

1999 SENATE APPROPRIATIONS

SB 2363


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2363

Senate Appropriations Committee

Conference Committee

Hearing Date 1/29/99; Rehearing 2/10/99

Tape Number	Side A	Side B	Meter #
2	x		295-2156
2/10/99 2	x		2839-3197
Committee Clerk Signature 			

Minutes:

SENATOR NETHING: Opened the hearing on SB 2363; a BILL for an Act to provide for the establishment of a nonpoint source management program trust fund; to provide an appropriation; and to provide a continuing appropriation.

SENATOR AARON KRAUTER: District 35, to testify in support of SB 2363. This bill sets up a trust fund that can be utilized for access for Soil Conservation Districts to use as matching funds in some of the work that they do. Attached is a letter from the Slope-Hettinger Soil Conservation District with a starred paragraph indicating what they would be using the matched dollars for. (Attached) (tape 300-500).

DENNIS R. FEWLESS: ND Department of Health, Division of Water Quality, Director, to present information on SB 2363 (Attached) (tape 5000-680).

SENATOR JERRY KLEIN: District 14, to testify in support of SB 2363.

DAVE FRISON: Fessenden, to testify in support of SB 2363. The Environmental Protection Agency, Section 319 Program, provides federal dollars to states to address water quality issues. Most of the funds awarded to ND have been appropriated to local entities to support nonpoint source pollution control projects. Other sponsors may include County Water Resource Districts, County Commissions, and Cities. All Section 319 funds awarded require a 40 percent cash or inkind match from the project sponsors. The limiting factor for a sponsor to submit a project proposal is the ability to secure the local matching funds needed. With the passage of SB 2363, ND would assist in supplying funds to help meet the 40 percent required match. Implementation of the 319 program would help ensure future water quality in ND. (tape 711-832).

SENATOR SOLBERG: How is this bill going to address livestock adjacent to streams or rivers? Is this going to be monitored?

DAVE FRISON: Right now the strategies coming down from USDA are to concentrate on feeding operations. This is going to be a big push in the years to come. They're hoping by 2008 all animal feeding operations that hold cattle in a confined area for more 45 days will have a new change in a management plan associated that. Water quality is going to be a big issue in years to come.

SENATOR SOLBERG: We just heard a bill requesting \$1,400,000 to save agriculture and now we're going to get \$1M to do away with livestock production?

DAVE FRISON: It will not do away with livestock production.

FRANCIS SCHWINDT: Department of Health. These funds allow an individual producer like that, if there are water quality problems associated with the wintering operations or run-off from the fields, etc., to secure a source of funding to put in control mechanism to control the run-off from those particular areas. The federal funds provide 60 percent and the local/state share has to be the other 40 percent. This bill provides some funds to help the locals match. Those funds would be available to address those kinds of situations without making the full impact on the producer.

SENATOR SOLBERG: How far is this going to go in moving around the state to do all of these things? Very little if you're talking all livestock operations, not just 1,000 animal units. We're going to force these people out of business.

FRANCIS SCHWINDT: That's what we're trying not to do and addressing it on a voluntary basis, working in watersheds where we have a particular sponsor--soil conservation district, water management board, etc.,--where we can go in and address these on a watershed basis. So you can do an evaluation on a particular location, if there are problems you can put in some diversions, catchment pond, etc. It's not meant to force people out of business.

SENATOR NETHING: Will you review the funding again for me?

FRANCIS SCHWINDT: 60 percent of the funds come from the federal government, under section 319 of the clean water act. That's running approximately \$2-2.5M per year that we are receiving for those purposes. The state and local share is 40 percent.

SENATOR NETHING: How is that divided?

FRANCIS SCHWINDT: If there is a project at the local level in a watershed, we pass the 60 percent through from our department to the locals. The locals have to come up with the 40 percent match.

SENATOR NETHING: So, there is no state money in there now?

FRANCIS SCHWINDT: That is correct other than the money we use within the department for administrative purposes.

