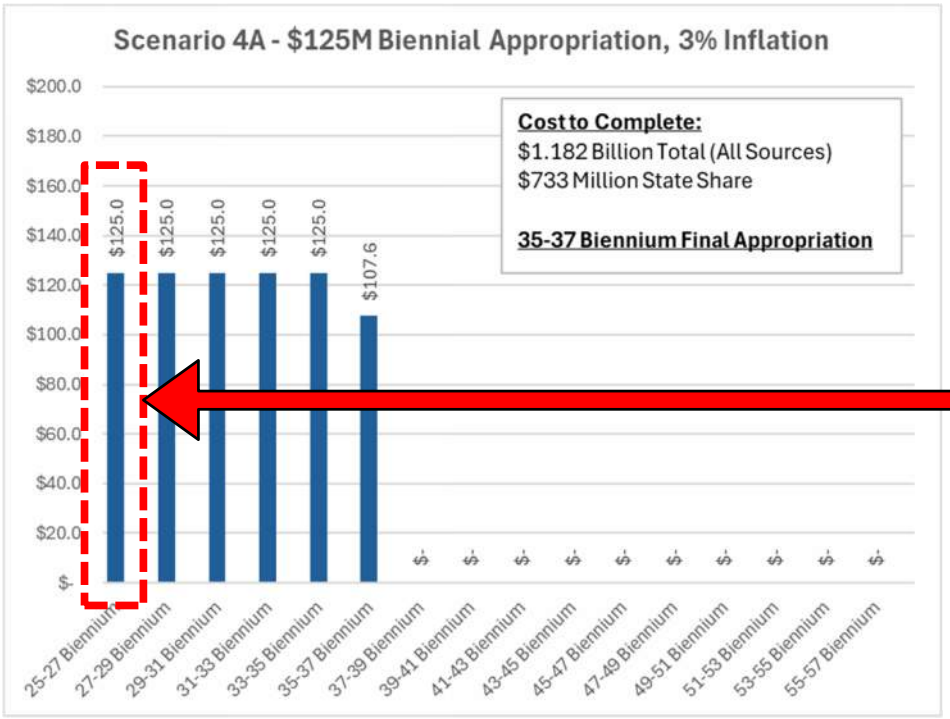
$125M Biennial Appropriation

5% Inflation

Final Appropriation: 37-39 Biennium



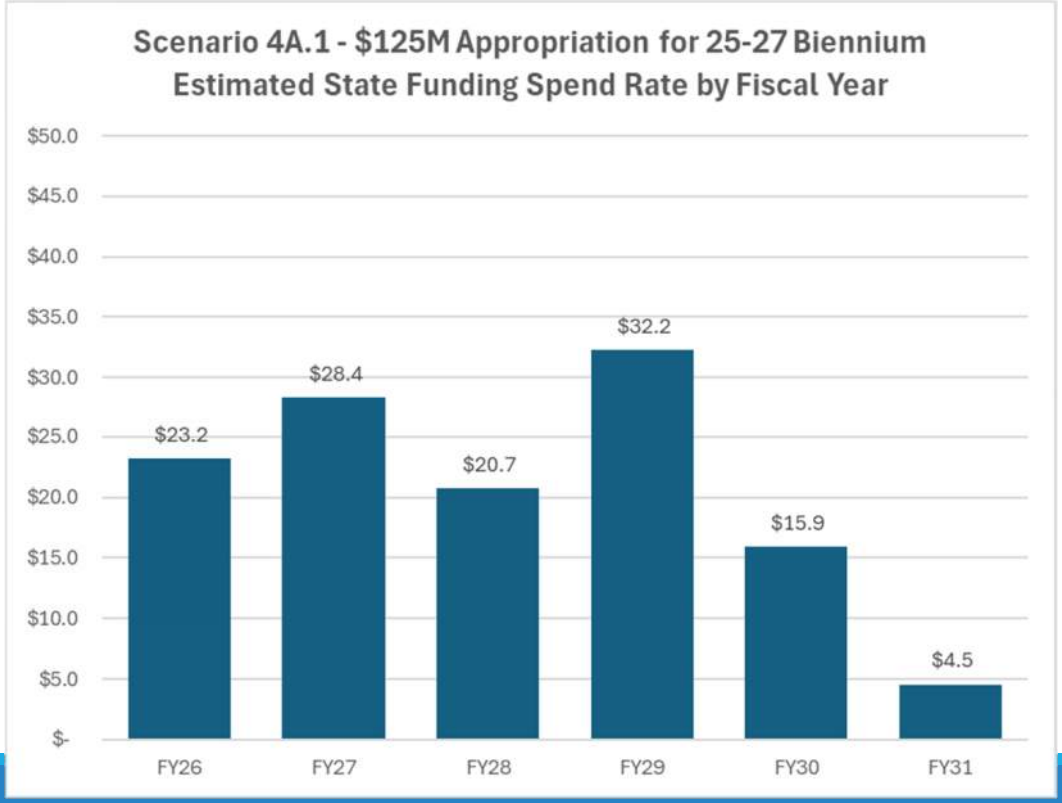
Spending Authority vs. Cash Spending



Question from your House colleagues:

If we appropriate $125 million, when will that cash be spent?

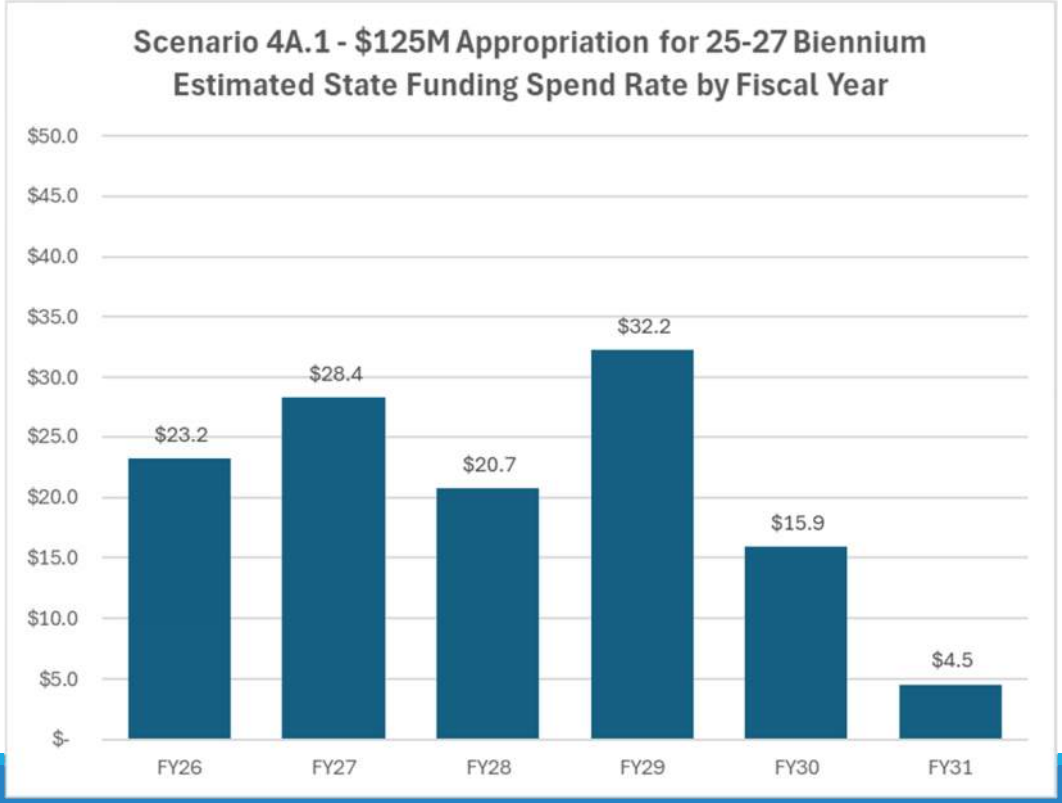
Spending Authority vs. Cash Spending



$125 million State appropriation generates a total of $260 million in contract authority in the 25-27 biennium

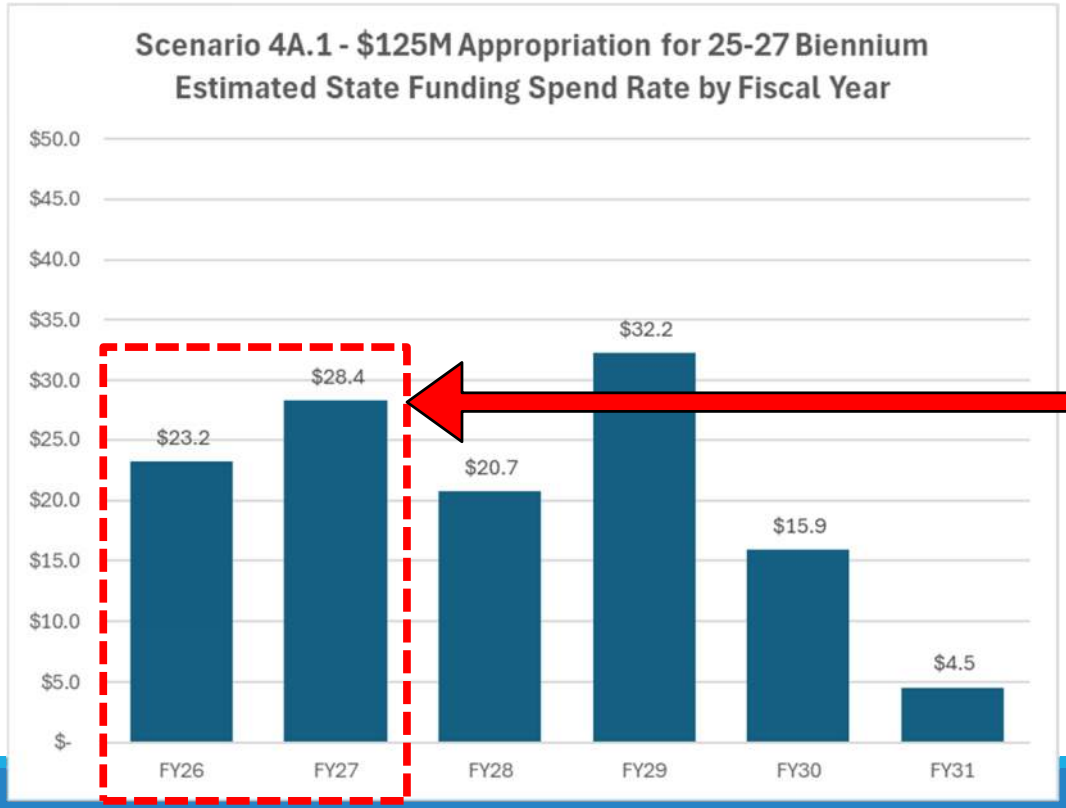
- $125 M State
- $70 M Federal
- $65 M Local

Spending Authority vs. Cash Spending



Due to complexity of construction sequencing, certain phases (i.e. Maple Diversion) may take up to **five construction seasons** to complete

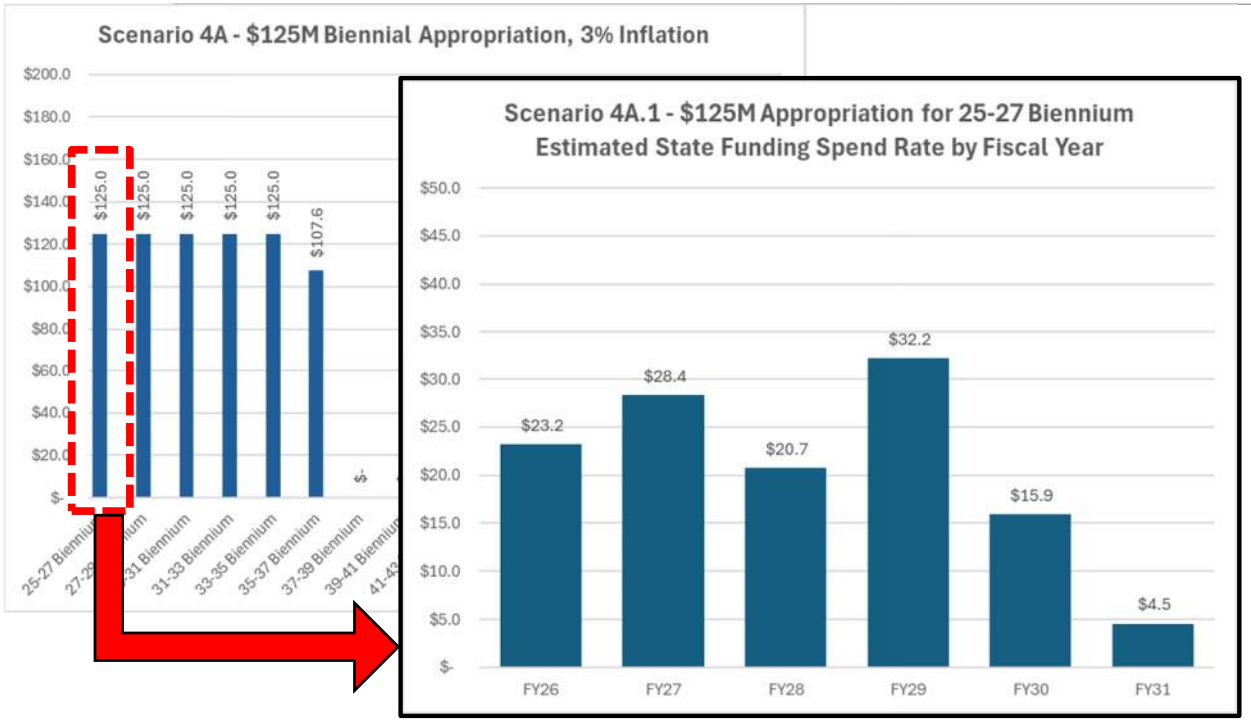
Spending Authority vs. Cash Spending



Question from your House colleagues:

If you can only spend $51.6 million in FY 26-27, why should we appropriate $125 million?

Spending Authority vs. Cash Spending



The spending authority created by the $125 million appropriation allows the multi-year contracts to be awarded.

Without the spending authority (i.e. the full appropriation), contracts can't be signed and the project implementation gets further delayed and subjected to increased inflationary risk.

Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

It is the optimal investment. The US Army Corps of Engineers performed an independent evaluation of the economics associated with the design level for the Maple Diversion. The maximum benefit-cost ratio is achieved at a design flow rate of 27,400 cfs.

US Army Corps of Engineers®
St. Paul District

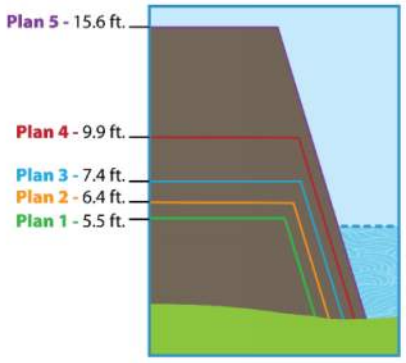


Figure 10: Levee Height Differences Across Different Plans Evaluated During Optimization

Table 9: Optimization results across Plan 1 – Plan 5

Results Top of Levee	Plan 1 14,000 cfs	Plan 2 17,000 cfs	Plan 3 20,400 cfs	Plan 4 27,400 cfs	Plan 5 36,000 cfs
Total Investment Cost[1]	66,900,000	67,800,000	69,500,000	72,000,000	78,600,000
Total Annual Costs[2]	2,700,000	2,800,000	2,900,000	3,000,000	3,200,000
Total Annual Benefits[3]	2,400,000	2,800,000	3,100,000	3,600,000	3,800,000
Net Annual Benefits	-400,000	-30,000	300,000	600,000	600,000
BCR	0.89	0.99	1.09	1.20	1.18

Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

The cost savings don't justify the reduction in project value.
The ND State Water Commission studied the costs associated with building to various lower levels. A 64% reduction in project capacity (i.e. 10,000 cfs in lieu of 27,400 cfs) would produce savings of approximately 6%.

Figure 5: Levee geometry A

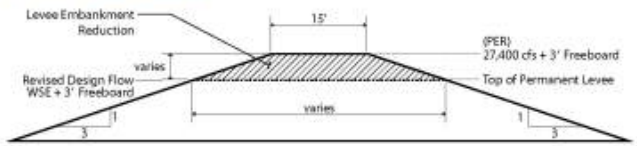


Figure 6: Levee geometry B

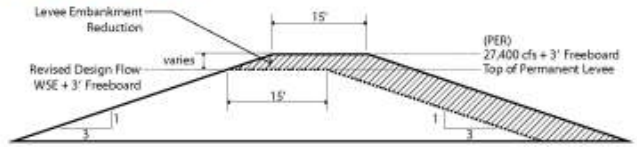


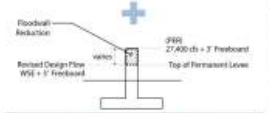
Figure 7: Levee geometry A costs



Levee scaling only

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	534.6	-1.6%
15,000	538.7	-0.8%
20,000	541.0	-0.4%

+



Floodwall scaling only

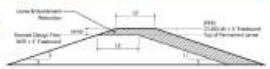
Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	528.3	-2.7%
15,000	535.8	-1.3%
20,000	538.8	-0.8%

=

Levee and floodwall scaling

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	519.8	-4.3%
15,000	531.4	-2.1%
20,000	536.9	-1.1%

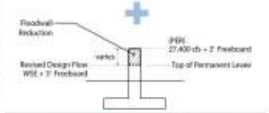
Figure 8: Levee geometry B costs



Levee scaling only

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	527.1	-2.9%
15,000	531.5	-2.1%
20,000	535.9	-1.3%

+



Floodwall scaling only

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	528.3	-2.7%
15,000	535.8	-1.3%
20,000	538.8	-0.8%

=

Levee and floodwall scaling

Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	512.3	-5.6%
15,000	524.3	
20,000	531.7	-2.1%

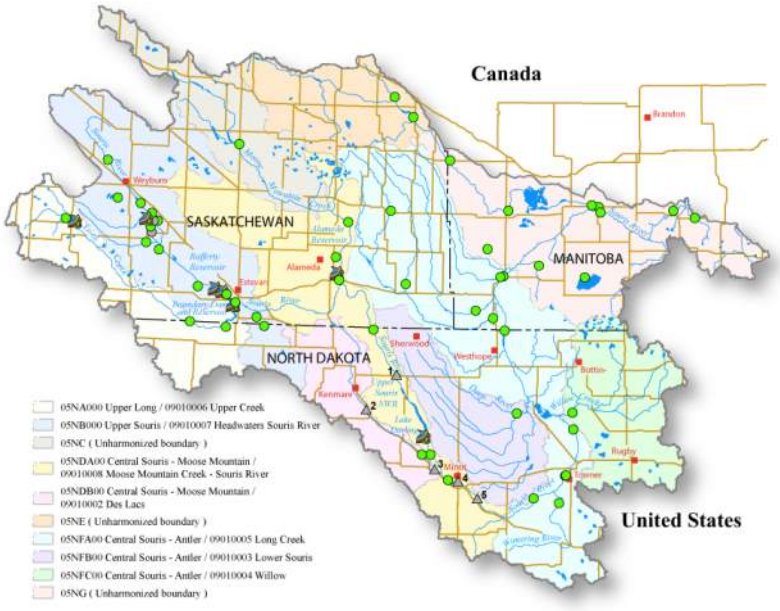
As shown in Figure 7 and 8 above, the reduction in costs for levee and floodwall scaling are estimated to be less than 6 percent of the project cost for PER Minot reaches (OPC of $543 million).

Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

Allows for adaptive reservoir management that can be used to benefit both urban and rural portions of the basin. When flow rates are well below the capacity of the urban levee systems, the reservoirs could be operated for the benefit of rural stakeholders. This is the essence of a basin-wide solution**.**

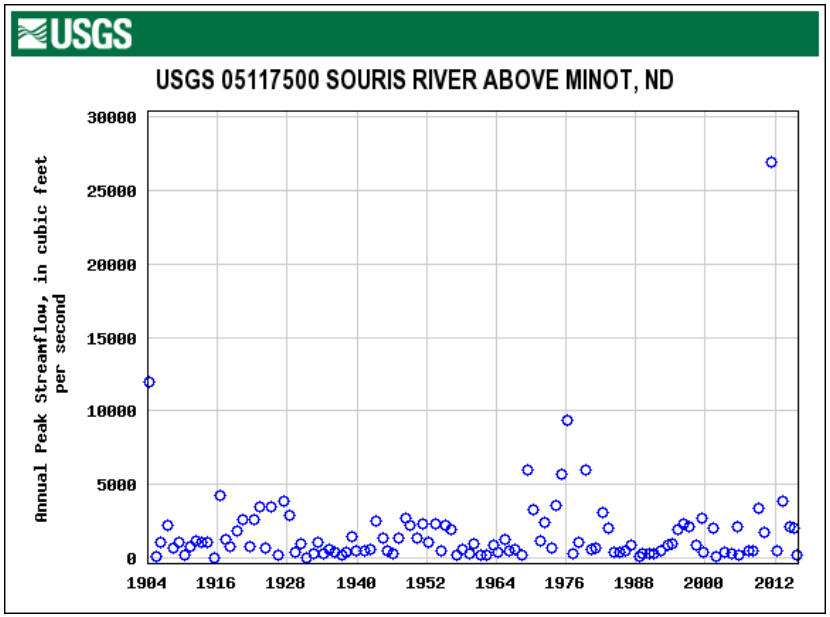


Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

Our historical record is 'only' a century long, and multiple researchers and agencies have classified the 20th Century (1900s) as a relative drought.
What will the next century bring?



Mouse River Design Level – 27,400 cfs

The Mouse River Enhanced Flood Protection Project is being designed to convey the flow rates experienced in 2011, or 27,400 cubic feet per second at Minot.

Why?

It actually happened.



On behalf of the residents of the Mouse River Basin…

Thank You!

SRJB

MOUSE RIVER PLAN

Project information may be viewed or downloaded at:

http://www.mouseriverplan.com

Construction progress videos may be viewed at:

https://www.youtube.com/channel/UCJEMcuR74qzNPZ83qzQhCTg

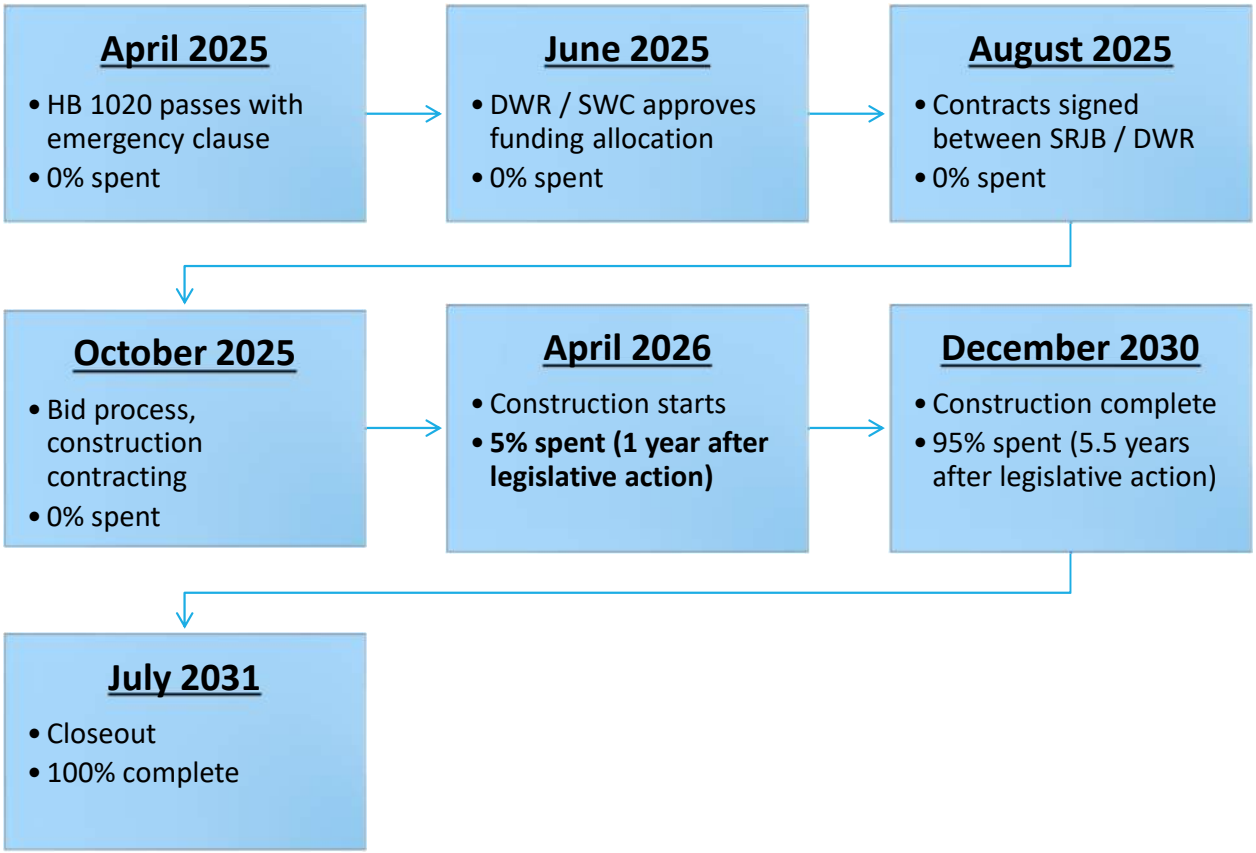




Why does it take so long to spend the appropriation?

How can cash carryover be reduced?

Typical Project Schedule



Why does it take so long to spend the appropriation?

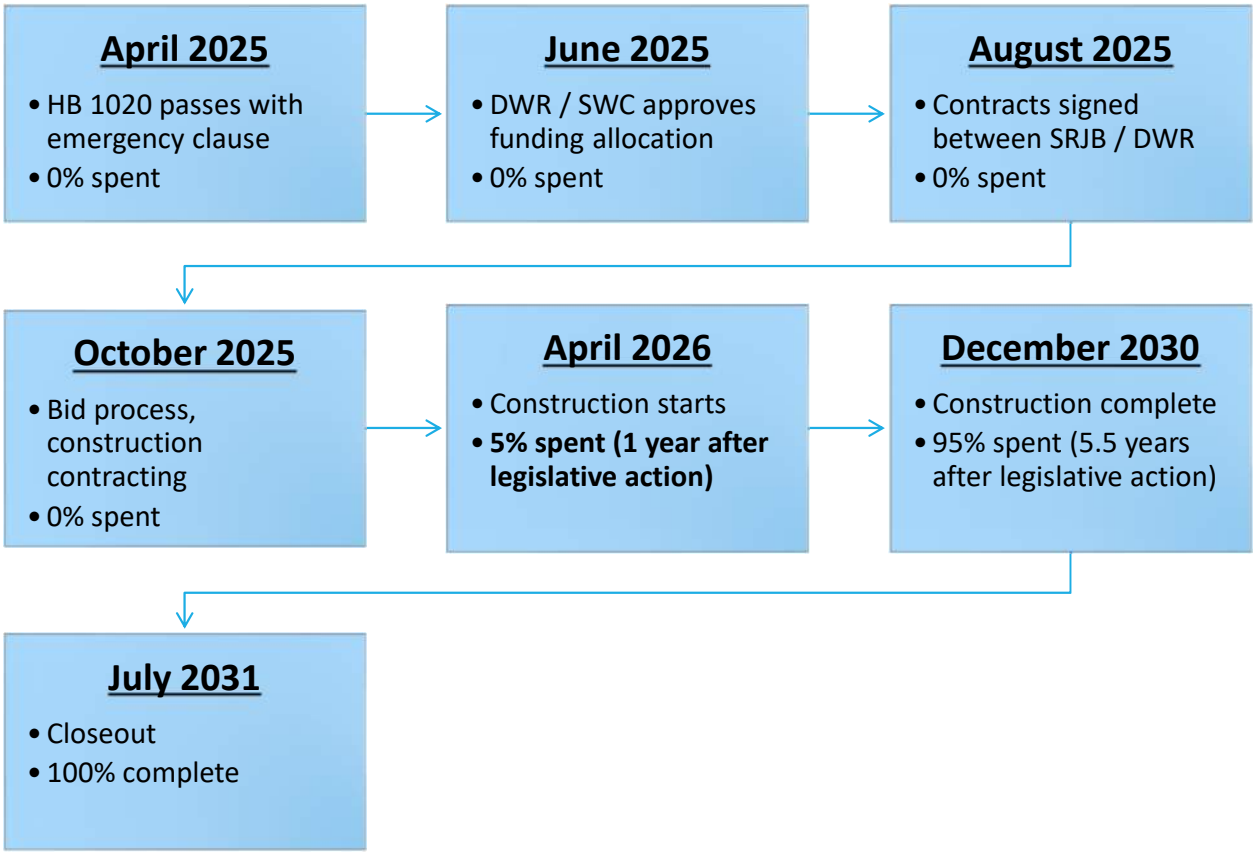
Even when the emergency clause carries, starting construction prior to freeze-up of the same year is unlikely due to approval, contracting and procurement processes

(April '25 to April '26 at right)

Portions of the work are highly sequential. Individual phases take several construction seasons to complete. Therefore, the spending gets extended over several years following the appropriation

(April '26 to July '31 at right)

Typical Project Schedule

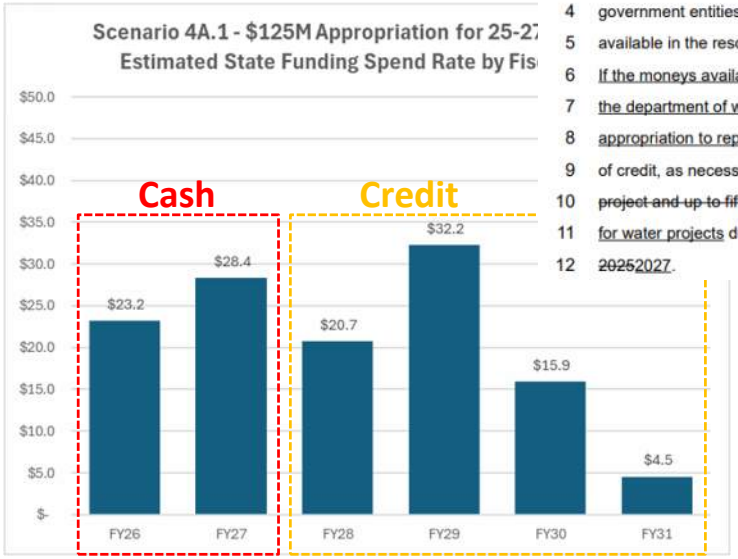


How can cash carryover be reduced?

Increase the line of credit available to the Department of Water Resources to increase the amount of contract authority available to water project sponsors.

Based on a total $125 million appropriation for Mouse River activities, an estimated $52 million would be expended. The remaining amount ($73 million) would be carryover into future biennia.

The line of credit establishes contracting authority for the project. It is highly unlikely that the funds would need to be accessed for cash expenditures.



28 **SECTION 13. AMENDMENT.** Section 61-02-79 of the North Dakota Century Code is
29 amended and reenacted as follows:

Sixty-ninth
Legislative Assembly

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

The Bank of North Dakota shall extend a line of credit not to exceed ~~one hundred~~ ~~million~~two hundred million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project~~two hundred million dollars for water projects during the biennium beginning July 1, ~~2023~~2025, and ending June 30, ~~2025~~2027.

How can cash carryover be reduced?

If the line of credit is expanded consistently in future biennia, the cash spend will be more consistent from year to year and will converge to match the rate of cash appropriations.

Carryover amounts will converge to the line of credit amount, meaning that **the amount of carryover that is cash will be significantly reduced.**

It is important to note that the risk for availability of funds is transferred to the local project sponsor in the funding agreement (excerpts at right).

Agreement for Cost-Share Reimbursement
Souris River Joint Board
23-25 Biennium Mouse River Enhanced Flood Protection Project

3. COMMISSION'S RESPONSIBILITY AND INTENT. Commission will provide Sponsor with cost-share, not to exceed $66,350,000, as approved by Commission on April 11, 2024, to reimburse 65 percent of the actual eligible construction costs and 75 percent of actual eligible acquisition costs incurred in Project. Commission cost-share is contingent on availability of funds and conditions of this agreement. Commission's intent in providing this funding to Sponsor is to assist Sponsor financially with Project costs. Sponsor retains sole and absolute discretion in the manner and means of carrying out Project, except to the extent specified in this agreement.

NORTH DAKOTA STATE WATER COMMISSION	SOURIS RIVER JOINT BOARD
By:	By:
ANDREA TRAVNICEK, PH.D. Secretary	DAVID ASHLEY Chairman
Date: 04/21/2024	Date: 5/2/2024

Cash carryover can be effectively reduced through expansion of the line of credit.

Contracts between the SWC and local project sponsors shift the risk of funding availability to the local project sponsors (rightly so).

Reducing the revenue to the Resources Trust Fund is not an effective strategy to reduce cash carryover while addressing the State's water needs.

A cut in funding to the Resources Trust Fund would delay project implementation, increase inflationary effects, and increase the risk of damages occurring from future floods or widespread drought.

We respectfully request the Senate resist proposed cuts to the Resources Trust Fund.

North Dakota
Water Resource
Districts Association

JACK P. DWYER, EXECUTIVE SECRETARY
701-730-5469 (c) • jack@ndwaterlaw.com
P.O. Box 2254 • Bismarck, North Dakota 58502
701-223-4615 (o) • staff@ndwater.net

HB 1020
Testimony of Harold Gaugler, WRDA President
Senate Appropriation's Education and Environment Division
March 11, 2025

Mr. Chairman and Members of the Education and Environment Division:

My name is Harold Gaugler and I serve on as the President of the ND Water Resource Districts Association and on the Grant County Water Resource District.

Water resource districts have a long history of providing valuable services in North Dakota to the local constituents in their respective counties and regions. Enabling legislation for the establishment of water resource districts was first passed in 1935. The responsibility of water resource districts includes water management from a local and regional perspective for beneficial uses of water, as well as for protection against flooding, erosion, and other detrimental effects of too much water.

The beneficial uses of water and protection against damage caused by flooding is critical to the agricultural and other local economies, as well as the social well-being of our citizens. Rural flood control provides crucial drainage relief not only for North Dakota farms and ranches, it also reduces flood damage to township, county, and state infrastructure. An important piece of providing these vital services has been state funding provided by the State Water Commission. Without this funding, many important flood control, water supply, erosion protection, water management, and beneficial use projects would not have been completed.

Water resource districts often serve as the local sponsor for projects that utilize funding from the "General Water" bucket and from the "Flood Control" bucket. Water resource districts in the eastern and north central parts of the state serve as the local project sponsor for conveyance projects. HB 1020 as currently drafted has $15 million slated for conveyance projects. For the first time, conveyance is specifically called out in HB 1020. While $15 million would not cover all projects identified for the next biennium, it will go a long way to supporting these vital infrastructure projects.

Water resource districts also serve as project sponsors for large and small flood control projects. We are appreciative of the work done on the House side to fund the Mouse River Flood Control project at $125 million and other flood control projects at $7.5 million.

Lastly, a critical part of any water project is applying for and securing appropriate federal, state, and local permits. Permit reviews and approvals are often the bottle neck of the critical path to maintaining project schedules and efficient use of state and local tax dollars. As the need for

projects and funding for projects has increased, the capacity to process and approve those permits at the state level has remained the same. We support additional FTE specifically for positions that can streamline the permit review and approval processes, which in turn will assist our constituents in maintaining project momentum and facilitate the efficient use of state and local tax dollars.

Thank you for your service to the State of North Dakota and the hard work that goes with it. I would be happy to answer any questions the committee may have regarding this testimony.

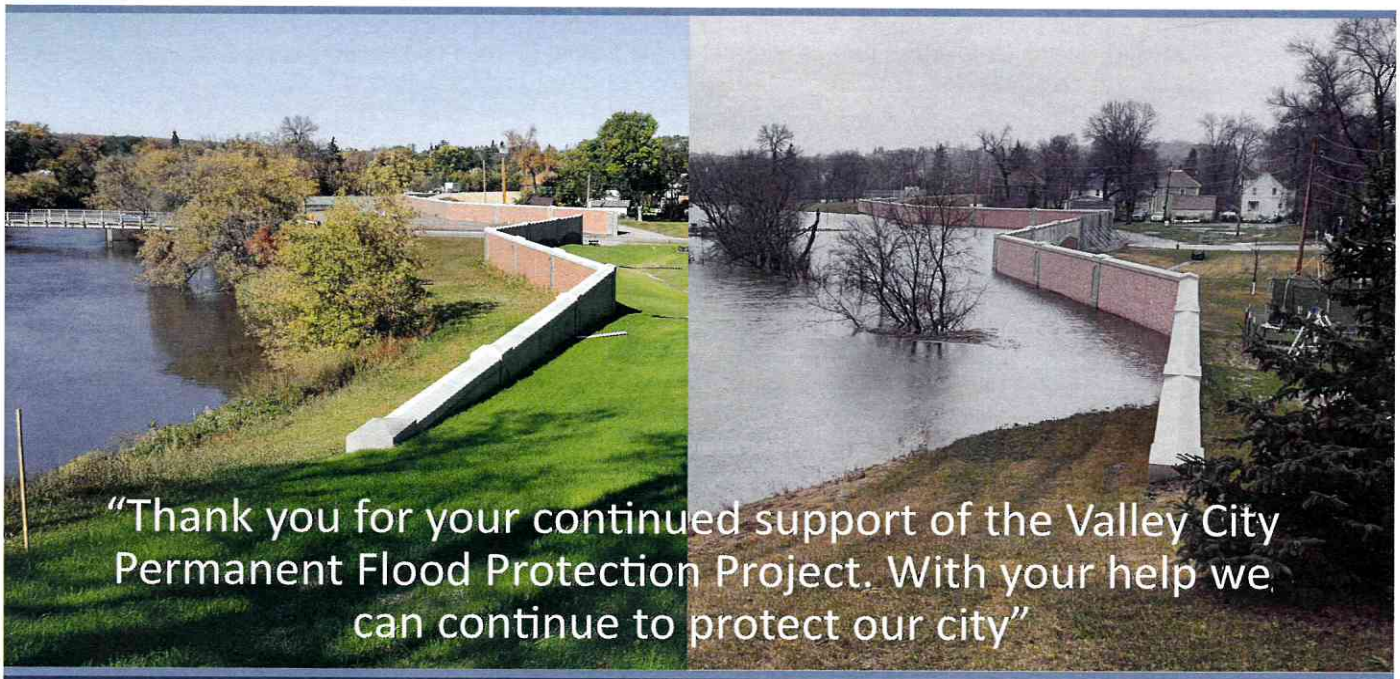
2025 - 2027 BIENNIUM FUNDING REQUEST

HB 1020 - DEPARTMENT OF WATER RESOURCES FUNDING



VALLEY CITY-SHEYENNE RIVER

PERMANENT FLOOD PROTECTION



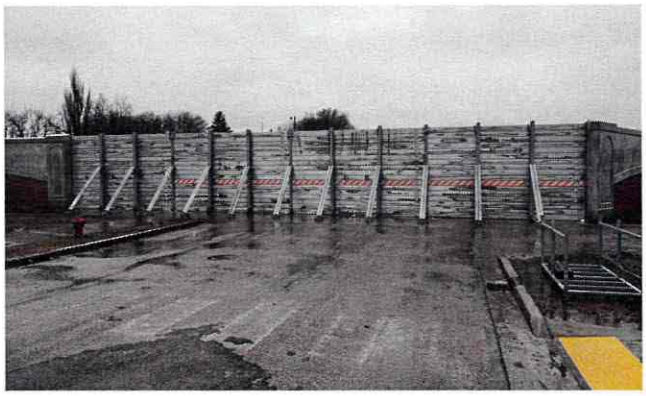
"Thank you for your continued support of the Valley City Permanent Flood Protection Project. With your help we can continue to protect our city"

GWEN CRAWFORD | VALLEY CITY ADMINISTRATOR | GCRAWFORD@VALLEYCITY.US | 701 845 1700

CHAIRMAN SORVAAG AND MEMBERS OF THE SENATE APPROPRIATIONS COMMITTEE:

Valley City sits along the Sheyenne River and is the first community downstream from Baldhill Dam. During the spring of each year, the Sheyenne River swells from snow melt with water levels peaking in March and April. During the spring of 2009, our community encountered a record flood, only to repeat it with a near record flood in the spring of 2011.

- Historic Crests (Top 5)
  - *20.69 ft — April 13, 2009
  - 20.66 ft — April 18, 2011
  - 20.00 ft — April 1, 1882
  - 18.78 ft — April 21, 1996
  - 18.09 ft — May 1, 2022



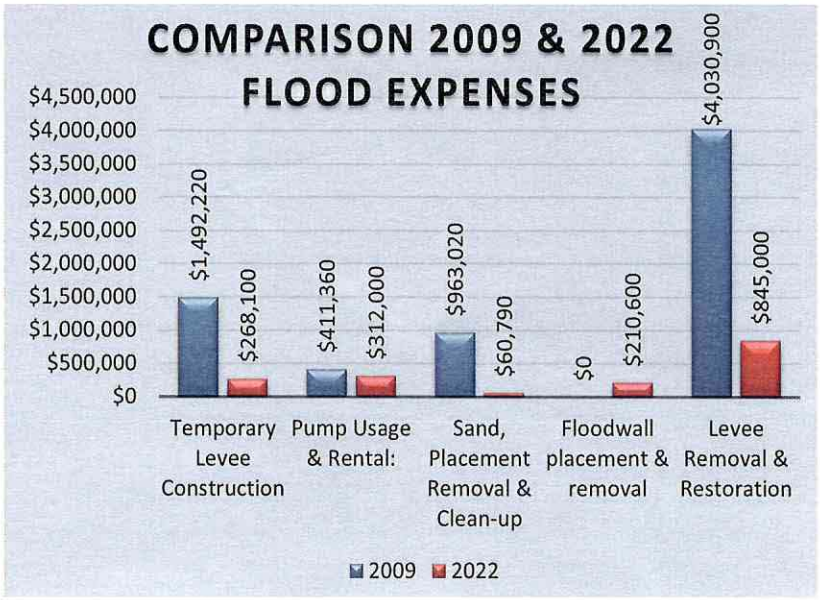
Each time our community experiences flood conditions, considerable amounts of resources are expended to combat the rising waters. With nearly back to back annual flooding events, City and community resources have been stressed financially and socially in recent years. Economic impacts are felt months and years after the flood waters have receded. Years of facility and infrastructure repair follow these floods.

To mitigate these disruptions to the community, our City is implementing permanent flood protection. The completed projects will provide permanent flood protection for our community eliminating the need for emergency flood fighting efforts for our citizens. Not needing to construct and remove emergency levees will mitigate damage to already aging city infrastructure that would be damaged by heavy construction equipment.

Once completed, the goal of our project is to protect the community from the one percent (100-year) flood event as described by the Flood Insurance Rate Maps mapped by the Federal Emergency Management Agency (FEMA).

We are thankful for the legislature's support of our flood protection project to date. Valley City has developed a long-term plan for providing permanent flood protection for the community based on the continued support from the Department of Water Resource and State Water Commission. Funding secured through passed legislative action has greatly reduced our cost to fight flood from the record flood in 2009 to the most recent flood in 2022:

	2009	2022
Temporary Levee Construction	$1,492,220	$268,100
Pump Usage & Rental:	$411,360	$312,000
Sand, Placement Removal & Clean-up	$963,020	$60,790
Floodwall placement & removal	$0	$210,600
Levee Removal & Restoration	$4,030,900	$845,000
Totals	$6,897,500	$1,696,490
Difference		$5,201,010
		25%



CURRENT PROGRESS

The permanent flood protection plan is outlined in multiple phases. Valley City has completed Phases 1-3 with funding being secured in the 2013-2015, 2015-2017 and 2017-2019 Legislative Biennia, respectively.