SENATOR NETHING: How much of this did you put in your budget request?

FRANCIS SCHWINDT: All we put in were the federal funds like we have in the past, I think that is a little over \$5M in our budget. Other than the matching we have within our shop, that matching is in our budget but none of the other local match is in our budget.

SENATOR NETHING: Was that an option or did you not support the program? Can you explain to me why it was left out of your budget.

FRANCIS SCHWINDT: It was left out because it historically has not been provided by the department. In trying to compete for general fund dollars, we thought it would be difficult to try to do that.

SENATOR KRAUTER: Explain to the committee--where do the local districts go to get their dollars to match this? That's why I understand this bill is here because they're struggling and we've got these problems with livestock producers that are being forced out because we can't sit down and manage with them. Where do they go to get their money?

FRANCIS SCHWINDT: They get their matching from a number of sources and Mr. Frison might be able to answer that question better because he's actually involved in doing a project. Typically if there is a project to put in, the local sponsor takes the federal dollars, gives that to the land owner, and the land owner comes up with the other 40 percent, as the match. It replaces or supplements some of those funds that used to come through USDA. So, one source is the local land owner who provides it when that project goes on his land. Another is the local funds that the water resource board or the soil conservation district raises within its district--whether it's a mill levy or whatever, those kinds of funds are used for matching.

SENATOR SOLBERG: Who determines if this operation is a source of pollution?

FRANCIS SCHWINDT: Primarily the Health Department if we're going to go in and require something to be done. But, in most of these projects we allow the local sponsor to go out and meet with the land owners and explore the situation. It's done on a voluntary basis.

SENATOR SOLBERG: Is that the water resource board?

FRANCIS SCHWINDT: It may be the water resource board, but more typically it is the soil conservation district. They have coordinators that work with the individual farmers on all types of conservation programs. This is used to supplement that.

SENATOR SOLBERG: Is there a standardization of this - from the federal, state level?

FRANCIS SCHWINDT: There aren't criteria mandated from the feds or the state level of nonpoint pollution. We have resisted this type of mandating, and instead focused on voluntary, education services.

SENATOR SOLBERG: Perhaps we should have a set of rules to ensure statewide standardization before the federal government imposes something.

FRANCIS SCHWINDT: I disagree. Each situation is different, you must address each land owner's land as it comes up. If you have some specific things, we're certainly willing to listen to those. To us, doing the cost sharing, designing the conservation practices that fit that particular operation and provide some cost sharing of those is a better way than developing criterion that everyone has to meet.

SENATOR NAA DEN: The Beaver Creek Watershed is in my district. I attended their meeting last spring and they didn't seem to talk about any other funding. When it comes down to the farmer he'll get so much for his work and then he ends up that last 20-40 percent he pays for himself. Is that the way it works?

FRANCIS SCHWINDT: Yes. A good share of the local match is made of up the cost sharing that the local land owner that has that particular project. He'll get 60 percent of putting in that particular project.

SENATOR NAA DEN: Is it like 'in-kind' work?

FRANCIS SCHWINDT: Yes. That is another source of funding I failed to mention would be 'in-kind'. If you would get the soil conservation districts, or the watershed boards, etc. have employees there and they're working on these kinds of projects and they're being funded through some other nonfederal source, they can use those funds and they have been using those funds as a match to provide the 40 percent local.

BILL PFEIFER: ND Chapter of the Wildlife Society, to testify in support of SB 2363. I am environmentally concerned. I would hope everyone here would be equally environmentally concerned when it comes to a pollution aspect, dealing number 1 with our drinking water. Certainly nobody has opposition to that sort of thing. I would hope you would accept the idea that the environmental community is favoring the agriculture community. It is working as a hand-in-hand situation, not as a restriction. Hopefully this can serve as a deterrent so that we don't get in a bind. In principle I think we are all environmentally concerned whether it be from herbicides, pesticides, animal waste, or whatever and making it a workable situation so we don't put someone out of business. (tape 2000-2140)

SENATOR NETHING: Closed the hearing on SB 2363. (tape 2156)

=====
2/10/99 (Tape 2839-3197)

SENATOR NETHING: Reopened the hearing on SB 2363.

SENATOR SOLBERG: Moved do not pass SB 2363.

SENATOR KRINGSTAD: Seconded the motion.

ROLL CALL: Yeas 11; Nays 3

Page 5
Senate Appropriations Committee
Bill/Resolution Number SB 2363.lwp
Hearing Date ~~1/29/99~~

2-10-99

MOTION CARRIED TO DO NOT PASS SB 2363.

Yeas: Nething; Naaden; Solberg; Tomac; Robinson; St. Aubyn; Grindberg; Holmberg;
Kringstad; Bowman; Andrist
Nays: Lindaas; Tallackson; Krauter

CARRIER: SENATOR NAADEN

SENATOR NETHING: Closed the hearing on SB 2363.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2363 Amendment to:

Requested by Legislative Council Date of Request: 1-20-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

Section 3 of this bill provides an appropriation of 1 million dollars from the general fund to set up a trust fund. The income from which can be used to match federal funds from the section 319 nonpoint pollution control program. The state's nonpoint source management program was established to maintain or improve the beneficial uses of North Dakota's water resources. The State Department of Health's 1999-2001 biennium budget has 5 million federal dollars available to local projects. These federal dollars must be matched with 40% state or local funds.

- 2. State fiscal effect in dollar amounts:

Table with 7 columns: 1997-99 Biennium (General Fund, Special Funds), 1999-2001 Biennium (General Fund, Special Funds), 2001-03 Biennium (General Fund, Special Funds). Rows: Revenues, Expenditures.

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: N/A
b. For the 1999-2001 biennium: -0-
c. For the 2001-03 biennium: N/A

- 4. County, City, and School District fiscal effect in dollar amounts:

Table with 9 columns: 1997-99 Biennium (Counties, Cities, School Districts), 1999-2001 Biennium (Counties, Cities, School Districts), 2001-03 Biennium (Counties, Cities, School Districts).

May benefit local project sponsors; e.g., Soil Conservation Districts and Water Resource Boards, in meeting their nonfederal matches requirement necessary to implement nonpoint source projects.

If additional space is needed, attach a supplemental sheet.

Signed [Signature]

Typed Name Robert A. Barnett

Department State Department of Health

Phone Number 328-2392

Date Prepared: 1-25-99

Date: 2/10/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2363

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By SEN SOIBERG Seconded By SEN KRINGSTAD

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas		✓			
Senator Tallackson		✓			
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter		✓			
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 11 No 3

Absent _____

Floor Assignment SEN NAADEN

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

REPORT OF STANDING COMMITTEE (410)
February 10, 1999 12:03 p.m.

Module No: SR-27-2454
Carrier: Naaden
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2363: Appropriations Committee (Sen. Nething, Chairman) recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2363 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

SB 2363

"CEDAR LAKE"
AN EPA NON-POINT SOURCE POLLUTION
WATER QUALITY PROJECT

LETTERS OF SUPPORT

SLOPE COUNTY WEED BOARD

CEDAR CREEK TOWNSHIP

DAKOTA WEST RC&D

US FISH & WILDLIFE

DUCKS UNLIMITED, INC.

ND SENATOR AARON KRAUTER

ND REPRESENTATIVE JAMES KERZMAN

ND GAME AND FISH - GAME DEPARTMENT

ND GAME AND FISH - FISHERIES DEPARTMENT

ROOSEVELT-CUSTER REGIONAL COUNCIL FOR DEVELOPMENT

SHEETS TOWNSHIP

NDSU EXTENSION SERVICE BOWMAN COUNTY

NDSU EXTENSION SERVICE SLOPE COUNTY

BOWMAN COUNTY FSA

BOWMAN HALEY ANGLERS ASSOCIATION

SLOPE COUNTY FSA

SLOPE COUNTY WATER RESOURCE BOARD

PHEASANTS FOREVER-CEDAR CREEK CHAPTER

CITY OF NEW ENGLAND

BOWMAN COUNTY WATER RESOURCE BOARD

2024
1/29/99

Testimony on Senate Bill No. 2363
by
Dennis R. Fewless, Director
Division of Water Quality
North Dakota Department of Health
701-328-5210