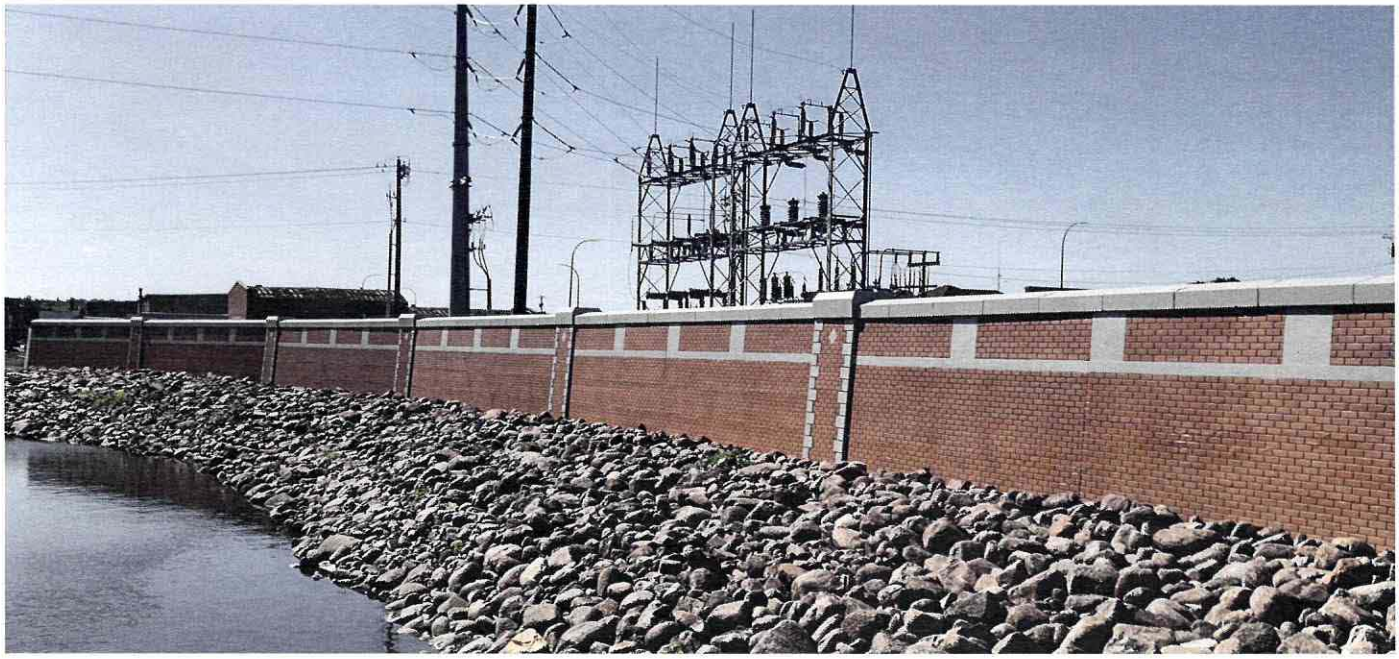




Phase 1, completed in 2016, was centered on the area near Valley City State University (VCSU). Phase 2 of permanent flood protection concentrated on a portion of the downtown area. This included the section of Main Street which is located along the Sheyenne River in addition to protecting the area behind the power substation—critical infrastructure for the community. Construction started in the fall of 2017 and was completed in the summer of 2020. Phase 3 of permanent flood protection protects the City's Master Lift Station. The Master Lift Station is constructed on the bank of the Sheyenne River and serves the entire City. Work started in the fall of 2019 and was completed in the summer of 2020.

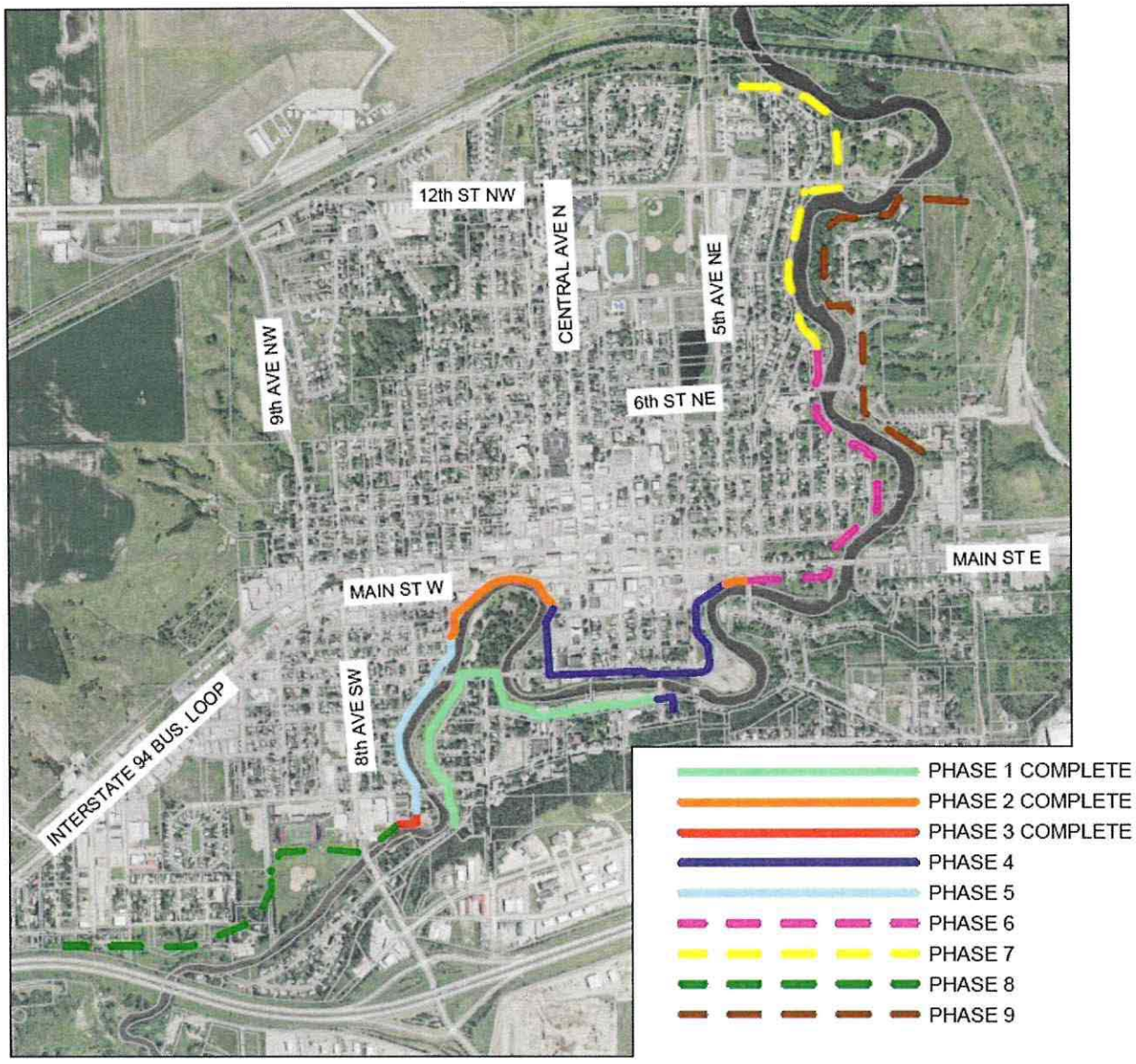
Funding for Phases 4-6 have been approved in previous Legislative Biennia. The City had been focusing on the Conditional Letter of Map Revision (CLOMR) for the entire permanent flood protection system. This was received in the fall of 2023 and the City is currently working on final plan development and permitting for Phase 4 to begin in 2025 and completed in 2026. As discussed above, Phase 2 only covers a portion of the downtown area, leaving a number of critical infrastructure components unprotected. Phase 4 focuses on building flood protection to protect this critical city infrastructure, including City Hall, the Fire Department, Police Department, Public Works, Mercy Hospital and two medical clinics.

Planning for Phases 5 and 6 will begin in 2025 with bidding to take place in 2026. Phase 5 focuses on connecting the Phase 2 project that protects the downtown area with Phase 3 that protects the Master Lift Station. Phase 5 will protect numerous residential dwellings, a public school and other critical infrastructure. Phase 6 will continue our efforts to protect the downtown area moving our construction north to protect Mercy Hospital as well as the other critical infrastructure within this area of protection, including City Hall, the Fire Department, Police Department and local clinics.



NEXT STEPS

Following the planning efforts for Phases 4-6, the City will turn their focus to Phase 7 of our flood protection project. Phase 7 continues north past Mercy Hospital protecting several residential developments along way tying into high ground near the Hi-Line Railroad Bridge.



Phase 7 concentrates on the protection of Valley City through these construction activities to protect critical infrastructure and surrounding neighborhoods:

- Permanent concrete flood walls
- Removable flood walls
- Clay levees
- Storm water pump stations

REQUEST

The City of Valley City asks for your support of House Bill 1020 and the funding of $16 million in grant funding through the Department of Water Resources for the continued construction of the Valley City Flood Protection Project.

Legislative Council

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	Armstrong Executive Budget				House Version				House Compared to Executive Budget Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes			$416,661	$416,661			$416,661	$416,661				$0
Salary increase			979,370	979,370			962,884	962,884			($16,486)	(16,486)
Health insurance increase			618,544	618,544			612,539	612,539			(6,005)	(6,005)
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398			703,398	703,398				0
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231			912,231	912,231				0
Transfers funding for 2025-27 new and vacant FTE pool				0			(633,423)	(633,423)			(633,423)	(633,423)
Adds accountant position	1.00		289,442	289,442	1.00		289,442	289,442				0
Adds deputy director position	1.00		427,980	427,980	1.00		452,162	452,162			24,182	24,182
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154	1.00		349,154	349,154				0
Adds general counsel position	1.00		452,162	452,162				0	(1.00)		(452,162)	(452,162)
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624	1.00		312,624	312,624				0
Adds RiskMAP program specialist position	1.00		350,706	350,706	1.00		350,706	350,706				0
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0	1.00			0				0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960			138,960	138,960				0
Adds funding for overtime and temporary salaries			60,000	60,000			60,000	60,000				0
Adds funding for NAWS on-call pay			106,954	106,954			106,954	106,954				0
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023			66,023	66,023				0
Adds funding for internship program			100,000	100,000			100,000	100,000				0
Adds funding for NAWS Biota water treatment plant operations			6,900,000	6,900,000				0			(6,900,000)	(6,900,000)
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788			2,051,788	2,051,788				0
Adjusts funding for operating expenses, including professional fees and services			1,509,270	1,509,270			(1,264,821)	(1,264,821)			(2,774,091)	(2,774,091)
Decreases funding for capital assets			(9,467,114)	(9,467,114)			(330,000)	(330,000)			9,137,114	9,137,114
Reduces funding for water supply grants			(127,467,199)	(127,467,199)				0			127,467,199	127,467,199
Reduces funding for rural water supply grants			(6,200,000)	(6,200,000)				0			6,200,000	6,200,000
Increases funding for flood control grants			13,400,000	13,400,000				0			(13,400,000)	(13,400,000)
Adds funding for discretionary funding			5,000,000	5,000,000			10,000,000	10,000,000			5,000,000	5,000,000
Increases funding for general water grants			4,972,500	4,972,500				0			(4,972,500)	(4,972,500)
Adjusts funding for the Southwest Pipeline Project				0			51,681,936	51,681,936			51,681,936	51,681,936
Adjusts funding for the Northwest Area Water Supply project				0			40,817,004	40,817,004			40,817,004	40,817,004
Adjusts funding among water projects and grants line items				0			113,100,000	113,100,000			113,100,000	113,100,000

Identifies line of credit funding as one-time funding				0			(200,000,000)	(200,000,000)			(200,000,000)	(200,000,000)
Total ongoing funding changes	**7.00**	**$0**	**($103,016,546)**	**($103,016,546)**	**6.00**	**$0**	**$21,256,222**	**$21,256,222**	**(1.00)**	**$0**	**$124,272,768**	**$124,272,768**
One-Time Funding Items												
Adds new FTE one-time funding			$49,000	$49,000			$42,500	$42,500			($6,500)	($6,500)
Adds funding for emergency pumps replacement			480,000	480,000			480,000	480,000				0
Adds funding for an excavator replacement			400,000	400,000			400,000	400,000				0
Adds funding for a data logger replacement			60,000	60,000			60,000	60,000				0
Adds funding for a Missouri River intake sites field investigation			600,000	600,000			600,000	600,000				0
Adds funding for the Southwest Pipeline Project, including $50 million from a Bank of North Dakota (BND) line of credit			58,650,000	58,650,000				0			(58,650,000)	(58,650,000)
Adds funding for the NAWS project			40,211,963	40,211,963				0			(40,211,963)	(40,211,963)
Adds funding for the Red River Valley Water Supply Project from a BND line of credit			50,000,000	50,000,000				0			(50,000,000)	(50,000,000)
Adds funding from a Bank of North Dakota line of credit				0			200,000,000	200,000,000			200,000,000	200,000,000
Total one-time funding changes	**0.00**	**$0**	**$150,450,963**	**$150,450,963**	**0.00**	**$0**	**$201,582,500**	**$201,582,500**	**0.00**	**$0**	**$51,131,537**	**$51,131,537**
Total Changes to Base Level Funding	**7.00**	**$0**	**$47,434,417**	**$47,434,417**	**6.00**	**$0**	**$222,838,722**	**$222,838,722**	**(1.00)**	**$0**	**$175,404,305**	**$175,404,305**
2025-27 Total Funding	**100.00**	**$0**	**$747,095,200**	**$747,095,200**	**99.00**	**$0**	**$922,499,505**	**$922,499,505**	**(1.00)**	**$0**	**$175,404,305**	**$175,404,305**
Federal funds included in other funds			*$62,910,358*				*$55,935,119*				*($6,975,239)*	
Total ongoing changes - Percentage of base level	*7.5%*	*N/A*	*(14.7%)*	*(14.7%)*	*6.5%*	*N/A*	*3.0%*	*3.0%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*7.5%*	*N/A*	*6.8%*	*6.8%*	*6.5%*	*N/A*	*31.8%*	*31.8%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	Armstrong Executive Budget	House Version	
New and vacant FTE pool		Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	
Additional income - Appropriation		Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	
Deficiency appropriation - SIIF		Section 5 provides a $10 million deficiency appropriation from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.	
Sovereign lands		Sections 6 and 7 provide $2.5 million to the Parks and Recreation Department to develop recreation opportunities on sovereign lands.	
Water projects stabilization fund		Section 8 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	
Discretionary funding		Section 9 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 22 may be used as necessary, except for salaries and wages.	
Bond issuance - Southwest Pipeline Project		Section 10 provides for the issuance of up to $100 million of revenue bonds for the Southwest Pipeline Project.	

Other Sections in Department of Water Resources - Budget No. 770

Section Description	Armstrong Executive Budget	House Version	
Transfer - Water infrastructure revolving loan fund		Section 11 provides for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.	
Line of credit - Water infrastructure revolving loan fund		Section 12 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	
Bank of North Dakota line of credit		Section 13 amends Section 61-02-79 to provide a line of credit of up to $200 million for water projects.	
Northwest Area Water Supply - Biota water treatment plant operating fund - Continuing appropriation		Section 14 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	
Legislative intent - Red River valley water supply project		Section 15 provides legislative intent for $260 million for the Red River valley water supply project for the 2025-27 biennium.	
Legislative intent - Mouse River flood control project		Section 16 provides legislative intent for $125 million for the Mouse River flood control project for the 2025-27 biennium.	
Legislative intent - South Bismarck storm water and flood control project		Section 17 provides legislative intent for $20 million for a south Bismarck storm water and flood control project for the 2025-27 biennium.	
Legislative intent - Grants and water projects		Section 18 provides additional detail regarding allocations within line items for water projects.	
Legislative intent - Missouri River system		Section 19 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	
State Water Commission study - Regional water systems governance and finance		Section 20 provides for a State Water Commission study of regional water systems governance and finance.	
State Water Commission study - Cost-share policy		Section 21 provides for a State Water Commission study of its cost-share policy.	
Line item transfers		Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $10 million between line items, excluding the salaries and wages line item and the new and vacant FTE pool line item.	
Exemption - Water-related projects		Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $522.5 million, may be continued and expended during the 2025-27 biennium.	
Emergency		Section 24 declares the bill to be an emergency measure.	



North Dakota Legislative Council

Prepared for the Senate Appropriations Committee
March 7, 2025

MAJOR RELATED LEGISLATION AFFECTING THE DEPARTMENT OF WATER RESOURCES AS OF CROSSOVER

This memorandum provides information on major related legislation affecting the Department of Water Resources as of Crossover:

House Bill No. 1009 - This bill provides for the transfer of $125,000 from the Department of Water Resources to the Agriculture Commissioner for the wildlife services program.

House Bill No. 1024 - This bill provides a deficiency appropriation of $10 million from the resources trust fund to the Department of Water Resources to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
3/11/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

2:25 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

Discussion Topics:

- Construction Progress of Water Supply Projects.
- User Outreach Data.
- South-West Pipeline Project.
- West Zone Transmission Project.
- Supplementary Raw Water Intake.
- Metallic Pipeline Replacement.
- Proposed Projects.

2:25 p.m. Greg Bischoff, Barnes County Director, Garrison Diversion Conservancy District, testified in favor.

2:27 p.m. Bernie Dardis, Mayor, West Fargo, testified in favor and submitted testimony #40615 and #40629.

2:35 p.m. Duane DeKrey, General Manager, Garrison Diversion Conservancy District, answered committee questions.

2:38 p.m. Dave Carlsrud, Mayor, Valley City, testified in favor.

2:41 p.m. Steve Hansen, Chairman, ND Irrigation Assoc., testified in favor and submitted testimony #39990 and #39991.

2:46 p.m. Jen Murray, Manager/CEO, SW Water Authority, testified in favor and referenced previous testimony #40190 03/10/25

2:58 p.m. Justin Froseth, SWPP Manager, continued previous testimony #40190.

3:16 p.m. Doug Anderson, Board Member, Western Area Water Supply Project, testified in favor and submitted testimony #40675.

3:30 p.m. James Odermann, SWA Board Member and State Water Commissioner, testified in favor and submitted testimony #40679.

3:42 p.m. Neil Breidenbach, General Manager, East Central Regional Water District, testified in favor.

3:46 p.m. Chairman Sorvaag adjourned the meeting.

Steven Hall, Committee Clerk

North Dakota Irrigation Association

P.O. Box 2254
Bismarck, ND 58502
701-223-4615
701-223-4645 (fax)

Dedicated to strengthening and expanding irrigation to build and diversify our economy

Senate Appropriations – Education and Environment Division
Hearing for HB 1020
March 11, 2025
Testimony of Steve Hansen, Chairman, ND Irrigation Association

Chairman Sorvaag and Members of the Committee, my name is Steve Hansen, and I serve as the Chairman of the North Dakota Irrigation Association (NDIA) in addition to being a farmer and irrigator from Ludden, ND. Thank you for the opportunity to offer testimony in support of House Bill 1020 and state funding for irrigation projects.

As you know, North Dakota producers often face devasting drought. Irrigation can be a valuable resource for producers because it has the potential to produce high value crops even in dry or drought periods. Irrigation also allows our farmers to maximize their soil's potential, increasing the productivity and profitability of the land.

In 2024, the NDIA, in partnership with the ND Department of Water Resources, Garrison Diversion Conservancy District, and North Dakota State University, undertook a study to identify areas for potential irrigation development. Attached to this testimony is a handout summarizing this study. The study showed that while less than one percent of cropland in North Dakota was irrigated in 2022, there are two million acres ripe for development, meaning that they have amenable soil types and land use in addition to access to water. In fact, 37 counties have more than 10,000 acres of cropland potential for future irrigation development.

To realize this development will likely require state support. Today, the state supports irrigation development in two ways. First, irrigation districts can apply for cost share through the State Water Commission for planning and construction of shared works, such as intakes, main transmission lines, and power lines, that benefit multiple irrigators in a district. While there are a limited number of districts in the state, and many of these are not very active, there is renewed interest in setting up and revitalizing districts. We would ask that adequate funding be included in the General Water bucket to support this effort. A recent request before the State Water Commission for one project was $150,000. There could be a few requests in the next biennium, so $300,00-$500,000 would support a handful of projects.

The Irrigation Association also supports the request of the Garrison Diversion Conservancy District (GDCD) for $5 million for irrigation development. The GDCD works closely with irrigators and potential irrigators in its district to further develop irrigation along the McClusky Canal.

The state, in a shared program with the State Water Commission and the Bank of North Dakota, also provides interest rate buydown for individual irrigators establishing new irrigation systems. The State Water Commission recently increased their contribution to this program and the Bank is looking to do the same in the near future. Together, this increased funding would increase the maximum buydown for an irrigator to 4% or $90,000. Historically, this program has been undersubscribed. With this increase, we're hopeful there will be greater interest in using it. The State Water Commission has dedicated approximately $300,000 to the Ag Pace program for the current biennium. We would ask that the same amount ($300,000) be contemplated for inclusion in the General Water bucket for the next biennium.

HB 1020, in its current form, allocates $25.5 million in the General Water bucket. Of that, approximately $8 million is allocated for projects other than conveyance and the parks and rec grants. It is out of this $8 million that funding for irrigation would come. We ask to maintain that amount in the General Water bucket for irrigation projects in the 2025-2027 biennium.

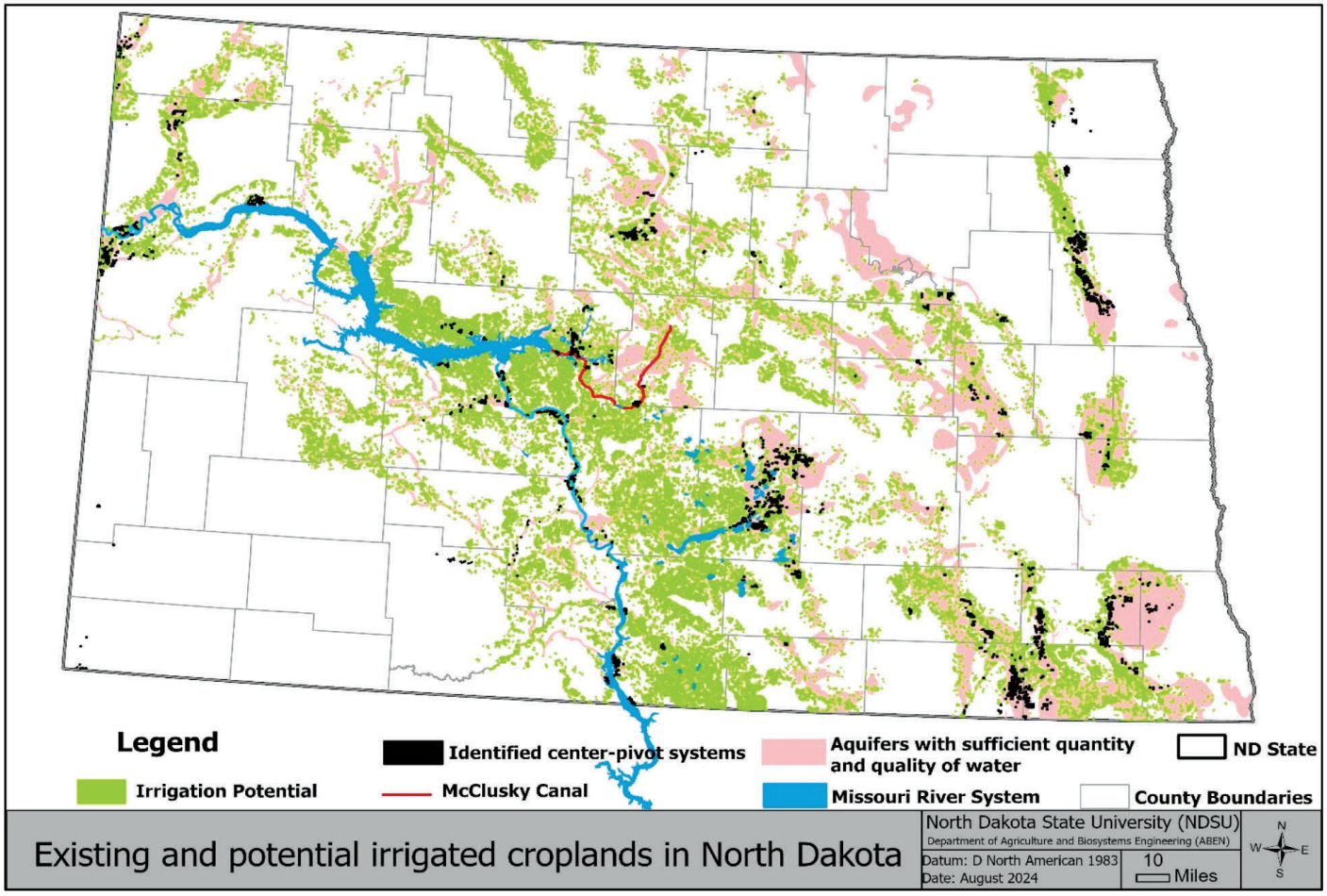
Thank you for the opportunity to provide this testimony, Mr. Chairman. I'd be happy to stand for any questions you may have.

Irrigation Potential in North Dakota

The **North Dakota Irrigation Association**, in partnership with the North Dakota Department of Water Resources, Garrison Diversion Conservancy District and North Dakota State University, undertook a study in 2024 to identify areas for potential irrigation development.

HIGHLIGHTS OF THE STUDY:

- According to the USDA National Agricultural Statistics Service's Census of Agriculture, less than one percent of cropland in North Dakota was irrigated in 2022. It was the least among the ten states that are entirely or partially covered by the Missouri River Basin and below the US average irrigated cropland. To identify the locations and areas of the North Dakota croplands that have potential for future irrigation development, we conducted a statewide irrigation feasibility study.
- In summary, about 2.2 million acres of cropland in North Dakota have suitable soils and available water for irrigation. Among these croplands, approximately one-quarter (0.25) of a million acres have already been developed for irrigation, leaving approximately two million acres of cropland statewide for future irrigation development. About one million acres of such cropland are located around the Missouri River corridor and the other one million acres are spread across the state where good-quality groundwater is available.



Statewide, 37 counties have more than ten thousand acres of cropland potential for future irrigation development.

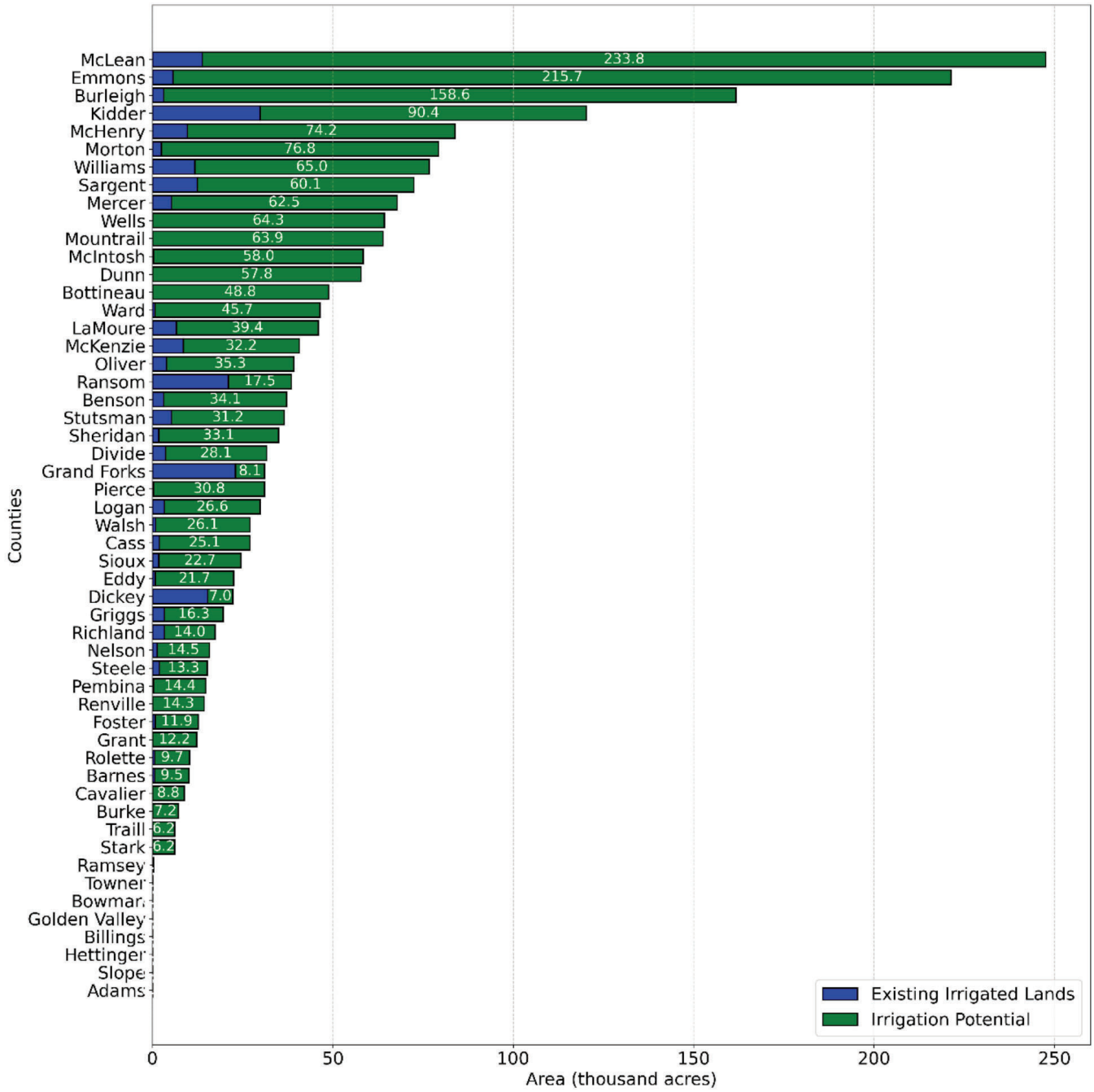


***Figure ES.2**. Areas of the existing irrigated and potentially irrigable croplands in North Dakota counties (The numbers in the green bars are thousands of acres of croplands with irrigation potential in each county).*

NEXT STEPS

- NDSU is continuing to refine this data and create an online dashboard so individuals can more easily access data on a statewide level and in specific counties.

To view the full study scan the QR code

RED RIVER VALLEY
WATER SUPPLY PROJECT

Serving the Water Supply Needs of Central North Dakota and the Red River Valley

SENATE APPROPRIATIONS
EDUCATION & ENVIRONMENT
HB 1020

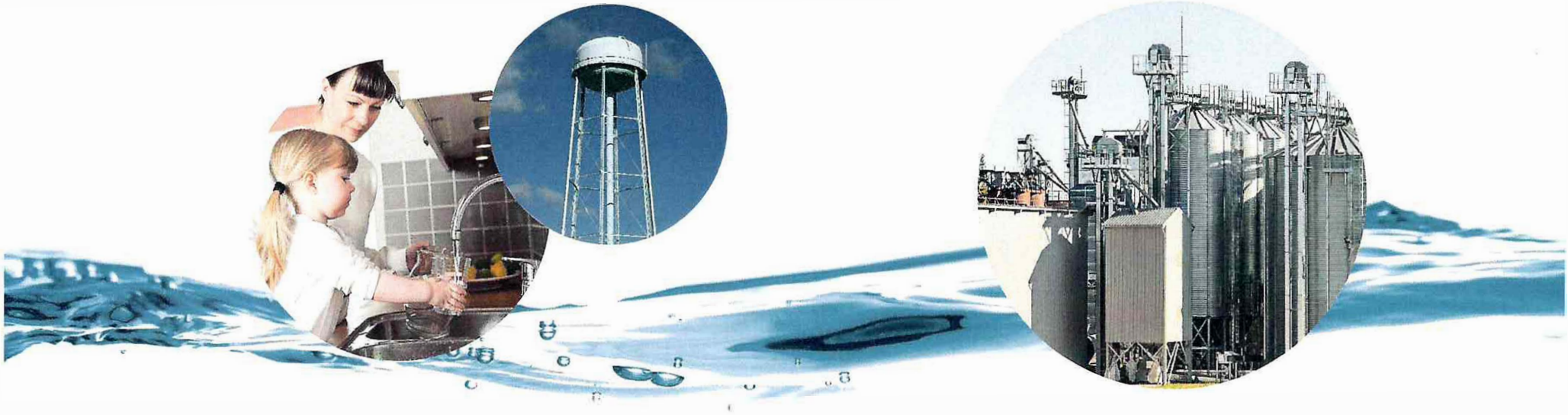
MARCH 11, 2025

Lake Agassiz
Water Authority

GARRISON DIVERSION

RED RIVER VALLEY WATER SUPPLY PROJECT

RRVWSP IS A LONG-TERM EMERGENCY WATER SUPPLY AND ECONOMIC DEVELOPMENT DRIVER!



PROJECT OVERVIEW



Pipe Diameter
72" (6 foot)

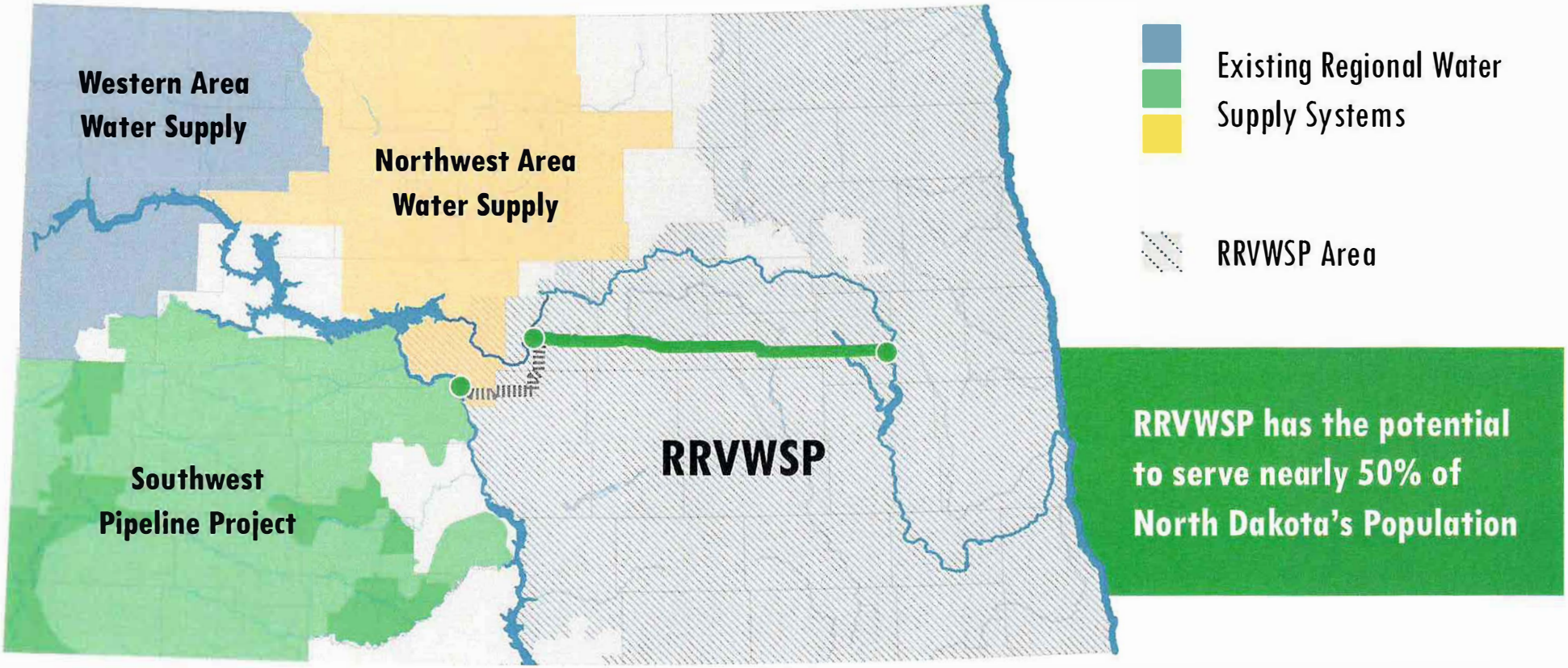
Pipe Length
125 Miles

Pipe Material
Steel

Pipe Flow
165 cfs

Typical Bury Depth
7' Top of Pipe
15' Bottom of Trench

REGIONAL WATER SYSTEM



FEDERAL, STATE AND LOCAL PARTNERSHIP

GARRISON DIVERSION CONSERVANCY DISTRICT

Represents the State of ND

ND CENTURY CODE CH. 61-24-01

To study and provide for the water needs of eastern North Dakota communities and water districts and western Minnesota communities through a Red River Valley Water Supply Project.



LAKE AGASSIZ WATER AUTHORITY

Represents Local Users

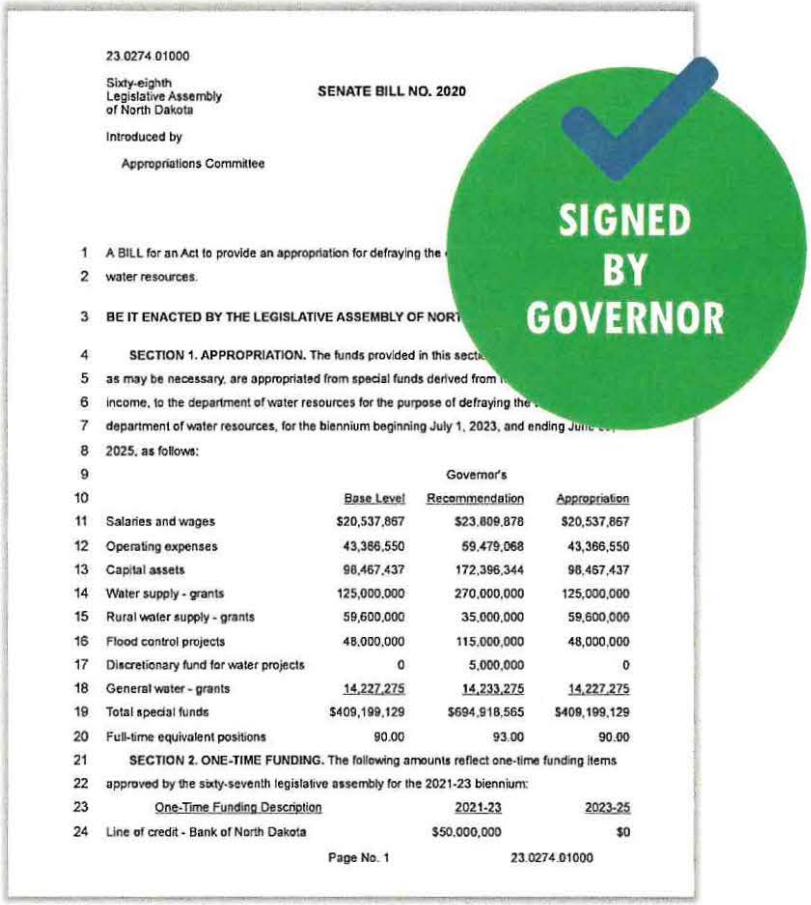
ND CENTURY CODE CH 61-39-04.1

The Lake Agassiz Water Authority and the Garrison Diversion Conservancy District shall continue studying, planning, developing, and constructing a nonfederal project to meet the water supply needs of eastern and central North Dakota.

ND STATE LEGISLATURE & ND STATE WATER COMMISSION

FEDERAL GOVERNMENT

SENATE BILL 2020 – 2023 LEGISLATIVE SESSION



23.0274.01000

Sixty-eighth Legislative Assembly of North Dakota

SENATE BILL NO. 2020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the
water resources.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORT

SECTION 1. APPROPRIATION. The funds provided in this sect
as may be necessary, are appropriated from special funds derived from
income, to the department of water resources for the purpose of defraying the
department of water resources, for the biennium beginning July 1, 2023, and ending Jun
2025, as follows:

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

SECTION 2. ONE-TIME FUNDING. The following amounts reflect one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium:

One-Time Funding Description	2021-23	2023-25
Line of credit - Bank of North Dakota	$50,000,000	$0

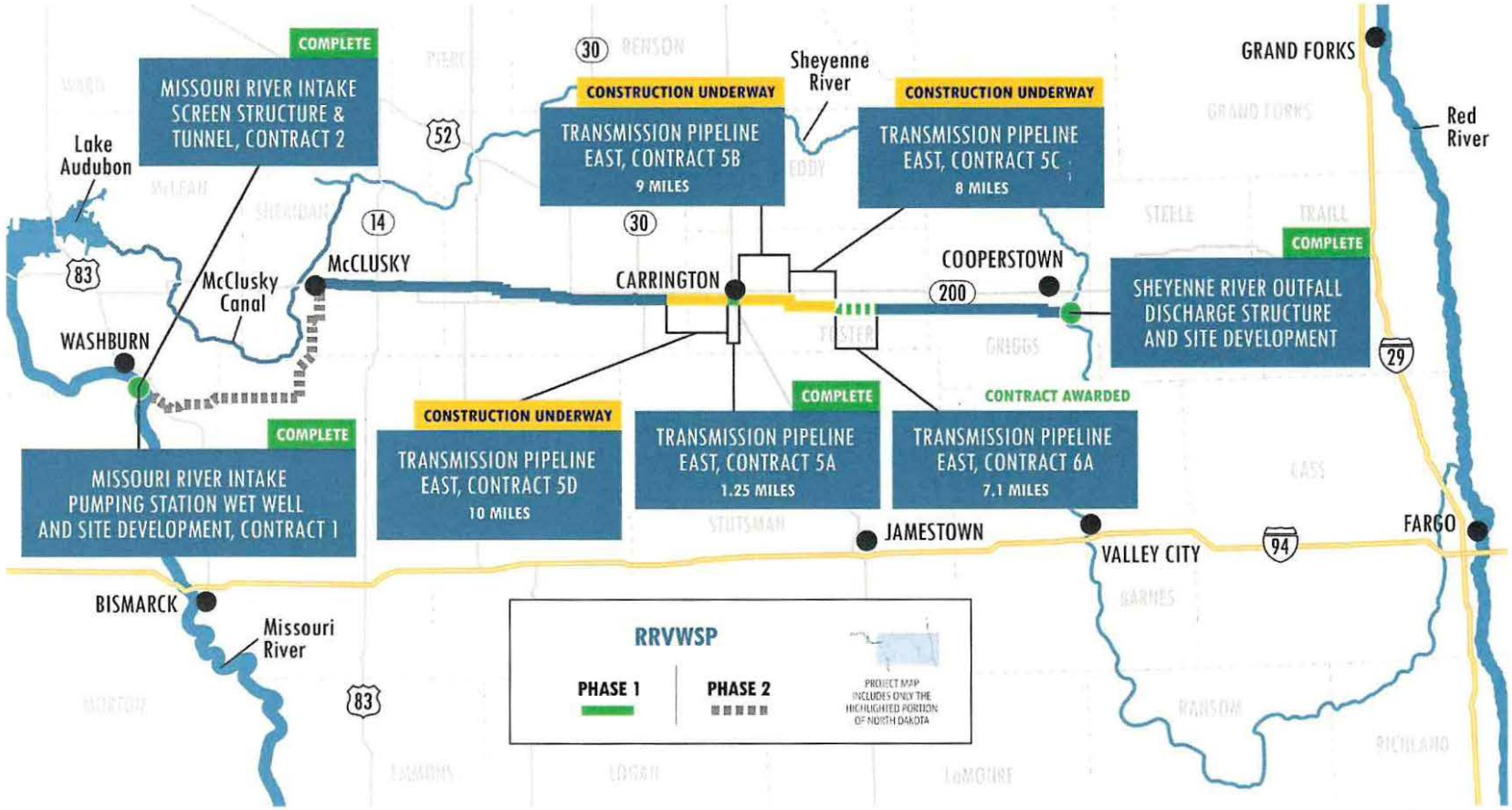
Page No. 1 23.0274.01000

SIGNED BY GOVERNOR

SECTION 10. RRVWSP

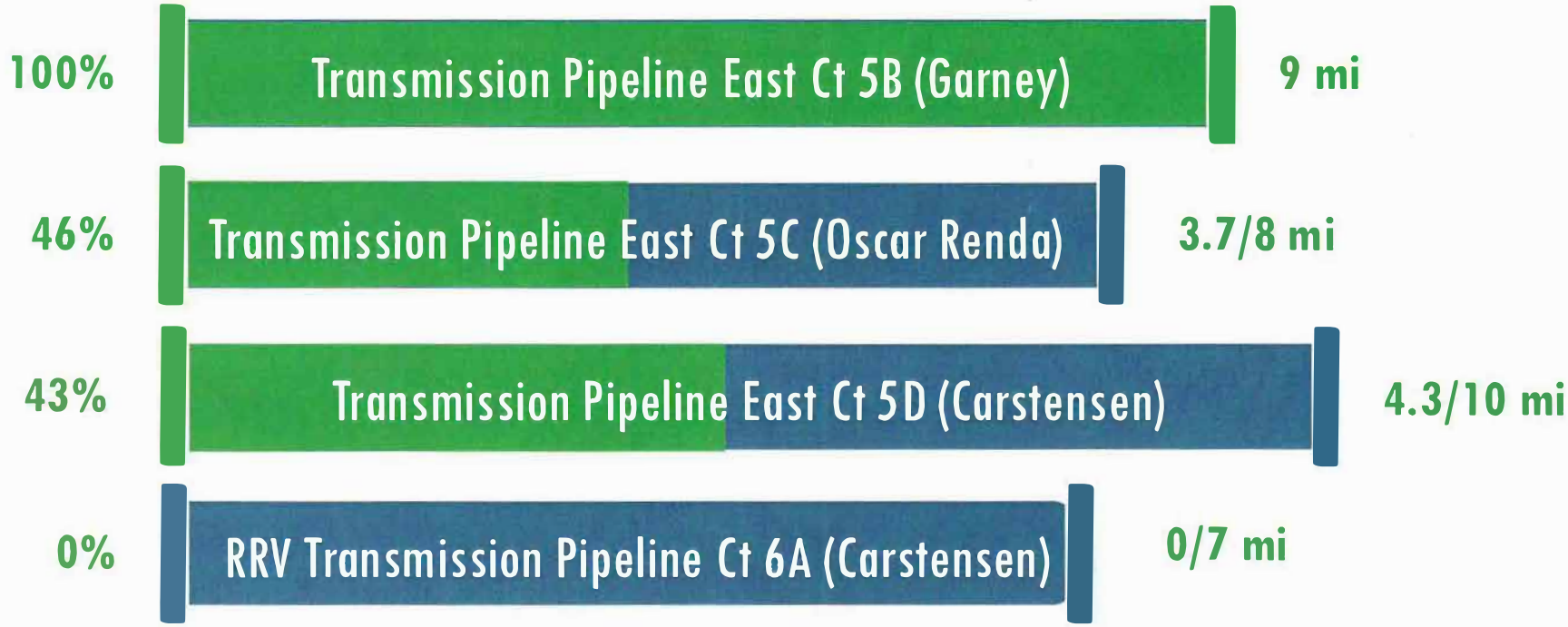
- **$180M** for 23-25 Biennium
- **$953M** Total State Commitment @ 75% Cost-Share
- Capitalized Water Infrastructure Revolving Loan Fund (WIRLF) **$60M** for 40 Years at 2%
- Complete Construction by **2032**

CONSTRUCTION PROGRESS



CONSTRUCTION PROGRESS – BURIED PIPE
AS OF JANUARY 9, 2025

ACTIVE PIPELINE CONSTRUCTION PROJECTS



CONSTRUCTION AND DESIGN SUMMARY

- By end of 2024, 8 construction contracts with total value of $270M were awarded.
- By mid-2025, more than 100 miles of pipeline will be 100% designed.
- The Project has experienced a good bidding environment to date.