Congress acted on the need to expand the nation's pollution control efforts in 1987 when it included provisions to control nonpoint source (NPS) pollution in Section 319 of the reauthorized Clean Water Act. NPS pollution, as defined in the Act, is pollution caused by diffuse sources not regulated as point sources (e.g., municipal and industrial wastewater discharge). In more basic terms, NPS pollution can consist of a variety of contaminants (e.g., sediments, nutrients) that are delivered to surface waters by way of runoff or to groundwater aquifers by way of infiltration. Some common sources of NPS pollutants include urban streets and parking lots, construction sites, cropland, and livestock concentration areas. The addition of Section 319 to the Clean Water Act provided North Dakota the opportunity to obtain financial assistance for projects addressing the impacts of NPS pollution within the state.

As the lead state water quality agency, the North Dakota Department of Health is responsible for administration and implementation of the state's NPS Pollution Management Program. Since 1990, a majority of the state's Section 319 funds have been directed toward locally sponsored projects promoting voluntary NPS pollution control on agricultural lands (see attachments). These funds are generally used to implement various information/education activities and to provide the necessary financial and technical assistance to landowners implementing best management

practices (BMPs) on their farms. BMPs include practices such as conservation tillage, grassed waterways, crop residue use, integrated crop management, and livestock waste management. In recent years, Section 319 funding has also been used to support local initiatives to evaluate water quality conditions and determine sources and causes of NPS pollution within priority watersheds.

The amount of Section 319 funding awarded to local sponsors is based on the funding requests and total costs identified in the proposals. Up to 60 percent of all eligible project costs can be funded through the Section 319 program. The remaining 40 percent must be derived from nonfederal sources.

Local sponsors go to great lengths to obtain the necessary 40 percent local cost share for the Section 319 Program. Although the federal funds are included in the Department's budget for the next biennium, the Governor's budget request does not include any state matching funds to help with the 40 percent local share.

Local NPS Project Section 319 Funding Summary

A) Cumulative Section 319 appropriations to local projects for Fiscal Years 1990-1999:

Section 319 Funding	\$11,238,557
<u>Local Match</u>	<u>7,492,371</u>
Total Budget	\$18,730,928

B) Annual Section 319 appropriations for future years are expected to be approximately 2.0 to 2.4 million dollars. Acquisition of these federal funds will be contingent upon the number of local projects funding requests and matching fund availability.

C) Local Section 319 Project Sponsorship:

<u>Local Sponsor</u>	<u>Percent of Projects Sponsoring/Co-sponsoring</u>
Soil Conservation Districts	65%
Water Resource Districts	35%
RC&D Councils	15%
Other (Associations, State Agencies, etc.)	12%
Extension Service	9%