USER OUTREACH UPDATE

89 USER MEETINGS AND COUNTING!

- 35 Different Municipalities & Water Districts
- Engaged with 9 Counties and Counting

SIGNED MOCS (148.37 CFS)

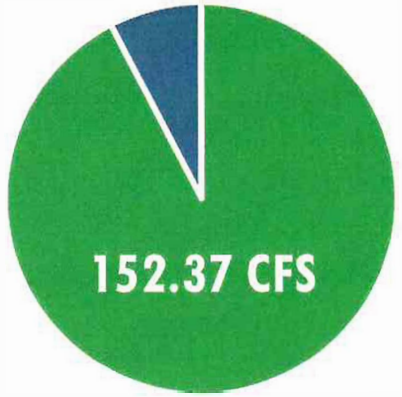
- Fargo, Grand Forks, Jamestown, Valley City, Carrington, Hillsboro, Mayville, Cooperstown, Washburn, McLean-Sheridan Rural Water District, Southeast Water Users District, Wahpeton, Sargent County, Dickey County, Grafton, Lisbon, & LaMoure County

ADDITIONAL APPROVALS (4.00 CFS)

- Richland County

96% OF THE

159.23 CFS PLANNED NOMINATIONS*



*PIPELINE DESIGN CAPACITY IS 165 CFS

2023-2025 BIENNIUM FUNDING

Garrison Diversion and Lake Agassiz have obligated all $240M in 2023-2025 dollars to move the project forward.

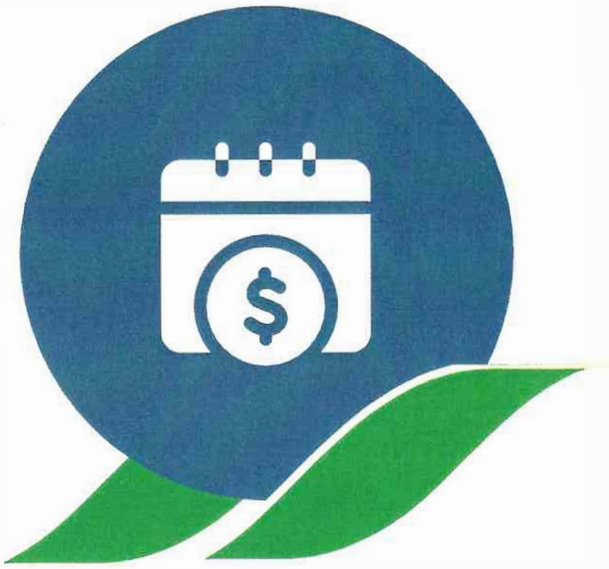


2025-2027 HOUSE RECOMMENDATION

75% STATE COST SHARE

$260M

CONTINUE TO FUND THE RRVWSP AT A LEVEL TO COMPLETE WITHIN THE 10-YEAR BUILD SCHEDULE



KEYS TO IMPROVING AFFORDABILITY

- NUMBER OF USERS
- COST EFFICIENT BUILD SCHEDULE
    - STATE BONDING
- FEDERAL MONEY

2025-2027 HOUSE RECOMMENDATION

25% LOCAL COST SHARE

$86.7M

WATER INFRASTRUCTURE REVOLVING LOAN FUND

Capitalize: working closely with BND

40-year, 2%



DRAFT 2025-2027 WORK PLAN



$331M – Install 40 Miles of Pipeline



$15M – Final Design of Facilities

- Biota Water Treatment Plant
- McClusky Canal Pump Station
- Main Pump Station
- Ground Storage Reservoirs

THANK YOU!

www.rrvwsp.com

@RRVWSP

facebook.com/RRVWSP

RED RIVER VALLEY
WATER SUPPLY PROJECT

Lake Agassiz
Water Authority

GARRISON DIVERSION

RRVWSP BENEFITS

Drought Resiliency | **Economic Development** | **Industrial Growth**

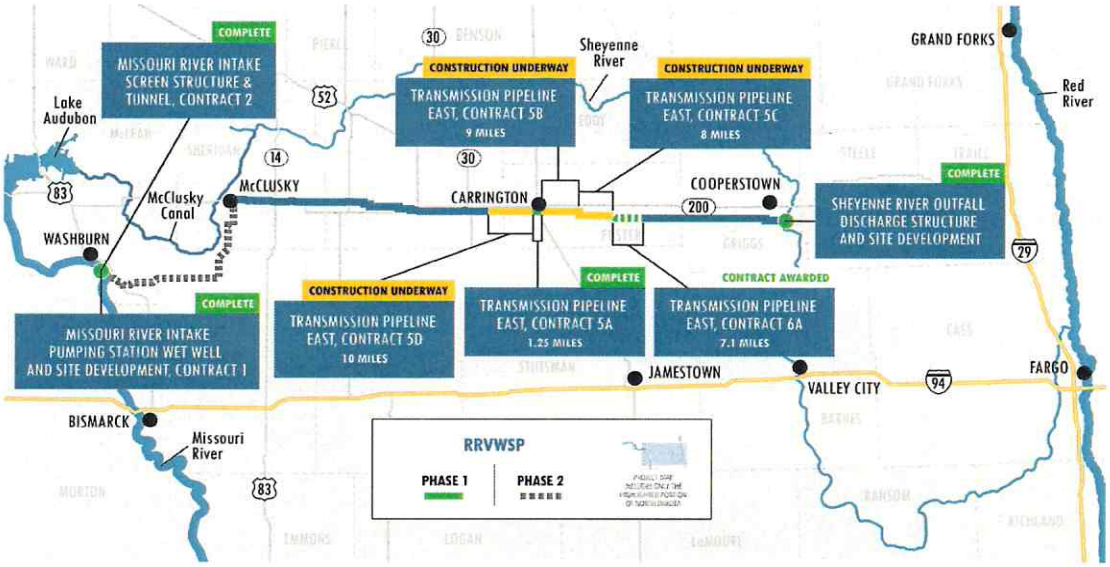
SEVERE DROUGHT

A 1930s-style drought would cause extreme water supply shortages and devastating impacts.

MODERATE DROUGHT

Models indicate the Project will operate to meet future projected water demands more than anticipated during moderate droughts such as those in the 1950s, 1960s, 1970s, 1980s, 1990s, and 2000s.

PROGRESS TO DATE



Water will be conveyed from the McClusky Canal via buried pipeline along Highway 200 to the discharge structure, which empties into the Sheyenne River. The water will be treated before crossing the Continental Divide.

2023-2025 ACCOMPLISHMENTS

- **Pipeline design 100% complete by mid-2025**
- **15.4 miles of pipeline installed so far**
- **Preliminary designs of McClusky Canal intake, McClusky Canal pumping station, biota water treatment plant & ground storage reservoirs in process - will be complete by June 30**
- **93% of easements secured**
- **Financial planning support continues**
- **User outreach: 17 participants signed Memorandums of Commitment for a total of 148.37 cfs, with 1 additional Council/Board approval as of March 2025**

RRVWSP ASSURANCE POLICY

SAFETY NET FOR SMALL CITIES & RURAL WATER SYSTEMS

Lake Agassiz Water Authority (LAWA) adopted an Assurance Policy for participants of the RRVWSP in late 2024. The goal of the Assurance Policy is to reduce financial risk for participants when the project is built and initially operated.

A city or rural water system that decides to no longer be served by the RRVWSP within the first 10 years of operation will be eligible to be reimbursed for the principal payments for their nomination.

Allowing water nominations to be relinquished will provide opportunities for other RRVWSP participants wanting to increase their water nominations.

March 7, 2025

RED RIVER VALLEY WATER SUPPLY PROJECT

Serving the Water Supply Needs of Central North Dakota and the Red River Valley



RELIABLE WATER. RESILIENT COMMUNITIES.

The Red River Valley Water Supply Project (RRVWSP) is a drought resiliency project and economic development initiative that will deliver Missouri River water to central and eastern North Dakota. The project is expected to serve nearly half of North Dakota's population. Participating communities and rural water systems will have access to an emergency and supplemental water supply during moderate to severe droughts.

Time is of the essence when it comes to drawing water from the Missouri River. Western Water Law in the U.S. can be summarized as "first in time, first in right" and "use it or lose it." Under the doctrine, the first individual or entity to use the water for a beneficial use has a superior legal right to the water.

Currently, there are at least four Missouri River projects in the works in other states. North Dakota must protect our share of the water by prioritizing the completion of the RRVWSP. Put North Dakota first for future generations.



CREWS HAVE INSTALLED 18 MILES OF PIPELINE IN FOSTER & WELLS COUNTIES TO DATE.

2025-2027 WORK PLAN & FUNDING REQUEST

GOAL
COMPLETE CONSTRUCTION BY 2032

$15 MILLION
FINAL FACILITIES DESIGN

$331 MILLION
CORE PIPELINE CONSTRUCTION

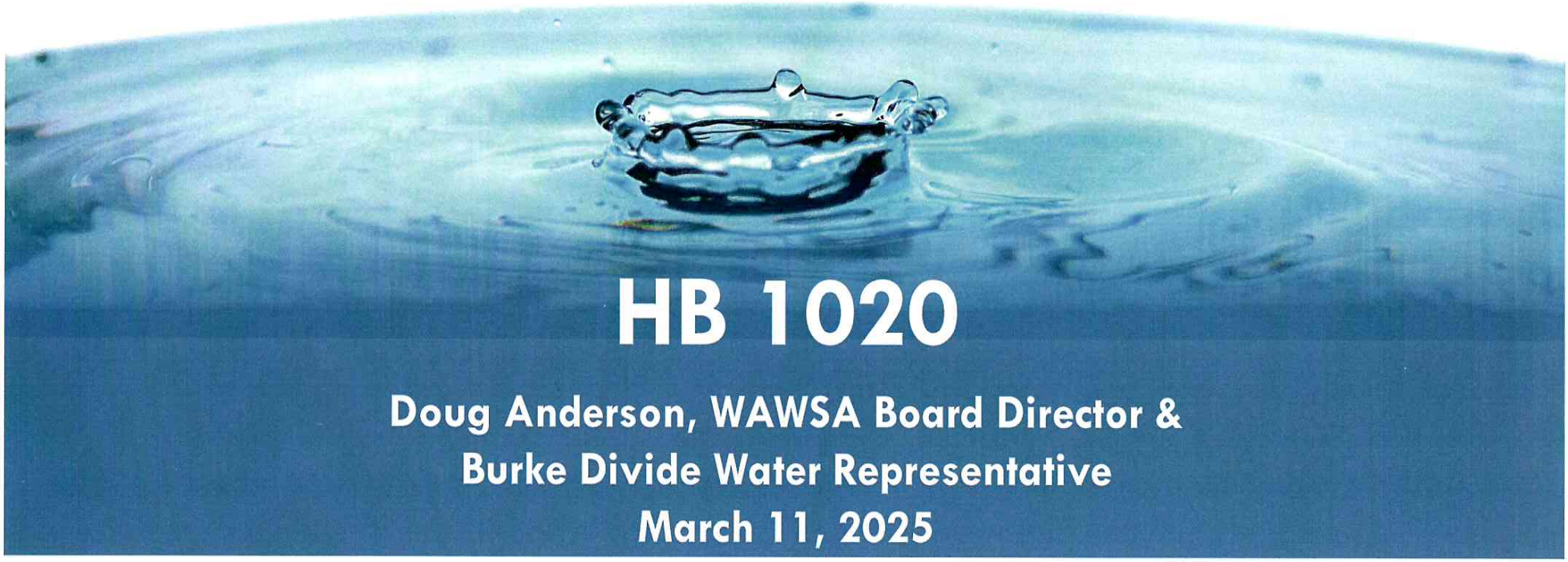
CONTINUED STATE COMMITMENT IS CRUCIAL

- **Legislative intent approved in 2023, totaling $953M in future funding.**
- **$260M requested in 2025-2027 Department of Water Resources Budget.**
- **$86.7M requested in 2025-2027 from Water Infrastructure Revolving Loan Fund**
- **All contracts for 2023-2025 biennium bid and awarded - $180M in State funding will be completely expended.**
- **Construction of core transmission pipeline is top priority.**
- **Cost-efficient build schedule will get project into service sooner, reducing risks and inflationary impacts.**

GARRISON DIVERSION

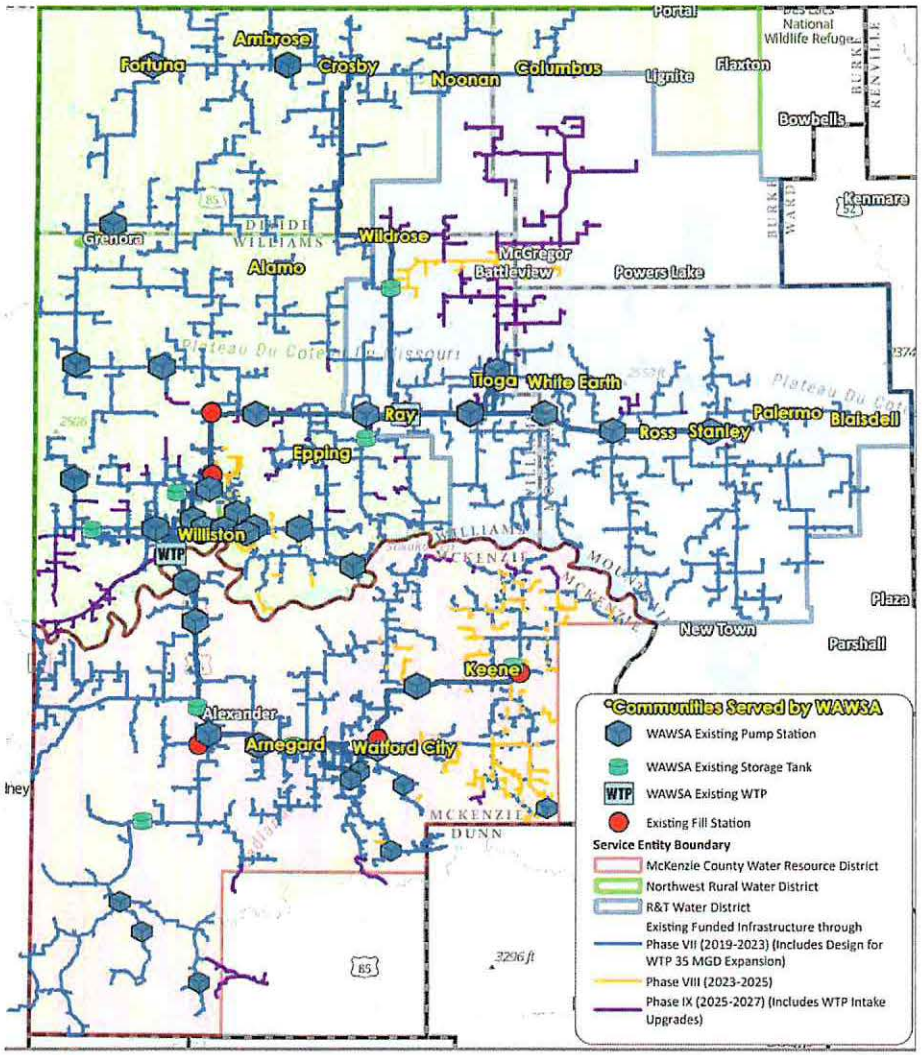
Lake Agassiz Water Authority

WESTERN AREA
WATER SUPPLY AUTHORITY



HB 1020

Doug Anderson, WAWSA Board Director &
Burke Divide Water Representative
March 11, 2025


Portal
Ambrose
Fortuna
Crosby
Noonan
Columbus
Lignite
Flaxton
Bowbells
Kenmare
Grenora
Wildrose
McGregor
Alamo
Battleview
Powers Lake
Tioga
White Earth
Ray
Palermo
Ross
Stanley
Blaisdell
Epping
Williston
WTP
Plaza
New Town
Parshall
Keene
Alexander
Arnegard
Watford City
DUNN
*Communities Served by WAWSA
WAWSA Existing Pump Station
WAWSA Existing Storage Tank
WTP WAWSA Existing WTP
Existing Fill Station
Service Entity Boundary
McKenzie County Water Resource District
Northwest Rural Water District
R&T Water District
Existing Funded Infrastructure through Phase VII (2019-2023) (Includes Design for WTP 35 MGD Expansion)
Phase VIII (2023-2025)
Phase IX (2025-2027) (Includes WTP Intake Upgrades)


WESTERN AREA
WATER SUPPLY AUTHORITY
Missouri River
Ground water
Williston Regional WTP
R&T WTP
5 Counties
• Burke
• Divide
• McKenzie
• Mountrail
• Williams

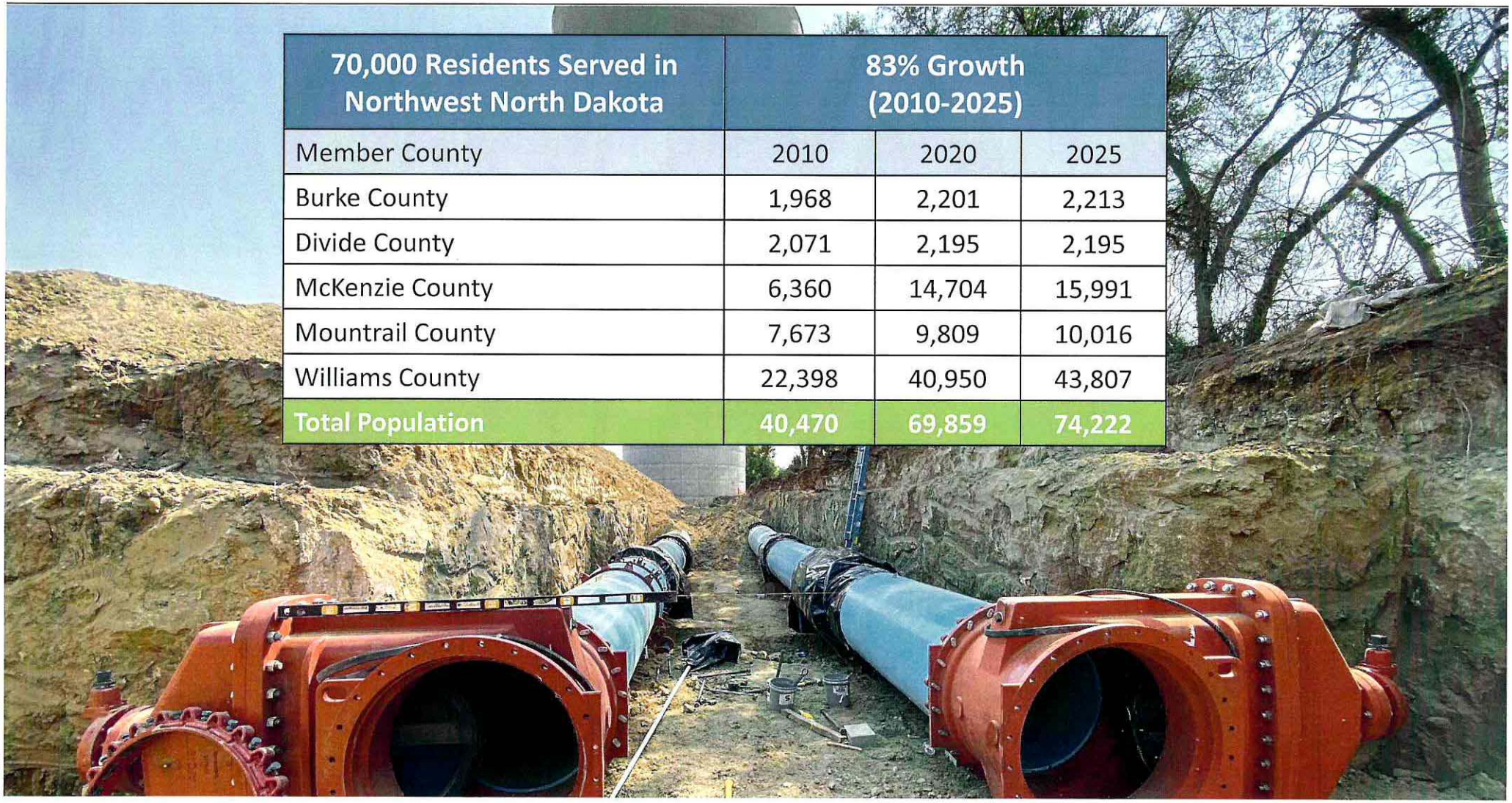
3,147+ Miles Installed of Rural Distribution & Transmission Pipeline



26 Ground Storage Reservoirs

39 Pump Stations

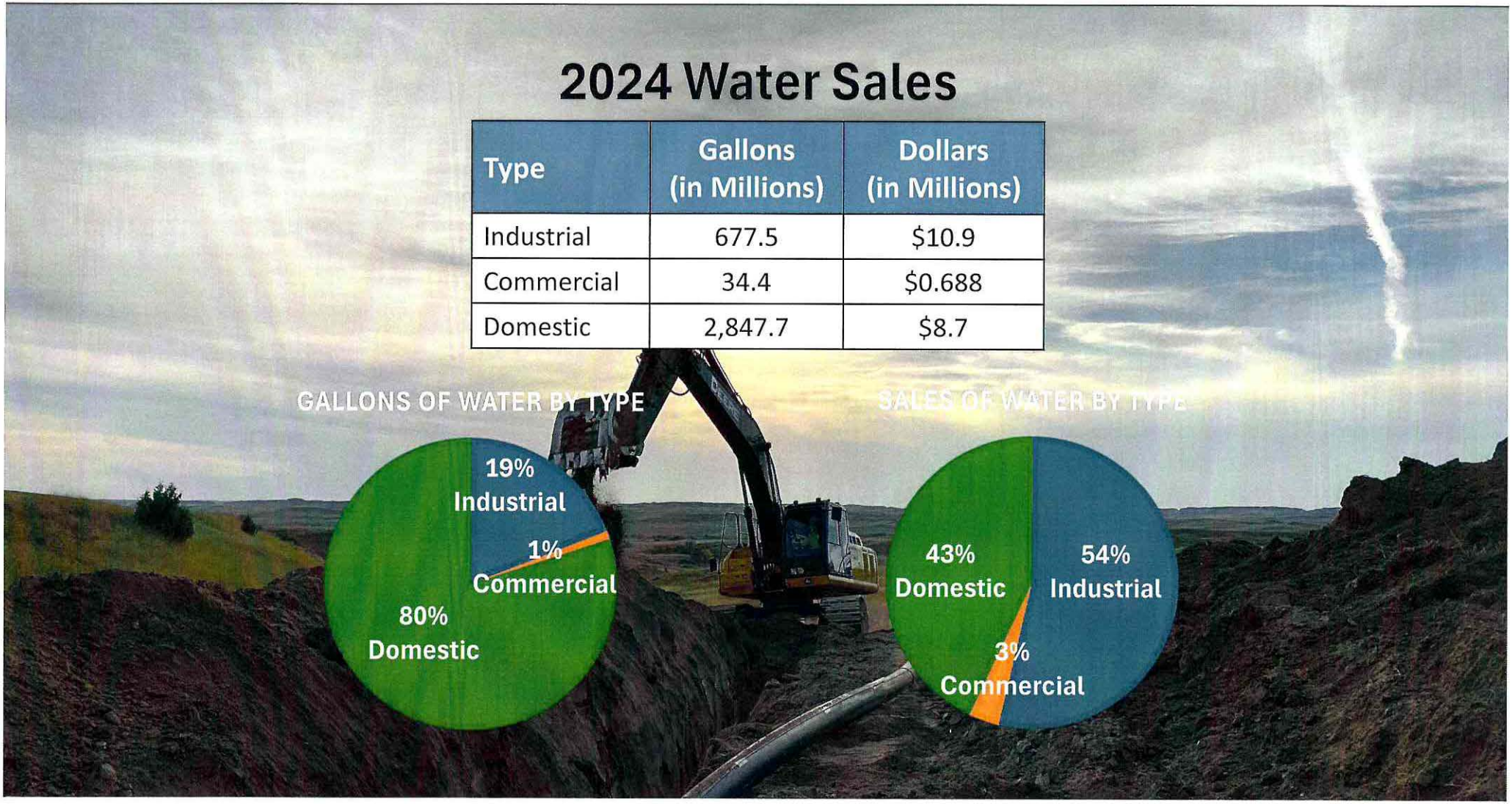
5 Water Towers



70,000 Residents Served in Northwest North Dakota	83% Growth (2010-2025)		
Member County	2010	2020	2025
Burke County	1,968	2,201	2,213
Divide County	2,071	2,195	2,195
McKenzie County	6,360	14,704	15,991
Mountrail County	7,673	9,809	10,016
Williams County	22,398	40,950	43,807
Total Population	**40,470**	**69,859**	**74,222**

2024 Water Sales

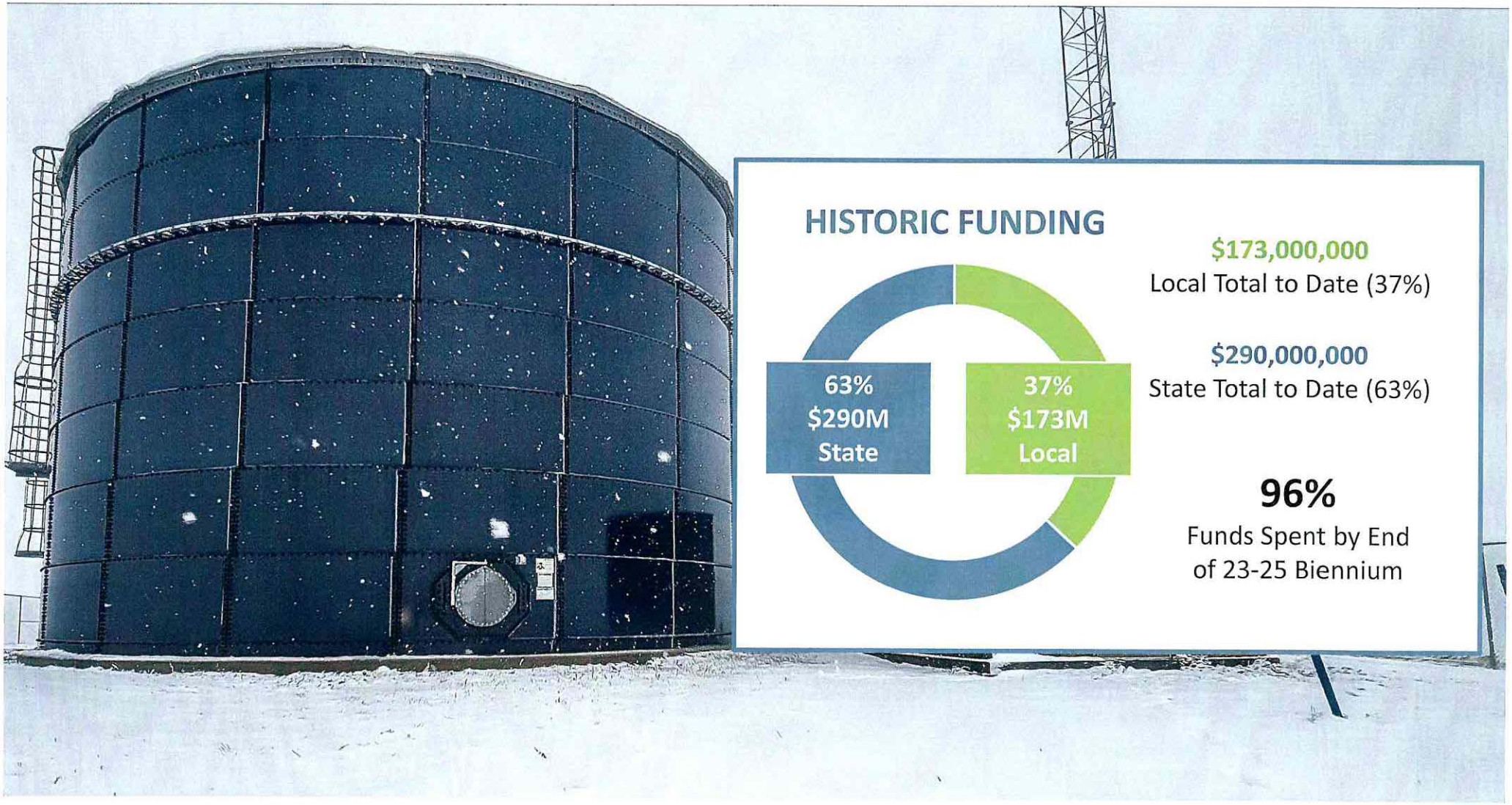
Type	Gallons (in Millions)	Dollars (in Millions)
Industrial	677.5	$10.9
Commercial	34.4	$0.688
Domestic	2,847.7	$8.7



Impacts of SB 2196 (2023)

	2022	2023	2024
Gross Industrial Revenue	$11.40 M	$12.55 M	$10.91 M
Water Expense	$3.80 M	$4.25 M	$3.34 M
Member Debt Payment	$2.80 M	$2.90 M	$2.67 M
State Loan Payment	$3.60 M	$2.19 M	$1.46 M
State Interest Payment	$2.10 M	$1.48 M	$0.82 M
Net Income	**-$0.9 M**	**$1.73 M**	**$2.61 M**
Total State P&I Payment	**$5.70M**	**$3.67M**	**$2.28M**

Balance of State Industrial Loan	**$40.5M**
Total State Industrial P&I Payments	**$75.9M**


HISTORIC FUNDING
63%
$290M
State
37%
$173M
Local
$173,000,000
Local Total to Date (37%)
$290,000,000
State Total to Date (63%)
96%
Funds Spent by End
of 23-25 Biennium

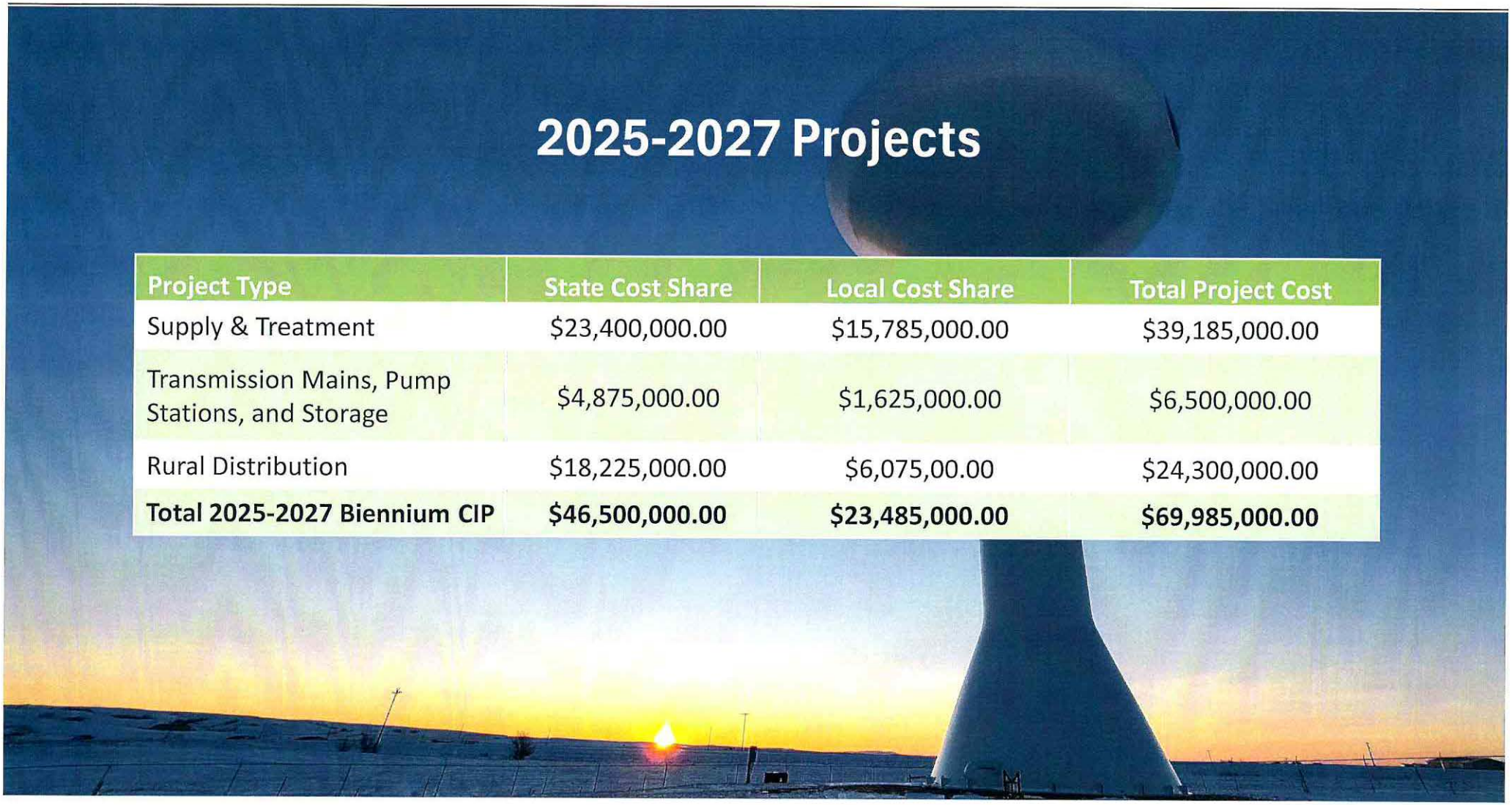
2023-2025 Projects

Project Type	State Cost Share	Local Cost Share	Total Project Cost
Supply & Treatment	$1,593,750.00	$1,721,250.00	$3,315,000.00
Transmission Mains, Pump Stations, and Storage	$3,419,000.00	$3,369,000.00	$6,788,000.00
Rural Distribution	$32,021,000.00	$10,517,500.00	$42,538,500.00
Total 2023-2025 Biennium CIP	**$37,033,750.00**	**$15,607,750.00**	**$52,641,500.00**



2025-2027 Projects

Project Type	State Cost Share	Local Cost Share	Total Project Cost
Supply & Treatment	$23,400,000.00	$15,785,000.00	$39,185,000.00
Transmission Mains, Pump Stations, and Storage	$4,875,000.00	$1,625,000.00	$6,500,000.00
Rural Distribution	$18,225,000.00	$6,075,00.00	$24,300,000.00
Total 2025-2027 Biennium CIP	**$46,500,000.00**	**$23,485,000.00**	**$69,985,000.00**



2025 & Beyond

Planning, Engineering & Construction of:

525+ Miles
of Transmission & Distribution Pipelines

550+
New Rural Connections

Million Gallons Per Day (MGD) of Drinking Water

21 MGD	+	14 MGD	+	2 MGD
Williston Regional WTP		Williston Regional WTP Expansion		R&T WTP

Plan Increased to 37 MGD

THANK YOU

Chris Barke, Interim Executive Director
Western Area Water Supply Authority
701-774-6605 | chris.barke@wawsp.com

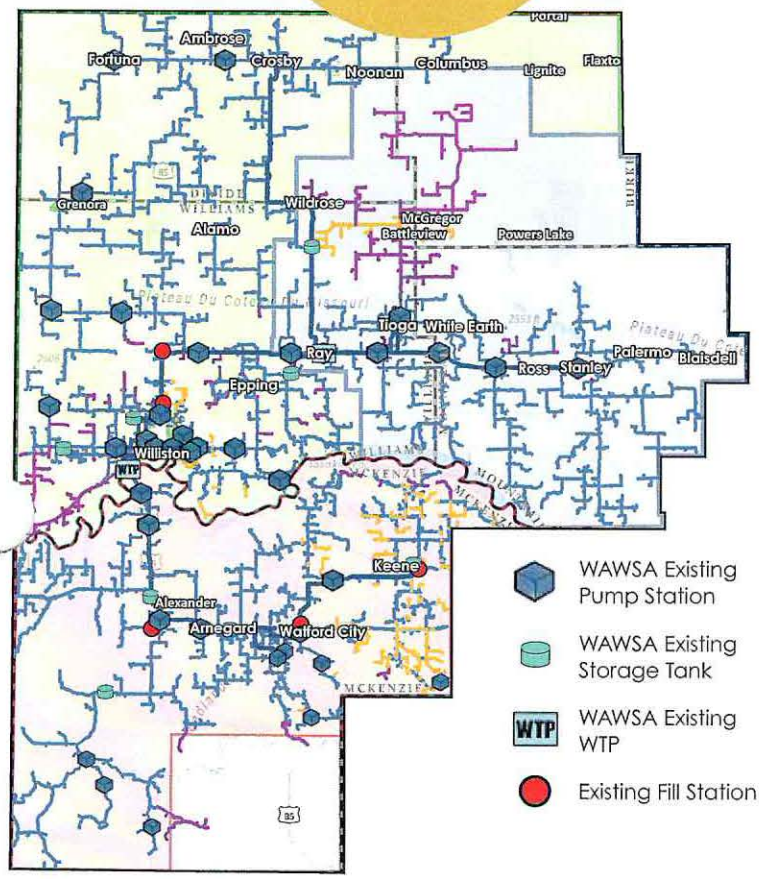


WESTERN AREA WATER SUPPLY AUTHORITY

www.WAWSP.com

74% Population Increase in Williams County since 2010

124% Population Increase in McKenzie County since 2010



WAWSA Existing Pump Station

WAWSA Existing Storage Tank

WTP WAWSA Existing WTP

Existing Fill Station

McKenzie County Water Resource District

Northwest Rural Water District

R&T Water District

Phase VII (2019-2023) (Includes Design for WTP 35 MGD Expansion)

Phase VIII (2023-2025)

Phase IX (2025-2027) (Includes WTP Intake Upgrades)

In response to the rapidly expanding population and increasing water demands created by the Bakken oil boom, the North Dakota Legislature created the Western Area Water Supply Authority in 2011 to own and manage the Western Area Water Supply Project.

The Western Area Water Supply Project is a regional water project that serves over 5,000 square miles of municipal, rural, and industrial users across five counties in northwest North Dakota. The system utilizes a combination of Missouri River water treated at the Williston Regional Water Treatment Plant and groundwater treated by the R&T Water District's Water Treatment Plant in Ray to serve the region.

MISSOURI RIVER → WILLISTON REGIONAL WTP

GROUNDWATER → R&T WTP

5 COUNTIES

- BURKE
- DIVIDE
- MCKENZIE
- MOUNTRAIL
- WILLIAMS

OVER 70,000 RESIDENTS SERVED IN NORTHWEST ND

RURAL CONNECTIONS (249% INCREASE SINCE 2011)

	2011	CURRENT
McKenzie Rural Water	200	1,797
Northwest/BDW	1,383	3,151
R&T Water Supply	90	895

COMMUNITIES SERVED

Williston, Watford City, Ray, Tioga, Stanley, Wildrose, Crosby, Fortuna, Noonan, Columbus, Ross, Ambrose, Arnegard, Epping, Keene, and Blaisdell

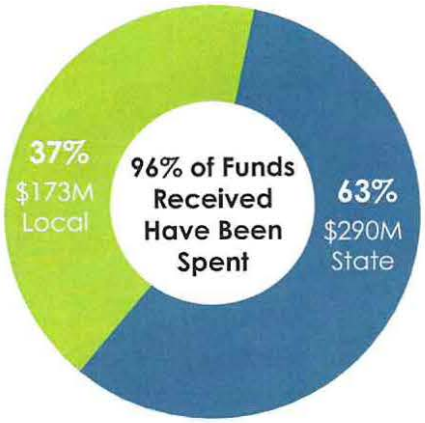
39 Pump Stations

26 Ground Storage Reservoirs

5 Water Towers

3,147 Miles of Rural Distribution & Transmission Pipeline

HISTORIC FUNDING





WAWSA BOARD

- City of Williston
- McKenzie County Water Resource District (MCWRD)
- Northwest Rural Water District (NWRWD)
- Ray & Tioga (R&T) Water District
- Burke-Divide-Williams (BDW) Rural Water

ENTITY CONTRIBUTIONS

Each Member Entity (and many sub-member entities) contributed existing infrastructure such as water plants, transmission lines & water depots

(OVER $100 MILLION IN ASSETS)

to WAWSA for the public purpose and good of this projec

HISTORICAL LEGISLATION

SB2233 Passed by State Legislature in 2013

- **Created Two Water Utilities:**
  - **Domestic Utility:** Owned and Operated by WAWSA and Member Entities
  - **Industrial Utility:** Owned By the State of North Dakota and Operated by WAWSA

= State Assumed **$238M OF WAWSA DEBTS**

WHAT'S HAPPENING TODAY?

HB1020

- WAWSA is Requesting **$46.5M** from the SWC Budget
- WAWSA and Member Entities Currently Own $53M in Domestic Debt
- State of North Dakota Currently Owns **$40.5M in Industrial Debt** (Principle Reduced by $197.5M Since 2013)

Planning, Engineering, & Construction of:

550+ New Rural Connections

+

525+ Miles of New Transmission & Distribution Pipelines

2025 & BEYOND

WILLISTON REGIONAL WTP		WILLISTON REGIONAL WTP EXPANSION		R&T WTP
21 MGD	+	14 MGD	+	2 MGD

Million Gallons Per Day (MGD) of Drinking Water

PLAN INCREASED TO **37 MGD**

TESTIMONY

Senate Appropriations – Education and Environment Division
Tuesday, March 11, 2025
By: James Odermann

Good afternoon Mr. Chairman and members of Senate Appropriations – Education and Environment Division regarding Engrossed House 1020.

My name is James Odermann. I am a retiring beef producer from Billings County who has had a lifelong interest in water. I have served in various capacities with the Southwest Water Authority (SWA) since 1992 and currently serve as the chairperson of the publicly elected board. I was also appointed to the State Water Commission representing the Little Missouri, Upper Cannonball and Upper Heart river watersheds effective August 2021 by then governor Doug Burgum.

I come to you today in solid support of House Bill 1020 as passed by the House of Representatives because it accomplishes a number of things that are very positive for North Dakota and the water community. They are as follows:

1. HB 1020 in its current form appropriates dollars to the State Water Commission based on projected income into the Resources Trust Fund.

2. The biggest issue is dollars to construct the infrastructure needed to support our rural areas, communities and industry within the state. The current version of HB 1020 provides the necessary funding for the "buckets" to get the dollars needed to meet long-range strategic goals for water development.

3. Another key issue of the current HB 1020 is the recognition of time needed for water infrastructure construction. Finding experienced contractors with the staff and equipment to build treatment facilities, install main transmission and distribution lines, erect tanks, assemble components, etc. compounds time issues.

4. A recent comprehensive review by the DWR staff from the historical cost-share database revealed the following:

TABLE 1

Construction Type	Avg. Construction Time (Months)
Municipal Water Distribution Lines	16
Rural Water Distribution Lines	19
Storage Tanks	24
Rural Water Conveyance (Drains)	18
Dam Safety Improvements	21
Bank Stabilizations	16
Snagging and Clearing	6

5. Water infrastructure construction resembles a marathon. Project needs, engineering, bidding, contract awarding and construction do not follow biennial schedules. The resulting carryover cash is deceiving but progress continues because of the allocation of construction dollars.

6. Cash management is addressed in HB 1020 with some innovative ways for managing contracted cash and getting higher returns for the state while, at the same time, accelerating funding for our largest water projects to ensure that our money is generating revenue while construction is underway. The proposed symbiotic partnership between the Bank of North Dakota, the Department of Water Resources and the State Water Commission is a win-win. We get appropriations and allocations to ensure water infrastructure projects will be built in a timely manner and our cash is working for us all.

7. There are needs of $3.4 billion in water needs over the next seven biennia (14 years). Reaching this goal is attainable with the current financial support of 20.5% from the oil extraction fund. Changing the distribution formula would greatly impact North Dakota's ability to provide much-needed financial support.

I would like to switch gears for just a minute to talk about the Southwest Pipeline Project (SWPP), a state-owned project that provides service to over 58,000 users, 34 North Dakota communities, over 7,700 rural users and multiple businesses and industries in the 13-county and two-state served area.

The SWA is managed and operated by the 43-member staff and 15-member board of which I have the privilege of serving as board chairperson. You heard earlier about some of the details of how the SWPP and the SWA interact. As you might believe, there are family squabbles but, when the dust settles, the vision of quality water in quantity for the people of region, like cream, rises to the top.

The pioneers who lobbied for the SWPP risked much and the Resources Trust Fund is reaping the rewards. You heard SWA manager/CEO speak of the $100 million paid back, about 33% of the state funds invested in the project. And that figure grows by $550,000-$600,000 a month—all money that can be reinvested in water infrastructure.

A new generation of leaders is emerging, bringing fresh ideas and priorities. Water, power and technology are ingredients which affect the size of the waiting list. As the desire for quality water increases, the sheer reality is North Dakotans have never built a water pipeline too big. More importantly, however, water is needed for the families of our state, for the strength of our economy and for the generations that follow.

And that, Mr. Chairman and members of the committee, brings me back to the importance of continuing the success of providing 20.5% of the oil extraction income tax into the Resources Trust Fund (RTF).

This constitutionally protected fund is a blessing for all North Dakotans and has been instrumental in constructing critical infrastructure that sustains quality of life, public health and safety, economic development and growth. Any decrease would be negative to all water projects—municipalities, conveyance, flood control, rural water, etc.

North Dakota population has increased over 17% since 1981. Where would we be without the RTF?

You heard earlier today about needs throughout the state. Suggestions to reduce the amount to 15.5% (~25% reduction) means cutting current funding requests across the board. All of North Dakota will suffer: Red River Valley Water Supply Project, Mouse River Flood Control, South Bismarck Flood Control, irrigation development, and conveyance projects. Future economic opportunities could well be stymied as energy, agriculture and primary sector manufacturing would feel the impacts of reduced water infrastructure funding.

I stand before you today asking you to at least sustain (or increase) Engrossed HB 1020 funding. And, most importantly, I urged you the Senate Appropriations – Education and Environment Division Committee to uphold the status quo at 20.5% funding level for the Resources Trust Fund.

I would like to end by saying southwest North Dakota paid back $100 million one glass at a time. We need to do this to build a quality of place and a quality of life.

Thank you. I would be happy to stand for any questions.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
3/18/2025

A bill to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

2:26 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

Discussion Topics:

- Changes to Resource Trust Fund.
- Bonding.

2:26 p.m. Chairman Sorvaag informed the committee regarding changes to RTF.

2:32 p.m. Chairman adjourned the meeting.

Steven Hall, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
3/26/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new, to amend and to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

8:31 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Resource Trust-Fund.
- Funding Available for Utilities.
- Removal of FTE Positions.
- Emergency Clause for Drought Disaster.

8:31 a.m. Chairman Sorvaag testified in neutral and submitted testimony #44142 and #44143.

8:34 a.m. Chris Kadrmas, Director of Administration, ND Dept. of Water Resources, answered committee questions.

8:36 a.m. Reice Haas, Director, ND Dept. of Water Resources, testified in favor and submitted testimony #44140.

8:45 a.m. Sindhuja Pillai-Grinolds, Water Development Division Director, ND DWR answered committee questions.

8:48 a.m. Chairman Sorvaag discussed updated figures for funding.

8:59 a.m. Reice Haase, Director, ND DWR, answered committee questions.

9:15 a.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

March 26, 2025

NORTH DAKOTA DWR

COMMITTEE WORK: SENATE APPROPRIATIONS E&E DIVISION

HB 1020

Senate Appropriations Committee | House Bill 1020 | 69th Legislative Assembly

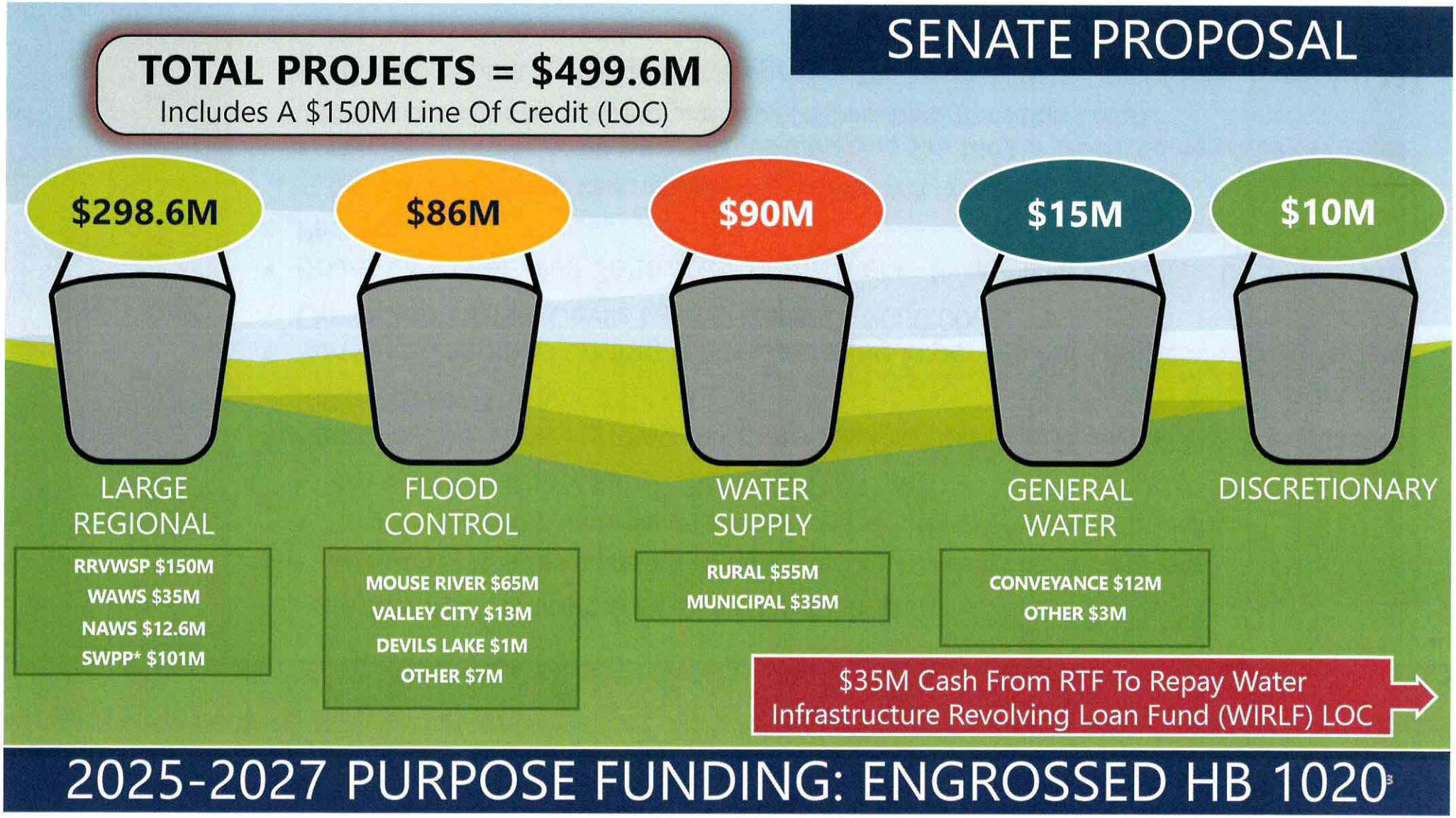
NORTH Dakota | Water Resources

Be Legendary.

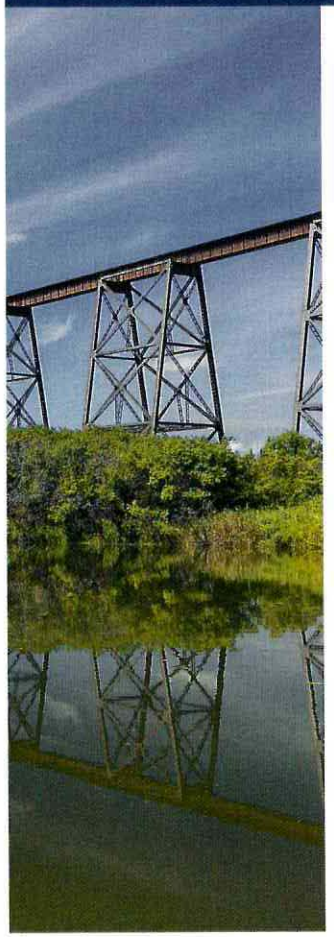
UPDATED REVENUES AVAILABLE FOR APPROPRIATION

2023-25 Estimated Turnback:	$15,643,331
Oil Extraction Tax:	$354,510,000
SWPP Capital Repayments:	$13,000,000
Interest Income:	$16,000,000
Transfer to Renewable Energy Fund:	($3,000,000)
Transfer to Energy Conservation Fund:	($1,200,000)
Subtotal RTF Available Funds:	**$394,953,331**
Repay WIRLF:	($35,000,000)
DWR Operations House Version:	($44,446,601)
Add Back Operational Savings:	$1,283,345
Subtotal RTF Available for Projects:	**$316,790,075**
Water Projects Stabilization Fund:	$42,500,000
BND Line of Credit:	$150,000,000
Total Available Funds:	**$509,290,075**

Total Available for 2025-2027 Water Projects: **$509,290,075**


SENATE PROPOSAL
TOTAL PROJECTS = $499.6M
Includes A $150M Line Of Credit (LOC)
$298.6M
$86M
$90M
$15M
$10M
LARGE REGIONAL
RRVWSP $150M
WAWS $35M
NAWS $12.6M
SWPP* $101M
FLOOD CONTROL
MOUSE RIVER $65M
VALLEY CITY $13M
DEVILS LAKE $1M
OTHER $7M
WATER SUPPLY
RURAL $55M
MUNICIPAL $35M
GENERAL WATER
CONVEYANCE $12M
OTHER $3M
DISCRETIONARY
$35M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC
2025-2027 PURPOSE FUNDING: ENGROSSED HB 1020

PROPOSED CHANGES TO ENGROSSED HB 1020



- As A Result Of Uncertainty Of Federal Funding
  - Remove 1 FTE And Requested Funding For The Assistant NFIP Coordinator
  - Remove 1 FTE And Requested Funding For The RiskMAP Program Specialist
  - Remove Federal Spending Authority Of $2,051,788
- Remove One-Time Funding In Operating Expenses Of $600,000 For The Missouri River Intakes Study
- Remove Ongoing Funding From Operating Expenses For Utilities Related To The Operation Of The Devils Lake Outlets Of $600,000
- Board Of Water Well Contractor Adjustments Requested As A Result Of SB 2308 Passing.
  - Salaries And Wages: Reduce $30,000 ($36,023 Will Remain)
  - Operating Expenses: Increase $45,100 (Ongoing $15,100 For Travel, Conference Fees, Legal Services, Public Notices, etc. and $30,000 One-Time Transition Costs)
  - Total Appropriation Related To Changes For The Board Of Water Well Contractors Is $81,123

APPROPRIATION AUTHORITY FOR BOARD OF WATER WELL CONTRACTORS SPECIAL FUNDS

SB 2308:
Passed Senate
Do Pass House Government and Veteran Affairs Committee

Board of Water Well Contractors Fund:	
2023-2024 Inflows = Certification and Testing Fees	$30,079
2023-2024 Cost to Operate	$39,668
Approximate Remaining Balance in Fund:	**$49,058.33**

OPERATIONAL SAVINGS: FTE REQUESTS

FTE Requests	Executive Recommendation	
	Federal Funds	Special Funds
Accountant/Budget Specialist	-	$312,774
Deputy Director	-	$482,253
NAWS Operator (Water Rate Funded)	-	$380,893
General Counsel	-	$482,253
~~Assistant NFIP Coordinator~~	~~$250,028~~	~~$83,345~~
~~RiskMAP Program Specialist~~	~~$372,004~~	~~$0~~
Silver Jackets Coordinator	$0	$15,533
TOTAL	**$0**	**$1,673,706**
TOTAL ALL FUNDS	**$1,673,706**	
TOTAL FTE	5	

ADDING AUTHORITY FOR FEDERAL FUNDS ALLOWS DWR TO ADJUST SHOULD FUNDS BECOME AVAILABLE

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of providing funding for water projects and grants, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the resources trust fund must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.



CHANGE MISSOURI RIVER INTAKE PROJECT FROM ONE-TIME FUNDING TO STUDY

SECTION XX. DEPARTMENT OF WATER RESOURCES STUDY – MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the departments study of Missouri River intakes study of select intake sites identified in phase one of the Missouri River intakes study conducted during the 2023-25 biennium. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two the Missouri River intakes study.

EMERGENCY CLAUSE FOR DROUGHT DISASTER LIVESTOCK PROGRAM

HB ~~1044:~~ 1040
Passed House 90-0
Passed Senate 45-0

SECTION 24. EMERGENCY. The following are declared to be an emergency measure:

1. This Act; and
2. House Bill No. 1044, as approved by the sixty-ninth legislative assembly.

BND LINE OF CREDIT CLARIFICATION

SECTION 12. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The ~~Bank of North Dakota shall extend~~ department may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 ~~to the department of water resources~~ to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

LINES OF CREDIT ADJUSTMENTS

SECTION 13. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~ department may request a line of credit from the Bank of North Dakota not to exceed one hundred-fifty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project and one-hundred million dollars for water projects. ~~during the biennium beginning July 1, 2023~~2025~~, and ending June 30, 2025~~2027.

SECTION XXXX. LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources utilize capital repayments from the southwest pipeline project for repayment of the fifty million dollar line of credit provided for the southwest pipeline project in Section 61-02-79.

Capital Assets			
NAWS		$	12,600,000
SWPP		$	35,000,000
SWPP Treatment Plant		$	66,000,000
Devils Lake		$	1,000,000
Flood Control			
Valley City		$	13,000,000
Source River Flood control		$	65,000,000
Heart River Flood		$	7,500,000
Water Supply			
RRVWSP		$	150,000,000
WAWS		$	35,000,000
Municipal		$	35,000,000
Rural Water		$	55,000,000
General Water		$	15,000,000
Discretionary		$	11,000,000
Bismarck Storm Water	$14 Million Qualifies	$	-
OTHER			
Total Project Costs		$	501,100,000
Salaries & Operating		$	45,000,000
Other Expenses		$	4,200,000
Revolving Loan Fund Exp.		$	35,000,000
Sovereign Land		$	-
	TOTAL EXPENSES	$	585,300,000

Shortage or Excess Funds	**$**	**6,300,000**

FUNDS AVAILABLE		
RTF		$354,500,000
SWPP repayment $13 mill. & Investment Income $16 mill.	$	29,000,000
Anticipate Turnback (Largely do to uspent professional sevices and utilities	$	15,600,000
Project Stabilization	$	42,500,000
Cash Available		**$441,600,000**
Carryover LOC	$	150,000,000
Minus RFT %	$	-
TOTAL Funds Available		$591,600,000

Project Funding

NAWS	$12,600,000
SWPP includes water plant	$101,000,000
Devils Lake Outlet	$1,000,000
Valley City Flood	$13,000,000
Souris River Flood	$65,000,000
Heart River Flood	$7,500,000
RRVWSP	$150,000,000
WAWS	$35,000,000
Municipal Water	$35,000,000
Rural Water	$55,000,000
General Water	$15,000,000
Discretionary	$11,000,000
Total Project Costs	$501,100,000

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
4/2/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section of the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

3:18 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Water Projects Stabilization funds.
- Discretionary Funding.
- SW Pipeline Bonding.

3:18 p.m. Chairman Sorvaag referenced long sheet #44586.

3:19 p.m. Reice Haase, Director, Dept. Water Resources, answered committee questions.

3:22 p.m. Chris Kadrmas, Director, Dept. of Water Resources, answered committee questions.

3:31 p.m. Reice Haase, Director, Dept. Water Resources, answered committee questions.

Additional written testimony:

Alex Cronquist, Fiscal Analyst, Legislative Council, submitted testimony in neutral #44586.

3:38 p.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

April 2, 2025

Legislative Council

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	House Version				Senate Version				Senate Compared to House Version Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes			$416,661	$416,661			$416,661	$416,661				$0
Salary increase			962,884	962,884			945,848	945,848			($17,036)	(17,036)
Health insurance increase			612,539	612,539			600,529	600,529			(12,010)	(12,010)
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398			703,398	703,398				0
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231			912,231	912,231				0
Transfers funding for 2025-27 new and vacant FTE pool			(633,423)	(633,423)			(587,986)	(587,986)			45,437	45,437
Adds accountant position	1.00		289,442	289,442	1.00		289,442	289,442				0
Adds deputy director position	1.00		452,162	452,162	1.00		452,162	452,162				0
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154	1.00		349,154	349,154				0
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624	0.00		0	0	(1.00)		(312,624)	(312,624)
Adds RiskMAP program specialist position	1.00		350,706	350,706	0.00		0	0	(1.00)		(350,706)	(350,706)
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0	1.00			0				0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960			138,960	138,960				0
Adds funding for overtime and temporary salaries			60,000	60,000			60,000	60,000				0
Adds funding for NAWS on-call pay			106,954	106,954			106,954	106,954				0
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023			51,123	51,123			(14,900)	(14,900)
Adds funding for internship program			100,000	100,000			100,000	100,000				0
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788			0	0			(2,051,788)	(2,051,788)
Adjusts funding for operating expenses, including professional fees and services			(1,264,821)	(1,264,821)			(1,264,821)	(1,264,821)				0
Decreases funding for capital assets			(330,000)	(330,000)			(980,000)	(980,000)			(650,000)	(650,000)
Adds funding for discretionary funding			10,000,000	10,000,000			11,000,000	11,000,000			1,000,000	1,000,000
Adjusts funding for the Southwest Pipeline Project			51,681,936	51,681,936			20,968,600	20,968,600			(30,713,336)	(30,713,336)
Adjusts funding for the Northwest Area Water Supply project			40,817,004	40,817,004			40,817,004	40,817,004				0
Adjusts funding among water projects and grants line items			113,100,000	113,100,000			(118,650,000)	(118,650,000)			(231,750,000)	(231,750,000)
Identifies line of credit funding as one-time funding			(200,000,000)	(200,000,000)			(150,000,000)	(150,000,000)			50,000,000	50,000,000
Reduces funding for Devils Lake outlet utilities				0			(600,000)	(600,000)			(600,000)	(600,000)
Total ongoing funding changes	**6.00**	**$0**	**$21,256,222**	**$21,256,222**	**4.00**	**$0**	**($194,170,741)**	**($194,170,741)**	**(2.00)**	**$0**	**($215,426,963)**	**($215,426,963)**
One-Time Funding Items												

Adds new FTE one-time funding			$42,500	$42,500			$29,500	$29,500			($13,000)	($13,000)
Adds funding for emergency pumps replacement			480,000	480,000			480,000	480,000				0
Adds funding for an excavator replacement			400,000	400,000			400,000	400,000				0
Adds funding for a data logger replacement			60,000	60,000			60,000	60,000				0
Adds funding for a Missouri River intake sites field investigation			600,000	600,000			0	0			(600,000)	(600,000)
Adds funding from a Bank of North Dakota line of credit			200,000,000	200,000,000			150,000,000	150,000,000			(50,000,000)	(50,000,000)
Adds Board of Water Well Contractors one-time funding				0			30,000	30,000			30,000	30,000
Total one-time funding changes	**0.00**	**$0**	**$201,582,500**	**$201,582,500**	**0.00**	**$0**	**$150,999,500**	**$150,999,500**	**0.00**	**$0**	**($50,583,000)**	**($50,583,000)**
Total Changes to Base Level Funding	**6.00**	**$0**	**$222,838,722**	**$222,838,722**	**4.00**	**$0**	**($43,171,241)**	**($43,171,241)**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
2025-27 Total Funding	**99.00**	**$0**	**$922,499,505**	**$922,499,505**	**97.00**	**$0**	**$656,489,542**	**$656,489,542**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
Federal funds included in other funds			*$55,935,119*				*$53,301,208*				*($2,633,911)*	
Total ongoing changes - Percentage of base level	*6.5%*	*N/A*	*3.0%*	*3.0%*	*4.3%*	*N/A*	*(27.8%)*	*(27.8%)*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*6.5%*	*N/A*	*31.8%*	*31.8%*	*4.3%*	*N/A*	*(6.2%)*	*(6.2%)*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
New and vacant FTE pool	Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.		
Additional income - Appropriation	Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	Consider adjusting this section to appropriate any additional federal funds received by the Department of Water Resources, to be used for the purpose for which the funds are received.	
Deficiency appropriation - SIIF	Section 5 provides a $10 million deficiency appropriation from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.	Consider removing this section.	
Sovereign lands	Sections 6 and 7 provide $2.5 million to the Parks and Recreation Department to develop recreation opportunities on sovereign lands.	Consider removing these sections.	
Water projects stabilization fund	Section 8 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.		
Discretionary funding	Section 9 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 23 may be used as necessary, except for salaries and		
Bond issuance - Southwest Pipeline Project	Section 10 provides for the issuance of up to $100 million of revenue bonds for the Southwest Pipeline Project.	Consider removing this section.	
Transfer - Water infrastructure revolving loan fund	Section 11 provides for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.	Consider reducing this transfer to $35 million for the water infrastructure revolving loan fund.	
Line of credit - Water infrastructure revolving loan fund	Section 12 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost share for projects approved by the State Water Commission.	Consider clarifying the language in this section.	

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
Bank of North Dakota line of credit	Section 13 amends Section 61-02-79 to provide a line of credit of up to $200 million for water projects.	Consider reducing the line of credit to $150 million and designating $50 million from that line of credit for the Southwest Pipeline Project.	
Northwest Area Water Supply - Biota water treatment plant operating fund - Continuing appropriation	Section 14 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.		
Legislative intent - Red River valley water supply project	Section 15 provides legislative intent for $260 million for the Red River valley water supply project for the 2025-27 biennium.	Consider reducing RRVWS intent from $260 million to $150 million for the 2025-27 biennium.	
Legislative intent - Mouse River flood control project	Section 16 provides legislative intent for $125 million for the Mouse River flood control project for the 2025-27 biennium.	Consider reducing Mouse River flood control project intent from $125 million to $65 million for the 2025-27 biennium.	
Legislative intent - South Bismarck storm water and flood control project	Section 17 provides legislative intent for $20 million for a south Bismarck storm water and flood control project for the 2025-27 biennium.	Consider removing this section.	
Legislative intent - Grants and water projects	Section 18 provides additional detail regarding allocations within line items for water projects.	Consider adjusting this section to reflect updated allocations within line items for water projects.	
Legislative intent - Missouri River system	Section 19 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.		
Legislative intent - Southwest Pipeline Project line of credit		Consider adding a section to provide legislative intent that the $50 million line of credit for the Southwest Pipeline Project be repaid by DWR with revenue from capital repayments from the Southwest Pipeline Project.	
Missouri River intake sites study		Consider adding a section to provide for DWR to study or conduct a field investigation regarding Missouri River intake sites.	
State Water Commission study - Regional water systems governance and finance	Section 20 provides for a State Water Commission study of regional water systems governance and finance.		
State Water Commission study - Cost-share policy	Section 21 provides for a State Water Commission study of its cost-share policy.		
Line item transfers	Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $10 million between line items, excluding the salaries and wages line item and the new and vacant FTE pool line item.		
Exemption - Water-related projects	Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $522.5 million, may be continued and expended during the 2025-27 biennium.		
Emergency	Section 24 declares the bill to be an emergency measure.	Consider adding HB 1040, relating to a drought disaster livestock water assistance program, as an emergency measure.	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
4/7/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact, to amend and reenact the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency

3:01 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Stripper-wells and Related Issues Regarding Funding.
- Line of Credit.

3:01 p.m. Chairman Sorvaag discussed allocations of funding.

3:06 p.m. Chris Kadrmas, Director of Admin, Dept. of Water Resources, answered committee questions.

3:12 p.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
4/07/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact, to amend and reenact the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency

3:22 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Water Committee to meet during biennium.
- New Deadline to Present Projects to Water Committee.

3:24 p.m. Alex Cronquist, Fiscal Analyst, Legislative Council, testified in neutral, answered committee questions, and discussed language in the bill.

3:26 p.m. Chairman Sorvaag discussed future plans to hear bill.

3:37 p.m. Chairman Sorvaag adjourned the meeting.

Steven Hall, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
4/8/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section, to amend and reenact section relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

3:05 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Scott Meyer.

Absent: Senator Paul J. Thomas.

Discussion Topics:

- Removal of FTE Positions.
- Change in Funds for Bill.
- Removal of SIIF Funds.
- Reduction in BND Line of Credit

3:05 p.m. Alex Cronquist, Fiscal Analyst, Legislative Council, submitted testimony #44792 and #44801, referenced Long Sheet, and answered committee questions.

3:19 p.m. Reice Haase, Director, Dept. of Water Resources, testified in favor and answered committee questions.

Additional written testimony:

Chairman Sorvaag, District 45, submitted testimony in neutral #44800.

3:37 p.m. Chairman Sorvaag adjourned the meeting.

Steven Hall, Committee Clerk

Legislative Council

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	House Version				Senate Version				Senate Compared to House Version			
									Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes			$416,661	$416,661			$416,661	$416,661				$0
Salary increase			962,884	962,884			945,848	945,848			($17,036)	(17,036)
Health insurance increase			612,539	612,539			600,529	600,529			(12,010)	(12,010)
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398			703,398	703,398				0
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231			912,231	912,231				0
Transfers funding for 2025-27 new and vacant FTE pool			(633,423)	(633,423)			(587,986)	(587,986)			45,437	45,437
Adds accountant position	1.00		289,442	289,442	1.00		289,442	289,442				0
Adds deputy director position	1.00		452,162	452,162	1.00		452,162	452,162				0
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154	1.00		349,154	349,154				0
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624	0.00		0	0	(1.00)		(312,624)	(312,624)
Adds RiskMAP program specialist position	1.00		350,706	350,706	0.00		0	0	(1.00)		(350,706)	(350,706)
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0	1.00			0				0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960			138,960	138,960				0
Adds funding for overtime and temporary salaries			60,000	60,000			60,000	60,000				0
Adds funding for NAWS on-call pay			106,954	106,954			106,954	106,954				0
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023			51,123	51,123			(14,900)	(14,900)
Adds funding for internship program			100,000	100,000			100,000	100,000				0
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788			0	0			(2,051,788)	(2,051,788)
Adjusts funding for operating expenses, including professional fees and services			(1,264,821)	(1,264,821)			(1,264,821)	(1,264,821)				0
Decreases funding for capital assets			(330,000)	(330,000)			(980,000)	(980,000)			(650,000)	(650,000)
Adds funding for discretionary funding			10,000,000	10,000,000			8,000,000	8,000,000			(2,000,000)	(2,000,000)
Adjusts funding for the Southwest Pipeline Project			51,681,936	51,681,936			20,968,600	20,968,600			(30,713,336)	(30,713,336)
Adjusts funding for the Northwest Area Water Supply project			40,817,004	40,817,004			40,817,004	40,817,004				0
Adjusts funding among water projects and grants line items			113,100,000	113,100,000			(115,650,000)	(115,650,000)			(228,750,000)	(228,750,000)
Identifies line of credit funding as one-time funding			(200,000,000)	(200,000,000)			(150,000,000)	(150,000,000)			50,000,000	50,000,000
Reduces funding for Devils Lake outlet utilities				0			(600,000)	(600,000)			(600,000)	(600,000)
Total ongoing funding changes	**6.00**	**$0**	**$21,256,222**	**$21,256,222**	**4.00**	**$0**	**($194,170,741)**	**($194,170,741)**	**(2.00)**	**$0**	**($215,426,963)**	**($215,426,963)**
One-Time Funding Items												
Adds new FTE one-time funding			$42,500	$42,500			$29,500	$29,500			($13,000)	($13,000)
Adds funding for emergency pumps replacement			480,000	480,000			480,000	480,000				0

Adds funding for an excavator replacement			400,000	400,000			400,000	400,000				0
Adds funding for a data logger replacement			60,000	60,000			60,000	60,000				0
Adds funding for a Missouri River intake sites field investigation			600,000	600,000			0	0			(600,000)	(600,000)
Adds funding from a Bank of North Dakota line of credit			200,000,000	200,000,000			150,000,000	150,000,000			(50,000,000)	(50,000,000)
Adds Board of Water Well Contractors one-time funding				0			30,000	30,000			30,000	30,000
Total one-time funding changes	**0.00**	**$0**	**$201,582,500**	**$201,582,500**	**0.00**	**$0**	**$150,999,500**	**$150,999,500**	**0.00**	**$0**	**($50,583,000)**	**($50,583,000)**
Total Changes to Base Level Funding	**6.00**	**$0**	**$222,838,722**	**$222,838,722**	**4.00**	**$0**	**($43,171,241)**	**($43,171,241)**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
2025-27 Total Funding	**99.00**	**$0**	**$922,499,505**	**$922,499,505**	**97.00**	**$0**	**$656,489,542**	**$656,489,542**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
Federal funds included in other funds			*$55,935,119*				*$53,301,208*				*($2,633,911)*	
Total ongoing changes - Percentage of base level	*6.5%*	*N/A*	*3.0%*	*3.0%*	*4.3%*	*N/A*	*(27.8%)*	*(27.8%)*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*6.5%*	*N/A*	*31.8%*	*31.8%*	*4.3%*	*N/A*	*(6.2%)*	*(6.2%)*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
New and vacant FTE pool	Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	No changes	
Additional income - Appropriation	Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	Consider adjusting this section to appropriate any additional federal funds received by the Department of Water Resources, to be used for the purpose for which the funds are received. Consider directing additional oil revenue for the resources trust fund to the water projects stablization fund.	
Deficiency appropriation - SIIF	Section 5 provides a $10 million deficiency appropriation from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.	The Senate removed this section.	
Sovereign lands	Sections 6 and 7 provide $2.5 million to the Parks and Recreation Department to develop recreation opportunities on sovereign lands.	The Senate removed these sections.	
Water projects stabilization fund	Section 8 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	No changes	
Discretionary funding	Section 9 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 23 may be used as necessary, except for salaries and wages.	No changes	
Bond issuance - Southwest Pipeline Project	Section 10 provides for the issuance of up to $100 million of revenue bonds for the Southwest Pipeline Project.	The Senate removed this section.	
Transfer - Water infrastructure revolving loan fund	Section 11 provides for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.	The Senate reduced this transfer to $35 million for the water infrastructure revolving loan fund.	
Line of credit - Water infrastructure revolving loan fund	Section 12 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	The Senate adjusted this language to clarify the process by which the Department of Water Resources accesses the Bank of North Dakota line of credit.	
Bank of North Dakota line of credit	Section 13 amends Section 61-02-79 to provide a line of credit of up to $200 million for water projects.	The Senate reduced the line of credit to $150 million and designated $50 million from that line of credit for the Southwest Pipeline Project.	

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
Northwest Area Water Supply - Biota water treatment plant operating fund - Continuing appropriation	Section 14 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	No changes	
Legislative intent - Red River valley water supply project	Section 15 provides legislative intent for $260 million for the Red River valley water supply project for the 2025-27 biennium.	Consider reducing RRVWS intent from $260 million to $150 million for the 2025-27 biennium.	
Legislative intent - Mouse River flood control project	Section 16 provides legislative intent for $125 million for the Mouse River flood control project for the 2025-27 biennium.	Consider reducing Mouse River flood control project intent from $125 million to $65 million for the 2025-27 biennium.	
Legislative intent - South Bismarck storm water and flood control project	Section 17 provides legislative intent for $20 million for a south Bismarck storm water and flood control project for the 2025-27 biennium.	The Senate removed this section.	
Legislative intent - Grants and water projects	Section 18 provides additional detail regarding allocations within line items for water projects.	Consider adjusting this section to reflect updated allocations within line items for other water projects as follows: Southwest Pipeline Project - $101 million Devils Lake Outlet - $1 million Valley City Flood Control - $13 million Heart River Flood Control - $7.5 million Western Area Water Supply - $35 million Municipal water supply - $35 million Rural water supply - $55 million General water - $18 million Discretionary - $8 million	
Legislative intent - Missouri River system	Section 19 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	No changes	
Legislative intent - Southwest Pipeline Project line of credit		The Senate added a section to provide legislative intent that the $50 million line of credit for the Southwest Pipeline Project be repaid by with revenue from capital repayments from the Southwest Pipeline Project.	
Missouri River intake sites study		Consider adding a section to provide for DWR to study or conduct a field investigation regarding Missouri River intake sites.	
State Water Commission study - Regional water systems governance and finance	Section 20 provides for a State Water Commission study of regional water systems governance and finance.	The Senate adjusted this section to require a report to the Legislative Management by March 31, 2026.	
State Water Commission study - Cost-share policy	Section 21 provides for a State Water Commission study of its cost-share policy.	The Senate adjusted this section to require a report to the Legislative Management by March 31, 2026.	
Line item transfers	Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $10 million between line items, excluding the salaries and wages line item and the new and vacant FTE pool line item.	Consider adjusting the allowable amount and line items eligible for line item transfer authority.	
Exemption - Water-related projects	Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $522.5 million, may be continued and expended during the 2025-27 biennium.	The Senate reduced the identified carryover amount to $514.1 million.	
Emergency	Section 24 declares the bill to be an emergency measure.	The Senate added HB 1040, relating to a drought disaster livestock water assistance program, as an emergency measure.	

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT.

During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall present a draft report to the legislative management and to the appropriations committees of the seventieth legislative assembly by April 30, 2026, and shall present a final report by June 30, 2026. ~~report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from the regional water systems governance and finance study.~~

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT.

During the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall workplans of water projects, the state's financial roll in deferred maintenance or replacement projects, and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall present a draft report to the legislative management by April 30, 2026, and shall present a final report by June 30, 2026. ~~report annually to the legislative management during the 2025-26 interim regarding the status of and any recommendations from the cost-share policy study.~~

SECTION X. INTERIM WATER TOPICS COMMITTEE STUDY – DIRECT APPROPRIATION POLICY - REPORT TO LEGISLATIVE MANAGEMENT.

During the 2025-26 interim, the interim water topics committee shall study direct appropriations for water projects. The study must evaluate the process of direct appropriations, legislative intent for multi-phase and multi-biennial funding, and shall recommend a threshold amount for project costs which must be presented to the water topics committee prior to those projects requesting direct appropriations from the legislature.

[Appropriation Needed for Study?]

SECTION X. EXEMPTION – DEPARTMENT OF WATER RESOURCES STUDY – MISSOURI RIVER INTAKE SITES STUDY PHASE TWO – REPORT.

During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of Missouri River intakes study of select intake sites identified in phase one of the Missouri River intakes study conducted during the 2023-25 biennium. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding for the study is included in the appropriation in the discretionary funding line item in section1 of this act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intakes study.

Hall, Steven - SClerk8 - SAPPEE

From: Cronquist, Alex J.
Sent: Tuesday, April 8, 2025 3:19 PM
To: Sorvaag, Ronald G.
Cc: Hall, Steven - SClerk8 - SAPPEE
Subject: HB 1020 - Water Topics Committee Section

Senator Sorvaag,

The section amending the duties and responsibilities of the Water Topics Overview Committee is below:

SECTION 9. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee.

The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

2. Any new water project request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be presented to the water topics overview committee for consideration before March thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.

3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.

4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

In discussion with Chris, he mentioned the department would prefer a deadline of May 15 rather than March 31, as the

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
4/9/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new, to amend and reenact the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

3:02 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Deadline of Projects.
- Change of Language.
- Carry Over funds.

3:02 p.m. Alex Cronquist, Fiscal Analyst, Legislative Council, testified in neutral and submitted testimony #44864 and #44865.

3:09 p.m. Chris Kadrmas, Director of Admin, Dept. of Water Resources, testified in favor.

3:15 p.m. Alex Cronquist, Fiscal Analyst, Legislative Council, continued testimony.

3:20 p.m. Chris Kadrmas, Director of Admin, Dept. of Water Resources, referenced Long Sheet #44865 and answered committee questions.

3:25 p.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of ~~providing funding for water projects and grants~~defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the resources trust fund, excluding oil extraction tax revenues deposited in the fund that exceed the amount included in the March 2025 legislative revenue forecast, must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

SECTION 7. TRANSFERS - WATER PROJECT STABILIZATION FUND. Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2025 legislative revenue forecast during the period beginning July 1, 2025, and ending June 30, 2027, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 ~~to the department of water resources~~ to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 9. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
2. Any new water project request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be reported to the water topics overview committee before March thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.
4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations

committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 10. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed ~~one hundred million~~~~two hundred million~~one hundred fifty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project~~two hundred million~~ and one hundred million dollars for water projects ~~during the biennium beginning July 1, 2023~~2025~~,~~ ~~and ending June 30, 2025~~2027~~.~~

SECTION 14. SOUTHWEST PIPELINE PROJECT LINE OF CREDIT - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources utilize capital repayments from the southwest pipeline project deposited in the resources trust fund for the repayment of any principal and interest associated with the $50,000,000 Bank of North Dakota line of credit provided for the southwest pipeline project in section 61-02-79 of the North Dakota Century Code.

SECTION 16. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study must also consider the appropriate involvement of the legislative management's water topics overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 17. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 18. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project~~,~~ and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management ~~during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the regional water systems governance and finance study.

SECTION 19. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial ~~roll~~role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report ~~annually~~ to the legislative management ~~during the 2025-26 interim~~by March 31, 2026 regarding the ~~status~~results of and any recommendations from the cost-share policy study.

SECTION 20. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to ~~$10,000,000~~$5,000,000 between the operating expenses and capital assets line items~~, excluding the salaries and wages line item and the new and vacant FTE pool line item,~~ in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 21. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be ~~$522,500,000~~$514,100,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 22. EMERGENCY. This Act ~~is~~and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

April 9, 2025

Legislative Council

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	House Version				Senate Version				Senate Compared to House Version			
									Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes			$416,661	$416,661			$416,661	$416,661				$0
Salary increase			962,884	962,884			945,848	945,848			($17,036)	(17,036)
Health insurance increase			612,539	612,539			600,529	600,529			(12,010)	(12,010)
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398			703,398	703,398				0
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231			912,231	912,231				0
Transfers funding for 2025-27 new and vacant FTE pool			(633,423)	(633,423)			(587,986)	(587,986)			45,437	45,437
Adds accountant position	1.00		289,442	289,442	1.00		289,442	289,442				0
Adds deputy director position	1.00		452,162	452,162	1.00		452,162	452,162				0
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154	1.00		349,154	349,154				0
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624	0.00		0	0	(1.00)		(312,624)	(312,624)
Adds RiskMAP program specialist position	1.00		350,706	350,706	0.00		0	0	(1.00)		(350,706)	(350,706)
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0	1.00			0				0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960			138,960	138,960				0
Adds funding for overtime and temporary salaries			60,000	60,000			60,000	60,000				0
Adds funding for NAWS on-call pay			106,954	106,954			106,954	106,954				0
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023			51,123	51,123			(14,900)	(14,900)
Adds funding for internship program			100,000	100,000			100,000	100,000				0
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788			0	0			(2,051,788)	(2,051,788)
Adjusts funding for operating expenses, including professional fees and services			(1,264,821)	(1,264,821)			(1,264,821)	(1,264,821)				0
Decreases funding for capital assets			(330,000)	(330,000)			(980,000)	(980,000)			(650,000)	(650,000)
Adds funding for discretionary funding			10,000,000	10,000,000			8,000,000	8,000,000			(2,000,000)	(2,000,000)
Adjusts funding for the Southwest Pipeline Project			51,681,936	51,681,936			20,968,600	20,968,600			(30,713,336)	(30,713,336)
Adjusts funding for the Northwest Area Water Supply project			40,817,004	40,817,004			40,817,004	40,817,004				0
Adjusts funding among water projects and grants line items			113,100,000	113,100,000			(115,650,000)	(115,650,000)			(228,750,000)	(228,750,000)
Identifies line of credit funding as one-time funding			(200,000,000)	(200,000,000)			(150,000,000)	(150,000,000)			50,000,000	50,000,000
Reduces funding for Devils Lake outlet utilities				0			(600,000)	(600,000)			(600,000)	(600,000)
Total ongoing funding changes	**6.00**	**$0**	**$21,256,222**	**$21,256,222**	**4.00**	**$0**	**($194,170,741)**	**($194,170,741)**	**(2.00)**	**$0**	**($215,426,963)**	**($215,426,963)**
One-Time Funding Items												
Adds new FTE one-time funding			$42,500	$42,500			$29,500	$29,500			($13,000)	($13,000)
Adds funding for emergency pumps replacement			480,000	480,000			480,000	480,000				0

Adds funding for an excavator replacement			400,000	400,000			400,000	400,000				0
Adds funding for a data logger replacement			60,000	60,000			60,000	60,000				0
Adds funding for a Missouri River intake sites field investigation			600,000	600,000			0	0			(600,000)	(600,000)
Adds funding from a Bank of North Dakota line of credit			200,000,000	200,000,000			150,000,000	150,000,000			(50,000,000)	(50,000,000)
Adds Board of Water Well Contractors one-time funding				0			30,000	30,000			30,000	30,000
Total one-time funding changes	**0.00**	**$0**	**$201,582,500**	**$201,582,500**	**0.00**	**$0**	**$150,999,500**	**$150,999,500**	**0.00**	**$0**	**($50,583,000)**	**($50,583,000)**
Total Changes to Base Level Funding	**6.00**	**$0**	**$222,838,722**	**$222,838,722**	**4.00**	**$0**	**($43,171,241)**	**($43,171,241)**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
2025-27 Total Funding	**99.00**	**$0**	**$922,499,505**	**$922,499,505**	**97.00**	**$0**	**$656,489,542**	**$656,489,542**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
Federal funds included in other funds			*$55,935,119*				*$53,301,208*				*($2,633,911)*	
Total ongoing changes - Percentage of base level	*6.5%*	*N/A*	*3.0%*	*3.0%*	*4.3%*	*N/A*	*(27.8%)*	*(27.8%)*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*6.5%*	*N/A*	*31.8%*	*31.8%*	*4.3%*	*N/A*	*(6.2%)*	*(6.2%)*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
New and vacant FTE pool	Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	No changes	
Additional income - Appropriation	Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	The Senate adjusted this section to appropriate any additional federal funds received by the Department of Water Resources, to be used for the purpose for which the funds are received. The Senate also excluded additional oil revenue for the resources trust fund from the appropriation.	
Deficiency appropriation - SIIF	Section 5 provides a $10 million deficiency appropriation from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.	The Senate removed this section.	
Sovereign lands	Sections 6 and 7 provide $2.5 million to the Parks and Recreation Department to develop recreation opportunities on sovereign lands.	The Senate removed these sections.	
Water projects stabilization fund - Other funds	Section 8 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	No changes	
Discretionary funding	Section 9 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 23 may be used as necessary, except for salaries and wages.	No changes	
Bond issuance - Southwest Pipeline Project	Section 10 provides for the issuance of up to $100 million of revenue bonds for the Southwest Pipeline Project.	The Senate removed this section.	
Water projects stabilization fund - Transfers		The Senate added a section to transfer oil tax revenue deposited in the resources trust fund in excess of of the March 2025 legislative forecast to the water projects stabilization fund.	
Transfer - Water infrastructure revolving loan fund	Section 11 provides for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.	The Senate reduced this transfer to $35 million for the water infrastructure revolving loan fund.	
Line of credit - Water infrastructure revolving loan fund	Section 12 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	The Senate adjusted this language to clarify the process by which the Department of Water Resources accesses the Bank of North Dakota line of credit.	

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
Water Topics Overview Committee - Powers and duties		The Senate added a section to amend the powers and duties of the Water Topics Overview Committee to provide for committee review of water project proposals with a state cost share of $10 million or more.	
Bank of North Dakota line of credit	Section 13 amends Section 61-02-79 to provide a line of credit of up to $200 million for water projects.	The Senate reduced the line of credit to $150 million and designated $50 million from that line of credit for the Southwest Pipeline Project.	
Northwest Area Water Supply - Biota water treatment plant operating fund - Continuing appropriation	Section 14 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	No changes	
Legislative intent - Red River valley water supply project	Section 15 provides legislative intent for $260 million for the Red River valley water supply project for the 2025-27 biennium.	The Senate reduced RRVWS intent from $260 million to $150 million for the 2025-27 biennium.	
Legislative intent - Mouse River flood control project	Section 16 provides legislative intent for $125 million for the Mouse River flood control project for the 2025-27 biennium.	The Senate reduced Mouse River flood control project intent from $125 million to $65 million for the 2025-27 biennium.	
Legislative intent - South Bismarck storm water and flood control project	Section 17 provides legislative intent for $20 million for a south Bismarck storm water and flood control project for the 2025-27 biennium.	The Senate removed this section.	
Legislative intent - Grants and water projects	Section 18 provides additional detail regarding allocations within line items for water projects.	The Senate adjusted this section to reflect updated allocations within line items for other water projects as follows: Southwest Pipeline Project - $101 million Devils Lake Outlet - $1 million Valley City Flood Control - $13 million Other flood control - $7.5 million Western Area Water Supply - $35 million Municipal water supply - $35 million Rural water supply - $55 million Conveyance - $15 million Other general water - $3 million Discretionary - $8 million	
Legislative intent - Southwest Pipeline Project line of credit		The Senate added a section to provide legislative intent that the $50 million line of credit for the Southwest Pipeline Project be repaid by with resources trust fund revenue from capital repayments from the Southwest Pipeline Project.	
Legislative intent - Missouri River system	Section 19 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	No changes	
Legislative Management study of designated appropriations		The Senate added a section to provide for a study of legislatively designated funding for water projects, including multi-phase projects.	
Missouri River intake sites study		The Senate added a section to provide for DWR to study or conduct a field investigation regarding Missouri River intake sites.	
State Water Commission study - Regional water systems governance and finance	Section 20 provides for a State Water Commission study of regional water systems governance and finance.	The Senate adjusted this section to require a report to the Legislative Management by March 31, 2026.	
State Water Commission study - Cost-share policy	Section 21 provides for a State Water Commission study of its cost-share policy.	The Senate adjusted this section to require a report to the Legislative Management by March 31, 2026, and to expand the study to include financial planning.	