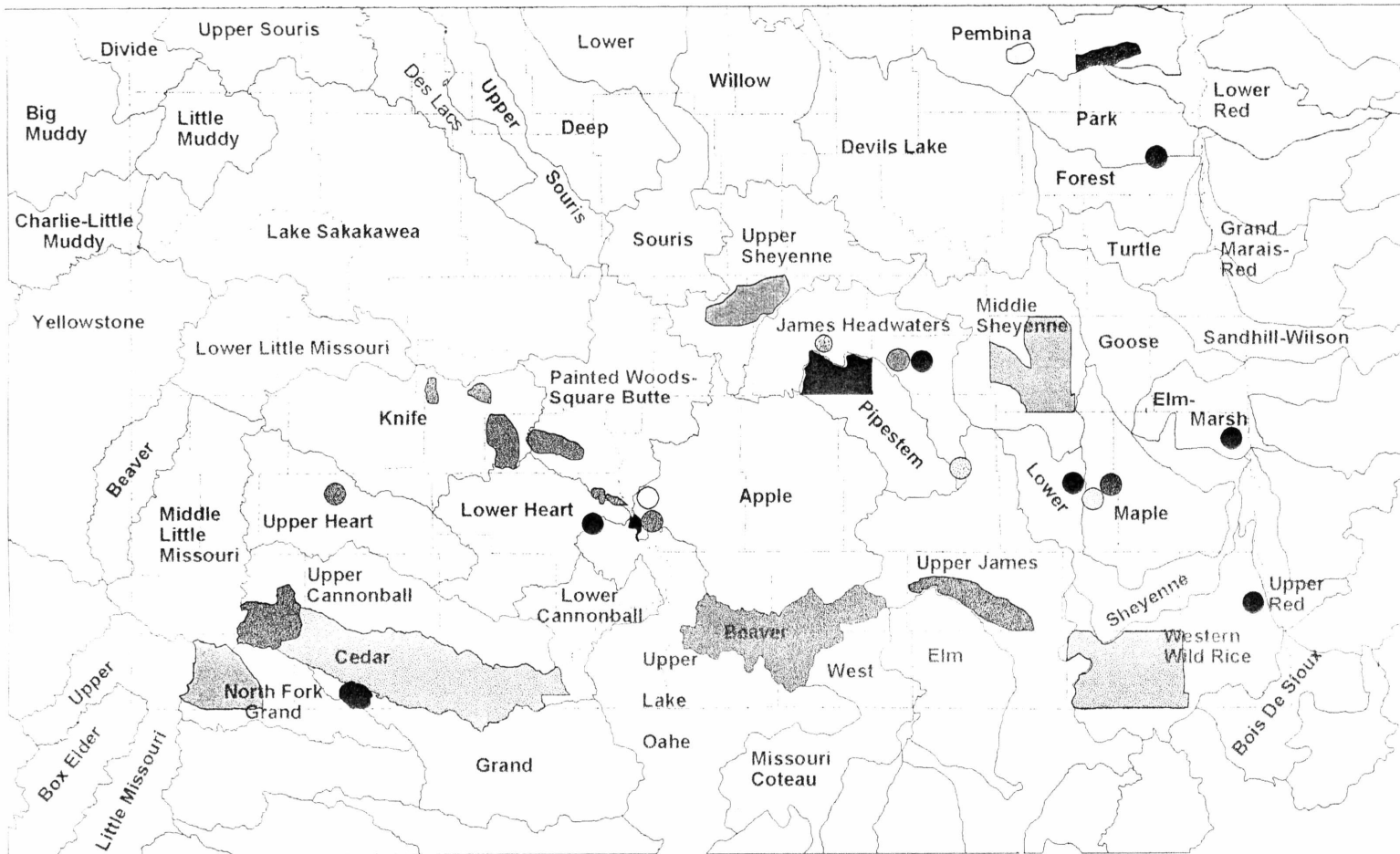
D) Active Projects Sponsored or Co-sponsored by SCDs:

<u>Project</u>	<u>Project Type</u>	<u>Sponsoring SCD</u>
Renwick Watershed	Watershed	Pembina SCD
Antelope Creek Watershed	Watershed	Mercer SCD *
Bowman/Haley Watershed	Watershed	Bowman/Slope SCD
Mulberry Creek Watershed	Watershed	Cavalier SCD
Pipestem Creek Watershed	Watershed	Wells SCD *
The Regional Environmental Education Series (TREES)	Education	Foster SCD
Upper Sheyenne Watershed	Watershed	Wells & Sheridan SCD's *

Sheyenne River Watershed in Griggs Co.	Watershed	Griggs SCD *
Statewide ECO ED Camp	Education	Barnes SCD
Cottonwood Creek Watershed	Watershed	LaMoure SCD
Livestock Waste Mgt. and Streambank Restoration Demo.	Education	Barnes SCD
Beaver Creek Watershed	Watershed	Emmons, Logan, McIntosh SCD's *
Cedar Lake Watershed	Watershed	Slope/Hettinger & Bowman/Slope SCD's
Square Butte Watershed	Development	Oliver SCD *
Cedar Creek Watershed	Development	Slope/Hettinger, Adams & Grant SCD's
Wells Co. Livestock Waste Management Demo.	Education	Wells SCD
Mirror Lake Watershed	Watershed	Adams SCD
Wild Rice Watershed	Development	Wild Rice SCD
Otter Creek/Crown Butte Watersheds	Development	Morton SCD *

* Co-sponsoring the project with the local Water Resource Board and/or other entities

Nonpoint Source Pollution Management Projects (As of 1-25-99)



- NDSU LIVESTOCK & SITE SPECIFIC & GIS DEMO
- STATEWIDE ECO ED
- PROJECT WET
- PROJECT TREES
- RED RIVER RIPARIAN
- BC SCD LIVESTOCK & RIPARIAN DEMO
- SOUTHWEST NPS I&E
- BMP ENGINEERING TEAM
- WELLS COUNTY LIVESTOCK DEMO
- NDSU AG EXT WASTE MGT DEMO

- | | | | |
|--------------|---------------------------|----------------------|-------------------------|
| BOWMAN-HALEY | WILD RICE RIVER | UPPER SHEYENNE RIVER | CROWN BUTTE OTTER CREEK |
| CEDAR CREEK | OTTER/SQUARE BUTTE CREEKS | RENWICK DAM | CEDARLAKE |
| BEAVER CREEK | GOODMAN/ANTELOPE CREEKS | SHEYENNE & BALDHILL | HAY CREEK |
| LAKE LAMOURE | PIPESTEM CREEK | MULBERRY CREEK | MIRROR LAKE |



Slope-Hettinger Soil Conservation District

319 Brown Avenue - P.O. Box 190
Mott, North Dakota 58646

B 2000
1/29/99

CA

January 26, 1999

Members of the Senate Appropriations Committee
C/O Senator Aaron Krauter
North Dakota State Senate Assembly
State Capital Building
Bismarck, ND 58601

Curtis Tews
Chairman
RR 1 Box 45
Reeder, ND 58649
(701) 563-4555

Dear Committee Members,

On Friday morning, January 29th, you will be holding a public hearing on Senate Bill #2363. This bill would establish a non-point source management program trust fund and further provide income from the trust fund be appropriated to the State Department of Health for making grants to local project sponsors.

Stuart Nielsen
Vice Chairman
Route 3 Box 6
New England, ND 58647
(701) 879-6375

Water is our most precious natural resource, essential to life, and the quality of that life. Unfortunately, it is often taken for granted. The quality of our State's water must be improved and sustained to provide a solid basis for a wholesome and prosperous future. Now is the time to act, and in Senate Bill #2363 you have that ability!

Thomas Teske
Route 2 Box 14
Scranton, ND 58563
(701) 275-8494

The Slope-Hettinger Soil Conservation District, in partnership with the Bowman-Slope Soil Conservation District, was recently granted EPA-319 funds for the Cedar Lake Watershed Project covering 133,000 acres in southwestern ND. Local support of this project is outstanding with twenty (20) letters of support on file (see attached list).



Dale Friedt
PO Box 114
Mott, ND 58646
(701) 824-3352

This is a great opportunity for local residents to voluntarily clean up the waters in Cedar Lake and the upstream tributaries. Their efforts will benefit not only themselves but also water users in the downstream Cannonball and Missouri River systems.

You can further support this most worthy of causes by funding Senate Bill #2363. This bill would provide these local projects with a much needed, often absent, ability to locally match the federal EPA grant monies. The local project entities must provide a 40% match on every dollar of project money spent, EPA provides the other 60%. If the match isn't there, the Federal money will lie idle until the match is obtained or the project expires.