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
Line item transfers	Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $10 million between line items, excluding the salaries and wages line item and the new and vacant FTE pool line item.	The Senate reduced the line item transfer authority to $5 million and limited it to transfers between the capital assets and operating expenses line items.	
Exemption - Water-related projects	Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $522.5 million, may be continued and expended during the 2025-27 biennium.	The Senate reduced the identified carryover amount to $514.1 million.	
Emergency	Section 24 declares the bill to be an emergency measure.	The Senate added HB 1040, relating to a drought disaster livestock water assistance program, as an emergency measure.	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1020
4/10/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section, to amend and reenact the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

3:35 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Emergency Clause

3:35 p.m. Chairman Sorvaag referenced proposed amendment LC# 25.0164.02001 and submitted testimony in favor #44915.

3:40 p.m. Chris Kadrmas, Director of Admin, Dept. of Water Resources, answered committee questions.

3:41 p.m. Senator Schaible moved proposed amendment LC# 25.0164.02001 to defray expenses, to exclude oil extraction taxes, and to change language.

3:41 p.m. Senator Thomas seconded the motion.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Pased: 5-0-0.

3:41 p.m. Senator Schaible moved a Do Pass as amended

3:41 p.m. Senator Meyer seconded the motion

Senators	Vote
Senator Ronald Sorvaag	Y

Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0.

Chairman Sorvaag will carry the bill.

Additional written testimony:

Alex Cronquist, Fiscal Analyst, Legislative Council, submitted testimony in neutral #44920.

3:43 p.m. Chairman Sorvaag adjourned the meeting.

Steven Hall, Committee Clerk

25.0164.02001
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for Senate Appropriations - Education and Environment Division Committee
April 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; ~~to provide an appropriation to the parks and recreation department;~~ to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact ~~section~~sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; ~~to authorize the state water commission to issue and sell bonds for water projects;~~ to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$2,358,350~~	~~$25,356,498~~
~~New and vacant FTE pool~~	~~0~~	~~2,428,615~~	~~2,428,615~~

~~Operating expenses~~	~~56,625,923~~	~~(22,686,142)~~	~~33,939,781~~
~~Capital assets~~	~~124,136,712~~	~~(120,932,762)~~	~~3,203,950~~
~~Southwest pipeline project~~	~~0~~	~~131,713,336~~	~~131,713,336~~
~~Northwest area water supply~~	~~0~~	~~106,857,325~~	~~106,857,325~~
~~Water supply - grants~~	~~316,200,000~~	~~(316,200,000)~~	~~0~~
~~Rural water supply - grants~~	~~52,000,000~~	~~(52,000,000)~~	~~0~~
~~Water supply~~	~~0~~	~~105,000,000~~	~~105,000,000~~
~~Regional water supply~~	~~0~~	~~306,500,000~~	~~306,500,000~~
~~General water - grants~~	~~12,000,000~~	~~(12,000,000)~~	~~0~~
~~General water~~	~~0~~	~~29,000,000~~	~~29,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~(115,700,000)~~	~~0~~
~~Flood control~~	~~0~~	~~168,500,000~~	~~168,500,000~~
~~Discretionary funding~~	~~0~~	~~10,000,000~~	~~10,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$222,838,722~~	~~$922,499,505~~
~~Full-time equivalent positions~~	~~93.00~~	~~6.00~~	~~99.00~~
Salaries and wages	$22,998,148	2,299,304	$25,297,452
New and vacant FTE pool	0	2,019,682	2,019,682
Operating expenses	56,625,923	(26,114,790)	30,511,133
Capital assets	124,136,712	(121,582,762)	2,553,950
Southwest pipeline project	0	101,000,000	101,000,000
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	90,000,000	90,000,000
Regional water supply	0	185,000,000	185,000,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	19,750,000	19,750,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	85,500,000	85,500,000
Discretionary funding	0	8,000,000	8,000,000

Total other funds	$699,660,783	($43,171,241)	$656,489,542
Full-time equivalent positions	93.00	4.00	97.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
~~New FTE costs~~	~~$42,500~~
New FTE costs	$29,500
Board of water well contractors costs	30,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
~~Missouri River intake sites field investigation~~	~~600,000~~
~~Bank of North Dakota line of credit~~	~~200,000,000~~
~~Total other funds~~	~~$201,582,500~~
Bank of North Dakota line of credit	150,000,000
Total other funds	$150,999,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of ~~providing funding for water projects and grants~~defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the

resources trust fund, excluding oil extraction tax revenues deposited in the fund that exceed the amount included in the March 2025 legislative revenue forecast, must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

~~**SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - DEPARTMENT OF WATER RESOURCES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repaying a Bank of North Dakota line of credit for the water infrastructure revolving loan fund, for the period beginning with the effective date of this Act, and ending June 30, 2025.~~

~~**SECTION 6. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.** There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.~~

~~**SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT.** The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 5. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects

stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section 22 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

~~**SECTION 10. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT.** The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 7. TRANSFERS - WATER PROJECT STABILIZATION FUND. Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2025 legislative revenue forecast during the period beginning July 1, 2025, and ending June 30, 2027, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer ~~$45,000,000~~$35,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 9. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 ~~to the department of water resources~~ to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2 for the period beginning with the effective date of this Act and ending June 30, 2027. The interest rate associated with the line of credit must be the

prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 10. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
2. Any request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be reported to the water topics overview committee before May thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.
4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 11. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed ~~one hundred million~~~~two hundred million~~one hundred fifty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project~~two hundred million~~ and one hundred million dollars for water projects ~~during the biennium beginning July 1, 2023~~2025~~, and ending June 30, 2025~~2027~~.

SECTION 12. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota

water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 13. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, ~~$260,000,000~~$150,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, ~~$125,000,000~~$65,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

~~**SECTION 17. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT.** The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.~~

SECTION 15. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. ~~$105,000,000~~$90,000,000 for water supply, including:
   a. ~~$25,000,000~~$35,000,000 for municipal water supply; and
   b. ~~$80,000,000~~$55,000,000 for rural water supply.
2. ~~$306,500,000~~$185,000,000 for regional water supply, including:
   a. ~~$260,000,000~~$150,000,000 for Red River valley water supply project; and
   b. ~~$46,500,000~~$35,000,000 for western area water supply project.
3. ~~$168,500,000~~$85,500,000 for flood control, including:
   a. ~~$125,000,000~~$65,000,000 for Mouse River flood control;
   b. ~~$16,000,000~~$13,000,000 for Valley City flood control; and
   c. ~~$20,000,000 for south Bismarck storm water and flood control; and~~
   ~~d.~~ $7,500,000 for other flood control projects.
4. ~~$29,000,000~~$19,750,000 for general water, including:
   a. $15,000,000 for water conveyance; and
   b. ~~$2,500,000 for sovereign lands; and~~
   ~~c. $11,500,000~~$4,750,000 for other general water projects.

SECTION 16. SOUTHWEST PIPELINE PROJECT LINE OF CREDIT - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources utilize capital repayments from the southwest pipeline project deposited in the resources trust fund for the repayment of any principal and interest associated with the $50,000,000 Bank of North Dakota line of credit provided for the southwest pipeline project in section 61-02-79 of the North Dakota Century Code.

SECTION 17. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study must also consider the appropriate involvement of the legislative management's water topics

overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 19. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project~~,~~ and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management ~~during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the regional water systems governance and finance study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During

the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial ~~roll~~role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report ~~annually~~ to the legislative management ~~during the 2025-26 interim~~by March 31, 2026 regarding the ~~status~~results of and any recommendations from the cost-share policy study.

SECTION 22. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to ~~$10,000,000~~$5,000,000 between the operating expenses and capital assets line items~~, excluding the salaries and wages line item and the new and vacant FTE pool line item,~~ in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 23. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be ~~$522,500,000~~$600,000,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 24. EMERGENCY. This Act ~~is~~and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	$0	$2,500,000	($2,500,000)	$0
Less estimated income	0	2,500,000	(2,500,000)	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Department of Water Resources				
Total all funds	$699,660,783	$922,499,505	($266,009,963)	$656,489,542
Less estimated income	699,660,783	922,499,505	(266,009,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00
Bill total				
Total all funds	$699,660,783	$924,999,505	($268,509,963)	$656,489,542
Less estimated income	699,660,783	924,999,505	(268,509,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00

House Bill No. 1020 - Parks and Recreation Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Sovereign lands recreation use grants		$2,500,000	($2,500,000)	
Total all funds	$0	$2,500,000	($2,500,000)	$0
Less estimated income	0	2,500,000	(2,500,000)	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of Senate Changes

	Removes Funding for Sovereign Lands Grants[1]	Total Senate Changes
Sovereign lands recreation use grants	($2,500,000)	($2,500,000)
Total all funds	($2,500,000)	($2,500,000)
Less estimated income	(2,500,000)	(2,500,000)
General fund	$0	$0
FTE	0.00	0.00

[1] Funding of $2.5 million from the resources trust fund added by the House for Parks and Recreation Department sovereign lands recreation use grants is removed by the Senate.

House Bill No. 1020 - Department of Water Resources - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$22,998,148	$25,356,498	($59,046)	$25,297,452
New and vacant FTE pool		2,428,615	(408,933)	2,019,682
Operating expenses	56,625,923	33,939,781	(3,428,648)	30,511,133
Capital assets	124,136,712	3,203,950	(650,000)	2,553,950
Southwest pipeline project		131,713,336	(30,713,336)	101,000,000
Northwest area water supply		106,857,325		106,857,325
Water supply - Grants	316,200,000			
Rural water supply - Grants	52,000,000			
Water supply		105,000,000	(15,000,000)	90,000,000
Regional water supply		306,500,000	(121,500,000)	185,000,000
General water - Grants	12,000,000			
General water		29,000,000	(9,250,000)	19,750,000
Flood control - Grants	115,700,000			
Flood control		168,500,000	(83,000,000)	85,500,000
Discretionary funding		10,000,000	(2,000,000)	8,000,000
Total all funds	$699,660,783	$922,499,505	($266,009,963)	$656,489,542
Less estimated income	699,660,783	922,499,505	(266,009,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00

Department 770 - Department of Water Resources - Detail of Senate Changes

	Removes FTE Positions[1]	Reduces Funding for Devils Lake Outlet Utilities[2]	Reduces Funding from Federal Funds[3]	Adjusts Funding for the Board of Water Well Contractors[4]	Adjusts Funding for Water Projects[5]	Removes Funding for Missouri River Intake Sites Study[6]
Salaries and wages	($29,046)			($30,000)		
New and vacant FTE pool	(408,933)					
Operating expenses	(221,960)	($600,000)	($2,051,788)	45,100		($600,000)
Capital assets					($650,000)	
Southwest pipeline project					(30,713,336)	
Northwest area water supply						
Water supply - Grants						
Rural water supply - Grants						
Water supply					(15,000,000)	
Regional water supply					(121,500,000)	
General water - Grants						
General water					(9,250,000)	
Flood control - Grants						
Flood control					(83,000,000)	
Discretionary funding					(2,000,000)	
Total all funds	($659,939)	($600,000)	($2,051,788)	$15,100	($262,113,336)	($600,000)
Less estimated income	(659,939)	(600,000)	(2,051,788)	15,100	(262,113,336)	(600,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	(2.00)	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	($59,046)
New and vacant FTE pool	(408,933)
Operating expenses	(3,428,648)
Capital assets	(650,000)
Southwest pipeline project	(30,713,336)
Northwest area water supply	
Water supply - Grants	
Rural water supply - Grants	
Water supply	(15,000,000)
Regional water supply	(121,500,000)
General water - Grants	
General water	(9,250,000)
Flood control - Grants	
Flood control	(83,000,000)
Discretionary funding	(2,000,000)
Total all funds	($266,009,963)
Less estimated income	(266,009,963)
General fund	$0
FTE	(2.00)

[1] Funding for salaries and wages and related operating costs for 1 new FTE assistant national flood insurance program coordinator position and 1 new FTE RiskMAP program specialist position added by the House is removed by the Senate.

[2] Funding is reduced by $600,000 from special funds for Devils Lake outlet utilities. The House did not adjust funding specifically for Devils Lake outlet utilities.

[3] Federal funding of $2,051,788 added by the House for travel and professional services is removed by the Senate.

[4] Funding for administrative services for the Board of Water Well Contractors is adjusted to provide a total of $81,123 from special funds, of which $36,023 is for salaries and wages, $15,100 is for ongoing operating costs, and $30,000 is for one-time operating costs. The House included $66,023 from special funds for salaries and wages for administrative services relating to the Board of Water Well Contractors.

[5] Funding is adjusted for water projects as follows:

Project	House Version	Senate Changes	Senate Version
Devils Lake outlet	$1,650,000	($650,000)	$1,000,000
Discretionary funding	10,000,000	(2,000,000)	8,000,000
Southwest Pipeline Project	131,713,336	(30,713,336)	101,000,000
Municipal water supply	25,000,000	10,000,000	35,000,000
Rural water supply	80,000,000	(25,000,000)	55,000,000
Red River Valley Water Supply Project	260,000,000	(110,000,000)	150,000,000
Western Area Water Supply	46,500,000	(11,500,000)	35,000,000
Mouse River flood control	125,000,000	(60,000,000)	65,000,000
Valley City flood control	16,000,000	(3,000,000)	13,000,000
South Bismarck storm water and flood control	20,000,000	(20,000,000)	0
Parks and Recreation Department grant	2,500,000	(2,500,000)	0
Other general water projects	11,500,000	(6,750,000)	4,750,000
Total	$729,863,336	($262,113,336)	$467,750,000

[6] One-time funding of $600,000 from special funds added by the House to continue a study of Missouri River intake sites is removed by the Senate.

House Bill No. 1020 - Other Changes - Senate Action

This amendment also:

- Adjusts the additional income appropriation section to appropriate additional federal funds received by the Department of Water Resources for the purpose for which the funds were received.

- Adjusts the additional income appropriation section to exclude oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast.
- Removes a section providing a deficiency appropriation of $10 million from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.
- Removes 2 sections relating to sovereign lands recreation use grants.
- Removes a section to authorize the issuance of bonds for the Southwest Pipeline Project.
- Adds a section to transfer oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast to the water projects stabilization fund.
- Reduces a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund to $35 million.
- Amends the powers and duties of the Legislative Management's Water Topics Overview Committee to provide for the review of project requests for state funds of $10 million or more.
- Reduces the authorization for a Bank of North Dakota line of credit for water projects from $200 million to $150 million, of which $50 million is designated for the Southwest Pipeline Project.
- Adds a section to provide for the repayment of a $50 million Bank of North Dakota line of credit for the Southwest Pipeline Project from capital repayments from the Southwest Pipeline Project deposited in the resources trust fund.
- Adds a section to provide for a Legislative Management study of designated appropriations for water projects.
- Adds a section to provide for the Department of Water Resources to continue its study of Missouri River intake sites.
- Adjusts line item transfer authority for the Department of Water Resources to limit transfers to $5 million between only the operating expenses and capital assets line items. The House version limited the transfer to $10 million.
- Increases the estimated water project funding to be continued into the 2025-27 biennium from $522.5 million to $600 million.
- Declares House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure.

Legislative Council

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	House Version				Senate Version				Senate Compared to House Version			
									Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes			$416,661	$416,661			$416,661	$416,661				$0
Salary increase			962,884	962,884			945,848	945,848			($17,036)	(17,036)
Health insurance increase			612,539	612,539			600,529	600,529			(12,010)	(12,010)
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398			703,398	703,398				0
Adds funding to replace the 2023-25 vacant FTE			912,231	912,231			912,231	912,231				0
Transfers funding for 2025-27 new and vacant FTE pool			(633,423)	(633,423)			(587,986)	(587,986)			45,437	45,437
Adds accountant position	1.00		289,442	289,442	1.00		289,442	289,442				0
Adds deputy director position	1.00		452,162	452,162	1.00		452,162	452,162				0
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154	1.00		349,154	349,154				0
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624	0.00		0	0	(1.00)		(312,624)	(312,624)
Adds RiskMAP program specialist position	1.00		350,706	350,706	0.00		0	0	(1.00)		(350,706)	(350,706)
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0	1.00			0				0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960			138,960	138,960				0
Adds funding for overtime and temporary salaries			60,000	60,000			60,000	60,000				0
Adds funding for NAWS on-call pay			106,954	106,954			106,954	106,954				0
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023			51,123	51,123			(14,900)	(14,900)
Adds funding for internship program			100,000	100,000			100,000	100,000				0
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788			0	0			(2,051,788)	(2,051,788)
Adjusts funding for operating expenses, including professional fees and services			(1,264,821)	(1,264,821)			(1,264,821)	(1,264,821)				0
Decreases funding for capital assets			(330,000)	(330,000)			(980,000)	(980,000)			(650,000)	(650,000)
Adds funding for discretionary funding			10,000,000	10,000,000			8,000,000	8,000,000			(2,000,000)	(2,000,000)
Adjusts funding for the Southwest Pipeline Project			51,681,936	51,681,936			20,968,600	20,968,600			(30,713,336)	(30,713,336)
Adjusts funding for the Northwest Area Water Supply project			40,817,004	40,817,004			40,817,004	40,817,004				0
Adjusts funding among water projects and grants line items			113,100,000	113,100,000			(115,650,000)	(115,650,000)			(228,750,000)	(228,750,000)
Identifies line of credit funding as one-time funding			(200,000,000)	(200,000,000)			(150,000,000)	(150,000,000)			50,000,000	50,000,000
Reduces funding for Devils Lake outlet utilities				0			(600,000)	(600,000)			(600,000)	(600,000)
Total ongoing funding changes	**6.00**	**$0**	**$21,256,222**	**$21,256,222**	**4.00**	**$0**	**($194,170,741)**	**($194,170,741)**	**(2.00)**	**$0**	**($215,426,963)**	**($215,426,963)**
One-Time Funding Items												
Adds new FTE one-time funding			$42,500	$42,500			$29,500	$29,500			($13,000)	($13,000)

Adds funding for emergency pumps replacement			480,000	480,000			480,000	480,000				0
Adds funding for an excavator replacement			400,000	400,000			400,000	400,000				0
Adds funding for a data logger replacement			60,000	60,000			60,000	60,000				0
Adds funding for a Missouri River intake sites field investigation			600,000	600,000			0	0			(600,000)	(600,000)
Adds funding from a Bank of North Dakota line of credit			200,000,000	200,000,000			150,000,000	150,000,000			(50,000,000)	(50,000,000)
Adds Board of Water Well Contractors one-time funding				0			30,000	30,000			30,000	30,000
Total one-time funding changes	**0.00**	**$0**	**$201,582,500**	**$201,582,500**	**0.00**	**$0**	**$150,999,500**	**$150,999,500**	**0.00**	**$0**	**($50,583,000)**	**($50,583,000)**
Total Changes to Base Level Funding	**6.00**	**$0**	**$222,838,722**	**$222,838,722**	**4.00**	**$0**	**($43,171,241)**	**($43,171,241)**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
2025-27 Total Funding	**99.00**	**$0**	**$922,499,505**	**$922,499,505**	**97.00**	**$0**	**$656,489,542**	**$656,489,542**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
Federal funds included in other funds			*$55,935,119*				*$53,301,208*				*($2,633,911)*	
Total ongoing changes - Percentage of base level	*6.5%*	*N/A*	*3.0%*	*3.0%*	*4.3%*	*N/A*	*(27.8%)*	*(27.8%)*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*6.5%*	*N/A*	*31.8%*	*31.8%*	*4.3%*	*N/A*	*(6.2%)*	*(6.2%)*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
New and vacant FTE pool	Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	No changes	
Additional income - Appropriation	Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	The Senate adjusted this section to appropriate any additional federal funds received by the Department of Water Resources, to be used for the purpose for which the funds are received. The Senate also excluded additional oil revenue for the resources trust fund from the appropriation.	
Deficiency appropriation - SIIF	Section 5 provides a $10 million deficiency appropriation from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.	The Senate removed this section.	
Sovereign lands	Sections 6 and 7 provide $2.5 million to the Parks and Recreation Department to develop recreation opportunities on sovereign lands.	The Senate removed these sections.	
Water projects stabilization fund - Other funds	Section 8 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	No changes	
Discretionary funding	Section 9 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 23 may be used as necessary, except for salaries and	No changes	
Bond issuance - Southwest Pipeline Project	Section 10 provides for the issuance of up to $100 million of revenue bonds for the Southwest Pipeline Project.	The Senate removed this section.	
Water projects stabilization fund - Transfers		The Senate added a section to transfer oil tax revenue deposited in the resources trust fund in excess of of the March 2025 legislative forecast to the water projects stabilization fund.	
Transfer - Water infrastructure revolving loan fund	Section 11 provides for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.	The Senate reduced this transfer to $35 million for the water infrastructure revolving loan fund.	

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
Line of credit - Water infrastructure revolving loan fund	Section 12 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	The Senate adjusted this language to clarify the process by which the Department of Water Resources accesses the Bank of North Dakota line of credit.	
Water Topics Overview Committee - Powers and duties		The Senate added a section to amend the powers and duties of the Water Topics Overview Committee to provide for committee review of water project proposals with a state cost share of $10 million or more.	
Bank of North Dakota line of credit	Section 13 amends Section 61-02-79 to provide a line of credit of up to $200 million for water projects.	The Senate reduced the line of credit to $150 million and designated $50 million from that line of credit for the Southwest Pipeline Project.	
Northwest Area Water Supply - Biota water treatment plant operating fund - Continuing appropriation	Section 14 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	No changes	
Legislative intent - Red River valley water supply project	Section 15 provides legislative intent for $260 million for the Red River valley water supply project for the 2025-27 biennium.	The Senate reduced RRVWS intent from $260 million to $150 million for the 2025-27 biennium.	
Legislative intent - Mouse River flood control project	Section 16 provides legislative intent for $125 million for the Mouse River flood control project for the 2025-27 biennium.	The Senate reduced Mouse River flood control project intent from $125 million to $65 million for the 2025-27 biennium.	
Legislative intent - South Bismarck storm water and flood control project	Section 17 provides legislative intent for $20 million for a south Bismarck storm water and flood control project for the 2025-27 biennium.	The Senate removed this section.	
Legislative intent - Grants and water projects	Section 18 provides additional detail regarding allocations within line items for water projects.	The Senate adjusted this section to reflect updated allocations within line items for other water projects as follows: Valley City Flood Control - $13 million Other flood control - $7.5 million Western Area Water Supply - $35 million Municipal water supply - $35 million Rural water supply - $55 million Conveyance - $15 million Other general water - $4.75 million	
Legislative intent - Southwest Pipeline Project line of credit		The Senate added a section to provide legislative intent that the $50 million line of credit for the Southwest Pipeline Project be repaid by with resources trust fund revenue from capital repayments from the Southwest Pipeline Project.	
Legislative intent - Missouri River system	Section 19 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	No changes	
Legislative Management study of designated appropriations		The Senate added a section to provide for a study of legislatively designated funding for water projects, including multi-phase projects.	
Missouri River intake sites study		The Senate added a section to provide for DWR to study or conduct a field investigation regarding Missouri River intake sites.	
State Water Commission study - Regional water systems governance and finance	Section 20 provides for a State Water Commission study of regional water systems governance and finance.	The Senate adjusted this section to require a report to the Legislative Management by March 31, 2026.	

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	
State Water Commission study - Cost-share policy	Section 21 provides for a State Water Commission study of its cost-share policy.	The Senate adjusted this section to require a report to the Legislative Management by March 31, 2026, and to expand the study to include financial planning.	
Line item transfers	Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $10 million between line items, excluding the salaries and wages line item and the new and vacant FTE pool line item.	The Senate reduced the line item transfer authority to $5 million and limited it to transfers between the capital assets and operating expenses line items.	
Exemption - Water-related projects	Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $522.5 million, may be continued and expended during the 2025-27 biennium.	The Senate increased the identified carryover amount to $600 million.	
Emergency	Section 24 declares the bill to be an emergency measure.	The Senate added HB 1040, relating to a drought disaster livestock water assistance program, as an emergency measure.	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1020
4/11/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit; to authorize the state water commission to issue and sell bonds for water projects; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

9:00 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sorvaag, Thomas, Wanzek.
Members Absent: Senator Sickler.

Discussion Topics:

- Sovereign Lands Grant Funding
- Phase One Study of Missouri River Intake Sites
- Washburn Intake
- Carryover Amount and Allocations
- Imminent Domain Cases

9:01 a.m. Senator Sorvaag introduced the bill and submitted testimony #44933, #44935, and #44936.

9:14 a.m. Reice Haase, DWR Director, testified as neutral.

9:37 a.m. Chris Kadrmas, DWR Administration Director, testified as neutral and submitted testimony #44940.

9:56 a.m. Sindhuja S.Pillai-Grinolds, DWR Water Development Director, testified as neutral.

10:13 a.m. Senator Sorvaag moved amendment LC 25.0164.02001.

10:13 a.m. Senator Schaible seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y

Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	N
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	A
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-1-1.

10:13 a.m. Senator Sorvaag moved a Do Pass as Amended.

10:13 a.m. Senator Schaible seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	A
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-1-1.

Senator Sorvaag will carry the bill.

10:15 a.m. Chairman Bekkedahl adjourned the meeting.

Elizabeth Reiten, Committee Clerk

25.0164.02001
Title.03000
Fiscal No. 1

Prepared by the Legislative Council staff for Senate Appropriations - Education and Environment Division Committee

April 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

CO
4/11/25
1 of 16

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; ~~to provide an appropriation to the parks and recreation department;~~ to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact ~~section~~sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; ~~to authorize the state water commission to issue and sell bonds for water projects;~~ to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$2,358,350~~	~~$25,356,498~~
~~New and vacant FTE pool~~	~~0~~	~~2,428,615~~	~~2,428,615~~

~~Operating expenses~~	~~56,625,923~~	~~(22,686,142)~~	~~33,939,781~~
~~Capital assets~~	~~124,136,712~~	~~(120,932,762)~~	~~3,203,950~~
~~Southwest pipeline project~~	~~0~~	~~131,713,336~~	~~131,713,336~~
~~Northwest area water supply~~	~~0~~	~~106,857,325~~	~~106,857,325~~
~~Water supply - grants~~	~~316,200,000~~	~~(316,200,000)~~	~~0~~
~~Rural water supply - grants~~	~~52,000,000~~	~~(52,000,000)~~	~~0~~
~~Water supply~~	~~0~~	~~105,000,000~~	~~105,000,000~~
~~Regional water supply~~	~~0~~	~~306,500,000~~	~~306,500,000~~
~~General water - grants~~	~~12,000,000~~	~~(12,000,000)~~	~~0~~
~~General water~~	~~0~~	~~29,000,000~~	~~29,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~(115,700,000)~~	~~0~~
~~Flood control~~	~~0~~	~~168,500,000~~	~~168,500,000~~
~~Discretionary funding~~	~~0~~	~~10,000,000~~	~~10,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$222,838,722~~	~~$922,499,505~~
~~Full-time equivalent positions~~	~~93.00~~	~~6.00~~	~~99.00~~
Salaries and wages	$22,998,148	$2,299,304	$25,297,452
New and vacant FTE pool	0	2,019,682	2,019,682
Operating expenses	56,625,923	(26,114,790)	30,511,133
Capital assets	124,136,712	(121,582,762)	2,553,950
Southwest pipeline project	0	101,000,000	101,000,000
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	90,000,000	90,000,000
Regional water supply	0	185,000,000	185,000,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	19,750,000	19,750,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	85,500,000	85,500,000
Discretionary funding	0	8,000,000	8,000,000

Total other funds	$699,660,783	($43,171,241)	$656,489,542
Full-time equivalent positions	93.00	4.00	97.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
~~New FTE costs~~	~~$42,500~~
New FTE costs	$29,500
Board of water well contractors costs	30,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
~~Missouri River intake sites field investigation~~	~~600,000~~
~~Bank of North Dakota line of credit~~	~~200,000,000~~
~~Total other funds~~	~~$201,582,500~~
Bank of North Dakota line of credit	150,000,000
Total other funds	$150,999,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of ~~providing funding for water projects and grants~~defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the

resources trust fund, excluding oil extraction tax revenues deposited in the fund that exceed the amount included in the March 2025 legislative revenue forecast, must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

~~**SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - DEPARTMENT OF WATER RESOURCES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repaying a Bank of North Dakota line of credit for the water infrastructure revolving loan fund, for the period beginning with the effective date of this Act, and ending June 30, 2025.~~

~~**SECTION 6. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.** There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.~~

~~**SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT.** The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 5. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects

stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section ~~22~~23 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

~~**SECTION 10. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT.** The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 7. TRANSFERS - WATER PROJECT STABILIZATION FUND. Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2025 legislative revenue forecast during the period beginning July 1, 2025, and ending June 30, 2027, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer ~~$45,000,000~~$35,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 9. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 ~~to the department of water resources~~ to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2 for the period beginning with the effective date of this Act and ending June 30, 2027. The interest rate associated with the line of credit must be the

prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 10. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
2. Any request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be reported to the water topics overview committee before May thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.
4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 11. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed ~~one hundred million~~~~two hundred million~~one hundred fifty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project~~two hundred million~~ and one hundred million dollars for water projects ~~during the biennium beginning July 1, 2023~~2025~~,~~ ~~and ending June 30, 2025~~2027.

SECTION 12. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota

water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 13. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, ~~$260,000,000~~$150,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, ~~$125,000,000~~$65,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

~~**SECTION 17. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT.** The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.~~

SECTION 15. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. ~~$105,000,000~~$90,000,000 for water supply, including:
   a. ~~$25,000,000~~$35,000,000 for municipal water supply; and
   b. ~~$80,000,000~~$55,000,000 for rural water supply.
2. ~~$306,500,000~~$185,000,000 for regional water supply, including:
   a. ~~$260,000,000~~$150,000,000 for Red River valley water supply project; and
   b. ~~$46,500,000~~$35,000,000 for western area water supply project.
3. ~~$168,500,000~~$85,500,000 for flood control, including:
   a. ~~$125,000,000~~$65,000,000 for Mouse River flood control;
   b. ~~$16,000,000~~$13,000,000 for Valley City flood control; and
   c. ~~$20,000,000 for south Bismarck storm water and flood control; and~~
   ~~d.~~ $7,500,000 for other flood control projects.
4. ~~$29,000,000~~$19,750,000 for general water, including:
   a. $15,000,000 for water conveyance; and
   b. ~~$2,500,000 for sovereign lands; and~~
   ~~c. $11,500,000~~$4,750,000 for other general water projects.

SECTION 16. SOUTHWEST PIPELINE PROJECT LINE OF CREDIT - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources utilize capital repayments from the southwest pipeline project deposited in the resources trust fund for the repayment of any principal and interest associated with the $50,000,000 Bank of North Dakota line of credit provided for the southwest pipeline project in section 61-02-79 of the North Dakota Century Code.

SECTION 17. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study must also consider the appropriate involvement of the legislative management's water topics

overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 19. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management ~~during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the regional water systems governance and finance study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During

the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial ~~roll~~role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report ~~annually~~ to the legislative management ~~during the 2025-26 interim~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the cost-share policy study.

SECTION 22. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to ~~$10,000,000~~$5,000,000 between the operating expenses and capital assets line items~~, excluding the salaries and wages line item and the new and vacant FTE pool line item,~~ in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 23. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be ~~$522,500,000~~$600,000,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 24. EMERGENCY. This Act ~~is~~and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	$0	$2,500,000	($2,500,000)	$0
Less estimated income	0	2,500,000	(2,500,000)	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Department of Water Resources				
Total all funds	$699,660,783	$922,499,505	($266,009,963)	$656,489,542
Less estimated income	699,660,783	922,499,505	(266,009,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00
Bill total				
Total all funds	$699,660,783	$924,999,505	($268,509,963)	$656,489,542
Less estimated income	699,660,783	924,999,505	(268,509,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00

House Bill No. 1020 - Parks and Recreation Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Sovereign lands recreation use grants		$2,500,000	($2,500,000)	
Total all funds	$0	$2,500,000	($2,500,000)	$0
Less estimated income	0	2,500,000	(2,500,000)	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of Senate Changes

	Removes Funding for Sovereign Lands Grants[1]	Total Senate Changes
Sovereign lands recreation use grants	($2,500,000)	($2,500,000)
Total all funds	($2,500,000)	($2,500,000)
Less estimated income	(2,500,000)	(2,500,000)
General fund	$0	$0
FTE	0.00	0.00

[1] Funding of $2.5 million from the resources trust fund added by the House for Parks and Recreation Department sovereign lands recreation use grants is removed by the Senate.

House Bill No. 1020 - Department of Water Resources - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$22,998,148	$25,356,498	($59,046)	$25,297,452
New and vacant FTE pool		2,428,615	(408,933)	2,019,682
Operating expenses	56,625,923	33,939,781	(3,428,648)	30,511,133
Capital assets	124,136,712	3,203,950	(650,000)	2,553,950
Southwest pipeline project		131,713,336	(30,713,336)	101,000,000
Northwest area water supply		106,857,325		106,857,325
Water supply - Grants	316,200,000			
Rural water supply - Grants	52,000,000			
Water supply		105,000,000	(15,000,000)	90,000,000
Regional water supply		306,500,000	(121,500,000)	185,000,000
General water - Grants	12,000,000			
General water		29,000,000	(9,250,000)	19,750,000
Flood control - Grants	115,700,000			
Flood control		168,500,000	(83,000,000)	85,500,000
Discretionary funding		10,000,000	(2,000,000)	8,000,000
Total all funds	$699,660,783	$922,499,505	($266,009,963)	$656,489,542
Less estimated income	699,660,783	922,499,505	(266,009,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00

Department 770 - Department of Water Resources - Detail of Senate Changes

	Removes FTE Positions[1]	Reduces Funding for Devils Lake Outlet Utilities[2]	Reduces Funding from Federal Funds[3]	Adjusts Funding for the Board of Water Well Contractors[4]	Adjusts Funding for Water Projects[5]	Removes Funding for Missouri River Intake Sites Study[6]
Salaries and wages	($29,046)			($30,000)		
New and vacant FTE pool	(408,933)					
Operating expenses	(221,960)	($600,000)	($2,051,788)	45,100		($600,000)
Capital assets					($650,000)	
Southwest pipeline project					(30,713,336)	
Northwest area water supply						
Water supply - Grants						
Rural water supply - Grants						
Water supply					(15,000,000)	
Regional water supply					(121,500,000)	
General water - Grants						
General water					(9,250,000)	
Flood control - Grants						
Flood control					(83,000,000)	
Discretionary funding					(2,000,000)	
Total all funds	($659,939)	($600,000)	($2,051,788)	$15,100	($262,113,336)	($600,000)
Less estimated income	(659,939)	(600,000)	(2,051,788)	15,100	(262,113,336)	(600,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	(2.00)	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	($59,046)
New and vacant FTE pool	(408,933)
Operating expenses	(3,428,648)
Capital assets	(650,000)
Southwest pipeline project	(30,713,336)
Northwest area water supply	
Water supply - Grants	
Rural water supply - Grants	
Water supply	(15,000,000)
Regional water supply	(121,500,000)
General water - Grants	
General water	(9,250,000)
Flood control - Grants	
Flood control	(83,000,000)
Discretionary funding	(2,000,000)
Total all funds	($266,009,963)
Less estimated income	(266,009,963)
General fund	$0
FTE	(2.00)

[1] Funding for salaries and wages and related operating costs for 1 new FTE assistant national flood insurance program coordinator position and 1 new FTE RiskMAP program specialist position added by the House is removed by the Senate.

[2] Funding is reduced by $600,000 from special funds for Devils Lake outlet utilities. The House did not adjust funding specifically for Devils Lake outlet utilities.

[3] Federal funding of $2,051,788 added by the House for travel and professional services is removed by the Senate.

[4] Funding for administrative services for the Board of Water Well Contractors is adjusted to provide a total of $81,123 from special funds, of which $36,023 is for salaries and wages, $15,100 is for ongoing operating costs, and $30,000 is for one-time operating costs. The House included $66,023 from special funds for salaries and wages for administrative services relating to the Board of Water Well Contractors.

[5] Funding is adjusted for water projects as follows:

Project	House Version	Senate Changes	Senate Version
Devils Lake outlet	$1,650,000	($650,000)	$1,000,000
Discretionary funding	10,000,000	(2,000,000)	8,000,000
Southwest Pipeline Project	131,713,336	(30,713,336)	101,000,000
Municipal water supply	25,000,000	10,000,000	35,000,000
Rural water supply	80,000,000	(25,000,000)	55,000,000
Red River Valley Water Supply Project	260,000,000	(110,000,000)	150,000,000
Western Area Water Supply	46,500,000	(11,500,000)	35,000,000
Mouse River flood control	125,000,000	(60,000,000)	65,000,000
Valley City flood control	16,000,000	(3,000,000)	13,000,000
South Bismarck storm water and flood control	20,000,000	(20,000,000)	0
Parks and Recreation Department grant	2,500,000	(2,500,000)	0
Other general water projects	11,500,000	(6,750,000)	4,750,000
Total	$729,863,336	($262,113,336)	$467,750,000

[6] One-time funding of $600,000 from special funds added by the House to continue a study of Missouri River intake sites is removed by the Senate.

House Bill No. 1020 - Other Changes - Senate Action

This amendment also:

- Adjusts the additional income appropriation section to appropriate additional federal funds received by the Department of Water Resources for the purpose for which the funds were received.

- Adjusts the additional income appropriation section to exclude oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast.
- Removes a section providing a deficiency appropriation of $10 million from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.
- Removes 2 sections relating to sovereign lands recreation use grants.
- Removes a section to authorize the issuance of bonds for the Southwest Pipeline Project.
- Adds a section to transfer oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast to the water projects stabilization fund.
- Reduces a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund to $35 million.
- Amends the powers and duties of the Legislative Management's Water Topics Overview Committee to provide for the review of project requests for state funds of $10 million or more.
- Reduces the authorization for a Bank of North Dakota line of credit for water projects from $200 million to $150 million, of which $50 million is designated for the Southwest Pipeline Project.
- Adds a section to provide for the repayment of a $50 million Bank of North Dakota line of credit for the Southwest Pipeline Project from capital repayments from the Southwest Pipeline Project deposited in the resources trust fund.
- Adds a section to provide for a Legislative Management study of designated appropriations for water projects.
- Adds a section to provide for the Department of Water Resources to continue its study of Missouri River intake sites.
- Adjusts line item transfer authority for the Department of Water Resources to limit transfers to $5 million between only the operating expenses and capital assets line items. The House version limited the transfer to $10 million.
- Increases the estimated water project funding to be continued into the 2025-27 biennium from $522.5 million to $600 million.
- Declares House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure.

REPORT OF STANDING COMMITTEE
ENGROSSED HB 1020

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS (25.0164.02001)** and when so amended, recommends **DO PASS** (14 YEAS, 1 NAY, 1 ABSENT OR EXCUSED AND NOT VOTING). Engrossed HB 1020 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0164.02001
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for Senate Appropriations - Education and Environment Division Committee
April 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; ~~to provide an appropriation to the parks and recreation department;~~ to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact ~~section~~sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; ~~to authorize the state water commission to issue and sell bonds for water projects;~~ to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$2,358,350~~	~~$25,356,498~~
~~New and vacant FTE pool~~	~~0~~	~~2,428,615~~	~~2,428,615~~

~~Operating expenses~~	~~56,625,923~~	~~(22,686,142)~~	~~33,939,781~~
~~Capital assets~~	~~124,136,712~~	~~(120,932,762)~~	~~3,203,950~~
~~Southwest pipeline project~~	~~0~~	~~131,713,336~~	~~131,713,336~~
~~Northwest area water supply~~	~~0~~	~~106,857,325~~	~~106,857,325~~
~~Water supply - grants~~	~~316,200,000~~	~~(316,200,000)~~	~~0~~
~~Rural water supply - grants~~	~~52,000,000~~	~~(52,000,000)~~	~~0~~
~~Water supply~~	~~0~~	~~105,000,000~~	~~105,000,000~~
~~Regional water supply~~	~~0~~	~~306,500,000~~	~~306,500,000~~
~~General water - grants~~	~~12,000,000~~	~~(12,000,000)~~	~~0~~
~~General water~~	~~0~~	~~29,000,000~~	~~29,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~(115,700,000)~~	~~0~~
~~Flood control~~	~~0~~	~~168,500,000~~	~~168,500,000~~
~~Discretionary funding~~	~~0~~	~~10,000,000~~	~~10,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$222,838,722~~	~~$922,499,505~~
~~Full-time equivalent positions~~	~~93.00~~	~~6.00~~	~~99.00~~
Salaries and wages	$22,998,148	2,299,304	$25,297,452
New and vacant FTE pool	0	2,019,682	2,019,682
Operating expenses	56,625,923	(26,114,790)	30,511,133
Capital assets	124,136,712	(121,582,762)	2,553,950
Southwest pipeline project	0	101,000,000	101,000,000
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	90,000,000	90,000,000
Regional water supply	0	185,000,000	185,000,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	19,750,000	19,750,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	85,500,000	85,500,000
Discretionary funding	0	8,000,000	8,000,000

Total other funds	$699,660,783	($43,171,241)	$656,489,542
Full-time equivalent positions	93.00	4.00	97.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
~~New FTE costs~~	~~$42,500~~
New FTE costs	$29,500
Board of water well contractors costs	30,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
~~Missouri River intake sites field investigation~~	~~600,000~~
~~Bank of North Dakota line of credit~~	~~200,000,000~~
~~Total other funds~~	~~$201,582,500~~
Bank of North Dakota line of credit	150,000,000
Total other funds	$150,999,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of ~~providing funding for water projects and grants~~defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the

resources trust fund, excluding oil extraction tax revenues deposited in the fund that exceed the amount included in the March 2025 legislative revenue forecast, must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

~~**SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - DEPARTMENT OF WATER RESOURCES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repaying a Bank of North Dakota line of credit for the water infrastructure revolving loan fund, for the period beginning with the effective date of this Act, and ending June 30, 2025.~~

~~**SECTION 6. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.** There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.~~

~~**SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT.** The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 5. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects

stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section 22 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

~~**SECTION 10. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT.** The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 7. TRANSFERS - WATER PROJECT STABILIZATION FUND. Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2025 legislative revenue forecast during the period beginning July 1, 2025, and ending June 30, 2027, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer ~~$45,000,000~~$35,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 9. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 ~~to the department of water resources~~ to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2 for the period beginning with the effective date of this Act and ending June 30, 2027. The interest rate associated with the line of credit must be the

prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 10. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
2. Any request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be reported to the water topics overview committee before May thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.
4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 11. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed ~~one hundred million~~~~two hundred million~~one hundred fifty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project~~two hundred million~~ and one hundred million dollars for water projects ~~during the biennium beginning July 1, 2023~~2025~~, and ending June 30, 2025~~2027~~.

SECTION 12. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota

water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 13. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, ~~$260,000,000~~$150,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, ~~$125,000,000~~$65,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

~~**SECTION 17. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT.** The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.~~

SECTION 15. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. ~~$105,000,000~~$90,000,000 for water supply, including:
   a. ~~$25,000,000~~$35,000,000 for municipal water supply; and
   b. ~~$80,000,000~~$55,000,000 for rural water supply.
2. ~~$306,500,000~~$185,000,000 for regional water supply, including:
   a. ~~$260,000,000~~$150,000,000 for Red River valley water supply project; and
   b. ~~$46,500,000~~$35,000,000 for western area water supply project.
3. ~~$168,500,000~~$85,500,000 for flood control, including:
   a. ~~$125,000,000~~$65,000,000 for Mouse River flood control;
   b. ~~$16,000,000~~$13,000,000 for Valley City flood control; and
   c. ~~$20,000,000 for south Bismarck storm water and flood control; and~~
   ~~d.~~ $7,500,000 for other flood control projects.
4. ~~$29,000,000~~$19,750,000 for general water, including:
   a. $15,000,000 for water conveyance; and
   b. ~~$2,500,000 for sovereign lands; and~~
   ~~c.~~ ~~$11,500,000~~$4,750,000 for other general water projects.

SECTION 16. SOUTHWEST PIPELINE PROJECT LINE OF CREDIT - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources utilize capital repayments from the southwest pipeline project deposited in the resources trust fund for the repayment of any principal and interest associated with the $50,000,000 Bank of North Dakota line of credit provided for the southwest pipeline project in section 61-02-79 of the North Dakota Century Code.

SECTION 17. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study must also consider the appropriate involvement of the legislative management's water topics

overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 19. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project~~,~~ and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management ~~during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the regional water systems governance and finance study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During

the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial ~~roll~~role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report ~~annually~~ to the legislative management ~~during the 2025-26 interim~~by March 31, 2026 regarding the ~~status~~results of and any recommendations from the cost-share policy study.

SECTION 22. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to ~~$10,000,000~~$5,000,000 between the operating expenses and capital assets line items~~, excluding the salaries and wages line item and the new and vacant FTE pool line item,~~ in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 23. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be ~~$522,500,000~~$600,000,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 24. EMERGENCY. This Act ~~is~~and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	$0	$2,500,000	($2,500,000)	$0
Less estimated income	0	2,500,000	(2,500,000)	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Department of Water Resources				
Total all funds	$699,660,783	$922,499,505	($266,009,963)	$656,489,542
Less estimated income	699,660,783	922,499,505	(266,009,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00
Bill total				
Total all funds	$699,660,783	$924,999,505	($268,509,963)	$656,489,542
Less estimated income	699,660,783	924,999,505	(268,509,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00

House Bill No. 1020 - Parks and Recreation Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Sovereign lands recreation use grants		$2,500,000	($2,500,000)	
Total all funds	$0	$2,500,000	($2,500,000)	$0
Less estimated income	0	2,500,000	(2,500,000)	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of Senate Changes

	Removes Funding for Sovereign Lands Grants[1]	Total Senate Changes
Sovereign lands recreation use grants	($2,500,000)	($2,500,000)
Total all funds	($2,500,000)	($2,500,000)
Less estimated income	(2,500,000)	(2,500,000)
General fund	$0	$0
FTE	0.00	0.00

[1] Funding of $2.5 million from the resources trust fund added by the House for Parks and Recreation Department sovereign lands recreation use grants is removed by the Senate.

House Bill No. 1020 - Department of Water Resources - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$22,998,148	$25,356,498	($59,046)	$25,297,452
New and vacant FTE pool		2,428,615	(408,933)	2,019,682
Operating expenses	56,625,923	33,939,781	(3,428,648)	30,511,133
Capital assets	124,136,712	3,203,950	(650,000)	2,553,950
Southwest pipeline project		131,713,336	(30,713,336)	101,000,000
Northwest area water supply		106,857,325		106,857,325
Water supply - Grants	316,200,000			
Rural water supply - Grants	52,000,000			
Water supply		105,000,000	(15,000,000)	90,000,000
Regional water supply		306,500,000	(121,500,000)	185,000,000
General water - Grants	12,000,000			
General water		29,000,000	(9,250,000)	19,750,000
Flood control - Grants	115,700,000			
Flood control		168,500,000	(83,000,000)	85,500,000
Discretionary funding		10,000,000	(2,000,000)	8,000,000
Total all funds	$699,660,783	$922,499,505	($266,009,963)	$656,489,542
Less estimated income	699,660,783	922,499,505	(266,009,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00

Department 770 - Department of Water Resources - Detail of Senate Changes

	Removes FTE Positions[1]	Reduces Funding for Devils Lake Outlet Utilities[2]	Reduces Funding from Federal Funds[3]	Adjusts Funding for the Board of Water Well Contractors[4]	Adjusts Funding for Water Projects[5]	Removes Funding for Missouri River Intake Sites Study[6]
Salaries and wages	($29,046)			($30,000)		
New and vacant FTE pool	(408,933)					
Operating expenses	(221,960)	($600,000)	($2,051,788)	45,100		($600,000)
Capital assets					($650,000)	
Southwest pipeline project					(30,713,336)	
Northwest area water supply						
Water supply - Grants						
Rural water supply - Grants						
Water supply					(15,000,000)	
Regional water supply					(121,500,000)	
General water - Grants						
General water					(9,250,000)	
Flood control - Grants						
Flood control					(83,000,000)	
Discretionary funding					(2,000,000)	
Total all funds	($659,939)	($600,000)	($2,051,788)	$15,100	($262,113,336)	($600,000)
Less estimated income	(659,939)	(600,000)	(2,051,788)	15,100	(262,113,336)	(600,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	(2.00)	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	($59,046)
New and vacant FTE pool	(408,933)
Operating expenses	(3,428,648)
Capital assets	(650,000)
Southwest pipeline project	(30,713,336)
Northwest area water supply	
Water supply - Grants	
Rural water supply - Grants	
Water supply	(15,000,000)
Regional water supply	(121,500,000)
General water - Grants	
General water	(9,250,000)
Flood control - Grants	
Flood control	(83,000,000)
Discretionary funding	(2,000,000)
Total all funds	($266,009,963)
Less estimated income	(266,009,963)
General fund	$0
FTE	(2.00)

[1] Funding for salaries and wages and related operating costs for 1 new FTE assistant national flood insurance program coordinator position and 1 new FTE RiskMAP program specialist position added by the House is removed by the Senate.

[2] Funding is reduced by $600,000 from special funds for Devils Lake outlet utilities. The House did not adjust funding specifically for Devils Lake outlet utilities.

[3] Federal funding of $2,051,788 added by the House for travel and professional services is removed by the Senate.

[4] Funding for administrative services for the Board of Water Well Contractors is adjusted to provide a total of $81,123 from special funds, of which $36,023 is for salaries and wages, $15,100 is for ongoing operating costs, and $30,000 is for one-time operating costs. The House included $66,023 from special funds for salaries and wages for administrative services relating to the Board of Water Well Contractors.

[5] Funding is adjusted for water projects as follows:

Project	House Version	Senate Changes	Senate Version
Devils Lake outlet	$1,650,000	($650,000)	$1,000,000
Discretionary funding	10,000,000	(2,000,000)	8,000,000
Southwest Pipeline Project	131,713,336	(30,713,336)	101,000,000
Municipal water supply	25,000,000	10,000,000	35,000,000
Rural water supply	80,000,000	(25,000,000)	55,000,000
Red River Valley Water Supply Project	260,000,000	(110,000,000)	150,000,000
Western Area Water Supply	46,500,000	(11,500,000)	35,000,000
Mouse River flood control	125,000,000	(60,000,000)	65,000,000
Valley City flood control	16,000,000	(3,000,000)	13,000,000
South Bismarck storm water and flood control	20,000,000	(20,000,000)	0
Parks and Recreation Department grant	2,500,000	(2,500,000)	0
Other general water projects	11,500,000	(6,750,000)	4,750,000
Total	$729,863,336	($262,113,336)	$467,750,000

[6] One-time funding of $600,000 from special funds added by the House to continue a study of Missouri River intake sites is removed by the Senate.

House Bill No. 1020 - Other Changes - Senate Action

This amendment also:

- Adjusts the additional income appropriation section to appropriate additional federal funds received by the Department of Water Resources for the purpose for which the funds were received.

- Adjusts the additional income appropriation section to exclude oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast.
- Removes a section providing a deficiency appropriation of $10 million from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.
- Removes 2 sections relating to sovereign lands recreation use grants.
- Removes a section to authorize the issuance of bonds for the Southwest Pipeline Project.
- Adds a section to transfer oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast to the water projects stabilization fund.
- Reduces a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund to $35 million.
- Amends the powers and duties of the Legislative Management's Water Topics Overview Committee to provide for the review of project requests for state funds of $10 million or more.
- Reduces the authorization for a Bank of North Dakota line of credit for water projects from $200 million to $150 million, of which $50 million is designated for the Southwest Pipeline Project.
- Adds a section to provide for the repayment of a $50 million Bank of North Dakota line of credit for the Southwest Pipeline Project from capital repayments from the Southwest Pipeline Project deposited in the resources trust fund.
- Adds a section to provide for a Legislative Management study of designated appropriations for water projects.
- Adds a section to provide for the Department of Water Resources to continue its study of Missouri River intake sites.
- Adjusts line item transfer authority for the Department of Water Resources to limit transfers to $5 million between only the operating expenses and capital assets line items. The House version limited the transfer to $10 million.
- Increases the estimated water project funding to be continued into the 2025-27 biennium from $522.5 million to $600 million.
- Declares House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure.

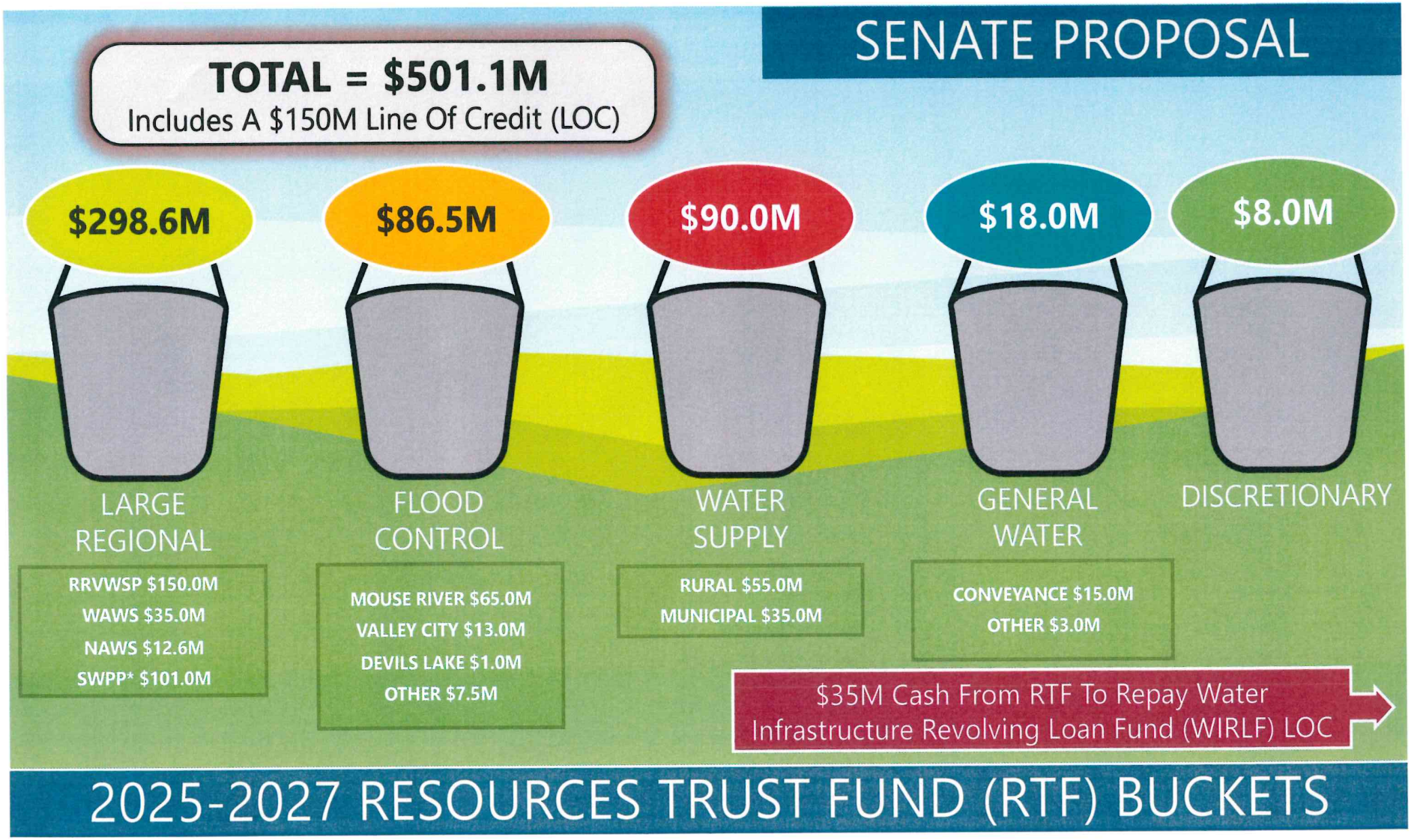
HB 1020
Sorvaag
4-11-25

Resources Trust Fund Oil Revenue Projection 25-27 Biennium

	Oil extraction tax collections	Resources trust fund allocations
January 2025 legislative forecast	**$2,405,500,000**	**$448,210,000**
Adjustment due to price change	($118,260,000)	($22,790,000)
Adjustment due to rate change	($381,210,000)	($70,910,000)
Total adjustments	($499,470,000)	($93,700,000)
March 2025 legislative forecast	**$1,906,030,000**	**$354,510,000**

HB1020
Sorvaag
4-11-25

#44936



HB 1020
Kadrmas/Sorvaag
4-11-25

Buckets	Carryover As Of April 3, 2025	
Discretionary Funding		
Drought Disaster Livestock Water Supply Assistance	$1,713,564	
Fort Berthold Rural Water	2,763,820	
Other Discretionary	320,000	
Unobligated Discretionary Funding	8,427,287	63.7%
Total Discretionary Funding	$13,224,671	
Flood Control		
Mouse River	$104,859,291	
Valley City	9,689,996	
Water Conveyance	3,985,288	
Other Flood Control	7,584,361	
Unobligated Flood Control	38,973,092	23.6%
Total Flood Control	$165,092,029	
Municipal & Regional Water Supply		
Unexpended carryover (All Municipal)	$15,740,255	
Other Municipal Water Supply	94,867,340	
RRVWSP	127,721,583	
WAWSA	30,217,426	
Unobligated Municipal & Regional Water Supply	3,984,839	1.5%
Total Municipal & Regional Water Supply	$272,531,442	
Rural Water Supply		
Unexpended carryover	$12,141,328	
Other Rural Water Supply	36,933,885	
Unobligated Rural Water Supply	2,316,092	4.5%
Total Rural Water Supply	$51,391,306	
General Water		
Unexpended carryover	$5,376,619	
Other Rural Water Supply	3,299,735	
Unobligated General Water	3,197,123	26.9%
Total General Water	$11,873,478	

CARRYOVER TOTAL $514,112,926

Valley City has indicated they anticipated requesting funding in June for its flood control project.

2025 CONFERENCE COMMITTEE

HB 1020

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
4/18/2025
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

10:01 a.m. Chairman Swiontek called the meeting to order.

Members present: Chairman Swiontek, Representatives Louser, Nathe, Senators Bekkdahl, Sorvaag, Thomas.

Discussion Topics:

- FTE's
- Storm Water funding

10:02 a.m. Senator Sorvaag explained changes on LC#25.0164.02001, #45094.

10:30 a.m. Chairman Swiontek adjourned the meeting.

Steven Riehl, Committee Clerk

25.0164.02001
Title.03000
Fiscal No. 1

Prepared by the Legislative Council staff for Senate Appropriations - Education and Environment Division Committee
April 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; ~~to provide an appropriation to the parks and recreation department;~~ to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact ~~section~~sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; ~~to authorize the state water commission to issue and sell bonds for water projects;~~ to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$2,358,350~~	~~$25,356,498~~
~~New and vacant FTE pool~~	~~0~~	~~2,428,615~~	~~2,428,615~~

~~Operating expenses~~	~~56,625,923~~	~~(22,686,142)~~	~~33,939,781~~
~~Capital assets~~	~~124,136,712~~	~~(120,932,762)~~	~~3,203,950~~
~~Southwest pipeline project~~	~~0~~	~~131,713,336~~	~~131,713,336~~
~~Northwest area water supply~~	~~0~~	~~106,857,325~~	~~106,857,325~~
~~Water supply - grants~~	~~316,200,000~~	~~(316,200,000)~~	~~0~~
~~Rural water supply - grants~~	~~52,000,000~~	~~(52,000,000)~~	~~0~~
~~Water supply~~	~~0~~	~~105,000,000~~	~~105,000,000~~
~~Regional water supply~~	~~0~~	~~306,500,000~~	~~306,500,000~~
~~General water - grants~~	~~12,000,000~~	~~(12,000,000)~~	~~0~~
~~General water~~	~~0~~	~~29,000,000~~	~~29,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~(115,700,000)~~	~~0~~
~~Flood control~~	~~0~~	~~168,500,000~~	~~168,500,000~~
~~Discretionary funding~~	~~0~~	~~10,000,000~~	~~10,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$222,838,722~~	~~$922,499,505~~
~~Full-time equivalent positions~~	~~93.00~~	~~6.00~~	~~99.00~~
Salaries and wages	$22,998,148	$2,299,304	$25,297,452
New and vacant FTE pool	0	2,019,682	2,019,682
Operating expenses	56,625,923	(26,114,790)	30,511,133
Capital assets	124,136,712	(121,582,762)	2,553,950
Southwest pipeline project	0	101,000,000	101,000,000
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	90,000,000	90,000,000
Regional water supply	0	185,000,000	185,000,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	19,750,000	19,750,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	85,500,000	85,500,000
Discretionary funding	0	8,000,000	8,000,000

Total other funds	$699,660,783	($43,171,241)	$656,489,542
Full-time equivalent positions	93.00	4.00	97.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
~~New FTE costs~~	~~$42,500~~
New FTE costs	$29,500
Board of water well contractors costs	30,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
~~Missouri River intake sites field investigation~~	~~600,000~~
~~Bank of North Dakota line of credit~~	~~200,000,000~~
~~Total other funds~~	~~$201,582,500~~
Bank of North Dakota line of credit	150,000,000
Total other funds	$150,999,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of ~~providing funding for water projects and grants~~defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the

resources trust fund, excluding oil extraction tax revenues deposited in the fund that exceed the amount included in the March 2025 legislative revenue forecast, must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

~~**SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - DEPARTMENT OF WATER RESOURCES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repaying a Bank of North Dakota line of credit for the water infrastructure revolving loan fund, for the period beginning with the effective date of this Act, and ending June 30, 2025.~~

~~**SECTION 6. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.** There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.~~

~~**SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT.** The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 5. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects

stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section ~~22~~23 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

~~**SECTION 10. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT.** The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 7. TRANSFERS - WATER PROJECT STABILIZATION FUND. Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2025 legislative revenue forecast during the period beginning July 1, 2025, and ending June 30, 2027, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer ~~$45,000,000~~$35,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 9. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 ~~to the department of water resources~~ to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2 for the period beginning with the effective date of this Act and ending June 30, 2027. The interest rate associated with the line of credit must be the

prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 10. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
2. Any request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be reported to the water topics overview committee before May thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.
4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 11. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed ~~one hundred million~~~~two hundred million~~one hundred fifty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project~~two hundred million~~ and one hundred million dollars for water projects ~~during the biennium beginning July 1, 2023~~2025~~, and ending June 30, 2025~~2027.

SECTION 12. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota

water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 13. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, ~~$260,000,000~~$150,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, ~~$125,000,000~~$65,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

~~**SECTION 17. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT.** The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.~~

SECTION 15. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. ~~$105,000,000~~$90,000,000 for water supply, including:
   a. ~~$25,000,000~~$35,000,000 for municipal water supply; and
   b. ~~$80,000,000~~$55,000,000 for rural water supply.
2. ~~$306,500,000~~$185,000,000 for regional water supply, including:
   a. ~~$260,000,000~~$150,000,000 for Red River valley water supply project; and
   b. ~~$46,500,000~~$35,000,000 for western area water supply project.
3. ~~$168,500,000~~$85,500,000 for flood control, including:
   a. ~~$125,000,000~~$65,000,000 for Mouse River flood control;
   b. ~~$16,000,000~~$13,000,000 for Valley City flood control; and
   c. ~~$20,000,000 for south Bismarck storm water and flood control; and~~
   ~~d.~~ $7,500,000 for other flood control projects.
4. ~~$29,000,000~~$19,750,000 for general water, including:
   a. $15,000,000 for water conveyance; and
   b. ~~$2,500,000 for sovereign lands; and~~
   ~~c. $11,500,000~~$4,750,000 for other general water projects.

SECTION 16. SOUTHWEST PIPELINE PROJECT LINE OF CREDIT - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources utilize capital repayments from the southwest pipeline project deposited in the resources trust fund for the repayment of any principal and interest associated with the $50,000,000 Bank of North Dakota line of credit provided for the southwest pipeline project in section 61-02-79 of the North Dakota Century Code.

SECTION 17. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study must also consider the appropriate involvement of the legislative management's water topics

overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 19. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management ~~during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the regional water systems governance and finance study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During

the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial ~~roll~~role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report ~~annually~~ to the legislative management ~~during the 2025-26 interim~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the cost-share policy study.

SECTION 22. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to ~~$10,000,000~~$5,000,000 between the operating expenses and capital assets line items~~, excluding the salaries and wages line item and the new and vacant FTE pool line item,~~ in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 23. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be ~~$522,500,000~~$600,000,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 24. EMERGENCY. This Act ~~is~~and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
4/22/2025
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

11:00 a.m. Chairman Swiontek called the meeting to order.

Members present: Chairman Swiontek, Representatives Louser, Nathe, Senators Bekkdahl, Sorvaag, Thomas.

Discussion Topics:

- FTEs
- Bismarck River Interim study
- Bowman Radar Tower

11:02 a.m. Chairman Swiontek went over HB 1020, explained long sheet changes on FTEs and agreed to additional FTEs, on testimony #45120, #45121, #45124.

11:11 a.m. Reice Haase, Director, Department of Water Resources entered comments.

11:14 a.m. Chris Kadrmas, Director, Administration Division, ND Department of Water Resources, answered questions about Bowman Radar Tower and presented amendment #45125.

11:17 a.m. Discussion

11:22 a.m. Chairman Swiontek adjourned the meeting.

Krystal Eberle for Steven Riehl, Committee Clerk

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Prepared by the Legislative Council staff for Senate Appropriations - Education and Environment Division Committee
April 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; ~~to provide an appropriation to the parks and recreation department;~~ to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact ~~section~~sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; ~~to authorize the state water commission to issue and sell bonds for water projects;~~ to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$2,358,350~~	~~$25,356,498~~
~~New and vacant FTE pool~~	~~0~~	~~2,428,615~~	~~2,428,615~~

~~Operating expenses~~	~~56,625,923~~	~~(22,686,142)~~	~~33,939,781~~
~~Capital assets~~	~~124,136,712~~	~~(120,932,762)~~	~~3,203,950~~
~~Southwest pipeline project~~	~~0~~	~~131,713,336~~	~~131,713,336~~
~~Northwest area water supply~~	~~0~~	~~106,857,325~~	~~106,857,325~~
~~Water supply - grants~~	~~316,200,000~~	~~(316,200,000)~~	~~0~~
~~Rural water supply - grants~~	~~52,000,000~~	~~(52,000,000)~~	~~0~~
~~Water supply~~	~~0~~	~~105,000,000~~	~~105,000,000~~
~~Regional water supply~~	~~0~~	~~306,500,000~~	~~306,500,000~~
~~General water - grants~~	~~12,000,000~~	~~(12,000,000)~~	~~0~~
~~General water~~	~~0~~	~~29,000,000~~	~~29,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~(115,700,000)~~	~~0~~
~~Flood control~~	~~0~~	~~168,500,000~~	~~168,500,000~~
~~Discretionary funding~~	~~0~~	~~10,000,000~~	~~10,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$222,838,722~~	~~$922,499,505~~
~~Full-time equivalent positions~~	~~93.00~~	~~6.00~~	~~99.00~~
Salaries and wages	$22,998,148	$2,299,304	$25,297,452
New and vacant FTE pool	0	2,019,682	2,019,682
Operating expenses	56,625,923	(26,114,790)	30,511,133
Capital assets	124,136,712	(121,582,762)	2,553,950
Southwest pipeline project	0	101,000,000	101,000,000
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	90,000,000	90,000,000
Regional water supply	0	185,000,000	185,000,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	19,750,000	19,750,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	85,500,000	85,500,000
Discretionary funding	0	8,000,000	8,000,000

Total other funds	$699,660,783	($43,171,241)	$656,489,542
Full-time equivalent positions	93.00	4.00	97.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
~~New FTE costs~~	~~$42,500~~
New FTE costs	$29,500
Board of water well contractors costs	30,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
~~Missouri River intake sites field investigation~~	~~600,000~~
~~Bank of North Dakota line of credit~~	~~200,000,000~~
~~Total other funds~~	~~$201,582,500~~
Bank of North Dakota line of credit	150,000,000
Total other funds	$150,999,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of ~~providing funding for water projects and grants~~defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the

resources trust fund, excluding oil extraction tax revenues deposited in the fund that exceed the amount included in the March 2025 legislative revenue forecast, must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

~~**SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - DEPARTMENT OF WATER RESOURCES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repaying a Bank of North Dakota line of credit for the water infrastructure revolving loan fund, for the period beginning with the effective date of this Act, and ending June 30, 2025.~~

~~**SECTION 6. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.** There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.~~

~~**SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT.** The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 5. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects

stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section ~~22~~23 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

~~**SECTION 10. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT.** The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 7. TRANSFERS - WATER PROJECT STABILIZATION FUND. Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2025 legislative revenue forecast during the period beginning July 1, 2025, and ending June 30, 2027, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer ~~$45,000,000~~$35,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 9. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 ~~to the department of water resources~~ to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2 for the period beginning with the effective date of this Act and ending June 30, 2027. The interest rate associated with the line of credit must be the

prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 10. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
2. Any request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be reported to the water topics overview committee before May thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.
4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 11. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed ~~one hundred million~~~~two hundred million~~one hundred fifty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project~~two hundred million~~ and one hundred million dollars for water projects ~~during the biennium beginning July 1, 2023~~2025~~, and ending June 30, 2025~~2027.

SECTION 12. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota

water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 13. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, ~~$260,000,000~~$150,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, ~~$125,000,000~~$65,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

~~**SECTION 17. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT.** The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.~~

SECTION 15. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. ~~$105,000,000~~$90,000,000 for water supply, including:
   a. ~~$25,000,000~~$35,000,000 for municipal water supply; and
   b. ~~$80,000,000~~$55,000,000 for rural water supply.
2. ~~$306,500,000~~$185,000,000 for regional water supply, including:
   a. ~~$260,000,000~~$150,000,000 for Red River valley water supply project; and
   b. ~~$46,500,000~~$35,000,000 for western area water supply project.
3. ~~$168,500,000~~$85,500,000 for flood control, including:
   a. ~~$125,000,000~~$65,000,000 for Mouse River flood control;
   b. ~~$16,000,000~~$13,000,000 for Valley City flood control; and
   c. ~~$20,000,000 for south Bismarck storm water and flood control; and~~
   ~~d.~~ $7,500,000 for other flood control projects.
4. ~~$29,000,000~~$19,750,000 for general water, including:
   a. $15,000,000 for water conveyance; and
   b. ~~$2,500,000 for sovereign lands; and~~
   ~~c.~~ ~~$11,500,000~~$4,750,000 for other general water projects.

SECTION 16. SOUTHWEST PIPELINE PROJECT LINE OF CREDIT - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources utilize capital repayments from the southwest pipeline project deposited in the resources trust fund for the repayment of any principal and interest associated with the $50,000,000 Bank of North Dakota line of credit provided for the southwest pipeline project in section 61-02-79 of the North Dakota Century Code.

SECTION 17. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study must also consider the appropriate involvement of the legislative management's water topics

overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 19. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management ~~during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the regional water systems governance and finance study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During

the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial ~~roll~~role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report ~~annually~~ to the legislative management ~~during the 2025-26 interim~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the cost-share policy study.

SECTION 22. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to ~~$10,000,000~~$5,000,000 between the operating expenses and capital assets line items~~, excluding the salaries and wages line item and the new and vacant FTE pool line item,~~ in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 23. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be ~~$522,500,000~~$600,000,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 24. EMERGENCY. This Act ~~is~~and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	$0	$2,500,000	($2,500,000)	$0
Less estimated income	0	2,500,000	(2,500,000)	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Department of Water Resources				
Total all funds	$699,660,783	$922,499,505	($266,009,963)	$656,489,542
Less estimated income	699,660,783	922,499,505	(266,009,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00
Bill total				
Total all funds	$699,660,783	$924,999,505	($268,509,963)	$656,489,542
Less estimated income	699,660,783	924,999,505	(268,509,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00

House Bill No. 1020 - Parks and Recreation Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Sovereign lands recreation use grants		$2,500,000	($2,500,000)	
Total all funds	$0	$2,500,000	($2,500,000)	$0
Less estimated income	0	2,500,000	(2,500,000)	0
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of Senate Changes

	Removes Funding for Sovereign Lands Grants[1]	Total Senate Changes
Sovereign lands recreation use grants	($2,500,000)	($2,500,000)
Total all funds	($2,500,000)	($2,500,000)
Less estimated income	(2,500,000)	(2,500,000)
General fund	$0	$0
FTE	0.00	0.00

[1] Funding of $2.5 million from the resources trust fund added by the House for Parks and Recreation Department sovereign lands recreation use grants is removed by the Senate.

House Bill No. 1020 - Department of Water Resources - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$22,998,148	$25,356,498	($59,046)	$25,297,452
New and vacant FTE pool		2,428,615	(408,933)	2,019,682
Operating expenses	56,625,923	33,939,781	(3,428,648)	30,511,133
Capital assets	124,136,712	3,203,950	(650,000)	2,553,950
Southwest pipeline project		131,713,336	(30,713,336)	101,000,000
Northwest area water supply		106,857,325		106,857,325
Water supply - Grants	316,200,000			
Rural water supply - Grants	52,000,000			
Water supply		105,000,000	(15,000,000)	90,000,000
Regional water supply		306,500,000	(121,500,000)	185,000,000
General water - Grants	12,000,000			
General water		29,000,000	(9,250,000)	19,750,000
Flood control - Grants	115,700,000			
Flood control		168,500,000	(83,000,000)	85,500,000
Discretionary funding		10,000,000	(2,000,000)	8,000,000
Total all funds	$699,660,783	$922,499,505	($266,009,963)	$656,489,542
Less estimated income	699,660,783	922,499,505	(266,009,963)	656,489,542
General fund	$0	$0	$0	$0
FTE	93.00	99.00	(2.00)	97.00

Department 770 - Department of Water Resources - Detail of Senate Changes

	Removes FTE Positions[1]	Reduces Funding for Devils Lake Outlet Utilities[2]	Reduces Funding from Federal Funds[3]	Adjusts Funding for the Board of Water Well Contractors[4]	Adjusts Funding for Water Projects[5]	Removes Funding for Missouri River Intake Sites Study[6]
Salaries and wages	($29,046)			($30,000)		
New and vacant FTE pool	(408,933)					
Operating expenses	(221,960)	($600,000)	($2,051,788)	45,100		($600,000)
Capital assets					($650,000)	
Southwest pipeline project					(30,713,336)	
Northwest area water supply						
Water supply - Grants						
Rural water supply - Grants						
Water supply					(15,000,000)	
Regional water supply					(121,500,000)	
General water - Grants						
General water					(9,250,000)	
Flood control - Grants						
Flood control					(83,000,000)	
Discretionary funding					(2,000,000)	
Total all funds	($659,939)	($600,000)	($2,051,788)	$15,100	($262,113,336)	($600,000)
Less estimated income	(659,939)	(600,000)	(2,051,788)	15,100	(262,113,336)	(600,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	(2.00)	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	($59,046)
New and vacant FTE pool	(408,933)
Operating expenses	(3,428,648)
Capital assets	(650,000)
Southwest pipeline project	(30,713,336)
Northwest area water supply	
Water supply - Grants	
Rural water supply - Grants	
Water supply	(15,000,000)
Regional water supply	(121,500,000)
General water - Grants	
General water	(9,250,000)
Flood control - Grants	
Flood control	(83,000,000)
Discretionary funding	(2,000,000)
Total all funds	($266,009,963)
Less estimated income	(266,009,963)
General fund	$0
FTE	(2.00)

[1] Funding for salaries and wages and related operating costs for 1 new FTE assistant national flood insurance program coordinator position and 1 new FTE RiskMAP program specialist position added by the House is removed by the Senate.

[2] Funding is reduced by $600,000 from special funds for Devils Lake outlet utilities. The House did not adjust funding specifically for Devils Lake outlet utilities.

[3] Federal funding of $2,051,788 added by the House for travel and professional services is removed by the Senate.

[4] Funding for administrative services for the Board of Water Well Contractors is adjusted to provide a total of $81,123 from special funds, of which $36,023 is for salaries and wages, $15,100 is for ongoing operating costs, and $30,000 is for one-time operating costs. The House included $66,023 from special funds for salaries and wages for administrative services relating to the Board of Water Well Contractors.

[5] Funding is adjusted for water projects as follows:

Project	House Version	Senate Changes	Senate Version
Devils Lake outlet	$1,650,000	($650,000)	$1,000,000
Discretionary funding	10,000,000	(2,000,000)	8,000,000
Southwest Pipeline Project	131,713,336	(30,713,336)	101,000,000
Municipal water supply	25,000,000	10,000,000	35,000,000
Rural water supply	80,000,000	(25,000,000)	55,000,000
Red River Valley Water Supply Project	260,000,000	(110,000,000)	150,000,000
Western Area Water Supply	46,500,000	(11,500,000)	35,000,000
Mouse River flood control	125,000,000	(60,000,000)	65,000,000
Valley City flood control	16,000,000	(3,000,000)	13,000,000
South Bismarck storm water and flood control	20,000,000	(20,000,000)	0
Parks and Recreation Department grant	2,500,000	(2,500,000)	0
Other general water projects	11,500,000	(6,750,000)	4,750,000
Total	$729,863,336	($262,113,336)	$467,750,000

[6] One-time funding of $600,000 from special funds added by the House to continue a study of Missouri River intake sites is removed by the Senate.

House Bill No. 1020 - Other Changes - Senate Action

This amendment also:

- Adjusts the additional income appropriation section to appropriate additional federal funds received by the Department of Water Resources for the purpose for which the funds were received.

- Adjusts the additional income appropriation section to exclude oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast.
- Removes a section providing a deficiency appropriation of $10 million from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.
- Removes 2 sections relating to sovereign lands recreation use grants.
- Removes a section to authorize the issuance of bonds for the Southwest Pipeline Project.
- Adds a section to transfer oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast to the water projects stabilization fund.
- Reduces a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund to $35 million.
- Amends the powers and duties of the Legislative Management's Water Topics Overview Committee to provide for the review of project requests for state funds of $10 million or more.
- Reduces the authorization for a Bank of North Dakota line of credit for water projects from $200 million to $150 million, of which $50 million is designated for the Southwest Pipeline Project.
- Adds a section to provide for the repayment of a $50 million Bank of North Dakota line of credit for the Southwest Pipeline Project from capital repayments from the Southwest Pipeline Project deposited in the resources trust fund.
- Adds a section to provide for a Legislative Management study of designated appropriations for water projects.
- Adds a section to provide for the Department of Water Resources to continue its study of Missouri River intake sites.
- Adjusts line item transfer authority for the Department of Water Resources to limit transfers to $5 million between only the operating expenses and capital assets line items. The House version limited the transfer to $10 million.
- Increases the estimated water project funding to be continued into the 2025-27 biennium from $522.5 million to $600 million.
- Declares House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure.

25.0164.03000

Sixty-ninth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT
with Senate Amendments

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$22,998,148	$2,299,304	$25,297,452
New and vacant FTE pool	0	2,019,682	2,019,682
Operating expenses	56,625,923	(26,114,790)	30,511,133
Capital assets	124,136,712	(121,582,762)	2,553,950
Southwest pipeline project	0	101,000,000	101,000,000
Northwest area water supply	0	106,857,325	106,857,325

Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	90,000,000	90,000,000
Regional water supply	0	185,000,000	185,000,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	19,750,000	19,750,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	85,500,000	85,500,000
Discretionary funding	0	8,000,000	8,000,000
Total other funds	$699,660,783	($43,171,241)	$656,489,542
Full-time equivalent positions	93.00	4.00	97.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
New FTE costs	$29,500
Board of water well contractors costs	30,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
Bank of North Dakota line of credit	150,000,000
Total other funds	$150,999,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the resources trust fund, excluding oil extraction tax revenues deposited in the fund that exceed the amount included in the March 2025 legislative revenue forecast, must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

SECTION 5. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section 23 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 7. TRANSFERS - WATER PROJECT STABILIZATION FUND. Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2025 legislative revenue forecast during the period beginning July 1, 2025, and ending June 30, 2027, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer $35,000,000 from the resources

trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources.

SECTION 9. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The department of water resources may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2 for the period beginning with the effective date of this Act and ending June 30, 2027. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 10. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
2. Any request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be reported to the water topics overview committee before May thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water

project request must be provided to the appropriations committees of the legislative assembly.

3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.

4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 11. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed ~~one hundred million~~one hundred fifty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the

department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project and one hundred million dollars for water projects ~~during the biennium beginning July 1, 2023, and ending June 30, 2025~~.

SECTION 12. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 13. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, $150,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, $65,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

SECTION 15. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative

assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. $90,000,000 for water supply, including:
   a. $35,000,000 for municipal water supply; and
   b. $55,000,000 for rural water supply.
2. $185,000,000 for regional water supply, including:
   a. $150,000,000 for Red River valley water supply project; and
   b. $35,000,000 for western area water supply project.
3. $85,500,000 for flood control, including:
   a. $65,000,000 for Mouse River flood control;
   b. $13,000,000 for Valley City flood control; and
   c. $7,500,000 for other flood control projects.
4. $19,750,000 for general water, including:
   a. $15,000,000 for water conveyance; and
   b. $4,750,000 for other general water projects.

SECTION 16. SOUTHWEST PIPELINE PROJECT LINE OF CREDIT - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources utilize capital repayments from the southwest pipeline project deposited in the resources trust fund for the repayment of any principal and interest associated with the $50,000,000 Bank of North Dakota line of credit provided for the southwest pipeline project in section 61-02-79 of the North Dakota Century Code.

SECTION 17. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study

must also consider the appropriate involvement of the legislative management's water topics overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 19. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 20. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management by March 31, 2026, regarding the results of and any recommendations from the regional water systems governance and finance study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During

the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management by March 31, 2026, regarding the results of and any recommendations from the cost-share policy study.

SECTION 22. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to $5,000,000 between the operating expenses and capital assets line items in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 23. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be $600,000,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 24. EMERGENCY. This Act and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

Legislative Council

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	House Version				Senate Version				Senate Compared to House Version			
									Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes			$416,661	$416,661			$416,661	$416,661				$0
Salary increase			962,884	962,884			945,848	945,848			($17,036)	(17,036)
Health insurance increase			612,539	612,539			600,529	600,529			(12,010)	(12,010)
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398			703,398	703,398				0
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231			912,231	912,231				0
Transfers funding for 2025-27 new and vacant FTE pool			(633,423)	(633,423)			(587,986)	(587,986)			45,437	45,437
Adds accountant position	1.00		289,442	289,442	1.00		289,442	289,442				0
Adds deputy director position	1.00		452,162	452,162	1.00		452,162	452,162				0
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154	1.00		349,154	349,154				0
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624	0.00		0	0	(1.00)		(312,624)	(312,624)
Adds RiskMAP program specialist position	1.00		350,706	350,706	0.00		0	0	(1.00)		(350,706)	(350,706)
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0	1.00			0				0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960			138,960	138,960				0
Adds funding for overtime and temporary salaries			60,000	60,000			60,000	60,000				0
Adds funding for NAWS on-call pay			106,954	106,954			106,954	106,954				0
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023			51,123	51,123			(14,900)	(14,900)
Adds funding for internship program			100,000	100,000			100,000	100,000				0
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788			0	0			(2,051,788)	(2,051,788)
Adjusts funding for operating expenses, including professional fees and services			(1,264,821)	(1,264,821)			(1,264,821)	(1,264,821)				0
Decreases funding for capital assets			(330,000)	(330,000)			(980,000)	(980,000)			(650,000)	(650,000)
Adds funding for discretionary funding			10,000,000	10,000,000			8,000,000	8,000,000			(2,000,000)	(2,000,000)
Adjusts funding for the Southwest Pipeline Project			51,681,936	51,681,936			20,968,600	20,968,600			(30,713,336)	(30,713,336)
Adjusts funding for the Northwest Area Water Supply project			40,817,004	40,817,004			40,817,004	40,817,004				0
Adjusts funding among water projects and grants line items			113,100,000	113,100,000			(115,650,000)	(115,650,000)			(228,750,000)	(228,750,000)
Identifies line of credit funding as one-time funding			(200,000,000)	(200,000,000)			(150,000,000)	(150,000,000)			50,000,000	50,000,000
Reduces funding for Devils Lake outlet utilities				0			(600,000)	(600,000)			(600,000)	(600,000)
Total ongoing funding changes	**6.00**	**$0**	**$21,256,222**	**$21,256,222**	**4.00**	**$0**	**($194,170,741)**	**($194,170,741)**	**(2.00)**	**$0**	**($215,426,963)**	**($215,426,963)**
One-Time Funding Items												
Adds new FTE one-time funding			$42,500	$42,500			$29,500	$29,500			($13,000)	($13,000)
Adds funding for emergency pumps replacement			480,000	480,000			480,000	480,000				0

Adds funding for an excavator replacement			400,000	400,000			400,000	400,000				0
Adds funding for a data logger replacement			60,000	60,000			60,000	60,000				0
Adds funding for a Missouri River intake sites field investigation			600,000	600,000			0	0			(600,000)	(600,000)
Adds funding from a Bank of North Dakota line of credit			200,000,000	200,000,000			150,000,000	150,000,000			(50,000,000)	(50,000,000)
Adds Board of Water Well Contractors one-time funding				0			30,000	30,000			30,000	30,000
Total one-time funding changes	**0.00**	**$0**	**$201,582,500**	**$201,582,500**	**0.00**	**$0**	**$150,999,500**	**$150,999,500**	**0.00**	**$0**	**($50,583,000)**	**($50,583,000)**
Total Changes to Base Level Funding	**6.00**	**$0**	**$222,838,722**	**$222,838,722**	**4.00**	**$0**	**($43,171,241)**	**($43,171,241)**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
2025-27 Total Funding	**99.00**	**$0**	**$922,499,505**	**$922,499,505**	**97.00**	**$0**	**$656,489,542**	**$656,489,542**	**(2.00)**	**$0**	**($266,009,963)**	**($266,009,963)**
Federal funds included in other funds			*$55,935,119*				*$53,301,208*				*($2,633,911)*	
Total ongoing changes - Percentage of base level	*6.5%*	*N/A*	*3.0%*	*3.0%*	*4.3%*	*N/A*	*(27.8%)*	*(27.8%)*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*6.5%*	*N/A*	*31.8%*	*31.8%*	*4.3%*	*N/A*	*(6.2%)*	*(6.2%)*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	Senate Compared to House Version
New and vacant FTE pool	Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	No change
Additional income - Appropriation	Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	Section 4 appropriates any additional funds available in the resources trust fund, excluding excess oil extraction tax revenue, to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	The Senate provided appropriation authority for excess federal funds and excluded excess oil extraction tax revenues deposited in the resources trust fund from the appropriation of additional income.
Deficiency appropriation - SIIF	Section 5 provides a $10 million deficiency appropriation from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.	The Senate removed this section.	The Senate removed this section providing funding from SIIF for the water infrastructure revolving loan fund line of credit.
Sovereign lands	Sections 6 and 7 provide $2.5 million to the Parks and Recreation Department to develop recreation opportunities on sovereign lands.	The Senate removed these sections.	The Senate removed these sections providing $2.5 million to develop recreation opportunities on sovereign land.
Water projects stabilization fund - Other funds	Section 8 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	Section 5 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	No change
Discretionary funding	Section 9 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 23 may be used as necessary, except for salaries and wages.	Section 6 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 23 may be used as necessary, except for salaries and wages.	The Senate adjusted the section cross-reference - No substantive change.
Bond issuance - Southwest Pipeline Project	Section 10 provides for the issuance of up to $100 million of revenue bonds for the Southwest Pipeline Project.	The Senate removed this section.	The Senate removed this section providing bonding authority for the Southwest Pipeline Project.
Water projects stabilization fund - Transfers		Section 7 transfers oil tax revenue deposited in the resources trust fund in excess of of the March 2025 legislative forecast to the water projects stabilization fund.	The Senate provided for the transfer of excess oil extraction tax revenues from the resources trust fund to the water projects stabilization fund.
Transfer - Water infrastructure revolving loan fund	Section 11 provides for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.	Section 8 provides for a transfer of $35 million from the resources trust fund to the water infrastructure revolving loan fund.	The Senate reduced the transfer from the resources trust fund to the water infrastructure revolving loan fund from $45 million to $35 million.
Line of credit - Water infrastructure revolving loan fund	Section 12 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	Section 9 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	The Senate made adjustments to the language regarding a Bank of North Dakota line of credit.