Match money can come from any source, but not other Federal money. State and local government funds, and private donations of time and money from organizations and individuals are desperately needed. The funding appropriation in this Senate Bill would give ND residents a direct way to take stock in their water and help sustain the important water quality work that is occurring, not only in Cedar Lake, but across ND.

email:
Slope-HettingerSCD@
ND.nacnet.org

office: 701-824-3218
fax : 701-824-2082

North Dakota must protect the water to protect itself. Please help us and others take proper care of this most valuable resource and join us in supporting Senate Bill #2363! Thank you for your time and service.

Sincerely,

Slope-Hettinger Soil Conservation District
Curtis Tews, Chairman



"To provide effective locally-led conservation leadership through innovative, timely assistance for the people of Slope-Hettinger District, thereby, sustaining and enhancing a healthy resource base and an educated, informed community."

Wells County Soil Conservation District

January 28, 1999

Members of the Senate Appropriations Committee
North Dakota State Senate Assembly
State Capital Building
Bismarck, ND 58601

Dear Committee Members:

The Wells County Soil Conservation District supports Senate Bill No. 2363 for \$1,000,000 to establish a trust fund. The interest from this trust fund will be used to assist local sponsors to meet the 40% match required to maintain the EPA Section 319 watershed projects in North Dakota.

About 60 percent of North Dakota's river and stream miles are threatened or impaired by pollution. This has a direct impact on drinking water, recreation, wildlife, and aquatic life.

EPA Section 319 watershed projects provide an opportunity to off-set costs and thereby be an incentive for agricultural producers and urban dwellers to modify their land-use practices to reduce chemical and waste runoff into rivers and streams.

Thank you for your time and consideration.

Sincerely,

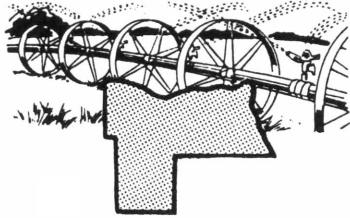


Paul Kirkeide, Chairman

Wells County Soil Conservation District Board
Paul Kirkeide, Chairman Mitch Lloyd, Vice-Chairman
David Lutt, Supervisor Loren Patrie, Supervisor
Robin Weisz, Supervisor

SB 2363
1/29/99

(3B)



Mercer County Water Resource Board

P.O. Box 488
Hazen, ND 58545

March 16, 1998

Dave Frison
Wells County Soil Conservation District
P.O. Box 7
Fessenden, ND 58438-0007

Dear Mr. Frison:

The Mercer County Water Resource Board has voted to support the request for state funding to assist North Dakota Soil Conservation Districts in securing Section 319 water quality projects.

We realize the importance of these projects in improving the water quality of North Dakota's streams and lakes; something that benefits the entire state and all its citizens.

Sincerely,



Gregory L. Lange

GLL/dp

SB 2363
3/29/99

31

MERCER COUNTY

SOIL CONSERVATION DISTRICT

1200 Hwy 49 N # 102

Beulah, ND 58523-0665

Phone (701) 873-2101 Fax (701) 873-4689

March 10, 1998

Dave Frison
Upper Sheyenne Watershed Project
Wells County Soil Conservation District
P O Box 7
Fessenden, ND 58438-0007

Mr. Frison:

The Mercer County Soil Conservation District Board of Supervisors supports the request for State funding to assist North Dakota soil conservation districts in securing 319 water quality projects.

Having dollars available to meet the matching funds requirement of an EPA 319 project would enable additional soil conservation districts to become involved in sponsoring watershed projects. Improving the water quality of North Dakota's streams, rivers and lakes should be a concern of all North Dakotans as improved water quality benefits all the State's residents.

Yours truly,



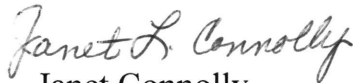
Ivan Ellwein
Chairman



Gerald Bauman
Supervisor



Elmer Sailer
Supervisor



Janet Connolly
Supervisor



John Klein
Supervisor