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	Senate Compared to House Version
Water Topics Overview Committee - Powers and duties		Section 10 amends the powers and duties of the Water Topics Overview Committee to provide for committee review of water project proposals with a state cost share of $10 million or more.	The Senate amended the powers and duties of the Water Topics Overview Committee to provide for committee review of water project proposals with a state cost share of $10 million or more.
Bank of North Dakota line of credit	Section 13 amends Section 61-02-79 to provide a line of credit of up to $200 million for water projects.	Section 11 amends Section 61-02-79 to provide a line of credit of up to $150 million for water projects, including $50 million for the Southwest Pipeline Project.	The Senate reduced the line of credit authority from $200 million to $150 million and designated $50 million for the Southwest Pipeline Project.
Northwest Area Water Supply - Biota water treatment plant operating fund - Continuing appropriation	Section 14 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	Section 12 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	No change
Legislative intent - Red River valley water supply project	Section 15 provides legislative intent for $260 million for the Red River valley water supply project for the 2025-27 biennium.	Section 13 provides legislative intent for $150 million for the Red River valley water supply project for the 2025-27 biennium.	The Senate reduced RRVWSP intent from $260 million to $150 million.
Legislative intent - Mouse River flood control project	Section 16 provides legislative intent for $125 million for the Mouse River flood control project for the 2025-27 biennium.	Section 14 provides legislative intent for $65 million for the Mouse River flood control project for the 2025-27 biennium.	The Senate reduce Mouse River flood control intent from $125 million to $65 million.
Legislative intent - South Bismarck storm water and flood control project	Section 17 provides legislative intent for $20 million for a south Bismarck storm water and flood control project for the 2025-27 biennium.	The Senate removed this section.	The Senate removed this section providing legislative intent for $20 million for a Bismarck storm water and flood control project.
Legislative intent - Grants and water projects	Section 18 provides additional detail regarding allocations within line items for water projects.	Section 15 provides additional detail regarding allocations within line items for water projects.	The Senate adjusted the allocations for various water projects.
Legislative intent - Southwest Pipeline Project line of credit		Section 16 provides legislative intent that the $50 million line of credit for the Southwest Pipeline Project be repaid with resources trust fund revenue from capital repayments from the Southwest Pipeline Project.	The Senate provided legislative intent that the $50 million line of credit for the Southwest Pipeline Project be repaid with resources trust fund revenue from capital repayments from the Southwest Pipeline Project.
Legislative intent - Missouri River system	Section 19 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	Section 17 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	No change
Legislative Management study of designated appropriations		Section 18 provides for a study of legislatively designated funding for water projects, including multi-phase projects.	The Senate provided for a study of legislatively designated funding for water projects, including multi-phase projects.
Missouri River intake sites study		Section 19 provides for the Department of Water Resources to study or conduct a field investigation regarding Missouri River intake sites.	The Senate provided for the Department of Water Resources to study or conduct a field investigation regarding Missouri River intake sites utilizing funding from the discretionary funding line item. The House appropriated $600,000 from the resources trust fund for this study.
State Water Commission study - Regional water systems governance and finance	Section 20 provides for a State Water Commission study of regional water systems governance and finance.	Section 20 provides for a State Water Commission study of regional water systems governance and finance.	The Senate amended this section to require a report regarding the regional water systems governance and finance be provided to the Legislative Management by March 31, 2026.
State Water Commission study - Cost-share policy	Section 21 provides for a State Water Commission study of its cost-share policy.	Section 21 provides for a State Water Commission study of its cost-share policy and financial planning.	The Senate amended this section to include water project financial planning and to require a report regarding the cost-share policy and financial planning study be provided to the Legislative Management by March 31, 2026.
Line item transfers	Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $10 million between line items, excluding the salaries and wages line item and the new and vacant FTE pool line item.	Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $5 million between the operating expenes and capital assets line items.	The Senate reduced DWR line item transfer authority from $10 million to $5 million and limited the transfers to between the operating expenses and capital assets line items.

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	Senate Compared to House Version
Exemption - Water-related projects	Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $522.5 million, may be continued and expended during the 2025-27 biennium.	Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $600 million, may be continued and expended during the 2025-27 biennium.	The Senate increased the estimated carryover from $522.5 million to $600 million.
Emergency	Section 24 declares the bill to be an emergency measure.	Section 24 declares the bill and House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure.	The Senate expanded the emergency declaration to include House Bill No. 1040, relating to a drought disaster livestock water assistance program.

Carryover Authority For Bowman Radar

SECTION X. EXEMPTION – CAPITAL ASSETS - APPLICATION –BOWMAN RADAR SYSTEM-CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to the appropriation of one-time funding for the replacement of the bowman radar system included in the capital assets in section 1 of chapter 52 of the 2023 Session Laws. Any unexpended funds from this appropriation may be continued into the 2025-27 biennium. Any funds continued may be expended only for the purpose for which it was originally appropriated.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
4/24/2025
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

8:03 a.m. Chairman Swionek called the meeting to order.

Members present: Chairman Swiontek, Representatives Louser, Nathe, Senators Bekkedahl, Sorvaag, Thomas.

Discussion Topics:

- Rural Water
- BND Line of credit
- Red River Water

8:12 a.m. Chairman Swiontek explained testimony #45158.

8:17 a.m. Reice Haase, Director, Department of Water Resources, answered questions.

8:32 a.m. Chairman Swiontek adjourned the meeting

Krystal Eberle for Steven Riehl, Committee Clerk

April 24, 2025

ENHANCED WATER RESOURCE MANAGEMENT FRAMEWORK

HB 1020

NORTH DAKOTA DWR

NORTH Dakota | Water Resources
Be Legendary.

Conference Committee | House Bill 1020 | 69th Legislative Assembly

MISSION AND PURPOSE

Mission of DWR

To responsibly manage North Dakota's water needs and risks for the people's benefit.

Water Development Priorities

Protection of citizens/businesses from flood-related impacts, new water supply connections, & low-head dam mitigation efforts.

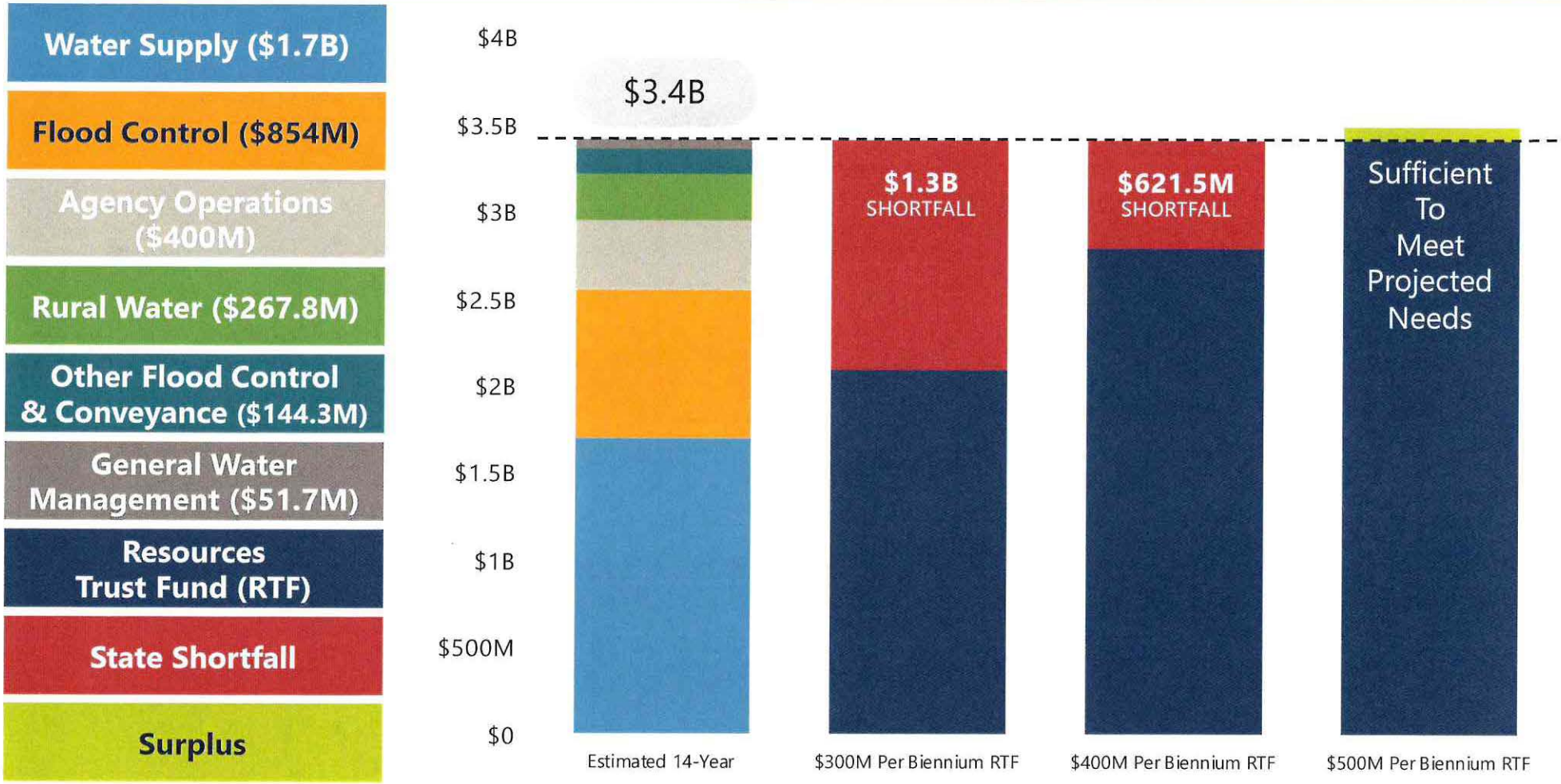
Purpose of Resources Trust Fund

Fund construction of water-related projects, including rural water systems (Article X, § 22, ND Const.)

Source of Funding

20.5% of Oil Extraction Tax collections, interest income (NDCC 57-51.1-07)

14-YEAR PLAN: $3.4B IN WATER PROJECT NEEDS



FUTURE GROWTH INCREASES DEMAND FOR WATER

WATER INFRASTRUCTURE IS A KEY FACTOR





WATER INFRASTRUCTURE MARATHON

PROJECTS DO NOT FOLLOW BIENNIAL SCHEDULES



Pre-Construction



Permitting



Planning & Design



Bidding Phase



Right-Of-Way & Land

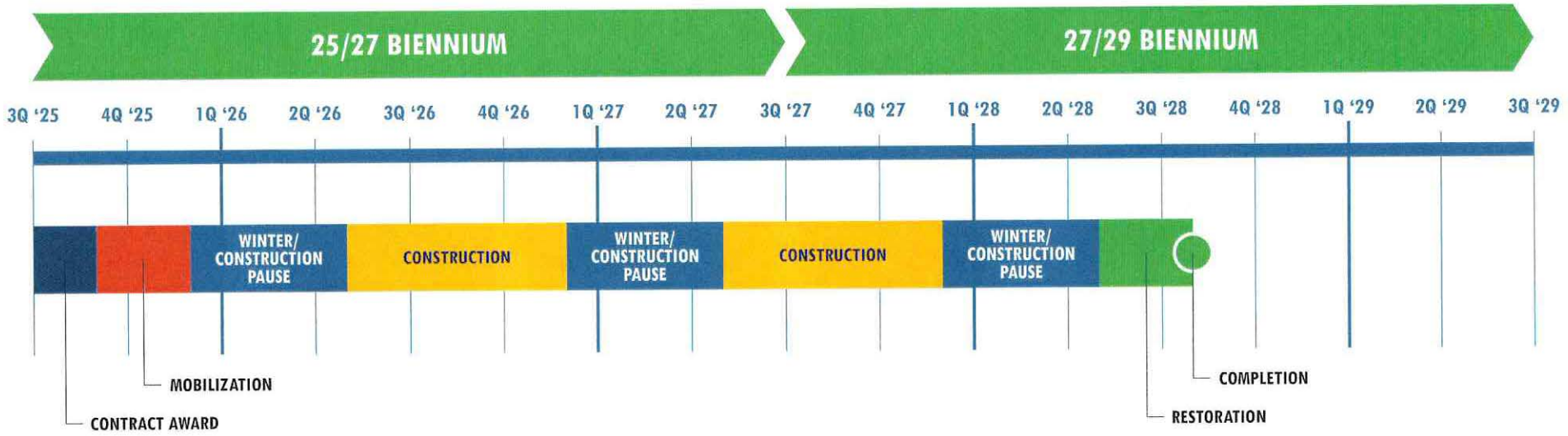


Construction

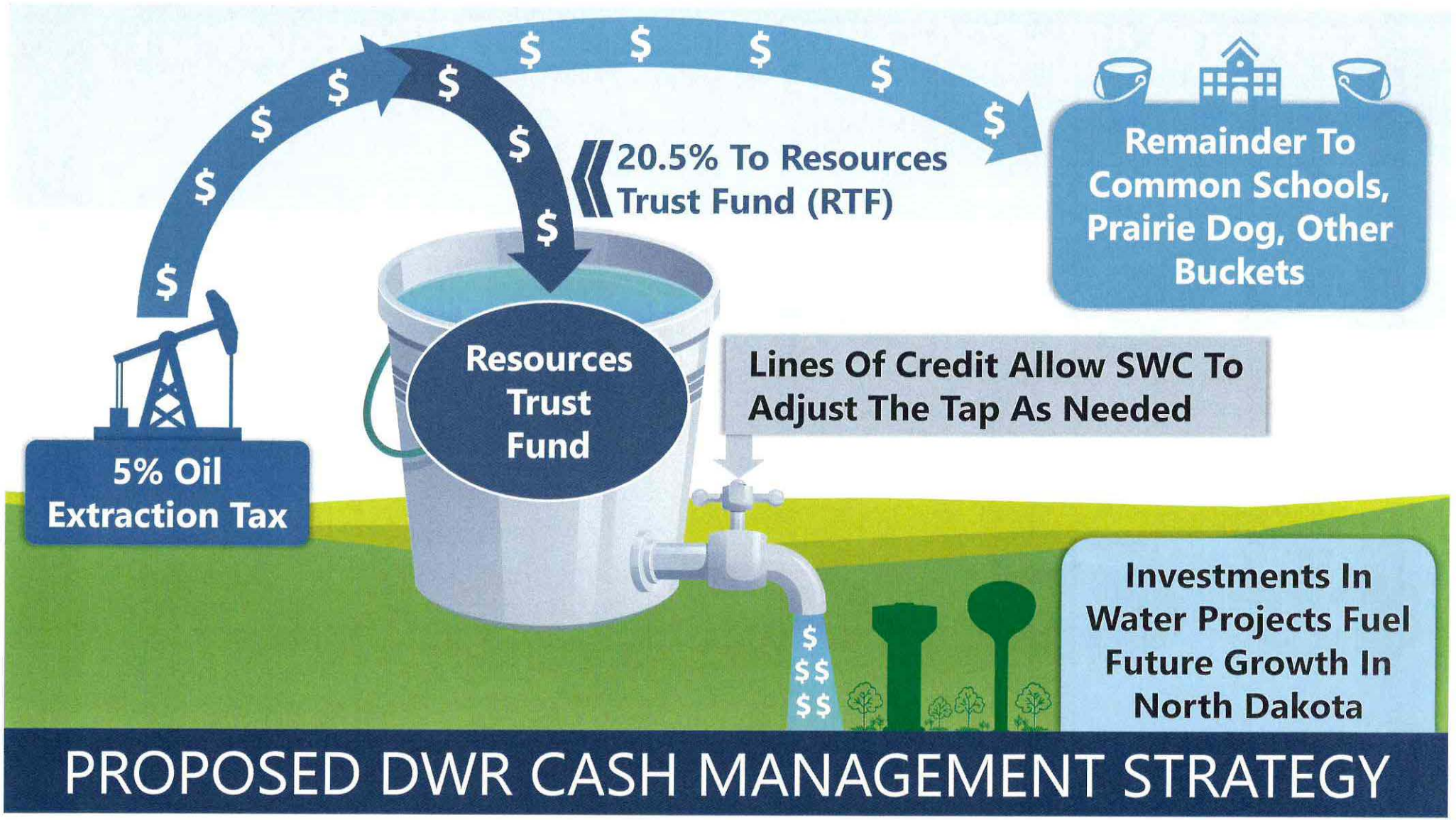
Funding Certainty Required To Continue

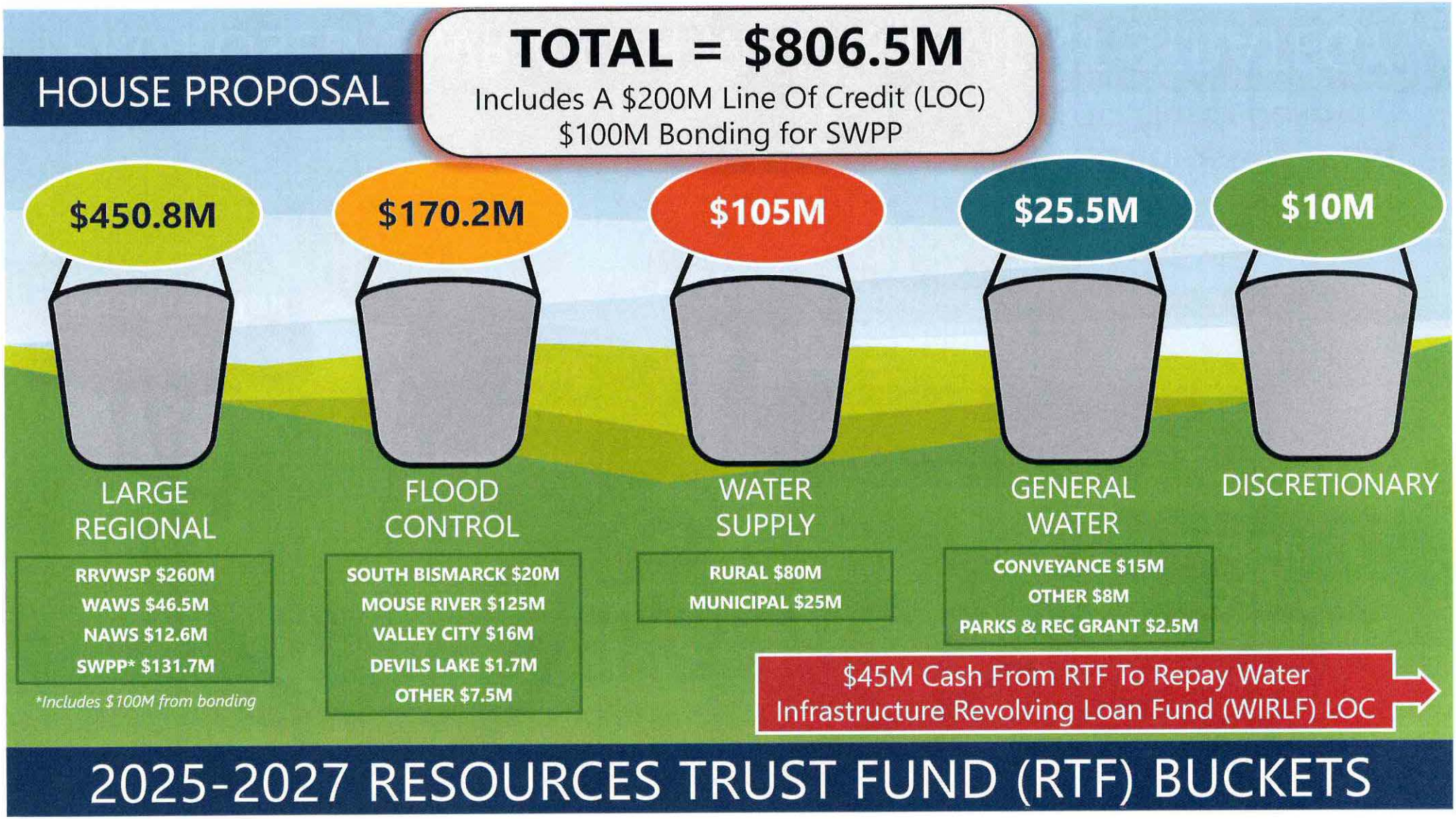
RTF Dollars Reimburse Sponsors For Actual Expenses

SAMPLE TIMELINE: DEMONSTRATES NORTH DAKOTA'S SHORT CONSTRUCTION WINDOWS



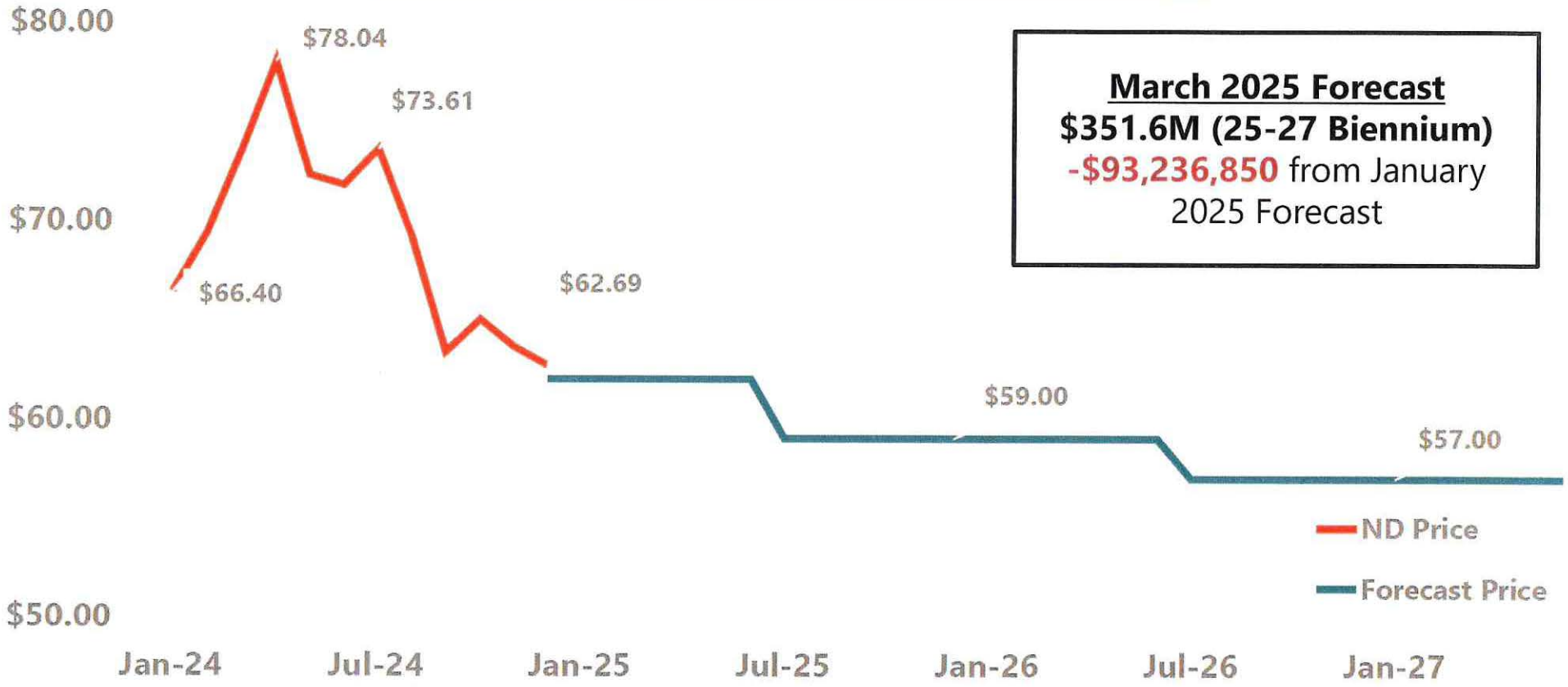
- ONLY ONE CONST. SEASON EACH BIENNIUM
- PROJECTS BID AT BEGINNING OF BIENNIUM LOSE THAT YEAR'S CONST. SEASON
- LEGISLATURE IS IN SESSION PRIOR TO NEXT CONST. SEASON


20.5% To Resources Trust Fund (RTF)
Remainder To Common Schools, Prairie Dog, Other Buckets
Resources Trust Fund
Lines Of Credit Allow SWC To Adjust The Tap As Needed
5% Oil Extraction Tax
Investments In Water Projects Fuel Future Growth In North Dakota
PROPOSED DWR CASH MANAGEMENT STRATEGY


HOUSE PROPOSAL
TOTAL = $806.5M
Includes A $200M Line Of Credit (LOC)
$100M Bonding for SWPP
$450.8M
$170.2M
$105M
$25.5M
$10M
LARGE REGIONAL
RRVWSP $260M
WAWS $46.5M
NAWS $12.6M
SWPP* $131.7M
*Includes $100M from bonding
FLOOD CONTROL
SOUTH BISMARCK $20M
MOUSE RIVER $125M
VALLEY CITY $16M
DEVILS LAKE $1.7M
OTHER $7.5M
WATER SUPPLY
RURAL $80M
MUNICIPAL $25M
GENERAL WATER
CONVEYANCE $15M
OTHER $8M
PARKS & REC GRANT $2.5M
DISCRETIONARY
$45M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC
2025-2027 RESOURCES TRUST FUND (RTF) BUCKETS

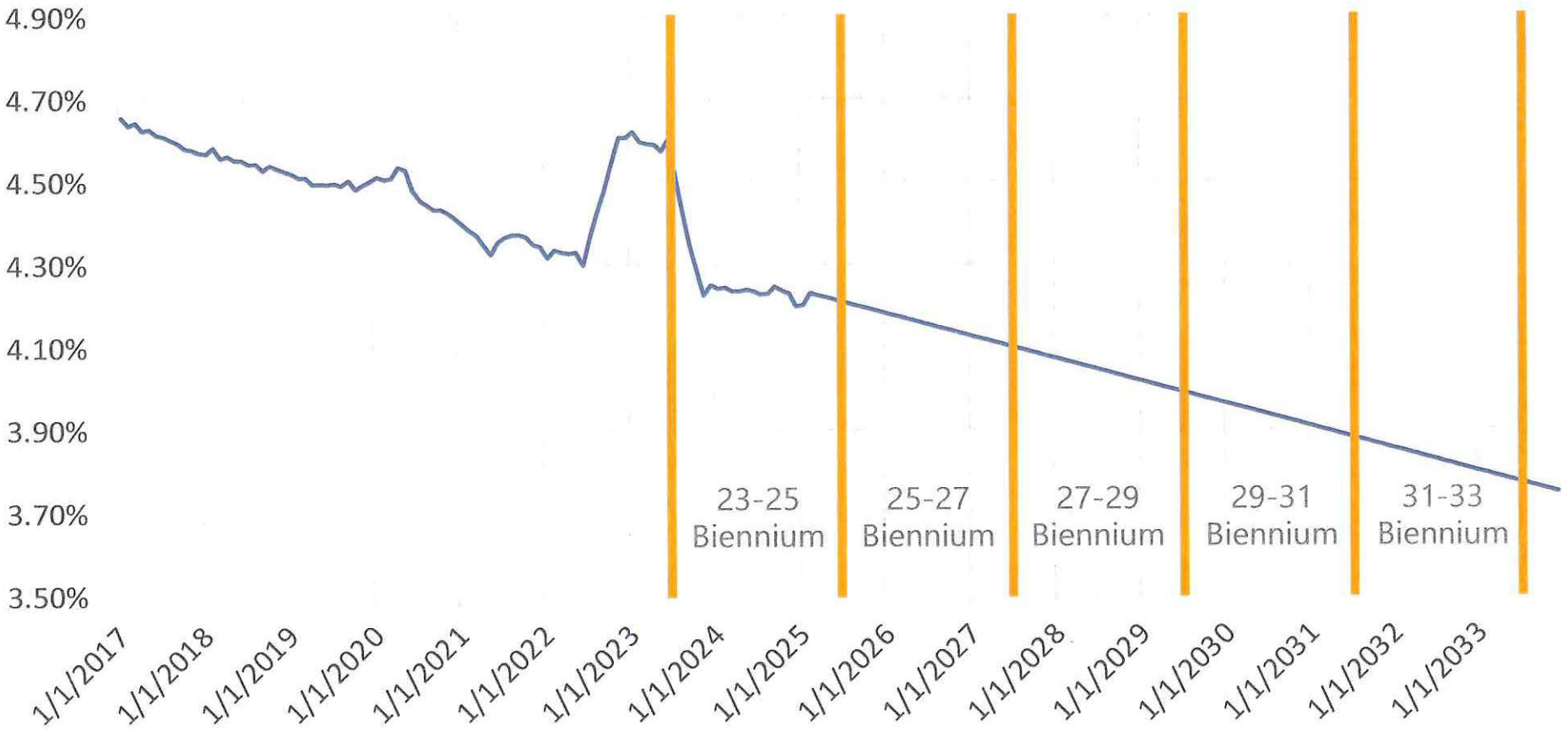
REVISED REVENUE FORECAST

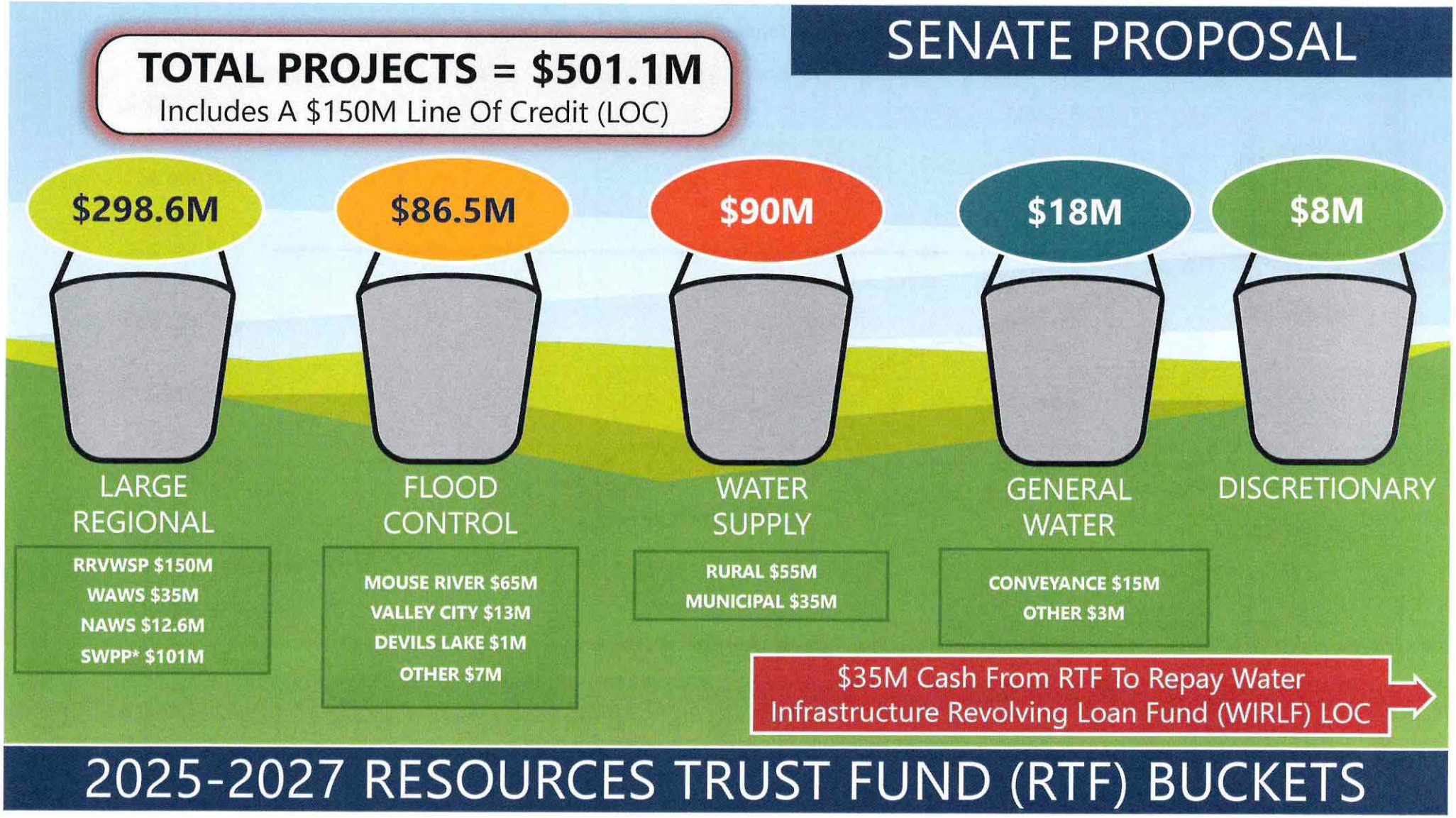
DECLINE IN OIL EXTRACTION TAX



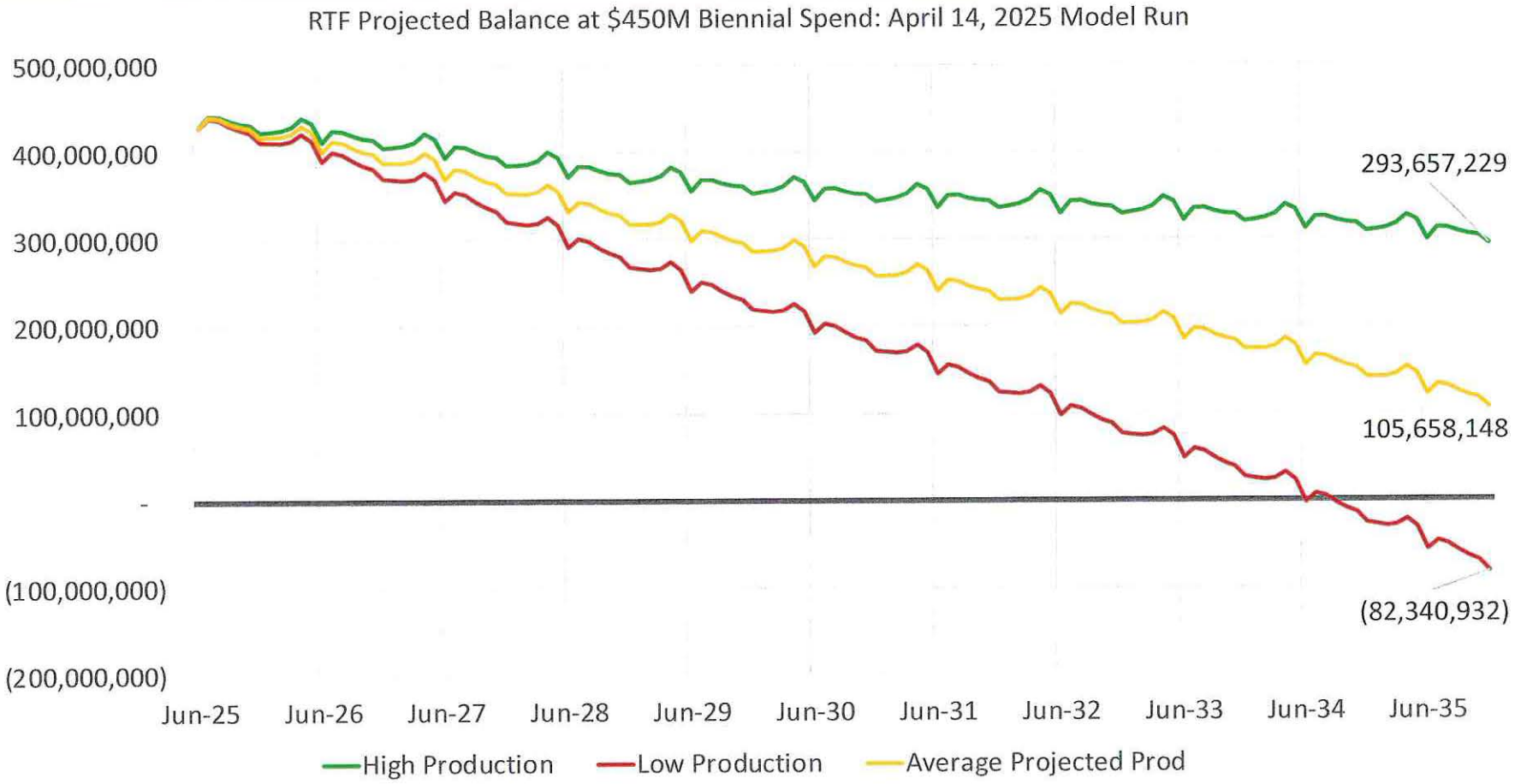
March 2025 Forecast
$351.6M (25-27 Biennium)
-$93,236,850 from January 2025 Forecast

EFFECTIVE EXTRACTION TAX RATE ADJUSTED FOR STRIPPER WELL EXEMPTIONS

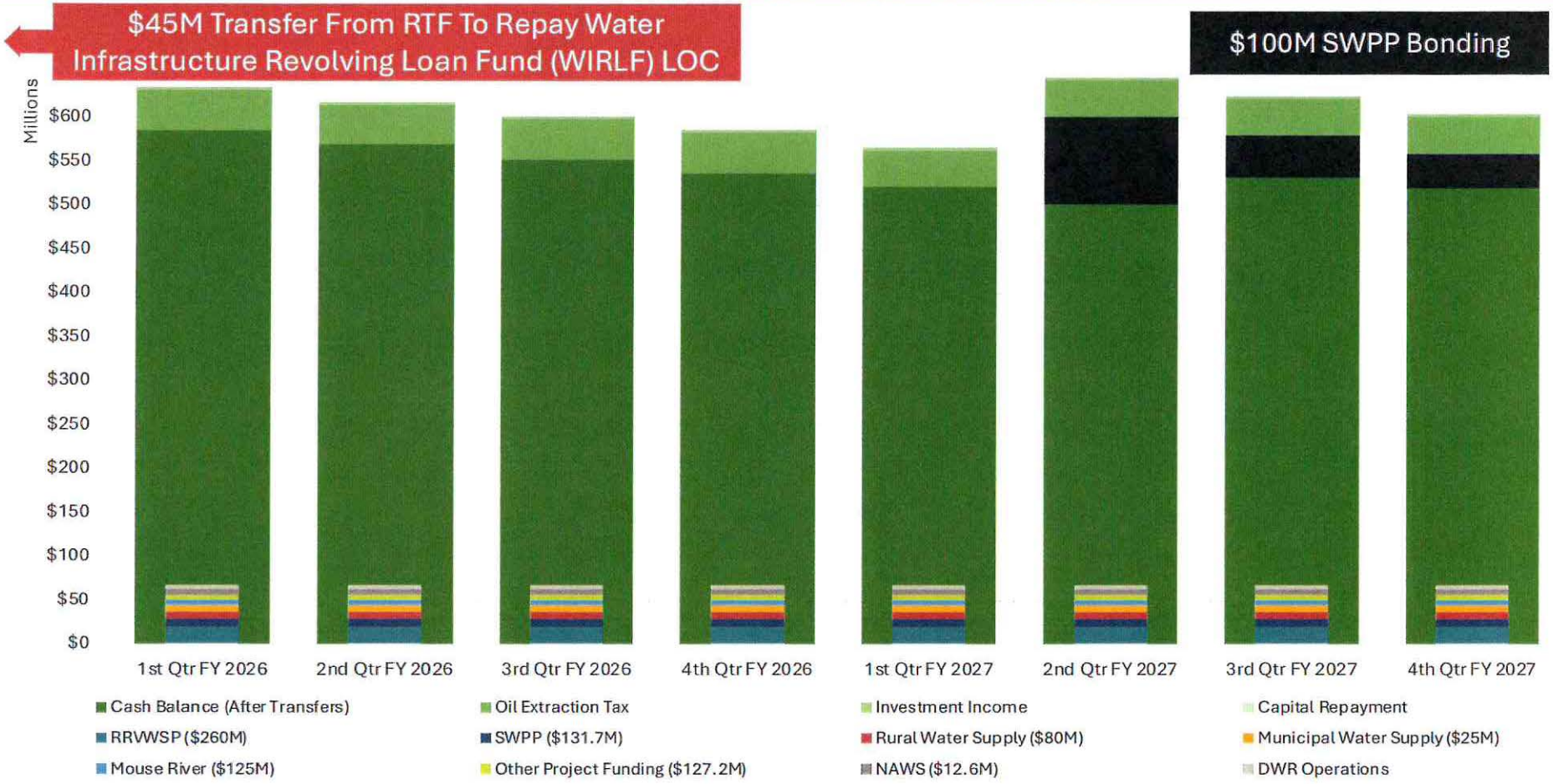



SENATE PROPOSAL
TOTAL PROJECTS = $501.1M
Includes A $150M Line Of Credit (LOC)
$298.6M
$86.5M
$90M
$18M
$8M
LARGE REGIONAL
RRVWSP $150M
WAWS $35M
NAWS $12.6M
SWPP* $101M
FLOOD CONTROL
MOUSE RIVER $65M
VALLEY CITY $13M
DEVILS LAKE $1M
OTHER $7M
WATER SUPPLY
RURAL $55M
MUNICIPAL $35M
GENERAL WATER
CONVEYANCE $15M
OTHER $3M
DISCRETIONARY
$35M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC
2025-2027 RESOURCES TRUST FUND (RTF) BUCKETS

RE-ADJUSTED CASH FLOW MODELS: CASH STRATEGY STILL ACHIEVABLE AT $450 MILLION SPEND/BIENNIUM

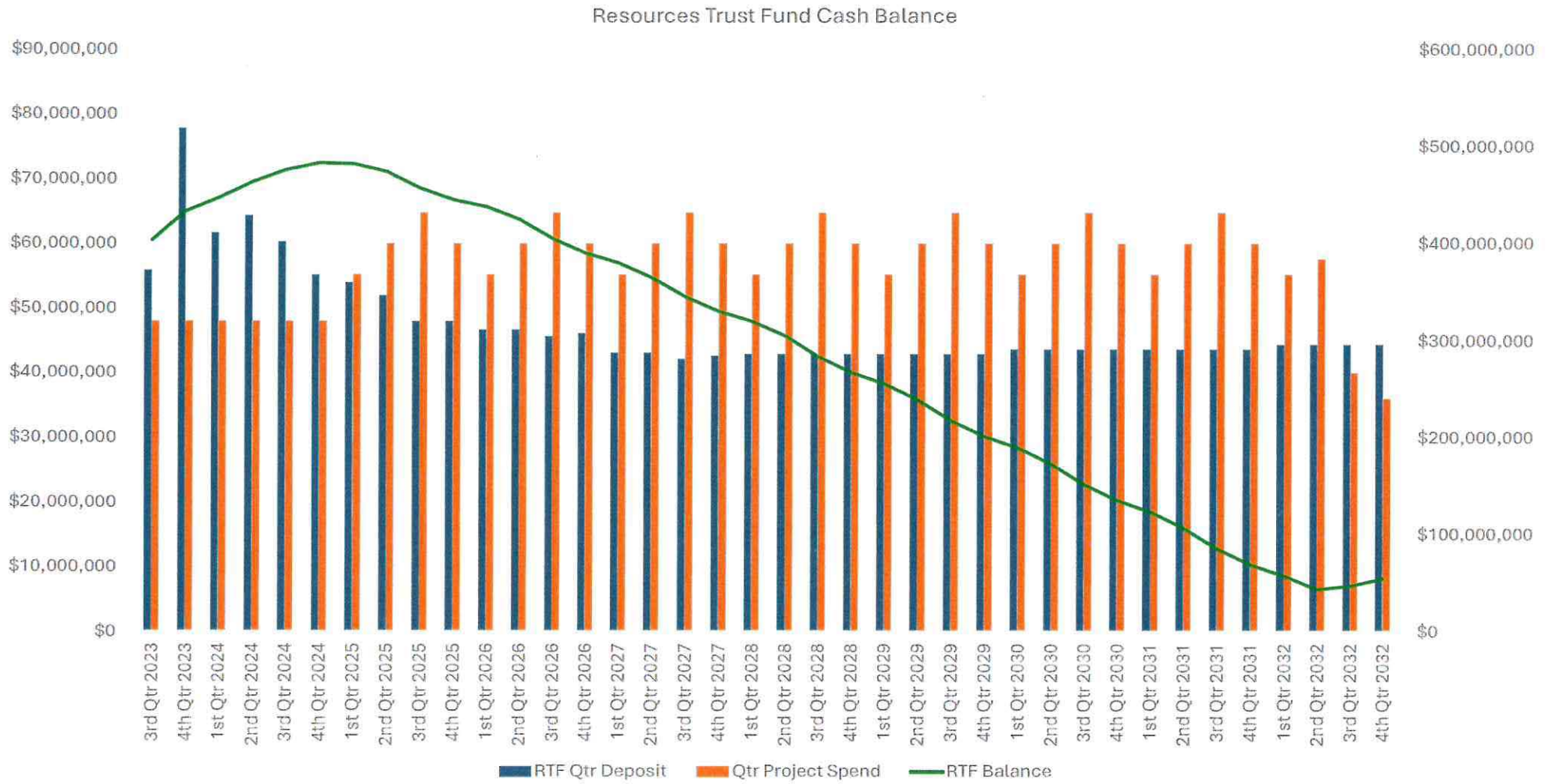


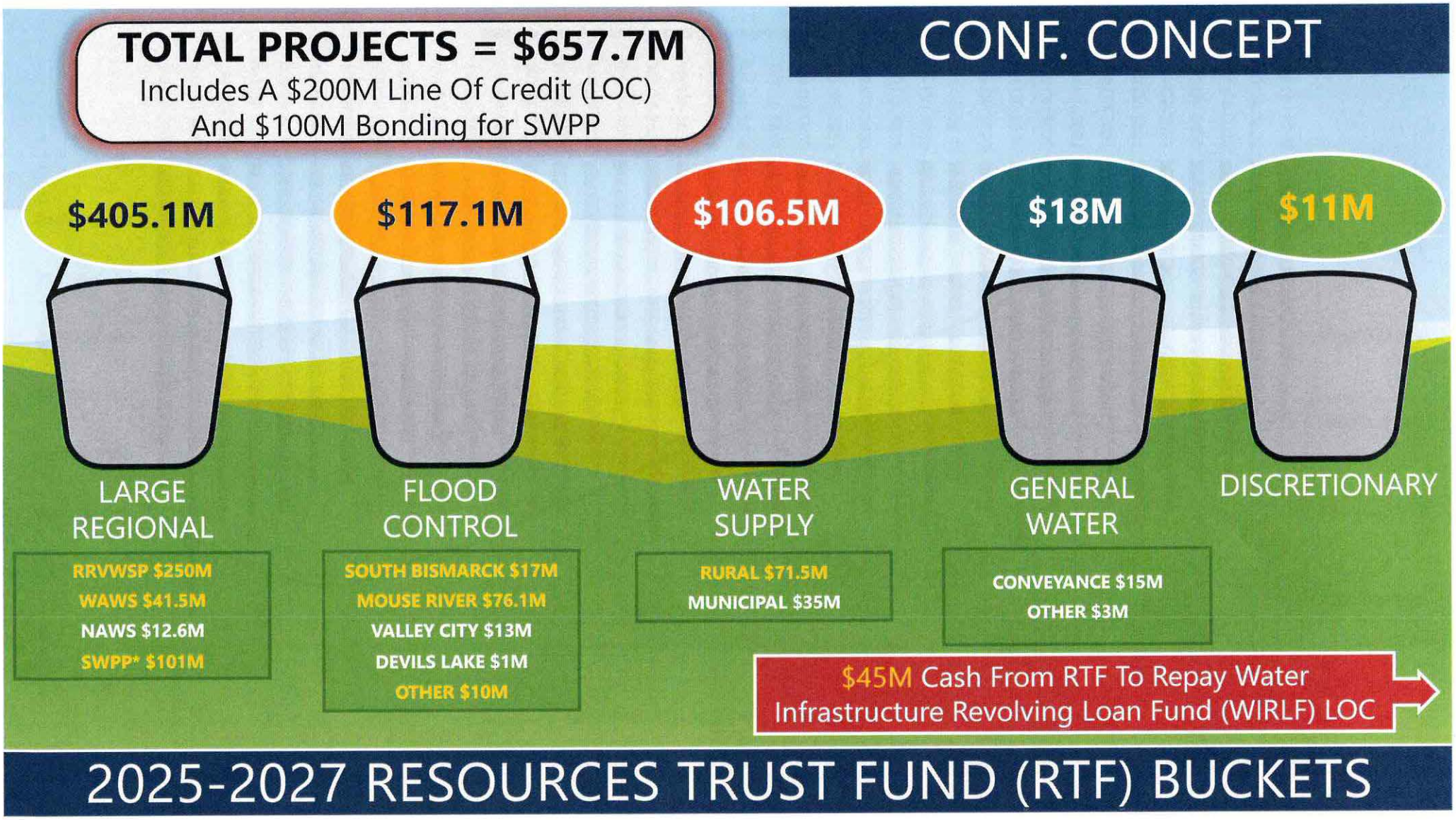
CASH BURN OVER NEXT BIENNIUM WILL NOT REQUIRE LINE-OF-CREDIT TO BE TAPPED



	1st Qtr FY 2026	2nd Qtr FY 2026	3rd Qtr FY 2026	4th Qtr FY 2026	1st Qtr FY 2027	2nd Qtr FY 2027	3rd Qtr FY 2027	4th Qtr FY 2027
Cash Balance								
RTF & WCF	$433,199,484	$415,890,294	$398,114,670	$381,038,364	$365,098,046	$343,830,593	$373,928,336	$360,578,833
SWPP Bonding	0	0	0	0	0	100,000,000	48,277,000	39,656,500
WPSF	152,944,221	153,881,721	154,819,221	155,756,721	156,694,221	157,631,721	158,569,221	159,506,721
Total Cash Balance	$586,143,705	$569,772,015	$552,933,891	$536,795,085	$521,792,267	$601,462,314	$580,774,557	$559,742,054
Oil Extraction Tax	$45,727,227	$45,230,193	$45,951,519	$47,148,799	$41,760,364	$41,463,860	$41,057,822	$41,970,216
RTF Investment Income	2,000,001	2,000,001	1,999,997	2,000,001	2,000,001	2,000,001	1,999,997	2,000,001
WPSF Investment Income	937,500	937,500	937,500	937,500	937,500	937,500	937,500	937,500
Capital Repayment	1,625,001	1,625,001	1,624,997	1,625,001	1,625,001	1,625,001	1,624,997	1,625,001
Total Cash Available	$636,433,434	$619,564,710	$603,447,904	$588,506,386	$568,115,133	$647,488,676	$626,394,873	$606,274,772
Draw on LOC	$0	$0	$0	$0	$0	$0	$0	$0
Expenditures								
DWR Operations	$5,054,500	$4,962,600	$4,962,600	$4,962,600	$4,962,600	$4,962,600	$4,962,600	$4,962,600
Cost-share Reimbursments								
Water supply								
Municipal water supply	$7,500,000	$7,500,000	$7,500,000	$7,500,000	$7,500,000	$7,500,000	$7,500,000	$7,500,000
Rural water supply	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000
Total Water supply	$15,900,000	$15,900,000	$15,900,000	$15,900,000	$15,900,000	$15,900,000	$15,900,000	$15,900,000
Regional water supply								
RRVWSP	$19,080,000	$19,080,000	$19,080,000	$19,080,000	$19,080,000	$19,080,000	$19,080,000	$19,080,000
WAWSA	2,427,000	2,427,000	2,427,000	2,427,000	2,427,000	2,427,000	2,427,000	2,427,000
SWPP	8,620,500	8,620,500	8,620,500	8,620,500	8,620,500	8,620,500	8,620,500	8,620,500
NAWS	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000
Total Regional water supply	$35,977,500	$35,977,500	$35,977,500	$35,977,500	$35,977,500	$35,977,500	$35,977,500	$35,977,500
Flood control								
Mouse River	$6,139,500	$6,139,500	$6,139,500	$6,139,500	$6,139,500	$6,139,500	$6,139,500	$6,139,500
Other flood control	880,500	880,500	880,500	880,500	880,500	880,500	880,500	880,500
Total Flood control	$7,020,000	$7,020,000	$7,020,000	$7,020,000	$7,020,000	$7,020,000	$7,020,000	$7,020,000
General water								
Water conveyance	$888,000	$888,000	$888,000	$888,000	$888,000	$888,000	$888,000	$888,000
Other general water	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Total General water	$2,238,000	$2,238,000	$2,238,000	$2,238,000	$2,238,000	$2,238,000	$2,238,000	$2,238,000
Basinwide plan	$44,000	$22,000	$44,000	$22,000	$44,000	$22,000	$44,000	$22,000
Discretionary								
Studies	$0	$83,300	$83,300	$166,600	$83,300	$166,600	$83,300	$166,600
Other Discretionary	427,419	427,419	427,419	427,419	427,419	427,419	427,419	427,419
Total Discretionary	$427,419	$510,719	$510,719	$594,019	$510,719	$594,019	$510,719	$594,019
Total Expenditures and Cost-share Reimbursments	$66,661,419	$66,630,819	$66,652,819	$66,714,119	$66,652,819	$66,714,119	$66,652,819	$66,714,119

$200M LOC WITH UPDATED REVENUE FORECAST STILL ACHEIVABLE, NOT EXPECTED TO BE DRAWN




TOTAL PROJECTS = $657.7M
Includes A $200M Line Of Credit (LOC)
And $100M Bonding for SWPP
CONF. CONCEPT
$405.1M
$117.1M
$106.5M
$18M
$11M
LARGE REGIONAL
RRVWSP $250M
WAWS $41.5M
NAWS $12.6M
SWPP* $101M
FLOOD CONTROL
SOUTH BISMARCK $17M
MOUSE RIVER $76.1M
VALLEY CITY $13M
DEVILS LAKE $1M
OTHER $10M
WATER SUPPLY
RURAL $71.5M
MUNICIPAL $35M
GENERAL WATER
CONVEYANCE $15M
OTHER $3M
DISCRETIONARY
$45M Cash From RTF To Repay Water Infrastructure Revolving Loan Fund (WIRLF) LOC
2025-2027 RESOURCES TRUST FUND (RTF) BUCKETS

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
4/28/2025
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

9:33 a.m. Chairman Swiontek called the meeting to order.

Members present: Chairman Swiontek, Representatives Louser, Nathe, Senators Bekkdahl, Sorvaag, Thomas.

Discussion Topics:

- SW Pipeline

9:32 a.m. Chairman Swiontek gave an overview of HB 1020.

9:45 a.m. Discussion

9:48 a.m. Chairman Swiontek adjourned the meeting.

Krystal Eberle for Steven Riehl, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
4/30/2025
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to the powers and duties of the water topics overview committee and a Bank of North Dakota line of credit; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

2:33 p.m. Chairman Swiontek called the meeting to order.

Members present: Chairman Swiontek, Representatives Louser, Nathe and Senators Bekkedahl, Sorvaag and Thomas.

Discussion Topics:

- Budget Red River Water Supply
- Request for an attorney

2:33 p.m. Senator Sorvaag covered amendments #45342.

2:36 p.m. Representative Nathe moved to approve amendments #45342.

2:36 p.m. Senator Thomas seconded the motion.

2:36 p.m. Roll Call Vote. Motion passed 6-0-0.

2:39 p.m. Reice Haase, Director, Departer of Water Resources, answered questions.

2:44 p.m. Senator Sorvaag, moved to approve amendment with changes to Section 10 #45343.

2:44 p.m. Senator Thomas seconded the motion.

2:44 p.m. Roll Call Vote. Motion passed 5-1-0.

2:46 p.m. Chairman Swiontek adjourned the meeting.

Krystal Eberle for Steven Riehl, Committee Clerk

HB 1020 043025 0920 AM Roll Call Vote

Amendment

HB 1020

Date Submitted: April 30, 2025, 2:36 p.m.

Action: Passed

Amendment LC #: Pending LC #

Motioned By: Nathe, Mike

Seconded By: Thomas, Paul J.

Emergency Clause: None

Vote Results: 6 - 0 - 0

Description: Amendment 1

Rep. Swiontek, Steve	Yea
Rep. Nathe, Mike	Yea
Rep. Louser, Scott	Yea
Sen. Sorvaag, Ronald	Yea
Sen. Thomas, Paul J.	Yea
Sen. Bekkedahl, Brad	Yea

HB 1020 043025 0922 AM Roll Call Vote

Amendment

HB 1020

Date Submitted: April 30, 2025, 2:44 p.m.

Action: Passed

Amendment LC #: Pending LC #

Motioned By: Sorvaag, Ronald

Seconded By: Thomas, Paul J.

Emergency Clause: None

Vote Results: 5 - 1 - 0

Description: Amendment 2

Rep. Swiontek, Steve	Yea
Rep. Nathe, Mike	Nay
Rep. Louser, Scott	Yea
Sen. Sorvaag, Ronald	Yea
Sen. Thomas, Paul J.	Yea
Sen. Bekkedahl, Brad	Yea

Sorvaag, Ronald G.

From: Cronquist, Alex J.
Sent: Monday, April 28, 2025 5:45 PM
To: Sorvaag, Ronald G.
Subject: Bismarck flood control and stormwater project funding

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Senator Sorvaag,

This email is in response to your request for language to provide $14 million to Bismarck for eligible flood control projects and to provide for a legislative study of the need and potential impact of the state providing financial support for stormwater projects. The committee may consider adding the following:

SECTION __. STATE WATER COMMISSION - CITY OF BISMARCK FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that up to $14,000,000 of funding appropriated in the flood control line item in Section 1 of this Act be made available for the city of Bismarck flood control project during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION __. LEGISLATIVE MANAGEMENT STUDY - STORMWATER PROJECT FUNDING. During the 2025-26 interim, the legislative management shall consider studying funding for stormwater projects in the state, including current funding sources, related statutes, and the policies of the state water commission. The study must include information regarding recently completed stormwater projects and funding needs for future stormwater projects in the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

If you have any questions or would like to request any changes to the language above, please feel free to contact me.

Alex Cronquist, CPA
Senior Fiscal Analyst
North Dakota Legislative Council
(701)328-4238
ajcronquist@ndlegis.gov

SECTION 10. AMENDMENT. Subsection 1 of section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, the department of water resources, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1020
5/2/2025
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact subsection 1 of section 54-12-08 and sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to state agency employment of attorneys, the powers and duties of the water topics overview committee, and a Bank of North Dakota line of credit; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

1:31 p.m. Chairman Swiontek called the meeting to order.

Members present: Chairman Swiontek, Representatives Louser, Nathe, Senators Bekkedahl, Sorvaag, Thomas.

Discussion Topics:

- Committee Action

1:32 p.m. Senator Sorvaag presented Senate side of bill, testimony #45374.

1:35 p.m. Recess

1:42 p.m. Reconvened

1:58 p.m. Senator Thomas moved the amendments #45374.

1:58 p.m. Representative Nathe seconded the motion.

1:58 p.m. Roll Call Vote. Motion passed 6-0-0.

1:58 p.m. Representative Nathe moved the amendments in place on LC #25.0164.02001.

1:58 p.m. Representative Louser seconded the motion.

1:58 p.m. Roll Call Vote. Motion passed 6-0-0.

1:59 p.m. Chairman Swiontek adjourned the meeting.

Krystal Eberle for Steven Riehl, Committee Clerk

25.0164.02004
Title.04000
Fiscal No. 1

Prepared by the Legislative Council staff for Conference Committee

May 2, 2025

CO
5/2/25
1 of 18

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

In place of amendment (25.0164.02001) adopted by the Senate, Engrossed House Bill No. 1020 is amended by amendment (25.0164.02004) as follows:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources; ~~to provide an appropriation to the parks and recreation department;~~ to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact ~~section~~subsection 1 of section 54-12-08 and sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to state agency employment of attorneys, the powers and duties of the water topics overview committee, and a Bank of North Dakota line of credit; ~~to authorize the state water commission to issue and sell bonds for water projects;~~ to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$22,998,148~~	~~$2,358,350~~	~~$25,356,498~~

~~New and vacant FTE pool~~	~~0~~	~~2,428,615~~	~~2,428,615~~
~~Operating expenses~~	~~56,625,923~~	~~(22,686,142)~~	~~33,939,781~~
~~Capital assets~~	~~124,136,712~~	~~(120,932,762)~~	~~3,203,950~~
~~Southwest pipeline project~~	~~0~~	~~131,713,336~~	~~131,713,336~~
~~Northwest area water supply~~	~~0~~	~~106,857,325~~	~~106,857,325~~
~~Water supply - grants~~	~~316,200,000~~	~~(316,200,000)~~	~~0~~
~~Rural water supply - grants~~	~~52,000,000~~	~~(52,000,000)~~	~~0~~
~~Water supply~~	~~0~~	~~105,000,000~~	~~105,000,000~~
~~Regional water supply~~	~~0~~	~~306,500,000~~	~~306,500,000~~
~~General water - grants~~	~~12,000,000~~	~~(12,000,000)~~	~~0~~
~~General water~~	~~0~~	~~29,000,000~~	~~29,000,000~~
~~Flood control grants~~	~~115,700,000~~	~~(115,700,000)~~	~~0~~
~~Flood control~~	~~0~~	~~168,500,000~~	~~168,500,000~~
~~Discretionary funding~~	~~0~~	~~10,000,000~~	~~10,000,000~~
~~Total other funds~~	~~$699,660,783~~	~~$222,838,722~~	~~$922,499,505~~
~~Full-time equivalent positions~~	~~93.00~~	~~6.00~~	~~99.00~~
Salaries and wages	$22,998,148	$2,333,877	$25,332,025
New and vacant FTE pool	0	2,371,058	2,371,058
Operating expenses	56,625,923	(26,082,810)	30,543,113
Capital assets	124,136,712	(121,582,762)	2,553,950
Southwest pipeline project	0	101,000,000	101,000,000
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	110,000,000	110,000,000
Regional water supply	0	245,000,000	245,000,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	18,000,000	18,000,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	117,600,000	117,600,000
Discretionary funding	0	10,000,000	10,000,000

Total other funds	$699,660,783	$69,596,688	$769,257,471
Full-time equivalent positions	93.00	5.00	98.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	Other Funds
~~New FTE costs~~	~~$42,500~~
New FTE costs	$36,000
Board of water well contractors costs	30,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
~~Missouri River intake sites field investigation~~	~~600,000~~
~~Bank of North Dakota line of credit~~	~~200,000,000~~
~~Total other funds~~	~~$201,582,500~~
Bank of North Dakota line of credit	260,000,000
Total other funds	$261,006,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of ~~providing funding for water projects and grants~~defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the

resources trust fund must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

~~**SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - DEPARTMENT OF WATER RESOURCES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repaying a Bank of North Dakota line of credit for the water infrastructure revolving loan fund, for the period beginning with the effective date of this Act, and ending June 30, 2025.~~

~~**SECTION 6. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.** There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027. An eligible grant recipient must identify $1 of matching funds for each $1 awarded pursuant to this section. This funding is considered to be a one-time funding item.~~

~~**SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT.** The general water line item in section 1 of this Act includes $2,500,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 5. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes $42,500,000 from the water projects

stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section ~~22~~24 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

~~**SECTION 10. BOND ISSUANCE AUTHORIZATION - SOUTHWEST PIPELINE PROJECT.** The state water commission, in accordance with chapter 61-02, may arrange for up to one hundred million dollars for southwest pipeline projects, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 61-02, beginning with the effective date of this Act, and ending June 30, 2027.~~

SECTION 7. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer ~~$45,000,000~~$40,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources, during the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed $100,000,000 ~~to the department of water resources~~ to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2 for the period beginning with the effective date of this Act and ending June 30, 2027. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 9. AMENDMENT. Subsection 1 of section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and ~~no person may~~a person may not act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, and the ~~securities commissioner~~department of water resources may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.

SECTION 10. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

2. Any request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost share is estimated to be ten million dollars or more must be reported to the water topics overview committee before May thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.

3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.

4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.

5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.

6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.~~

7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 11. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~Bank of North Dakota shall extend~~department of water resources may request a line of credit from the Bank of North Dakota not to exceed ~~one hundred million~~~~two hundred million~~two hundred sixty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to~~ fifty million dollars for the southwest pipeline project~~two hundred million~~ and two hundred ten million dollars for water projects ~~during the biennium beginning July 1, 20232025, and ending June 30, 20252027~~.

SECTION 12. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 13. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of $953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $773,000,000 yet to be designated, ~~$260,000,000~~$205,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 14. RED RIVER VALLEY WATER SUPPLY PROJECT - FEDERAL FUNDING - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that any federal

funds received for the Red River valley water supply project be allocated seventy-five percent to the state cost share and twenty-five percent to the local cost share for the project.

SECTION 15. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of $380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the $304,400,000 yet to be designated, ~~$125,000,000~~$81,100,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

~~**SECTION 17. STATE WATER COMMISSION - SOUTH BISMARCK STORM WATER AND FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT.** The state water commission may not approve state funding for the south Bismarck storm water and flood control project in excess of a total of $73,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that the state water commission provide funding for a storm water and flood control project in south Bismarck that is largely ineligible for its cost-share program and that of the $73,000,000, $20,000,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.~~

SECTION 16. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. ~~$105,000,000~~$110,000,000 for water supply, including:
   a. ~~$25,000,000~~$40,000,000 for municipal water supply; and
   b. ~~$80,000,000~~$70,000,000 for rural water supply.
2. ~~$306,500,000~~$245,000,000 for regional water supply, including:
   a. ~~$260,000,000~~$205,000,000 for Red River valley water supply project; and
   b. ~~$46,500,000~~$40,000,000 for western area water supply project.
3. ~~$168,500,000~~$117,600,000 for flood control, including:
   a. ~~$125,000,000~~$81,100,000 for Mouse River flood control;
   b. ~~$16,000,000~~$12,000,000 for Valley City flood control;

c. ~~$20,000,000~~$17,000,000 for ~~south~~city of Bismarck ~~storm water and~~ flood control; and

d. $7,500,000 for other flood control projects.

4. ~~$29,000,000~~$18,000,000 for general water, including:

a. $15,000,000 for water conveyance; and

b. ~~$2,500,000 for sovereign lands; and~~

~~c. $11,500,000~~$3,000,000 for other general water projects.

SECTION 17. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study must also consider the appropriate involvement of the legislative management's water topics overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - STORM WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying funding for storm water projects in the state, including current funding sources, related statutes, and the policies of the state water commission. The study must include information regarding recently completed storm water projects and funding needs for future storm water projects in the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 20. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri

River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management ~~during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the regional water systems governance and finance study.

SECTION 22. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial ~~roll~~role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of

contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report ~~annually~~ to the legislative management ~~during the 2025-26 interim~~by March 31, 2026, regarding the ~~status~~results of and any recommendations from the cost-share policy study.

SECTION 23. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to ~~$10,000,000~~$5,000,000 between the operating expenses and capital assets line items~~, excluding the salaries and wages line item and the new and vacant FTE pool line item,~~ in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 24. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be ~~$522,500,000~~$600,000,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 25. EXEMPTION - BOWMAN RADAR SYSTEM. The amount of $1,800,000 appropriated from other funds for the purpose of replacing the Bowman radar system in the capital assets line item in section 1 of chapter 52 of the 2023 Session Laws is not subject to Section 54-44.1-11 and any unexpended funds from this appropriation may be continued and expended for the purpose for which it was originally appropriated during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 26. EMERGENCY. This Act ~~is~~and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

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STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Parks and Recreation Department						
Total all funds	$0	$2,500,000	($2,500,000)	$0	$0	$0
Less estimated income	0	2,500,000	(2,500,000)	0	0	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Water Resources						
Total all funds	$699,660,783	$922,499,505	($153,242,034)	$769,257,471	$656,489,542	$112,767,929
Less estimated income	699,660,783	922,499,505	(153,242,034)	769,257,471	656,489,542	112,767,929
General fund	$0	$0	$0	$0	$0	$0
FTE	93.00	99.00	(1.00)	98.00	97.00	1.00
Bill total						
Total all funds	$699,660,783	$924,999,505	($155,742,034)	$769,257,471	$656,489,542	$112,767,929
Less estimated income	699,660,783	924,999,505	(155,742,034)	769,257,471	656,489,542	112,767,929
General fund	$0	$0	$0	$0	$0	$0
FTE	93.00	99.00	(1.00)	98.00	97.00	1.00

House Bill No. 1020 - Parks and Recreation Department - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Sovereign lands recreation use grants		$2,500,000	($2,500,000)			
Total all funds	$0	$2,500,000	($2,500,000)	$0	$0	$0
Less estimated income	0	2,500,000	(2,500,000)	0	0	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of Conference Committee Changes

	Removes Funding for Sovereign Lands Grants[1]	Total Conference Committee Changes
Sovereign lands recreation use grants	($2,500,000)	($2,500,000)
Total all funds	($2,500,000)	($2,500,000)
Less estimated income	(2,500,000)	(2,500,000)
General fund	$0	$0
FTE	0.00	0.00

[1] Funding of $2.5 million from the resources trust fund added by the House for Parks and Recreation Department sovereign lands recreation use grants is removed by the conference committee, the same as the Senate.

House Bill No. 1020 - Department of Water Resources - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$22,998,148	$25,356,498	($24,473)	$25,332,025	$25,297,452	$34,573
New and vacant FTE pool		2,428,615	(57,557)	2,371,058	2,019,682	351,376
Operating expenses	56,625,923	33,939,781	(3,396,668)	30,543,113	30,511,133	31,980
Capital assets	124,136,712	3,203,950	(650,000)	2,553,950	2,553,950	
Southwest pipeline project		131,713,336	(30,713,336)	101,000,000	101,000,000	
Northwest area water supply		106,857,325		106,857,325	106,857,325	
Water supply - Grants	316,200,000					
Rural water supply - Grants	52,000,000					
Water supply		105,000,000	5,000,000	110,000,000	90,000,000	20,000,000
Regional water supply		306,500,000	(61,500,000)	245,000,000	185,000,000	60,000,000
General water - Grants	12,000,000					
General water		29,000,000	(11,000,000)	18,000,000	19,750,000	(1,750,000)
Flood control - Grants	115,700,000					
Flood control		168,500,000	(50,900,000)	117,600,000	85,500,000	32,100,000
Discretionary funding		10,000,000		10,000,000	8,000,000	2,000,000
Total all funds	$699,660,783	$922,499,505	($153,242,034)	$769,257,471	$656,489,542	$112,767,929
Less estimated income	699,660,783	922,499,505	(153,242,034)	769,257,471	656,489,542	112,767,929
General fund	$0	$0	$0	$0	$0	$0
FTE	93.00	99.00	(1.00)	98.00	97.00	1.00

Department 770 - Department of Water Resources - Detail of Conference Committee Changes

	Adjusts FTE Positions[1]	Reduces Funding for Devils Lake Outlet Utilities[2]	Reduces Funding from Federal Funds[3]	Adjusts Funding for the Board of Water Well Contractors[4]	Adjusts Funding for Water Projects[5]	Removes Funding for Missouri River Intake Sites Study[6]
Salaries and wages	$5,527			($30,000)		
New and vacant FTE pool	(57,557)					
Operating expenses	(189,980)	($600,000)	($2,051,788)	45,100		($600,000)
Capital assets					($650,000)	
Southwest pipeline project					(30,713,336)	
Northwest area water supply						
Water supply - Grants						
Rural water supply - Grants						
Water supply					5,000,000	
Regional water supply					(61,500,000)	
General water - Grants						
General water					(11,000,000)	
Flood control - Grants						
Flood control					(50,900,000)	
Discretionary funding						
Total all funds	($242,010)	($600,000)	($2,051,788)	$15,100	($149,763,336)	($600,000)
Less estimated income	(242,010)	(600,000)	(2,051,788)	15,100	(149,763,336)	(600,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	(1.00)	0.00	0.00	0.00	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	($24,473)
New and vacant FTE pool	(57,557)
Operating expenses	(3,396,668)
Capital assets	(650,000)
Southwest pipeline project	(30,713,336)
Northwest area water supply	
Water supply - Grants	
Rural water supply - Grants	
Water supply	5,000,000
Regional water supply	(61,500,000)
General water - Grants	
General water	(11,000,000)
Flood control - Grants	
Flood control	(50,900,000)
Discretionary funding	
Total all funds	($153,242,034)
Less estimated income	(153,242,034)
General fund	$0
FTE	(1.00)

[1] Funding for salaries and wages, related operating costs, and the new and vacant FTE pool are adjusted as follows:

Description	FTE Positions	Federal Funds	Other Funds	Total Funds
Add general counsel position	1.00		$456,971	$456,971
Remove national flood insurance program coordinator position added by the House and removed by the Senate	(1.00)	($250,027)	(83,345)	(333,372)
Remove RiskMAP program specialist position added by the House and removed by the Senate	(1.00)	(372,004)		(372,004)
New FTE positions salaries adjustment		399,084	(335,132)	63,952
New and vacant FTE pool adjustment		(359,176)	301,619	(57,557)
Total adjustments	(1.00)	(582,123)	340,113	(242,010)

[2] Funding is reduced by $600,000 from special funds for Devils Lake outlet utilities, the same as the Senate. The House did not adjust funding specifically for Devils Lake outlet utilities.

[3] Federal funding of $2,051,788 added by the House for travel and professional services is removed by the conference committee, the same as the Senate.

[4] Funding for administrative services for the Board of Water Well Contractors is adjusted to provide a total of $81,123 from special funds, of which $36,023 is for salaries and wages, $15,100 is for ongoing operating costs, and $30,000 is for one-time operating costs, the same as the Senate. The House included $66,023 from special funds for salaries and wages for administrative services relating to the Board of Water Well Contractors.

[5] Funding is adjusted for water projects as follows:

Project	House Version	Senate Version	Conference Committee Version
Devils Lake outlet	$1,650,000	$1,000,000	$1,000,000
Discretionary funding	10,000,000	8,000,000	10,000,000
Southwest Pipeline Project	131,713,336	101,000,000	101,000,000
Municipal water supply	25,000,000	35,000,000	40,000,000
Rural water supply	80,000,000	55,000,000	70,000,000
Red River Valley Water Supply Project	260,000,000	150,000,000	205,000,000
Western Area Water Supply	46,500,000	35,000,000	40,000,000
Mouse River flood control	125,000,000	65,000,000	81,100,000
Valley City flood control	16,000,000	13,000,000	12,000,000
South Bismarck storm water and flood control	20,000,000	0	17,000,000
Parks and Recreation Department grant	2,500,000	0	0
Other general water projects	11,500,000	4,750,000	3,000,000
Total	$729,863,336	$467,750,000	$580,100,000

[6] One-time funding of $600,000 from special funds added by the House to continue a study of Missouri River intake sites is removed by the conference committee, the same as the Senate.

House Bill No. 1020 - Other Changes - Conference Committee Action

This amendment also:

- Adjusts the additional income appropriation section to appropriate additional federal funds received by the Department of Water Resources for the purpose for which the funds were received, the same as the Senate.
- Does not adjust the additional income appropriation section to exclude oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast. The Senate had included this adjustment.
- Removes a section providing a deficiency appropriation of $10 million from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund, the same as the Senate.
- Removes 2 sections relating to sovereign lands recreation use grants, the same as the Senate.
- Removes a section to authorize the issuance of bonds for the Southwest Pipeline Project, the same as the Senate.
- Does not add a section added by the Senate to transfer oil extraction tax revenue deposited in the resources trust fund in excess of the March 2025 legislative revenue forecast to the water projects stabilization fund.
- Reduces a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund added by the House to $40 million. The Senate provided for a transfer of $35 million.
- Adds a section to authorize the Department of Water Resources to employ an attorney. Neither the House nor the Senate included this authorization.
- Amends the powers and duties of the Legislative Management's Water Topics Overview Committee to provide for the review of project requests for state funds of $10 million or more, the same as the Senate.
- Increases the authorization for a Bank of North Dakota line of credit for water projects from $200 million to $260 million, of which $50 million is designated for the Southwest Pipeline Project. The Senate provided for the Bank of North Dakota line of credit of $150 million.
- Does not add a section added by the Senate to provide for the repayment of a $50 million Bank of North Dakota line of credit for the Southwest Pipeline Project from capital repayments from the Southwest Pipeline Project deposited in the resources trust fund.
- Adds a section to provide legislative intent that any federal funds received for the Red River Valley Water Supply Project be allocated 75 percent to the state share and 25 percent to the local share of the project. Neither the House nor the Senate included this section.
- Adds a section to provide for a Legislative Management study of designated appropriations for water projects, the same as the Senate.
- Adds a section to provide for the Department of Water Resources to continue its study of Missouri River intake sites, the same as the Senate.
- Adds a section to provide for a Legislative Management study of storm water projects. Neither the House nor the Senate included this study.
- Adjusts line item transfer authority for the Department of Water Resources to limit transfers to $5 million between only the operating expenses and capital assets line items, the same as the Senate. The House version limited the transfer to $10 million.
- Increases the estimated water project funding to be continued into the 2025-27 biennium from $522.5 million to $600 million, the same as the Senate.
- Adds a section to provide carry over authority for funding appropriated for the Bowman radar system. Neither

the House nor the Senate included this authorization.

- Declares House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure, the same as the Senate.

HB 1020 050225 1538 PM Roll Call Vote

Amendment

HB 1020

Date Submitted: May 2, 2025, 1:38 p.m.

Action: Passed

Amendment LC #: Pending LC #

Motioned By: Thomas, Paul J.

Seconded By: Nathe, Mike

Emergency Clause: None

Vote Results: 6 - 0 - 0

Description: Amendment described in testimony #45374

Rep. Swiontek, Steve	Yea
Rep. Nathe, Mike	Yea
Rep. Louser, Scott	Yea
Sen. Sorvaag, Ronald	Yea
Sen. Thomas, Paul J.	Yea
Sen. Bekkedahl, Brad	Yea

HB 1020 050225 1358 PM Roll Call Vote

Final Recommendation

HB 1020

Date Submitted: May 2, 2025, 1:58 p.m.

Recommendation: In Place Of

25.0164.02001

Amendment LC #: Pending LC #

Engrossed LC #: N/A

Motioned By: Nathe, Mike

Seconded By: Louser, Scott

House Carrier: Swiontek, Steve **Senate**

Carrier: Sorvaag, Ronald **Emergency**

Clause: None

Vote Results: 6 - 0 - 0

Description: Replace 25.0164.02001

with 25.0164.02004

Rep. Swiontek, Steve	Yea
Rep. Nathe, Mike	Yea
Rep. Louser, Scott	Yea
Sen. Sorvaag, Ronald	Yea
Sen. Thomas, Paul J.	Yea
Sen. Bekkedahl, Brad	Yea

Insert LC: 25.0164.02004 Title: 04000
House Carrier: Swiontek
Senate Carrier: Sorvaag

REPORT OF CONFERENCE COMMITTEE
ENGROSSED HB 1020

Your conference committee (Sens. Sorvaag, Thomas, Bekkedahl and Reps. Swiontek, Nathe, Louser) recommends that in place of amendment 25.0164.02001 adopted by the Senate, Engrossed HB 1020 is amended by amendment 25.0164.02004.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

Capital Assets				
NAWS		$ 12,600,000		
SWPP		$ 35,000,000	SWPP Total	
SWPP Treatment Plant		$ 66,000,000	$	101,000,000
Devils Lake		$ 1,000,000		
Flood Control				
Valley City		$ 12,000,000		
Source River Flood control		$ 81,100,000		
Heart River Flood		$ 7,500,000		
Water Supply				
RRVWSP		$ 205,000,000		
WAWS		$ 40,000,000		
Municipal		$ 40,000,000		
Rural Water		$ 70,000,000		
General Water		$ 18,000,000		
Discretionary		$ 10,000,000		
Bismarck Storm Water	$14 Million Qualifies	$ 17,000,000		
OTHER				
Total Project Costs		$ 615,200,000		
Salaries & Operating		$ 43,000,000		
Other Expenses		$ 4,200,000		
Revolving Loan Fund Exp.		$ 40,000,000		
Sovereign Land		$ -		
TOTAL EXPENSES		$ 702,400,000		
Shortage or Excess Funds		**$ (800,000)**		

FUNDS AVAILABLE

RTF		$354,500,000
SWPP repayment $13 mill. & Investment Income $16 mill.	$	29,000,000
Anticipate Turnback (Largely do to uspent professional sevices and utilities	$	15,600,000
Project Stabilization	$	42,500,000
Cash Available		**$441,600,000**
Carryover LOC	$	260,000,000
Minus RFT %	0	$0.00
TOTAL Funds Available		$701,600,000

Legislative Council

Department of Water Resources - Budget No. 770
Agency Worksheet - House Bill No. 1020

	House Version				Senate Version				Conference Committee Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783	93.00	$0	$699,660,783	$699,660,783
2025-27 Ongoing Funding Changes												
Base payroll changes			$416,661	$416,661			$416,661	$416,661			$416,661	$416,661
Salary increase			962,884	962,884			945,848	945,848			962,334	962,334
Health insurance increase			612,539	612,539			600,529	600,529			606,534	606,534
Adds funding to replace the 2023-25 new FTE pool			703,398	703,398			703,398	703,398			703,398	703,398
Adds funding to replace the 2023-25 vacant FTE pool			912,231	912,231			912,231	912,231			912,231	912,231
Transfers funding for 2025-27 new and vacant FTE pool			(633,423)	(633,423)			(587,986)	(587,986)			(627,028)	(627,028)
Adds accountant position	1.00		289,442	289,442	1.00		289,442	289,442	1.00		289,442	289,442
Adds deputy director position	1.00		452,162	452,162	1.00		452,162	452,162	1.00		452,162	452,162
Adds northwest area water supply (NAWS) operator position	1.00		349,154	349,154	1.00		349,154	349,154	1.00		349,154	349,154
Adds general counsel position				0				0	1.00		427,980	427,980
Adds assistant national flood insurance program coordinator position	1.00		312,624	312,624	0.00		0	0	0.00		0	0
Adds RiskMAP program specialist position	1.00		350,706	350,706	0.00		0	0	0.00		0	0
Converts temporary "Silver Jacket" flood risk position to an FTE position	1.00			0	1.00			0	1.00			0
Adds funding for State Water Commissioner salaries and operating expenses			138,960	138,960			138,960	138,960			138,960	138,960
Adds funding for overtime and temporary salaries			60,000	60,000			60,000	60,000			60,000	60,000
Adds funding for NAWS on-call pay			106,954	106,954			106,954	106,954			106,954	106,954
Adds funding for Board of Water Well Contractors administrative services			66,023	66,023			51,123	51,123			51,123	51,123
Adds funding for internship program			100,000	100,000			100,000	100,000			100,000	100,000
Increases funding from federal funds for travel and professional services			2,051,788	2,051,788			0	0			0	0
Adjusts funding for operating expenses, including professional fees and services			(1,264,821)	(1,264,821)			(1,264,821)	(1,264,821)			(1,264,821)	(1,264,821)
Decreases funding for capital assets			(330,000)	(330,000)			(980,000)	(980,000)			(980,000)	(980,000)
Adds funding for discretionary funding			10,000,000	10,000,000			8,000,000	8,000,000			10,000,000	10,000,000
Adjusts funding for the Southwest Pipeline Project			51,681,936	51,681,936			20,968,600	20,968,600			51,681,936	51,681,936
Adjusts funding for the Northwest Area Water Supply project			40,817,004	40,817,004			40,817,004	40,817,004			40,817,004	40,817,004
Adjusts funding among water projects and grants line items			113,100,000	113,100,000			(115,650,000)	(115,650,000)			113,100,000	113,100,000
Identifies line of credit funding as one-time funding			(200,000,000)	(200,000,000)			(150,000,000)	(150,000,000)			(200,000,000)	(200,000,000)
Reduces funding for Devils Lake outlet utilities				0			(600,000)	(600,000)			(600,000)	(600,000)
Total ongoing funding changes	**6.00**	**$0**	**$21,256,222**	**$21,256,222**	**4.00**	**$0**	**($194,170,741)**	**($194,170,741)**	**5.00**	**$0**	**$17,704,024**	**$17,704,024**
One-Time Funding Items												
Adds new FTE one-time funding			$42,500	$42,500			$29,500	$29,500			$36,000	$36,000

Adds funding for emergency pumps replacement			480,000	480,000			480,000	480,000			480,000	480,000
Adds funding for an excavator replacement			400,000	400,000			400,000	400,000			400,000	400,000
Adds funding for a data logger replacement			60,000	60,000			60,000	60,000			60,000	60,000
Adds funding for a Missouri River intake sites field investigation			600,000	600,000			0	0			0	0
Adds funding from a Bank of North Dakota line of credit			200,000,000	200,000,000			150,000,000	150,000,000			200,000,000	200,000,000
Adds Board of Water Well Contractors one-time funding				0			30,000	30,000			30,000	30,000
Total one-time funding changes	**0.00**	**$0**	**$201,582,500**	**$201,582,500**	**0.00**	**$0**	**$150,999,500**	**$150,999,500**	**0.00**	**$0**	**$201,006,000**	**$201,006,000**
Total Changes to Base Level Funding	**6.00**	**$0**	**$222,838,722**	**$222,838,722**	**4.00**	**$0**	**($43,171,241)**	**($43,171,241)**	**5.00**	**$0**	**$218,710,024**	**$218,710,024**
2025-27 Total Funding	**99.00**	**$0**	**$922,499,505**	**$922,499,505**	**97.00**	**$0**	**$656,489,542**	**$656,489,542**	**98.00**	**$0**	**$918,370,807**	**$918,370,807**
Federal funds included in other funds			*$55,935,119*				*$53,301,208*				*$53,301,208*	
Total ongoing changes - Percentage of base level	*6.5%*	*N/A*	*3.0%*	*3.0%*	*4.3%*	*N/A*	*(27.8%)*	*(27.8%)*	*5.4%*	*N/A*	*2.5%*	*2.5%*
Total changes - Percentage of base level	*6.5%*	*N/A*	*31.8%*	*31.8%*	*4.3%*	*N/A*	*(6.2%)*	*(6.2%)*	*5.4%*	*N/A*	*31.3%*	*31.3%*

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	Conference Committee Version
New and vacant FTE pool	Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.	No changes from Senate
Additional income - Appropriation	Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	Section 4 appropriates any additional funds available in the resources trust fund, excluding excess oil extraction tax revenue, to the Department of Water Resources for the 2025-27 biennium for municipal water supply and rural water supply grants.	Allow excess oil extraction tax revenue to stay in and be expended from resources trust fund.
Deficiency appropriation - SIIF	Section 5 provides a $10 million deficiency appropriation from the strategic investment and improvements fund to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.	The Senate removed this section.	Discuss further
Sovereign lands	Sections 6 and 7 provide $2.5 million to the Parks and Recreation Department to develop recreation opportunities on sovereign lands.	The Senate removed these sections.	Discuss further
Water projects stabilization fund - Other funds	Section 8 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	Section 5 identifies $42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	No changes from Senate
Discretionary funding	Section 9 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 23 may be used as necessary, except for salaries and wages.	Section 6 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 23 may be used as necessary, except for salaries and wages.	No changes from Senate
Bond issuance - Southwest Pipeline Project	Section 10 provides for the issuance of up to $100 million of revenue bonds for the Southwest Pipeline Project.	The Senate removed this section.	Discuss further
Water projects stabilization fund - Transfers		Section 7 transfers oil tax revenue deposited in the resources trust fund in excess of of the March 2025 legislative forecast to the water projects stabilization fund.	Remove section
Transfer - Water infrastructure revolving loan fund	Section 11 provides for a transfer of $45 million from the resources trust fund to the water infrastructure revolving loan fund.	Section 8 provides for a transfer of $35 million from the resources trust fund to the water infrastructure revolving loan fund.	Discuss further
Line of credit - Water infrastructure revolving loan fund	Section 12 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	Section 9 provides for a $100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.	No changes from Senate

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	Conference Committee Version
Attorney			The Conference Committee amendment adds a section to amend Section 54-12-08 to allow DWR to employ an attorney.
Water Topics Overview Committee - Powers and duties		Section 10 amends the powers and duties of the Water Topics Overview Committee to provide for committee review of water project proposals with a state cost share of $10 million or more.	Discuss further
Bank of North Dakota line of credit	Section 13 amends Section 61-02-79 to provide a line of credit of up to $200 million for water projects.	Section 11 amends Section 61-02-79 to provide a line of credit of up to $150 million for water projects, including $50 million for the Southwest Pipeline Project.	Discuss further
Northwest Area Water Supply - Biota water treatment plant operating fund - Continuing appropriation	Section 14 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	Section 12 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.	No changes from Senate
Legislative intent - Red River valley water supply project	Section 15 provides legislative intent for $260 million for the Red River valley water supply project for the 2025-27 biennium.	Section 13 provides legislative intent for $150 million for the Red River valley water supply project for the 2025-27 biennium.	Discuss further
Red River Valley Water Supply Project - Federal Funds			The Conference Committee amendment adds a section to provide legislative intent that any federal funds received for RRVWSP be allocated 75% to state share and 25% to local share.
Legislative intent - Mouse River flood control project	Section 16 provides legislative intent for $125 million for the Mouse River flood control project for the 2025-27 biennium.	Section 14 provides legislative intent for $65 million for the Mouse River flood control project for the 2025-27 biennium.	Discuss further
Legislative intent - South Bismarck storm water and flood control project	Section 17 provides legislative intent for $20 million for a south Bismarck storm water and flood control project for the 2025-27 biennium.	The Senate removed this section.	Provide legislative intent for $17 million for city of Bismarck flood control.
Legislative intent - Grants and water projects	Section 18 provides additional detail regarding allocations within line items for water projects.	Section 15 provides additional detail regarding allocations within line items for water projects.	Discuss further
Legislative intent - Southwest Pipeline Project line of credit		Section 16 provides legislative intent that the $50 million line of credit for the Southwest Pipeline Project be repaid with resources trust fund revenue from capital repayments from the Southwest Pipeline Project.	Discuss further
Legislative intent - Missouri River system	Section 19 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	Section 17 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.	No changes from Senate
Legislative Management study of designated appropriations		Section 18 provides for a study of legislatively designated funding for water projects, including multi-phase projects.	No changes from Senate
Legislative Management study of storm water projects			The conference Committee amendment adds a section to provide for a legislative management study of storm water projects.
Missouri River intake sites study		Section 19 provides for the Department of Water Resources to study or conduct a field investigation regarding Missouri River intake sites	No changes from Senate
State Water Commission study - Regional water systems governance and finance	Section 20 provides for a State Water Commission study of regional water systems governance and finance.	Section 20 provides for a State Water Commission study of regional water systems governance and finance.	No changes from Senate
State Water Commission study - Cost-share policy	Section 21 provides for a State Water Commission study of its cost-share policy.	Section 21 provides for a State Water Commission study of its cost-share policy and financial planning.	No changes from Senate

Other Sections in Department of Water Resources - Budget No. 770

Section Description	House Version	Senate Version	Conference Committee Version
Line item transfers	Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $10 million between line items, excluding the salaries and wages line item and the new and vacant FTE pool line item.	Section 22 provides authority for the Director of the Department of Water Resources to transfer up to $5 million between the operating expenes and capital assets line items.	Discuss further
Exemption - Water-related projects	Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $522.5 million, may be continued and expended during the 2025-27 biennium.	Section 23 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be $600 million, may be continued and expended during the 2025-27 biennium.	No changes from Senate
Exemption - Bowman radar system			The conference committee amendment adds a section to allow funding for the Bowman radar system to be carried over into the 2025-27 biennium.
Emergency	Section 24 declares the bill to be an emergency measure.	Section 24 declares the bill and House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure.	No changes from Senate